KENTOR MINERALS (NT) Pty. Ltd

MINING MANAGEMENT PLAN

AMENDMENT 2

FOR

2016

JERVOIS PROJECT EXPLORATION

NORTHERN TERRITORY

ML30180, ML30182,
EL25429

Dept. of Mines and Energy
Mining Compliance Division

Authorisation: 0666-01 Variation 2

February 2017
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1.0 INTRODUCTION

In April 2016, Kentor Minerals (NT) Pty. Ltd submitted a Mine Management Plan update that summarised the exploration activities undertaken during the 2015 / 2016 work period under the MMP issued in 2015. Exploration activities at the Jervois Project site, proposed in Amendment 1 (accepted by the Department on 22 Nov. 2016), have been re-prioritised and delayed until sufficient funding becomes available.

However, the Rockface Prospect drilling, as proposed in Amendment 1, was completed and the results from that drilling has prompted the requirement for further expansive exploration and resource drilling at the Rockface Prospect (Phase 9C).

The activities outlined in the current Amendment 2 are in addition to those outlined, in Amendment 1, at the Rockface Prospect.

This Amendment 2 to the Mine Management Plan is focussed on resource and mineral definition of the Rockface prospect which has revealed significant results from past drilling.

All other project parameters will remain as highlighted in the May 2016 Mine Management Plan Update submission.

1.1 Operator Details

Some corporate details have changed since the May 2016 MMP Work Program submission. The Perth Office has closed and there has been a significant board restructure. However, key personnel have remained with the company and key contacts remain. A complete amended company summary will be included in the 2017 MMP Update. On Tuesday 5th July 2016, notification was sent to Mr Steve Tatzenko, DIRECTOR - Facilitation and Development to inform the appropriate government departments that as of 6th July 2016, all future correspondence and authority from the DME or NTEPA should be directed to Keith Mayes (Chief Operating Officer) at kmayes@kglresources.com.au.

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2.0 PROJECT DETAILS

2.1 Project Name and Location

The Jervois Range Project is located on Jervois Station, about 380km NNE of Alice Springs. Access is by the Stuart Highway and the Plenty Highway (Figure 1).

Figure 1. Jervois Project Location Plan
2.2 Project Tenements

Figure 2. Jervois Project tenement plan

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Table 1. Jinka Minerals Tenement holdings
3.0 PROPOSED EXPLORATION ACTIVITIES

It is proposed that a drilling program of approximately 9,360 metres will be undertaken to further define the potential of the Jervois Project and to enable a resource to be established at the Rockface prospect. About 4,450 metres of Reverse Circulation drilling and about 4,910 metres of Diamond drilling will be undertaken.

3.1 Program Detail Background

Drilling at the Rockface Prospect will continue to be guided by the DHEM that is proving to be very effective at identifying zones of higher grade mineralisation proximal to each drill hole. The success of DHEM at Jervois is due in part to the highly resistive host rocks that contrast well with the conductive sulphide mineralisation that is dominated by chalcopyrite. No other conductive sources such as graphitic units or pyrite dominant bodies of mineralisation have been intersected at Rockface.

For more than a year, the Company has successfully pursued the cost effective application of Down Hole Electromagnetic (DHEM) surveys leading to targeted drilling to discover high grade copper and precious metals. Diamond holes KJCD201 and KJCD203 have both intersected high grade copper. DHEM surveys from both holes have added significantly to potential mineralisation.

KJCD201 targeted conductors approximately 100m below hole KJCD197 that had returned a broad zone of high grade mineralisation. KJCD201 intersected high grade mineralisation that subsequent modelling suggests is associated with conductor 5 (Figure 4 & 5), assaying: 10.05m @ 8.99% Cu, 45.5g/t Ag, 0.6g/t Au from 645.65 m. (Figure 3). This interval was predominantly massive and semi-massive chalcopyrite-pyrite in an intensely magnetite altered host rock. Enveloping this zone of strong mineralisation is a broader zone of weakly mineralised stringer and disseminated pyrite and chalcopyrite in moderately to strongly altered sediments with a garnet-chlorite-magnetite assemblage. KJCD201 also intersected a zone of weak mineralisation down dip of Conductor 3, assaying: 4m @ 0.33% Cu, 1g/t Ag, 0.01g/t Au from 618 m including 0.9m @ 0.88% Cu, 5g/t Ag, 0.04g/t Au from 619 m.

Figure 3. Mineralised core from KJCD201 (~655m)
KJCD203 targeted Conductors 2, 3 and 4 in a 105m zone that lies between two previous high grade copper intersections by holes KJCD183 and KJCD195. KJCD203 assays include: 28m @ 5.08% Cu, 22.4g/t Ag, 0.22g/t Au from 435 m including 14m @ 8.89% Cu, 38.5g/t Ag, 0.38g/t Au from 436 m. (Figure 4 & 5).

This interval was also predominantly massive and semi-massive chalcopyrite-pyrite in an intensely magnetite altered host rock. Enveloping this zone of strong mineralisation is a broader zone of weakly mineralised stringer and disseminated pyrite and chalcopyrite in moderately to strongly altered sediments with a garnet-chlorite-magnetite assemblage.
Figure 5. Rockface DHEM Conductors (looking south-east)
3.2 Proposed Program Details (Amendment 2)

Drill results and DHEM surveying and modelling are now pointing to extensive potentially high grade zones to the east of KJCD201. Along strike from the recently discovered Conductor 7, stringer and disseminated pyrite / chalcopyrite hosted in massive magnetite was observed from 541.0m to 545.5m. This interval included 0.7m @ 0.80% Cu, 4.0g/t Ag from 544.9m. The DHEM survey of KJCD201 also identified a new off-hole anomaly, Conductor 8, located in the hanging wall of Conductor 6 (Figure 5). Modelling suggests Conductor 8 has a significantly higher conductance (conductivity x thickness) than any of the other major conductors identified previously at Rockface, thus increasing its prospectivity. This will be a key target for future drilling.

The latest DHEM modelling is also improving understanding of the earlier identified Conductors 3 and 5. The new work suggests that Conductor 5 extends below and to the east of KJCD201. While Conductor 5 extends further down dip than previously modelled, Conductor 3 is now modelled to be shallower.

High-grade copper mineralisation in the magnetite-chalcopyrite zone continues to respond well to DHEM. Every survey undertaken has provided better definition of the high-grade sulphide lenses allowing improved drill targeting. Only one hole has been drilled into Conductor 6 with Conductors 7 and 8 currently untested by drilling.

Proposed drill hole pierce points are presented in Figure 6. Drill hole priorities are colour coded in the accompanying excel spread sheet (Phase 9C - Rockface proposed exploration & resource drilling_Feb 2017), which has all the proposed collar locations and drill hole design parameters.
Figure 6. Rockface Phase 9C DHEM targets & resource infill (looking south-southeast)
4.0 EXPLORATION SITE WORK

Most of the proposed drill sites are on existing disturbed areas with collars being positioned on lines from previous drilling programs and access is via existing station tracks that are generally overgrown with grass but still traversable.

It is not expected that the other sites will require extensive clearing as there is minimal vegetation, the designated areas are relatively flat and many of the sites are on pre-existing drill pad areas.

Sites will be re-habilitated in accordance with NT Departmental guidelines at the completion of the program.

Processing of RC samples will follow the following procedure;

i. It is preferred not to use plastic sample collection bags unless absolutely necessary.

ii. A sample will be collected in a calico bag with material for descriptive geological logging taken from the calico bag.

iii. The remaining sample product spoil will be directed to individual spoil piles set out in regular rows.

   We have a backhoe and competent operator on site continually. The drill spoil will be removed into an excavated sump at the completion of drilling and the site rehabilitated.

iv. Should we encounter sulphide material in the sample, and/or we want to retain that sample, plastic bags will be utilised to collect the sample. The plastic bags will be removed from the site and stored at the old processing plant site in protected, concrete enclosures. During past campaigns, stock from Jervois Station have caused severe sample contamination issues by trampling, chewing and distributing plastic sample bags and it is our intent to limit these previous issues.

v. Residual plastic bags are taken to Alice Springs for disposal when emptied of the drill chips.

There will be a requirement for the excavation of sumps for the diamond drilling component of the program.
4.0 AMENDED (2) SECURITY APPLICATION FORM

**Security Calculation Summary**

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**Sub-Total - All Domains**

| | $4,720.00 |

**CONTINGENCY @15%**

| | $708.00 |

**TOTAL COST**

| | $5,428.00 |

| 10% Discount | $543 |
| Amended amount | $4,885 |
| 1% levy | $49 |