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Kaiser - First toll treatment agreement at Maldon

Kaiser Reef Limited (“Kaiser” or “the Company”) is pleased to report that it has received its first trial delivery of third-party ore for treatment at Kaisers Maldon gold processing plant. Kaiser is in discussions with other potential toll treatment parties and is seeking to becoming Victoria’s preferred toll treatment facility.

Kaiser has been actively working towards developing mining the Nova Project which will represent the transition from remnant mining to accessing regions that will facilitate modern development in unmined regions. Kaiser is heavily focussed on development with expected short term reduced production. The processing plant, Figures 1 and 2, has excess treatment capacity which provides Kaiser with the opportunity to treat third party ore and is currently operating at ~20% of its capacity. Kaiser recently updated shareholders ([ASX Announcement 10/7/24 and 31/10/24](#)) on the upgrades implemented at the Maldon gold processing plant and has successfully commissioned the gravity circuit. The gravity circuit is estimated to be recovering approximately 50% of the gold at this point, with overall recoveries estimated at 94.5%. The recovery is lower than normal run of high grade ore because the head grade is lower development ore blend that is currently being treated.

These initiatives support Kaiser’s strategy to significantly increase production and cash flow from its Victorian gold operations, notably the A1 Gold Mine.



Figure 1: Maldon Gold Processing plant (front)



Figure 2: Maldon Gold Processing plant (rear)

Kaiser has now implemented significant enhancements to its processing plant to boost cash flow and improve gold recovery. These advancements align with the Company's strategy to escalate production and cash flow from its Victorian gold projects, with a focus on the high-grade A1 Gold Mine but with the capability to be a significant toll treater.

Kaiser has now commissioned the Wolff Batch Centrifugal Concentrator Gravity Circuit and ancillary equipment at the Maldon gold processing plant as illustrated in Figure 3.



Figure 3: Wolff Batch Centrifugal Concentrator – coarse gold gravity collector

The gold Gravity Circuit is now operating well and is designed to capture the exceptionally high concentrations of coarse gold found at the A1 Gold Mine following the semi-autogenous grinding ('SAG') mill process.

By separating and recovering coarse gold earlier and independently from the leach feed, this approach significantly improves recovery compared to the current mill flowsheet.

Kaiser has previously seen gold "held up" within the processing plant because of gold's very soft and malleable nature and high density. This has required regular mill liner removal to collect the entrained gold. The gravity circuit was successfully installed and commissioned during the quarter and has resulted in a 75% reduction in gold recirculating around the SAG Mill circuit.

This enhancement boosts the effective treatment capacity rate, resulting in improved operational efficiency and reduced processing costs, specifically a 50% reduction in cyanide consumption.

The plant upgrade initiatives were carried out at the Company's wholly owned Maldon gold processing plant which is located just 3km from the Company's Union Hill Mine, which historically produced 2.1 million ounces of gold. The plant has a processing capacity of 250,000tpa, currently operating at approximately 20% of its full capacity.

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

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About Kaiser Reef Limited (ASX: KAU)

Kaiser Reef is a high-grade gold producer and exploration company with a clear focus on gold within the prolific Victorian goldfields. Kaiser wholly owns and operates the A1 Gold Mine, the Maldon Gold Processing Plant and the Maldon Gold Mine (currently on care and maintenance) in Victoria.

Future Performance

This announcement may contain certain forward-looking statements and opinions. 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 shall be relied upon as, a promise, representation, warranty or guarantee as to the past, present or the future. The entity confirms in the subsequent public report that all the material assumptions underpinning the production target, or the forecast financial information derived from a production target, in the initial public report referred to in Rule 5.16 or Rule 5.1 (as the case may be) continue to apply and have not materially changed.