Kaiser Reef Limited

Consolidated Financial Report

For the year ended 30 June 2022

Contents

MANAGING DIRECTORS ADDRESS TO SHAREHOLDERS

Dear Shareholder,

I am pleased to report on the Kaiser Reef Limited (Kaiser) first full financial year of exploration, improving operations and gold production. The first half of this reporting period (July – December 2021) was very much focused on bedding down the operations at the A1 Mine and restoring the mine and processing plant back to reliable and efficient operations.

The second half of this reporting period (Jan -Jun 2022) was transformational highlighted the potential of the A1 Mine and validated further investment directed into the future of our operations (Figure 1).

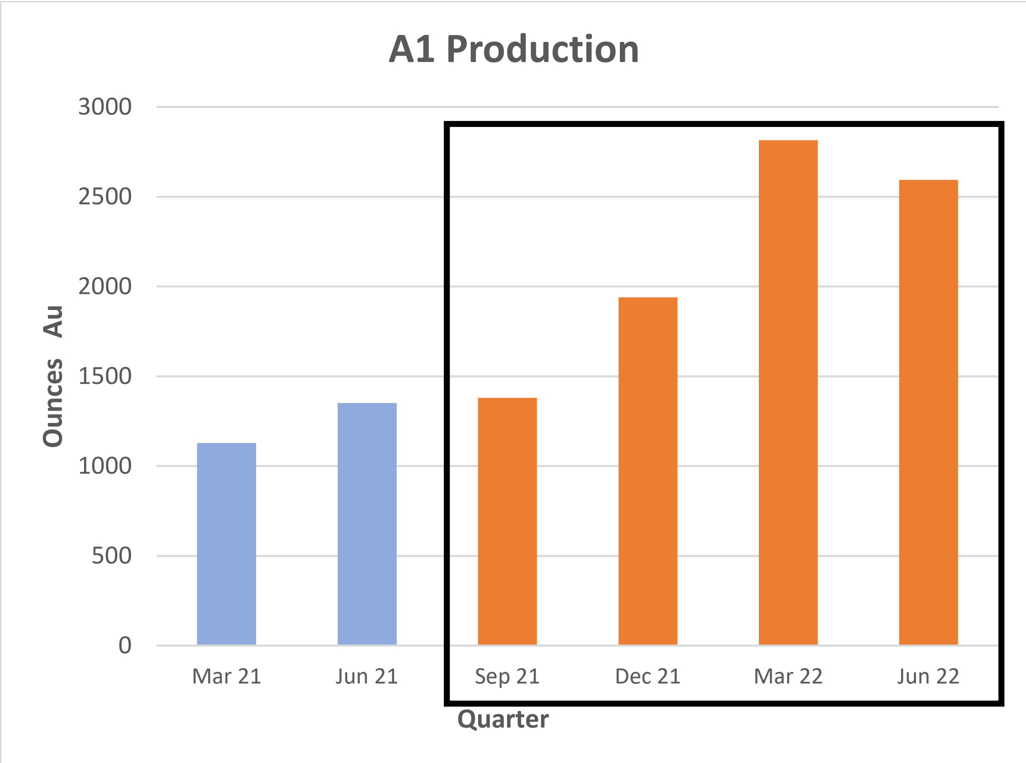


Figure 1: Quarterly Production Results, Gold Produced

The 2022 production year delivered a gross profit of $5,868,835 which compares to a gross loss of $1,580,184 over the previous year, largely driven by improvements in the latter half of the reporting period. Accounting depreciation of the carrying values of the Processing Plant and the A1 Mine resulted in accounting depreciation and amortisation write downs totalling $6,780,474 (which should not be confused with cash or operational losses). Running a diamond drilling rig over the whole year and extensive development has however added value to the A1 Mine and the substantial investment in the Processing Plant has seen vast improvements at almost every level -so the depreciation and amortisation treatment is not indicative of any reduced value in the Boards opinion but is necessary in accordance with accounting standards.

Looking to the future and leveraging off the production experience, we have cemented a business plan that will target significantly higher production, improving margins and deeper and higher-grade lodes of mineralisation into 2023 and beyond. We are also comforted with the ongoing diamond drilling results that are providing evidence of continuous deep mineralisation as well as some outstanding drill intercepts such as 4.6m @ 135 g/t gold that are supporting our production with some months of mining delivering ore with grades running higher than 14 g/t gold.

As well as the exciting A1 Mine planning and the improvements and investment made at the Maldon Processing Plant, we are also increasingly moving towards the groundwork required to bring on a second operation at the Maldon goldfield, the Union Hill Project, that historically produced 2.1M ounces at 28 g/t of gold. Kaiser also wholly owns this project and work is ongoing to progress this with anticipation. Bringing on a second mine is expected to provide unit cost reductions across the businesses and increase Kaisers production substantially.

On a side note, and more relevant to more recent macro market events, I am also pleased to note that the gold price is holding very well from the perspective of Australian gold producers. Despite the falling US$ Gold price, the AUD$ gold price has held up very well- keeping lock-step with falling US:AUD exchange rate. The best illustration can be seen in Figure 2 which shows, on a September 2021 to September 2022 basis, that the gold price is actually higher now than it was a year ago.

Kaiser is proud to be unhedged and debt free and directly exposed to the gold price, as we believe gold producers should be.

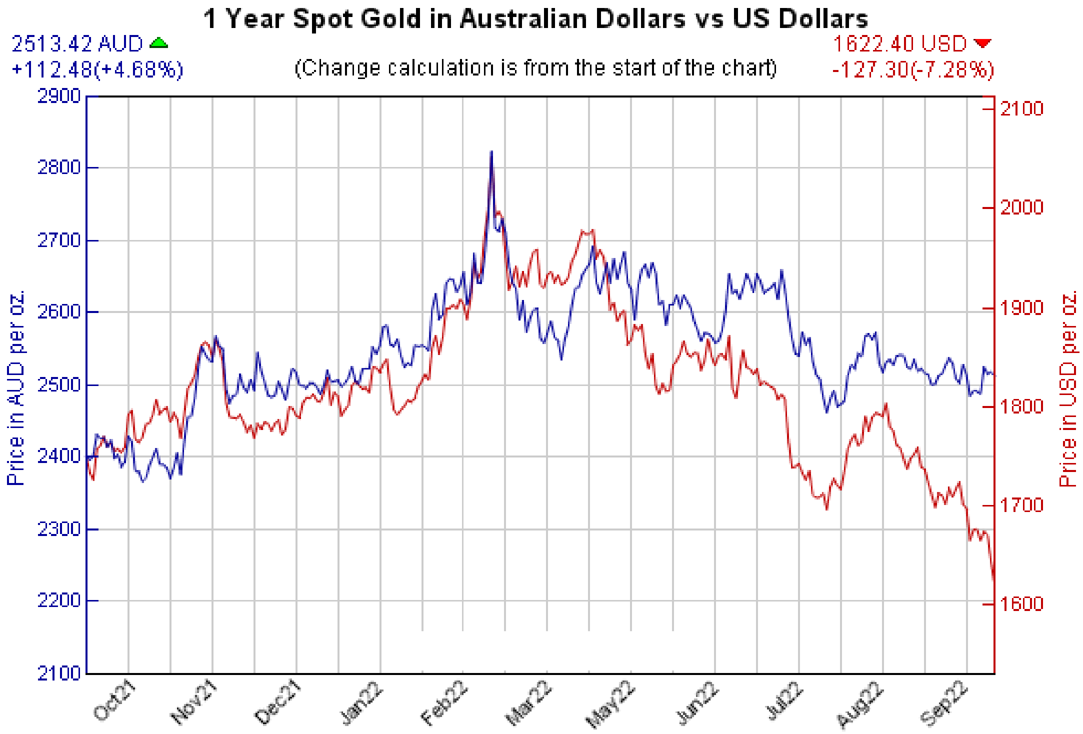


Figure 2: AUD Gold price in blue – higher than at the beginning of the year

Collectively, Kaiser holds an enviable pipeline of development opportunities supported by a dedicated and talented team and a profitable operation and a healthy treasury.

I am deeply proud to be involved in our business and we are grateful for the support shown by our shareholders over these challenging market conditions and believe that Kaiser is exceptionally well positioned to survive and thrive!

Jonathan Downes

Managing Director and the Board of Directors

Directors' Report

Directors

The Directors present their report on "Kaiser" or "the Group", consisting of Kaiser Reef Limited and the entities it controlled at the end of, or during, the financial year ended 30 June 2022.

The following persons were Directors of Kaiser Reef Limited at any time during the year and up to the date of this report:

- Adrian Byass
  Non-Executive Chairman
- Jonathan Downes
  Executive Director
- Stewart Howe
  Executive Director
- David Palumbo (resigned 5 July 2021)
  Non-Executive Director

The qualifications, experience and special responsibilities of the Directors are presented on page 6.

Principal activities

During the year, the principal activities of the Group were mining, production and the sale of gold as well as mineral exploration and development.

Dividend paid or recommended

No dividend has been paid and the directors do not recommend the payment of a dividend for the year ended 30 June 2022 (30 June 2021: nil).

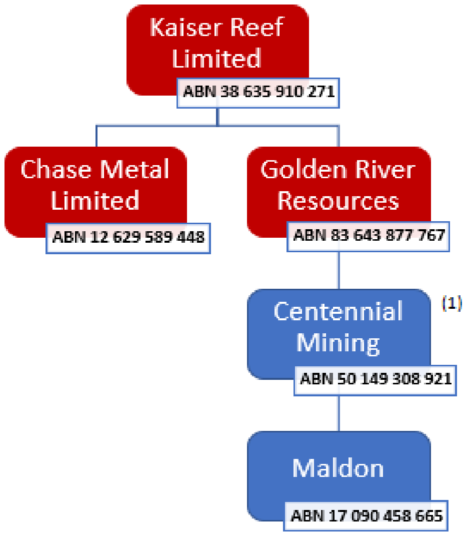
Significant changes in the state of affairs

On 6 September 2021, the Group announced a share placement of 10,000,000 shares and non-renounceable 1 for 8 rights issue to raise approximately $5.1 million (before costs). The new Shares were issued under the Placement and Rights Issue at a price of $0.20 per Share, representing a 15.1% and 15.8% discount to the volume weighted average share price over the prior 5 and 10 trading days respectively, prior to the Company's trading halt (as per the ASX announcement dated 2 September 2021).

The Group also entered into an Underwriting Agreement with Westar Capital Limited to act as the underwriter to the Rights Issue and will be paid 6% of the underwritten amount, as well as 8,000,000 options with an exercise price of $0.30 expiring on 30 September 2024. 6,000,000 were issued upon completion of the placement and rights issue and a further 2,000,000 were issued following shareholder approval.

Corporate information

Kaiser Reef Limited is limited by shares and is incorporated and domiciled in Australia. The Group's corporate structure is as follows:



(1) On 12 August 2022 after the reporting date, Centennial Mining Limited changed company type from a limited to proprietary limited and company name to Kaiser Reef Mining Pty Ltd.

Overview of the Group's activities

The Group continued its growth trajectory with a number of milestone achievements during the 2022 financial year. The key results for the year were:

- Quarter on Quarter production growth
- Conducted substantial resource drilling and mine planning at the A1 Mine
- High grade first exploration results from the Maldon Historic Goldfield
- Decline at the A1 Mine to develop the Queens Lode achieved, opening multiple new development headings
- Successfully transitioned as owner- operator with the purchase of the mining fleet and other equipment.
- Completed the expanded tailings facility to support processing into the future
- Improved ventilation and electrical systems at the A1 Mine (work ongoing)

The Directors' Report covers the year ended 30 June 2022. During the 2022 financial period the Group recorded a statutory loss of $2,262,838 (2021: $11,806,825) and an underlying net loss of $2,262,838 (2021: $3,956,058), net cash inflows from operating activities of $5,645,520 (2021: net cash outflows from operating activities of $2,476,152) and a closing cash balance of $6,581,919 (2021: closing cash balance of $4,787,279).

The focus after acquisition was the future mine development and further exploration at Maldon to ensure an expanded and profitable future mine plan.

The consolidated results for the period are summarised as follows, with negative balances representing loss:

	2022	2021
EBITDA(3)(6)	**4,541,592**	(10,472,589)
EBIT(2)(6)	**(2,238,882)**	(11,791,511)
Loss before tax(4)	**(2,262,838)**	(11,806,825)
Statutory loss (1) after tax	**(2,262,838)**	(11,806,825)
Total net significant items after tax	-	(7,850,767)
EBITDA (6) (excluding significant items)	**4,541,592**	(2,621,822)
EBIT (6) (excluding significant items)	**(2,238,822)**	(3,940,744)
Loss before tax (excluding significant items)	**(2,262,838)**	(3,956,058)
Underlying net loss after tax(5)(6)	**(2,262,838)**	(3,956,058)

Details of significant items included in the statutory loss for the period are reported in the table below. Descriptions of each item are provided in Note 3 to the Financial Report.

	2022	**2021**
Centennial Mining acquisition costs	-	(2,213,458)
Listing expense	-	(5,637,309)
Significant items before tax	-	(7,850,767)
Income tax	-	-
Significant items after tax	-	(7,850,767)

(1) Statutory loss is net loss after tax attributable to owners of the parent.
(2) EBIT is loss before interest revenue, finance costs and income tax expense.
(3) EBITDA is EBIT before depreciation and amortisation.
(4) Loss before tax is loss before income tax expense.
(5) Underlying net loss after income tax is net loss after income tax ("statutory loss") excluding significant items as described in Note 3 to the consolidated financial statements.
(6) EBIT, EBITDA and underlying net loss after tax are non-IFRS financial measures, which have not been subject to review or audit by the Group's external auditors. These measures are presented to enable understanding of the underlying performance of the Group by users.

Directors' Report

Review of operations

A1 Mine Operations

Safety is a key focus for the Group and since the acquisition of Centennial Mining Limited this has continued. Appointment of new management initiated a series of reviews and improvements to safety processes following the period of administration.

The A1 Mine continued its ramp up plan prepared by the Group that is designed to access increased production sources from airleg and mechanical mining methods.

During the year decline extension and lateral development has reached the Queens Lode, opening new ore headings allowing for greater volumes of high grade airleg mining and initial Queens Lode ore to be processed.

In 2022, the A1 Mine produced 8,727 ounces (2021 under 5 months of Group's ownership: 2,178 ounces) and sold 8,867 ounces (2021 Group's ownership of 5 months: 2,192 ounces) of gold at an average realised price of $2,570 Australian dollars (2021: $2,320).

The Group has achieved a quarter on quarter production up lift and is pleased to commence the new financial year on a strong footing. Continued ramp up to access the potential for the A1 Mine to mine and process high grade gold ore although the mining operations have been subject to the impact from ongoing and irregular COVID-19 related supply chain and very tight labour market.

In the final quarter of the year underground drilling recommenced at the A1 mine with promising results.

The first drill hole from the A1 Mine drilling program targeted the south of the Queens Lode returned unexpectedly numerous zones of deeper mineralisation. This particular interval represents an interpreted extension of the Sovereign Lode. The drill holes are targeting near term and deeper lode positions, including extensions to the recently discovered "Sovereign" Lode which was brought into production during the quarter (Figure 1). The Sovereign Lode is currently providing high-grade gold ore from several mining fronts and its discovery is the result of Kaiser's aggressive drilling and development into the deeper regions of the mine.

As detailed in the June 2022 quarter release, the discovery of the high-grade "Neesham Reef" was announced. The discovery hole returned an exceptional drill intercept of 2.4m @ 215 g/t gold.

Maldon Processing Plant

There were no reportable safety or environmental incidents recorded at the Maldon processing facilities in 2022. The plant processed 28,481 tonnes of ore at an average recovery of 94.6% in 2022 (2021 Group's ownership of 5 months: 9,841 tonnes of ore at an average recovery of 94.3%)

Mill tailings continues to be discharged into Tailings Storage Facility (TSF) No 5. Construction of the next lift of the TSF facility (TSF Lift 5C) was completed in November 2021.

During the year the Group underwent a number of community projects to further improve engagement in the region. These projects include continuous noise monitoring, water quality monitoring and community site visits to the facilities.

Water from the Union Hill underground mine was used in the processing plant and excess water was directed to the Nuggetty Water Management Group for agriculture irrigation.

In the second half of 2022 the processing plant undertook major refurbishments and upgrade projects to increase efficiency and longevity of the plant

The project to refurbish and upgrade the SAG milling circuit in the Maldon Plant was progressed. A newly designed SAG discharge hopper was installed along with the replacement of structural steel within the mill building and a rolling replacement of parts of the leaching circuit. The upgrade will include the installation of new "direct drive" agitators. This will improve the energy efficiency, decrease maintenance cost and reduce the noise footprint of the plant considerably for the benefit of the local community.

Phase 2 of the mill upgrade will include the replacement of the classification circuit with newer technology equipment and will take place in August 2022. Phase 3 will include the replacement of the PLC's and installing a fully digital SCADA control system to replace the existing analogue items, including remote access in November 2022.

In addition, the Group will replace all the CIL tanks over the next 2 years.

The upgrade works are expected to deliver a 20% increase in throughput rates as well as increased gold recovery. Reduction in unit cost through lower power consumption and efficient operation are expected which will have a direct impact of reducing operating costs and support any future expanded mining activities.

Immediately after year end, on 21 July 2022 the Group announced:

- A Mineral Resource Estimate of 1.2 Mt at 4.4 g/t gold (Inferred) for 186,656 ounces of gold; and
- An Exploration Target of 1.75 to 2.7Mt at between 3 g/t gold and 4 g/t gold for between 165,000 ounces of gold to 345,000 ounces of gold.

Impact of COVID-19

The Group continues to proactively manage the COVID-19 risk to the business.

As restrictions were put in place at the Group's various operations, measures were implemented in line with relevant local government advice. These measures included cancelling all non-essential travel, encouraging good hygiene practices and physical distancing across all workplaces, working from home where practicable, enforcing self-isolation policies when appropriate. The company supports the vaccination role out and conducts surveys to assess workforce progress relative to government vaccination targets.

The Group's supply chain was not disrupted with the mining and processing operation obtaining many of its resources within the local communities that it operates.

The State border restriction added pressure on our labour force. Nevertheless, as a result of the Group's measures, and the efforts of staff across sites, the operations were able to continue normal activities.

Directors' Report

Information on Directors

Adrian Byass
B.Sc (Geo) Hons, B.Eco, FSEG and MAIG

Non-Executive Chairman
Appointed as Chairman 2 September 2019

Mr Byass has more than 20 years' experience in the mining industry with extensive experience as a Board member of ASX, TSXV and AIM listed companies. This experience has principally been gained both listed and unlisted entities around the world through the operation of as well as the evaluation and development of mining products for a range of base, precious and specialty metals and bulk commodities.

Other current listed company directorships:

- Galena Mining Limited
  - Non-Executive Chairman
- Infinity Lithium Corporation Limited
  - Non-Executive Chairman
- Sarama Resources Limited
  - Non-Executive Director

Former listed company directorships in last three years:

- Fertoz Limited (resigned 22 June 2020)
  - Non-Executive Director
- Kingwest Resources Limited (resigned 23 May 2022)
  - Non-Executive Director

Interest in Securities

- 3,205,000 fully paid ordinary shares
- 2,000,000 unlisted options exercisable at $0.30 on 31 Jan 2023
- 2,000,000 unlisted options exercisable at $0.40 on 31 Jan 2024

Stewart Howe
BE (Chem), ME (Mining), MAppFin, FAICD and FAusIMM

Executive Director
Appointed as Director 10 February 2021

Mr Howe has +40 years' experience in the global resources industry including the last 18 years in mining. Stewart spent 6 years as Chief Development Officer of Zinifex Limited, where he directed the spin-off of Zinifex's smelters to create Nyrstar N.V. and restarted development of Dugald River Mine now owned by MMG. During the past 14 years Mr Howe has provided advisory roles to boards, private equity and financiers related to restructuring and acquisition of mining assets in base metals and bulk commodities. Mr Howe is an experienced director, chairing the board of Whittle Consulting Group and serving on the boards of a government owned water authority and not-for-profit organisations.

Other current listed company directorships:

- Galena Mining Limited
  - Non-Executive Director

Interest in Securities

- 112,500 fully paid ordinary shares
- 200,000 unlisted options exercisable at $0.52 on 8 Feb 2024[1]
- 200,000 unlisted options exercisable at $0.60 on 8 Feb 2024[1]

Jonathan Downes
B.Sc (Geo) and MAIG

Executive Director
Appointed as Director 2 September 2019

Mr Downes has more than 25 years' experience in the mining industry and has worked in various geological and corporate capacities. Jonathan has experience with nickel, gold and base metals and has also been involved with numerous private and public capital raisings. Jonathan was a founding director of Hibernia Gold (now Moly Mines Ltd) and Siberia Mining Corporation Ltd.

Other current listed company directorships:

- Kingwest Resources Limited
  - Non-Executive Director
- Corazon Mining Limited
  - Non-Executive Director
- Nickel X Limited
  - Non-Executive Director
- Cazaly Resources Limited
  - Non-Executive Director

Former listed company directorships in last three years:

- Ironbark Zinc Limited (resigned 2 December 2019)
  - Managing Director
- Galena Mining Limited (resigned 29 October 2021)
  - Non-Executive Director

Interest in Securities

- 3,735,625 fully paid ordinary shares
- 2,000,000 unlisted options exercisable at $0.30 on 31 Jan 2023
- 2,000,000 unlisted options exercisable at $0.40 on 31 Jan 2024

David Palumbo
B.Com, CA and GAICD

Non-Executive Director & Company Secretary
Appointed as Director 15 September 2019
Resigned as a Director 5 July 2021

Mr Palumbo is a Chartered Accountant and graduate of the Australian Institute of Company Directors with over 14 years' experience across company secretarial, corporate advisory and financial management and reporting of ASX listed companies. David is an employee of Mining Corporate Pty Ltd, where he has been actively involved in numerous corporate transactions.

Other current listed company directorships:

- Krakatoa Resources Limited
  - Non-Executive Director
- Albion Resources Limited
  - Non-Executive Director
- *Interest in Securities*[2]
- 100,000 fully paid ordinary shares
- 100,000 unlisted options exercisable at $0.30 on 31 Jan 2023
- 100,000 unlisted options exercisable at $0.40 on 31 Jan 2024

[1] Options were granted to Mr Howe on 8 February 2021 and approved at the AGM 17 November 2021

[2] Interest in Securities for Mr Palumbo at resignation date 5 July 2021

Remuneration Report (Audited)

The remuneration report, which forms part of the Directors Report, outlines the remuneration arrangements in place for key management personnel (KMP) who are defined as the persons having the authority and responsibility for planning and directing the major activities of the Group, directly including any direct (whether executive or otherwise).

Remuneration philosophy

The performance of the Group depends on the quality of the Company Directors and executives and employees and therefore the Group must attract, motivate and retain appropriately qualified industry personnel. During the financial year ended 30 June 2022, Kaiser Reef Limited did not seek the advice of remuneration consultants.

Remuneration policy

Remuneration levels of the executives are competitively set to attract the most qualified and experienced candidates, taking into account prevailing market conditions and the individuals experience and qualifications. During the year, the Group did not have separately established remuneration committees, The Board is responsible for determining and reviewing remuneration arrangements for the executives and non-executive Directors.

Director	Appointed	Length of service	
A Byass	2 Sep 2019	2 years	Non-Executive Chairman
J Downes	2 Sep 2019	2 years	Executive Director
S Howe	10 Feb 2021	1 year	Executive Director

		2021	2022
A Byass[3]	$	89,000	89,000
J Downes	$	219,000	280,000[4]
S Howe	$	101,333	133,333[5]
D Palumbo	$	55,000	-[6]
Annual aggregate fees	$	464,333	502,333
no. of non-executive directors		*2*	*1*
Shareholder approved annual aggregate Non-Executive Director fees	$	300,000	300,000

Consolidated entity performance and link to remuneration

Remuneration for certain individuals is directly linked to the performance of the consolidated entity. Performance rights granted to certain KMP are deemed to be performance based remuneration. Refer to the 'Performance Rights' section below for details of the terms and conditions of the performance rights granted to certain KMP during the year.

Related party transactions

Transaction between related parties were on commercial terms and conditions, no more favourable than those available to otherwise stated.

Mining Corporate Pty Ltd – related party to David Palumbo, resigned 5 July 2021, there was not related party transaction during the 5 days.

Kingwest Resources Ltd – related party to A Byass and J Downes
Shared office facility arrangement during the year.

Total for the current year: $46,268 was charged by *Kingwest Resources Ltd* with an outstanding amount of $3,355 payable at 30 June 2022.

Loans to Directors and their related parties

No loans have been made to any Directors or any of their related parties during the current year. There were no further transactions with Directors including their related parties other than those disclosed above.

Contractual arrangements with executive KMPS

Component	J Downes Executive Director
Fixed remuneration	280,000
Contract duration	Ongoing contract
Notice by the individual / Company	6 months / 1 Month

Component	S Howe Executive Director
Fixed remuneration	133,333
Contract duration	Ongoing contract
Notice by the individual / Company	6 months / 1 Month
Termination of employment (without cause)	Unvested LTI will remain subject to the achievement of the performance targets set at the original date. The Board has discretion to award a greater or lower amount
Termination of employment (without cause) or by individual	All unvested LTI will lapse

Component	A Tran Executive KMP
Fixed remuneration	250,000
Contract duration	Ongoing contract
Notice by the individual / Company	12 weeks plus 3 weeks for every year after the second year
Termination of employment (without cause)	Unvested LTI will remain subject to the achievement of the performance targets set at the original date. The Board has discretion to award a greater or lower amount
Termination of employment (with cause) or by individual	All unvested LTI will lapse

3 The Chairman's fee is inclusive of all Board Committee commitments.
4 Increase in 1 December 2021
5 Increase in 1 May 2021
6 Mr Palumbo at resignation date 5 July 2021

Directors' Report

Remuneration Report (Audited) continued

Details of Remuneration

Details of the nature of and amount of each element of the emoluments of each of the Directors and Key Management Personnel (KMP) of the Group for the year ended 30 June 2022

2022	**Short-term benefits**			**Post-employment benefits**	**Long-term benefits**				
Name	Cash salary & fees $	STI payment $	Non-monetary benefits[7] $	Super-annuation $	Leave[8] $	Share-based payments - Rights[9] $	Share-based payments - Options $	Total $	Proportion of total performance related[10]
Directors									
Adrian Byass	89,000	-	4,103	8,900	-	-	-	102,003	n/a
Jonathan Downes	254,583	-	4,103	23,568	24,004	-	-	306,258	n/a
Stewart Howe	133,333	-	-	13,333	9,062	16,957[11]	(66,267) [12]	106,418	(46%)[15]
David Palumbo[13]	-	-	-	-	-	-	-	-	n/a
Total Directors	**476,916**	**-**	**8,206**	**45,801**	**33,066**	**16,957**	**(66,267)**	**514,679**	
Executives									
Andy Tran	250,000	8,977	-	23,568	13,465	45,339	-	341,349	16%[15]
Total Executives	**250,000**	**8,977**	**-**	**23,568**	**13,465**	**45,339**	**-**	**341,349**	-
Total 2022 KMP Remuneration	**726,916**	**8,977**	**8,206**	**69,369**	**46,531**	**62,296**	**(66,267)**	**856,028**	-
2021									
Directors									
Adrian Byass	81,578	-	3,997	-	-	-	-	85,575	n/a
Jonathan Downes	184,500	-	3,997	17,528	15,536	-	-	221,561	n/a
Stewart Howe[14]	39,889		-	3,789	4,555	35,054	93,710	176,997	20%[15]
David Palumbo	54,750	-	-	-	-	-	-	54,750	n/a
Total Directors	360,717	-	7,994	21,317	20,091	35,054	93,710	538,883	
Executives									
Andy Tran[16]	78,804	-	-	7,486	7,585	35,104	117,137	246,116	14%[15]
Total Executives	78,804	-	-	7,486	7,585	35,104	117,137	246,116	-
Total 2021 KMP Remuneration	439,521	-	7,994	28,803	27,676	70,158	210,847	784,999	

7 Non-monetary benefits for Executives comprise car parking and professional memberships including associated fringe benefits tax.

8 Leave includes long service leave and annual leave entitlements.

9 The value of performance rights disclosed as remuneration is the portion of the fair value of the performance rights recognised in the reporting period in accordance with the Corporations Act 2001 and relevant Australian Accounting Standards. This value may not always reflect what an executive has received in the reporting period.

10 Calculated as 'STI payment' plus 'Share-based payments - Rights' divided by 'Total' remuneration.

11 Includes the issue of 200,000 shares as a bonus at the sole discretion of the Board based on past performance and is subject to shareholder approval at the upcoming AGM on 14 November 2022. The shares have been recognised with reference to the share price on date of common understanding (subject to shareholder approval) of $0.18. Included within the balance is a reversal of $24,164 in relation to Tranche A & B which lapsed during the year. A further $5,121 is included in the balance relating to ongoing vesting of Tranche C & D rights, including the revaluation of these tranche upon shareholder approval occurring during the year..

12 Mr Howe's options was approved by shareholders at the AGM on the 17 November 2021, the provisional fair value of $93,710 was reversed and replace with the fair value of $27,443 on approval date.

13 Mr Palumbo resigned as Non-Executive Director and Company Secretary 5 July 2021

14 Mr Howe was appointed Executive Director 10 February 2021.

15 Remuneration for certain individuals is directly linked to the performance of the consolidated entity. Performance rights granted to certain KMP are deemed to be performance based remuneration. Refer to the 'Performance Rights' section below for details of the terms and conditions of the performance rights granted to certain KMP during the year. Refer to Performance rights condition on page 9.

16 Mr Tran was appointed Chief Financial Officer 08 March 2021

Remuneration Report (Audited) continued

KMP Shareholdings

The number of ordinary shares in Kaiser Reef Limited held by each KMP for the year ended 30 June 2022 are as tabled below:

2022	Balance at the beginning of year	Granted as remuneration during the year	Issued on exercise of the rights during the year	Other Changes during the year	Balance at end of the year
Directors					
Adrian Byass	3,000,000	-	-	205,000[17]	3,205,000
Jonathan Downes	3,185,000	-	-	510,625[18]	3,695,625
Stewart Howe[19 20]	100,000	-	-	12,500	112,500
David Palumbo [21]	100,000	-	-	(100,000)	-
Total Directors	**6,385,000**	**-**	**-**	**628,125**	**7,013,125**
Executives					
Andy Tran[22]	631,578	-	100,000	78,948	810,526
Total Executives	**631,578**	**-**	**100,000**	**78,948**	**810,526**

KMP Options Holdings

The number of options over ordinary shares in Kaiser Reef Limited held by each KMP for the year ended 30 June 2022 are as tabled below:

2022	Balance at the beginning of year	Granted as remuneration during the year	Reduction on exercise of the options during the year	Other Changes during the year	Balance at end of the year	Vested and exercisable at 30 June 2022
Directors						
Adrian Byass	4,000,000	-	-	-	4,000,000	4,000,000
Jonathan Downes	4,000,000	-	-	-	4,000,000	4,000,000
Stewart Howe	400,000	-	-	-	400,000	400,000
David Palumbo	200,000	-	-	(200,000)	-	-
Total Directors	**8,600,000**	**-**	**-**	**-**	**8,600,000**	**8,600,000**
Executives						
Andy Tran	500,000	-	-	-	500,000	500,000
Total Executives	**500,000**	**-**	**-**	**-**	**500,000**	**500,000**

Valuation of Options Granted

During the 2022 year the Group did not grant further options to KMP. Stewart Howe's options were approved at the 17 November 2021 AGM and were revalued at the applicable grant date.

Description	Stewart Howe Tranche 1	Stewart Howe Tranche 2
Number of options	200,000	200,000
Grant date (AGM approval 17 November 2021)	17/11/2021	17/11/2021
Grant date share price ($)	0.21	0.21
Exercise price ($)	0.52	0.60
Volatility (%)	100	100
Risk free rate (%)	0.95	0.95
Term (in years)	2.23	2.23
Fair value per option ($)	0.072	0.065
Total value of options granted	**$14,368**	**$13,075**
Total value of options provisional granted	**$48,064**	**$45,646**
True up of fair value of options in 2022	**($33,696)**	**($32,571)**

[17] Mr Byass shares increases were on market purchases.
[18] Mr Downes shares increases were on market purchases.
[19] Mr Howe was appointed Executive Director 10 February 2021 and the shares were on market purchases.
[20] Exclusive of 200,000 shares agreed to be issued as a bonus at the sole discretion of the Board based on past performance, as the issue is subject to shareholder approval at the upcoming AGM on 14 November 2022. The shares have been recognised with reference to the share price on date of common understanding (subject to shareholder approval) of $0.18.
[21] Mr Palumbo resigned as Non-Executive Director 05 July 2021
[22] Mr Tran was appointed Chief Financial Officer 8 March 2021 and the shares were on market purchases.

Remuneration Report (Audited) continued

KMP Performance Rights

The number of rights over ordinary shares in Kaiser Reef Limited held by each KMP for the year ended 30 June 2022 are as tabled below:

2022	Opening rights held	Granted as remuneration during the year	Vested during the year	Forfeited during the year	Balance at end of the year
Directors					
Adrian Byass	-	-	-	-	-
Jonathan Downes	-	-	-	-	-
Stewart Howe	350,000	-	-	(150,000)	200,000
David Palumbo[23]	-	-			-
Total Directors	**350,000**	**-**	**-**	**(150,000)**	**200,000**
Executives					
Andy Tran	400,000	-	(100,000)	-	300,000
Total Executives	**400,000**	**-**	**(100,000)**	**-**	**300,000**

Valuation of Rights Granted

During the 2022 year the Group did not grant further rights to KMP. During the 2021 year the Group granted the following rights to KMP, which were valued at grant date as follows:

		Stewart Howe		
Tranche	**Value Per Right[26]**	**Number of Rights Granted**	**Total Value***	**Valuation Methodology**
A	$0.21	75,000[24]	15,750	Share price at grant date
B	$0.21	75,000[25]	15,750	Share price at grant date
C	$0.079	100,000	$7,900	Trinomial pricing model**
D	$0.21	100,000	$21,000[26]	Share price at grant date
Total		**350,000**	**$60,400**	

		Andy Tran		
Tranche	**Value Per Right**	**Number of Rights Granted**	**Total Value***	**Valuation Methodology**
A	$0.42	100,000[27]	$42,000	Share price at grant date
B	$0.42	100,000[28]	$42,000	Share price at grant date
C	$0.29	100,000	$28,980	Trinomial pricing model**
D	$0.42	100,000	$42,000[29]	Share price at grant date
Total		**400,000**	**$154,980**	

*The holder must be an employee of the Company in order for the rights to vest on achievement of the relevant performance hurdles. Accordingly, the total value of rights at grant date has been vested over the relevant performance period.

[23] Mr Palumbo resigned as Non-Executive Director 05 July 2022
[24] Rights lapsed on the 10 February 2022
[25] Rights lapsed on the 10 February 2022
[26] Rights were granted to Mr Howe on 10 February 2021 and approved at the AGM 17 Nov 2021. The above table reflects the final valuation at date of shareholder approval. The probability of achievement of Tranche D rights has been applied at 30 June 2022 is 100%.
[27] Due to Covid 19 disruption the Board has allow for the rights to be extended to 1 February 2023, these rights have vested in the 2022 year
[28] Due to Covid 19 disruption the Board has allow for the rights to be extended to 1 February 2023 and 0% probability has been applied at 30 June 2022
[29] The probability of achievement has been applied at 30 June 2022 is 100%.

**Tranche C rights include a market based vesting hurdle linked to the market capitalisation of the Group valued with reference to a trinomial pricing model with the following inputs:

Description	Input Stewart Howe	Input Andy Tran
Underlying share price ($)	0.21	0.42
Exercise price ($)	Nil	Nil
Grant date	17 November 2021	8 February 2021
Performance measurement period	1.72 years	2.5 years
Share price barrier ($)	1.068	1.305
Volatility (%)	100	100
Risk-free rate (%)	0.575	0.11
Value per right ($)	0.079	0.29
Total value of rights granted	**$7,900**	**$28,980**
Total value of rights provisional granted	**$28,980**	**N/A**
True up of fair value of rights in 2022	**($20,990)**	**N/A**

Performance rights conditions

The performance rights granted to Mr Howe include vesting conditions being satisfaction of the following conditions[30]:

Within 12 months of the start date:

PRODUCTION: 75,000 Shares when A1 Mine operations reaches and maintains a production profile of 5,000 t/month or more over a 3 rolling month period and during that period the Company's mining and treatment operations are cash flow positive. [31]

PROCESSING: 75,000 Shares when the Company increases utilisation its gold processing facility in excess of 60% of nameplate (nameplate 150,000 tonnes p.a.) for a three-month period and during that period the Company's mining and treatment operations are cash flow positive, [32]

and within 30 months of the start date:

MARKET CAPITALISATION: 100,000 Shares when the Company reaches a market capitalisation of $150 million (over a 5 day VWAP period)

PROCESSING: 100,000 Shares when the Company operates the Maldon Process plant at 90% of nameplate capacity (nameplate 150,000 tonnes p.a.) for a 6 month period and during that period the Company's mining and treatment operations are cash flow positive.

The performance rights granted to Mr Tran include vesting conditions being satisfaction of the following conditions:

By the 1 February 2023:

PRODUCTION: 100,000 Shares when A1 Mine operations reaches and maintains a production profile of 5,000 t/month or more over a 3 rolling month period and during that period the Company's mining and treatment operations are cash flow positive. [33]

PROCESSING: 100,000 Shares when the Company increases utilisation its gold processing facility in excess of 60% of nameplate (nameplate 150,000 tonnes p.a.) for a three-month period and during that period the Company's mining and treatment operations are cash flow positive, [34]

and within 30 months of the start date:

MARKET CAPITALISATION: 100,000 Shares when the Company reaches a market capitalisation of $150 million (over a 5 day VWAP period)

PROCESSING: 100,000 Shares when the Company operates the Maldon Process plant at 90% of nameplate capacity (nameplate 150,000 tonnes p.a.) for a 6 month period and during that period the Company's mining and treatment operations are cash flow positive.

Voting and comments made at the company's 2021 Annual General Meeting ('AGM')

At the 2021 AGM, 97.88% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2021. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

END OF REMUNERATION REPORT (AUDITED)

[30] At the 2021 AGM, 99.25% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2021. The company did not receive any specific feedback at the AGM regarding its remuneration practices

[31] Rights lapsed on the 10 February 2022

[32] Rights Lapsed on the 10 February 2022

[33] Due to Covid 19 disruption the Board has allow for the rights to be extended to 1 February 2023 and have vested in 2022

[34] Due to Covid 19 disruption the Board has allow for the rights to be extended to 1 February 2023 and 0% probability has been applied at 30 June 2022

Meeting of Directors

During the year 3 Directors' meeting were held. Attendance by each Director during the year were as follows:

	Number of eligible to attend	Attended
A Byass	3	3
J Downes	3	3
S Howe	3	3

Indemnification and insurance of officers

The Company's Constitution provides that, to the extent permitted by law, the Company must indemnify any person who is, or has been, an officer of the Company against any liability incurred by that person including any liability incurred as an officer of the Company or a subsidiary of the Company and legal costs incurred by that person in defending an action.

During the year the Company paid an insurance premium for Directors' and Officers' Liability and Statutory Liability policies. The contract of insurance prohibits disclosure of the amount of the premium and the nature of the liabilities insured under the policy. The Company has agreed to indemnify their external auditors, BDO Audit (WA) Pty Ltd, to the extent permitted by law, against any claim by a third party arising from the Company's breach of their agreement. The indemnity stipulates that the Company will meet the full amount of any such liabilities including a reasonable amount of legal costs.

Non-audit services

The Group may decide to employ the Auditor on assignments additional to their statutory audit duties where the Auditor's expertise and experience with the Company and/or Group are important.

The Board of Directors has considered the position and, is satisfied that the provision of non-audit services during the year as set out in Note 18 did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- All non-audit services were reviewed by the Board to ensure they do not impact the impartiality and objectivity of the auditor; and
- The Executives annually informs the Board of the detail, nature and amount of any non-audit services rendered by BDO during the financial year, giving an explanation of why the provision of these services is compatible with auditor independence. If applicable, the Board take appropriate action to satisfy itself of the independence of BDO.

Future Development, prospect and business strategies

Further information, other than as disclosed in this report, about likely developments in the operations of the Group and the expected results of the operations in future periods has not been included in this report as disclosure of this information would likely result in unreasonable prejudice to the Group.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

Environmental management

The Kaiser Reef Group regards compliance with environmental legislation, regulations and regulatory instruments as the minimum performance standard for its operations. The Group's operations in New South Wales (NSW) and Victoria are subject to environmental regulation under both Commonwealth and State legislation. The Group has environmental bonds lodged with both the NSW and Victorian government.

There were no externally reportable environmental incidents during the year ended 30 June 2022 at any of the Group's operating sites.

Auditor independence

A copy of the Auditor's Independence Declaration required under section 307C of the Corporations Act 2001 is set out on page 15 and forms part of this Directors' Report.

Events occurring after the end of the financial year

The Directors are not aware of any matter or circumstance that has arisen since the end of the financial year that, in their opinion, has significantly affected or may significantly affect in future years the Company's or the Group's operations, the results of those operations or the state of affairs, except as described below.

On 21 July 2022 Kaiser Reef Limited announced in relation to the Maldon exploration projects:

- A Mineral Resource Estimate of 1.2 Mt at 4.4 g/t gold (Inferred) for 186,656 ounces of gold; and
- An Exploration Target of 1.75 to 2.7Mt at between 3 g/t gold and 4 g/t gold for between 165,000 ounces of gold to 345,000 ounces of gold at its wholly owned Maldon site.

The Maldon gold project has extensive existing infrastructure and capital, existing mine permitting and a wholly owned processing plant within a 3km proximity, that is currently operating profitably at well below its production capacity.

On the 9 September 2022 Kaiser Reef Limited commenced engineering work used for scoping and other technical/planning studies for the potential development of a second gold mining operation at Union Hill. Continued exploration and infill drilling targeting increasing the resource size and confidence are also proposed and will be initiated following the results obtained from the engineering work.

On 11 August 2022, 250,000 unlisted options exercisable at $0.40 issued to consultants expired.

On the 07 September 2022, 750,000 unlisted options exercisable at $0.30 and expiring 05 September issued to consultants were issued to Euro Equity Group for services relating to share marketing to the European markets.

This report is made in accordance with a resolution of Directors.

For and on behalf of the Board

Dated at Perth this 30th day of September 2022

Jonathan Downes
Executive Director

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DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF KAISER REEF LIMITED

As lead auditor of Kaiser Reef Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Kaiser Reef Limited and the entities it controlled during the period.

Dean Just

Director

Perth

30 September 2022

Financial Report

Contents

About this report

Kaiser Reef Limited (the "Company" or "Parent Entity") is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange. The consolidated financial statements of the Company as at and for the year ended 30 June 2022 comprise the Company and its subsidiaries (together referred to as the "Group"). The Group is a for-profit entity primarily involved in mining and sale of gold, mineral exploration and development.

The financial report is a general-purpose financial report, which has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. Where required by accounting standards comparative figures have been adjusted to conform to changes in presentation in the current year. The consolidated financial report of the Group complies with International Financial Reporting Standards (IFRSs) and interpretations issued by the International Accounting Standards Board.

What's in this report

Kaiser Reef's Directors have included information in this report that they deem to be material and relevant to the understanding of the financial statements and the Group.

A disclosure has been considered material and relevant where:

- the dollar amount is significant in size (quantitative);
- the dollar amount is significant in nature (qualitative);
- the Group's result cannot be understood without the specific disclosure; and
- it relates to an aspect of the Group's operations that is important to its future performance.

Accounting policies and critical accounting judgements and estimates applied to the preparation of the consolidated financial statements are presented where the related accounting balance or consolidated financial statement matter is discussed. To assist in identifying critical accounting judgements and estimates, we have highlighted them in the following manner:

Accounting judgements and estimates

Consolidated statement of profit or loss and other comprehensive income

for the year ended 30 June 2022

	Notes	**Consolidated 30 Jun 2022**	Consolidated Restated 28 Aug 2020 to 30 Jun 2021[1]
Operations			
Revenue	2	**22,785,222**	5,085,396
Mine operating costs	2	**(16,916,387)**	(6,665,580)
Gross profit/(loss)		**5,868,835**	(1,580,184)
Other revenue	2	**1,041,732**	6,359
Exploration expensed		**(988)**	(220)
Corporate costs		**(1,903,061)**	(777,116)
Depreciation and amortisation	6	**(6,780,474)**	(1,318,922)
Expenses associated with acquisition transactions	1,3	**-**	(2,213,458)
Share based payments	16	**(149,947)**	(270,661)
Impairment expense	8	**(311,289)**	-
Listing expense on acquisition of Golden River Resources Pty Ltd	1,3	**-**	(5,637,309)
Operating loss		**(2,235,192)**	(11,791,511)
Finance costs	12	**(23,956)**	(15,314)
Foreign exchange movements		**(3,690)**	-
Loss before income tax		**(2,262,838)**	(11,806,825)
Income tax expense	4	**-**	-
Net loss after tax		**(2,262,838)**	(11,806,825)
Other comprehensive income		**-**	-
Total comprehensive loss attributable to equity holders of the Company		**(2,262,838)**	(11,806,825)
Earnings per share			
Basic Loss per share (cents per share)	5	**(1.70)**	(19.66)
Diluted Loss per share (cents per share)	5	**(1.70)**	(19.66)

1) *Comparative amounts have been shown restated due to changes to provisional accounting on prior period acquisitions as disclosed in Note 1.*

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the notes to the consolidated financial statements.

Consolidated statement of financial position

as at 30 June 2022

	Notes	Consolidated 2022	Consolidated 2021 Restated(1)
Assets			
Current assets			
Cash and cash equivalents	12	6,581,919	4,787,279
Trade and other receivables	10	1,439,577	1,768,111
Inventories	10	2,180,448	2,218,627
Total current assets		10,201,944	8,774,017
Non-current assets			
Trade and other receivables	10	857,000	857,000
Property, plant and equipment	6	5,933,674	6,637,514
Mine properties	7	7,403,195	7,456,645
Exploration and evaluation	8	5,176,034	2,840,415
Total non-current assets		19,369,903	17,791,574
Total assets		29,571,847	26,565,591
Liabilities			
Current liabilities			
Trade and other payables	10	3,964,921	3,017,994
Provisions	15	582,971	1,200,725
Interest bearing liabilities	12	267,836	281,330
Total current liabilities		4,815,728	4,500,049
Non-current liabilities			
Rehabilitation provision	9	1,698,000	1,667,000
Other Provisions	15	248,294	227,781
Total non-current liabilities		1,946,294	1,894,781
Total liabilities		6,762,022	6,394,830
Net assets		22,809,825	20,170,761
Equity			
Contributed equity	17	35,431,839	31,499,826
Reserves	16	1,447,649	477,760
Accumulated losses		(14,069,663)	(11,806,825)
Total equity		22,809,825	20,170,761

1) *Comparative amounts have been shown restated due to changes to provisional accounting on prior period acquisitions as disclosed in Note 1.*

The above consolidated statement of financial position should be read in conjunction with the notes to the consolidated financial statements.

Consolidated statement of changes in equity

for the year ended 30 June 2022

	Note	Consolidated			
		Contributed Equity	**Share base payment reserve**	**Accumulated Losses**	**Total**
Balance at 30 June 2021 [1]		**31,499,826**	**477,760**	**(11,806,825)**	**20,170,761**
Transactions with owners of the Company recognised directly in equity:					
Share-based payments	16	78,000	1,071,739	-	1,149,739
Performance rights issued/(expired)		101,850	(101,850)	-	-
Ordinary shares issued for working capital		5,123,272	-	-	5,123,272
Cost of Equity issued		(1,371,109)	-	-	(1,371,109)
Total comprehensive loss for the period					
Loss attributable to equity holders of the Company		-	-	(2,262,838)	(2,262,838)
Other comprehensive gain/(loss)		-	-	-	-
Balance at 30 June 2022	**17**	**35,431,839**	**1,447,649**	**(14,069,663)**	**22,809,825**

	Note	Consolidated			
		Contributed Equity	**Share base payment reserve**	**Accumulated Losses**	**Total**
Balance at 28 August 2020		**2,500**	**-**	**-**	**2,500**
Transactions with owners of the Company recognised directly in equity:					
Share-based payments	16	934,657	477,760	-	1,412,417
Equity issued in relation to acquisitions	1	10,035,000	-	-	10,035,000
Conversion of convertible notes		13,500,000	-	-	13,500,000
Ordinary shares issued for working capital		7,500,000			7,500,000
Cost of Equity issued		(472,331)	-	-	(472,331)
Total comprehensive loss for the period					
Loss attributable to equity holders of the Company		-	-	(11,806,825)	(11,806,825)
Other comprehensive gain/(loss)		-	-	-	-
Balance at 30 June 2021 [1]	**17**	**31,499,826**	**477,760**	**(11,806,825)**	**20,170,761**

1) Comparative amounts have been shown restated due to changes to provisional accounting on prior period acquisitions as disclosed in Note 1.

The above consolidated statement of changes in equity should be read in conjunction with the notes to the consolidated financial statements.

Consolidated statement of cash flows

for the year ended 30 June 2022

	Notes	Consolidated 30 Jun 2022	Consolidated 28 Aug 20 to 30 Jun 2021
Cash Flows From Operating Activities:			
Receipts from customers (inclusive of GST)		**23,318,505**	5,088,940
Payments to suppliers and employees (inclusive of GST)		**(17,655,262)**	(7,552,594)
Interest received		**6,233**	2,816
Interest paid		**(23,956)**	(15,314)
Net cash inflow/(outflow) from operating activities	12	**5,645,520**	(2,476,152)
Cash Flows From Investing Activities:			
Payments for property, plant and equipment		**(1,938,443)**	(1,096,875)
Payments for development of mining properties		**(4,084,741)**	(993,751)
Payments for exploration and evaluation		**(2,646,907)**	(737,619)
Proceeds from sales of fixed assets		**80,750**	-
Cash paid for acquisition of Centennial Mining Limited	1	**-**	(13,500,000)
Cash acquired on reverse acquisition	1	**-**	6,639,738
Net cash outflow from investing activities		**(8,589,341)**	(9,688,507)
Cash Flows From Financing Activities:			
Proceeds from issue of convertible notes	11	**-**	13,500,000
Proceeds from issue of ordinary shares		**5,124,072**	3,653,280
Payment for cost of shares issued		**(371,317)**	(461,250)
Insurance premium funding		**475,449**	488,294
Insurance premium funding principal repayments		**(488,943)**	(218,396)
Lease principal repayments		**-**	(9,990)
Net cash inflow from financing activities		**4,738,461**	16,951,938
Net increase in cash and cash equivalents		**1,794,640**	4,787,279
Cash and cash equivalents at the beginning of the period		**4,787,279**	-
Cash and cash equivalents at the end of the period	12	**6,581,919**	4,787,279

Cash flows are included in the consolidated statement of cash flows on a gross basis. The GST component of cash flows arising from investing or financing activities, which are recoverable from, or payable to, the taxation authority are classified as part of operating cash flows.

The above consolidated statement of cash flows should be read in conjunction the notes to the consolidated financial statements.

1 Acquisition accounting

Business Combination Accounting – Centennial Mining Limited Acquisition

The acquisition method of accounting used to account for business combination regardless of whether equity instrument or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of

(i) 12 months from the date of the acquisition or
(ii) when the acquirer receives all the information possible to determine fair value.

Reverse acquisition accounting – Golden River Resources Pty Ltd Acquisition

On the 20 January 2021 Kaiser Reef Limited acquired 100% of the issued capital of Golden River Resources Pty Ltd ('GRR'). Under Australian Accounting Standards GRR was deemed to be the accounting acquirer in this transaction. The acquisition has been accounted for as a share based payment by which GRR acquires the net assets and listing status of Kaiser Reef Limited.

Accordingly, the consolidated financial statements of Kaiser Reef Limited have been prepared as a continuation of the business and operations of GRR. As the deemed acquirer GRR has accounted for the acquisition of Kaiser Reef Limited from 20 January 2021. The comparative period therefore represents the period from incorporation of GRR on 28 August 2020 to 30 June 2021.

The implications of the acquisition by GRR on the comparatives in the financial statements are as follows:

Consolidated income statement and other comprehensive income

- The comparative period consolidated statement of profit or loss and other comprehensive income comprises the total comprehensive income for the period from 28 August 2020 to 30 June 2021.

Consolidated Statement of Financial Position

- The comparative period consolidated statement of financial position as at 30 June 2021 represents the combination of GRR and Kaiser Reef Limited.

Consolidated Statement of Changes in Equity

- The comparative period consolidated statement of changes in equity comprises:
  - The equity of GRR on incorporation as at 28 August 2020; and
  - The total comprehensive loss for the period and transactions with equity holders, being 10 months to GRR's year ended 30 June 2021 and the period 20 January 2021 to 30 June 2021 of Kaiser Reef Limited.
  - The equity balance of the combined GRR and Kaiser Reef Limited at 30 June 2021.

Consolidated Statement of Cashflows

- The comparative period consolidated statement of cash flows comprises:
  - The cash balance of GRR at incorporation on 28 August 2020; and
  - The transactions of GRR from incorporation to 30 June 2021 and the period 20 January 2021 to 30 June 2021 of Kaiser Reef Limited.
  - The cash balance of the combined GRR and Kaiser Reef Limited Group at 30 June 2021.

Equity structure

The equity structure (the number and type of the equity structure and the equity instruments issued) in the financial statements reflects the consolidated equity structure of Kaiser Reef Limited and GRR.

1 Acquisition accounting (continued)

Deemed Consideration

The consideration in a reverse acquisition is deemed to have been incurred by the legal Subsidiary (GRR) in the form of equity instruments issued to the shareholders of the legal parent (KAU).

The acquisition date fair value of consideration transferred has been determined by reference to the fair value of the issued shares of KAU immediately prior to the acquisition. Hence the purchase consideration is 33,450,000 (KAU share just prior to acquisition) at capital raising price of $0.30 which is $10,035,000.

Kaiser Reef Limited also issued 3,115,523 shares to brokers and advisors for services provided in relation to the transaction with a deemed value of $934,657 based on the share price of $0.30.

Below are key balances recognised as a result of the reverse acquisition:

Kaiser Reef Limited Share Capital	**20 January 2021**
Historical issued capital at transaction date	**5,494,554**
Elimination of Kaiser Reef Ltd issued capital	**(5,494,554)**
Deemed consideration on acquisition	**10,035,000**
3,115,523 shares to brokers and advisors	**934,657**
Total Kaiser Reef Limited share capital on completion	**10,969,657**
Kaiser Reef Limited share option reserve	
Historical share option reserve at acquisition date	**230,995**
Elimination of historical share option reserve	**(230,995)**
Issue of 1,344,800 options to advisors	**207,099**
Total Kaiser Reef Limited share option reserve on completion	**207,099**
Kaiser Reef Limited accumulated losses pre-completion	
Historical accumulated losses at 30 June 2020	**318,998**
Loss incurred from 1 July 2020 to 20 January 2021	**1,002,160**
Total Kaiser Reef Limited accumulated losses at acquisition date	**1,339,158**
Elimination of Kaiser Reef Limited accumulated losses	**(1,339,158)**
Total Kaiser Reef Limited accumulated losses on completion	**-**
Assets and liabilities acquired	
Cash and cash equivalents	**6,639,738**
Exploration and evaluation assets	**1,852,798**
Other assets	**43,089**
Trade and other trade payables	**(228,768)**
Other payables	**(3,909,166)**
Net assets	**4,397,691**
Listing expense	
Deemed Consideration	**10,035,000**
Less: net assets of Kaiser Reef Limited	**(4,397,691)**
Total Kaiser Reef Listing expense (1)	**5,637,309**

(1) Non-Cash once off expense as prescribed by Australian Accounting Standards for the reverse acquisition of Kaiser Reef Limited.

1 Acquisition accounting (continued)

Acquisition accounting – Centennial Mining Limited Acquisition

On 21 January 2021, the Group, through its subsidiary Golden River Resources Pty Ltd, acquired 100% of the issued capital of Centennial Mining Limited ("Centennial Mining"), a gold mining, development and exploration company with operations in Victoria, Australia.

The acquisition of Centennial Mining achieves all of the Group's strategic objectives, including:

- Valuable mining and exploration licences in the Victorian gold region, which had in the past high-grade mining areas;
- Project the Group from a gold exploration and development to a gold mining and producer; and
- A processing facility in Victoria which can produce Dore

The acquisition was completed through a deed of company arrangement.

The accounting for the acquisition of Centennial Mining Limited has been finalised at 21 January 2022.

	Consolidated 21 January 2021
Consideration transferred	
Cash and cash equivalents	**13,500,000**
Total Consideration	**13,500,000**
Goodwill arising on acquisition	
Consideration transferred	**13,500,000**
Less: Fair value of identifiable net assets acquired	**(13,500,000)**
Total goodwill arising on acquisition	**-**
Consideration paid in cash	**13,500,000**
Less: Cash and cash equivalents balance acquired	**-**
Net cash out flow on acquisition of subsidiaries	**13,500,000**

The assets and liabilities recognised as a result of the acquisition are as follows:

	Provisional fair value reported at 21 January 2021	Adjustments to provisional fair value	**Final Fair value reported as at 21 January 2021**
Assets			
Current assets			
Trade and other receivables	280,510	-	**280,510**
Inventories	1,047,158	-	**1,047,158**
Total current assets	1,327,668	-	**1,327,668**
Non-current assets			
Trade and other receivables	857,001	-	**857,001**
Property, plant and equipment(1)	2,524,050	3,599,418	**6,123,468**
Mine properties	7,174,001	-	**7,174,001**
Exploration and evaluation(2)	3,849,418	(3,599,418)	**250,000**
Total non-current assets	14,404,470	-	**14,404,470**
Total assets	15,732,138	-	**15,732,138**
Liabilities			
Current liabilities			
Provisions	(565,138)	-	**(565,138)**
Total current liabilities	(565,138)	-	**(565,138)**
Non-current liabilities			
Rehabilitation provision	(1,667,000)	-	**(1,667,000)**
Total non-current liabilities	(1,667,000)	-	**(1,667,000)**
Total liabilities	(2,232,138)	-	**(2,232,138)**
Net identifiable assets acquired	13,500,000	-	**13,500,000**
Net assets acquired	13,500,000	-	**13,500,000**

(1) Management has obtained a final independent valuation of the plant, property and equipment acquired and adjusted the provisional amount accordingly.

(2) In a mining transaction the residual amount of purchase consideration after all the other assets and liabilities have been identified and re-measured to reflect acquisition date fair value is typically allocated to mine properties (excluding site rehabilitation), due to the complexity of the valuation process in particular exploration and evaluation.

(3) Following the increase in valuation of the plant, property and equipment acquired, the additional depreciation has been accounted for over a unit of production basis from date of acquisition. Upon finalisation of acquisition date information, the amortisation of mine properties has also been adjusted from date of acquisition, alongside other minor changes as a result of finalisation of provisional accounting. These have been flowed through the comparative retained earnings accordingly.

The below is the effect of the restatement due to provisional accounting adjustment on the Consolidated statement of financial position as at 30 June 2021.

1 Acquisition accounting (continued)

	Balances reported as at 30 June 2021	Adjustments following finalisation of provisional accounting	**Restated balances as at 30 June 2021**
Assets			
Current assets			
Trade and other receivables	1,162,019	(77,121)	**1,084,898**
Non-current assets			
Property, plant and equipment	3,390,922	3,246,592	**6,637,514**
Mine properties	7,644,508	(187,863)	**7,456,645**
Exploration and evaluation	6,439,832	(3,599,417)	**2,840,415**
Net Assets	20,788,570	(617,809)	**20,170,761**
Equity			
Accumulated losses	(11,189,014)	(617,809)	**(11,806,823)**
Total Equity	20,788,570	(617,809)	**20,170,761**

2 Revenue and Mine Operating Costs

	Consolidated 30 Jun 2022	Consolidated 28 Aug 20 to 30 Jun 21
Revenue		
Gold sales	**22,785,222**	5,085,396
Silver sales	**14,656**	3,543
Interest income	**6,233**	2,816
Sale of asset	**80,750**	-
Reversal of provisions	**750,000**[(1)]	-
Other	**190,093** [(2)]	-
Total	**23,826,954**	5,091,755
Mine Operating Expenses		
Gold operation expenditure	**(8,361,772)**	(4,020,610)
Employee expense	**(8,554,615)**	(2,644,970)
Gross operating profit/(loss)	**5,868,835**	(1,580,184)

(1) *The State Revenue Office Victoria has finalised the stamp duty of the properties acquired in the Centennial Mining Limited acquisition, $15,652 paid April 2022.*
(2) *DOCA finalization settlement of funds head in Escrow of $180,000.*

Sales revenue
Revenue from the sale of gold and silver in the course of ordinary activities is measured at the fair value of the consideration received or receivable. The Group recognises revenue at a point in time when control (physical or contractual) is transferred to the buyer, the amount of revenue can be reliably measured and the associated costs can be estimated reliably, and it is probable that future economic benefits will flow to the Group.

Segment reporting
The consolidated entity has considered the requirements of AASB 8 – Operating Segments and has identified its operating segments based on the internal reports that are reviewed and used by the board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The consolidated entity operates predominantly in one business segment and in one geographical location. The operations of the consolidated entity consist of mineral production and exploration, within Australia.

3 Significant items

Significant items are those items where their nature or amount is considered material to the financial report. Such items included within the consolidated results for the year are detailed below.

	Consolidated 30 Jun 22	Consolidated 28 Aug 20 to 30 Jun 21
Centennial Mining Limited acquisition costs[(1)]	-	(2,213,458)
Listing expense[(2)]	-	(5,637,309)
Total significant items – pre tax		(7,850,767)
Tax Effect		
Tax effect on acquisition cost	-	-
Total significant items – post tax	-	(7,850,767)

(1) Centennial Mining Limited acquisition costs
Costs relating to the acquisition of Centennial Mining Limited included due diligence costs, share registry charges, stamp duty and integration costs.

(2) Golden River Resources listing expense
Non-Cash once off expense from the reverse acquisition of Kaiser Reef Limited (refer to Note 1).

4 Income Tax

Income tax expense	Consolidated 30 Jun 22	Consolidated 28 Aug 20 to 30 Jun 21
Current tax expense	-	-
Under provision in respect of the prior year	-	-
Deferred income tax cost/(benefit)	-	-
Total income tax expense	-	-

Numerical reconciliation of income tax expense to prima facie tax payable

	Consolidated 30 Jun 22	Consolidated 28 Aug 20 to 30 Jun 21
Loss before income tax	**(2,262,838)**	(11,806,825)
Tax at the Australian tax rate of 25% (2021: 26%)	**(565,710)**	(3,069,774)
Tax effect of amounts not deductible/ (taxable) in calculating taxable income:		
Entertainment	**1,260**	1,845
Share based payments	**37,487**	70,372
Fines & penalties	**1,630**	718
Reverse acquisition / acquisition of subsidiary	**-**	2,201,829
Change in corporate tax rate	**-**	30,577
other permanent differences	**77,823**	-
Deferred tax assets not brought to account	**86,799**	(120,896)
Tax losses not brought to account	**360,711**	885,329
Income tax expense	**-**	-

Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in the consolidated income statement, except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable profit for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Tax exposure

In determining the amount of current and deferred tax the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities may impact tax expense in the period that such a determination is made.

Tax consolidation

Entities in the Australian tax consolidated group at 30 June 2022 included: Golden River Resources Pty Ltd (head entity), Centennial Mining Limited and Maldon Resources Pty Ltd. Current and deferred tax amounts are allocated using the "separate taxpayer within group" method.

A tax sharing and funding agreement has been established between the entities in the tax consolidated group. The Company recognises deferred tax assets arising from the unused tax losses of the tax consolidated group to the extent that it is probable that future taxable profits of the tax consolidated group will be available against which the asset can be utilised. At 30 June 2022, the Australian tax consolidated group did not have any unused tax losses.

Current tax liability

As at 30 June 2022, the Company had a nil current tax liability.

Accounting judgements and estimates

Deferred tax assets relating to the acquiree which have been brought to account to the extent of offsetting deferred tax liabilities relating to the acquisition of Centennial Mining Limited are expected to be available for use by the Group in accordance with AASB 112 and IFRIC 23.

At 30 June 2022, tax losses not recognised relating to entities associated of $360,711 (tax effected) were not booked (30 June 2021: $885,329).

4 Income Tax (continued)

Deferred tax balances	Consolidated 2022	Consolidated 2021
Deferred tax liabilities		
Property, plant and equipment	**(480,482)**	(763,190)
Mine properties	**(2,683,342)**	(1,911,127)
Exploration and evaluation assets	**(915,205)**	(1,151,350)
Other temporary differences	**(119,343)**	-
Total	**(4,198,372)**	(3,825,667)
Offset of deferred tax assets	**4,198,372**	3,825,667
Net deferred tax liability recognised	**-**	-
Deferred tax assets		
Trade and other payables	**83,015**	18,745
Interest bearing borrowings	**-**	2,858
Provisions - current	**152,548**	163,254
Rehabilitation provision – non-current	**424,500**	416,750
Provisions – non-current	**58,809**	55,906
Other tax deductible amounts	**4,166,185**	4,115,509
Tax losses	**1,367,006**	885,329
Total	**6,252,063**	5,658,351
Offset against deferred tax liabilities	**(4,198,372)**	(3,825,667)
Net deferred tax assets not brought to account	**2,053,691**	1,832,684

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- Temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Accounting judgements and estimates

At each reporting date, the Group performs a review of the probable future taxable profit in each jurisdiction. The assessments are based on the latest life of mine plans relevant to each jurisdiction and the application of appropriate economic assumptions such as gold price and operating costs. Any resulting recognition of deferred tax assets is categorised by type (e.g. tax losses or temporary differences) and recognised based on which would be utilised first according to that particular jurisdiction's legislation.

5 Earnings per share

	Consolidated 30 Jun 22 Cents	Consolidated 28 Aug 20 to 30 Jun 21 Cents
Basic (loss) per share	**(1.70)**	**(19.66)**
Diluted (loss) per share	**(1.70)**	**(19.66)**

Reconciliation of earnings/(losses) used in calculating earnings/(losses) per share

	Consolidated 30 Jun 22	Consolidated 28 Aug 20 to 30 Jun 21
Basic and diluted earnings/(losses) per share: Loss after tax for the period	**(2,262,838)**	(11,806,825)

Weighted average number of shares

	Consolidated 2022 Number	Consolidated 2021 Number
Weighted average number of ordinary shares used in calculating basic earnings per share	**132,965,982**	60,051,653
Weighted average number of ordinary shares and potential ordinary shares used in calculating diluted earnings per share	**132,965,982**	60,051,653

Basic earnings/(losses) per share

Basic earnings/(losses) per share is calculated by dividing the profit or loss attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the reporting period.

Diluted earnings/(losses) per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Basic loss per share is not diluted.

Performance rights and options

Performance rights and options granted to employees under the Kaiser Performance Rights Plan are considered to be potential ordinary shares and are included in the determination of diluted earnings per share to the extent to which they are dilutive. The rights and options are not included in the determination of basic earnings per share until the performance conditions are met.

Weighted average of number of shares

The calculation of the weighted average number of shares is based on the number of ordinary shares and performance shares during the period.

6 Property, plant and equipment

Non-current	Consolidated 2022	Consolidated 2021
Land and buildings		
At the beginning of the period	**27,299**	-
Acquired fixed assets – business combination	**-**	28,551[1]
Additions	**20,000**	-
Depreciation (range 3-15 years)	**(2,863)**	(1,252)
Disposals	**-**	-
At the end of the period	**44,436**	27,299
Plant and equipment		
At the beginning of the period	**6,610,215**	-
Acquired fixed assets - business combination	**-**	6,119,902
Additions	**1,645,748**	758,713
Assets under construction	**272,695**	338,162
Disposals	**-**	-
Depreciation (range 3-15 years)	**(2,639,420)**	(606,562)
At the end of the period	**5,889,238**	6,610,215
Total	**5,933,674**	6,637,514

Reconciliation of depreciation and amortisation to the consolidated income statement

	Consolidated 30 Jun 22	Consolidated 28 Aug 20 to 30 Jun 21
Depreciation		
Land and buildings	**(2,863)**	(1,252)
Plant and equipment	**(2,639,420)**	(606,562)
Amortisation		
Mine properties	**(4,138,191)**	(711,108)
Total	**(6,780,474)**	(1,318,922)

(1) Right of use assets totaling $10,810 have been included within balance

Buildings, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the consolidated income statement during the financial period in which they are incurred.

Depreciation of assets is calculated using the straight line method to allocate the cost or revalued amounts, net of residual values, over their estimated useful lives. Where the carrying value of an asset is less than its estimated residual value, no depreciation is charged. Residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount, if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains and losses are included in the consolidated income statement when realised.

The Group's leasing activities

The Group leases offices, warehouses, equipment and vehicles as part of its operational requirements. Contracts are typically made for fixed periods of 6 months to 5 years, but may have extension options as described below.

Contracts may contain both lease and non-lease components. The group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone value. As a Lessee the Group will individually access single lease components.

Lease terms are negotiated on individual operational requirements and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets are not used as security for borrowing purposes.

Accounting judgements and estimates

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

7 Mine properties

Non-current Mine properties	Consolidated 2022	Consolidated 2021
At beginning of the period	**7,456,645**	-
Acquired mine properties (Centennial Mining)	**-**	7,174,002
Additions	**4,084,741**	993,751
Amortisation for the period	**(4,138,191)**	(711,108)
At end of the period	**7,403,195**	7,456,645

Mine properties

Mine development expenditure represents the acquisition cost and/or accumulated exploration, evaluation and development expenditure in respect of areas of interest in which mining has commenced.

When further development expenditure is incurred in respect of a mine, after the commencement of production, such expenditure is carried forward as part of the mine development only when substantial future economic benefits are established, otherwise such expenditure is classified as part of production and expensed as incurred.

Mine development costs are deferred until commercial production commences, at which time they are amortised on a unit-of-production basis over mineable reserves. The calculation of amortisation takes into account future costs which will be incurred to develop all the mineable reserves. Changes to mineable reserves are applied from the beginning of the reporting period and the amortisation charge is adjusted prospectively from the beginning of the period.

Accounting judgements and estimates

The Group applies the units of production method for amortisation of its life of mine specific assets, which results in an amortisation charge proportional to the depletion of the anticipated remaining life of mine production. Amortisation has been based on indicated resource estimates. These calculations require the use of estimates and assumptions in relation to reserves, metallurgy and the complexity of future capital development requirements; changes to these estimates and assumptions will impact the amortisation charge in the consolidated income statement and asset carrying values.

Impairment of assets

All asset values are reviewed at each reporting date to determine whether there is objective evidence that there have been events or changes in circumstances that indicate that the carrying value may not be recoverable. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made. An impairment loss is recognised for the amount by which the carrying amount of an asset or a cash generating unit ('CGU') exceeds the recoverable amount. Impairment losses are recognised in the consolidated income statement.

The Group assesses impairment of all assets at each reporting date by evaluating conditions specific to the Group and to the particular assets that may lead to impairment.

The identified CGU of the Group is: Centennial Mining. The carrying value of all CGUs are assessed when an indicator of impairment is identified using fair value less costs of disposal ('Fair Value') to calculate the recoverable amount.

When required by an indicator of impairment, fair Value is determined as the net present value of the estimated future cash flows. Future cash flows are based on life-of-mine plans using market based commodity price quantities of ore reserves, operating costs and future capital expenditure. Costs to dispose have been estimated by management.

Accounting judgements and estimates - Impairment

Significant judgements and assumptions are required in making estimates of Fair Value. The CGU valuations are subject to variability in key assumptions including, but not limited to: long-term gold prices, currency exchange rates, discount rates, production, operating costs, future capital expenditure and permitting of new mines. An adverse change in one or more of the assumptions used to estimate Fair Value could result in a reduction in a CGU's recoverable value. This could lead to the recognition of impairment losses in the future.

At 30 June 2022, the Group determined that there were no indicators of impairment for the Centennial Mining cash generating unit due to strong spot gold and consensus forecast prices at 30 June 2022, existing long life mining at A1 mine and further development of resources, together with the relatively low carrying value to recover.

Ore Reserves

The Group determines and reports Ore Reserves under the 2012 edition of the Australian Code for Reporting of Mineral Resources and Ore Reserves, known as the JORC Code. The JORC Code requires the use of reasonable investment assumptions to calculate reserves. Due to the fact that economic assumptions used to estimate reserves change from period to period, and geological data is generated during the course of operations, estimates of reserves may change from period to period.

Accounting judgements and estimates– Ore Reserves

Reserves are estimates of the amount of gold product that can be economically extracted from the Group's properties. In order to calculate reserves, estimates and assumptions are required about a range of geological, technical and economic factors, including quantities, grades, production techniques, recovery rates, production costs, future capital requirements, short and long term commodity prices and exchange rates.

Estimating the quantity and/or grade of reserves requires the size, shape and depth of ore bodies to be determined by analysing geological data. This process may require complex and difficult geological judgements and calculations to interpret the data.

Changes in reported reserves may affect the Group's financial results and financial position in a number of ways, including:

- Asset carrying values may be impacted due to changes in estimated future cash flows.
- The recognition of deferred tax assets.
- Depreciation and amortisation charged in the consolidated income statement may change where such charges are calculated using the units of production basis.
- Capital development deferred in the balance sheet or charged in the consolidated income statement may change due to a revision in the development amortisation rates.
- Decommissioning, site restoration and environmental provisions may change where changes in estimated reserves affect expectations about the timing or cost of these activities.

8 Exploration and evaluation

Non-current	Consolidated 2022	Consolidated 2021
At beginning of the period	**2,840,415**	-
Acquired exploration (Centennial Mining)	-	2,352,796
Additions	**2,646,907**	487,619
Impairment expense*	**(311,288)**	-
At end of the period	**5,176,034**	2,840,415

Commitments for exploration

	2022	2021
In order to maintain rights of tenure to mining tenements for the next financial year, the Group is committed to tenement rentals and minimum exploration expenditure in terms of the requirements of the relevant government mining departments in Australia. This requirement will continue for future years with the amount dependent upon tenement holdings.	**1,281,190**	1,168,690

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that the Group holds current rights to tenure and the costs are expected to be recouped through the successful development of the area or where activities in the area have not yet reach a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Exploration and evaluation expenditure consists of an accumulation of acquisition costs and direct exploration and evaluation costs incurred, together with an allocation of directly related overhead expenditure.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward cost in relation to that area of interest.

When an area of interest is abandoned, or the Directors determine it is not commercially viable to pursue, accumulated costs in respect of that area are written off in the period the decision is made.

*Impairment expense**

On the 10 May 2022, the Group announced the divestment discussion of its NSW Stuart town tenements to Checkmate Minerals Limited for $25,000 deposit, 5,000,000 shares in the capital of Checkmate Minerals Limited with a deemed issue price of $0.20 and Deferred Consideration: On the first anniversary of the Company's admission to ASX, buyer is to:

Issue to KAU a total $500,000 in shares (deemed issue price per share based on market price) OR Make a cash payment in the amount of $500,000 by way of electronic funds prior to such date.

Given the information arising as part of the divestment discussions, it was determined that under AASB 6 section 20(d) the carrying amount of the exploration and evaluation asset was unlikely to be recovered in full from successful development or by sale. Accordingly, the asset was subject to impairment of $311,288 to reflect its evaluated value of $1,694,444.

Accounting judgements and estimates

Exploration and evaluation costs have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

9 Rehabilitation provision

	Consolidated 2022	Consolidated 2021
Non-current		
Provision for rehabilitation	**1,698,000**	1,667,000
	1,698,000	1,667,000
Movements in Provisions		
Rehabilitation		
Balance at start of period	**1,667,000**	-
Acquired rehabilitation (Centennial Mining)	**-**	1,667,000
Additions	**31,000**	-
Balance at end of period	**1,698,000**	1,667,000

Provisions, including those for legal claims and rehabilitation and restoration costs, are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

The Group has obligations to dismantle, remove, restore and rehabilitate certain items of property, plant and equipment and areas of disturbance during mining operations.

A provision is made for the estimated cost of rehabilitation and restoration of areas disturbed during mining operations up to reporting date but not yet rehabilitated. The provision also includes estimated costs of dismantling and removing the assets and restoring the site on which they are located. The provision is based on current estimates of costs to rehabilitate such areas, discounted to their present value based on expected future cash flows. The estimated cost of rehabilitation includes the current cost of contouring, topsoiling and revegetation to meet legislative requirements. Changes in estimates are dealt with on a prospective basis as they arise.

There is some uncertainty as to the extent of rehabilitation obligations that will be incurred due to the impact of potential changes in environmental legislation and many other factors (including future developments, changes in technology and price increases). The rehabilitation liability is remeasured at each reporting date in line with changes in the timing and /or amounts of the costs to be incurred and discount rates. The liability is adjusted for changes in estimates. Adjustments to the estimated amount and timing of future rehabilitation and restoration cash flows are a normal occurrence in light of the significant judgments and estimates involved.

As the value of the provision represents the discounted value of the present obligation to restore, dismantle and rehabilitate, the increase in the provision due to the passage of time is recognised as a borrowing cost. A large proportion of the outflows are expected to occur at the time the respective mines are closed.

Accounting judgements and estimates

Mine rehabilitation provision requires significant estimates and assumptions as there are many transactions and other factors that will ultimately affect the liability to rehabilitate the mine sites. Factors that will affect this liability include changes in regulations, prices fluctuations, changes in technology, changes in timing of cash flows which are based on life of mine plans and changes to discount rates. When these factors change or are known in the future, such differences will impact the mine rehabilitation provision in the period in which it becomes known.

10 Working capital

Trade and other receivables

	Consolidated 2022	Consolidated 2021
Current		
Trade receivables	**9,649**	-
Other receivables	**1,381,093**	790,949
Prepayments	**48,835**	977,162
	1,439,577	1,768,111
Non-current		
Rehabilitation Bond	**857,000**	857,000
Total	**2,296,577**	2,625,111

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Trade receivables are usually due for settlement no more than 30 days from the date of recognition. Cash placed on deposit with a financial institution to secure bank guarantee facilities and restricted from use ('restricted cash') within the business is disclosed as part of trade and other receivables.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. The amount of the provision for doubtful receivables is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

The Group does not have material trade receivables for which there is an expected credit loss though the consolidated income statement. It only sells to reputable banks, refiners and commodity traders.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Inventories

	Consolidated 2022	Consolidated 2021
Current		
Consumables	**864,216**	841,467
Ore stockpiles	**569,848**	424,080
Gold in circuit	**746,384**	590,930
Bullion on hand	**-**	362,150
Total	**2,180,448**	2,218,627

Raw materials and consumables, ore stockpiles, gold-in-circuit and bullion on hand are valued at the lower of cost and net realisable value.

Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure relating to mining activities, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Accounting judgements and estimates
The calculation of net realisable value (NRV) for ore stockpiles, gold in circuit and bullion on hand involves significant judgement and estimation in relation to timing and cost of processing, future gold prices, exchange rates and processing recoveries. A change in any of these assumptions will alter the estimated NRV and may therefore impact the carrying value of inventories.

Trade and other payables

	Consolidated 2022	Consolidated 2021
Current		
Trade payables	**2,621,652**	**2,545,717**
Other payables	**1,343,269**	**472,277**
Total	**3,964,921**	**3,017,994**

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year, which remain unpaid as at reporting date. The amounts are unsecured and are usually paid within 30 days from the end of the month of recognition.

11 Financial risk management

Financial risk management

The Group's management of financial risk is aimed at ensuring net cash flows are sufficient to withstand significant changes in cash flow under certain risk scenarios and still meet all financial commitments as and when they fall due. The Group continually monitors and tests its forecast financial position and has a detailed planning process that forms the basis of all cash flow forecasting.

The Group's normal business activities expose it to a variety of financial risk, being: market risk (especially gold price and foreign currency risk), credit risk and liquidity risk. The Group may use derivative instruments as appropriate to manage certain risk exposures.

Risk management in relation to financial risk is carried out by a centralised executive function in accordance with Board approved directives that underpin policies and processes. The Executive Leadership Team (and when required external consultants) assist the Board in discharging their responsibilities in relation to forecasted risk profiles, risk issues, risk mitigation strategies and compliance with company policy. The executive team regularly reports the findings to the Board.

(a) Market risk

Market risk is the risk that changes in market prices, such as commodity prices, foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments, cash flows and financial position. The Group may enter into derivatives, and also incur financial liabilities, in order to manage market risks. All such transactions are carried out within directives and policies approved by the Board.

(b) Currency risk

The currencies in which transactions primarily are denominated are Australian Dollars. The Group is exposed to currency risk only to the extent of currency fluctuation effects on gold sales and purchases of import inventories.

(c) Interest rate exposures

The Board manages the interest rate exposures. Any decision to hedge interest rate risk is assessed in relation to the overall Group exposure, the prevailing interest rate market, and any funding counterparty requirements.

(d) Capital management

The Group's total capital is defined as total shareholders' funds plus net debt. The Group aims to maintain an optimal capital structure to reduce the cost of capital and maximise shareholder returns. The Group has a capital management plan that is reviewed by the Board on a regular basis.

The Group is not subject to externally imposed capital requirements other than normal banking requirements.

(e) Credit risk

Credit risk is the risk that a counter party does not meet its obligations under a financial instrument or customer contract, with a maximum exposure equal to the carrying amount of the financial assets as recorded in the consolidated financial statements. The Group is exposed to credit risk from its operating activities (primarily customer receivables) and from its financing activities, including deposits with banks and financial institutions.

Credit risks related to receivables

Based on historic rates of default, the Group believes that no impairment has occurred with respect to trade receivables, and none of the trade receivables at 30 June 2022 were past due.

(f) Fair value estimation

The fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the Group approximates carrying value. The fair value of other monetary financial assets and financial liabilities is based upon market prices.

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement, or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined using generally accepted valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

11 Financial risk management (continued)

(h) Liquidity risk

Prudent liquidity risk management requires maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows, and matching maturity profiles of financial assets and liabilities. The Group undertakes sensitivity analysis to stress test the operational cash flows, which are matched with capital commitments to assess liquidity requirements. The capital management plan provides the analysis and actions required in detail for the next twelve months and longer term.

Fixed Interest Maturing in 2022	Floating Interest rate	1 year or less	Over 1 to 2 years	Over 2 to 5 years	Total
Financial assets					
Cash and cash equivalents	-	6,581,919	-	-	**6,581,919**
Receivables	-	1,439,577	-	-	**1,439,577**
Non-current bonds	0.3%	-	-	857,000	**857,000**
	-	8,021,496	-	857,000	**8,878,496**
Financial liabilities					
Trade and other payables	-	3,964,921	-	-	**3,964,921**
Insurance premium funding	4%	267,836	-	-	**267,836**
	-	4,232,757	-	-	**4,232,757**
Net financial assets	**-**	**3,788,739**	**-**	**857,000**	**4,645,739**

Fixed Interest Maturing in 2021					
Financial assets					
Cash and cash equivalents	-	4,787,279	-	-	**4,787,279**
Receivables	-	1,768,111	-	-	**1,768,111**
Non-current bonds	0.3%	-	-	857,000	**857,000**
	-	6,555,390	-	857,000	**7,412,390**
Financial liabilities					
Trade and other payables	-	3,017,994	-	-	**3,017,994**
Right-of-use assets lease liability	3%	11,432	-	-	**11,432**
Insurance premium funding	4%	269,898	-	-	**269,898**
	-	3,229,324	-	-	**3,299,324**
Net financial assets	**-**	**3,256,066**	**-**	**857,000**	**4,113,066**

12 Net debt

Cash and cash equivalents

	Consolidated 2022	Consolidated 2021
Cash at bank and on hand	**6,581,919**	4,787,279
	6,581,919	4,787,279

Reconciliation of loss from ordinary activities after income tax to net cash flows from operating activities

	Consolidated 30 Jun 22	Consolidated 28 Aug 20 to 30 Jun 21
Loss after tax for the period	**(2,262,838)**	(11,806,825)
Depreciation and amortisation	**6,780,474**	1,318,992
Listing expense (reverse acquisition)	**-**	5,637,309
Non-cash expenses associated with acquisition	**-**	1,873,979
Equity settled share-based payments	**149,947**	270,661
Impairment expense	**311,288**	-
Change in operating assets and liabilities		
Receivables and prepayments	**328,534**	(807,679)
Inventories	**38,179**	(1,094,417)
Other assets	**(80,750)**	(22,553)
Trade creditors and payables	**946,926**	786,481
Provisions and other liabilities	**(566,240)**	1,367,900
Net cash outflows from operating activities	**5,645,520**	(2,476,152)

Cash and cash equivalents includes cash on hand, deposits and cash at call held at financial institutions, other short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Non-cash investing and financing activities:

Year ended 30 June 2022:

- 8,000,000 options fair value at $999,792 were issued during the period to brokers for services provided in conjunction with the capital raising refer to note 17.

Period ended 30 June 2021:

- 2,700,000 and 415,523 shares were issued during the period to brokers and advisors respectively, for services provided in conjunction with the acquisition transactions as disclosed in Notes 1 and 16.
- Advisors also were also granted 1,344,800 options as disclosed in Note 16.

  - 2,700,000 and 415,523 shares were issued during the period to brokers and advisors respectively, for services provided in conjunction with the acquisition transactions as disclosed in Notes 1 and 16.
  - Advisors also were also granted 1,344,800 options as disclosed in Note 16.

Interest bearing liabilities

	Consolidated 2022	Consolidated 2021
Current		
Secured		
Lease liabilities	**-**	11,432
Insurance premium funding	**267,836**	269,898
Total current	**267,836**	281,330

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the consolidated income statement over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities, which are not incremental costs relating to the actual draw down of the facility, are recognised as prepayments and amortised on a straight line basis over the term of the facility.

Loans to Directors and their related parties

No loans have been made to any Directors or any of their related parties during this year. There were no further transaction with Directors including their related parties other than those disclosed in note 20.

Loss before income tax includes the following specific expenses:

	Consolidated 30 Jun 22	Consolidated 28 Aug 20 to 30 Jun 21
Finance Costs		
Interest paid/payable	**23,956**	15,314
	23,956	15,314

13 Parent entity disclosures

As at, and throughout, the financial year ended 30 June 2022, the parent company of the Group was Kaiser Reef Limited.

Financial statements

	Parent Entity	
	1 Jul 21 to 30 Jun 22	1 Jul 20 to 30 Jun 21
Result of the parent entity		
Loss after tax for the year	(2,263,838)	(11,492,632)
Total comprehensive loss for the year	**(2,263,838)**	(11,492,632)
Financial position of the parent entity	**30 June 2022**	30 June 2021
Current assets	5,802,872	4,339,200
Total assets	**23,467,213**	20,338,592
Current liabilities	(657,388)	(167,831)
Total liabilities	**(657,388)**	(167,831)
Total equity of the parent entity comprising:		
Share capital	35,431,839	31,499,826
Reserves	1,447,649	477,760
Accumulated losses	(14,069,663)	(11,806,825)
Total equity	**22,809,825**	20,170,761

Transactions with entities in the wholly-owned group

Kaiser Reef Limited is the parent entity in the wholly-owned group comprising the Company and its wholly-owned subsidiaries. It is the Group's policy that transactions are at arm's length.

Net loans payable to the Company amount to a net payable of $7,814,980 (2021: $5,304,121).

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation.

14 Controlled entities

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy on consolidation.

Except as noted below, all subsidiaries are 100% owned at 30 June 2021 and 30 June 2022.

	Country of Incorporation
Parent entity	
Kaiser Reef Limited	Australia
Subsidiaries of Kaiser Reef Ltd	
Golden River Resources Pty Ltd	Australia
Chase Metals Pty Ltd	Australia
Subsidiaries of Golden River Resources Ltd	
Centennial Mining Limited(1)	Australia
Subsidiaries of Centennial Mining Ltd	
Maldon Resources Pty Ltd(2)	Australia

(1) On 12 August 2022 after the reporting date, Centennial Mining limited change company type from a limited to proprietary limited and company name to Kaiser Reef Mining Pty Ltd.

15 Employee benefit expenses and other provisions

Expenses

	Consolidated 30 Jun 22	Consolidated 28 Aug 20 to 30 Jun 21
Employee related expenses		
Wages and salaries	**8,647,947**	3,212,357
Retirement benefit obligations	**889,299**	259,945
Equity settled share-based payments	**149,947**	263,705
	9,687,193	3,736,007

Wages and salaries, and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be paid within 12 months of the reporting date, are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid, including expected on-costs, when the liabilities are settled.

Retirement benefit obligations

Contributions to defined contribution funds are recognised as an expense as they are due and become payable. The Group has no obligations in respect of defined benefit funds.

Equity settled share-based payments

Performance rights issued to employees are recognised as an expense by reference to the fair value of the equity instruments at the date at which they are granted. Refer to Note 16 for further information.

Executive incentives

Senior executives may be eligible for short term incentive payments ("STI") subject to achievement of key performance indicators, approved by the Board of Directors. The Group recognises a liability and an expense for STIs in the reporting period during which the service is provided by the employee.

Key management personnel

	Consolidated 1 Jul 21 to 30 Jun 22	Consolidated 1 Jul 20 to 30 Jun 21
Short term employee benefits	**744,099**	447,515
Post-employment benefits	**69,369**	28,804
Leave	**46,531**	27,676
Share-based payments	**(3,971)**	281,004
	856,028	784,999

Disclosures relating to Directors and key management personnel are included within the Remuneration Report, with the exception of the table opposite.

Other provisions

	Consolidated 2022	Consolidated 2021
Current		
Employee benefits – annual leave	**509,336**	386,048
Employee benefits – long service leave	**73,635**	74,677
Other provisions	**-**	740,000[1]
	582,971	1,200,725
Non-current		
Employee benefits - long service leave	**248,294**	227,781
	248,294	227,781

[1]Provision for stamp duty associated with the acquisition of Centennial Mining Limited. Refer to Note 3.

Employee related and other provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made, plus expected on-costs, in respect of services provided by employees up to the reporting date. Consideration is given to the expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted with reference to market yields on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

16 Share-based payments Reserve

Details	Consolidated 2022	Consolidated 2021
Opening balance	477,760	-
Value of options and rights vested during the period	969,889	477,760
Closing balance	**1,447,649**	**477,760**

KMP Performance Rights

The Group provides benefits to KMP of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions). The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. Accounting standards preclude the reversal through the consolidated income statement of amounts which have been booked in the share based payments reserve for performance rights, and which satisfy service conditions but do not vest due to market conditions.

Set out below are summaries of rights granted to KMP in the current year under the Kaiser Limited Performance Rights Plan to be approved by shareholder's:

Consolidated 2022

Grant Date	Expiry Date	Fair value	Balance at start of the period (Number)	Granted during the period (Number)	Vested during the period (Number)	Expired during the period (Number)	Balance at end of the period (Number)	Exercisable at end of the year (Number)
07 Oct 2021	07 Oct 2022	$0.235	-	150,000	(150,000)	-	-	-
07 Oct 2021	07 Oct 2022	$0.235	-	150,000	-	-	150,000	-
07 Oct 2021	07 Oct 2023	$0.235	-	100,000	-	-	100,000	-
07 Oct 2021	07 Oct 2023	$0.079	-	100,000	-	-	100,000	-
01 Feb 2022	01 Feb 2022	$0.205	-	120,000	(120,000)	-	-	-
01 Feb 2022	01 Feb 2022	$0.205	-	120,000	-	-	120,000	-
01 Feb 2022	01 Feb 2024	$0.205	-	80,000	-	-	80,000	-
01 Feb 2022	01 Feb 2024	$0.079	-	80,000	-	-	80,000	-
17 Nov 2021	10 Feb 2022(1)	$0.21	150,000	-	-	(150,000)	-	-
08 Feb 2021	01 Feb 2023	$0.42	200,000	-	(100,000)	-	100,000	-
17 Nov 2021	10 Aug 2023(1)	$0.079&$0.21	200,000	-	-	-	200,000	-
08 Feb 2021	08 Sep 2024	$0.29&$0.42	200,000	-	-	-	200,000	-
Total			**750,000**	**900,000**	**(370,000)**	**(150,000)**	**1,130,000**	**-**

Consolidated 2021

Grant Date	Expiry Date	Fair value	Balance at start of the period (Number)	Granted during the period (Number)	Vested during the period (Number)	Expired during the period (Number)	Balance at end of the period (Number)	Exercisable at end of the year (Number)
17 Nov 2021	10 Feb 2022(1)	$0.21	-	150,000	-	-	150,000	-
08 Feb 2021	01 Feb 2023	$0.42	-	200,000	-	-	200,000	-
17 Nov2021	10 Aug 2023(1)	$0.079&$0.21	-	200,000	-	-	200,000	-
08 Feb 2021	08 Sep 2024	$0.29&$0.42	-	200,000	-	-	200,000	-
Total			**-**	**750,000**	**-**	**-**	**750,000**	**-**

(1) Mr Howe's options were approved by shareholders at the AGM on the 17 November 2021. The provisional fair value of $93,710 was reversed and replaced with the fair value of $27,443 on approval date

16 Share-based payments Reserve (continued)

Valuation of Performance Rights at Grant Date

During the period the Group did not granted further rights to KMP.

During the current year, 900,000 performance rights were granted to employees, valued at the share price of grant date as set out in the previous table. These rights are subject to achievement of various non-market performance hurdles. During the current year, 270,000 rights vested. The remaining 630,000 remain unvested at year-end.

The below table discloses the valuation of KMP rights granted in the prior year, including the revaluation of rights for Stewart Howe following shareholder approval at the AGM 14 November 2021:

		Stewart Howe		
Tranche	Value Per Right(4)	Number of Rights Granted	Total Value*	Valuation Methodology
A	$0.21	75,000(1)	15,750	Share price at grant date
B	$0.21	75,000(1)	15,750	Share price at grant date
C	$0.079	100,000	$7,900	Trinomial pricing model**
D	$0.21	100,000(5)	$21,000	Share price at grant date
Total		**350,000**	**$60,400**	

		Andy Tran		
Tranche	Value Per Right	Number of Rights Granted	Total Value*	Valuation Methodology
A	$0.42	100,000(2)	$42,000	Share price at grant date
B	$0.42	100,000(3)	$42,000	Share price at grant date
C	$0.29	100,000	$28,980	Trinomial pricing model**
D	$0.42	100,000(5)	$42,000	Share price at grant date
Total		**400,000**	**$154,980**	

(1) Rights lapsed on the 10 February 2022
(2) Due to Covid 19 disruption the Board has allow for the rights to be extended to 1 February 2023, these rights have vested in the 2022 year
(3) Due to Covid 19 disruption the Board has allow for the rights to be extended to 1 February 2023 and 0% probability has been applied at 30 June 2022
(4) Rights were granted to Mr Howe on 10 February 2021 and approved at the AGM 17 Nov 2021. The above table reflects the final valuation at date of shareholder approval.
(5) The probability of achievement of Tranche D rights has been applied at 30 June 2022 is 100%.

*The holder must be an employee of the Company in order for the rights to vest on achievement of the relevant performance hurdles. Accordingly, the total value of rights at grant date has been vested over the relevant performance period.

**Tranche C rights include a market based vesting hurdle linked to the market capitalisation of the Group valued with reference to a trinomial pricing model with the following inputs:

Description	Input Stewart Howe	Input Andy Tran
Underlying share price ($)	0.21	0.42
Exercise price ($)	Nil	Nil
Grant date	17 November 2021	8 February 2021
Performance measurement period	1.72 years	2.5 years
Share price barrier ($)	1.068	1.305
Volatility (%)	100	100
Risk-free rate (%)	0.575	0.11
Value per right ($)	0.079	0.29
Total value of rights granted	**$7,900**	**$28,980**
Total value of rights provisional granted	**$28,980**	**N/A**
True up of fair value of rights in 2022	**($20,990)**	**N/A**

The weighted average remaining contractual life of performance rights outstanding at the end of the year was 2.08 years. Conditions associated with rights granted during the period ended 30 June 2021 included:

i. Rights are granted for no consideration. The vesting of rights granted in 2021 is subject to set key performance objectives to be achieved.
ii. Performance rights do not have an exercise price.
iii. Any performance right which does not vest will lapse.
iv. Grant date varies with each issue.

16 Share-based payments Reserve (continued)

Performance Rights – Vesting Conditions

Tranche	Performance Period	Performance Hurdle	Probability Applied
A	12 months from appointment(1)	Rights vest into shares when A1 Mine operations reaches and maintains a production profile of 5,000 t/month or more over a 3 rolling month period and during that period the Company's mining and treatment operations are cash flow positive.	N/A – vested / lapsed
B	12 months from appointment(1)	Rights vest into shares when the Company increases utilisation its gold processing facility in excess of 60% of nameplate (nameplate 150,000 tonnes p.a.) for a three-month period and during that period the Company's mining and treatment operations are cash flow positive,	0%
C	30 months from appointment	Rights vest into shares when the Company reaches a market capitalisation of $150 million (over a 5 day VWAP period).	N/A – market hurdle
D	30 months from appointment	Rights vest into shares when the Company operates the Maldon Process plant at 90% of nameplate capacity (nameplate 150,000 tonnes p.a.) for a 6 month period and during that period the Company's mining and treatment operations are cash flow positive.	100%

(1) Andy Tran's tranche A and B rights were extended during the year allowing achievement by 1 February 2023.

Movement in unlisted options on issue

	2022	2021
Outstanding at the beginning of the year	12,994,800	10,750,000
Issued during the year	8,000,000	2,244,800
Expired or lapsed during the year	-	-
Exercised during the year	-	-
Outstanding at the end of the year	**20,994,800**	**12,994,800**

Valuation of Options at Grant Date

During the prior period the Group granted the following options, which vested immediately and were valued at grant date with reference to a Black Scholes valuation model with the following inputs:

	Advisor	KMP tranche 1(1)	KMP tranche 2(1)	KMP tranche 3	KMP tranche 4
Number of options	1,344,800	200,000	200,000	250,000	250,000
Grant date	20/01/2021	8/02/2021	8/02/2021	8/02/2021	8/02/2021
Grant date share price	0.30	0.21	0.21	0.42	0.42
Exercise price	0.50	0.52	0.60	0.52	0.60
Volatility	100	100	100	100	100
Risk free rate (%)	0.3	0.95	0.95	0.11	0.11
Term (in years)	3	2.3	2.3	3	3
Fair value per option ($)	0.15	0.072	0.065	0.24	0.23
Total fair value	207,099	14,368	13,075	60,080	57,057
Total value of options provisional granted	N/A	48,064	45,646	N/A	N/A
True up of fair value of options in 2022	N/A	(33,969)	(32,571)	N/A	N/A

(1) The options granted on 8 February 2021 were approved by shareholders at the AGM 17 November 2021.

Notes to the Financial Report

Expenses arising from share based payment transactions

Total expenses arising from equity settled share based payment transactions recognised during the year were as follows:

	Consolidated 30 Jun 2022	Consolidated 28 Aug 20 to 30 Jun 21
Advisor options for prior year (acquisition expense)	-	**207,099**
KMP options	-	**210,847**
KMP performance rights	**70,030**	**59,814**
Shares granted to employee as remuneration during the current year	**78,000**	-
Rights vesting expense in relation to performance rights granted in the current year	**75,929**	-
Reversal of expense in relation to true-up of KMP options and performance rights upon shareholder approval	**(72,718)**	-
Reversal of lapsed rights previously recognised share based payment expense of KMP	**(24,164)**	-
Reversal of previously recognised share based payment expense due hurdle achievement probabilities	**(13,118)**	-
Shares granted to KMP	**36,000**	-
Total share based payment expense	**149,959**	**477,760**

Equity-settled share-based compensation benefits are provided to employees. Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is determined using either the Trinomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period.

The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited. If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Other Share Based Payments

During the year 6,000,000 and 2,000,000 options were issued to brokers and advisors for services provided in conjunction with the capital raising. These options were valued at $774,575 and $225,217 respectively, based on the Black Scholes options pricing model and recognised as a reduction of equity as a cost of raising capital.

Description	**Input**	**Input**
Underlying share price ($)	0.228	0.21
Exercise price ($)	0.30	0.30
Grant date	03 September 2022	17 November 2022
Performance measurement period	3 years	3 years
Volatility (%)	100	100
Risk-free rate (%)	0.19	0.95
Value per right ($)	0.129	0.113
Total value of rights granted	**$774,575**	**$225,217**

During the year 200,000 shares were provisionally awarded to Stewart Howe, subject to shareholder approval. These shares were valued at $36,000 based on the closing share price at 13 May 2022 of $0.18.

Accounting judgements and estimates

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either a Black-Scholes model or Trinomial Pricing Model, taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Where performance rights are subject to vesting conditions, Management has formed judgments around the likelihood of vesting conditions being met.

17 Contributed equity

Details	Number of shares	$
Opening balance 30 June 2021	114,898,877	31,499,826
Share placement	10,000,000	2,000,000
1:8 rights issue to shareholders	15,612,360	3,123,272
Share issue fees	-	(371,317)
Share issue fees via Options	-	(999,792) (1)
Vesting of performance rights	370,000	101,850
Shares issued to employees as remuneration for services performed	400,000	78,000
Closing balance 30 June 2022	**141,281,237**	**35,431,839**

(1) 6,000,000 and 2,000,000 options were issued to brokers and advisors for services provided in conjunction with the capital raising, refer note 16.

Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and performance rights are recognised as a deduction from equity, net of any tax effects.

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

18 Remuneration of auditors

During the year the following fees were paid or payable for services provided by BDO Audit (WA) Pty Ltd, the auditor of the parent entity, and its related practices:

	Consolidated 2022	Consolidated 2021
BDO Audit (WA) Pty Ltd - Audit and Review of the Consolidated Financial Report	**103,500**	57,500
Non-audit services		
BDO Corporate Tax (WA) Pty Ltd - Taxation consulting services	**43,099**	41,645
BDO Corporate Finance (WA) Pty Ltd – Investigating Accounting Report	**-**	14,420
Total remuneration for audit and non-assurance related services	**116,849**	113,565

The above information stated covers the full financial year ended 30 June 2022.

19 Events occurring after the balance sheet date

The Directors are not aware of any matter or circumstance that has arisen since the end of the financial year that, in their opinion, has significantly affected or may significantly affect in future years the Company's or the Group's operations, the results of those operations or the state of affairs, except as described in this note.

On 21 July 2022 Kaiser Reef Limited announced:

- A Mineral Resource Estimate of 1.2 Mt at 4.4 g/t gold (Inferred) for 186,656 ounces of gold; and
- An Exploration Target of 1.75 to 2.7Mt at between 3 g/t gold and 4 g/t gold for between 165,000 ounces of gold to 345,000 ounces of gold at its wholly owned Maldon site.

The Maldon gold project has extensive existing infrastructure and capital, existing mine permitting and a wholly owned processing plant within a 3km proximity currently operating profitably well below capacity.

On the 9 September 2022 Kaiser Reef Limited the company has commenced engineering work used for the scoping and other technical/planning studies for the potential development of a second gold mining operation at Maldon. Continued exploration and infill drilling targeting increasing the resource size and confidence are also proposed and will be initiated following the results obtained from the engineering work.

On 11 August 2022, 250,000 unlisted options exercisable at $0.40 issued to consultants expired.

On the 07 September 2022, 750,000 unlisted options exercisable at $0.30 and expiring 05 September issued to consultants were issued to Euro Equity Group for services relating to share marketing to the European markets.

20 Related party transactions

Transaction between related parties are on commercial terms and conditions, no more favourable than those available to otherwise stated.

The below information stated covers the full financial year ended 30 June 2022.

Mining Corporate Pty Ltd – related party to David Palumbo, resigned 5 July 2021, there was not related party transaction during the 5 days.$187,913 was charged by Mining Corporate Pty Ltd for the comparative year ended 30 June 2021.

Total outstanding to Mining Corporate Pty Ltd for the transition facilitation services, company secretarial, accounting and bookkeeping services during the current year was nil and $15,619 for the comparative year ended 30 June 2021.

Kingwest Resources Ltd – related party to A Byass and J Downes
Shared office facility arrangement during the year.

Total for the current year: $46,268 was charged by *Kingwest Resources Ltd* with an outstanding amount of $3,355 payable at 30 June 2022.

Refer to Note 15 for details of KMP remuneration.

Refer to Note 16 for details of share based payments granted in the current year to KMP.

21 Contingencies

The Directors are not aware of any contingencies for the year ending 30 June 2022.

22 Basis of preparation

Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except for the following material items:

- Share based payment arrangements are measured at fair value.

Principles of consolidation - Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Kaiser Reef Limited as at 30 June 2022 (comparatives: 30 June 2021) and the results of all subsidiaries for the year ending 30 June 2022 (comparatives: period from 28 August 2020 to 30 June 2021) as disclosed in Note 1.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, and as a result has an exposure or rights to variable returns, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control commences until the date control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Critical accounting judgement and estimates

The preparation of consolidated financial statements in conformity with AASB and IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Going Concern

This report is prepared on a going concern basis, which assumes the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

For the year ended 30 June 2022 the Group recorded a loss of $2,262,840 (2021: a loss of $11,806,825), net cash inflows from operating activities of $5,645,520 (2021: net cash outflows from operating activities of $2,476,152) and a closing cash balance of $6,581,919 (2021: closing cash balance of $4,787,279).

The Group has forecasted positive cash flow from operating activities in the next 12 months. The Directors have assessed the cash flow requirements for the 12 month period from the date of approval of the financial statements and its impact on the Group and believe there will be sufficient funds to meet the Group's working capital requirements.

23 Accounting standards

New Standards adopted

The accounting policies applied by the Group in this 30 June 2022 consolidated financial report are consistent with Australian Accounting Standards. All new and amended Australian Accounting Standards and interpretations mandatory as at 1 July 2021 to the group have been adopted and have not had a material impact upon recognition.

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Kaiser Reef Limited as at 30 June 2022 (comparatives: 30 June 2021) and the results of all subsidiaries for the year ending 30 June 2022 (comparatives: period from 28 August 2020 to 30 June 2021) as disclosed in Note 1.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2022. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Critical accounting judgement and estimates

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Directors' declaration

1 In the opinion of the directors of Kaiser Reef Limited (the Company):

(a) the consolidated financial statements and notes that are contained in pages 16 to 44 and the remuneration report in the Directors' report, set out on pages 9 to 13, are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

(iii) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2 The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the executive director and chief financial officer for the financial year ended 30 June 2022.

3 The directors draw attention to page 14 of the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors:

Jonathan Downes
Executive Director
Perth
30 September 2022

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Fax: +61 8 6382 4601
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Perth WA 6000
PO Box 700 West Perth WA 6872
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Kaiser Reef Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Kaiser Reef Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

BDO

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverability of mine properties

Key audit matter	*How the matter was addressed in our audit*
As at 30 June 2022 the Group recognised mine properties as disclosed in Note 7. Assessing the recoverability and carrying value of this balance was considered to be a key audit matter due to the judgements and estimations involved. These estimations and judgements surround two areas; being impairment indicators and the amortisation and depreciation associated with this asset. Impairment indicators involve assessing future forecasts and judgement around recoverability of the asset. Amortisation and depreciation involves using estimated reserves and resources (used as the denominator in a "units-of-production" calculation) of the mine.	Our audit procedures included but were not limited to: • Testing impairment indicators to ensure that no such indicators exist and amortisation is progressing at an appropriate rate; • Reviewing future plans for the mine properties and ensuring that such plans support the recoverability of the mine; • Assessing the current carrying value of the mine properties and ensuring items capitalised during the year were appropriate to capitalise; • Assessing the application of reserves and resources in the amortisation models by comparing them to the latest published statement and underlying mining records; • Testing the mathematical accuracy of the amortisation models; and • Assessing the adequacy of the disclosure in Note 7 to the financial statements.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 9 to 13 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Kaiser Reef Limited, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

BDO

Dean Just

Director

Perth

30 September 2022

Corporate Directory

BOARD OF DIRECTORS

A Byass	Non-Executive Chairman
J Downes	Executive Director
S Howe	Executive Director

COMPANY SECRETARY
A Tabakovic
S Brockhurst

PRINCIPAL PLACE OF BUSINESS
Unit 3, Churchill Court
335 Hay Street
Subiaco WA 6008
Telephone: +61 8 9481 0389
Email: admin@kaiserreef.com.au
Website: www.kaiserreef.com.au

STOCK EXCHANGE LISTING
Shares in Kaiser Reef Limited are quoted on the Australian Securities Exchange
Ticker Symbol: KAU

SHARE REGISTRY
Automic registry Pty Ltd
Level 2, 267 St Georges Terraces
Perth WA 6000

AUDITOR
BDO Audit (WA) Pty Ltd
Level 9, Mia Yellagonga Tower
5 Spring Street
WA 6000, AUSTRALIA

REGISTERED OFFICE
Level 8, 216 St Georges Terrace
Perth WA 6000

Kaiser Reef Limited

Additional information for public listed companies

Schedule of Tenement

Project	Tenement Number	Location of Tenement	Status	Beneficial Interest
Stuart Town	EL8491	New South Wales	Granted	100%
	EL8592	New South Wales	Granted	100%
	EL9203	New South Wales	Granted	100%
	EL9198	New South Wales	Granted	100%
	EL9199	New South Wales	Granted	100%
A1	MIN5294	Victoria	Granted	100%
Maldon	MIN5146	Victoria	Granted	100%
	MIN5529	Victoria	Granted	100%
	MIN5528	Victoria	Granted	100%
	EL7029	Victoria	Applied	100%

ASX Share Information

The following additional information is required by the Australian Securities Exchange Ltd in respect of listed public companies only. The information is current as at 21 September 2022.

1. **Shareholding**

a. **Distribution of Shareholders**

(i) *Ordinary share capital*
- 141,281,237 fully paid shares held by 1,109 shareholders. All issued ordinary share carry one vote per share and carry the rights to dividends.

	Class of Equity Security	
Category (size of holding)	Number of Holders	Fully Paid Ordinary Shares
1 - 1,000	32	5,783
1,001 – 5,000	219	629,648
5,001 – 10,000	171	1,343,097
10,001 – 100,000	478	18,741,218
100,001 – and over	209	104,949,896
	1,109	**141,281,237**

b. The number of shareholdings held in less than marketable parcels is 155.

c. The Company had the following substantial shareholders at the date of this report.

Fully Paid Ordinary Shares

Holder	Number	%
Timothy Neesham	10,215,000	7.23

Financial Report

d. **Voting Rights**

The voting rights attached to each class of equity security are as follows:

Ordinary shares

– Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

e. **20 Largest holders of quoted equity securities (fully paid ordinary shares)**

	Name	Number Held	Percentage %
1.	BATH RESOURCES PTY LTD	6,660,000	4.71%
2.	DC & PC HOLDINGS PTY LTD <DC & PC NEESHAM SUPER A/C>	3,600,000	2.55%
3.	LIQUIDITY PARTNERS PTY LTD	3,375,000	2.39%
4.	ANGKOR IMPERIAL RESOURCES PTY LTD <TURKISH BREAD S/F A/C>	3,350,000	2.37%
5.	STEVSAND INVESTMENTS PTY LTD <STEVEN FORMICA FAMILY A/C>	3,331,250	2.36%
6.	VALIANT EQUITY MANAGEMENT PTY LTD <BYASS FAMILY A/C>	3,205,000	2.27%
7.	KIANDRA NOMINEES PTY LTD <JK DOWNES FAMILY A/C>	3,200,000	2.26%
8.	ALITIME NOMINEES PTY LTD <HONEYHAM FAMILY A/C>	3,100,000	2,19%
9.	PELOTON CAPITAL PTY LTD	2,662,501	1.88%
10.	RXO PTY LIMITED	2,500,000	1.77%
11.	MAJI MAZURI PTY LTD & MAWINGO PTY LTD	2,279,256	1.61%
12.	THE SUN W INVESTMENT PTY LTD <SUN FAMILY A/C>	2,266,667	1.60%
13.	CITICORP NOMINEES PTY LIMITED	2,118,546	1.50%
14.	BROOKAVA PTY LTD	2,055,740	1.46%
15.	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	1,974,444	1.40%
16.	JEFF TOWLER BUILDING PTY LTD	1,907,556	1.35%
17.	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	1,776,193	1.26%
18.	KITARA INVESTMENTS PTY LTD <KUMOVA #1 FAMILY A/C>	1,750,000	1.24%
19.	PELOTON CAPITAL PTY LTD	1,711,154	1.21%
20.	HOLICARL PTY LIMITED <HUNTER GRAIN S/F A/C>	1,687,500	1.19%
20.	BFB HOLDINGS PTY LTD <BFB INVESTMENT A/C>	1,687,500	1.19%
	Total	**56,198,307**	**39,78%**
	Total issued capital – ordinary shares	**141,281,237**	**100.00%**

2. **Stock Exchange Listing**

Quotation has been granted for all the ordinary shares of the company on the Australian Securities Exchange Limited.

3. **Restricted Securities**

The Company has the following restricted securities on issue as at the date of this report

- 11,440,523 fully paid ordinary shares – escrowed to 28 January 2023
- 1,344,800 unlisted options – escrowed to 28 February 2023

4. **Unquoted Securities**

The Company has the following unquoted securities on issue as at the date of this report:

- 4,250,000 options exercisable at $0.30 on or before 31 January 2023
- 1,750,000 options exercisable at $0.30 on or before 21 February 2023
- 1,344,800 options exercisable at $0.50 on or before 25 January 2024
- 4,500,000 options exercisable at $0.40 on or before 31 January 2024
- 8,000,000 options exercisable at $0.30 on or before 30 September 2024
- 250,000 options exercisable at $0.52 on or before 8 March 2024
- 250,000 options exercisable at $0.60 on or before 8 March 2024
- 200,000 options exercisable at $0.52 on or before 16 December 2024

- 200,000 options exercisable at $0.60 on or before 16 December 2024
- 750,000 options exercisable at $0.30 on or before 5 September 2025
- 200,000 performance rights expiring 8 August 2023
- 200,000 performance rights expiring 8 September 2023

5. **Use of Funds**

Between the date of official re-instating on ASX and the date of this report the Company has used the cash to further develop and explore the Victorian and New South Wales projects in a way consistent with its business objectives and as set out in the pursuant to the Prospectus dated 7 December 2020.