ASX RELEASE
22 February 2022

Production Increasing and High Grade Lodes

HIGHLIGHTS

- **Commercial production at the Queens Lode commences**
- **The last 4 weeks of mined grade returned 20 g/t gold with an estimated 98% gold recovery, after milling and processing**
- **Queens Lode Production to form 2022 baseload with continuing high grade airleg production**

Kaiser Reef Limited (**ASX: KAU**) ("**Kaiser**" or the **"Company"**) is pleased to announce a further significant milestone since the announcement of reaching operationally profitable production in the last quarter. Kaiser has commenced mechanised production from the Queens Lode as part of the continuing production ramp-up. The increased production from the Queens Lode will form a production baseload for 2022 and will be supplemented with continuing high grade airleg production.

Figure 1: Kaiser employees charging the first production hole of the Queens Lode ore body, with firing recently completed.

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Kaiser's Managing Director, Jonathan Downes, said: "*We are very pleased to commence commercial mining at the Queens Lode- a lot of exploration and development work was required to get to this point and it is a testament to the determination of the team. In addition, achieving a 20 g/t gold head grade delivered to the mill is a great outcome. As we reach lower levels in this mine, we can expect to see increasing amounts of this high-grade material which is also very exciting.*"

Commercial mining of the Queens Lode is now being conducted from the 1260mRL and the decline has been extended to the 1250mRL. The Queens Lode is expected to deliver a substantial increase in mined tonnes but at a lower head grade.

Kaiser is also pleased to report the increased production from high grade lodes at the 1280mRL and these are delivering a strong increase in head grades. These areas have only become accessible to Kaiser through the extension of the decline which commenced in mid-2021. This is reflected in production from the 4 weeks up to 13 February, where the gold feed grade at the plant was estimated at 20.0 g/t gold with an estimated 98% gold recovery, after milling and processing.

Encountering previously unmined lodes is a pleasing trend which the Company believes will continue as the operations approach a depth in the mine that has seen progressively less historic mining. Ultimately, an increase in grade is anticipated when the historic mining limit is reached, bearing in mind that the historic recovered grade of approximately 26 g/t gold (Figure 2).

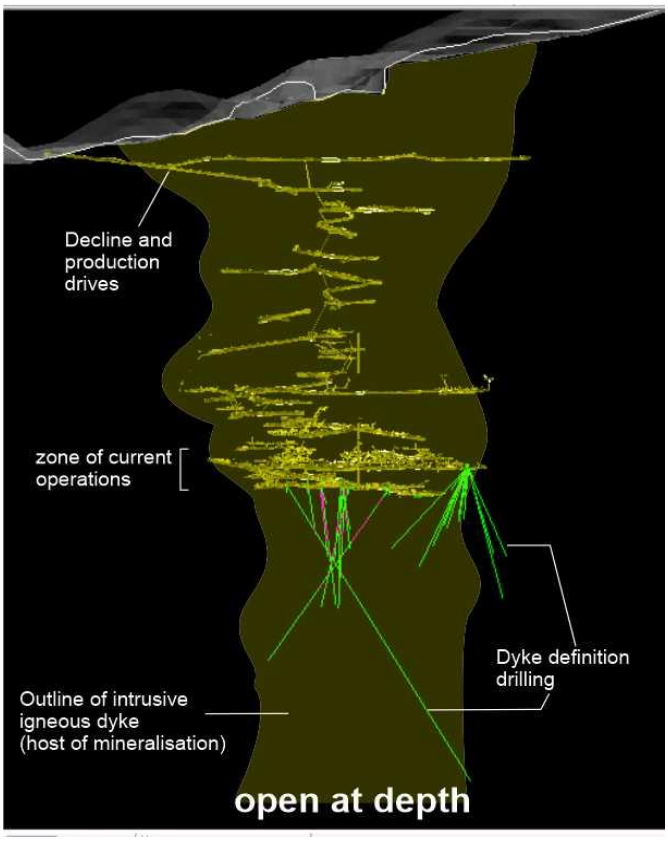

Figure 2: Deep drilling, shown in green, indicating the continuation of the diorite host rock to the A1 mineralisation continues well past the extent of historic mining, marked in yellow.

The A1 Mine commenced operation in 1861 and is a significant high-grade asset that remains open to further mineralisation at depth. The mining team, working under Tom de Vries, have worked hard to deliver this solid result and remain focussed on future expanded production.

The recent excellent grades have resulted in record gold production for Kaiser (Figure 3). The strong gold price is also providing additional support and has now exceeded AUD$2600 per ounce.

Figure 3: Dylan Morgan (Mill Manger) and Norm Thomas (Plant Superintendent) with a record gold pour of 30.17 kg of gold ore (~92% pure gold).

The high-grade vein mineralisation, the mainstay of the A1 Mines historic production, do not lend themselves to ready estimation under the JORC Code and this limits Kaiser's ability to provide guidance and reserve figures. Nevertheless, Kaiser remains comfortable for the ongoing production potential with the historic mine production providing guidance.

The Maldon Goldfield

Drilling is continuing at the high-grade Maldon goldfield where ongoing positive results underpin Kaiser's vision to become a multi-mine high grade gold producer.

Maldon is located between Bendigo and Ballarat in the Victorian Goldfields and the licence area has produced over 1.74M ounces of gold at 28 g/t (Figure 4). Maldon is host to one of Australia's highest grade historic gold mines, the Nuggety Reef, that produced 301,000 ounces of gold at 187 g/t gold.

One of the Maldon's key attributes is the extensive existing infrastructure and proximity to Kaiser's gold processing plant (3km away). Rapid low-cost development could be implemented with the existing mining fleet owned by Kaiser and operated by the experienced mining team for minimal capital cost.

Kaiser considers the productive high grade historic Maldon goldfield to be underexplored and extremely prospective. Exploration at Maldon is a high priority objective for Kaiser. Drilling commenced early during the December 2021 Quarter, targeting prospective potential ore shoot extensions. The underground drilling rig concluded exploration drilling at the A1 Mine and has since commenced drilling at underground locations at Maldon. Drilling has initially targeted the projected extensions to historic high-grade mineralisation at the Eaglehawk reef, one of Maldon's largest high grade and largest historic mines. It is planned to return to A1 once this programme has been completed and will continue to work at A1 whilst results are processed from Maldon.

The Kaiser owned Maldon goldfield produced 1.74 million ounces of gold at an average grade of 28 g/t gold[1] on a granted mining lease close to the 100% owned, permitted and operating plant which is currently treating ore from the wholly owned high-grade A1 gold mine.

Maldon has some distinct exploration and development advantages including an established and serviced decline which allows excellent underground access for drilling high-grade shoots and is currently facilitating the underground drilling and future potential mining.

Some of the historic high-grade gold results returned from Maldon that require follow up include:

- **0.90m @ 103.0 g/t gold**
- **2.73m @ 42.2 g/t gold**
- **2.75m @ 22.6 g/t gold**
- **0.44m @ 205.0 g/t gold**
- **2.00m @ 58.0 g/t gold**
- **0.83m @ 80.0 g/t gold**
- **3.55m @ 11.9 g/t gold**
- **2.95m @ 18.5 g/t gold**
- **0.85m @ 114.6 g/t gold**
- **1.80m @ 29.6 g/t gold**
- **2.30m @ 12.5 g/t gold**
- **1.0m @ 45.5 g/t gold**

[1] Not including alluvial/placer production.

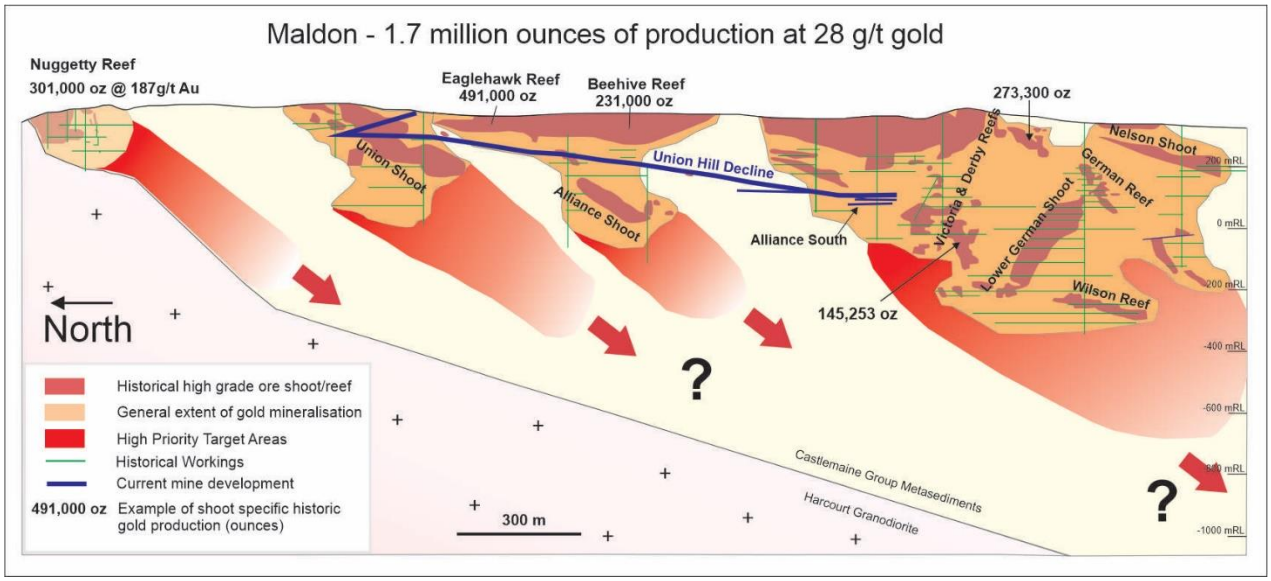

Figure 4: Long section of the Maldon gold field – showing location of the Nuggety Reef to the North.

This announcement has been authorised for release to the market by Managing Director, Jonathan Downes.

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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 Centennial Mining 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.

Kaiser Reef Limited

Union Hill Drilling – February 2022

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• All sampling results reported are from diamond drilling collared in underground mine development in the Union Hill Mine (MIN5146). • Whole core was submitted for sampling. The samples were dried, crushed and pulverised, then fire assayed (30g charge) for Au at the NATA accredited Gekko Laboratory at Ballarat. • All samples were dried, crushed and pulverised, then fire assayed (30g) for Au at the NATA accredited Gekko Laboratory. • QAQC protocols in place include the insertion of blanks and standards inserted at random or at more selective intervals such as immediately after samples of visible gold intersections, and insertion of higher-grade standards within samples from high grade zones.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	• The most rent holes being reported are diamond drill holes from an LM90 (electrically powered rig). • Previously reported drilling was from a compressed air operated rig known as a Kempe. • The most recent Diamond drilling was completed by DRC using an LM90 rig. The core diameter drilled was NQ-2 (50.6mm), with the core orientated using a Reflex ACT II orientation tool. • Kempe Diamond drilling was completed by Core Prospecting using a Kempe drill rig. The core diameter drilled was LTK-48 (35.3mm), with the core orientated using a Reflex ACT II orientation tool. • The LM90 rig used a wire line process to recover core from the barrel. • The Kempe rig used the conventional drilling process to recover core from the barrel.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain*	• RQD and recovery data are recorded in the geology logs for all drilling being reported. • Core loss is recorded by drillers on run sheets and core blocks placed in core trays. • Core runs were generally shorter due to the nature of the drilling process and ground conditions.

Criteria	JORC Code explanation	Commentary
	of fine/coarse material.	• No significant sample loss has been correlated with a corresponding increase in Au grade.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* • *The total length and percentage of the relevant intersections logged.*	• All holes reported have been logged in full, including lithology, mineralisation, veining, structure, alteration, and sampling data. • Logging methods include both qualitative and quantitative parameters in assessing the prospectivity of the Eaglehawk Quartz reef east of the Union Hill decline development. • All core has been photographed before sampling. • The recent program targeting the Alliance South Shoot was drilled in close proximity several historic surface collared holes with high grade intersections in the Eaglehawk Reef. • The previously reported Kempe program was infilling between existing historic holes with mineralisation and no geotechnical logging was undertaken other than standard Rock Quality Designation (RQD) measurements.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Samples from the Alliance South Shoot diamond drilling were half (NQ-2) core with the second half retained on site within core trays. • Core samples were assayed at the independent Gekko laboratory located in Ballarat. After drying, samples were crushed, and pulverised to 95% passing 75µm. • Internal QAQC insertion of blanks and standards is routinely carried out. Random and select insertion is applied, i.e. blanks are inserted directly after samples containing visible gold. The Gekko laboratory has its own QAQC program which is reported with results and a monthly QAQC review.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• The sample preparation and assay method of 30g Fire Assay is acceptable for this style of deposit and can be considered a total assay. • Industry standards are followed for all sample batches, including the insertion of commercially available CRM's and blanks. The insertion rate is approximately 1 every 10 to 20 samples both randomly and selects positions, such as blanks inserted after samples containing visible gold. QAQC results (Both CTL and internal laboratory QAQC) are reviewed by CTL geological staff upon receipt of the assay results. No issues were raised with the data being reported.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.*	• All field data is entered directly into an excel spreadsheet with front end validation built in to prevent spurious data entry. • Data was collected at the Union Hill core facility

Criteria	JORC Code explanation	Commentary
	• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	and is stored on a server at the A1 Mine (MIN5294) with daily backups. Backed up data is also stored offsite. • Significant intersections are reviewed by geological staff upon receipt, to ensure the intersections match the logging data, with the checks including verification of QAQC results.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• All holes are labelled during the drilling process, and all holes have been picked up by CTL mine surveyors. • Holes are labelled by drillers upon completion of the hole. • Down hole surveys were taken at 15m, and every 15m or end of hole after this with a reflex single shot camera. • Grid used is MGA_GDA94. • The topography control was received from previous operations owners and is of a high standard and consists of a DTM surface.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• The on-going program to date consisted of 34 holes only which ranged in collar spacing from 7.5 – 15m from each individual drilling cuddy. • Grade continuity has been correlated with known narrow vein structures from previous drilling intersecting the Eaglehawk Reef. • Sample compositing has not been applied to the Alliance South Shoot drilling program.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The LM90 and Kempe diamond programs planned to intersect the Eaglehawk Reef between historic drill holes. • Holes were positioned perpendicular to the strike of the reef to achieve as close to true thickness as possible. • Due to the relatively perpendicular intersection angle of the Eaglehawk Reef, the majority of the drill angles are not expected to produce any sampling bias factors. • Given there were other mineralized intersections not associated with the Eaglehawk Reef, there is a chance of some bias, which have been identified and will be modelled accordingly.
Sample security	• *The measures taken to ensure sample security.*	• Samples were transported from the drill site to the laboratory or the Maldon Processing Plant either by CTL staff, or contractors. Calico bags containing the sample were places inside larger white poly weave bags, with this white bag sealed with a plastic tie. Samples that were taken to Maldon were placed in a locked security box and collected by the sole trader courier. • Core samples numbers and dispatch references are sequential and have no reference to hole number. • Core trays containing visible gold are stored inside the locked core shed until logged.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The Maldon Project comprises Mining Licences MIN5146, 5529 5528 held by Maldon Resources Pty Ltd and Exploration Licence Application EL7029 in the name of Centennial Mining Ltd. • Both Maldon and Centennial Mining Ltd are subsidiaries of Kaiser Reef Limited. • The Licences are located at the town of Maldon in Victoria which is 35km southwest of Bendigo and 70km northeast of Ballarat in Victoria. • The Mining Licences and Exploration Licence Application are in good standing.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Previous exploration has been completed by: ○ Octagonal Resources ○ Alliance Gold Mines NL ○ MPI Gold Pty Ltd ○ Pittston Mineral Ventures Australia Pty Ltd ○ Western Mining Corporation ○ Lone Star Exploration NL ○ Triad Minerals NL • Exploration included mapping, rock chip sampling, geophysics, drilling and historic open pit and underground mining.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Maldon goldfield is located in the central part of the Bendigo Zone of the Lachlan Fold Belt. The host rocks are Ordovician turbiditic metasediments of the Castlemaine Group which have been metamorphosed to lower greenschist facies and folded into a north-south trending series of chevron golds with doubly plunging fold axes. • Gold mineralisation is most abundant in quartz veining associated within reef structures. • Gold at Maldon has been described as showing an association with arsenopyrite, pyrrhotite and minor amounts of other base metal sulphides.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• Refer to Table of Drill Results -Table 1 and Table 2

Criteria	JORC Code explanation	Commentary
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Assays length weighted. • No metal equivalents have been reported.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• The geometry of the mineralisation is explained within the text and shown is the figures.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Refer to Figures in text.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All results have been reported.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• No other data to report.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Drilling of the Eaglehawk Reef (including the Alliance South Shoot target domain) are from different drilling cuddies associated with modern mine development and is on-going. • Continued drilling at Union hill is being conducted with an LM90 electric drill. • Exploration drilling with the Kempe rig has been completed.