

## Quarterly Activities Report March 2021

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

During the Quarter, the Company together with its wholly owned subsidiary Shannon Resources Pty Ltd (the "Group"), entered into a binding agreement ("SPA") for the sale of the Group's Kurnalpi Project for a total consideration of \$18 million to Northern Star (Carosue Dam) Pty Ltd ("NSCD") which is a wholly owned subsidiary of Northern Star Resources Limited (ASX: NST) – refer ASX announcement dated 17 March 2021.

The SPA is subject to a number of conditions precedent including KalNorth shareholder approval. The Company has convened a shareholders meeting on 24 May 2021 to seek the necessary approval. Subject to shareholder approval, it is anticipated completion under the SPA will be within five business days after 24 May 2021 .

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

The Company announced a \$5M cash divestment of Lindsay's Project in the previous quarter (refer ASX announcement dated 4 December 2020) and the transaction became unconditional on 29 January 2021 and completed on 29 March 2021 with receipt of the initial consideration of \$2.4M cash (\$100,000 deposit had been received in 2020). The remainder of the purchase price is payable by the buyer, Lindsay's Find Pty Ltd as follows: \$1,000,000 - earlier of commencement of underground mining operations at Lindsay's project or 29 March 2022; and \$1,500,000 – 29 March 2023.

### **Exploration Expenditure**

Cash outflows on exploration and evaluation activity during the Quarter amounted to approximately \$25k. However, immediately after the Quarter end, payments of approximately \$169K were made in relation to exploration expenditure from receipts of the sale of Lindsay's Project (approximately \$90k in the previous quarter).

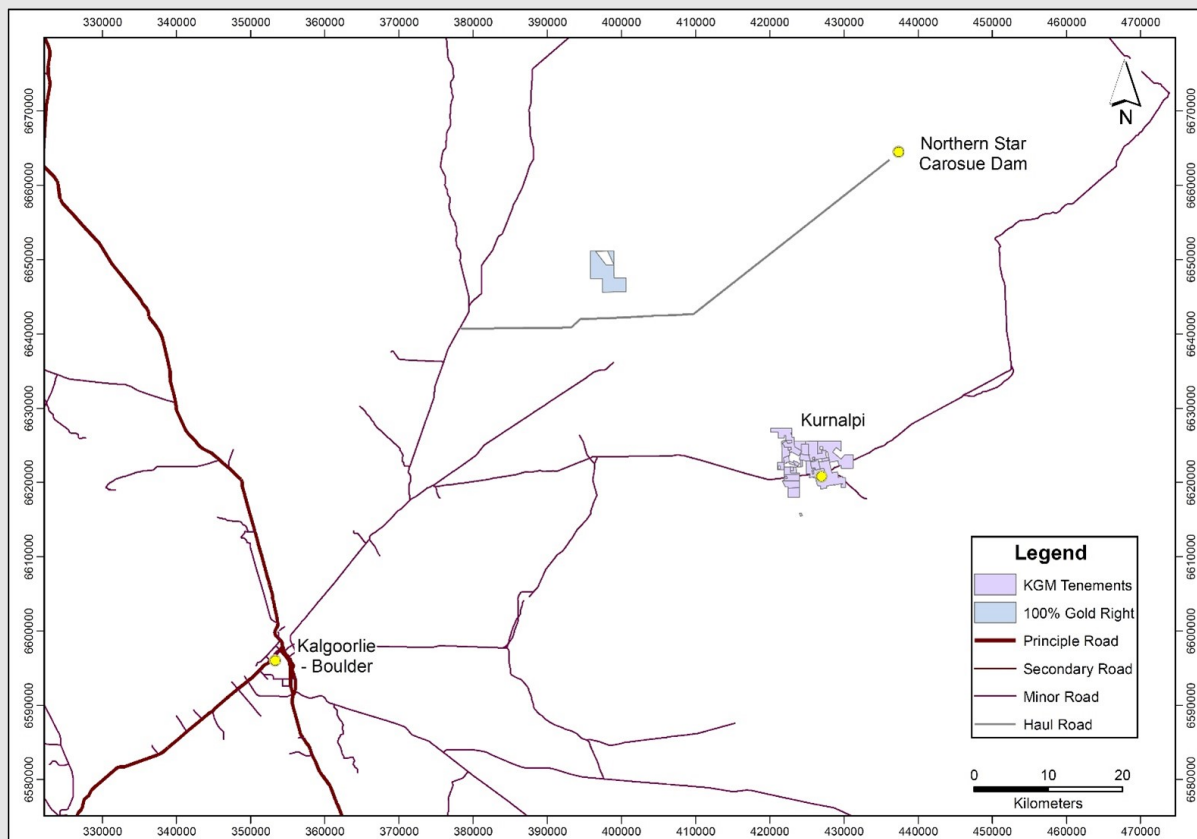
### **Related party payments**

During the quarter ended 31 March 2021, a total of \$19,553 was paid to related parties of the Company with respect to Directors fees including superannuation.

**Authorised for release by Jiajun (Jerry) Hu, Executive Chairman under delegated authority from the Board of Directors**

**For further information please contact**

**Jiajun (Jerry) Hu**  
**Executive Chairman and Company Secretary**  
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Location map of Kurnalpi project showing roads and local processing plant

### 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 80km north-east of the world renowned gold mining town of Kalgoorlie, WA. There is currently one main gold project with existing resources: Kurnalpi project

### 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 March 2021 Quarter

Tenement	Holder	Status	Project	Interest %
E28/2256	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
P28/1349	KalNorth Gold Mines Ltd	Live	Kurnalpi	100
P28/1350	KalNorth Gold Mines Ltd	Live	Kurnalpi	100
P28/1351	KalNorth Gold Mines Ltd	Live	Kurnalpi	100
P28/1352	KalNorth Gold Mines Ltd	Live	Kurnalpi	100
P28/1353	KalNorth Gold Mines Ltd	Live	Kurnalpi	100
P28/1354	KalNorth Gold Mines Ltd	Live	Kurnalpi	100
P28/1358	KalNorth Gold Mines Ltd	Live	Kurnalpi	100
M28/70	KalNorth Gold Mines 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
E27/0524	Ardea Resources Limited	Live	Binti Binti	100% Au rights

Shannon Resources Pty Ltd is a wholly owned subsidiary of the Company.

Tenements Pegged / Acquired during the March 2021 Quarter

Tenement	Holder	Status	Project	Interest %
M28/70	KalNorth Gold Mines Ltd	Live	Kurnalpi	100

Tenements Relinquished / Disposed during the March 2021 Quarter

Tenement	Holder	Status	Project	Interest %
L27/0082	KalNorth Gold Mines Ltd	Divested	Lindsays	0*
L27/0084	KalNorth Gold Mines Ltd	Divested	Lindsays	0*
P27/2406	KalNorth Gold Mines Ltd	Divested	Lindsays	0*
E27/624	KalNorth Gold Mines Ltd	Divested	Lindsays	0*
M27/0034	KalNorth Gold Mines Ltd	Divested	Lindsays	0*
M27/0169	KalNorth Gold Mines Ltd	Divested	Lindsays	0*
M27/0486	KalNorth Gold Mines Ltd	Divested	Lindsays	0*

\*The Lindsay's Project tenements, which were disposed during the Quarter, are subject to a mortgage in favour of KalNorth until such time as the final deferred consideration amount of \$1.5 million is received on 29 March 2023.

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