

ASX RELEASE

22 May 2024

Strategic Placement and Board Appointment to Develop A1 Nova Gold Mine

Kaiser Reef Limited (ASX: KAU) (“Kaiser” or the “Company”) and **Ragnar Metals Limited (ASX: RAG) (“Ragnar”)** have entered into a Strategic Investment agreement. Ragnar has agreed to a placement of Kaiser shares at \$0.15 per share and will have representation on the Kaiser board. Current Ragnar Chairman, Steve Formica, has been appointed Non-Executive Chairman of Kaiser.

This strategic investment was entered following a period of due diligence by Ragnar, which focused on the commencement of mining at Kaiser’s A1 Nova Gold Project. The Nova Gold Project hosts high-grade gold mineralisation at unmined levels of the A1 Mine.

An updated presentation has been released on the ASX and Company websites, detailing the engineering, planning and geological assessment of the A1 Nova mine. The new mine development is expected to significantly increase high-grade gold production, marking a significant milestone as production transitions from the current remnant gold mining operation, which has been in operation for the past 40 years. The engineering plan will involve creating a modern engineered mine layout without the compromises faced by the current operations. Kaiser has invested approximately \$24 million in capital costs to access the Nova Gold Project, located below the remnant mine workings and has implemented significant power, fleet, and ventilation upgrades.

Capital from the placement will finance this final push and establish and deploy the dedicated Nova Gold Project team, which will work alongside but independently of the current mining crews until the Nova Gold Project is commissioned.

The Kaiser Board will be strengthened by appointing prominent and successful businessman Steve Formica as Non-Executive Chairman. Mr. Formica is an experienced mining executive who recently oversaw the development and divestment of Ragnar’s Tullsta nickel project to BHP Exploration Pty Ltd for approximately \$9.8 million.



The terms of Ragnar's strategic investment are:

- \$5,010,000 placement in Kaiser at 15c per share (no discount)
 - Tranche 1 of \$930,000 (6,200,000 shares and 3,100,000 unlisted options) to be issued using Kaiser's Listing Rule 7.1 capacity
 - Tranche 2 of \$4,080,000 (27,200,000 shares and 13,600,000 options) to be issued subject to Kaiser shareholder approval at a general meeting
 - Completion of Tranches 1 and 2 is to take place by 18 July 2024
- 1 Option for every 2 Shares issued, with a 22-cent exercise price and expiry date of 31 July 2028 (the exercise price representing a 47% premium to the last traded Kaiser share price of 15c)
- Ragnar will receive a 1.5% NSR on gold produced from the A1 Gold Mine for a period of 5 years commencing from 1 July 2025
- Ragnar will have the right to have a nominee representative appointed to the Kaiser board while it holds not less than 10% of the Kaiser shares on issue

Kaiser has also agreed, subject to shareholder approval, to issue 2,000,000 unlisted options exercisable at 25 cents, each expiring four (4) years after the date of issue to Mr Formica.

Steven Formica commented:

"On behalf of Ragnar, I am delighted to work with Kaiser as the company transitions from remnant production to the untouched Nova Gold Project. I have seen the enormous work Kaiser has invested in preparing for this transition, and I look forward to working with the Kaiser team on this highly leveraged opportunity. This opportunity provides Ragnar shareholders with diversity and exposure to gold as we advance our critical minerals exploration work in Sweden."

Jonathan Downes commented:

"The funds will be applied to a development-focused second team that will execute the inaugural development of the Nova Gold Project. Drilling results and geological modelling have shown that the high-grade reef system continues beyond the levels historical miners could not reach with grades returned from drilling exceeding 50 g/t gold (ASX release 30/10/2023). Accessing the Nova Gold Project is a goal that Kaiser has been working towards over the past two years, and it is an extremely exciting development. Production is expected to increase, with the cost base of the operations having a substantial fixed component. This initiative is expected to be the Game Changer our shareholders have patiently awaited."

A presentation detailing the Nova Gold Project is attached.



This release has been jointly made by Kaiser Reef Limited and Ragnar Metals Limited.

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Future Performance

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