



## Quarterly Activities Report: December 2018

### **KalNorth Gold Mines Limited**

**Date:** 30 January 2019

**ASX Code:** KGM

**Issued Capital**

894.24 million Ordinary shares

**Current Share Price**

\$0.007

**Market Capitalisation**

\$6.26 million

**Board Members**

Jiajun Hu

Executive Chairman & Company Secretary

Yuanguang Yang

Non-executive Director

Xiaojing Wang

Non-executive Director

**Contact Details**

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**Projects located at Eastern Goldfields,  
Western Australia**

- Kurnalpi (100%)
- Lindsays (100%)

The Board of KalNorth Gold Mines Limited (“KalNorth or the “Company”, ASX: KGM) is pleased to report on activities and progress made during the December 2018 Quarter.

## Highlights

### *Kurnalpi Project*

An RC drill programme of 21 holes for a total of 2,520 metres was planned as follow up on the Schiedam Prospect defined from late 2015-early 2016 RAB/AC drilling but has been delayed initially due to wet weather and then the annual holiday season shutdown. The drilling is now expected to complete in the current quarter.

### *Lindsays project*

During the Quarter, the Company continued to hold the Lindsays project under care and maintenance and in compliance with environmental regulations, thus allowing for a resumption of mining activities with minimal lead time. The Company continued its strategic review of the project and progressed discussions with several interested parties to redevelop or divest the project.

# EXPLORATION REPORT

## **Kurnalpi Project (100% KGM)**

### **Drilling Program Delayed**

During the Quarter, a 21 RC hole drilling programme for approximately 2,520 metres was planned to follow up on the Schiedam Prospect defined from late 2015-early 2016 RAB/AC drilling result (refer to ASX announcement on 10 June 2016). The programme had to be deferred due to wet weather and then the holiday season shutdown. The drill programme is now expected to be completed in the current quarter.

The Company is reviewing other exploration targets which were identified from the 2015 multi-source geophysical interpretation and project review and targeting exercise conducted by CSA Global in 2016; the drilling programme will be planned accordingly.

## **Lindsays Project (100% KGM)**

During the Quarter, the Company continued to hold the Lindsays project under care and maintenance and in compliance with environmental regulations which will allow any future mining activity to resume immediately.

The Company continued its strategic review of the project and has progressed discussions with several interested parties to redevelop or divest the project.

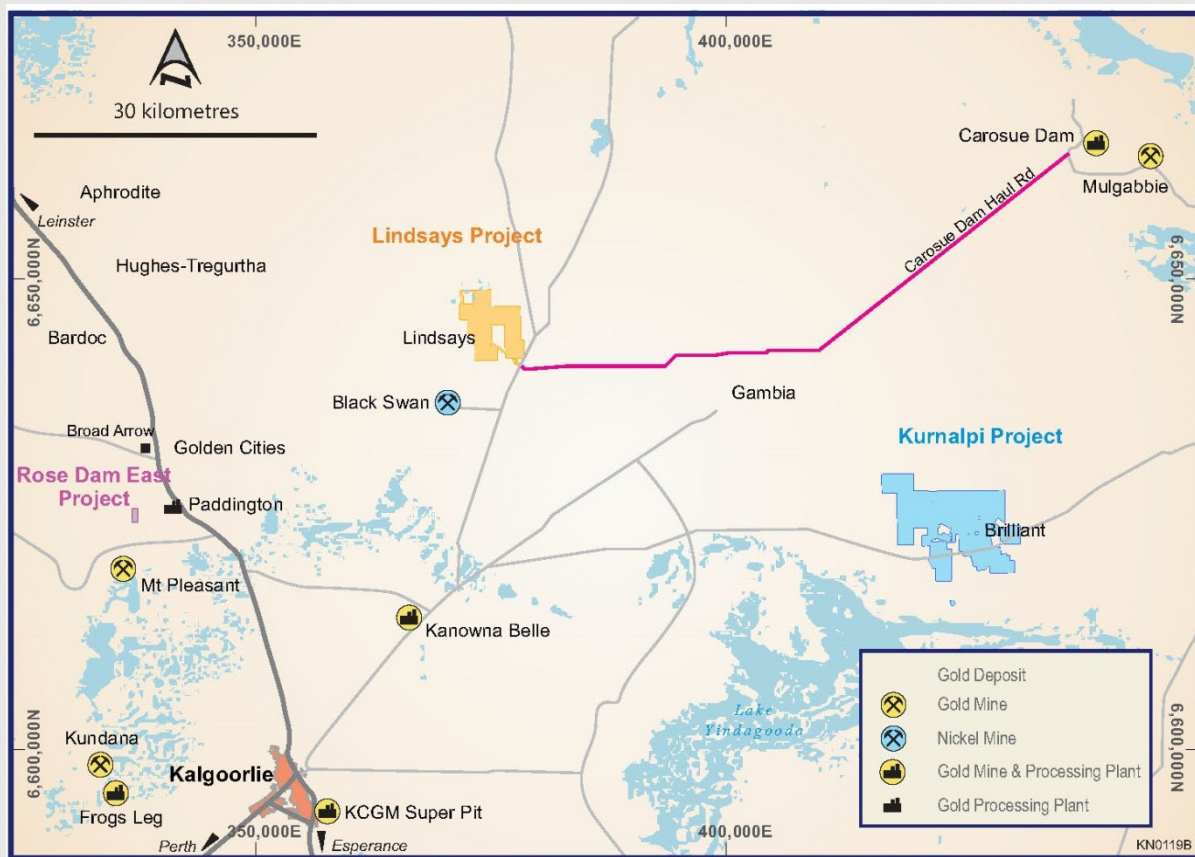
# CORPORATE REPORT

## **Cash Reserves**

Net cash outflows for the December 2018 quarter amounted to approximately \$275,083 (approximately \$304,612 in the previous quarter) of which approximately \$96,129 was attributable to exploration and evaluation activity. Cash assets at the end of the Quarter were \$418,253.

**For further information please contact**

**Jiajun (Jerry) Hu**  
**Executive Chairman and Company Secretary**  
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Location map of KalNorth projects showing roads and local processing plants

### About KalNorth Gold Mines Limited

KalNorth Gold Mines Limited (ASX Code: KGM) is a gold exploration company based in Kalgoorlie, Western Australia (WA). The Company's core suite of tenements, all 100% owned, are located some 50 to 80km north-east of the world renowned gold mining town of Kalgoorlie, WA. There are currently two main gold projects each with resources within the KGM holding: Kurnalpi and Lindsays (collectively the KalNorth Field).

### Competent Person Statement-Exploration Results and Mineral Resources

*The information in this report that relates to exploration results is based on, and fairly represents information and supporting documentation prepared by Mr Lijun Yang, a Competent Person who is a member of Australian Institute of Geoscientists. Mr Yang is a consultant to the Company. Mr Yang has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Yang consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.*

## Tenement Holdings and Movements

Mining Tenements and Beneficial Interest Held as at the end of the December 2018 Quarter

Tenement	Holder	Status	Project	Interest %
E28/2256	Shannon Resources Pty Ltd	Live	Kurnalpi	100
E28/2541	Shannon Resources Pty Ltd	Live	Kurnalpi	100
M28/0007	Shannon Resources Pty Ltd	Live	Kurnalpi	100
M28/0066	Shannon Resources Pty Ltd	Live	Kurnalpi	100
M28/0072	Shannon Resources Pty Ltd	Live	Kurnalpi	100
M28/0076	Shannon Resources Pty Ltd	Live	Kurnalpi	100
M28/0084	Shannon Resources Pty Ltd	Live	Kurnalpi	100
M28/0089	Shannon Resources Pty Ltd	Live	Kurnalpi	100
M28/0090	Shannon Resources Pty Ltd	Live	Kurnalpi	100
M28/0092	Shannon Resources Pty Ltd	Live	Kurnalpi	100
M28/0113	Shannon Resources Pty Ltd	Live	Kurnalpi	100
M28/0374	Shannon Resources Pty Ltd	Live	Kurnalpi	100
M28/0375	Shannon Resources Pty Ltd	Live	Kurnalpi	100
P28/1154	KalNorth Gold Mines Ltd	Live (Conversion)	Kurnalpi	100
P28/1180	KalNorth Gold Mines Ltd	Live (Conversion)	Kurnalpi	100
P28/1191	KalNorth Gold Mines Ltd	Live (Conversion)	Kurnalpi	100
P28/1184	KalNorth Gold Mines Ltd	Live (Conversion)	Kurnalpi	100
P28/1186	KalNorth Gold Mines Ltd	Live (Conversion)	Kurnalpi	100
P28/1187	KalNorth Gold Mines Ltd	Live (Conversion)	Kurnalpi	100
P28/1190	KalNorth Gold Mines Ltd	Live (Conversion)	Kurnalpi	100
P28/1226	Lusitan Prospecting Pty Ltd	Live	Kurnalpi	100
P28/1227	Lusitan Prospecting Pty Ltd	Live	Kurnalpi	100
P28/1228	Lusitan Prospecting Pty Ltd	Live	Kurnalpi	100
P28/1229	Lusitan Prospecting Pty Ltd	Live	Kurnalpi	100
P28/1230	Lusitan Prospecting Pty Ltd	Live	Kurnalpi	100
P28/1231	Lusitan Prospecting Pty Ltd	Live	Kurnalpi	100
P28/1282	Shannon Resources Pty Ltd	Live	Kurnalpi	100
M28/0377	Shannon Resources Pty Ltd	Live	Kurnalpi	100
M28/0379	Shannon Resources Pty Ltd	Live	Kurnalpi	100
M28/0380	Shannon Resources Pty Ltd	Live	Kurnalpi	100
M28/0381	Shannon Resources Pty Ltd	Live	Kurnalpi	100
M28/0382	Shannon Resources Pty Ltd	Live	Kurnalpi	100
M28/0383	Shannon Resources Pty Ltd	Live	Kurnalpi	100
M28/0384	Shannon Resources Pty Ltd	Live	Kurnalpi	100
M28/0386	KalNorth Gold Mines Ltd	Pending	Kurnalpi	0
M28/0390	KalNorth Gold Mines Ltd	Pending	Kurnalpi	0
M28/0391	KalNorth Gold Mines Ltd	Pending	Kurnalpi	0
M28/0392	KalNorth Gold Mines Ltd	Pending	Kurnalpi	0
M28/0393	KalNorth Gold Mines Ltd	Pending	Kurnalpi	0
M28/0394	KalNorth Gold Mines Ltd	Pending	Kurnalpi	0
E27/0517	KalNorth Gold Mines Ltd	Live	Lindsays Find	100
L27/0082	KalNorth Gold Mines Ltd	Live	Lindsays Find	100
L27/0084	KalNorth Gold Mines Ltd	Live	Lindsays Find	100
M27/0034	KalNorth Gold Mines Ltd	Live	Lindsays Find	100
M27/0169	KalNorth Gold Mines Ltd	Live	Lindsays Find	100
M27/0486	KalNorth Gold Mines Ltd	Live	Lindsays Find	100
P28/1335	KalNorth Gold Mines Ltd	Pending	Kurnalpi	0
E27/0524	Ardea Resources Limited	Live	Binti Binti	100% Au rights

Shannon Resources Pty Ltd and Lusitan Prospecting Pty Ltd are wholly owned subsidiaries of the Company.

Tenements Relinquished / Disposed during the December 2018 Quarter

Nil

Tenements Acquired During the December 2018 Quarter

Nil

None of the mineral interests listed above are the subject of any farm-in / farm-out or joint venture arrangements.