

ASX RELEASE | 30 JULY 2024

Quarterly Activities Report

Period Ending June 2024

Kaiser Reef Limited (ASX: KAU) ("Kaiser" or the "Company") is reports on its activities and cash flow for the quarter ending 30 June 2024.

Quarterly Production and Exploration Highlights

Production Summary

- Gold Revenues: \$4.6M
- Production Costs: \$4.5M
- Gold Produced: 1,330 ounces
- Gold Head Grade (recovered): 5.4 g/t gold
- Gold Price Realised: AUD\$3,539/Oz
- Gold Recovery (%): 94.2%

Highlights

- Decline and other development works dominated the mining activities and on schedule to access the Nova mineralisation at Kaiser's high-grade A1 Gold Mine
- Majority of production was derived from Development Ore during the quarter, resulting in lower grades than normal production run of mine ore. Grades (for the week ending 27 July) are running at approximately 9 g/t gold
- Access developed to the Dukes Reef which has returned high grade gold results and is expected to contribute to the September quarterly production schedule
- Strategic \$5m placement with Ragnar Metals to develop A1 Nova Gold Mine, with Steve Formica appointed as Non-Executive Chairman
- Maldon gold processing plant upgrades to improve overall gold recovery, enhance and smooth cash flow

Kaiser Reef

Kaiser Reef is an Australian gold mining company operating with a focus on expanding the high-grade A1 Gold Mine in Victoria. The company wholly owns the high-grade A1 underground gold mine as well as the historic Maldon goldfield in Victoria, coupled with the associated gold processing plant.

Nova Decline Commenced

During the quarter, the Company's Nova access production ramp up strategy commenced at the A1 Gold Mine. The mining activities were heavily development focussed, with the majority of the mined ore derived from development ore during the quarter.

The quarterly development production was 145.3 metres compared with the previous quarters 60.8 metres, representing an increase in production of 239% and was supplemented with various other capital works in preparation for increased production and ventilation.

The Nova Gold Project hosts high-grade gold mineralisation at unmined levels of the A1 Mine. The 23 Level of the A1 Mine is the extent of historical workings. This new mine development will surpass the 23 Level and is expected to contribute to increased high-grade gold production, marking a milestone as production transitions from the current remnant gold mining operation.

Development ore is substantially lower grade than typical production ore. Grades are (for the week ending 27 July) running at approximately 9 g/t gold.

Dukes Reef Development

During the quarter, Kaiser developed access to the Dukes Reef within the A1 Gold Mine which was partially historically mined. The Dukes Reef returned average grades >15 g/t gold in defined high-grade zonation shoots within the reef. A development drive is being implemented along the length of the Dukes Reef to facilitate mechanised exploitation. This is an implementation of modern mine planning that will facilitate an increase in overall production. The reef is strongly formed, and it is expected to contribute to the September quarterly production schedule.

The Company has accessed the Dukes Reef via a southerly strike drive at the 1190mRL Level which is located between historic Levels 22 and 23. Grade in the 1190 Level is supplemented by periphery dyke breccias and gold bearing disseminated sulphides within the host dyke that are on the periphery of the reef structure.

The Dukes Reef has returned high grade results, with broken stockpile sampling up to 49 g/t gold and the central portion of the quartz vein returning grades up to 18.1 g/t gold. The Dukes Reef will be subjected to long hole stoping between the two historic levels where there are unmined resource blocks of Dukes Reef. This will be scheduled once the delineation of high-grade shoots is completed on the strike drive.

Maldon Gold Project

During the quarter, the Company successfully completed Phase 1 of the drilling program at its 100% owned Maldon Gold Project, with a primary focus on exploring depth extensions to the historical Nuggetty Mine, known for producing 301,000 ounces of gold at an impressive grade of 187g/t. During the drilling campaign, mineralisation was encountered, highlighted by a notable intercept of 0.3m @ 22 g/t gold.

While the drilling process faced challenges, including deviations from the planned trajectory due to natural rock formation variations and encountering unreported historic underground workings, Kaiser remains encouraged by the results obtained from the program. Significant quartz reefs and promising gold grades, such as 0.46m @ 205 g/t gold and 2.2m @ 10.3 g/t gold, are recorded on the same target areas.

Looking ahead, Kaiser intends to direct its efforts towards further exploration down plunge from the Nuggetty mine workings, focusing on areas with a high level of confidence in mineralisation based on historic drilling data. The company emphasises the continued exploration potential and prospectivity of the Maldon Goldfield, underscoring its commitment to advancing the project.

Furthermore, Kaiser highlights the diverse opportunities present within the Maldon Goldfield, characterised by high-grade mineralisation resulting from the interaction between Victorian sedimentary-hosted gold and the Harcourt Granodiorite intrusive unit. The mineralisation typically occurs in sub-vertical high-grade shoots, offering potential for conventional mechanised mining methods in the future.

In addition to the Nuggetty Gold Mine, Kaiser has identified three other primary targets within the Maldon Goldfield, including the Union Hill Gold Mine, the German Reef, and regional exploration opportunities. These targets showcase significant historical gold production, existing resource bases, and untapped potential for future exploration and development, setting the stage for continued progress and discovery within the Maldon Goldfield.

Strategic \$5 Million Placement & Board Appointment

On 22 May 2024, Kaiser announced that it had entered into a strategic investment agreement with Ragnar Metals Limited (ASX: RAG) ("Ragnar"). Ragnar agreed to a \$5 million strategic placement of Kaiser shares at \$0.15 per share and representation on the Kaiser board. The Ragnar Chairman, Steve Formica, was 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.

During the quarter, an updated presentation was 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 the ore source at the operation for the past 40 years. The engineering plan involves creating a modern engineered mine layout without the compromises faced by the current operations. Kaiser had invested approximately \$24 million in capital costs to access the Nova Gold Project, located below the remnant mine workings, and had implemented significant power, fleet, and ventilation upgrades.

Capital from the placement financed this final push and established and deployed development work alongside the current mining crews.

The terms of Ragnar's strategic investment are:

- \$5,010,000 placement in Kaiser at \$0.15 per share
 - 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 which was held on 10 July 2024
 - Completion of Tranches 1 and 2 was achieved on 17 July 2024
- 1 Option for every 2 Shares issued, with a \$0.22 exercise price and expiry date of 31 July 2028 (the exercise price represented a 47% premium to the last traded Kaiser share price of \$0.15)
- 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 has 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 also agreed, subject to shareholder approval and the terms of letter of appointment between Mr Formica and the Company, to issue 2,000,000 unlisted options exercisable at \$0.25 each, expiring 12 July 2028.

Corporate Activity - Divestment of NSW Exploration Assets

On 25 June 2024, Kaiser that it had entered into an agreement to divest its NSW exploration assets for a total consideration of up to \$3.625 million.

The assets being divested by the Company are the Stuart Town group of tenements (Figure 1) and the Macquarie North tenements (Figure 2), collectively known as the Projects.

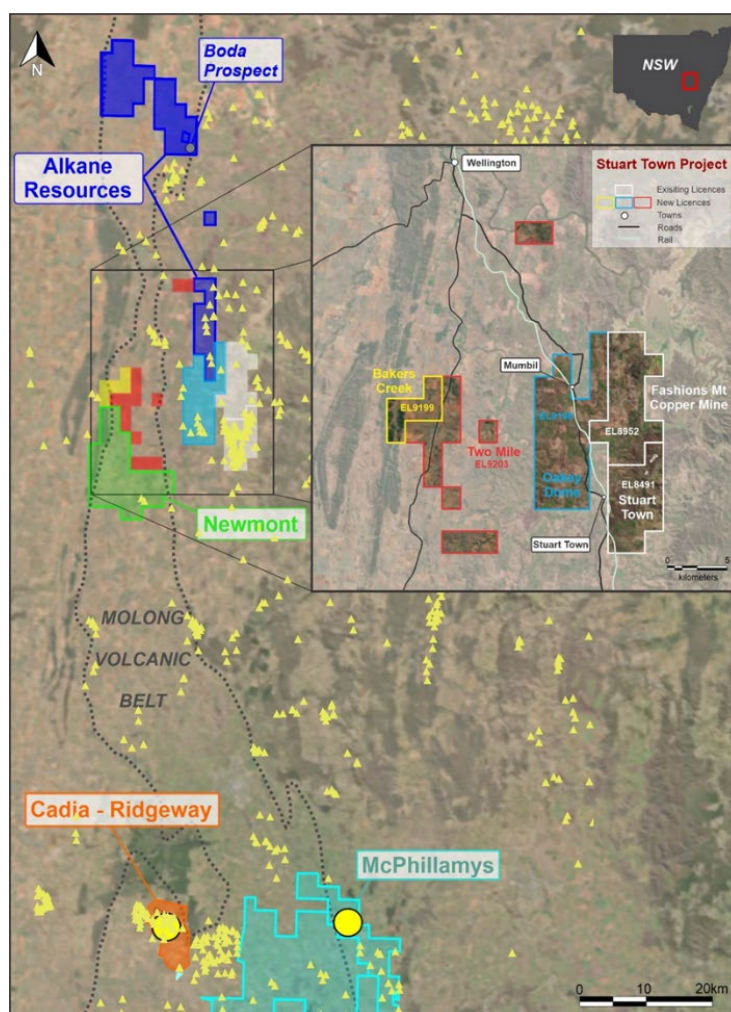


Figure 1: The Stuart Town Project in relation to the Boda and Cadia gold projects and gold mineral occurrences

The acquirer is HearMeOut Limited (HMO), an unlisted public company proposed to be renamed Resolve Exploration Ltd. HMO intends to lodge a prospectus in the 3rd quarter of 2024 to re-list on the ASX.

While Kaiser recognised the excellent gold exploration potential of these tenements, the Company has opted to concentrate on immediate gold mining growth opportunities within its wholly owned Victorian production and exploration assets. Kaiser will maintain a 20% free carried interest in the Projects until a Decision to Mine is reached.

Subject to satisfaction, including due diligence, ASX Approvals, HMO completing a capital raising and various regulatory approvals, the following Consideration will be payable to Kaiser:

- \$25,000 Exclusivity Fee;
- \$1,100,000 in Scrip in HMO;
- \$500,000 reimbursement for past exploration; and
- Up to \$2,000,000 in performance rights in HMO based upon success hurdles that include resource definition and decisions to mine.

The potential benefits of the proposed transaction include:

- Enabling a stronger focus on developing the A1 Gold Mine
- Receipt of Consideration Securities in a company seeking an ASX listing
- Supporting growth and progress of the Projects in a dedicated minerals exploration entity
- Removing the expenses associated with maintaining the Projects
- Engaging in a relatively straightforward and cost-efficient deal to unlock the value in the projects

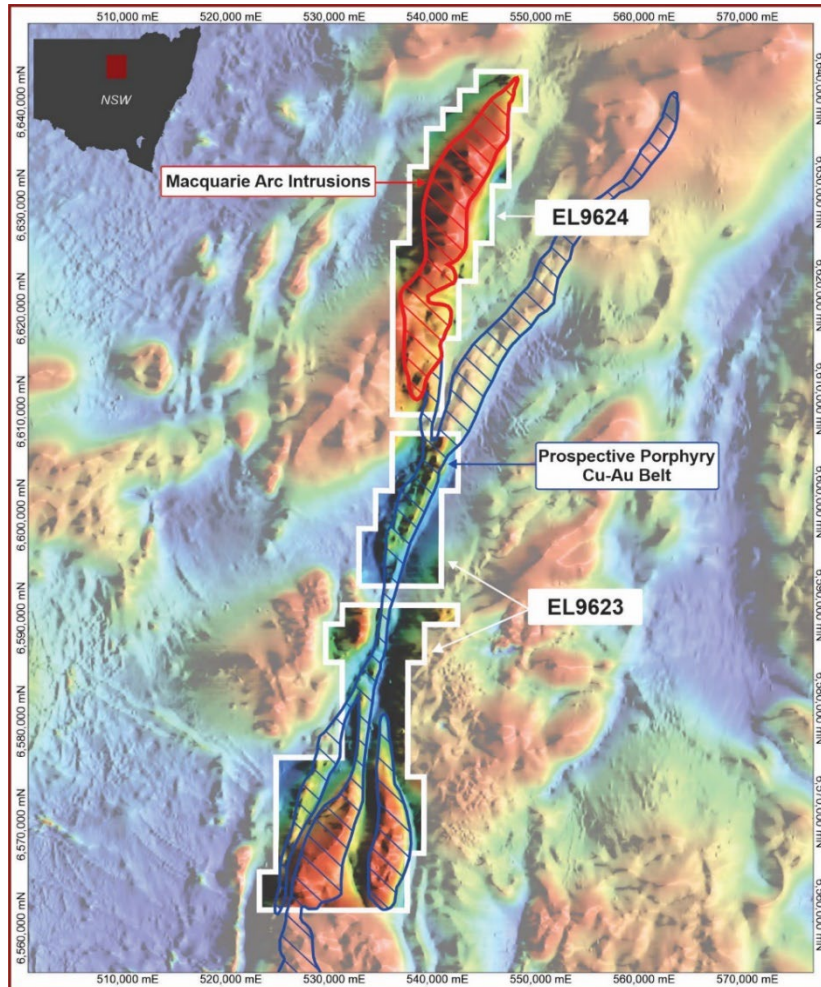


Figure 2: Macquarie North tenements over magnetics

Changes to the Board of the Company

The Kaiser Board was strengthened during the quarter 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.

Mr Byass, a founding Director of Kaiser, resigned as non-executive Chairman, effective 8 May 2024 to focus on and pursue other interests.

Finance (unaudited)

During the June 2024 quarter, Kaiser sold 1,297 ounces gold at an average realised gold price of AUD\$3,539/ounce. Kaiser remains relatively debt free¹ and has not entered into any gold hedging agreements.

Total cash held at bank as of 30 June 2024 was \$1.076M excluding \$0.85M restricted cash.

Payments to related parties of the entity and their associates

The Company's Quarterly Cashflow Report (Appendix 5B) follows this activities report. The total amount paid to related parties of the Company and their associates, as per item 6.1 of the Appendix 5B was \$204k and includes the payments to directors for fees paid during the Quarter.

Investor Engagement

During the quarter, Managing Director Jonathan Downes presented the Kaiser Reef story to the Melbourne capital markets and investors at the NWR Melbourne Resources Lunch. The presentations are available in the Investor Presentation section of the Company's website.

-ENDS-

This announcement was approved for release by the Board of Kaiser Reef Limited.

For further information please contact

Company

Jonathan Downes

E. jonathan.downes@kaiserreef.com.au

Investor Relations

Melissa Tempra

E. melissa@nwrcommunications.com.au

About Kaiser Reef Limited

Kaiser Reef is a high-grade gold producer and exploration company with a clear focus on gold within the Lachlan Fold Belt. This spans across the border through NSW and into Victoria and has been a major gold producing region for Australia since the mid 1800's.

¹ Kaiser has a modest lease purchase agreement as detailed in March 2024 Quarter and June 2024 Quarter Appendix 5B reports. Together with insurance premium funding in June 2024 Quarter which allows the company to pay its insurance premium monthly.

Competent Persons Disclosure

The information included in this report that relates to Exploration Results is based on information compiled by Shawn Panton (B.Sc (hons) (Geology/Earth Science), M.B.A Ex. an employee of Kaiser Reef Limited. Mr Panton 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. Mr Panton consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Mr Panton 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 Reef.

JUNE 2024 QUARTER – ASX ANNOUNCEMENTS

This Quarterly Activities Report contains information extracted from ASX market announcements reported in accordance with the 2012 edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (2012 JORC Code). Further details (including 2012 JORC Code reporting tables where applicable) of exploration results referred to in this Quarterly Activities Report can be found in the following announcements lodged on the ASX:

Date	Announcement
26/06/2024	Nova Decline and Dukes Reef
25/06/2024	Divestment of NSW Assets
22/05/2024	Investor Presentation
22/05/2024	Business Initiative, Placement and Director Appointment

The ASX announcements made during the quarter are available for viewing on the Company’s website www.kaiserreef.com.au under Investors tab. Kaiser confirms that it is not aware of any new information or data that materially affects the information included in any original ASX announcement.

COMPLIANCE STATEMENT

This report contains information extracted from reports cited herein. In relying on the above ASX announcements and pursuant to ASX Listing Rule 5.23.2, the Company confirms that it is not aware of any new information or data that materially affects the information included in the abovementioned announcements or this Quarterly Report for the period ended 30 June 2024 and to date. All material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

Tenement information as required by the Listing Rule 5.3.2

SCHEDULE OF INTEREST IN MINING TENEMENTS				
Project	Tenement Number	Location of Tenement	Beneficial interest held at end of the quarter	Change in holding during the quarter
Stuart Town	EL8491*	New South Wales	100%	-
Stuart Town	EL8952*	New South Wales	100%	-
Stuart Town	EL9203*	New South Wales	100%	-
Stuart Town	EL9198*	New South Wales	100%	-
Stuart Town	EL9199*	New South Wales	100%	-
Macquarie North	EL9623*	New South Wales	100%	-
Macquarie North	EL9624*	New South Wales	100%	-
A1	MIN5294	Victoria	100%	-
Maldon	MIN5146	Victoria	100%	-
Maldon	EL8215	Victoria	100%	-
Maldon	MIN5528	Victoria	100%	-
Maldon	EL7029	Victoria	100%	-

*Subject to divestment – refer to ASX announcement dated 25 June 2024.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Kaiser Reef Limited

ABN

38 635 910 271

Quarter ended ("current quarter")

30 June 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	4,597	23,722
1.2	Payments for		
	(a) exploration & evaluation		
	(b) development		
	(c) production	(2,231)	(11,474)
	(d) staff costs - production	(2,253)	(10,307)
	(e) staff costs - corporate	(350)	(1,210)
	(f) administration and corporate costs	(354)	(903)
1.3	Dividends received (see note 3)		
1.4	Interest received	4	23
1.5	Interest and other costs of finance paid	(12)	(27)
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
1.8	Other (provide details if material)		
1.9	Net cash from / (used in) operating activities	(599)	(176)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements	(9)	(94)
	(c) property, plant and equipment	(212)	(879)
	(d) exploration & evaluation	(164)	(1,281)
	(e) investments		
	(f) other non-current assets – capital development	(1,155)	(2,904)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(1,540)	(5,158)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		3,475
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		(240)
3.5	Proceeds from borrowings	140	303
3.6	Repayment of borrowings	(162)	(353)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	(22)	3,185

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,237	3,225
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(599)	(176)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,540)	(5,158)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(22)	3,185

Consolidated statement of cash flows		Current quarter \$A'000	Year to date \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	1,076	1,076

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,076	3,237
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,076	3,237

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(204)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

6.1 Comprises Director's fees paid during the quarter.

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	(303)	(140)
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	Total financing facilities	(303)	(140)
7.5	Unused financing facilities available at quarter end		(218)
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. Lender: De Lage Landen Pty Ltd Amount: \$162,863.64 Interest: 7.95% per annum - fixed Maturity date: 27 February 2027 Security: equipment purchased Lender: Attvest Finance Pty Ltd Amount: \$358,533.86 (only drawn monthly) Interest: 3.96% per annum - fixed Maturity date: 31 December 24 Security: unsecured		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(599)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(164)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(763)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,076
8.5	Unused finance facilities available at quarter end (item 7.5)	
8.6	Total available funding (item 8.4 + item 8.5)	1,076
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.41
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions: 8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not? Answer: Yes	

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: The company has secured strategic investment placement of \$5,010,000 (before costs) as announced on 22 May 2024 and following a General Meeting of shareholders held on 10 July 2024. The strategic placement funds were received and securities issued subsequent to 30 June 2024.

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes, for the reasons stated above.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date:30 July 2024.....

Authorised by: By the Board of Kaiser Reef Limited.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.