

Quarterly Activities Report December 2021

Lindsays Project Sale Settlement

KalNorth Gold Mines Limited (ASX: KGM) (“KGM” or “Company”) sold its Lindsays Project in the financial year ended 30 June 2021, with partial sale consideration of \$2.5 million receivable as follows: \$1,000,000 - earlier of commencement of underground mining operations at Lindsays project or 29 March 2022; and \$1,500,000 – 29 March 2023. During the December 2021 Quarter, the Company finalised negotiations with the purchaser, Lindsays Find Pty Ltd for early settlement, resulting in receipt of \$2.4 million in the December quarter (ASX announcement dated 29 November 2021 refers). The \$100,000 discount accepted by the Company is a modest discount, but more importantly removed all settlement risk.

Corporate Update

At 31 December 2021, the Company has a net cash position of \$15.56M. The Company will use its exploration expertise and long history and experience in exploration in the Eastern Goldfields to target new exploration opportunities, with some such opportunities being assessed at present.

Exploration Expenditure

There was no significant exploration expenditure outflow in the December 2021 quarter.

Related party payments

During the quarter ended 31 December 2021, a total of \$37,556 was paid to related parties of the Company with respect to Directors fees and 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
Email: info@kalnorthgoldmines.com