

Kincora announces gold-base metals target in Mongolia

- New high grade gold with copper rock chip samples on margin of Tourmaline Hills Intrusive Complex at the West Fox prospect:
 - Average grade of 8.8g/t gold from 39 samples with 16 greater than 1g/t
 - Results include: 118g/t gold with 0.33% copper; and, 34g/t gold with 0.86% copper
- West Fox is an intermediate sulfidation epithermal prospect with an out/sub-crop area of 3km by 1.2km identified for follow up exploration activities, including three new target areas
- Other epithermal target areas on the margin of the two neighboring large intrusive complexes within the Bronze Fox project are identified for similar field reconnaissance
- Field season results highlight upside inherent in binding term sheet executed with Resilience Mining Mongolia Pty Ltd ("RMM") for Kincora's Mongolian asset portfolio, retaining significant upside to exploration, project generation and development successes, and streamlining Kincora's core focus advancing priority drilling activities in NSW, Australia

VANCOUVER, BC, Dec. 30, 2020 /CNW/ - Kincora Copper Ltd. (the "Company", "Kincora") (TSXV: KCC) is pleased to provide an update following field season activities in Mongolia post the issuance of a mining license for the eastern portion of the Bronze Fox Intrusive Complex ("BFIC"). The primary focus of exploration was on the margin of an adjacent second large porphyry system, the Tourmaline Hills Intrusive Complex ("THIC"), at a newly identified gold-base metals target within the West Fox prospect.



Field activities have identified three new target zones and returned generally higher-grade gold and copper assay results than previous Ivanhoe Mining ("IMMI") activities – refer to Figure 2. Other underexplored regions prospective for intermediate sulfidation epithermal targets on the margin of the THIC and BFIC have been identified for field reconnaissance.

Sam Spring, President & CEO, commented, *"The previous focus of limited drilling, geophysics and surface reconnaissance by Kincora within and around the margins of the Tourmaline Hills Intrusive Complex was testing the potential for large concealed porphyry targets."*

This year's field activities at Tourmaline Hills benefitted from Kincora's activities in the Macquarie Arc, Australia. We applied a new conceptual target model similar to the Cowal gold-base metal project (flagship project of Evolution Mining, with a 9Moz gold resource inventory) and the target of the Company's neighbouring Fairholme project, which we are planning on drilling in 2021, located less than 15km from Cowal.

We are encouraged by the results and new targets at West Fox, and scope for further similar targets on the margins of the two large intrusions at the Bronze Fox project. We feel these results also highlight the larger picture upside to Kincora from the recently announced agreement with Resilience Mining to realise the inherent value of our Mongolian portfolio and their complementary Mongolia strategy, as we focus on our core Australian operations."

Figure 1: The West Fox prospect is situated on the margin of the Tourmaline Hills Intrusive Complex, one of two large neighboring porphyry systems in the Southern Gobi

Figure 2: Highlighted rock chip assay results, mapped vein sets/structures, new target areas (WF1-WF3), further under-explored and inadequately tested areas

Mongolia portfolio

Over the last year, Kincora has assembled a strategic and district scale position in the key belts of the Macquarie Arc, within the Lachlan Fold Belt, in Central West New South Wales ("NSW"). High priority drilling commenced in April 2020 and continues at our flagship Trundle project with very promising copper and gold results. The Company is in advanced stages of planning drilling at a further two projects in NSW within the next 6 months.

Prior to current core activities in NSW, Kincora's focus was on exploration and project generation in Mongolia targeting large-scale porphyry discoveries. A peak landholding of 13 license covering 1689km² has been systematically explored and refined to 3 licenses covering 321km².

The Company has retained one of the largest land packages in the Southern Gobi porphyry belt and undertaken the largest project generation and exploration initiatives by any foreign group in recent times in Mongolia.

In September 2020, a mining licence was issued over the eastern license and portion of the Bronze Fox project, centred over the Bronze Fox Intrusive Complex ("BFIC") within this license.

The mining license provides tenure for a 30-year period. An independent block model supports a 416-428Mt @ 0.26-0.30% copper exploration target (0.20% copper cut off), with desktop studies having been undertaken for a potential small-scale oxide development project¹. Relatively limited drilling supports upside at one of the largest copper systems in Mongolia with only a small portion of the Bronze Fox intrusion (and Tourmaline Hill's intrusion) drill tested.

During 2020, surface exploration activities commenced at and around the neighbouring Tourmaline Hills Intrusive Complex ("THIC"), which is also a large, outcropping gold-copper system with limited drilling and often the focus of informal gold mining activities.

Given our exploration activities in NSW and having secured the Bronze Fox mining license, Kincora commenced a strategic review for our Mongolian portfolio - seeking to continue to systematically advance the project portfolio, grow the portfolio's value and streamline activities given the Company's focus on our NSW assets. The strategic review resulted in a binding agreement with Resilience Mining Mongolia Pty Ltd ("RMM", see page 5 of this press release for further details of the December 14th, 2020, agreement with RMM).

Tourmaline Hills project

Kincora's 2020 activities at Tourmaline Hills focused on re-logging all prior drill holes held by the Company (4,771.25 metres for 15 holes) and undertaking further surface geological activities, exploring the concept of a higher-level epithermal gold-base metal system within and on the margin of the intrusive complex.

This year's field activities benefit from the Company's activities in the Macquarie Arc, and similar type conceptual target to the Cowal project (flagship project of Evolution Mining, with a 9Moz gold resource inventory) and the target of the Company's Fairholme project, located less than 15km from Cowal with preparations ongoing to drill there in 1H'2021.

Prior exploration activities by Kincora within and on the margins of the THIC followed up previous shallow drilling, geophysics and surface exploration efforts by Ivanhoe Mines (IMMI) and were solely

focused on the deeper porphyry potential. Kincora drilling occurred during the 2012 field season immediately post acquisition of the license (and before the license was revoked and then returned as part of the 106-license dispute with the Mongolian government).

A cost effective geological mapping and rock chip program commenced in the Mongolian 2020 autumn to better understand the extent and phases of veining and mineralisation at the West Fox prospect. This involved, taking surface rock chip samples of the recognised key vein sets, mapping key structures, assessing zonation across the system and the potential for neighbouring undercover extensions. Given the nature of the new conceptual target, prior Kincora and other explorer drilling, geophysics, soil and rock chip sampling is viewed as too sparsely spaced, and infill and more systematic follow up programs are warranted across this area.

Kincora's 2020 activities have also identified three new target zones within the West Fox prospect area (see Figure 2), and generated generally higher grade gold and copper assay results than previous IMMI activities.

The geochemistry of mineralized zones mapped by Kincora at West Fox supports an Intermediate Sulfidation (IS) epithermal target:

- anomalous Pb-Zn-Cu associated with Au-As mineralization
- elevated Bi and Mo evidencing involvement of magmatic fluids; and,
- anomalous Mn, possibly after rhodochrosite
- outcropping intermediate sulfidation epithermal style alteration, possibly supporting a higher level setting in the mineralised intrusive system and a preserved shallow to moderate depth unexplored target zone

Trace element geochemistry indicates gold association with:

- Proximal: As, Pb-Zn, Mo & Bi
- Peripheral: Mn & Mg

The prospects coincident magnetic high feature has little to no expression in outcrop. Coupled with thick hornfels alteration with peripheral chlorite-epidote, this suggests that an intermediate sulfidation gold-base metal mineralization system may be sourced from a deeper intrusive. The mapped mineralized veins are mostly eroded or covered by the thin veneer of transported cover.

Three types of mineralized veins appear to be at different genetic stages and interpreted to be from the same magmatic sourced mineralization event and sharing same structural permeabilities. Zonation from an interpreted proximal to distal environment from a magmatic source is evident across the prospect area.

A total of 39 rock chip samples were taken from representative areas of parallel mineralized veins, with five different type of vein systems identified – assay results in Table 1.

Following this field program, other epithermal target areas on the margin of the BFIC and THIC within the Bronze Fox project, including within the West Fox prospect, have now been identified for similar field reconnaissance.

Follow up activities are proposed at priority targets for early in the 2021 field season and Kincora is advancing these plans with RMM.

Figure 3: An extensive outcropping vein system has been identified

Examples of mapped and assayed oxidized high gold grade arsenopyrite veins

Red Well project

The southern edge of the Company's Red Well license is located as close as 15km along the trend of the Oyu Tolgoi and Shivee Tolgoi mineralized systems, which have a known 26km NNE arc transverse trend. In 2017, Rio Tinto undertook drilling on the southern adjacent license to Red Well on strike to the undercover extension of the Shivee Tolgoi mineralised trend.

Kincora's exploration activities at Red Well have included rock chip sampling, age dating, archaeology and palaeontology which were undertaken ahead of ground magnetics and gravity, and soil geochemistry. The best rock chip sample returned 2% copper, 0.25g/t gold, 1.5g/t silver, 0.25% arsenic and zinc, 0.08% lead and 0.002% molybdenum in altered and mineralised volcanics.

¹ The potential quantity and grade ranges are conceptual. There has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the target being delineated as a mineral resource. For further details on Bronze Fox refer to: November 18th, 2019 and June 26th, 2019 press releases.

Agreement with RMM

On December 14th, 2020, Kincora announced a binding Option and Acquisition Agreement ("Agreement") with Resilience Mining Mongolia Pty Ltd ("RMM"). RMM is a private Australian company that is an active explorer and project generator in Mongolia, lead by an executive team and board with extensive international and in-country Mongolia experience.

The Agreement provides RMM a period of exclusivity, paid for in monthly cash instalments, to complete due diligence, legal agreements and capital market activities. Kincora's Mongolian asset portfolio includes the Bronze Fox mining license, neighbouring Tourmaline Hills exploration license (within which the West Fox prospect is located) and the Red Well exploration license ("Mongolia Portfolio"). RMM will also secure the Southern Gobi "White Pearl" camp, and access to Kincora's proprietary project generation database and Mongolian based exploration and administration teams.

Upon RMM having raised a minimum of A\$6 million in new equity, listing on the Australian Securities Exchange ("ASX") and exercise of the option, Kincora will retain a 20% effective free carried asset level interest for Kincora's existing Mongolia portfolio until certain project milestones have been met, have the right of first refusal for a 20% effective asset level interest in any new Mongolian projects, a 9.9% stake in RMM and the right to a board seat. The shares will be subject to a 12-month voluntary escrow period.

The Agreement provides attractive upside to Kincora, backing a well-motivated group, advancing an attractive portfolio and project generation strategy, including advancing the West Fox prospect and other intermediate sulfidation epithermal targets around the two large intrusive complexes within the Bronze Fox project. The deal also enables Kincora to focus on our district scale pipeline and ongoing drilling activities in NSW, Australia.

Please refer to Kincora's December 14th, 2020 press release for further details on the RMM Agreement.

Recent highlighted details:

- Kincora intersects further encouraging intervals at Trundle (December 21st)
Press release:
<https://www.kincoracopper.com/news/press-releases/18-2020/120-kincora-intersects-further-encouraging-intervals-at-trundle>
Updated corporate presentation:
<https://www.kincoracopper.com/media/downloads/presentations/corporate-presentation-12-21-2020.pdf>
- Kincora to retain carried upside to Mongolia portfolio (December 14th) – press release:
<https://www.kincoracopper.com/news/press-releases/18-2020/119-kincora-to-retain-carried-upside-to-mongolia-portfolio>
- Updated Kincora profile from The Assay Technology Metals Edition (December 14th):
https://www.theassay.com/wp-content/uploads/2020/12/KCC-Assay-Profile-Dec-2020-final.pdf?dm_t=0.0.0.0.0
- Mines and Money 5@5 – New South Wales Focused (co-located with IMARC Online), including Kincora presentation and discussion (November 25th):
https://www.youtube.com/watch?v=k4sQASkbtU&feature=youtu.be&dm_t=0.0.0.0.0
- Epstein Research - Will strengthening copper price lift Kincora Copper? (November 19th):
http://epsteinresearch.com/2020/11/19/43690/?dm_t=0.0.0.0.0

Upcoming Events:

- 26-29 January 2021 Mines and Money Connect Precious Metals Online (Global)
- 17-19 March 2021 121 Mining Investment APAC Online

Further details available at: www.kincoracopper.com/investors/events

Table 1: West Fox rock chip sample results

Gold* (g/t) – re-assayed gold result from original reported assay

Assaying and QA/QC Procedures

Sampling and QA/QC procedures are carried out by Kincora Copper Limited, and its contractors, using the Company's protocols as per industry best practises.

All samples have been assayed at SGS IMME Mongolia LLC Laboratories (SGS), Ulaanbaatar, Mongolia.

In addition to internal checks by SGS, the Company incorporates a QA/QC sample protocol utilizing prepared standards for 5% of all assayed samples.

All reported assay results are performed by SGS.

The following assay techniques have been adopted:

- Gold: FAA505 (Fire assay), reported.
- Multiple elements: ICM40B (4 acid digestion with ICP-AES analysis for 48 elements).

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 (M.Sc. Mineral Exploration, FAusIMM), Senior Vice-President of Exploration of Kincora, and John Holliday (BSc Hons, BEc, member of the Australian Institute of Geoscientists), Non-Executive Director and Technical Committee Chairman, who are the Qualified Persons for the purpose of NI 43-101.

The review and verification process for the information disclosed herein for the Tourmaline Hills project has included the receipt of all material exploration data, results and sampling procedures of previous operators and review of such information by Kincora's geological staff using standard verification procedures.

About Kincora Copper Limited (KCC – TSXV)

Kincora Copper is an active explorer and project generator focused on world-class copper-gold discoveries.

The Company is currently drilling the only brownfield project (Trundle) held by a listed junior in Australia's foremost porphyry belt (the Macquarie Arc, in NSW), with district scale project pipeline, and seeking to confirm its position as the leading pure play porphyry explorer in Australia.

The Company has assembled an industry leading technical team who have made multiple Tier 1 copper discoveries, who have "skin in the game" equity ownership and who are backed by a strong institutional shareholder base.

Our exploration model applies a robust systematic approach utilising modern exploration techniques supporting high-impact, value add programs underpinned by targets with strong indications for world-class scale potential.

We have corporate offices in Vancouver and Melbourne. Kincora is listed on the TSX Venture Exchange under the ticker symbol KCC and is seeking a listing on the ASX for early in 2021 (subject to market conditions).

Forward-Looking Statements

Certain information regarding Kincora contained herein may constitute forward-looking statements within the meaning of applicable securities laws. Forward-looking statements may include estimates, plans, expectations, opinions, forecasts, projections, guidance or other statements that are not statements of fact. Although Kincora believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. Kincora cautions that actual performance will be affected by a number of factors, most of which are beyond its control, and that future events and results may vary substantially from what Kincora currently foresees. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration results, continued availability of capital and financing and general economic, market or business conditions. The forward-looking statements are expressly qualified in their entirety by this cautionary statement. The information contained herein is stated as of the current date and is subject to change after that date. Kincora does not assume the obligation to revise or update these forward-looking statements, except as may be required under applicable securities laws.

Please refer to the attached PDF for all figures and Table 1: West Fox rock chip sample results.

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