

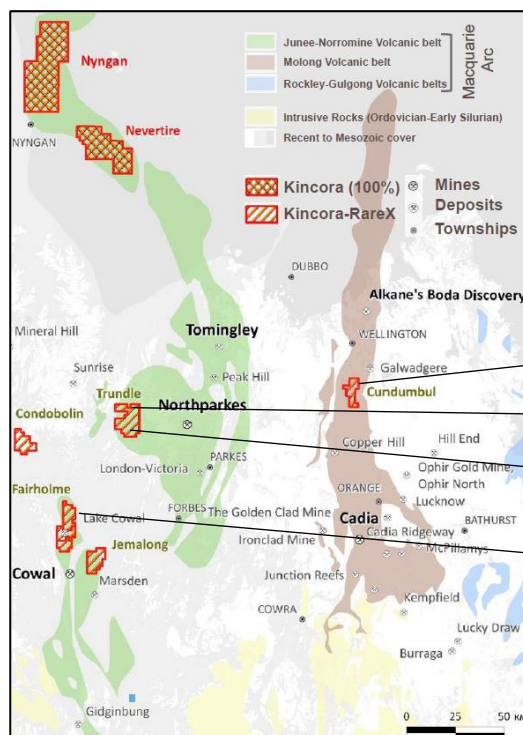
## **Kincora Copper (KCC, A\$0.30. Mkt cap A\$36m)**

### **ASX listing to fund an aggressive copper/gold exploration push into the Lachlan Fold Belt**

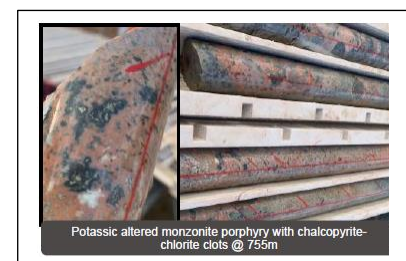
- TSX.V-listed Kincora Copper Limited has chosen to widen its exploration base and has established a significant exploration position in the highly prospective Macquarie Arc gold-copper terrane of the Lachlan Fold Belt (LFB) in Central Western NSW, Australia.
- With its LFB focus, KCC has dual listed on the ASX and successfully raised \$10m in an oversubscribed IPO. This was done at a share price of 20c, with the issue of 50 million CDI's.
- The LFB boasts several world scale projects including Cadia/Ridgeway one of the largest and lowest costs mines globally (endowment of 37Moz gold, 8.2Mt copper), the Northparkes underground (5.5moz gold, 4.5Mt copper) and the Cowal gold mine (an epithermal style deposit with a total endowment of +12Moz).
- The LFB has shot to prominence over the past few years with the exciting porphyry gold/copper discovery, Boda, by Alkane Resources in 2019. As a result, drilling activity in the Belt has increased dramatically over the past 12 months.
- Kincora has established itself in the now blanket-pegged LFB, with exploration projects in its own right and through an earn-in with RareX Limited (REE:ASX, \* below. See Appendix 1 for more details).
- One key element of the KCC investment proposition is the corporate and technical team. The company is led by Sam Spring (CEO, ex Ocean Equities/Goldman Sachs) and Cameron McRae (Chairman, ex Rio Tinto). The technical team is impressive and includes:
  - John Holliday, NED and Chair of Technical Committee, co-discoverer of Cadia's Ridgeway deposit and the Marsden porphyry in the Macquarie Arc. Ex Newcrest.
  - Peter Leaman, SVP Exploration, led the discovery of the Reko Diq porphyry deposit in Pakistan and other porphyry/epithermal deposits while at BHP. Also ex PanAust.
  - On the ground KCC has put together an impressive team of geoscientists, including Dr Paul Cromie, Todd McGilvray and Murray Brooker.
- In this report, we discuss the company's targets within the LFB. Several are quite advanced prospects, with immediate drill targets and two rigs currently operational. Others are less so with further work required to establish targets. Key projects include:
  - Trundle Copper-Gold (porphyry and skarn gold/copper targets)\*
  - Fairholme Gold (largely epithermal gold targets)\*
  - Cundumbul Copper Gold (porphyry gold/copper targets)\*
  - Nyngan and Nevertire Copper-Gold (grassroots exploration)
  - Jemalong Copper Gold Project (porphyry gold copper targets)\*
- An ongoing drill programme commenced in April 2020 at the Trundle project. Best intercepts in skarns include 76m @ 1.4gpt, 16m @ 1.8gpt and 8m @ 2.4gpt, all gold equivalent (with copper) with drilling focused at Mordialloc and Trundle Park targets.
- Walk-up drill targets for gold are available at the Gateway anomaly at Fairholme where intercepts such as 8m at 5.1gpt and 27m at 0.7gpt remain untested.
- KCC starts life as an ASX-listed company with some \$13m in cash and with two rigs drilling on key targets at Trundle in the same mineralised complex as Northparkes, Australia's second largest porphyry mine. A rig will then move to test other targets in the portfolio, Nyngan (June), then Fairholme (July) and possibly the Cundumbul project later in the year.

## Kincora – Investment Overview

- When investing in exploration – arguably one of the riskiest exposures in the mining sector – we always look to back good geologists with one or two high quality, well-priced exposures in what we consider to be geological terrains that can deliver Tier 1 discoveries.
- There is no question that NSW's Lachlan Fold Belt can deliver world class orebodies. Cadia/Ridgeway, Northparkes and Cowal are three examples. Exploration models are being refined by the geologists. Exploration budgets are now generous and this is translating to discoveries. In our view it's a matter of time before further significant discoveries are made.
- We have chosen to back Kincora's strategy in the Lachlan on the following basis:
  - KCC have put together a strong exploration team, transitioning from its Mongolian exploration effort assisted by well-known Lachlan explorer, and former Newcrest GM Exploration, John Holliday (JH), who lives in, and is a foremost figure in the region.
  - KCC, with the assistance of JH, identified the RareX (ex-Clancy) tenement package as being one of the more attractive, and a deal was done. Most of the projects are ex-Newcrest, and are well known to JH. As well, the company was just ahead of the pack and pegged 2 large tenements to the north of the Junee-Narromine belt.
  - KCC have put together a senior team of 'mine finders', with good LFB experience and with the knowledge of porphyry and epithermal systems globally.
  - The team is focussed on the discovery of Cadia-type porphyry gold/copper and Cowal-type epithermal/mesothermal gold plays.
  - The company has attracted funding from the NSW Government to co-fund exploration drilling on the Nyngan Project as part of the New Frontiers programme.
  - The board has excellent commercial acumen and is likely to seek new opportunities within the LFB and value from within its current portfolio. A \$10m raise leaves the company well positioned to accelerate a drill programme into 2021 and 2022.
  - With an EV of around \$27m it appears relatively inexpensive in the current exploration-focussed market.



Source modified from KCC corporate presentation June 2020



Cundumbul

Mordialloc

Trundle Park

Fairholme



- What should investors be watching out for over the next 6 months? it's always difficult to forecast the outcome of specific exploration programmes, but we see the following as possible datapoints during 2021:
  - **May 2021:** Drilling at Trundle re-commenced in April 2020. We understand a final hole is now being drilled at the Mordialloc target before this rig is moved to Nyngan with a second rig operational at the Trundle Park target.
  - **May-June 2021:** Drilling to test basement rock types at the Nyngan project. The first two holes are strategic in nature to help future exploration planning with cooperative drilling funding from the NSW government.
  - **July-August 2021:** Exploration drilling to start at Fairholme to follow up earlier exploration for epithermal gold targets north of Evolution's Cowal gold project.
  - **3-4Q2021:** Potentially boots on the ground at the Cundumbul project looking at extensions of Sultan's Big Hill porphyry target (SLZ:ASX). As we discuss below, this to us looks like an exciting target for SLZ, and one which is right on the exploration licence boundary with KCC. This opportunity has emerged over recent weeks.
- We see the market ascribing little value to KCC's Mongolian projects with the core focus now the LFB. However, we believe in progress continues to be made seeking to spin these projects into a separate entity to list on the ASX and value re-emerge. See Appendix 3 for commentary on the company's Mongolian strategy

## Kincora – Capital Structure

Kincora Copper, capital structure		
Share Price	A\$	0.33
Number of CDIs, ASX	m	69.0
Share Price	C\$	0.30
Number of shares, TSXV	m	51.7
C\$/A\$		1.03
Total number of shares	m	120.7
Weighted av. share price	A\$	0.32
Market cap	A\$m	38.7
Cash, approx	m	12.0
EV	A\$m	26.7
Options (av. C\$0.50 exercise)	m	6.7
Warrants (av. C\$0.75 exercise)	m	38.6
Unlisted broker options (A\$0.30 exercise)	m	10.0

At the time of publishing there were some 51.7m shares in Canada, with around 19m having moved to the ASX (as CDIs). We expect this trend to continue.

## Kincora – Board and management

- Non-executive Chairman: Cameron Macrae
- Managing Director: Sam Spring
- Non-executive Director: John Holliday
- Non-executive Director: Ray Nadarajah
- Non-executive Director: Lewis Marks

Further details on the board are presented in Appendix 2, together with those from the company's management team.

## Geology of the Lachlan Fold Belt

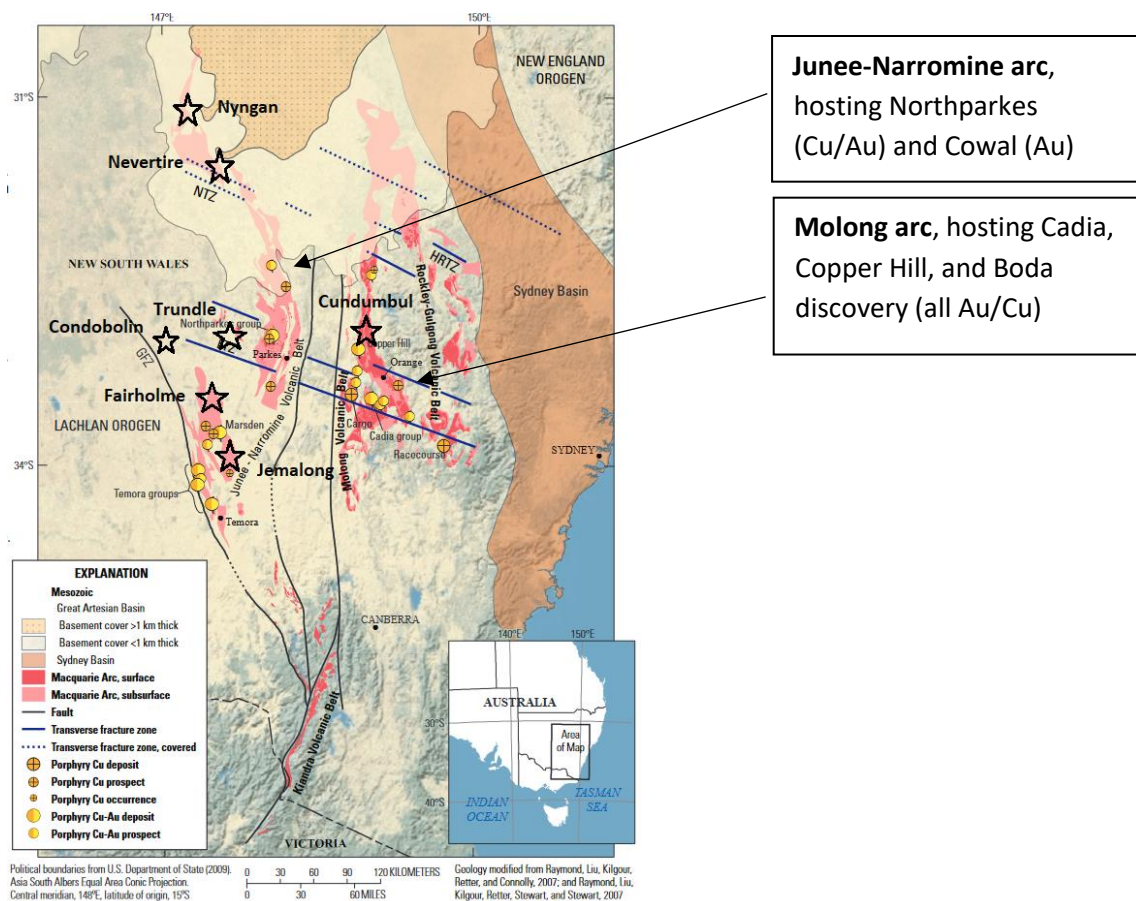
The Lachlan Fold Belt (LFB) developed as a classic accretionary orogen in an oceanic setting between an ancient Pacific west-facing subduction zone and the Australian craton. Located within the LFB is the Macquarie Arc, a north-south trending geological province of Ordovician to early Silurian age (c.490 Ma – c.430 Ma) that comprises four belts of volcanic, sedimentary and intrusive rocks associated with intra—oceanic arc development and subsequent accretion. The focal point for mineral explorers are two belts dominated by volcanic and intrusive bodies, the Molong Arc to the east and the Junee-Narromine Arc to the west.

The Macquarie Arc contains mineralisation styles including copper-gold porphyry, skarn, epithermal and structurally controlled copper-gold deposits. Key known deposits are shown on the following geological and structural map.

A number of geological criteria have been proposed to assist in narrowing down the search for copper-gold porphyry systems. These include:

1. Volcanic and volcanoclastic country rocks in island-arc tectonic settings
2. Oxidized I-type intrusive porphyries.
3. Known porphyry Cu-Au systems in the region.
4. Intersections of arc-parallel and arc-oblique structures to localize porphyry Cu-Au deposits.
5. Minor clastic sediments ± limestones to host Cu-Au skarn deposits.

Superimposed on the map below are the approximate location of KCC's projects. Here we note that nearly all the projects are located within the volcanic arcs (the June-Narromine arc to the west and the Molong arc to the east).



Source: Modified from USGS Porphyry Copper Assessment of Eastern Australia 2014

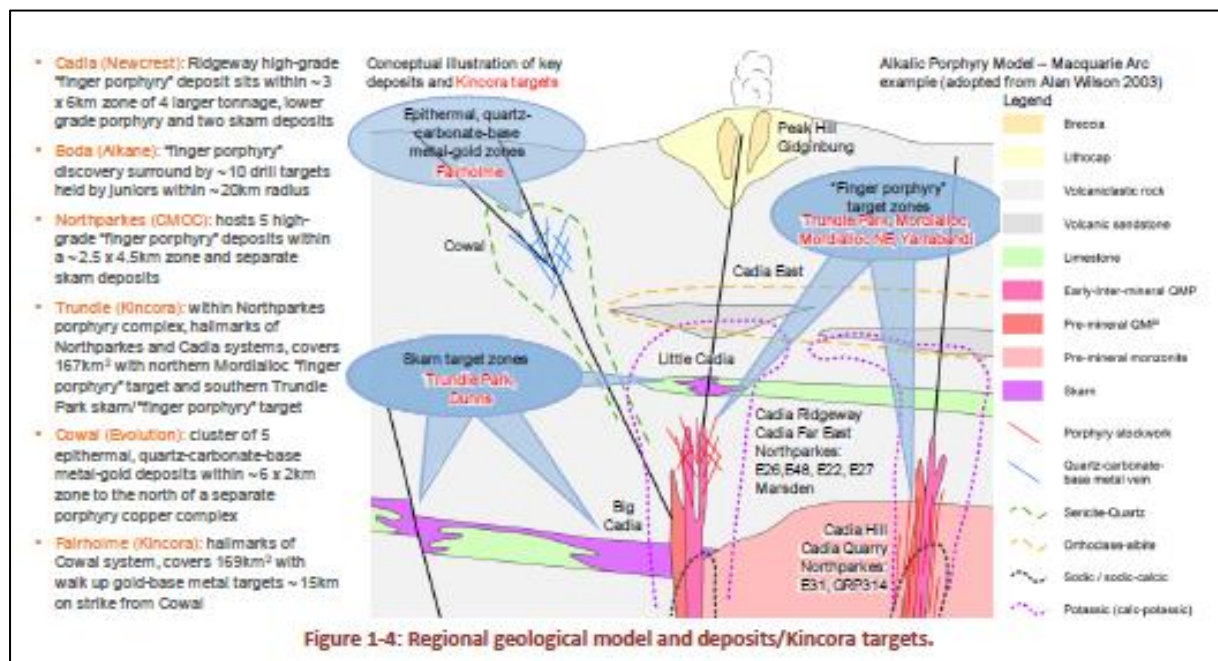


## Orebody types sought in the Lachlan Fold Belt

The Lachlan Fold Belt is characterised by the following styles of mineralisation:

- **Porphyry gold, copper deposits**, typically hosted within the intrusive porphyry itself or within adjacent rock types (eg volcanics or volcanoclastics). The Cadia/Ridgeway deposits and the Northparkes (or Goonumbla) deposit provides a good examples.
- **Skarn copper-gold deposits**. These may be formed peripheral to porphyry systems and represented by strongly altered carbonate and/or volcanic hosts. None are currently being mined in the LFB at present. Historically Big and Little Cadia, two deposits within the Cadia mineral field were mined historically for copper and magnetite, with other smaller similar occurrences having been exploited in the region (including at KCC's Trundle project). The Browns Creek gold mine of BHP Gold (now exhausted) was also a skarn-type orebody. We believe the Northparkes mine is currently permitting the E44 skarn project to be trucked approximately 20km as a satellite operation to its existing porphyry deposits and mill.
- **Epithermal gold deposits**. These are generally formed close to the surface and may be associated with a deeper porphyry system (which provides the so-called heat engine for circulating fluids and deposition of gold). The world class Cowal deposit of Evolution provides an excellent example of one of these deposits. Alkane's Peak Hill deposit is thought to be a high sulphidation epithermal gold deposit. (ALK:ASX).
- **Orogenic gold deposits**. These are deposits formed more deeply in the earth's crust and are usually structurally controlled. Alkane's Tomingley deposit is thought to be an orogenic gold deposit.

The following graphic shows a stylised representation of these types of mineralisation and how each might be interrelated. It should be stressed that this is conceptual, and the presence of an epithermal gold system does not necessarily mean there will be a porphyry system beneath, nor vice versa. However the following model does assist geologists to answer the question "where are we in the system" and to use that as a guide for future exploration. The model also illustrates the ideas and concepts the KCC are seeking to prove with their drilling activities.



Source: KCC prospectus, March 2021

Most of KCC's projects are targeting Northparkes/Cadia-type porphyry-sourced and/or skarn deposits. Fairholme presents a worthy opportunity to find Cowal-type epithermal gold systems.

## Exploration successes in the Lachlan Fold Belt

An increased exploration effort has translated to a number of discoveries in the LFB and significant brownfield resource expansion is notable at both the Cowal and Northparkes mines. Few as yet have made it to resource status, but we feel this is a matter of time. Here we discuss some of the better recent examples from the explorers over the past 10 -15 years.

### Alkane's Boda discovery (ALK:ASX)

- In September 2019, Alkane announced the assay results of the Boda discovery hole KSDD003 (502m @ 0.48gpt Au, 0.20% Cu from 211m), which indicated an increase in thickness and grade of porphyry gold-copper mineralisation at depth.
- Since the discovery hole, extensive drilling and geophysical surveys at Boda and surrounds (Boda 2 and Kaiser) are testing the size and shape of the mineralisation.
- Recently a deep drillhole into the high grade breccia zone delivered 383m at 0.8gpt gold and 0.31% copper from 775m, within which is a high grade zone of 70m at 3gpt gold and 0.92% copper. Boda is looking increasingly interesting.

### Evolution's Dalwinnie underground discovery at Cowal (EVN:ASX)

- In 2017, just 2 years after EVN's acquisition of Cowal, deeper drilling to the north of the Cowal open cut identified the Dalwinnie Lode, which displays narrow, high grade gold mineralisation.
- Underground resources now stand at 3Moz with reserves at 1Moz and will be a significant contributor to the mine's 350kozpa production target.
- KCC's Gateway target at its Fairholme project, where drilling is scheduled for July, lies 15km to the north of Cowal and geologically appears similar.

### Newcrest's Marsden discovery, now owned by Evolution (EVN: ASX)

- Marsden porphyry gold/copper mineralisation was discovered in 2006 (by a team led by KCC's John Holliday) and occurs beneath approximately 100 metres of clay-rich transported alluvium and is truncated at its base by a flat-lying fault, which restricts the body of mineralisation vertically to an average thickness of 100–150 metres.
- Unlikely to ever become a stand-alone project, Marsden was sold to Evolution Mining in 2016 which has considered the potential to treat ore through the Cowal mill. With recent discoveries here, its unlikely to see the light of day for some years. However, we note renewed regional exploration focus of Evolution within the Cowal district with plans to test the E39 prospect (drilling planned for the June 2021 quarter) and South Cowal prospect (latter up to 16km south of existing operations along the N-S mineralization corridor).
- Marsden and Evolutions' exploration pipeline at Cowal are, however, a good examples as to how orebodies can be discovered beneath transported cover and the expected further exploration upside in the Junee Narromine volcanic belt and Cowal region.

### Magmatic Resources, Rose Hill and Lady Isle discoveries (MAG:ASX)

- In 2017 MAG geologists discovered the Rose Hill porphyry gold-copper play near Wellington NSW, with the best intercept of 71m at 0.3gpt gold and 0.42% copper, not dissimilar to grades obtained from Newcrest's Cadia East project.
- Recent drilling at the Lady Ilse project – considered by MAG to be a Boda look-alike – has delivered 41m at 0.25gpt gold and 0.11% copper.

### Rimfire Pacific, Sopresa and regional gold discoveries (RIM:ASX)

- In 2010, RIM delivered a greenfields gold and silver discovery on the margin of the Junee-Narromine arc, named Sopresa. A maiden resource of a fairly modest 6.4Mt @ 0.61g/t Au and 38g/t Ag for 125koz Au and 7.9Moz Ag was declared 2014. Subsequent exploration has provided evidence that the wider Sopresa area is now considered a promising gold district.

- RIM's tenements lie immediately to the west of KCC's Trundle project and to the north of Fairholme, where drilling is currently taking place at the porphyry Valley target to the west of KCC's Mordialloc target.

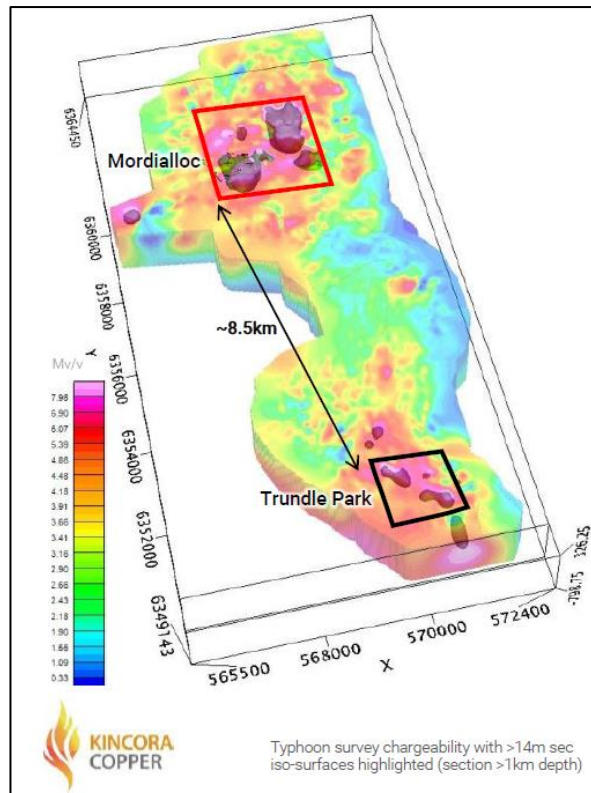
There are also stories amongst LFB geologists of significant discoveries elsewhere in the Lachlan, by Newmont in the southern Junee-Narromine arc, by Fortescue (FMG:ASX) near Orange, Gold and Copper towards Bathurst, significant drilling by Sandfire in the southern portion of the Junee-Narromine arc, a new find adjacent to the Northparkes copper mine and the market buying into Xtract Resource's recent drilling results at the Bushranger project. All but the latter are in hands of majors or private so details are scant. We also note the significant land grab undertaken by FMG in its own name but also activities where it has formed JV's with both Sandfire (SFX:ASX) and Gold and Copper Resources (GCA:ASX).

## Kincora's exploration targets in the Lachlan Fold Belt

### The Trundle Project (Trundle Park and Mordialloc targets). (KCC 65%: 35% REE)

- KCC's current priority targets lie within the Trundle project. This was held by Newcrest over 15 years ago, with John Holliday as exploration manager. He states that the project suffered exploration fatigue, and none of the targets identified were followed up with deep drilling.
- The Trundle area has been targeted for the following reasons:
  - It lies within the Northparkes intrusive complex, host for the Tier 1 porphyry copper deposits (five being economically exploited) at Northparkes.
  - Earlier drilling has already identified rock types and alteration characteristics pointing to porphyry-style mineralisation with prospective mineralisation.
  - The rocks are believed to be somewhat unfaulted, which otherwise can result in 'chopped up' mineral systems seen elsewhere in the LFB.
  - Geophysical surveys by previous explorers (mainly magnetics and deep-looking IP Typhoon) have narrowed down the initial search to two key prospects: Trundle Park and Mordialloc.
  - Prior to KCC, over 92% of previous drill holes depths were drilled to depths of less than 50m with only 11 holes beyond 300m. As indicated by Cadia, Northparkes and the recent Boda discovery, often little economic mineralisation is evident near surface, with the core of the higher grade porphyry systems from moderate depths.
- Exploration here for moderate to high-grade copper-gold pipe like, "finger" or "pencil" porphyries that are vertically extensive but horizontally discrete (i.e. Northparkes or Cadia-Ridgeway). The Trundle Property covers a 10 km N-S strike length of rocks with anomalous copper and gold geochemistry interpreted as the equivalents to the caldera-igneous complex at Northparkes.
- Historical drilling has been generally quite shallow and was too widely spaced to test for this deposit style. Historic drilling has also inadequately tested the potential for nearer surface skarn hosted gold and copper mineralisation in the southern portion of the property.
- The last exploration of note at the project was by the Friedland-led High Powered Exploration (HPX, private) which undertook industry leading geophysics looking beyond the previous shallow drilling search space with only one hole drilled before the 2016 downturn in the cycle. As shown in the following plan, the strongest chargeability anomalies (which might reflect concentrations of sulphides) occur at Trundle Park and Mordialloc.

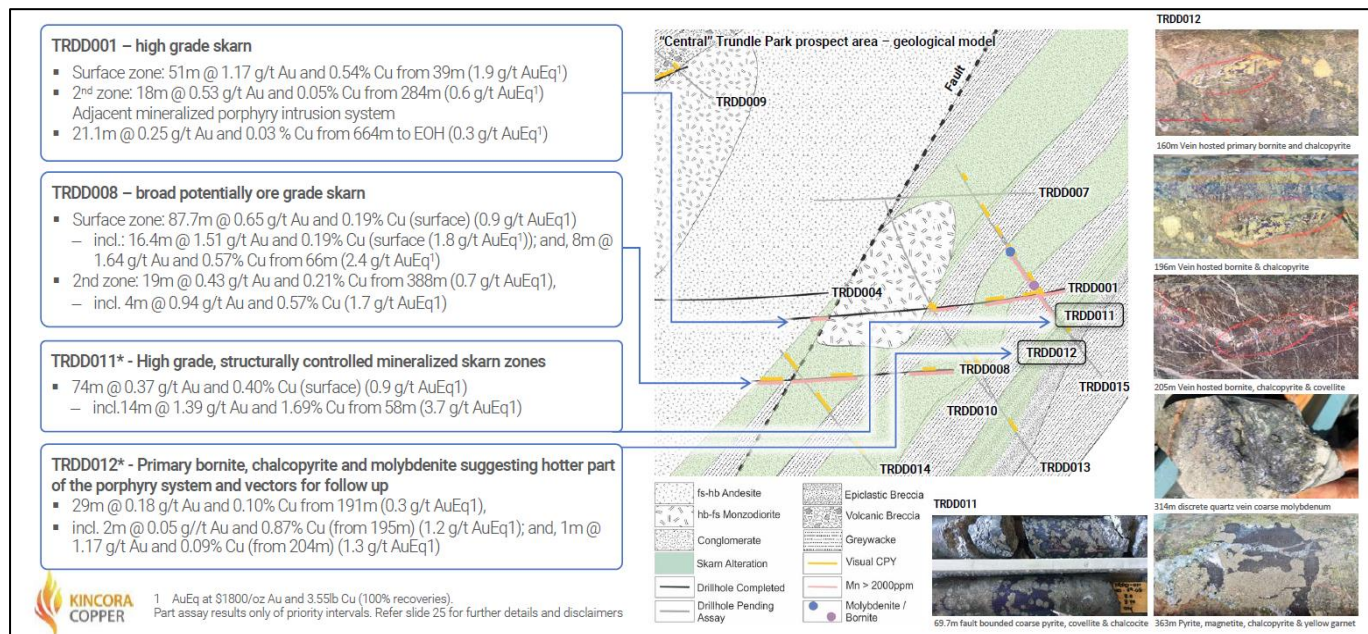




Source: KCC presentation, March 2021

### Trundle Park

- Kincora commenced exploration drilling at the Trundle Project in April 2020. Kincora's first hole returned an encouraging 51 m @ 1.17gpt gold and 0.54% copper from 39 m, including 20.5 m @ 1.94gpt gold and 1.18% copper from 57.6 m. Drilling activities are ongoing, with fourteen drill holes for 9.927 m completed at the date of this report.



Source: KCC presentation, March 2021

- All significant intercepts at the Trundle Park project have occurred in mineralised skarn units. The upper skarn unit appears to be adjacent to a diorite intrusive. A lower skarn interval appears associated with a quartz monzonite porphyry.



- There is certainly a lot of “smoke” at Trundle Park but as yet a gold/copper mineralised porphyry system has not yet been encountered. The early work at Trundle Park has delivered some encouragement, for example hole 1 which was around 53m at 1.2gpt gold and 0.54% copper is in weathered skarn. (Note this has been restated in recent releases at 76m at 0.86gpt gold and 0.4% copper, or 1.4gpt gold equivalent).
- Recent drilling has shown that gold/copper mineralisation is widespread, covering an area of perhaps 500m x 300m and of indeterminate depth. The system contains enticing grades, but we are still some way from defining a resource within the Trundle Park skarns. Best intercepts (expressed on a gold equivalent basis) are as follows:
  - 76m at 1.4gpt gold equivalent
  - 16m at 1.8g(e)pt
  - 8m at 2.4 g(e)pt
  - 7m at 1.4 g(e)pt
  - 8m at 1.4 g(e)pt
  - 14m at 3.7 g(e)pt
- New drilling has allowed KCC geologists to reinterpret structures at Trundle Park (earlier drilling only averaged only 28m depth) and it seems to be a more complex than originally thought. But at least there seems to be a better understanding of structural controls and have defined skarn alteration and mineralization across a 500m strike which remains open. But they yet to intersect the targeted economically mineralised porphyry intrusive source.
- Recent drilling has identified a low-angled thrust fault at Trundle Park, which had previously been intersected in Newcrest drilling, which may curtail the depth extent of the mineralised sequences to the east. However, the geologists believe there is still ample opportunity at Trundle Park to:
  - Extend the current skarn deposits; and,
  - Identify a mineralised porphyry system

#### **Trundle skarns**

- The Trundle Park skarn system is a worthy target, and may, with further drilling deliver a large tonnage, low grade orebody from near surface. However, if anything they are finding too much skarn-style mineralisation.
- It is worth noting advancement of the E44 skarn at Northparkes (5Mt @ 1.34 gpt gold), with feasibility studies and permitting ongoing for a trucking operation of approximately 20km to the existing mill, provides both geological and commercial proof of concept for the skarn potential across the southern section of the Trundle project.

#### **Trundle porphyries**

- As far as targeting a ‘Ridgeway-style’ porphyry system, KCC geologists sound confident that they are in the right rocks and they can see the right sorts of alteration. In one or 2 holes they look like they are getting into the really ‘hot’ part of the system (displaying so-called potassic alteration). This is encouraging.
- As reported by the company on 22 April, results from holes TRDD010 and TRDD015 have provided vectors for the targeted porphyry intrusive and interpreted source of intersected gold and copper mineralisation in the skarn system. Increased quartz veining and multiple phases of an intrusive monzodiorite, felsic alteration and minor zones of chalcopyrite and molybdenite have been noted. The presence of molybdenite is considered a positive geochemical signature by the geologists, as it can be associated with porphyry copper style mineralisation.
- Exploration models based on previous discoveries seems to suggest that skarns are required to be somewhat distal from potential porphyry orebodies. In the case of Cadia/Ridgeway the Big Cadia and Little Cadia skarns are between 500m and 2km away from the intrusive sources, and larger economic mineral finger porphyry deposits.

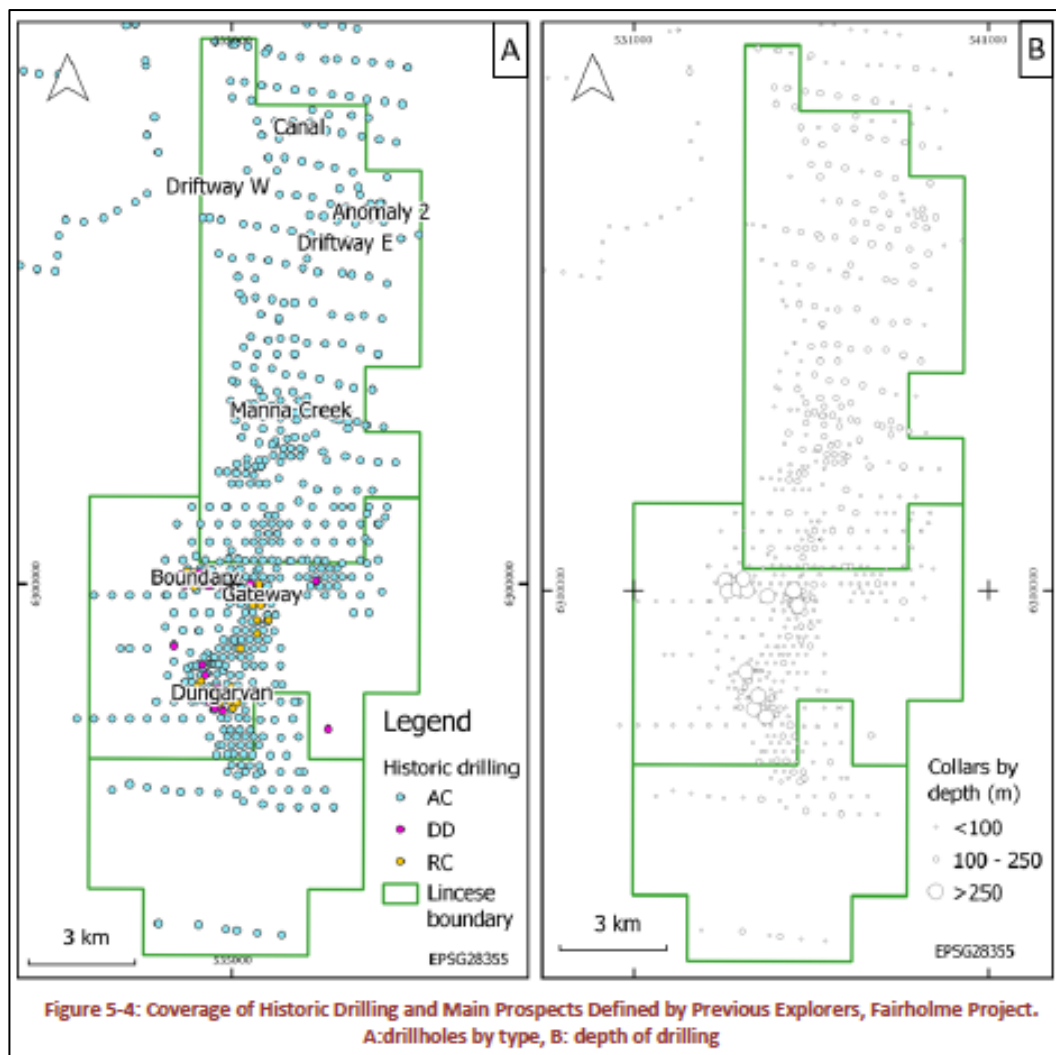
- Further drilling at Trundle Park is certainly warranted. We understand a single rig will continue to be used to explore the Trundle and Mordialloc projects.

### **Mordialloc**

- At Mordialloc favourable alteration patterns together with copper anomalism from shallow drilling and proximity to a finger porphyry complex provided an obvious second target within the Trundle project.
- The Mordialloc target area hosts large coincident magnetic and IP chargeability high features coupled with anomalous copper, gold and molybdenite surface geochemistry. The wider Mordialloc target continues from Mordialloc South West (previously known as Yarrabandai), to the area of current drilling to Mordialloc North East (one hole previously drilled by HPX) – this area covers a multiple kilometre strike.
- KCC has completed six holes at Mordialloc. Little significant copper or gold-copper mineralisation has been encountered as yet, but encouraging alteration patterns suggest that one of the holes is proximal to a potassic- altered mineralised finger porphyry.
- Perhaps the most encouraging hole has been TRDD006 was drilled to a depth of 962m and returned multiple zones of broad anomalous copper/gold predominately within a coarse quartz monzonite porphyry. The scale of porphyry mineralisation is particularly encouraging indicating a large-scale system with vectors to, and ample room for the targeted higher-grade core and cluster of pencil type porphyry intrusions. Results included:
  - 42m @ 0.07% copper & 0.04gpt gold (from 62m in volcanic-sandstone)
  - 306m @ 0.10% copper, 0.06gpt gold & 18ppm molybdenum (from 144m in quartz monzonite porphyry)
  - 98m @ 0.11% copper, 0.07gpt gold & 18ppm molybdenum (from 466m in volcano-clastic rocks).
- KCC are currently planning the next phase of drilling at Mordialloc, which might include the deepening of the second hole (which intersected anomalous copper and molybdenum) and testing its up-dip potential.

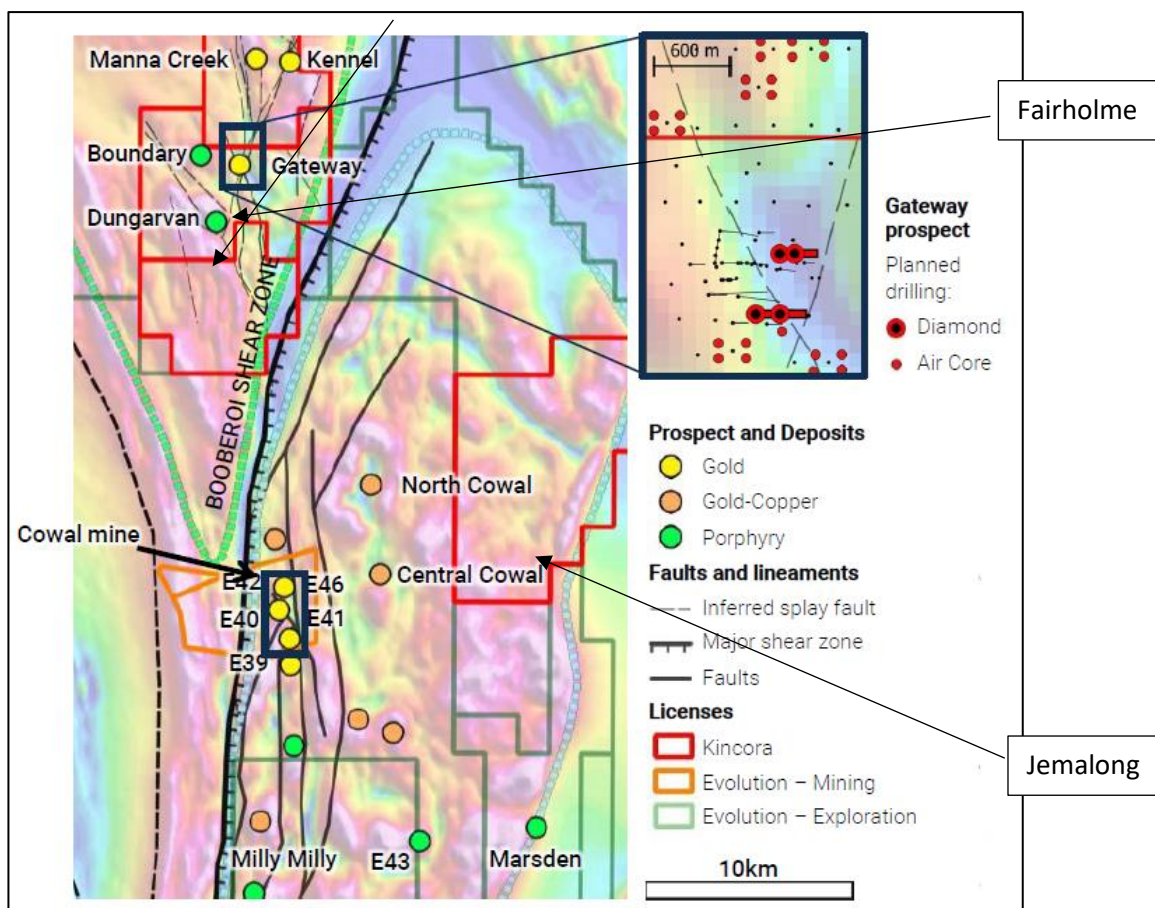
### **Fairholme (KCC 65%: 35% REE)**

- The Fairholme Project is located 10 to 20 km along strike from the Cowal epithermal quartz carbonate-base metal gold mine. Historical activities were focussed on the deeper copper porphyry targets and did not target the shallower epithermal gold-base metal potential.
- KCC's upcoming program will systematically explore for and focus on the Cowal-style deposits, as well as continue the search for porphyry related systems.
- Newcrest explored the project between 1993 and 2005, largely targeting porphyry copper-gold deposits. The area was mapped and ground magnetic surveys were conducted at three main identified targets. Newcrest undertook bedrock sampling using aircore with follow-up drilling comprised 30 RC holes and 15 diamond holes.
- Three prospects were identified from Newcrest's work: Boundary, Dungarvan and Gateway. Broad anomalous intercepts with a few narrow higher-grade zones were returned from deeper drilling at Boundary and Dungarvan. Best results from Gateway were 124 m at 0.36 g/t Au and 0.10% Cu (including 8 m at 5.18 g/t Au and 0.09% Cu) and 27 m at 0.69 g/t Au, and from Boundary was 48 m @ 0.60 g/t Au and 0.16% Cu. Mineralisation is hosted in very sheared and altered volcanoclastics.
- The following figure shows the paucity of deeper (RC and diamond) drilling. Most of the drilling at Fairholme has been air core to test the geochemistry of basement rocks beneath thick clay cover.



Source: KCC prospectus, March 2021

- The Fairholme area has not been prospected for look-alikes of Evolution's (EVN: ASX) huge Cowal epithermal gold deposit. Since its acquisition from Barrick in 2015, Cowal's resource has grown to 9.7 million ounces (265mt at 1.06g/t), despite mine depletion. This is truly a world class orebody with further exploration upside expected.
- The main gold deposits at Cowal are the E41, E42, E46, Galway and Regal (shown on the plan below). These gold deposits occur within the 40km long by 15km wide Ordovician Lake Cowal Volcanic Complex, east of the Gilmore Fault. The overall structure of the gold deposits is complex but in general consists of a faulted antiform that plunges shallowly to the north-northeast. The deposits are aligned along a north-south orientated corridor with bounding faults, the Booberoi Fault on the western side and the Reflector Fault on the eastern side (the Gold Corridor).
- Rocks within the Fairholme project are part of the Ordovician Fairholme Intrusive Complex, comparable to the Lake Cowal volcanics, and lie to the north of the Booberoi Fault.



Source: KCC presentation, March 2021

- To us, the Gateway anomaly is of most interest. Newcrest undertook a series of relatively shallow RC holes across quite a significant coincident gold (100ppb) and copper (500ppm) anomaly, around 400m in strike, identified by air core drilling. This anomaly appears to be at the intersection of NNW and NE trending fault sets.
- As tabulated in the prospectus several economic or near-economic intercepts were encountered, including 8m at 5.11gpt.

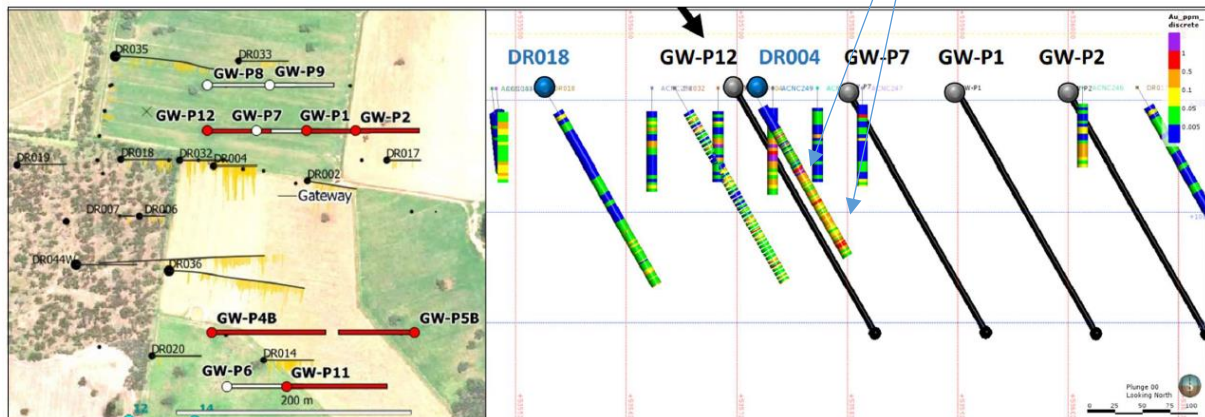
Prospect	Hole no	Hole type	From	To	Width (m)	Au (g/t)	Cu (%)	Mo (ppm)	Zn (ppm)
Boundary	DR022	RC	50	54	4	2.59	0.04	—	3
		including	50	52	2	4.86	0.04	—	93
	DR034	DD	315	324	9	0.50	0.24	—	35
		DD	219	267	48	0.60	0.16	25	30
	DR039	including	220	224	4	1.10	0.20	25	44
		including	249	251	2	3.84	0.36	62	37
	DR040	DD	39	55	16	0.15	0.01	—	24
			273	275	2	1.23	0.76	—	41
	DR042	DD	286	294	8	0.33	0.08	—	23
			382	396	14	0.22	0.20	22	14
Dungarvan	DR043	DD	477	486	9	0.64	0.25	—	27
	ACNC041	AC	36	39	3	2.60	0.02	—	90
	DR046	DD	485	493	8	0.29	0.31	8	50
			497	511	14	0.25	0.15	12	29
Gateway	ACNC246	AC	51	63	12	0.28	0.06	—	2165
		AC	45	72	27	0.69	0.06	3	22
	ACNC249	including	51	54	3	1.73	0.10	—	22
		including	60	66	6	1.35	0.06	5	22
	DR002	DD	94	105	11	0.41	0.03	5	1999
		RC	82	98	16	0.61	0.04	26	34
		including	85	89	4	1.60	0.05	24	54
	DR004		114	122	8	5.18	0.09	17	92
			126	145	19	0.14	0.12	8	58
			152	167	15	0.34	0.11	13	139
	DR036	DD	210	232	22	0.13	0.08	11	76

Notes: RC = Reverse Circulation, DD = diamond core, AC = aircore; intersections are >1m and are based on minimum cutoff grade of 0.1g/t Au with no maximum cutoff, and a maximum internal waste of 2 intervals (most intervals are 1m downhole); — denotes below detection; italicized text denotes higher grade sub-intervals calculated with a 1g/t Au minimum cutoff. Refer to Figures 4 for the location of the above holes.

Source: KCC prospectus



- To us the reasonably significant intercepts in hole DR004 – highlighted in the section below and which includes 8m at 5.11gpt and 16m at 0.61gpt - do not appear to have been chased up by Newcrest, or others. Given this intercept is a little over 10km north of the world class Cowal gold deposit, we see this as a very worthy target.



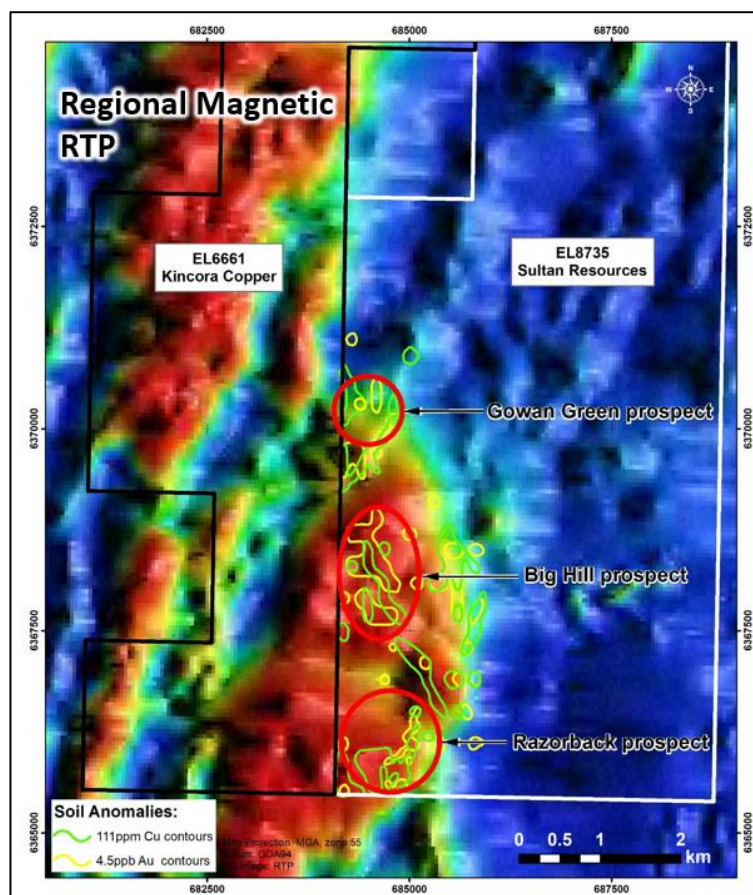
Source: KCC

- Following completion of the drilling at Nyngan, the rig is to be relocated to Fairholme to follow up these interesting targets. Drilling is scheduled to commence in July. (Note that the GW prefix holes are holes planned to be drilled by KCC.)
- Fairholme has another four under-drilled prospects of interest, including:
  - Boundary**, a 1200m x 500m copper-gold coincident over a NW-trending magnetic high with diamond drill holes having encountered significant widths of low grade gold and copper mineralisation (eg 48m at 0.6gpt and 0.16% copper in basalt and andesitic volcanics).
  - Dungarvan** was identified by a Newcrest during an air core drilling program and is defined as a NW-trending copper-gold anomaly, approximately 2km x 700m in area and coincident along a NW-trending magnetic high. A limited number of drillholes identified low tenor copper and gold within intermediate to mafic intrusives, volcanics and volcanoclastics.
  - Manna Creek**, a coincident mag high with gold copper anomalism.
  - Anomaly 2**, an inadequately tested magnetic high, again with gold-copper anomalism and a single intercept of 9m at 1gpt (from 75m)
  - Driftway C**, an epithermal/porphyry target.
  - Canal** (or Kennel), a 500 x 350m mag low with a single air core hit of 6m at 0.1% copper.

#### Cundumbul Project (KCC 65%: 35% REE)

- Cundumbul is located in the Molong Volcanic Belt towards the eastern side of the Macquarie Arc, approximately 75 km north of the Cadia Mine and 40 km south of the recent Boda porphyry discovery.
- This project moved into prominence with recent work being undertaken by next-door-neighbours, Sultan Resources, and with recent results from Boda the Molong Arc has moved back into prominence.
- Sultan Resources has undertaken an extensive data compilation of the exploration work completed historically on the adjoining exploration licence and have identified several low tenor copper and gold soil geochem anomalies. Field work has identified high grade rock chips associated with distal skarn altered limestones and mafic volcanics. (Assays up to 25gpt gold and 26% copper were obtained, but these will represent surface enrichment). These are hosted in what is equivalent rocks to the Cadia and Boda deposits.

- Sultan have announced the start of drilling in May 2021 where the company is aiming to complete 10 holes to around 450m depth. This should give KCC a head start when planning the next programme at Cundumbul and they will be watching Sultan's results with interest.
- The area covered by KCC's Cundumbul licence has been extensively soil sampled and several low tenor copper and gold anomalies have been identified.
- Monzonitic intrusions have been identified around Bells and Andrews Prospects (in the north and south of the licence respectively). Phyllic and propylitic alteration consistent with distal alteration from a porphyry system has also been recorded. Three diamond drillholes testing the Bells prospect showed anomalous molybdenum, but little else. These results suggest the area may be proximal to a porphyry copper gold system, but further testing is required.
- A large scale IP chargeability anomaly, some 1km x 650km and possibly extending to around 500m depth has been identified at the Big Hill Porphyry Au-Cu prospect.
- As shown in the plan below, these discoveries are right on the border of Sultan's EL, with a large positive magnetic anomaly associated with the Big Hill prospect extending into KCC's EL.
- Cundumbul is now significantly more prospective than we had first thought and Sultan's results, if favourable, will add significant value to KCC's ground. We'd expect drilling could commence here in the later part of the year if Sultan's program provides encouragement.



Source: KCC

### Jemalong (KCC 65%: 35% REE)

- Jemalong lies on the opposite side of Lake Cowal from the Cowal gold mine (see plan above). The Jemalong tenement is outlined in red. Jemalong is located to the north of the copper/gold Marsden discovery, made by John Holliday's team at Newcrest. It hosts a mineral resource of 180million tonnes grading 0.20g/t Au and 0.38% Cu containing 1.1million ounces of gold and 0.67million tonnes of copper.

- The project area is entirely covered by Quaternary and Cenozoic clay, alluvium, and gravel commonly more than 100 m thick.
- Historic drilling demonstrated the licence is underlain by Ordovician age andesitic volcanics intruded by monzodiorite to granodiorite intrusives of the Cowal Igneous Complex.
- At the Jemalong Channel prospect, anomalous copper values had been previously defined in supergene enriched saprolite. Deeper drilling intersected multiple, thin, and widely spaced intercepts between 0.1% and 0.18% Cu in fresh, magnetite rich hornfelsed sediments interpreted as a weakly developed porphyry system. Further work failed to improve on these results.
- Goldfields Australia drilled five aircore holes to the south of Jemalong Channel, based on structural interpretation of magnetics. Propylitic-phyllitic alteration was intersected, with a best result of 10 m @ 0.14 g/t Au from 74 m. In 2014, Sandfire Resources entered a farm-in deal on Goldfields' ground, but no work was undertaken.
- We would consider Jemalong as a fairly low priority target, but given the thick alluvial cover, the tenement is far from well prospected and in a good address where a few holes could add significant value (or downgrade).

### **Nyngan and Nevertire (100%)**

- The Nyngan and Nevertire Projects are early-stage projects comprising 1,144 km<sup>2</sup> of tenure over the little explored northern extension of the Macquarie Arc under variable and often deep cover (>200m).
- These are outside the RareX earn-in and are 100% owned by KCC which covers the most prospective and shallow to moderate cover of the northern Junee-Narromine belt.
- KCC was an early entrant into this region before the extent of Alkane's Boda discovery became evident and assists support the concept that the Macquarie volcanic belts extend into the less explored northern regions. Since KCC's entry, a land grab has taken place by others, notably FMG and Inflection Resources.
- Historic exploration has been limited to due to the lack of outcrop, resulting in the majority of previous owners relying heavily on geophysics to define targets for drilling with only three notable holes having intersected interpreted basement under moderate cover.
- A two-hole drilling programme is expected to commence this month (May) at Nyngan. Both are very much geological in nature where the target geology is overlain by perhaps 100m (or more) of more recent sediments. However, magnetics suggest that these are volcanic rocks of the Macquarie Arc.
- There is a low probability that ore grade intercepts will be obtained although copper was found in one of 3 previous holes and in close proximity to KCC's first planned hole. It will give the geologists more info to plan the next round, and is a similar nature of exploration program to that being undertaken by Inflection Resources (AUCU.CSE).
- 50% of the drilling budget at Nyngan is supported by the NSW Govt (approx. \$120,000) through a New Frontiers cooperative drilling grant.
- We consider both Nyngan and Nevertire as medium priority targets, however, this could change with the results of the forthcoming programme

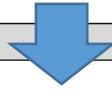
### **Condobolin project (KCC 65%: 35% REE)**

- Condobolin is located on the far western side of the Junee-Narromine belt and is thought to lie outside the margins of the Macquarie Arc proper. Here mineralisation is associated with narrow shear-hosted epithermal style veining. It's thought that mineralisation may be more akin to Cobar-style hydrothermal deposits rather than porphyry related systems of the Macquarie Arc.

## Funding of exploration

KCC's independent expert (Mining Associates) has summarised in the KCC prospectus how it sees exploration proceeding over the next two years. The relevant budget is in the column to the right (representing the budget applied with the raising of \$10m).

We are encouraged that around \$10m of a starting cash balance of ca. \$13m is to be directed at drill testing key targets. Fair to say that KCC is not a 'life-style' explorer.



Allocation of Funds		
Exploration on Trundle Project – NSW Diamond drilling testing extensions to skarn and porphyry-style mineralisation recognised in historic and current work programs at Trundle Park and Mordialloc plus testing of other geochemical/geophysical targets		
Direct drilling costs*	3,600,000	4,275,000
Associated costs**	2,400,000	2,850,000
<i>Sub Total</i>	<i>6,000,000</i>	<i>7,125,000</i>
Exploration on Fairholme Project – NSW Project-scale aircore drilling testing prospective basement rocks under younger cover		
Direct drilling costs*	216,920	295,275
Diamond drilling following up targets generated by aircore results and testing historic prospects		
Direct drilling costs*	348,080	657,225
Associated costs (diamond plus aircore)**	565,000	952,500
<i>Sub Total</i>	<i>1,130,000</i>	<i>1,905,000</i>
Exploration on Northern Junee-Narromine Belt Projects – NSW Diamond drilling testing deep targets generated from historic geophysics		
Direct drilling costs*	580,000	580,000
Associated costs**	340,000	340,000
<i>Sub Total</i>	<i>920,000</i>	<i>920,000</i>
Project Generation, Mongolian & Other Projects Desktop studies: compilation and analysis of historic and open source geological, geochemical and geophysical data.	520,000	520,000
Administration and Working Capital	2,200,000	2,200,000
Legal, Accounting, Fundraising Costs	850,000	950,000
<b>Total</b>	<b>11,620,000</b>	<b>13,620,000</b>

Source: KCC prospectus, March 2021

It's entirely possible (and expected) that should KCC make a significant discovery the budget will change from what is described above. Exploration dollars will be allocated to where results suggest greatest shareholder value can be created.

Part of KCC's strategy will continue to be project generation, by seeking new opportunities but also seek to create value from its existing portfolio.

For example, given the recent success from Sultan Resources in their tenement that adjoins KCC's Cundumbul project, we would expect a proportion of the above budget to be redirected, certainly into ground mapping and geophysics, and perhaps into a modest drilling programme during 2021.

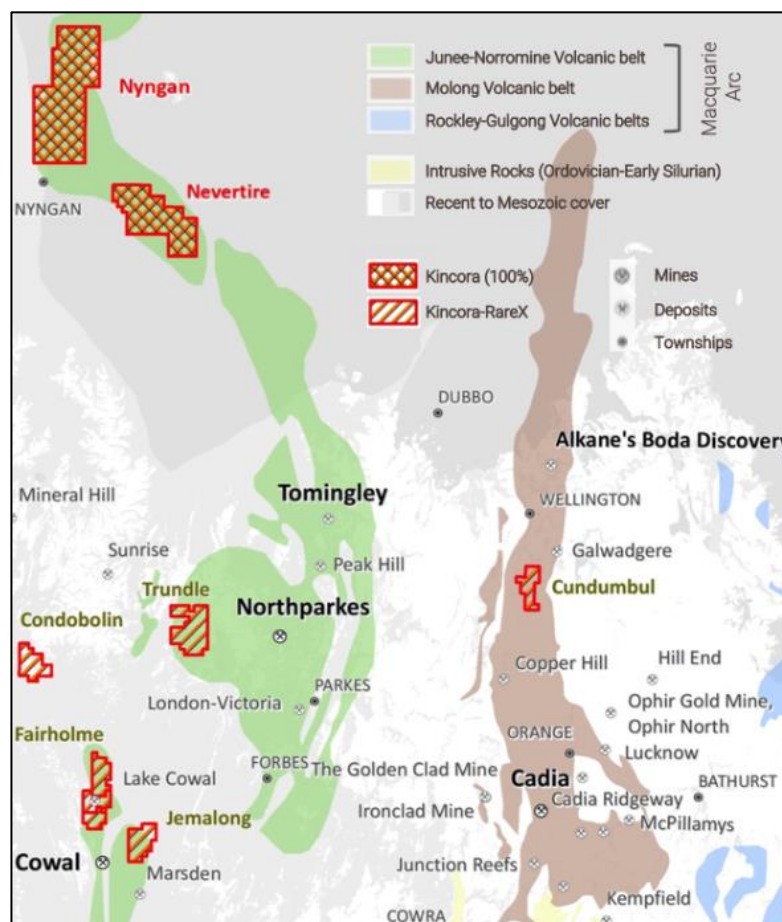


## Appendix 1. The deal with RareX

On January 30<sup>th</sup>, 2020, the KCC announced a binding memorandum of understanding and made a non-refundable option payment of \$25,000 to RareX providing the exclusive right to acquire a 65% interest in six mineral leases and five projects covering 587km<sup>2</sup> in the LFB – these projects host over 3,400 prior drill holes for over 145,000 metres.

On March 19<sup>th</sup>, 2020, the Company announced it had completed definitive agreements with RareX. The key commercial terms being:

- Issuing 4,983,333 common shares at a deemed price of \$0.12 per share (pre a subsequent 3:1 share consolidation) of the Company upon closing, subject to a voluntary 12-month lockup also pending transfer of licenses title and beneficial ownerships, resulting in RareX becoming a 9.9% shareholder.
- Payment of \$150,000 in cash to RareX as follows: \$100,000 in cash consideration (paid on March 30<sup>th</sup>, 2020); and, \$50,000 in cash as reimbursement to RareX for outstanding holding costs and licence renewals (paid on March 30<sup>th</sup>, 2020).
- The Company acquiring a 65% interest in the respective licences, becoming operator and sole financier of all further exploration until a positive scoping study or preliminary economic assessment (PEA). Upon completion of the PEA, the Company and RareX will form a joint venture with standard funding and dilution requirements and right of first refusal on transfers;
- The Company is committed to maintain the full licence portfolio in good standing for a period of 12 months and RareX shall have the right to retain a 100% ownership in any licence that the Company may elect to drop or to not renew, for no consideration;
- The Company obtained the approval from the TSXV on February 19<sup>th</sup>, 2020.



Source: KCC announcement, 19 March 2021

## Appendix 2 Board and Management

MR. CAMERON MCRAE

NON EXECUTIVE INDEPENDENT CHAIRMAN (AUSTRALIA)

- A seasoned director, CEO and mining executive, having led the full development cycle in four countries and across three continents.
- 28-year career with Rio Tinto, and in Mongolia was President of Oyu Tolgoi LLC and Rio Tinto's country director.
- Led the construction and start-up of the then US\$6 billion Oyu Tolgoi copper gold mine.
- Prior was CEO of Richards Bay Minerals in South Africa, Managing Director of Murowa Diamonds and Project Director for the Hail Creek Coking Coal Expansion project.
- Held commercial and project leadership roles and was a key team member responsible for the A\$29 billion merger of CRA and RTZ.
- Commercial background with an MBA.

MR. SAM SPRING

EXECUTIVE DIRECTOR, PRESIDENT AND CEO, MEMBER OF THE TECHNICAL COMMITTEE (AUSTRALIA)

- Sam Spring has been the President and CEO of Kincora Copper since April 2013.
- Led four corporate transactions including the pivot from a Mongolian to Australian asset portfolio and exploration strategy, built an industry-leading technical team and board, attracted a strong shareholder register and lead the dual listing onto the ASX.
- Vice Chair of the Business Council of Mongolia's (BCM) Resources and Environment Working Group, and a member of the International Advisory Panel (IAP) to the Minister of Mining and Heavy Industry of Mongolia.
- Nominated for "Chief Executive of the Year – Exploration" award at Mines & Money London.
- Prior Sam was recognised as one of the leading European Metals and Mining research analysts, working with the Goldman Sachs Group and Ocean Equities Ltd.
- CFA Charterholder and a Chartered Accountant (ICAA) and earned his Bachelor of Commerce degree at the University of Melbourne.

MR. JOHN HOLLIDAY

INDEPENDENT NED, NON-EXECUTIVE CHAIRMAN OF TECHNICAL COMMITTEE (AUSTRALIA)

- 45 years' experience in metals exploration including with BHP Minerals and Newcrest Mining where he rose to the positions of Chief Geoscientist and GM, Property Generation.
- More recently John has become a consultant and junior company director.
- Initially a consultant geologist to Kincora from mid-2015 becoming chairman of the then newly formed Technical Committee in 2016 before joining the board in 2017.
- A principal originator, discoverer and site manager for the Tier 1 Cadia gold-copper porphyry and the Marsden copper gold porphyry deposits in the Macquarie Arc of the Lachlan Fold Belt, NSW. He was also a principal geological advisor for Newcrest on the acquisition of significant projects including Cadia, Namosi Fiji and Wafi-Golpu, PNG.
- An extensive track record of success in global gold copper deposit exploration, discovery and evaluation, and is based near Orange, NSW in the Macquarie Arc.
- He has degrees in geophysics, geology and economics/politics.

MR. RAY NADARAJAH

INDEPENDENT NON-EXECUTIVE DIRECTOR (HONG KONG)

- A seasoned finance executive and investor with extensive experience in the infrastructure and natural resources sector in both developed and emerging markets.
- A principal with Global Infrastructure Partners based in Hong Kong, and formerly managing director of TPG Capital, both responsible for investments across emerging markets.
- Prior he worked at Rio Tinto in a number of senior strategic and commercial roles.

- Began his career as an investment banker with Citi and Goldman Sachs.
- Double degree in actuarial studies and finance; fluent in Mandarin Chinese and Tok Pisin.

MR. LEWIS MARKS

NON-EXECUTIVE DIRECTOR (MONGOLIA)

- A former practicing New York lawyer, who has lived in Asia since 1977 with extensive experience across the natural resource sector.
- A commodities trader and between 1980-2000 with Marc Rich + Co Ag and Glencore responsible for copper, zinc, and lead in China and Japan, and working in Mongolia since 1991.
- Director of the second largest construction company in Mongolia. He is also a former director of TSX-listed Steppe Gold Limited, which completed a \$25 million IPO on the TSX.
- Managing member of MIC Global Partners LLC since 2002 and an advisor to LIM Advisors. Director of CBH Resources 2003-2019..

**Key management**

MR. PETER LEAMAN

SENIOR VICE PRESIDENT OF EXPLORATION, EXECUTIVE OF TECHNICAL COMMITTEE (AUSTRALIA)

- Over 40 years experience in exploration mostly with BHP Minerals, with a particular focus on Base & Precious Metals, and PanAust Limited, where he was Regional Exploration Manager SE Asia.
- Responsible for project generation, managing mineral exploration programs and regional offices/activities in multiple jurisdictions, resulting in multiple discoveries including the Tier 1 Reko Diq porphyry Cu/Au deposit, Crater Mountain epithermal Au/Ag and Mt. Bini (Kodu) porphyry Cu/Au deposits in Papua New Guinea, amongst others.
- Managed the BHP Billiton office and exploration teams in Mongolia.
- Degrees in geology and mineral exploration.

DR. PAUL CROMIE

EXPLORATION MANAGER (AUSTRALIA)

- Economic geologist with over 25 years of experience in mineral exploration, resource development, project generation, project evaluation, project and regional exploration leadership/management, business development and geoscience research in Australia, Asia, Middle East, Eastern Europe, South America, Caribbean and SE Africa, with major, mid-size and junior companies.
- Extensive technical and exploration leadership experience in testing greenfields, brownfields, and in-mine environments, across a broad range of organisations, countries and commodities in gold, copper, zinc-lead-silver, nickel and iron ore.
- Three degrees in geology, including PhD.

MR. TODD MCGILVRAY

PROJECT GEOLOGIST (AUSTRALIA)

- An experienced geologist and project manager from exploration, resource assessment to mines site manager with particular experience in the Lachlan Fold Belt.
- Experience with both the juniors and industry majors with multiple discovery successes.
- Degrees in economic geology.

MR. MURRAY BROOKER

PROJECT GEOLOGIST (AUSTRALIA)

- An experienced exploration, evaluation and development geologist, hydrogeologist and project manager with extensive copper and gold experience across Australia, Chile, Mexico, Argentina and Indonesia, including being project geologist and published author to the Cowal project.
- Degrees in geology and hydrogeology.

### Appendix 3. Kincora in Mongolia

KCC's jurisdictional strategy pivoted following a strategic review during 2020. As evidenced by Rio Tinto and Turquoise Hill, Mongolia has become a difficult jurisdiction in which to operation and investor sentiment has fluctuated. The company in December 2020 signed a binding term sheet with a private Australian company, Resilience Mining Mongolia, that is in the process of listing Kincora's Mongolian portfolio of assets and former strategy on the ASX, having recently completed a pre-IPO equity offering. Should the deal proceed as announced KCC will retain a 20% free carried interest in the Mongolian projects (to various milestones) and will own 9.9% in Resilience when it lists on the ASX having raised a minimum of A\$6 million in new equity.

Kincora's Mongolian projects are located within the Southern Gobi porphyry belt of southern Mongolia, in trucking distance to China. The belt is a broadly east-west trending terrane comprising Late Devonian to Carboniferous age arc-related volcanics, sediments and intrusives. The Bronze Fox Property covers two prospective intrusive complexes: the Bronze Fox Intrusive Complex ("BFIC") in the east and the Tourmaline Hills Intrusive Complex ("THIC") in the west.

The BFIC includes a western central portion where 76 holes were drilled within a 1.4 km by 2.4 km zone at a prospect named West Kasulu where a large low-grade discovery has been made. A broad zone of low-grade copper-gold mineralisation that contains localised higher-grade zones occurs over 1.3 km strike and extends to at least 1,280 m depth. Independent consultants have estimated a copper-gold porphyry exploration target at West Kasulu with a range of 416 Mt to 428 Mt grading 0.26% to 0.30% copper for up to 2,437 Mlb of copper and 0.84 Moz gold, or 1.3 Mt-1.5 Mt CuEq metal.

The THIC includes a broad alteration zone approximately 4.5 km by 2.5 km considered prospective for structurally controlled and/or epithermal high-grade gold and copper. Such a setting in the porphyry system is thought to be not dissimilar to Cowal and KCC's Fairholme in NSW.

Prospects include Tourmaline Hills (gold-silver and gold-copper), West Fox (gold) and Southwest (gold). The THIC has often been the focus of informal mining activities focused on coarse free gold. Exploration of the THIC has previously been impacted by inactivity resulting from access complications including corporate ownership and regulatory dispute, most prior exploration has focus has been on deeper porphyry potential and favourable rock chip and soil sampling undertaken in late 2020 by KCC provide Resilience a number of nearer surface structurally controlled and/or epithermal high-grade gold and copper targets.

(Source: From KCC prospectus and Bridge Street Capital research)



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### Disclosures

Dr Chris Baker, an authorised representative of BSCP, certifies that the advice in this report reflects his honest view of the company. He has 30 years investment experience in wholesale capital markets. He worked as a mining analyst for brokers BZW and UBS for 11 years and has a further 16 years' experience as a mining analyst and portfolio manager with Colonial First State and Caledonia Investments. He now provides independent financial advice on a part time basis. He may own securities in companies he recommends but will declare this when providing advice. BSCP, its directors, officers and associates, currently may own shares and options in KCC may seek to have a corporate advisory relationship with KCC.

## Appendix 1

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