

Kincora Copper (KCC, A\$0.056. Mkt cap A\$7.0m)

A refocus on shallow porphyry targets in the Lachlan Fold Belt

- The Lachlan Fold Belt (LFB) boasts several world scale projects including Cadia/Ridgeway one of the largest and lowest costs mines globally (endowment of 50Moz gold, 9.5Mt copper), the Northparkes operations (5.5moz gold, 4.5Mt copper) and the Cowal gold mine (an epithermal style deposit with a total endowment of 14Moz). The LFB has become a prized geological terrane for the explorers over the past few years with the exciting porphyry gold/copper discovery, Boda, by Alkane Resources (contained metal content is now 10.1Moz AuEq.) Recently, exploration junior Magmatic Resources (MAG:ASX) has shot to prominence with a promising drillhole into its Corvette prospect.
- With a considerable depth of geological and exploration expertise, the KCC exploration team is targeting the next “Tier 1” copper/gold deposit in the LFB. Since its entry into NSW, KCC has applied a significant budget to the exploration of several projects in the belt attempting to do just that. Importantly over 80% of the spend has “gone into the ground” with over two thirds directly into drilling.
- The Trundle project has absorbed much of the exploration investment, with some 25,000m of drilling and many very deep diamond holes (800-1,000m) targeted at skarn and porphyry discoveries. Widespread copper/gold mineralisation has been intersected and KCC claim two new discoveries including the Southern Extension Zone at Trundle Park in particular, with a best intercept of 34m at 1.45 g/t gold and 0.25% copper (from 818m down hole). But as they successfully chased these targets to depth, the grades simply didn’t improve.
- The exploration strategy has been broadly successful, and the team is sticking to it. But to maximise its effectiveness, porphyry mineralisation closer to surface will now be targeted.
- KCC’s technical team is first class 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, ex BHP and PanAust.
 - Exploration Manager Dr Paul Cromie, ex BHP, Tigers Realm/Oxiana, Anglo American.
- The company is led by Sam Spring (CEO) and Cameron McRae (Chairman).
- As we know, exploration success is all about persistence. To us there’s no question KCC has a strong exploration team, highly focussed on a well-positioned tenement holding in the LFB.
- Poor share price performance reflects investor impatience in difficult markets and the lack of a clear game changing discovery (yet). With a \$2.3m cash position (at the end of June) and attributing modest value to the company’s Mongolian assets the market is paying under A\$5m for its LFB exploration effort. This looks quite inexpensive to us. The leverage to exploration success is very high as evidenced by the impact of a single ‘hit’ by MAG into a porphyry target which added some \$35m to the market value of the company.
- We remain of the view that KCC offers strong valuation leverage to exploration success in the LFB.
- In this report, we discuss the company’s progress to date and merits of future targets, including:
 - Trundle Copper-Gold (shallow porphyry targets, 65%)
 - Fairholme Gold (shallow epithermal gold targets with untested copper targets, 65%)
 - Condobolin Gold-Base metals (epithermal/polymetallic gold/silver targets, 65%/100%) and
 - Nyngan/Nevertire Copper-Gold (grassroots exploration with cooperative funding, 100%)

Kincora's exploration targets in the Lachlan Fold Belt

Kincora Copper Limited redomiciled its listing to the ASX in early 2021 and has focussed its exploration endeavours to the prospective Macquarie Arc gold-copper terrane of the Lachlan Fold Belt (LFB) in Central Western NSW.

Exploration efforts within the prospective LFB have largely been confined to two projects since KCC's ASX listing. The company has been busy and has been one of most active in the belt (other than Alkane). KCC has completed nearly 30,000m of drilling in total, with around 87% of the metres as diamond holes. Of these some 80% were diamond drillholes which prospected to depths of over 500m. These were serious – and seriously expensive - exploration programmes but warranted given the scale of the targets, the vertically extensive nature of the porphyry systems in the LFB and in buoyant equity markets.

After over two years of drilling in NSW, KCC has undertaken detailed external and internal reviews. This we believe has significantly improved the understanding of mineral system controls and reaffirmed the geological concepts for the key projects. In short, it has increased KCC's conviction.

KCC's exploration team has designed a high impact next phase of drilling which will test more porphyry (not skarn) prospects and at shallower depths, effectively increasing the scale potential at more and larger scale targets / discoveries.

We believe this pivot in exploration strategy and target profile makes sense.

KCC is currently undertaking permitting and land access preparations for priority shallow porphyry targets at its main Trundle project.

The two main targets include:

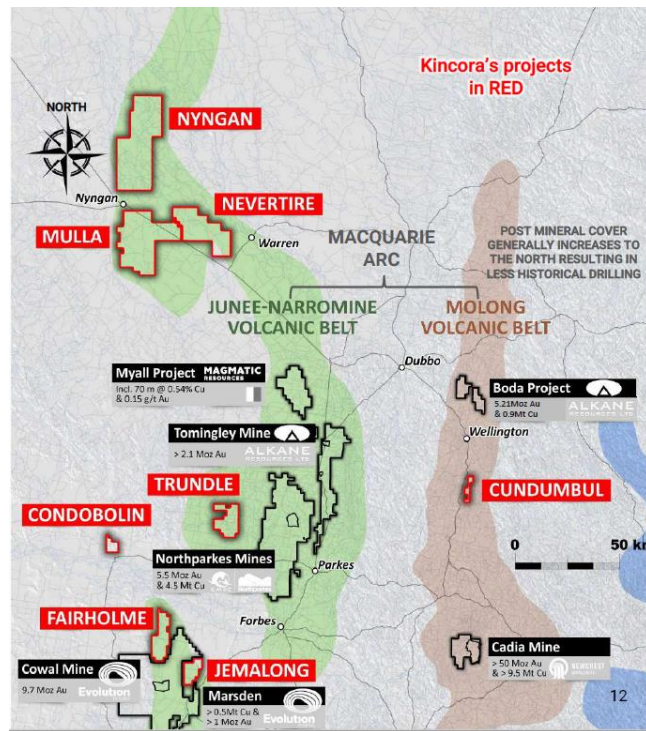
The Trundle/Trundle Park project, where KCC was able to establish significant skarn and porphyry-hosted copper gold mineralisation within the western extent of the North Parkes Igneous Complex, and to the west of the world class Northparkes copper gold mine (which hosts 24Moz AuEq). As discussed below, KCC geologists have identified five significant porphyry targets which deserve drill testing.

The Fairholme project, where KCC focussed on the 1.5-2km Gateway gold anomaly. Fairholme lies along strike from the world class Cowal gold operation, one of Evolution Mining's core assets (EVN:ASX).

As well, KCC are looking to accelerate exploration at the **Condobolin** project, to the west of Trundle, having consolidated a historical high-grade mining field which has lacked modern systematic exploration. This is not a porphyry play, but we note that there has been a number of exploration successes in the neighbouring Cobar Trough within historic mining districts.

Further details of these projects and future exploration targets from these and other projects in the LFB are summarised in the following section.

Despite efforts to find a new home for its Mongolian assets, these remain within the company, but negotiations are continuing to divest and realise value. Details of the assets, including a maiden resource at Bronze Fox (>1.2Mt copper and >0.8Moz gold situated on an existing mining licence) are summarised in Appendix 4.



The LFB porphyry/skarn exploration model: What is being targeted and what impact could this have on the KCC share price?

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. KCC holds a 65% interest in several core tenement, with REE carried until the completion of a PEA/scoping study).

The bulk of KCC's exploration expenditure has been directed at copper/gold porphyry and skarn targets within the Trundle tenement. This has yielded a degree of success with the following intercepts. Most are hosted within skarn-style mineralisation, however holes 1, 14/14W1, 15, 18, 22 and, most recently and interestingly, 32 showed signs of the presence of a 'causative intrusive' porphyry body, the target KCC is prioritising going forward.

Key results from Trundle Park/Eastern Zone

- 51m at 1.17g/t gold and 0.54% copper (hole 1)
- 87.7m at 0.65g/t gold and 0.19% copper (hole 8)
- 74m at 0.37g/t gold and 0.40% copper (hole 11)

Key results from the Trundle Park/Southern Extension Zone

- 36m at 0.68g/t gold and 0.29% copper within a cumulative skarn interval of around 200m (hole 29).
- 29m at 0.53g/t gold, 0.22% copper and 22m at 0.51g/t gold, 0.09% copper within a cumulative skarn interval of 160-170m (hole 30).
- 104m at 0.59g/t gold and 0.11% copper within 120m of skarn mineralisation (hole 32).
- 22m at 0.18g/t gold and 0.12% copper within skarns, volcanoclastics and porphyry intrusions (hole 33).

The last four intercepts are from the recently discovered Southern Extension Zone at Trundle Park ("SEZ" discussed in more detail below), are deep (>500m) and are unlikely to present an attractive exploration target for a junior at these depths (but we note Newcrest is mining 0.8g/t Au & 0.4% Cu head grades with negative cash costs at Cadia East at not dissimilar depths). However, they do indicate that these formations are

prospective for gold and copper mineralisation, and represent an important discovery by KCC's geologists, with the source of the mineralisation targeted to come closer to surface. Importantly the discovery has confirmed the geological models employed by KCC.

KCC's recent presentation (September 2022) suggests that the company's geologists will now focus on shallower porphyry targets and attempt to replicate the successful discoveries such as those at the Northparkes mine, located 40km to the east, at Cadia and at Alkane's relatively new Boda discovery. The porphyry gold/copper model now appears to be well understood in the LFB and is largely focussed on specific rock types, geophysical and geochemical characteristics, alteration assemblages, and, most importantly, grade.

A recent example, that of a single intercept into a previous discovery by LFB explorer Magmatic Resources into the Corvette prospect, illustrates the extreme share price leverage which exploration can deliver and reiterates the share price catalyst the original discovery of Boda was for Alkane Resources (ALK:ASX).

A comparison with Magmatic Resources

Last month, MAG reported drill results from its Corvette project within the Myall tenements. Corvette is located some 60km north of the world class Northparkes copper-gold operation (with resources of around 600mt at 0.55% copper and 0.21g/t gold). Initial assays from hole 415, were reported as **151.5 metres at 0.37% Cu, 0.08g/t Au** within copper porphyry-style alteration. Variable weak to moderate sulphide mineralisation was obtained over a downhole interval of +740m. Further assays are awaited and the hole was still continuing at the time of last update (August 29, 2022).

As described in Appendix 2, hole 415 was effectively a redrill of two 20 year-old Newcrest holes, but at a slightly different orientation and effectively down plunge of what might be a pencil porphyry of the type well known at the Northparkes mine to the south. Nonetheless this is an excellent confirmation that Corvette could perhaps become an economic proposition within what is a large mineral system. (No doubt we will be seeing much more drilling at Corvette over the next few months).

The market's response to this single intercept was rapid, and quite dramatic. Prior to the discovery MAG had been trading with a market capitalisation of around \$15-17m (approximately double where KCC is currently trading). With the announcement, the share price rallied strongly and the stock is now trading with a market capitalisation of around \$51m. Some \$35m in market value had been added with that one hole and on real volume.

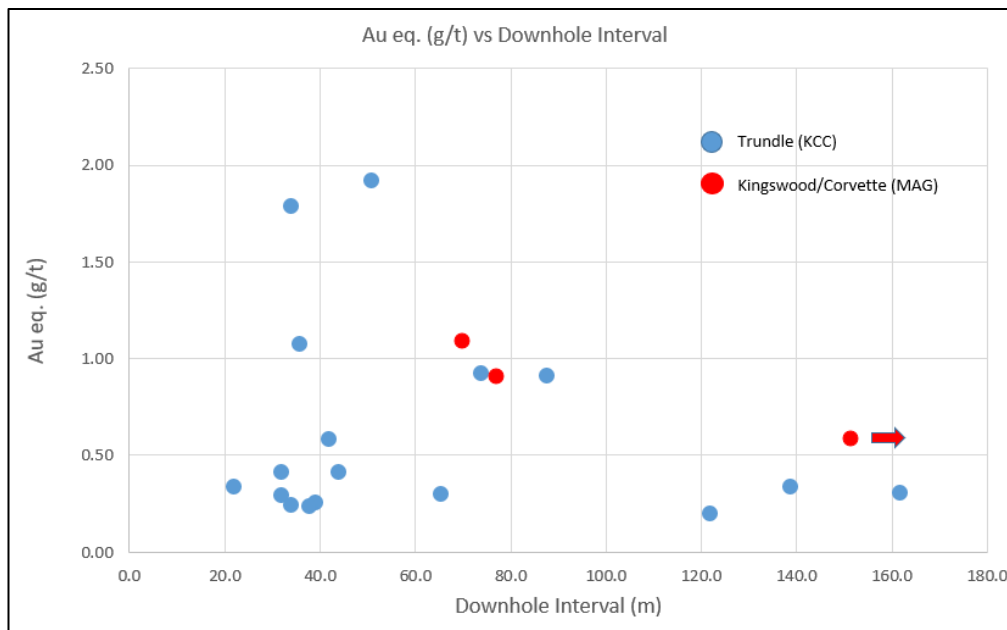
We also recall the impact of the discovery of the Boda orebody on the Alkane share price, which added some \$100m in market value to the company at the time.

Curiously, these discoveries have had no impact on the KCC share price. The company's Trundle tenement lies just 50km to the SW of the Corvette discovery, and within what we judge to be at least as favourable geological setting within the Junee/Narromine Volcanic Belt and within the Northparkes Igneous Complex.

MAGMATIC RESOURCES 12-MONTH SHARE PRICE PERFORMANCE



Let's compare the intercepts reported by Magmatic from the Kingswood/Corvette discovery with the better intercepts from KCC's drilling from its Trundle Park project. To stress, these are simply plots of some of the more significant drill intercepts, regardless of geology and drillhole location and intercept depth. Assays have been recalculated to a 'gold equivalent' basis to allow comparison.



Source: Company releases

While assay results are pending for MAG's ongoing hole this analysis does highlight that several of KCC's intercepts are comparable to the holes which may be outlining a significant discovery at MAG's Corvette prospect. And comparing the market capitalisations of both companies, it's quite clear that KCC has received no recognition for these discoveries.

We believe a reason for this has been the recent depth profile of the Southern Extension Zone target that KCC has been drilling. This has been recognized by the company with recent internal and external reviews refining a series of shallower and porphyry focused targets. These targets have benefited from the improved geological knowledge gained, and controls for mineralisation, from the recent "technical" new discoveries Kincora has made at Trundle.

Note that the Corvette discovery appears to be a copper-dominated discovery with highly anomalous molybdenum grades. No doubt this is a porphyry system.

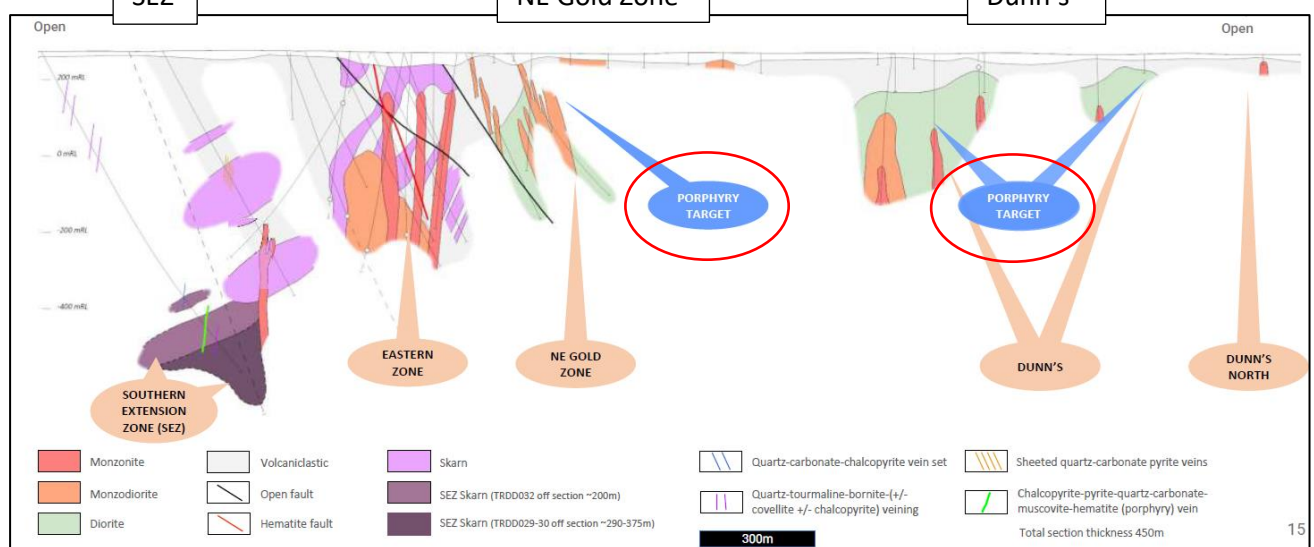
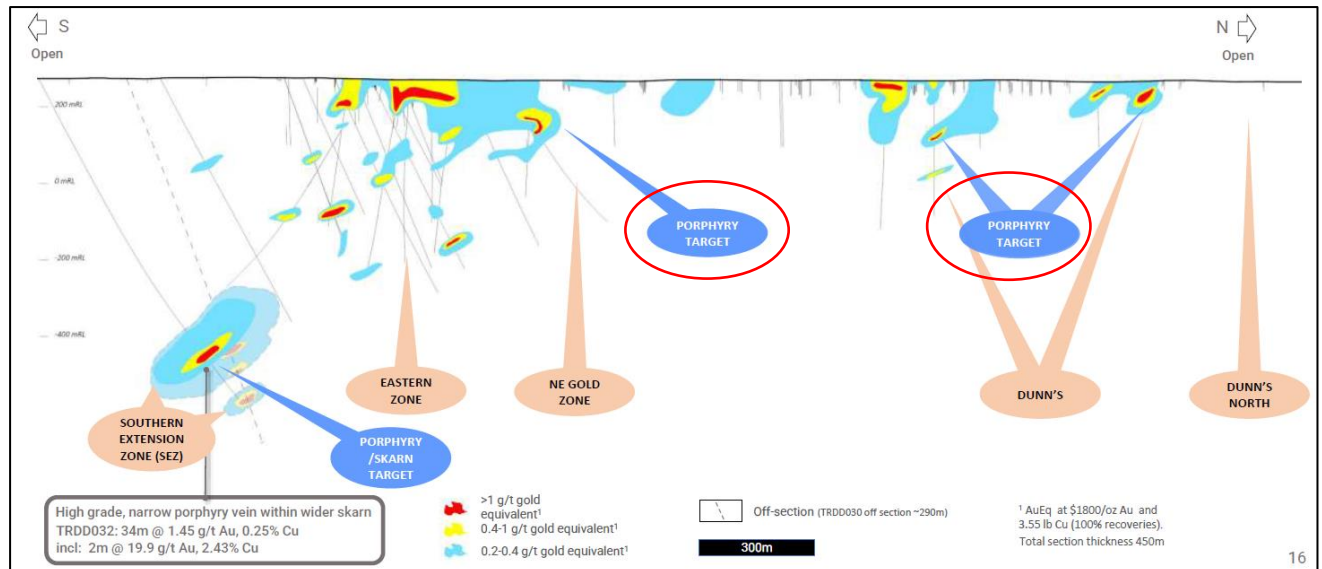
A summary of KCC's key exploration projects

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 NED and Chair of the Technical Committee, John Holliday as exploration manager.
- KCC holds 65% of the project, earning from rare earths explorer RareX (ASX:REE) which is free carried until completion of a PEA/scoping study.
- The Trundle tenement includes an estimated quarter of the Northparkes Igneous Complex, host for the Tier 1 porphyry copper deposits at Northparkes. At this year's Mines & Wines conference, Northparkes stated that to date it has discovered 22 porphyry systems with a

40% conversion to positive economics, with further significant scale for new discoveries. Prior explorer to KCC drilling has already identified rock types and alteration characteristics pointing to porphyry-style mineralisation with prospective mineralisation.

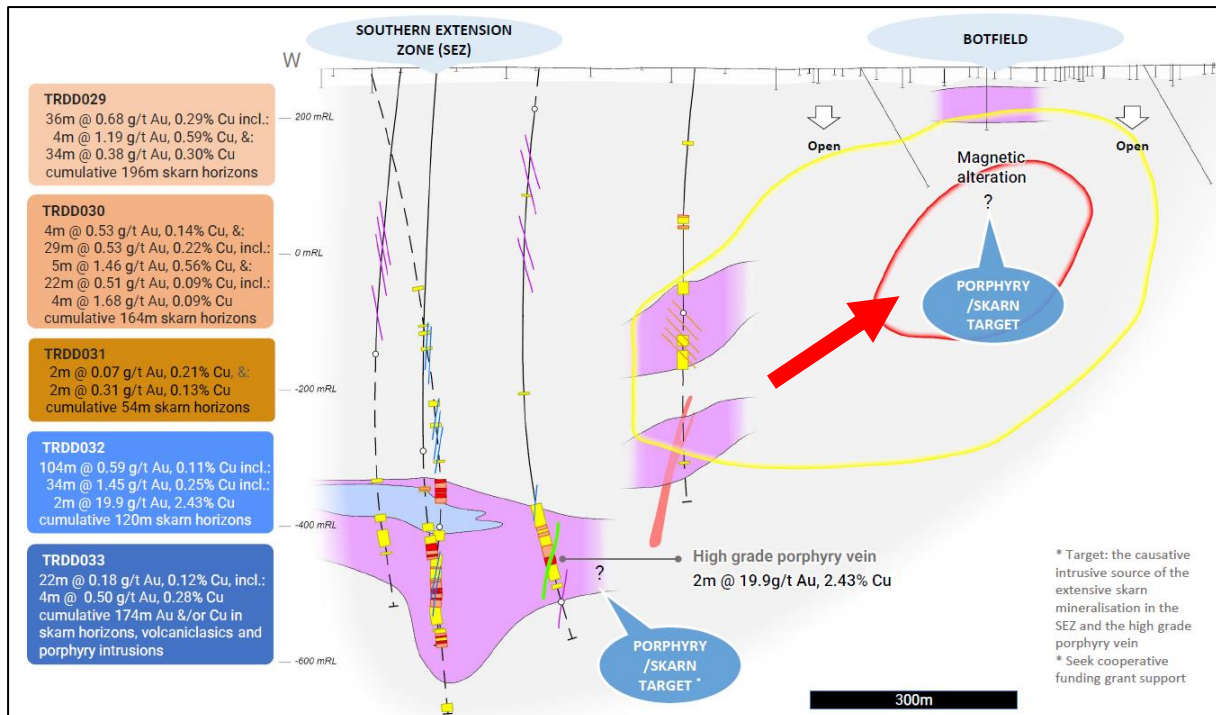
- Exploration within this terrane is targeting moderate to high-grade copper-gold pipe-like, “finger” or “pencil” porphyries that are vertically extensive but horizontally discrete (i.e. Northparkes or Cadia-Ridgeway). The Trundle tenement covers a 10 km N-S strike length of rocks with anomalous copper and gold geochemistry interpreted as the equivalents to at Northparkes.
- Historical drilling at Trundle had 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. These were the immediate targets for the 2021/22 programme.
- As shown in the following long sections, KCC geologists have tested and proven their exploration thesis: that is that they expected to find copper/gold mineralisation hosted by finger porphyry and skarn rock-types, a geological setting typical of other porphyry deposits of the Lachlan Fold Belt (eg Northparkes, Cadia-Ridgeway and Boda).
- Kincora commenced exploration drilling at the Trundle Park prospect 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 within the so-called Eastern Zone.
- This mineralisation was hosted within a multiple horizon skarn system. Recent external and internal reviews have identified the porphyry source (or “causative intrusion”) for this mineralisation, as well that within hole 15, with significantly improved understanding of the controls of mineralisation both within the Eastern and Central Zones.
- To date, KCC has completed 34 diamond core holes at the Trundle Park and Mordialloc prospects.
- The most important intercept – and also the deepest – targeted the Southern Extension Zone discovery, a zone of mineralisation perhaps over 600m in apparent width. Hole TRDD030 identified a broad width of around 164 m of low grade copper/gold mineralisation including the following:
 - Localized higher-grade intervals of up to 1.68 grams per tonne gold and 3.6% copper;
 - Middle skarn: 29 m at 0.54 g/t gold and 0.22 per cent copper, including five metres at 1.46g/t gold and 0.56 per cent copper;
 - Lower skarn: 22 m at 0.51 g/t gold.
- The follow-up hole TRDD032 intersected cumulative skarn intervals of over 170 metres below multiple zones of moderate to strong potassic (ie high temperature) and later epidote alteration, in places cut by quartz veins with copper minerals such as chalcopyrite, bornite and covellite mineralisation hosted in volcanics.
- Assays from hole 32 returned an impressive interval including:
 - 2m at 19.9 g/t gold and 2.43% copper within a broader zone containing 34m at 1.45 g/t gold and 0.25% copper (from 818m).
 - The most important element of this high-grade intercept is the identification of a high grade porphyry vein – suggesting the presence of potential ore grade porphyry vein mineralisation at Trundle Park.
- This discovery has become known as the Southern Extension Zone (or SEZ), which is dominated by skarn-style mineralisation and what we are told is the largest skarn system in NSW. These seem to show the right sort of alteration fingerprint.



Source: Modified from KCC presentation September 2022

Future and new targets

- **Botfield.** Rather than continuing to chase the SEZ to depth – targets here are already over 750m – the geologists have decided to target shallower prospects, with an inference that the SEZ may extend to the east and to a large magnetic anomaly known as Botfield. Earlier air core drilling has identified copper anomalism over a 300 x 400m area sitting above this unexplained and very significant magnetic anomaly.
- This to us appears to be a worthy target for perhaps one RC or diamond hole to no more than 250m. This we see as a relatively inexpensive exercise, which at the very least will provide useful rock type/alteration information, and test the concept for Botfield being related to (or the source of) the SEZ.
- John Holliday notes the distance from Botfield to the SEZ is comparable to the Little Cadia skarn and its causative intrusion Cadia East.

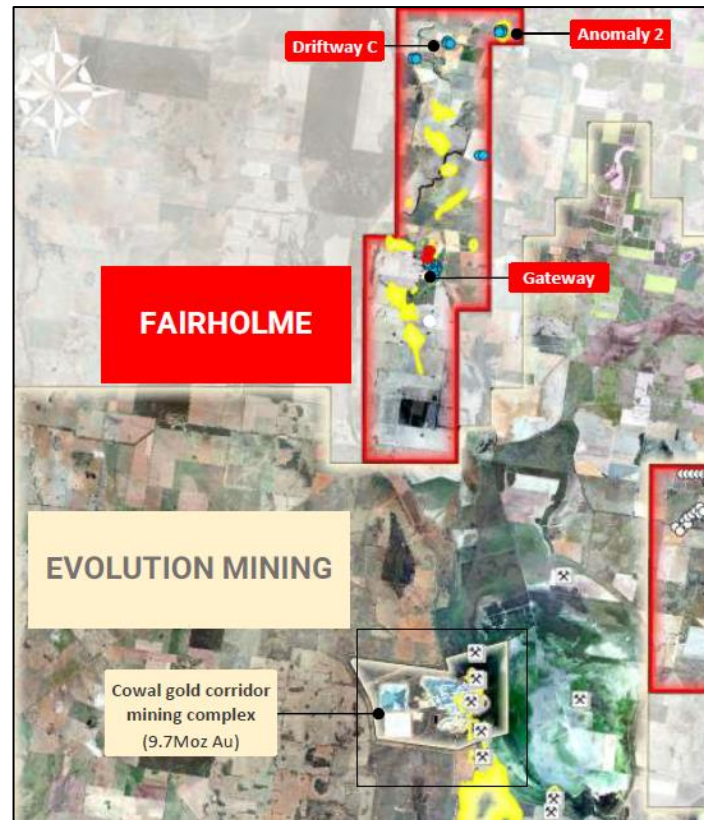


Source: Modified from KCC presentation September 2022

- Dunns.** As shown in the long section above, the frequency of potentially fertile intrusives seems to increase towards the north, perhaps +1km north of the surface projection of the SEZ. During 2022, Kincora air core drilling identified favourable geochemistry and intrusive rock types adjacent to an historic IP anomaly. Previous shallow drilling results not followed up include 10m at 1.99g/t gold and 0.2% copper (from 36m to end of hole), 100m at 0.4g/t gold (from surface to EOH) and 8m at 0.74g/t gold and 0.3% copper (from 32m). A long section from KCC's latest presentation (highlighted above) looks to have two shallow targets at Dunns, both starting from surface. Limited previous drilling by Newcrest confirmed mineralised porphyries with clear similarities to the Cadia Hill and Northparkes systems. Both Dunn's south and north target zones (located >600m apart) appear to be attractive, reasonably near-surface prospects.
- NE Gold Zone.** Again, on the long section above, mid-way between the SEZ mineralisation and Dunns sits the NE Gold Zone. Significantly anomalous gold values have been returned in the four deeper drill holes over an area of ~400 x 150m, open to E, NE, N, NW and at depth. The rocks comprise strongly potassic-altered volcanics. KCC geologists consider that the existing drilling does not adequately test the targets and one of 2 more relatively shallow holes are warranted.

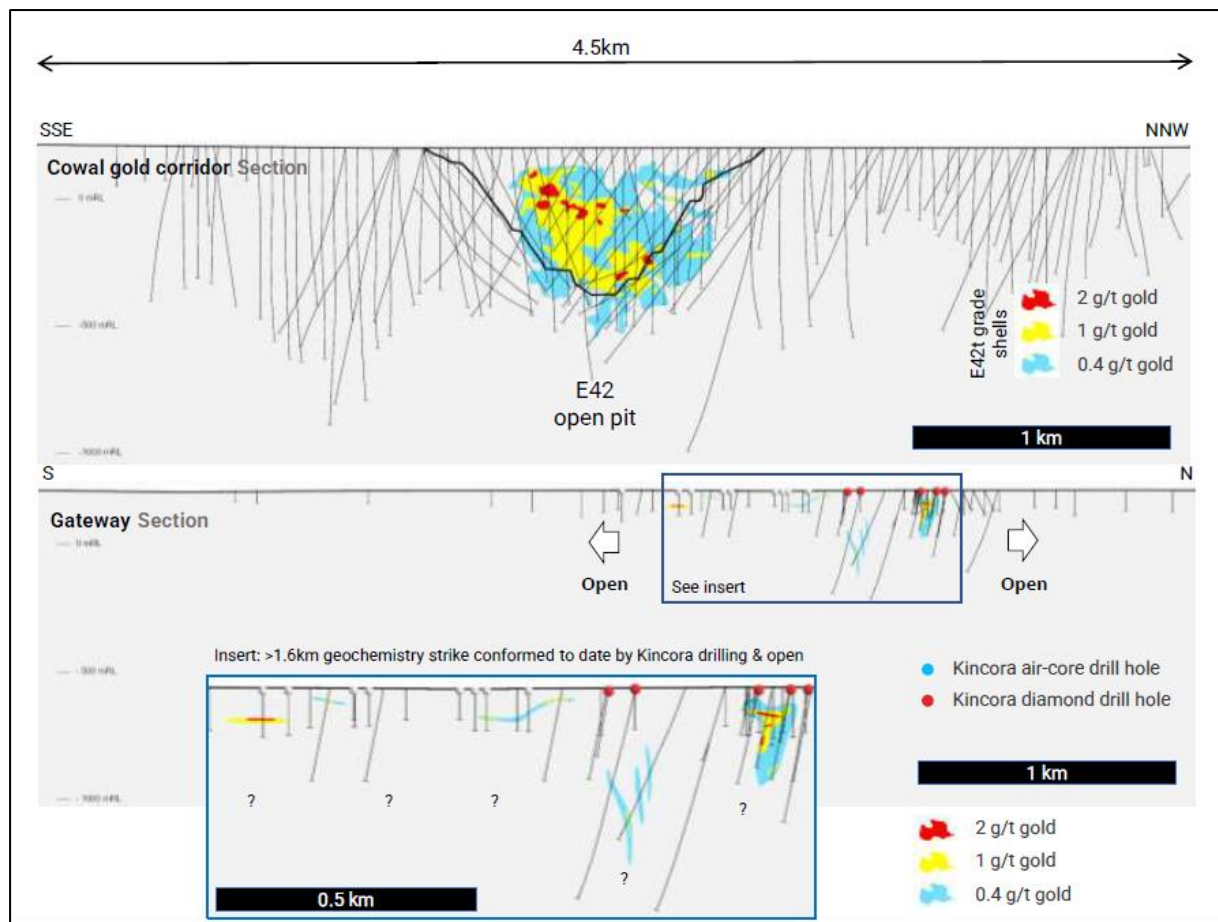
Fairholme (KCC 65%: 35% REE)

- The Fairholme Project is located 10 to 20 km along strike from the multi-million ounce Cowal epithermal quartz carbonate gold-base metal mine. (EVN:ASX. See further detail on Cowal in Appendix 2).
- Historical activities (pre-KCC) were focussed on the deeper copper porphyry targets and did not target the shallower epithermal gold-base metal potential.



Source: Excerpt from Kincora presentation, September 2022

- 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.
- Several prospects were identified from Newcrest's work. 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 volcaniclastics.
- Two phases on drilling have been completed by KCC at the Gateway prospect in an endeavour to establish geochemical targets for deeper RC and/or diamond drilling. Recent drilling returned anomalous gold and copper in all nine holes, including 5th highest grade air-core interval to date at the Fairholme project (3.35g/t gold over 2m in hole FHAC0080), and encouraging results to the south.
- This has established quite a significant mineralised corridor, perhaps 1.5-2km in length and coincident with a linear magnetic feature, which may represent a structural break.
- To us there seems to be good reason to undertake another air core programme to help to refine targets for deeper drilling. A series of earlier KCC diamond holes completed in late 2021 were perhaps completed a little too early in the programme. Results from these were disappointing and were unable to replicate previous results from Newcrest (eg 8m at 5.11g/t), but did identify zonation, and structures that have assisted return the improved second phase air-core results.



Source: KCC presentation, September 2022

- Two other anomalies, Driftway C and Anomaly 2 (see plan on previous page) were single point air core anomalies identified by Newcrest. KCC air core holes have further extended geochemical anomalies, with all holes returning anomalous copper results, including end of hole primary mineralisation and also intrusion related copper and gold. One of the best intercepts was 18m at 0.11% copper. These anomalies certainly deserve follow up with further air core drilling before targeting with deeper RC holes.

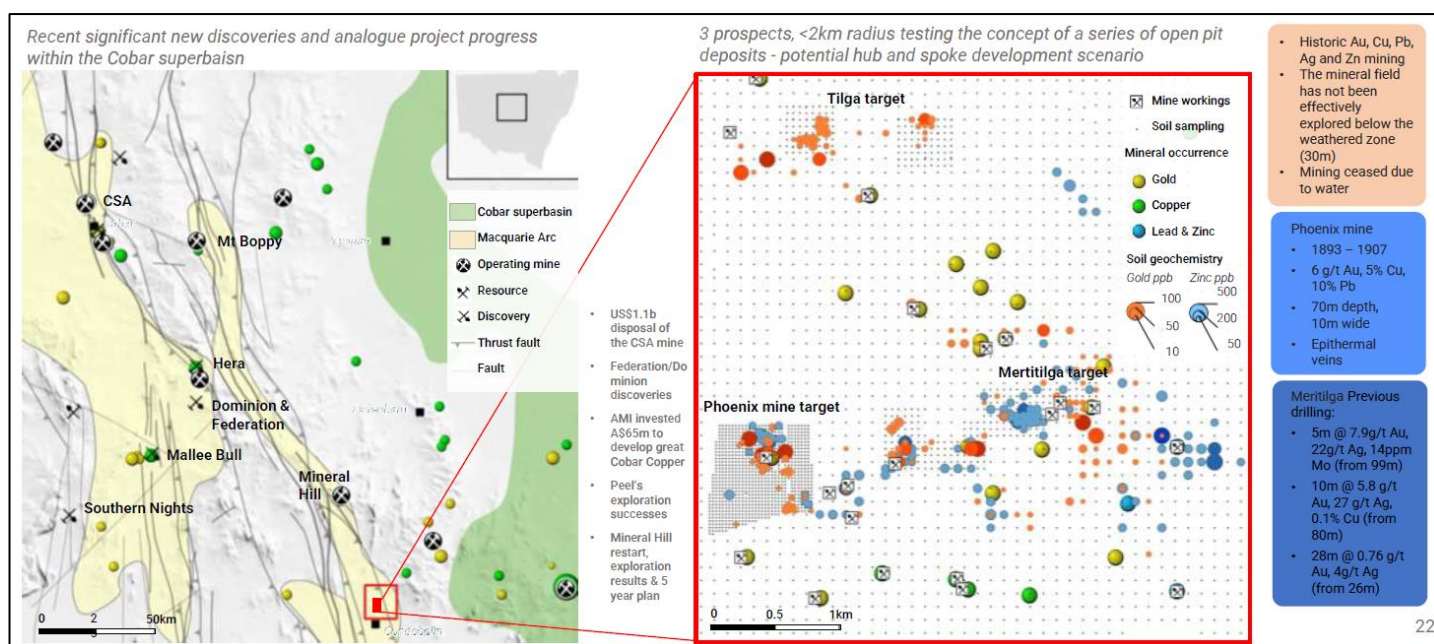
Other exploration targets of note

KCC retains several other exploration tenements within the LFB, and several we think remain interesting, but perhaps not priority targets. These include the Condobolin, Nyngan and Nevertire projects. With a tight exploration budget the other projects are likely to sit on the back burner for a while.

Condobolin project (KCC 65%: 35% REE)

- The Condobolin project 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.
- Previous explorers have mainly targeted the three old mine workings with a number of RC holes. Better intercepts include the following intercepts from the Meritilga target:
 - 15m at 2.8g/t gold and 9g/t silver.
 - 10m at 5.8g/t gold and 27g/t silver.
 - 28m at 0.8g/t gold and 4g/t silver.

- KCC has consolidated the full mineral field (including 25 mining pits), with previous mining and exploration impacted by the water table. While not a porphyry target, KCC's strategy of consolidating a historic mineral field with uncertain geological controls, known extensive near surface and high grades follows recent significant discoveries in the Cobar district.
- A slide from KCC's recent presentation highlights two key features:
 - The wide number of untested geochemical anomalies, and
 - The proximity of the project to the historically reserve-starved Mineral Hill mine. Mineral Hill now has new owners (Kingston, KSN:ASX) which is looking to restart the old plant. The Condobolin project is less than 50km from Mineral Hill and ore reserves, should they be identified, could be readily trucked to the mill.



Source: KCC presentation, September 2022

Nyngan and Nevertire (100%)

- The Nyngan and Nevertire Projects are early-stage projects comprising 1,144 km² of tenure over the little explored northern extension of the Macquarie Arc, the so-called Northern Junee-Narromine Belt, under variable and often deep cover (>200m).
- These are outside the RareX earn-in and are 100% owned by KCC which are thought to cover 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 Arc extend into the less explored northern regions. Since KCC's entry, a land grab has taken place by others, notably FMG and CSE-listed 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 had been planned for Nyngan with only one hole completed to date (impacted by persistent rain which restricted access). These holes 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.
- Importantly, 50% of the drilling budget at Nyngan and Nevertire are supported by the NSW Govt (approx. \$120,000 and \$100,000 respectively) through a New Frontiers cooperative drilling grant.

- We consider both Nyngan and Nevertire as low to medium priority targets. As evidenced by “technical exploration success” by Inflection At Duck Creek (see Appendix 2), in its current malaise, the market is likely pay little for this strategy until any actual successes with the drill bit.
- That said, the tenements offer genuine porphyry copper/gold targets, identified by geophysical surveys. These are high risk but potentially high reward targets. Given KCC’s 100% interest in these projects we see scope of an earn-in or JV partner going forward.

Kincora – Capital Structure

Kincora Copper, capital structure		
Share Price	A\$	0.056
Number of CDIs, ASX (as at 8/22)	m	73.6
Share Price	C\$	0.056
Number of shares, TSXV (as at 8/22)	m	49.3
C\$/A\$		1.03
Total number of shares	m	122.9
Weighted av. share price	A\$	0.057
Market cap	A\$m	7.0
Cash, at June 2022	m	2.3
EV	A\$m	4.7
Options (av. C\$0.36 exercise)	m	11.5
Warrants (av. C\$0.75 exercise)	m	17.8
Unlisted broker options (A\$0.30 exercise)	m	10.0
Performance rights (unvested)		5.5

The Kincora Board

- Non-executive Chairman: Cameron McRae
- President and CEO: Sam Spring
- Non-executive Director: John Holliday
- Non-executive Director: Ray Nadarajah
- Non-executive Director: Lewis Marks

Further details on the board and management team are presented in Appendix 3.

Appendix 1. Geology and mineral deposits of the Lachlan Fold Belt

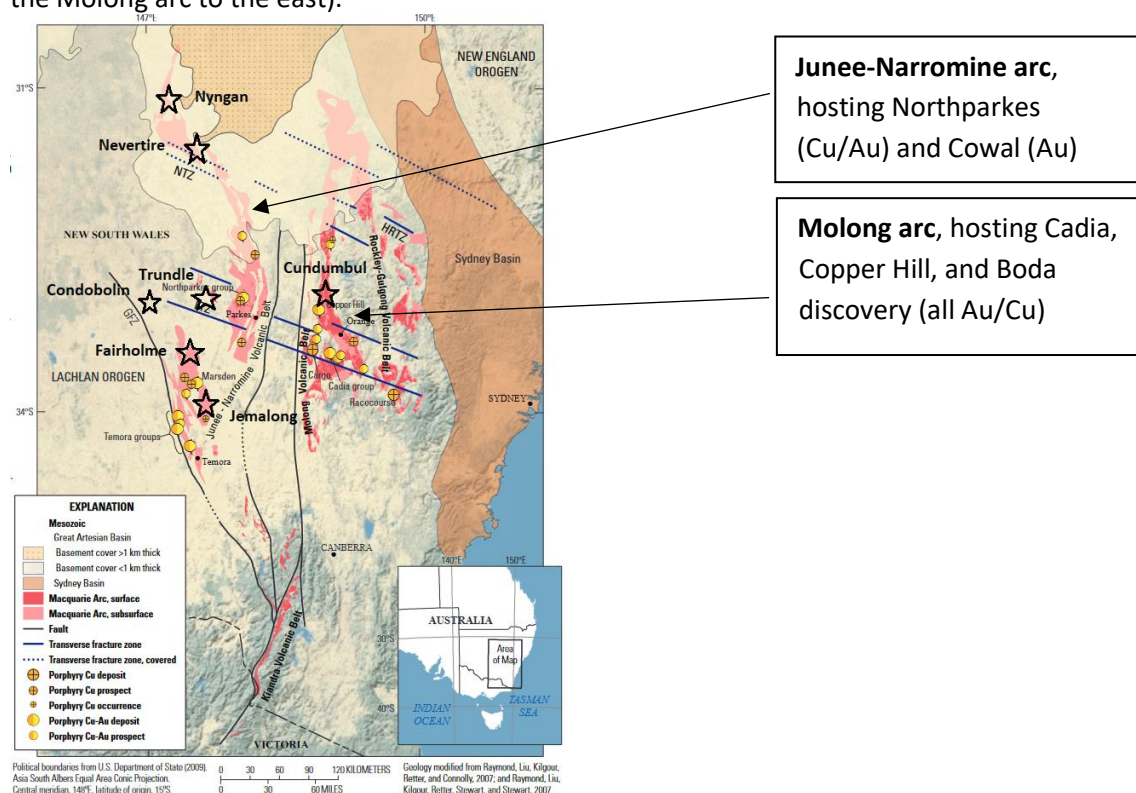
The Lachlan Fold Belt (LFB) developed as a classic accretionary orogen in an oceanic setting between an ancient Pacific west-facing subduction zone and the Australian craton. Located within the LFB is the Macquarie Arc, a north-south trending geological province of Ordovician to early Silurian age (c.490 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 (which hosts Cadia and Boda) to the east and the Junee-Narromine Arc to the west (which hosts Northparkes, Cowal, Trundle, Tomingley and MAG's Corvette prospect).

The Junee-Narromine is thought to be the more favourable for new project development given its further distance from more densely populated communities and the less favourable rainfall for the agricultural sector. Interestingly, FMG has recently secured the largest position along the Junee-Narromine belt. 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).



Orebody types sought in the Lachlan Fold Belt

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 plan together with KCC's extensive tenement coverage, largely confined to the prospective Junee-Narromine Volcanic Belt.

The Lachlan Fold Belt is characterised by the following styles of mineralisation, commonly associated with widespread intrusive igneous systems:

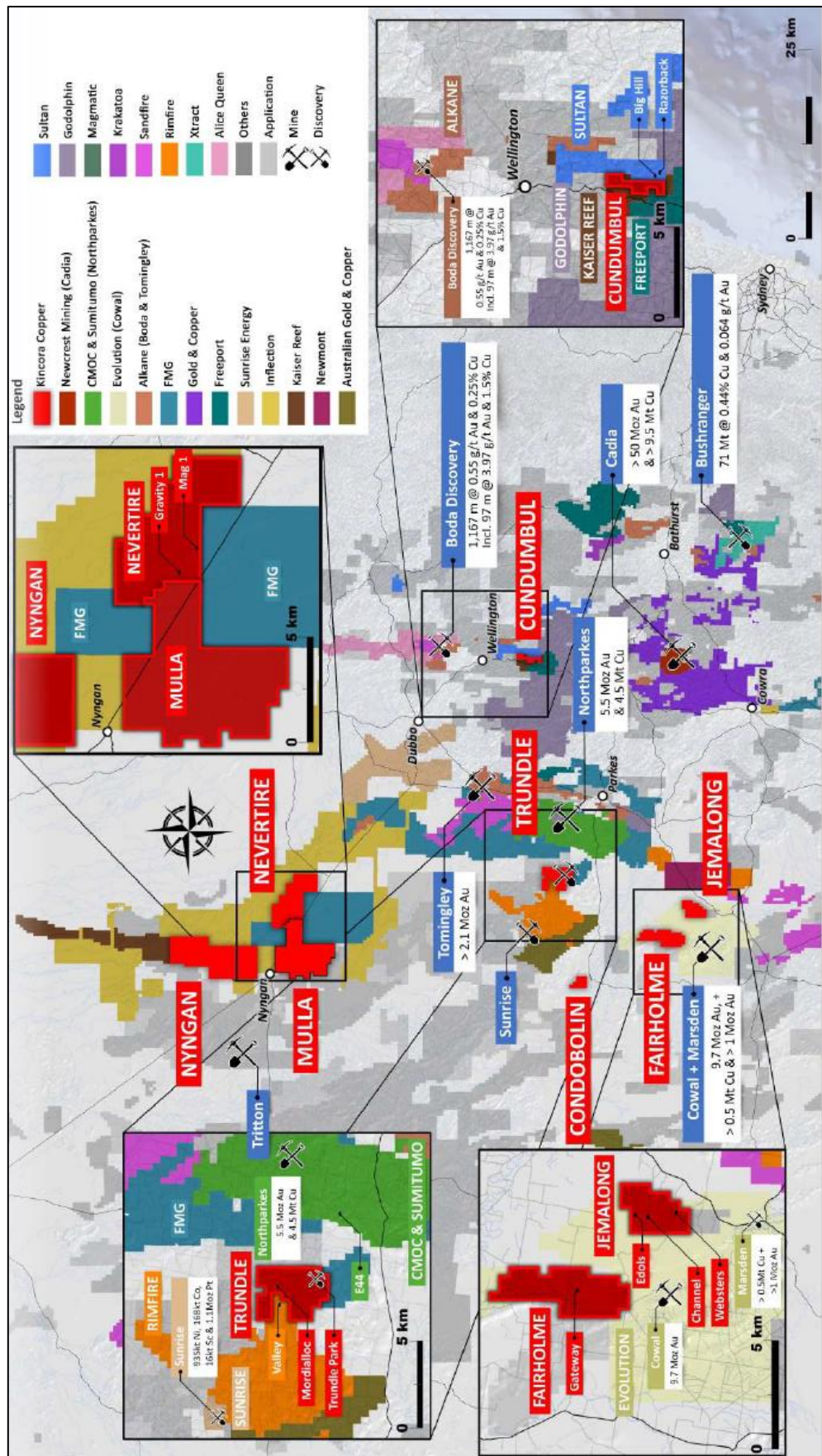
- **Porphyry gold, copper deposits**, typically hosted within the intrusive porphyry itself or within adjacent rock types (eg volcanics or volcanoclastics). The Cadia/Ridgeway gold-copper deposits (owned by Newcrest, NCM:ASX) and the Northparkes porphyry copper deposit (now owned by CMOC and Sumitomo), both world class mines, provide good examples.
- **Skarn copper-gold deposits**. These may be formed peripheral to porphyry systems and are 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 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. 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 Mining 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.

In this report we will focus on two of KCC's most significant discoveries in the Macquarie Arc and the opportunities these present:

- Skarn and porphyry copper gold mineralisation within the **Trundle** tenements, in particular the Southern Extension Zone, located some 30 km to the west of the Northparkes mine.
- Air core drilling testing gold and gold-copper targets within the **Fairholme** tenements, located approximately 20 km to the north of Evolutions Cowal gold mine (EVN:ASX)

As well, we will review the as yet relatively unexplored tenements to the north of the Junee-Narromine Belt, Nyngan, Nevertire and Mulla, where KCC has been successful in attracting NSW Government support for drilling two holes at Nyngan and three prospects at Nevertire.

Exploration and mining tenements within the Lachlan Fold Belt



Source: KCC presentation, July 2022

Appendix 2. Exploration successes in the Lachlan Fold Belt

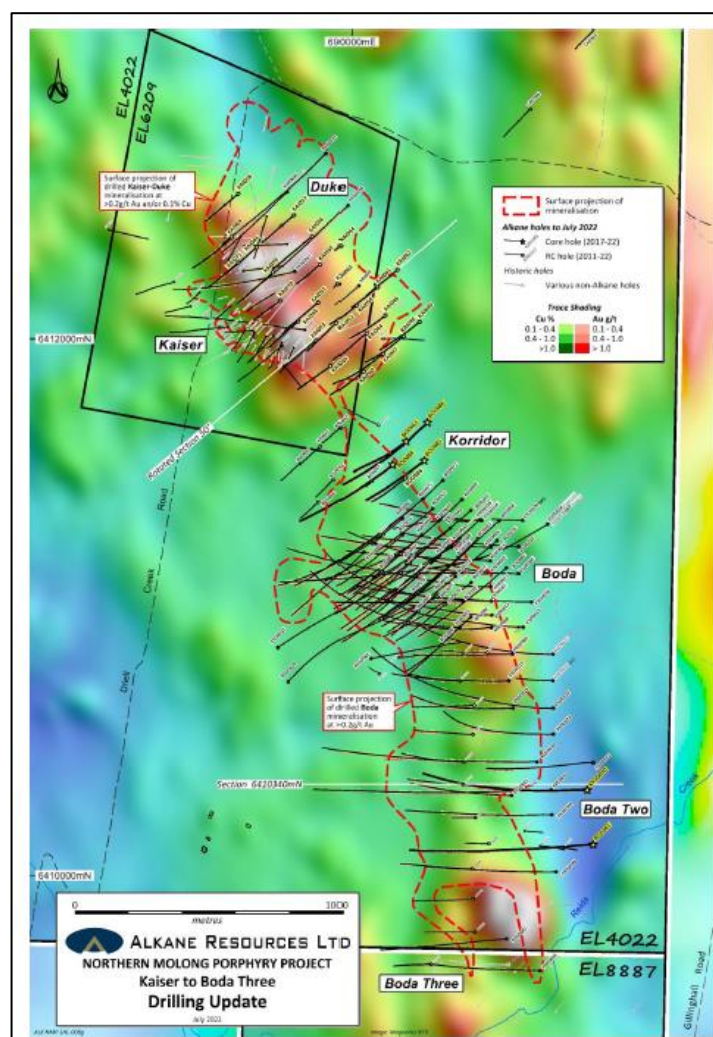
An increased exploration effort has translated to a number of discoveries in the LFB and significant brownfield resource expansion is notable at both the Cowal and Northparkes mines. To put KCC's exploration efforts into context, we have summarised some of the more notable work undertaken in the LFB since the company's listing.

As shown in the plan in Appendix 1, the prospective (largely volcanic) rock types remain blanket pegged, within both the Junee-Narromine and Molong Belts.

KCC are quite large tenement holders in the LFB with some 2,367km² held under exploration licence. As relatively early entrants to the province, the company's core tenements are well located, especially on the western belt.

Large tenement positions are also held by the likes of privately owned Gold and Copper Exploration surrounding the Cadia mine of Newcrest and more recently secured positions by the majors, FMG, Newmont (which acquired Freeport's portfolio) and Sandfire, together with a very large land position held by Canadian junior Inflection (AUCU:CSE).

Alkane's Boda discovery and resource delineation (ALK:ASX)



Source: Alkane release 18 July 2022

- 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.

- In May 2022, ALK reported a maiden resource for Boda: 624mt at a fairly modest grade of 0.26g/t gold and 0.14% copper for a contained metal content of 10.1Moz Au Eq. Within this resource is a higher grade section of 353mt at 0.63g/t Au Eq for a contained metal content of 7.1Moz (Au Eq.).
- More recently ALK has reported drilling success from adjacent targets, Kaiser and Boda Two with intercepts of 177 to 522m at or around 0.5g/t (Au Eq.). These could represent important extensions of the main Boda mineralisation with a maiden resource at Kaiser anticipated for 1Q 2023.

Magmatic Resources, Rose Hill and Corvette discoveries (MAG:ASX)

- MAG has an extensive exploration position within the Lachlan Fold Belt. 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. More effort has been focused on this project given it lies immediately adjacent to the Boda system on the Molong belt.
- In August 2022, MAG announced assay results from drilling of the Corvette prospect within the Myall project. The Myall project is located on the Junee-Narromine belt, approximately 60km north of Northparkes. Results from two recent MAG drill holes 414 (which deviated) and a redrill, 415, delivered some very impressive copper/minor gold intercepts from what is clearly appears to be a Lachlan-style porphyry mineralised system.

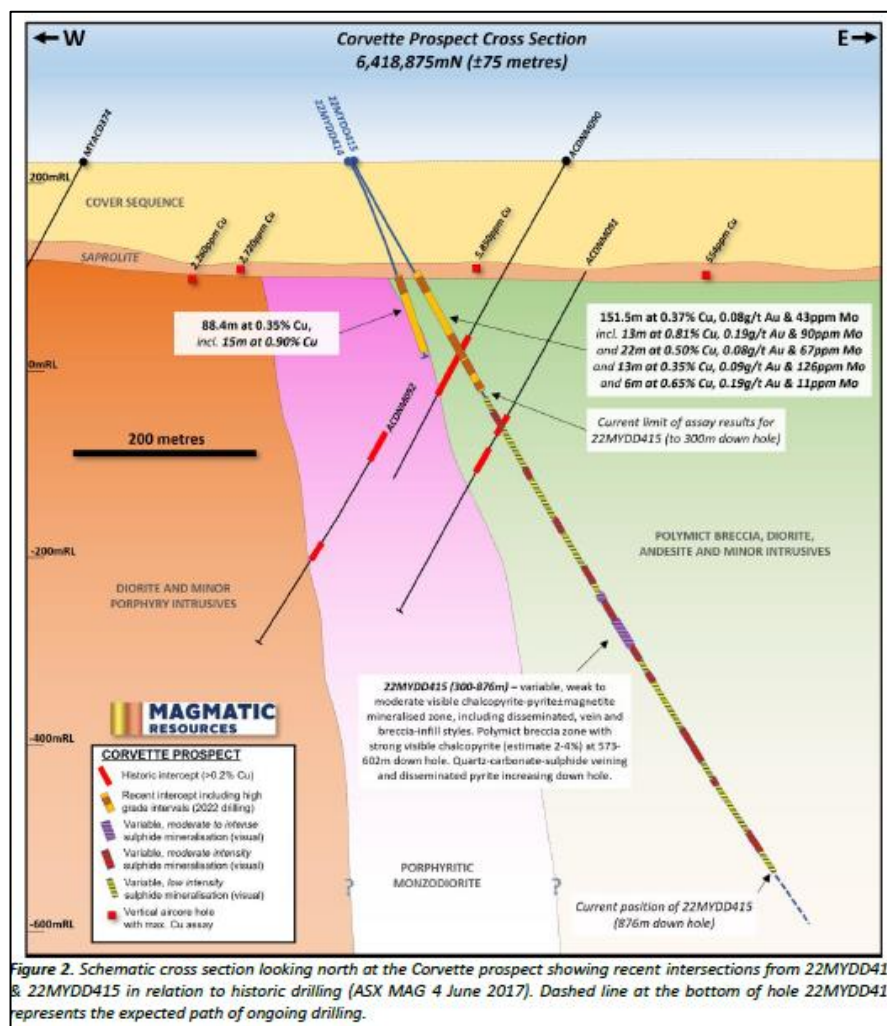


Figure 2. Schematic cross section looking north at the Corvette prospect showing recent intersections from 22MYDD414 & 22MYDD415 in relation to historic drilling (ASX MAG 4 June 2017). Dashed line at the bottom of hole 22MYDD415 represents the expected path of ongoing drilling.

Source: MAG release, 22 August 2022

- Hole 415 recorded an impressive intercept of 151.5m grading 0.37% copper and 0.08g/t gold (with 43ppm molybdenum) from 134.5m depth within a strongly altered host porphyry and which includes variable-intensity visible chalcopyrite and pyrite mineralisation.

- Encouragingly mineralisation continues over a down hole interval of +740m, described as “weak to moderate” but with a 29m interval “averaging 2-4% chalcopyrite”. Regardless of what grades emerge from the basal section, this is quite an impressive hole in what is a large porphyry system. We note that the visually interpreted most interesting section of hole 415 is at not dissimilar depths to KCC’s Southern Extension Zone.
- To us it looks like MAG may have drilled down the core of a finger porphyry, a typical host for mineralisation at the Northparkes mine. If so the dimensions of this drillhole might be overstating the dimensions of the discovery. Time will tell.

Inflection Resources (AUCU:CSE)

- Inflection is a Canadian listed junior explorer, with many common attributes to KCC. It is a very technically driven explorer with a quality management team and board. It too holds a large land position in the northern Junee-Narromine Belt.
- However, unlike Trundle and Fairholme or MAG’s Myall, Inflection is focused on earlier stage and conceptual targets in largely an un-explored portion of the Macquarie Arc. Much, if not all, are covered by post-mineral sediments with drilling base on purely geophysical targets into completely unknown bedrock.
- In the northern Junee-Narromine belt AUCU’s tenements surround those of KCC to the east, south and north. AUCU state that it considers the geological setting to be analogous to the Northparkes mine to the south.
- AUCU appear to mainly be using publicly available geophysical techniques (gravity and magnetics) to target anomalies with first pass rotary drilling through the overlying sediments with diamond tails into basement.
- AUCU’s first core drilling target, and most prospective target to date, was at Duck Creek and tested a geophysical anomaly beneath 366m of cover. Interestingly the basement core consisted of a sequence of volcanics intruded by a strongly altered porphyry. The rocks appeared to be characterised by ‘porphyry-style’ Macquarie Arc alteration.
- Assays are awaited. From the core photographs we’d be surprised if metal grades were particularly high, but this is certainly a technical success providing support for the proof of concept for why KCC, Fortescue and Inflection have pegged the ground they have in this underexplored region of the Macquarie Arc. It is worth noting that the Duck Creek prospect is located less than 2.5km from KCC’s Nyngan project.
- We like the work that AUCU are undertaking – high risk, but potentially high reward. It could provide an important blueprint (both from a technical and also commercial earn-in basis) for KCC’s endeavours in its Nyngan/Nevertire tenements.

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. 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. 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).
- KCC’s Gateway target at its Fairholme project, where KCC drilling has confirmed a 1.6km mineralised system strike, lies 15km to the north of Cowal and geologically appears quite similar.

Appendix 3 Board and Management

MR. CAMERON MCRAE

NON EXECUTIVE INDEPENDENT CHAIRMAN (AUSTRALIA)

- A seasoned chairman, 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, having assisted in forming the company.
- 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.
- John is intimately involved in KCC's project and target generation, and execution.

MR. RAY NADARAJAH

INDEPENDENT NON-EXECUTIVE DIRECTOR (HONG KONG)

- A seasoned finance executive, banker 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, including executive to the global CEO.
- 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)

- Extremely well networked lawyer and commodities trader who has lived in Asia since 1977 with extensive experience across the natural resource sector.
- 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.
- Degrees in geology and mineral exploration.
- We note that that since Mr Leaman commenced with Kincora in 2017, he has not yet drawn a cash salary, instead being solely remunerated in Kincora shares.

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.

Appendix 4. Kincora in Mongolia

KCC's jurisdictional strategy pivoted following a strategic review during 2019, having secured a mining licence (30 year title) for the key portion of the Bronze Fox project. Despite the recent takeover of Turquoise Hill by Rio Tinto, and ongoing mega scale development of the Oyu Tolgoi underground, Mongolia has become a difficult jurisdiction in which to operate, less than 4% of the country has exploration licence coverage (down from <40%) 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 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 inferred resource at West Kasulu at 194Mt at 0.22% copper and 0.07g/t gold, for 426kt contained copper and 437koz contained gold.

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 22 July 2022 release)

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Bridge Street Capital Partners was joint lead manager to KCC's ASX IPO and may seek to become Corporate Advisors to KCC and receive fees for services provided.

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Dr Chris Baker, an authorised representative of BSCP, certifies that the advice in this report reflects his honest view of the company. He has 33 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 and has a corporate advisory relationship with KCC.

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