KENTOR MINERALS (NT) Pty. Ltd

MINING MANAGEMENT PLAN

AMENDMENT 1

FOR

2018

JERVOS PROJECT EXPLORATION

NORTHERN TERRITORY

ML30180, ML30182, EL25429

Dept. of Mines and Energy
Mining Compliance Division

Authorisation: 0666-01 Variation 2

January 2018
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1.0 INTRODUCTION

In May 2017, Kentor Minerals (NT) Pty. Ltd submitted a Mine Management Plan update that summarised the exploration activities undertaken during the 2016 / 2017 work period under the MMP issued in 2016.

The activities outlined in the current Amendment 1 directly relate to drilling results achieved from previous programs outlined in Kentor Minerals (NT), previous MMP submissions and is directly related to the drilling program outlined in “Amendment 2 – February 2017”.

Drilling undertaken in 2017 identified significant potential for further resource development work.

The Jervois Project has expanded beyond a basic exploration program into a development program where proposed work plans are designed to enhance the current resource, expand it, demonstrate the size potential of the resource, increase current Inferred Resource figures to Indicated, and to attract interest from potential investors.

This Amendment 1 to the Mine Management Plan Update of 2017, is focussed on a proposed drilling program designed to upgrade the resource and mineral definition of the Rockface and Reward Prospects which have revealed significant results from past drilling.

All other project parameters will remain as highlighted in the May 2017 Mine Management Plan Update submission.

1.1 Operator Details

KGL Resources (Parent Company)
Registered Office: Level 7, 167 Eagle Street
Brisbane QLD 4000
Phone: (07) 30719003
Email: info@kglresources.com.au

Key Personnel/Contact: Rudy Lennartz
Mobile: 0428833770
Email: rlennartz@kglresources.com.au
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

![Jervois Project tenement plan](image)

**Figure 2. Jervois Project tenement plan**

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**Table 1. Jinka Minerals Tenement holdings**
3.0 PROPOSED DRILLING

It is proposed that a drilling program of approximately 11,140 metres will be undertaken to further define the potential of the Jervois Project and to upgrade parts of the individual project area resources to the Inferred category. It is expected 4,000m of drilling will be Reverse Circulation and 7,140m will be diamond drilling.

At the Rockface Prospect;
- Resource extension of Conductors 3 & 5. 2 holes, total 1,280m: 400 RC + 880 DD
- Resource extension of Conductors 6 & 8. 6 holes, total 5,540m: 1,400m RC + 4,140m DD

At the Reward Prospect;
- Indicated Resource infill and extension drilling. 6 holes, total 3,060m: 1,600m RC + 1,460m DD

At the Amigo Prospect;
- Geological exploration target, strong similarities with Rockface. 1 hole, 710m: 300m RC + 410m DD

At the Rockhole Prospect;
- 1 Exploration hole under existing drill intercepts. 550m: 300m RC, 250m DD

3.1 Reward

Drilling at the Reward Prospect will include two Indicated Resource extension holes which are currently outside the existing Resource model and four Indicated Resource infill holes which will fill current gaps in the Inferred status resource. The resource will then have the required fifty meter drill hole spacing for further resource definition. Drill targets are all into un-drilled portions of DHEM conductor plates. Proposed drill hole locations are presented in Figure 3. Figure 5 represents the target conductors for the Reward Prospect drilling.

3.2 Amigo

Drilling at the Amigo Prospect will include one exploration hole, 120m east and 200m below KJCD170 – which showed minor copper (2m @ 0.36%) with micro-garnets and chlorite alteration in RC chips. The target is a down-dip extension of copper occurrences within halos of garnet-chlorite alteration, accompanied by strongly developed crenulation cleavages and rodding, identical to outcrop at Rockface. The hole location and design is based on detailed outcrop mapping, KJCD170 and structural and fluid-pathway analysis. The target is coincident with the Gravity anomaly with ‘apophysis’ shape similar to the one behind Rockface. The proposed Amigo drill hole location is presented in Figure 4. Figure 6, represents the target conductors and geological interpretation.
Figure 3. Proposed drilling at the Reward Prospect
Figure 4. Proposed drilling at the Rock Face, Amigo and Rock Hole Prospects
Figure 5. Reward Prospect Proposed drilling coverage area
Figure 6. Amigo Prospect proposed drill site
3.3 Rockface.

The proposed drill hole locations at the Rockface Prospect are presented in Figure 4. The holes have been designed to target recent Down Hole Electromagnetic (DHEM) extensions of conductors 6 and 8. The holes will enable 50 metre outward extensions except for holes 5 and 7 which are 70 metre outward extensions.

Figure 7, represents a sectional view of the pierce points of the proposed drilling.

Figure 8, represents a sectional view of the pierce points of the proposed drilling targeting undrilled portions of conductors 3 & 5 in the Rockface Prospect. These proposed holes are a 50 metre outward extension from existing holes.

3.4 Rockhole.

One hole of 500m is proposed to be drilled into the Rockhole prospect area to optimise the discovery potential for a DHEM conductor. The hole will target an area 250m under KJC035. The hole collar location will be adjusted depending on terrain.

Design and location of the proposed hole to be drilled in the Rockhole Prospect is presented in Figure 9.
Figure 7. Rockface drilling into Conductors 6 & 8
Figure 8. Proposed Rockface drilling into Conductors 3 & 5
Figure 9. Proposed drilling of Rockhole Prospect
4.0 Drilling Program Risk Summary

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 proposed 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.

The actual, on-ground, position of the drill hole collars will be in accordance with Mining Compliance guidelines and will most likely be re-located from the designed coordinates as presented in Table 2. if the designed collars would have an impact on surface drainage or other topographic features.

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.

The risks associated with the management of the drilling program may include lower than planned drilling penetration rates, reduced pre-collar RC depths, extended equipment breakdowns and possible delays due to adverse weather conditions.
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Table 2. Proposed drilling program (Amendment 1 - Jan. 2018)
# Security Application Form

## Security Calculation Summary

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**10% Discount** | **$811**

**Amended amount** | **$7,297**

**1% levy** | **$73**