



Kaiser Reef Limited
ASX: KAU

Shares on Issue
114,898,877

Directors & Management

Chairman
Adrian Byass

Executive Director
Jonathan Downes

Executive Director
Stewart Howe

Non Executive Director & Company Secretary
David Palumbo

Principal Place of Business
Unit 3, Churchill Court
335 Hay Street
Subiaco WA 6008

Registered Office
Level 11
216 St Georges Terrace
Perth WA 6000

T 08 9481 0389
E admin@kaiserreef.com.au
W kaiserreef.com.au

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Company Announcements
Australian Securities Exchange
Level 40, Central Park,
152-158 St Georges Terrace
PERTH WA 6000

Kaiser Commences Decline Development and Transitions to Owner Operator

Kaiser Reef Limited (**Kaiser, KAU** or the **Company**) is pleased to announce an operational update for the high-grade A1 gold mine. Kaiser effectuated the DOCA in late January and has been in a process of terminating high-cost equipment hire contracts covering portions of the mining fleet. This is important as operations restarted in January and the Company is now embarking on decline development to access the Queens Lode. Recent drilling success at A1 (26 March 2021) has provided the support for the Company to embark on this next phase of operations.

Owner Operator

To optimise operational activity at A1, the final equipment hire agreement covering mining fleet has been terminated to take full ownership of the mining equipment (including some typical items shown in Figures 1 & 2). This transition complements the existing wholly owned equipment currently on site and in operation. This is an important step as Kaiser moves to achieve lower operating costs as well as secure the required equipment to commence the ramp-up to mechanical mining of the Queens Lode in the coming months.

Some of the recent equipment purchased includes:

1. 1x Caterpillar R1300 Underground Loader
2. 2x Elphinstone R1700 Underground Loader
3. 1x Elphinstone R1700 Underground Loader
4. 1x Kempf Diamond Drill
5. 1x Jumbo Twin Boom Drill



Figure 1: Twin Boom Jumbo



Figure 2: Underground Loader

Decline Commenced

Kaiser is also pleased to report that the first cut has been made to advance the decline towards the Queens Lode. The Queens lode is currently the subject of an infill drilling program and has so far indicated wide lodes of mineralisation that remains open to the South and at depth. This style of mineralisation has been mined previously and provides a larger tonnage source of ore than provided by the narrow-vein lode currently being mined.

Kaiser began a programme of underground drilling in late December 2020 immediately prior to handover in late January. The drilling programme has most recently provided encouraging broad results, as planned from the Queens Lode of mineralisation with the two most recent holes, as announced on 26 March 2021, from the Queens Lode returning:

- A1UDH-419: **7.4m @ 6.04 g/t Au** from 18m and;
8.5m @ 9.26 g/t Au from 58m

(within a broader zone of **21.0m @ 5.03 g/t Au**)

- A1UDH-417: **7.4m @ 3.60 g/t Au from 13.7m**
- A1UDH-413: **0.6m at 67.9 g/t Au** from 13.5m (not the Queens Lode)

The Queens Lode mineralogy has a greater thickness hosted by intense mineralisation that lends it to mechanical mining styles. The first results from the Queens Lode drilling are encouraging and have the potential to support an increased production profile in line with Kaisers internal planning.

For further information please contact: admin@kaiserreef.com.au

Authorised by:
Jonathan Downes
Executive Director

Competent Persons Statement

The information included in this report that relates to Exploration Results & Mineral Resources is based on information reviewed by Ms Elizabeth Laursen (B. ESc Hons (Geol), GradDip App. Fin., MSEG, MAIG), a contractor of Kaiser Reef Limited. Ms Laursen has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Ms Laursen consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Competent Persons Disclosure

Ms Laursen is a contractor of Kaiser Reef Limited and currently holds securities in the company.

Future Performance

This announcement may contain certain forward-looking statements and opinion. Forward-looking statements, including projections, forecasts and estimates, are provided as a general guide only and should not be relied on as an indication or guarantee of future performance and involve known and unknown risks, uncertainties, assumptions, contingencies and other important factors, many of which are outside the control of the Company and which are subject to change without notice and could cause the actual results, performance or achievements of the Company to be materially different from the future results, performance or achievements expressed or implied by such statements. Past performance is not necessarily a guide to future performance and no representation or warranty is made as to the likelihood of achievement or reasonableness of any forward-looking statements or other forecast. Nothing contained in this announcement nor any information made available to you is, or and shall be relied upon as, a promise, representation, warranty or guarantee as to the past, present or the future performance of Kaiser.