

# Kincora appoints consultant to review previous Bronze Fox discovery

- *Mining Associates appointed to undertake a review of the Bronze Fox Intrusive Complex to provide an independent resource model and assist in future exploration*
- *Review will support quantifying the previous discovery and valuation analysis to peers*
- *Previous drilling has confirmed extensive broad lower-grade copper-gold mineralization often with localized higher grades across a 1.3km strike in the western central portion of the Bronze Fox Intrusive Complex, including:*
  - *F62 – 37m grading 0.83% copper (1.01% CuEq), within 391m @ 0.50% CuEq<sup>1</sup>*
  - *BF7 – 32m grading 0.37% copper (0.91% CuEq), within 112m @ 0.50% CuEq<sup>1</sup>*
- *A two rig drill program is ongoing testing Devonian age targets outside of Bronze Fox*

## **Vancouver, BC— November 21<sup>st</sup>, 2017**

Kincora Copper Ltd. (the “Company”, “Kincora”) (TSXV:KCC) announces the appointment of Mining Associates Limited (“Mining Associates”) to undertake a review of its wholly owned Bronze Fox copper-gold porphyry project in the Southern Gobi, Mongolia. Bronze Fox has an extensive mineralized footprint covering over 40km<sup>2</sup> at the Bronze Fox Intrusive Complex (“BFIC”) and 15km<sup>2</sup> at the neighbouring Tourmaline Hills Intrusive Complex (“THIC”), with only two active and unencumbered drilling exploration field seasons across the adjacent two license portfolio that hosts the full BFIC.

Total drilling by Kincora and others covers 169 holes for 55,908 metres across the portfolio. Efforts to date have focused at the western central portion of the BFIC where 75 holes for 23,130 metres has been drill across a 1.4km by 2.4km zone, with mineralization encountered often from surface to a maximum vertical depth of over 1km. This latter zone will be the focus of the Mining Associates review and modelling, including grade estimate and tonnage target.

In Kincora’s one active field season of unimpeded access to both licenses drilling confirmed:

- *At the West Kasulu prospect drill hole F62 intersected 37 metres at 1.01% CuEq (from 573m) within 794m at 0.40% CuEq, at the western central portion of the BFIC<sup>1</sup>.*
- *The Tourmaline Hills prospect at the THIC, with 9 of the 15 holes returning intervals of over 1g/t gold (up to 7.7g/t), often with elevated copper values.*

Sam Spring, President & CEO, commented: *“There is a substantial copper-gold system at the western central portion of the BFIC, within the larger two mineralized intrusions at Bronze Fox. With unencumbered access to both licenses and an improved copper price, the Mining Associates review is expected to independently quantify the previous discovery, which will assist valuations to peers, define areas of potential higher grade and adjacent exploration targets that may justify further drilling to expand the mineralized system and define a maiden NI 43-101 compliant resource.*

*Relative to the other copper-gold projects in the wider belt that have existing resources Bronze Fox has had modest previous drilling. For the one field season, in 2012, when Kincora was unimpeded with its exploration efforts at the Bronze Fox project, the Company returned one of*

the most favourable exploration results in the region at the West Kasulu prospect, which resulted in significant interest from both industry and financial investors at a meaningful premium to our current capitalization. In the two years of relatively early stage exploration by Ivanhoe, only one with drilling activities, Bronze Fox was a priority exploration target, excluded from the BHP regional joint venture.

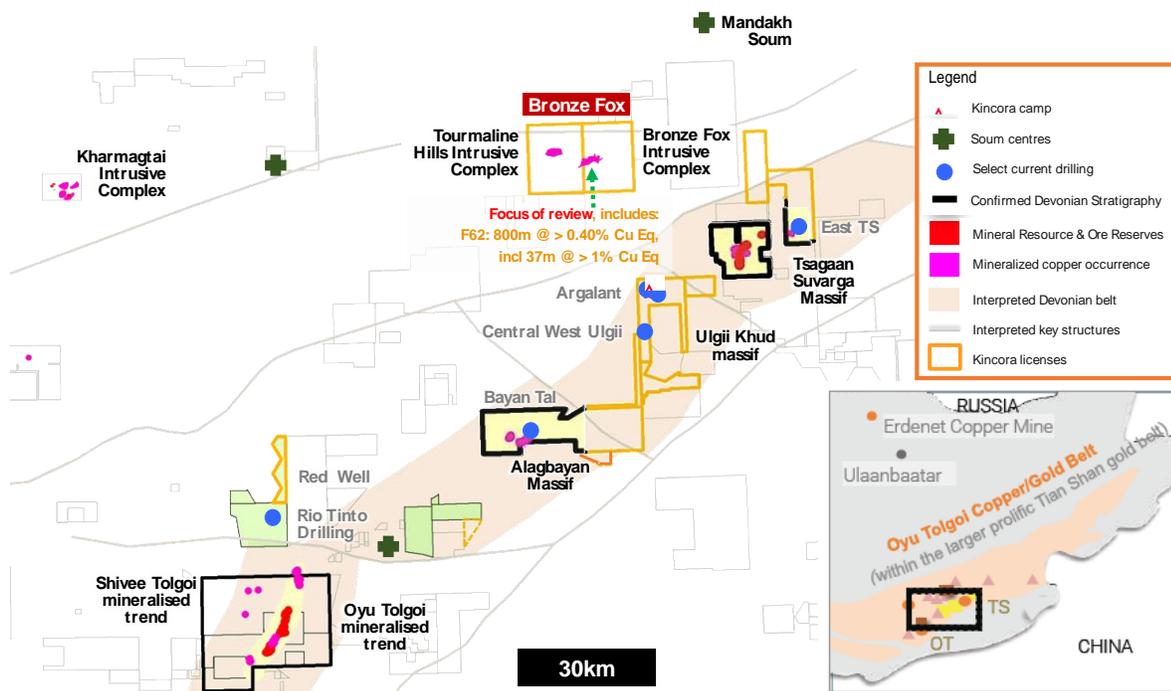
Current field season activities continue to focus on the Devonian age targets south of Bronze Fox. First phase drilling was recently completed at Bayan Tal and two rigs are currently completing a four-hole program on the western margins of the Ulgii Khud massif. Interpretation of new surface geology, drilling and geophysics is ongoing, including both the East Tsagaan Suvarga and Red Well targets. Results of these work programs at our pipeline of targets will be provided to the market after the Company's next technical workshop."

Link to accompanying updated corporate presentation:

<http://kincoracopper.com/investors/corporate-presentation>

**Figure 1: Bronze Fox, and its two intrusions, in the wider Southern Gobi copper belt**

The Mining Associates review will focus on the central portions of the Bronze Fox Intrusive Complex



**Mining Associates review**

Mining Associates has been appointed to undertake a review of previous drilling at the BFIC including the western central portion where 75 holes for 23,130 metres has been drill across a 1.4km by 2.4km zone. Within this zone broad lower-grade copper-gold mineralization often with localized higher grades has been encountered across a 1.3km strike, often from surface to a maximum vertical depth of up to 1280m (refer Figures 3 & 4).

The review will provide an independent 3D block model that supports tonnage and grade estimates, and is expected to assist in providing parameters for future exploration and a potential NI 43-101 compliant resource.

Mining Associates have extensive experience in resource estimation on porphyry style deposits, including Xanadu Mines' flagship Kharmagtai project, located 140km from Bronze Fox, being a similar age and style Carboniferous mineralized system, having undertaken a resource estimation and valuation prior to definition of a JORC compliant resource and drill targeting.

Kharmagtai has a March 2015 maiden JORC resource of 203Mt @ 0.34% copper and 0.33g/t gold for a contained metal content of 1500Mlb copper and 2.2Moz gold. The total resource is contained within three pit shells and underground resources over a 1.8km strike and depths of up to 600m at the Stockwork Hill/Altan Tolgoi, White Hill /Tsagaan Sudal and Copper Hill/Zesen Uul deposits, based on 108,130m of drilling across the wider 66.5km<sup>2</sup> mining license with a current area of interest of 25km<sup>2</sup>.

Over 50,000 metres of drilling has been undertaken since the definition of the maiden resource both searching for a fourth nearer surface finger porphyry and/or higher grade extension at depth (recent drilling to 1000 metres). Recent exploration results by Xanadu have been very well received by the market supporting the September 28<sup>th</sup> 2017 private placement of A\$15.4 million, a current A\$159 million market capitalization<sup>(2)</sup> and encouragement for other copper-gold explorers in the wider Southern Gobi region.

### **Location**

The Bronze Fox project is situated 520km south-southeast of Mongolia's capital city Ulaanbaatar in the Mandakh and Manlai Subprovinces, of the Dornogobi Province. The sub-provincial centre of Mandakh village, population over 1500, is located 40km to the northeast of the license which hosts a Kincora commissioned water well near the eastern margin of the BFIC.

Bronze Fox is approximately 40km to the northwest of MAKs Tsagaan Suvarga copper development project and 45km from Kincora's all year around White Pearl camp. Rio Tinto's Tier 1 Oyu Tolgoi copper-gold project is approximately 140km to the southwest and the distance to the Chinese boarder is only approximately 185km across desert steppe, generally consisting of gravel covered plains with low hills, sparse vegetation and population.

### **Local Geology**

The Bronze Fox project lies in the eastern part of the Gurvansayhan island arc terrane and while outside of the interpreted Devonian belt that hosts both Tsagaan Suvarga and Oyu Tolgoi, is within a 100km parallel belt of Carboniferous mineralized porphyry systems. The arc is an extension of the much larger Tian Shan belt that can be traced for over 5,000km through China and into Kazakhstan.

Two large intrusive complexes are hosted at Bronze Fox, the Tourmaline Hills Intrusive Complex ("THIC"), approximately 5x2 kms in diameter, located solely on the western license (total license size 246km<sup>2</sup>) and the Bronze Fox Intrusive Complex ("BFIC"), approximately 6x2 km, with the BFIC spread across the two licenses (noting the eastern licenses covers 223km<sup>2</sup>). Both complexes are located within a magmatic arc demonstrated as fertile for porphyry style deposits with only two active and unencumbered drilling exploration field seasons across the consolidated license portfolio.

Outcropping mineralization, particularly at the BFIC, is extensive by comparison to the majority of the arc and has been observed in rock chip samples in a zone stretching up to 50km to the north with the Shuteen lithocap immediately to the south.

## Background

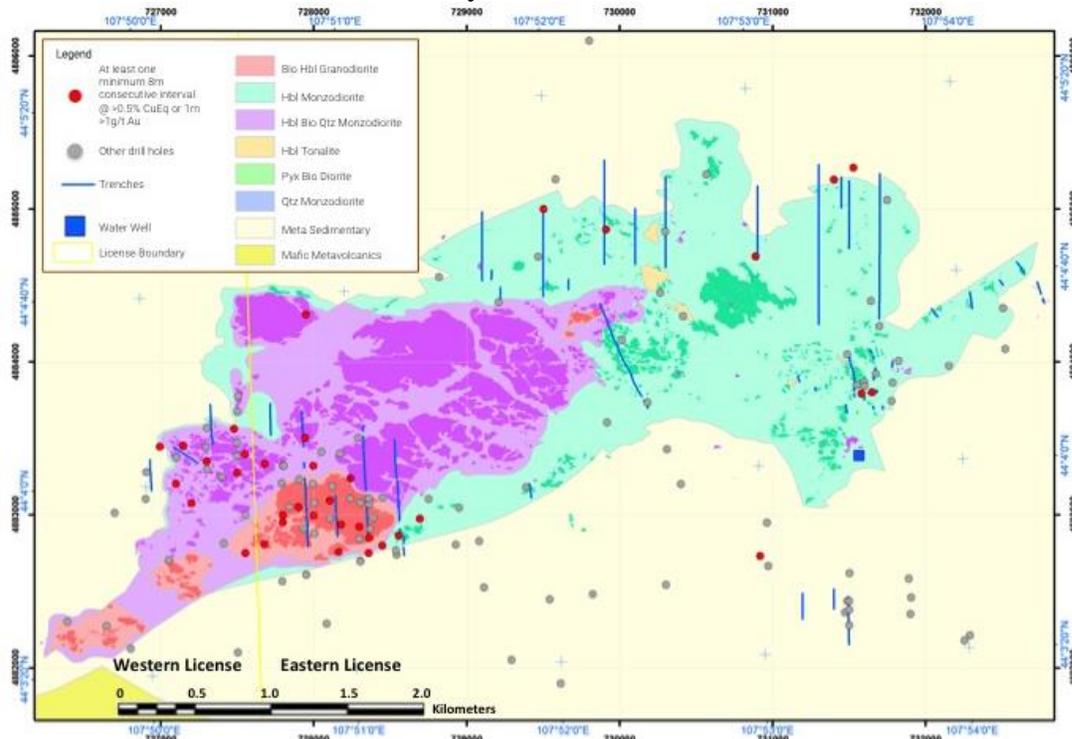
Given the amount of outcropping mineralization it is unsurprisingly that Bronze Fox was initially explored by Soviet Union and Mongolian prospectors with a number of holes drill and extensive trenches still open, but no data remains from this first phase of activities.

The next phase of active exploration was then undertaken by Ivanhoe Mines Ltd (“Ivanhoe”), between 2004 and 2005. In 2004, mapping, geochemical sampling and ground magnetic programs were initiated; over 6,000 rock chip samples assayed and over 1000-line km of ground magnetics were acquired. In 2005, further geological mapping, geochemical sampling, trenching, induced polarization surveys and reconnaissance diamond drilling for 24 holes were undertaken inside the license and adjacent licenses.

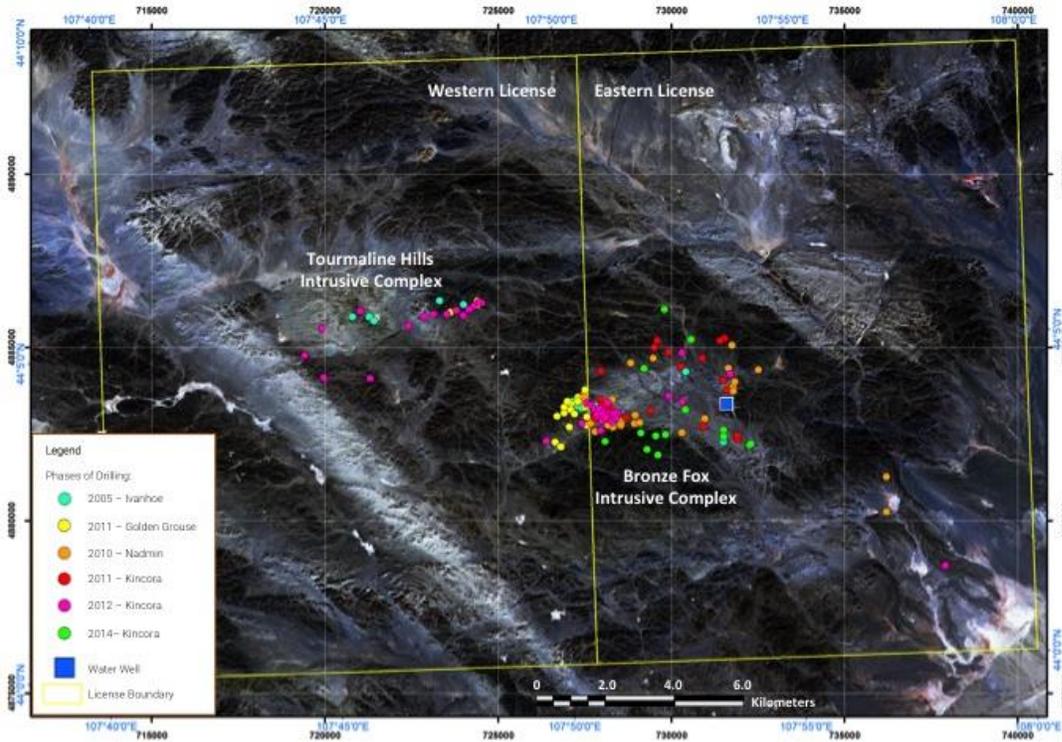
Ivanhoe targeted the surface expression of Au-Cu and Mo-As mineralisation at the then named Bronze Fox and East Fox prospects (later respectively referred to by Kincora as the West Kasulu/Shargal Tolgoi and Leca Pass). Ivanhoe reported best intersections of 373m @ 0.29% Cu from 125.7m in Hole BFD024 and 280m @ 0.29% Cu from 160m (BFD005).

Bronze Fox was one of the four projects (including Oyu Tolgoi and Kharmagtai) that Ivanhoe excluded from the BHP Joint Venture between 2006-2009. However, having not yet converted the exploration to mining license the project reverted back to the State during the period of the Windfall Profits Tax and initial negotiations to form an Investment Agreement to support the development of Oyu Tolgoi.

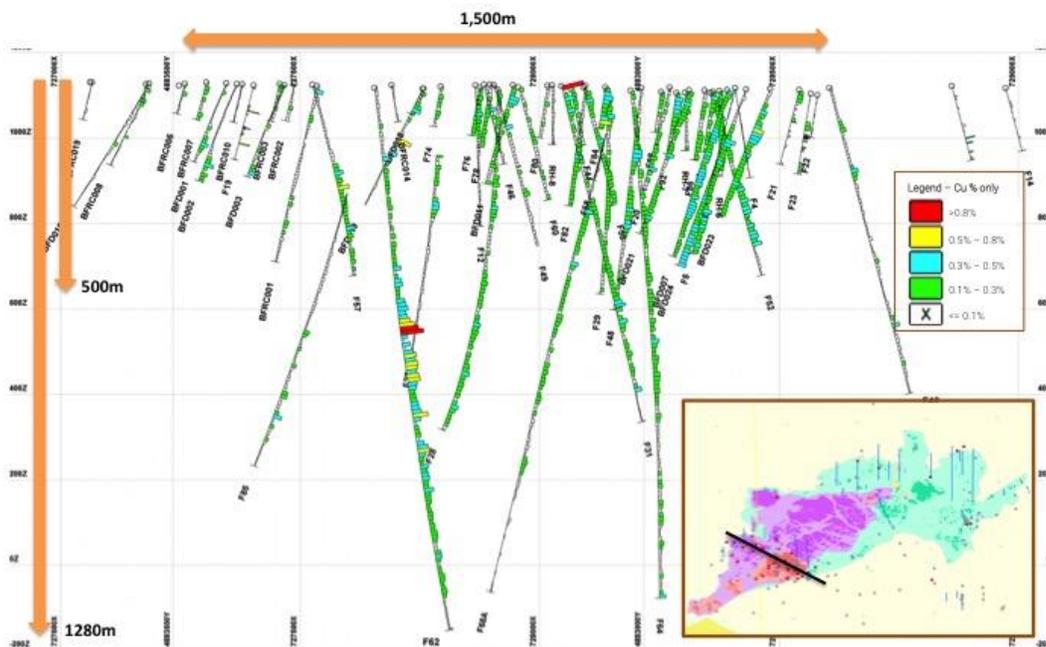
**Figure 2: Extensive near mineralisation at the central western portion of the BFIC extends across the western licenses boundary**



**Fig 3: Phases of drilling across Bronze Fox, impacted by ownership and 106-license dispute**  
 Light blue Ivanhoe drilling; yellow Golden Grouse 2011 drilling; orange Nadmin 2010 drilling; red Kincora 2011 drilling; pink Kincora drilling 2012; green Kincora drilling in 2014



**Fig 4: Drilling has confirmed extensive broad lower-grade mineralization often with localized higher grades across a 1.3km strike in the central western portion of Bronze Fox**  
 Cross section across at the western central portion of the BFIC



In 2010, with the eastern section of the original Ivanhoe Bronze Fox project was reissued to Nadmin LLC, which hosts the eastern license referred to in Figures 2 and 3. That year, 25 holes for 5,164 metres of RC (3,722m) and diamond (1,442m) were completed, following 12 lines of Induced Polarization (IP) for 61,000-line metres.

As part of the formation of Kincora Copper, Micromine Pty Ltd completed a NI 43-101 Technical Report on the prospectivity of the project in April 2011 ahead of a C\$12.1 million private placement which closed in July 2011. This raise supported 23 diamond holes for 12,435m that year with 22 of those holes intersecting either broad zones of lower grade copper-gold or gold mineralization, some with localized areas of higher grade, across a wider strike zone than that previously tested by Ivanhoe.

Kincora consolidated the original Ivanhoe Bronze Fox project in early 2012 via the Golden Grouse LLC acquisition to secure the western license that enable testing of the full BFIC again as well as the THIC, the latter which still has very modest drilling (in total 6,539 metres in 26 holes). Across the two licenses, 40 holes for 15,809m were completed in 2012, including 10 shallow holes for metallurgical test at the West Kasulu prospect for a potential smaller scale oxide open pit development project (with initial metallurgical tests and desktop studies undertaken).

The drilling results from late 2012 were encouraging with a number of porphyry intersections confirming the potential for a high-grade deposit (for example localized 4% copper in the last hole (F72) drilled – Leca Pass prospect, based on a 2012 IP target) and broad lower grade (for example over 794m @ 0.40% CuEq, including 37m @ 1.07% CuEq in Hole F62, West Kasulu<sup>1</sup>). Similar lower grade (0.2-0.4% copper) results have been returned across various broad sections of a 40km<sup>2</sup> mineralized (and open) footprint but hole F62 demonstrated that the mineralization could extend to depth and with more extensive zones of higher-grade mineralization. The results of vein and alteration study, SWIR study on alteration minerals, indicate that the zone of drilling at the West Kasulu prospect was possibly in a peripheral of a porphyry mineral system.

Early in 2013, post the 2012 change in government, concerns regarding security of tenure emerged for the western license of Bronze Fox which was later revoked as part of the 106 license dispute. This dispute was resolved in an equitable manner in late 2015 but impacted exploration efforts across the BFIC, particularly the western central zone, over that period. Limited exploration has taken place since due to depressed copper prices, focused on securing the IBEX transaction and resuming exploration at multiple Devonian age targets, and access to funding despite the dispute resolution for Bronze Fox.

Given the extensive zones of mineralization encountered in 2012 to depths beyond the coverage limits of previous IP survey's and analysis, an extensive 49km<sup>2</sup> deep IP survey was conducted utilising Search on the eastern license. The 2013 IP analysis illustrated that prior drilling, particularly outside of the West Kasulu prospect in the western central section of the BFIC, failed to adequately test most large chargeability high anomalies with previous encountered mineralization coincident with lower priority IP chargeability zones. Analysis of the 2013 IP results coupled with the lithogeochemical analysis helped explained previous results and lead to a reinterpretation and refinement of targets.

The 2014 drill program for 10128.9m in 15 holes tested various targets away from the boundary of the western license (due to the then uncertain nature for resolution of the 106 license dispute) with scout holes to better understand the potential for broad zones of mineralization and a

potential higher grade orebody based on geophysical targets, primarily driven by the extensive 2013 Induced Polarization survey. The 2014 results illustrated that geophysics (IP and magnetics in particular) are an effective tool for identifying the target areas and prospective mineralized systems (outside of these zones little mineralization is returned) but once within the mineralized system geology interpretation is critical to assist vector to and locate high-grade zone(s).

The Mining Associates review is expected to independently quantify the previous discovery at the BFIC, which will assist relative valuation discussions to peers, define areas of potential higher grade and adjacent exploration targets that may justify further drilling to expand the mineralized system and also the definition of a maiden NI 43-101 compliant resource.

Further advancement of the Bronze Fox project post resolution of the 106-license dispute has been impacted by the copper price (2016 to early-mid 2017), Kincora completing the IBEX transaction (2Q'16-4Q'16), resuming exploration at various Devonian age targets (3Q'17) and access to capital (two tranche \$5.9 million private placements only completed 3Q'17).

Notes: <sup>1</sup>

- F62 - 37m grading 0.83% copper and 0.14g/t gold (1.01% CuEq), within 391m @ 0.50% CuEq (0.41% copper and 0.08g/t gold)
- BF7 - 32m grading 0.37% copper and 0.90g/t gold (0.91% CuEq), within 112m @ 0.50% CuEq (0.30% copper and 0.33g/t gold)

The Copper Equivalent (CuEq) calculation represents an estimate for the total value for each metal, multiplied by the conversion factor, summed and expressed in equivalent copper percentage based on current spot prices (Cu \$3.11/lb, Au \$1279/oz and Mo \$7.1/lb). Grades have not been adjusted for metallurgical or refining recoveries and the copper equivalent grades are of an exploration nature only and intended for summarizing grade. The copper equivalent calculation is intended as an indicative value only.

<sup>2</sup> Closing price on the ASX November 17th, 2017.

### **About Kincora**

Kincora is a junior resource company engaged in the acquisition, exploration and development of mineral properties, with a focus on Tier 1 copper-gold projects in Mongolia. For further information:

[www.kincoracopper.com](http://www.kincoracopper.com).

### **For further information, please contact:**

Sam Spring, President and Chief Executive Officer  
[sam.spring@kincoracopper.com](mailto:sam.spring@kincoracopper.com) or +61431 329 345

### **Qualified Person**

The scientific and technical information in this news release was prepared in accordance with the standards of the Canadian Institute of Mining, Metallurgy and Petroleum and National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”) and was reviewed, verified and compiled by Kincora’s geological staff under the supervision of Peter Leaman, Senior Vice-President of Exploration of Kincora Copper, who is the Qualified Person for the purpose of NI 43-101.



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