

- *Advancing potential for hosting a preserved high-grade brownfield porphyry system*
- *Refining four conceptual Tier 1 scale targets*

Vancouver, BC, September 4th, 2018 - **Kincora Copper Ltd.** (the “Company”, “Kincora”) (TSXV:KCC) announces that SJ Geophysics Ltd. (“SJ”) has been mobilized to complete a DC resistivity and induced polarization (IP), and magnetotelluric (“MT”) geophysical survey at the Company’s 100% owned East Tsagaan Suvarga project (“East TS”), in the Southern Gobi, Mongolia.

The East TS project is within 12 kilometres of the Tsagaan Suvarga open pit, >US\$1 billion development project, in a confirmed fertile brownfield environment. SJ is a Canadian specialist geophysical group and was selected following a detailed review with specifications of the survey benefiting from Phase 1 exploration results. The survey will support detailed 3D inversions and integration with existing ground magnetic, gravity and drilling data to advance and refine current conceptual targets, which if successful, is expected to support Phase 2 drilling this field season.

Exploration to date includes supportive magnetic, gravity and resistivity surveys with spatial correlation to Phase 1 drilling (including copper-molybdenum assay results and magnetic susceptibility readings) underpinning four large-scale conceptual intrusive bodies. These Tier 1 scale targets sit within the Devonian age intrusion and the right structural setting for a series of porphyry orebodies on the eastern margin of the Tsagaan Suvarga Intrusive Complex (“TSIC”).

On the western margin of the TSIC is Mongolyn Alt LLC’s (“MAK”) Serven Sukhait open pit development project, and associated southern exploration targets, where US\$377 million of a US\$1,089 million total capital cost has been incurred, supporting a project that is forecast to annually produce 316,000t of copper and 4,400t of molybdenum concentrate.

Peter Leaman, Senior Vice-President of Exploration, stated: *“Kincora is following a proven systematic exploration approach at the prospective East TS project. The selection of SJ and design of the survey benefits from the significant experience the team has, including previous first hand experience at BHP when the last district scale exploration was undertaken in the region, and lessons learnt from the discovery and resource delineation phase at Oyu Tolgoi.”*

*The SJ survey is anticipated to refine the current four large-scale targets, seeking to confirm coincident sulphide anomalies for Phase 2 drilling. A successful survey would support the conceptual target for East TS of a preserved series of mineralised intrusions. Such a setting is untested at the TSIC, with the Serven Sukhait pit exposed, similar to the open pit at Oyu Tolgoi where geophysics played a key role in the discovery of the high-grade undercover orebodies.”*

Specialist consultant geophysicist, Barry de Wet commented: *“Exploration activities have clearly defined four interpreted intrusive bodies. These support Tier 1 scale targets, underpinned by favourable geological and geophysical characteristics in the correct structural setting and in a known fertile porphyry system. The intrusive complex clearly extends to the East TS targets, with the targeted intrusions typical of the Servin Suhait open pit.”*

*The series of targets at East TS are the first brownfield Devonian targets being advanced in the Southern Gobi belt since the Oyu Tolgoi mineralized trend over a decade ago, where a similar*

*limited outcrop and systematic approach resulted in significant exploration success.”*

**Link to accompanying updated corporate presentation:** <https://www.kincoracopper.com/investors/presentations>

### **Background to the East Tsagaan Suvarga (East TS) project**

Field season activities undertaken by Kincora, and proprietary knowledge of the region, supports the East TS porphyry target sitting in a brownfield environment on the interpreted eastern margin of the Devonian age Tsagaan Suvarga (“TS”) intrusion, which hosts MAK’s Serven Sukhait open pit development project and southern exploration targets on the western margin.

Mapping, infill soil sampling and drilling has confirmed the targeted fertile and Devonian age quartz monzonite and monzonite intrusion at East TS – the same environment that is found on the western margin of the intrusion. The identified demagnetised zones at East TS are thought to represent magnetite-destructive mineralized phyllic or argillic alteration and are inline with the Serven Sukhait open pit development project and southern exploration targets on the western margin of the same intrusive complex.

Half of the 14 holes from the maiden drilling program at East TS, for 3,452 metres, intersected the Tsagaan Suvarga Intrusive Complex (“TSIC”), with background copper and molybdenum having been noted to date drilled on the margin and/or top of the subsequently defined four large-scale conceptual intrusive bodies.

### **Figure 1: East Tsagaan Suvarga is a brownfield Devonian target beneath explorable cover**

Age dating, green rock, petrographic, lithogeochemical and geochronological analysis have been positive, with infill ground magnetics and maiden ground gravity surveys completed post the first phase and maiden drilling program. The geophysical surveys, coupled with surface geology, confirm the margin of the TSIC, with the SJ survey looking to cover the most prospective areas on the eastern margin of the complex.

Activities to date support the East TS target being in the right geological, geophysical and structural setting to the Serven Sukhait open pit (307Mt @ 0.54% Cu resource) and southern exploration targets. Further encouragement is provided from both surface mapping and drilling that has intersected interpreted lower Carboniferous cover above the Devonian TSIC, which coupled with improved interpretations of key structural and fault features, supports the concept of a potential preserved Devonian complex. The latter is an analogue for East TS hosting a preserved high-grade orebody, or series of orebodies, as at the Oyu Tolgoi mineralized trend (which has a 26km structurally controlled strike).

With improved geological and geophysical knowledge, the contracted 3D DC resistivity / induced polarization (IP) and magnetotelluric (MT) survey will utilize SJ’s proprietary Volterra acquisition system. The survey is planned for September to assist target sulphides within a

38km<sup>2</sup> area of interest (6 km EW by 7.8 km NS). The four currently interpreted intrusions are conceptual, and large scale, with the SJ survey seeking to confirm coincident chargeability high and magnetic low anomalies at explorable depth to refine targets. If successful, the survey is expected to support potential second phase target testing drilling program in the autumn or early winter.

## **Figure 2: Four large-scale conceptual intrusive bodies at East TS**

As announced in the August 27<sup>th</sup>, 2018, press release [“Kincora announces new high-grade targets at Bronze Fox”](#), SJ will also complete a series of 6 North-South, DC resistivity and induced polarization (“IP”) survey lines for 33.4 line kilometres, ahead of the proposed drill program at the Company’s wholly owned Bronze Fox project. At Bronze Fox, the SJ survey will further refine targets to the west and advance pipeline of targets across second intrusive complex, with new infill and extension high-grade targets recently announced within western zone of the West Kasulu exploration target and newly identified southerly western zone.

Kincora engaged Barry de Wet as a specialist independent geophysical consultant to assist with planning, QAQC and interpretation of the upcoming SJ programs. Barry is the former chief geophysicist for BHP Billiton and the Ivanhoe Mines Group (including Ivanhoe Australia and HPX). He has considerable knowledge of the Southern Gobi copper belt through his experience at BHP Billiton, HPX and being a former board member of IBEX, and is uniquely positioned to assist with the current interpretations, design of the SJ survey and assist refine next stages of exploration at East TS and Bronze Fox.

Due to the association of sulphide minerals with the porphyry mineralization, IP is an extremely valuable mapping tool in the Southern Gobi copper belt, especially when used in combination with ground magnetics, gravity and geology. IP provides the potential to directly identify copper-bearing host rocks under post mineral sediments that cover the majority of the prospect area. As was the case with the discovery of Oyu Tolgoi, well designed IP surveys coupled with geological knowledge gained both from drilling and the available (limited) outcrop, was a key exploration tool for the discovery of the world-class Hugo Dummett and Heruga orebodies, which are also hosted in a series of Devonian age intrusions under post mineral cover in this Devonian belt.

The experience in the wider Southern Gobi copper belt, and at the Tsagaan Suvarga open pit and exploration targets, indicate that mineralized copper porphyry intrusions contain enough sulphide minerals to form both chargeable and conductive responses, with all economic mineralised systems in the region hosting a coincident chargeability high and magnetic anomaly.

A total of 67.8 kilometres of IP, resistivity and magnetotelluric data will be collected at East TS along lines spaced at 150m supporting detailed 3D inversions and integration with the existing ground magnetic, gravity and drilling data.

**Discover Mongolia conference**

Kincora is a proud sponsor and active participant of the 16<sup>th</sup> Discover Mongolia event this week in Ulaanbaatar, September 6<sup>th</sup>/7<sup>th</sup>, and is assisting facilitate an investor trip to Oyu Tolgoi and current Kincora activities in the belt. For further details on the conference please refer to:

Events section of the Kincora website: <https://www.kincoracopper.com/investors/events>

*"Investors' interest increased for "Discover Mongolia" summit"*: Interview with Sam Spring: <https://goo.gl/7oX2eU>