ASX Announcement

Brownfields Copper Discovery at Jervois

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21 December 2021

- Geophysics-led discovery;
- Coincident IP and DHEM anomalies;
- Large-scale DHEM conductor target: 700m strike x 500m dip;
- Chalcopyrite-Bornite mineralisation logged in first drillhole, confirmed by assays;
- Located on Jervois J-Fold, between Rockface and Reward resources;
- Follow-up drilling and DHEM planned for 2022;
- Proximity to Rockface mine plan.

KGL Resources (**ASX:KGL**) is pleased to announce the discovery of a new copper Exploration Target through the recent application of induced polarisation (IP) and down-hole electromagnetics (DHEM) geophysical techniques at Jervois. The assay results from the discovery hole, KJCD482, confirm the discovery.

Background

The Jervois J-fold is a distinctive large-scale geological structure which is well known to host several mineral occurrences. These include the three JORC mineral resources, Reward, Rockface and Bellbird, which form the basis for the current Feasibility Study.

It is also recognised that geophysical methods such as magnetics, gravity, IP and DHEM are very effective exploration tools at Jervois, especially when used in concert. The Rockface deposit, which has an average grade of 3.17% copper[1], was initially discovered using DHEM, and this technique has recently been used at Rockface, in conjunction with drilling, to explore a very-high grade shoot[2].

During 2021, the company carried out a large IP survey which was designed to explore sections of the J-fold which had not been adequately covered and to infill previous IP surveys performed by MIM over 20 years ago.

It is clear now that these techniques are successful, particularly when used together, in defining targets in this area.

The Discovery

The 2021 IP survey initially focussed on a strike-segment of the J-fold between Reward and Rockface (Figure 1). This segment contains the well-mineralised outcrops known as Cox's Find prospect and had been drilled and modelled to shallow depth.

The new IP survey detected a large and moderately strong anomaly to the south-west of Cox's Find at intermediate depth. Drillhole KJCD482 was drilled to test the anomaly at a position approximately 400 metres below surface and 600 metres south of the Cox's Find outcrop. This was not the strongest part of the IP response, but was positioned to provide the best site for follow on DHEM studies.

[1] KGL ASX Release on 15 September, 2020
[2] KGL ASX Releases on 11 October, 2021; 4 November, 2021; 10 November, 2021; 8 December, 2021

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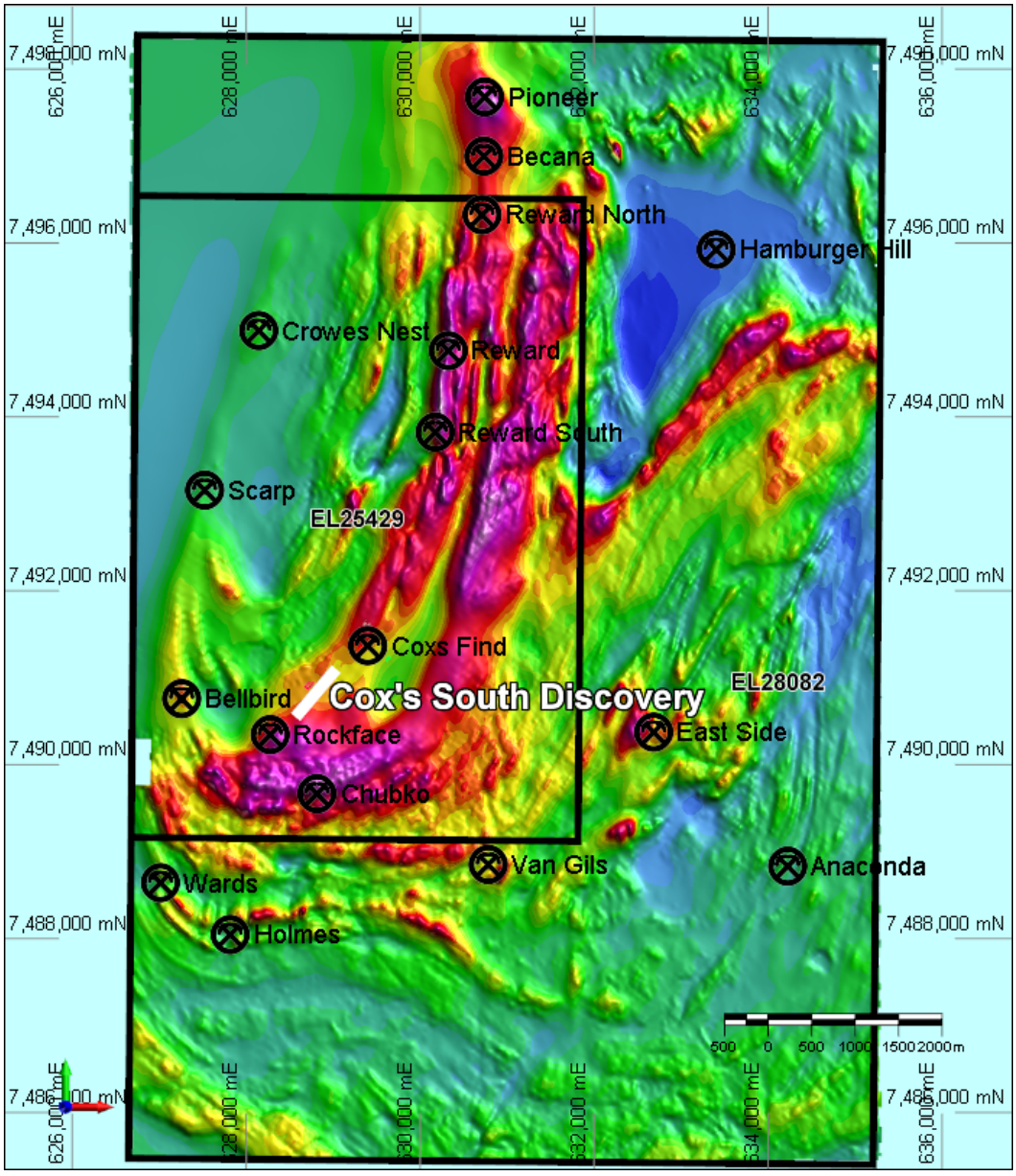

Figure 1: KGL Exploration Licences EL25429 (Jervois) and EL28082 (Unca Creek) showing the location of the Cox's South discovery between Rockface and Cox's Find. The exploration target depicted as a white bar is approximately 700m long and has a dip extent of 500m.The base map is the Reduced to Pole (RTP) aeromagnetic image which clearly show the pronounced J-Fold structure which hosts the three mineral resources, Reward, Rockface and Bellbird as well as most of the known copper prospects, including the new Cox's South Discovery.

KJCD482 intersected a broad zone of disseminated sulphide mineralisation, which appears to adequately account for the IP response. The hole also intersected a 2.53-metre-thick zone of stronger copper mineralisation comprising disseminated chalcopyrite and minor bornite. The intersection for this zone in **KJCD482 is: 1.92% Cu and 14.7 g/t Ag over 2.53m ETW from 523m down hole.** [3]

[3] Estimated True Width, All drill intervals are estimated true width and grades are weighted averages unless otherwise specified.

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Subsequent DHEM surveys indicated that this zone of mineralisation is associated with a large conductor (modelled as 700m strike x 500m dip). This conductor is only weakly conducting, which is in keeping with the observed disseminated style of mineralisation in KJCD482.

Exploration Target

Based on the dimensions of the DHEM Model (700m x 500m), the estimated true thickness (2.53m), the grade of the mineralised intersection in KJCD482 (1.92% Cu) and the measured bulk density of the mineralisation (2.81 t/m^3), an exploration target is postulated to be in the order of 2 to 3 million tonnes at 1.5 to 2.3% Cu. The presence of bornite and the large dimensions of the DHEM conductor and its proximity to Rockface, makes this an attractive exploration target.

It is proposed to test the Cox's South DHEM conductor with a follow-up hole, situated approximately 220m south-west of KJCD482, where the IP response is at its highest strength (See Figure 2 andFigure 3 below). This hole is scheduled for early 2022 and will be preserved for further DHEM which is also scheduled for early 2022. Further drilling on this target is contingent on the result of the proposed hole and the DHEM survey.

"Exploration Target" cautionary statement: The potential quantity and grade is conceptual in nature, given that there has been insufficient exploration to estimate a Mineral Resource and that it is uncertain if further exploration will result in the estimation of a Mineral Resource.

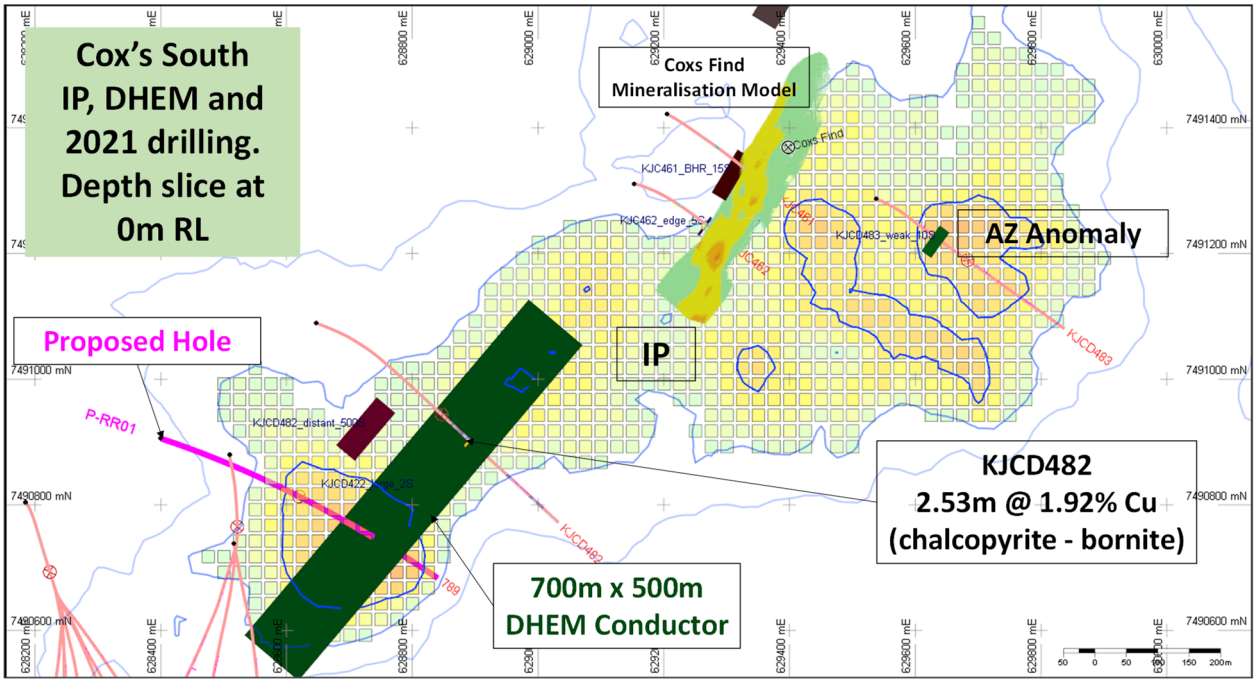

Figure 2: Depth Slice at 0m RL of Cox's South target showing the large IP anomaly (coloured blocks) along strike to the southwest from Cox's Find prospect. 2021 drilling is depicted as pink traces and planned hole in magenta. The large conductor plate from KJCD482 is the dark green rectangle. Other smaller conductors are evident from KJC461, KJC462 and KJCD483 but these are not considered to be priority targets. The one, off-hole, conductor target of interest has a high modelled conductivity of 500S but because of its distance from the hole, the uncertainty is high. Once the proposed hole is completed the 500S anomaly may come into sharper focus.

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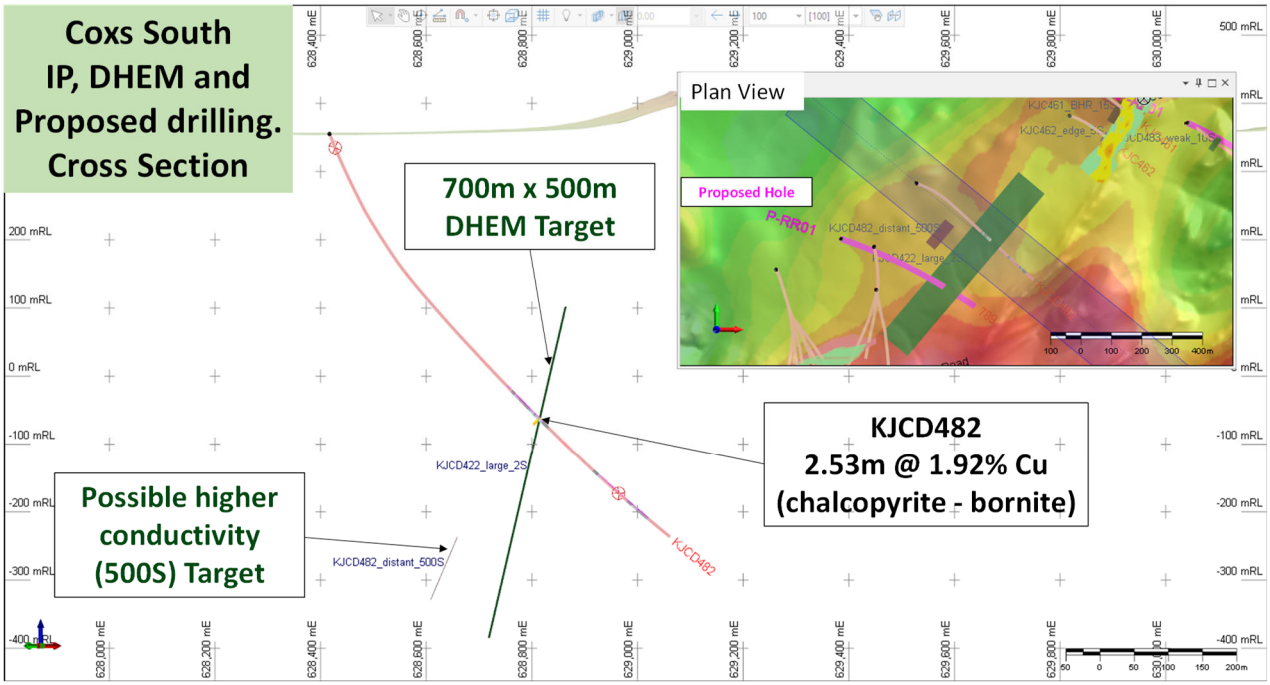

Figure 3: Cros Section through KJCD482 and Coxs South target show in the attitude of the DHEM conductor. Plan view inset displays orientation of the section and the width of the plot window. The one, off-hole, conductor target of interest has a high modelled conductivity of 500S but because of its distance from the hole, the uncertainty is high. Once the proposed hole is completed the 500S anomaly may come into sharper focus

Other Cox's Exploration

Three other holes were drilled in the vicinity of Cox's Find in 2021. Reverse circulation holes KJC461 and KJC462 were drilled beneath the mineral resource model and obtained narrow intercepts of copper. DHEM surveying of these holes did not detect any significant conductors. The reportable intersections for these two holes are:

KJC461: 1.54% Cu and 1.2 g/t Ag over 0.94m ETW from 234m down hole
KJC462: 1.08% Cu and 3.6 g/t Ag over 4.35m ETW from 260m down hole

Hole KJCD483 targeted an IP anomaly approximately 350 metres south-east of the Cox's Find outcrop, with the prospect being named AZ (See Figure 2). The hole intersected disseminated pyrite and chalcopyrite mineralisation and encouraging alteration over broad zones, which likely explains the IP anomaly.

One interval of 2.53% copper was intersected over a down-hole interval of 1.14m from 234.11 metres. This zone was not directly associated with an in-hole DHEM conductor although a small 50m x 50m weak off-hole conductor plate is located above the hole approximately 30 metres away from the copper intersection. At this stage AZ has been afforded a lower priority for further drilling.

Consulting Geophysicist Kate Hine comments," The discovery of the Cox's South exploration target vindicates the exploration approach adopted by KGL, which is an iterative process involving conceptual geological thought, IP geophysics, drilling, DHEM, geophysical modelling and interpretation.

> "Whilst the Cox's South DHEM anomaly, so far mapped, is not a strong conductor, it is in keeping with the mineralisation style observed in the hole KJCD482. It must be noted that much of the Bellbird and

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Reward deposits are also only weakly conductive. Rockface is the exception in being a strong conductor. To maximise the effectiveness of the DHEM surveys, a coil probe detector was employed which is more sensitive to weaker conductors"

KGL Managing Director Simon Finnis also comments: "Our exploration efforts are beginning to generate results even though we are only in the early stages, due to the necessity to engage the drill rigs for resource building throughout most of 2021.

"We are excited that the first drillhole into this target, has intersected chalcopyrite and bornite mineralisation of potentially economic grade, and just as importantly, the DHEM has revealed an exploration target of significant dimensions"

"The IP survey completed last year will inform our exploration program in 2022 but the Cox's South IP anomaly represented low-hanging fruit to drill and carry out DHEM in 2021.

"We are all greatly anticipating the follow-up hole to further test the exploration target which is scheduled to be drilled early in 2022. This new hole will be preserved for early 2022 DHEM surveying, which should further tighten the modelling of the conductor targets. Follow-up DHEM surveys of the most recent Rockface holes at depth are also planned for early 2022.

"From a development point of view, Cox's South is in close proximity to the planned Rockface underground mine with the south-western edge of the conductor model less than 50m from the Rockface stopes. Obviously, it is early days yet, but the potential synergies are clear.

"In the coming weeks we will devise a drilling plan focussing on near term Resource growth, with the clear aim to extend the mine life . We will also prepare a synthesis of the updated geophysical results and models and finalise the broader scope of exploration drilling strategy for 2022. The market will be informed of these plans once completed."

This announcement has been approved by the directors of KGL Resources Limited.

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Competent Person Statement

The information in this announcement that relates to Exploration Targets and Exploration Results is based on data compiled by John Levings BSc, a Competent Person who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Levings is Principal Geologist for the Company. Mr Levings has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which is being undertaking to qualify as a Competent Person as defined in the 2012 Edition of 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Levings consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

The Jervois Resources information were first released to the market on 15/09/20 and complies with JORC 2012. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Forward Looking statements

This release includes certain forward-looking statements. The words "forecast", "estimate", "like", "anticipate", "project", "opinion", "should", "could", "may", "target" and other similar expressions are intended to identify forward looking statements. All statements, other than statements of historical fact, included herein, including without limitation, statements regarding forecast cash flows and potential mineralisation, resources and reserves, exploration results and future expansion plans and development objectives of KGL are forward-looking statements that involve various risks and uncertainties. Although every effort has been made to verify such forward-looking statements, there can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. You should therefore not place undue reliance on such forward-looking statements.

Statements regarding plans with respect to the Company's mineral properties may contain forward looking statements. Statements in relation to future matters can only be made where the Company has a reasonable basis for making those statements.

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JORC Code, 2012 Edition – Table

1.1 Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• At Reward diamond drilling and reverse circulation (RC) drilling were used to obtain samples for geological logging and assaying. The core samples comprised a mixture of sawn HQ quarter core, sawn NQ half core and possibly BQ half core (historical drilling only). Sample lengths are generally 1m, but at times length were adjusted to take into account geological variations. RC sample intervals are predominantly 1m intervals with some 2 and 4m compositing (historical holes only).. • RC samples are routinely scanned by KGL Resources with a Niton XRF. Samples assaying greater than 0.1% Cu, Pb or Zn are submitted for analysis at a commercial laboratory. • Mineralisation at all deposits is characterized by disseminations, veinlets and large masses of chalcopyrite, associated with magnetite-rich alteration within a psammite. The mineralisation has textures indicative of structural emplacement within specific strata i.e. the mineral appears stratabound. • Documentation of the historical drilling (pre-2011) for Reward is variable.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• The KGL and previous Jinka-Minerals RC drilling was conducted using a reverse circulation rig with a 5.25-inch face-sampling bit. Diamond drilling was either in NQ2 or HQ3 drill diameters. Metallurgical diamond drilling (JMET holes) were PQ • There is no documentation for the historic drilling techniques. • Diamond drilling was generally cored from surface with some of the deeper holes at Rockface and Reward utilizing RC pre-collars. • Oriented core has been measured for the recent KGL drilling.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• The KGL RC samples were not weighed on a regular basis but when completed no sample recovery issues were encountered during the drilling program. • Jinka Minerals and KGL split the rare overweight samples (>3kg) for assay. Since overweight samples were rarely reported no sample bias was established

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Criteria	JORC Code explanation	Commentary
		between sample recovery and grade. • Core recovery for recent drilling is >95% with the mineral zones having virtually 100% recovery. • No evidence has been found for any relationship between sample recovery and copper grade and there are no biases in the sampling with respect to copper grade and recovery.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• All KGL RC and diamond core samples are geologically logged. Logging in conjunction with multi-element assays is appropriate for mineral resource estimation. • Core samples are also orientated and logged for geotechnical information. • All logging has been converted to quantitative and qualitative codes in the KGL Access database. • All relevant intersections were logged. • Paper logs existed for the historical drilling. There is very little historical core available for inspection.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• The following describes the recent KGL sampling and assaying process: – RC drill holes are sampled at 1m intervals and split using a cone splitter attached to the cyclone to generate a split of ~3kg; – RC sample splits (~3kg) are pulverized to 85% passing 75 microns. – Diamond core was quartered with a diamond saw and generally sampled at 1m intervals with samples lengths adjusted at geological contacts; – Diamond core samples are crushed to 70% passing 2mm and then pulverized to 85% passing 75 microns. – Two quarter core field duplicates were taken for every 20m samples by Jinka Minerals and KGL Resources. – All sampling methods and sample sizes are deemed appropriate for mineral resource estimation • Details for the historical sampling are not available.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether*	• The KGL drilling has QAQC data that includes standards, duplicates and laboratory checks. In ore zones standards are added at a ratio of 1:10 and duplicates and blanks 1:20. • Base metal samples are assayed using a four-acid digest with an ICP AES finish. Gold samples are assayed by Aqua Regia with an ICP MS finish. Samples over

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Criteria	JORC Code explanation	Commentary
	acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	1ppm Au are re-assayed by Fire Assay with an AAS finish. • There are no details of the historic drill sample assaying or any QAQC. • All assay methods were deemed appropriate at the time of undertaking.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Data is validated on entry into the MS Access database, using Database check queries and Maxwell's DataShed. • Further validation is conducted when data is imported into Micromine and Leapfrog Geo software • Hole twinning was occasionally conducted at Reward with mixed results. This may be due to inaccuracies with historic hole locations rather than mineral continuity issues. • For the resource estimation below detection values were converted to half the lower detection limit.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• For the KGL drilling surface collar surveys were picked up using a Trimble DGPS, with accuracy to 1 cm or better. • Downhole surveys were taken during drilling with a Ranger or Reflex survey tool at 30m intervals • All drilling by Jinka Minerals and KGL is referenced on the MGA 94 Zone 53 grid. All downhole magnetic surveys were converted to MGA 94 grid. • For Reward there are concerns about the accuracy of some of the historic drillhole collars. There are virtually no preserved historic collars for checking. • There is no documentation for the downhole survey method for the historic drilling. • Topography was mapped using Trimble DGPS and LIDAR
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Drilling at Rockface was on nominal 50m centres with downhole sampling on 1m intervals. • Drilling at Reward was on 25m spaced sections in the upper part of the mineralisation extending to 50m centres with depth and ultimately reaching 100m spacing on the periphery of mineralisation. • For Reward shallow oxide RC drilling was conducted on 80m spaced traverses with holes 10m apart. • The drill spacing for all areas is appropriate for resource estimation and the relevant classifications applied. • A small amount of sample compositing has

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Criteria	JORC Code explanation	Commentary
		been applied to some of the near surface historic drilling.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Holes were drilled perpendicular to the strike of the mineralization; the default angle is -60 degrees, but holes vary from -45 to -80. • Drilling orientations are considered appropriate and no obvious sampling bias was detected.
Sample security	• *The measures taken to ensure sample security.*	• Samples were stored in sealed polyweave bags on site and transported to the laboratory at regular intervals by KGL staff or a transport contractor.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• The sampling techniques are regularly reviewed internally and by external consultants.

1.2 Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The Jervois Project is within EL25429 and EL28082 100% owned by Jinka Minerals and operated byJervois Operations Pty Ltd, both wholly owned subsidiaries of KGL Resources. • The Jervois Project is covered by Mineral Claims and an Exploration licence owned by KGL Resources subsidiary Jinka Minerals.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Previous exploration has primarily been conducted by Reward Minerals, MIM and Plenty River.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• EL25429 and EL28082 lie on the Huckitta 1: 250 000 map sheet (SF 53-11). The tenement is located mainly within the Palaeo-Proterozoic Bonya Schist on the northeastern boundary of the Arunta Orogenic Domain. The Arunta Orogenic Domain in the north western part of the tenement is overlain unconformably by Neo-Proterozoic sediments of the Georgina Basin. • The stratabound mineralisation for the project consists of a series of complex, narrow, structurally controlled, sub-vertical sulphide/magnetite-rich deposits hosted by Proterozoic-aged, amphibolite grade metamorphosed sediments of the Arunta Inlier. • Mineralisation is characterised by veinlets and disseminations of chalcopyrite in association with magnetite. In the oxide zone which is vertically limited malachite, azurite, chalcocite are the main Cu-minerals. • Massive to semi-massive galena in association with sphalerite occur locally in

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<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td></td><td>high grade lenses of limited extent with oxide equivalents including cerussite and anglesite in the oxide zone. Generally, these lenses are associated with more carbonate-rich host rocks occurring at Green Parrot, Reward and Bellbird North.</td></tr>
<tr><td>Drill hole Information</td><td>• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:
○ easting and northing of the drill hole collar
○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar
○ dip and azimuth of the hole
○ down hole length and interception depth
○ hole length.
• If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</td><td>
<table>
<tr><th>Hold ID</th><th>Easting</th><th>Northing</th><th>RL</th><th>Azimuth</th><th>Dip</th><th>Depth</th></tr>
<tr><td>KJC461</td><td>629204.91</td><td>7491421.89</td><td>350.25</td><td>115.91</td><td>-60.45</td><td>310.00</td></tr>
<tr><td>KJC462</td><td>629153.17</td><td>7491311.19</td><td>351.54</td><td>105.02</td><td>-67.89</td><td>328.00</td></tr>
<tr><td>KJCD482</td><td>628647.40</td><td>7491089.00</td><td>355.24</td><td>109.43</td><td>-66.94</td><td>784.20</td></tr>
<tr><td>KJCD483</td><td>629537.83</td><td>7491286.97</td><td>356.15</td><td>109.96</td><td>-75.09</td><td>691.20</td></tr>
</table>
For intercept depths please see the body of the report. Individual assay values comprising the weighted average intercepts below:
<table>
<tr><th>Hole_ID</th><th>Depth_From</th><th>Depth_To</th><th>DH Width</th><th>Sample_Type</th><th>Cu_pct</th><th>Ag_ppm</th></tr>
<tr><td>KJC462</td><td>260.00</td><td>261.00</td><td>1.00</td><td>CHIPS</td><td>1.58</td><td>3.1</td></tr>
<tr><td>KJC462</td><td>261.00</td><td>262.00</td><td>1.00</td><td>CHIPS</td><td>1.66</td><td>3.9</td></tr>
<tr><td>KJC462</td><td>262.00</td><td>263.00</td><td>1.00</td><td>CHIPS</td><td>0.34</td><td>3.2</td></tr>
<tr><td>KJC462</td><td>263.00</td><td>264.00</td><td>1.00</td><td>CHIPS</td><td>0.57</td><td>3.2</td></tr>
<tr><td>KJC462</td><td>264.00</td><td>265.00</td><td>1.00</td><td>CHIPS</td><td>1.25</td><td>4.7</td></tr>
<tr><td>KJCD482</td><td>523.00</td><td>524.00</td><td>1.00</td><td>QCORE</td><td>2.14</td><td>26.9</td></tr>
<tr><td>KJCD482</td><td>524.00</td><td>525.00</td><td>1.00</td><td>QCORE</td><td>1.34</td><td>10.4</td></tr>
<tr><td>KJCD482</td><td>525.00</td><td>525.99</td><td>0.99</td><td>QCORE</td><td>2.29</td><td>6.8</td></tr>
<tr><td>KJCD483</td><td>234.11</td><td>235.25</td><td>1.14</td><td>QCORE</td><td>2.53</td><td>1.4</td></tr>
</table>
</td></tr>
<tr><td>Data aggregation methods</td><td>• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.
• Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.
• The assumptions used for any reporting of metal equivalent values should be clearly stated.</td><td>• Minimum grade truncation 0.5%Cu for intercepts above 200m RL
• Minimum grade truncation 1.0%Cu for intercepts below 200m RL
• Aggregate intercepts use length-weighting
• No top-cuts are applied nor considered necessary
• No metal equivalents are used</td></tr>
<tr><td>Relationship between mineralisation widths and intercept lengths</td><td>• These relationships are particularly important in the reporting of Exploration Results.
• If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.
• If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg ‘down hole length, true width not known’).</td><td>• In the main deposit areas, the geometry of the lodes is well known and is used to estimate true widths, which are quoted in the report</td></tr>
<tr><td>Diagrams</td><td>• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</td><td>• Refer Figures 1 and 2 in the report</td></tr>
<tr><td>Balanced reporting</td><td>• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</td><td>• Results for all holes are reported according to the Data Aggregation Methods stated above</td></tr>
<tr><td>Other substantive exploration data</td><td>• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</td><td>• Outcrop mapping of exploration targets using Real time DGPS.
• IP, Magnetics, Gravity, Downhole EM are all used for targeting
• Metallurgical studies are well advanced including recovery of the payable metals including Cu, Ag and Au.
• Deleterious elements such as Pb Zn Bi and F are modelled</td></tr>
<tr><td>Further work</td><td>• The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).
• Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</td><td>• The current report relates to infill and mineral resource confirmatory drilling and is ongoing
• Brownfields and greenfield drilling has also commenced
• Additional IP and DHEM surveys are planned</td></tr>
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