

Kincora to retain carried upside to Mongolia portfolio

- 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
- Benefits to Kincora:
 - retain a 20% free carry interest on existing project portfolio
 - to own 9.9% of RMM upon successful listing and raising on the ASX
 - first right of refusal to gain a 20% interest in any new project generated by RMM in Mongolia

Vancouver, BC — December 14th, 2020

Kincora Copper Ltd. (the “Company”, “Kincora”) (TSXV:KCC) is pleased to announce 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 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 and 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 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.

Cameron McRae, Kincora’s chairman, commented: “*Having commenced a strategic review for the Mongolia portfolio following the award of a mining license for Bronze Fox in September, we are very pleased to have signed this binding term sheet with RMM.*”

The framework provides attractive upside to Kincora, backing a well-motivated group, advancing an attractive portfolio and project generation strategy. The deal also enables Kincora to focus on our district scale pipeline and ongoing drilling activities in NSW, Australia.

RMM are a very reputable group, well known to Kincora, who have been active on the ground in Mongolia since 2015. We look forward to working with Mark Stewart, Peter Reynolds and the RMM team in completing this transaction but also advancing the inherent value of our Mongolian portfolio and their Mongolia strategy”.

Mark Stewart, chairman of RMM, stated: “Kincora’s previous focus in Mongolia has been on large scale porphyry and district scale exploration, and being willing to drill to extensive depths looking for elephants in elephant country. This strategy continues in NSW, a region and portfolio I know very well, and I appreciate the very compelling opportunity the Trundle project in particular represents.

For RMM, our focus is nearer surface higher-grade deposits both on Kincora’s tenure and through their and our substantial project generation database and network. In particular, we will look to bring our development experience to the table, initially focusing on the scope for a maiden JORC resource and near term oxide SX/EW development potential at Bronze Fox.

Our initial reviews have identified five additional near surface gold and copper targets which are drill ready and we are also keen to see what the assay results from this years’ field program at Tourmaline Hills yield.”

Completion of the Agreement is conditional on:

- Continued monthly cash payments by RMM for on-going exclusivity relating to Kincora’s Mongolian portfolio
- Completion of due diligence review by RMM
- RMM having raised a minimum of A\$6 million in new equity
- RMM having listed on the ASX
- Kincora gaining certain approvals for the Agreement
- The execution and delivery of the definitive option agreement

Asset level upside

- **Existing portfolio:** Kincora will retain a 20% effective free carried asset level interest for the Company’s existing Mongolian asset portfolio until the following milestones:
 - Bronze Fox: Following completion of a positive independently defined (or mutually agreed internally) pre-feasibility study supporting project development¹ within the Bronze Fox Intrusive Complex (“BFIC”).
 - Tourmaline Hills and Red Well: Following completion of a positive independently defined (or mutually agreed internally) scoping study supporting project development¹ within the Tourmaline Hills Intrusive Complex and license (excluding the continuation of the BFIC), and the Red Well license.

¹ NPV @ 10% discount rate of at least A\$30 million.

Following which normal industry standard JV dilution mechanisms will apply.

- **New projects:** Kincora will have the right of first refusal for a 20% effective asset level interest in any new Mongolian projects that RMM secures. Following which normal industry standard JV dilution mechanisms will apply.



Mongolia portfolio

Kincora has been an active explorer and project generator in Mongolia focused on 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 within this license.

The mining license provides tenure for a 30-year period. Relatively limited drilling supports one of the largest copper systems in Mongolia with only a small portion of the Bronze Fox intrusion drill tested. 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.

Subsequent to the issuance of the mining license, surface exploration activities commenced at the neighbouring Tourmaline Hills Intrusive Complex, which is also a large, outcropping gold-copper system with limited drilling and often the focus of informal gold mining activities.

Kincora's 2020 activities at Tourmaline Hill focused on re-logging all prior drill holes held by the Company and undertaking further surface geological activities, exploring the concept of a higher-level epithermal gold system. 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.

Following positive initial results, a geological mapping, rock chip and soil sampling program commenced in the Mongolian autumn with results of this program pending, including assay results for 37 rock chip samples.

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 has been under taken ahead of ground magnetics and gravity, and soil geochemistry. Best rock chip sample from earlier work in altered and mineralised volcanics returned 2% copper, 0.25g/t gold, 1.5g/t silver, 0.25% arsenic and zinc, 0.08% lead and 0.002% molybdenum. Field season activities in 2020, included further rock chip sampling.

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.*

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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 Trundle 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.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.