ASX ANNOUNCEMENT
29 APRIL 2022

KOONENBERRY GOLD LIMITED

Quarterly Report for the Period ended 31 March 2022

HIGHLIGHTS

- Infill soil geochemistry highlights the prospectivity and potential of the Atlantis Prospect area to host significant gold mineralisation.
- Drill programs are planned for high priority targets at Lasseters, Lucky Sevens, Bellagio/Double Tank and for initial testing at Atlantis, Four Queens and Vegas Prospects.
- Reprocessing of Lucky Sevens ground resistivity data highlights multiple resistive targets at depth which will be used for drill targeting.
- Visible gold observed in outcrop at several locations during a reconnaissance field trip.
- Managing Director and exploration manager appointed.

EXECUTIVE SUMMARY

Koonenberry Gold Ltd **(ASX:KNB)** ("Koonenberry" or the "Company") is pleased to report work has been carried out in the quarter preparing for the 2022 drilling programme.

Incoming Koonenberry MD, Dan Power, said "*The Koonenberry Project has all the right ingredients and scale to host significant gold deposits. With the Kayrunnera nugget field in close proximity and visible gold observed in quartz vein outcrops at numerous locations, the prospectivity is unquestionable. The gold in soil anomalies refined in the current quarter at Atlantis, Four Queens and Vegas cover an impressive total strike length of 13.5km. They are robust, occur in residual regolith and represent exciting targets that are associated with a second order splay off the Koonenberry fault. Koonenberry Gold is planning to be the first company ever to drill these targets in the coming months.*"

OVERVIEW

The Company's 100% owned Koonenberry Gold Project is located in north-western New South Wales, approximately 160km northeast of the major mining and cultural centre of Broken Hill and 40km west of the opal mining town of White Cliffs. The Project covers approximately 1,339 square kilometres in a consolidated tenement package. Koonenberry holds a dominant position along the Koonenberry Fault in NSW within the little-explored Koonenberry fold and thrust belt which is considered prospective for orogenic gold systems based on similar lithostratigraphy, structural style, mineralisation timing and tectonic setting as seen in the Victorian Goldfields, in particular, the Stawell Zone[1].

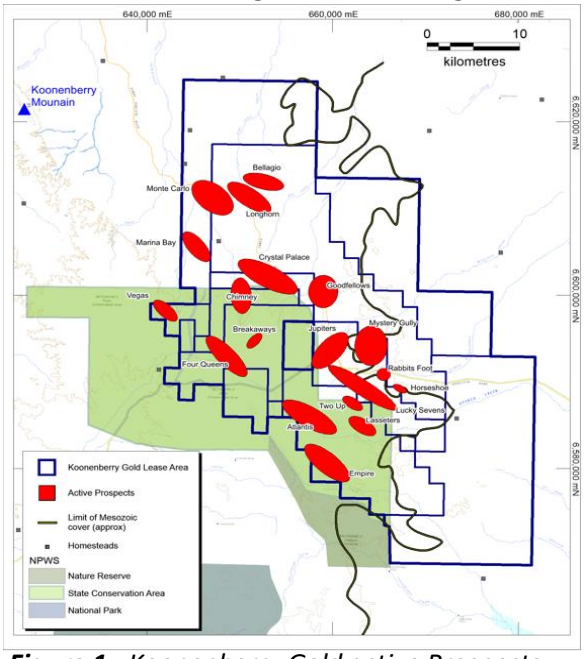

Figure 1: *Koonenberry Gold active Prospects.*

During the quarter project exploration activities involved structural mapping, reprocessing of ground geophysical data, prospecting and interpretation of the geochemical database to include recent infill soil results. The Company is now focused on building a solid pipeline of drill ready targets in preparation for planned Reverse Circulation (RC) and Aircore (AC) drill programmes scheduled to commence mid-2022.

EXPLORATION ACTIVITIES IN THE QUARTER

Exploration activities during the Quarter were limited, due primarily to changes in personnel within the Company. This issue has now been resolved with the appointment of a Managing Director and an exploration manager.

Assay results were received for four hundred and thirty-nine (439) -2mm soil samples collected December 2021 (Figure 2). All assay results for exploration conducted in late 2021 were received toward the end of the Quarter and have been integrated into the geochemical database with analysis ongoing.

Structural mapping of reef systems and lithological units began in March. This work was ongoing at the end of the Quarter and aims to generate a new 3D geological model and structural interpretation of the quartz reef systems that will be used to inform and prioritise drill targets as well as further exploration targeting.

Reprocessing of historical ground geophysical data collected over Lucky Sevens Prospect was initiated.

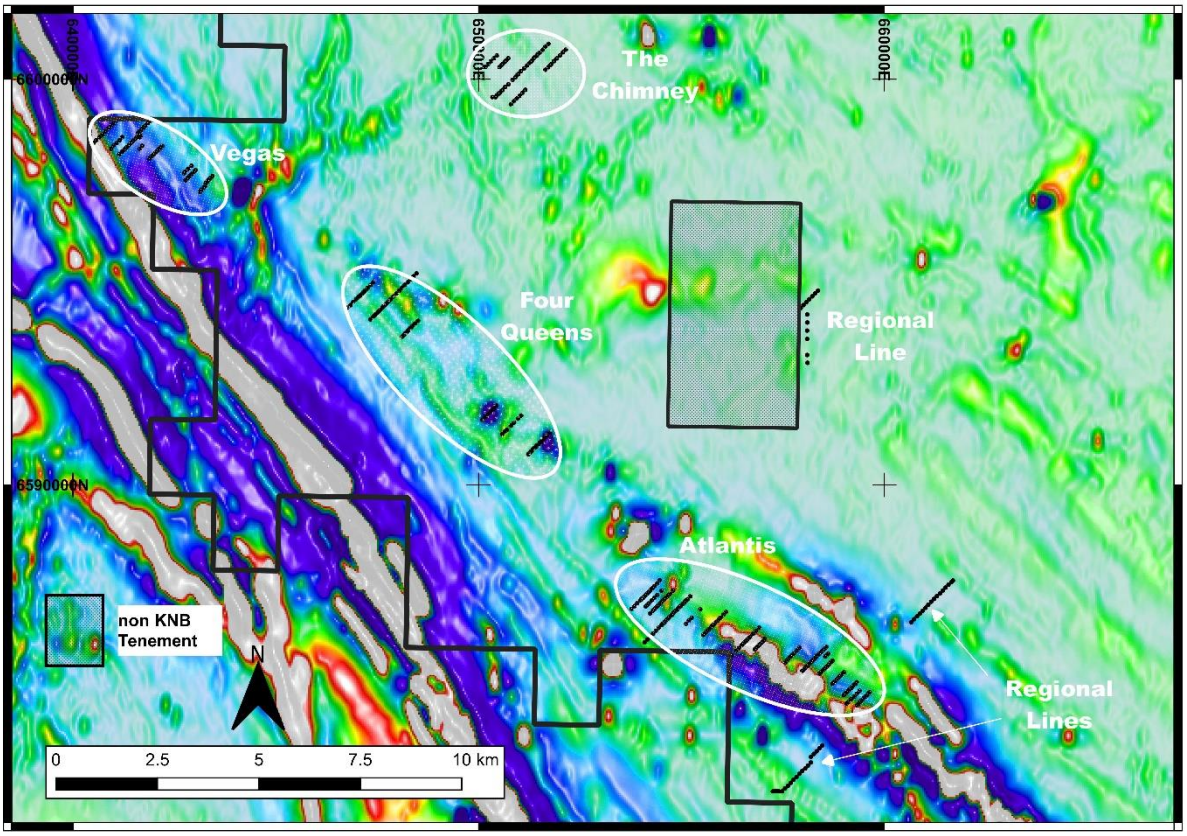

Figure 2: Infill Soil Sample Sites on RTP Magnetics.

SOIL SAMPLING

Sieved soil samples were collected to infill and determine the extent of previously defined anomalous geochemistry at the Atlantis, Four Queens, Vegas and The Chimney Prospects, with a further three (3) lines collected as part of regional sampling. Refer to Table 1 for significant results >10ppb Au.

Sampling in The Chimney Prospect area returned a limited number of soil assays of note with a highest returned value 12.7ppb Au. The majority of samples returned values at or below the anomalous threshold. Regional sampling along three lines also returned values predominantly at or below the anomalous threshold. No targets of interest were generated through this sampling and subsequent results.

Atlantis Prospect

The Atlantis prospect is the strongest, most coherent soil anomaly discovered so far within the Koonenberry Gold tenement package. Previous soil sampling returned a maximum of 49.9ppbAu along broadly spaced (~400m) sample lines. New infill sampling closed overall line spacing within the main part of the anomaly to 150 – 250m, and in the vicinity of previous high values returned maxima of 17.5ppbAu and 24.8ppbAu (Figure 3). The Atlantis anomaly is now traceable along strike for approximately 6.5km, is in places is up to 850m wide and extends into EL8950 (held by Lasseter Gold a wholly owned subsidiary of Koonenberry Gold). The anomaly is situated in an interpreted fold closure, is surrounded by mafic rocks of the Bittles Tank Volcanics and is associated with strong patchy silicification and weak pervasive hematite alteration. Visible copper mineralisation is noted in places.

No previous exploration has been undertaken in the vicinity of the Atlantis Prospect and the area has never been drill tested.

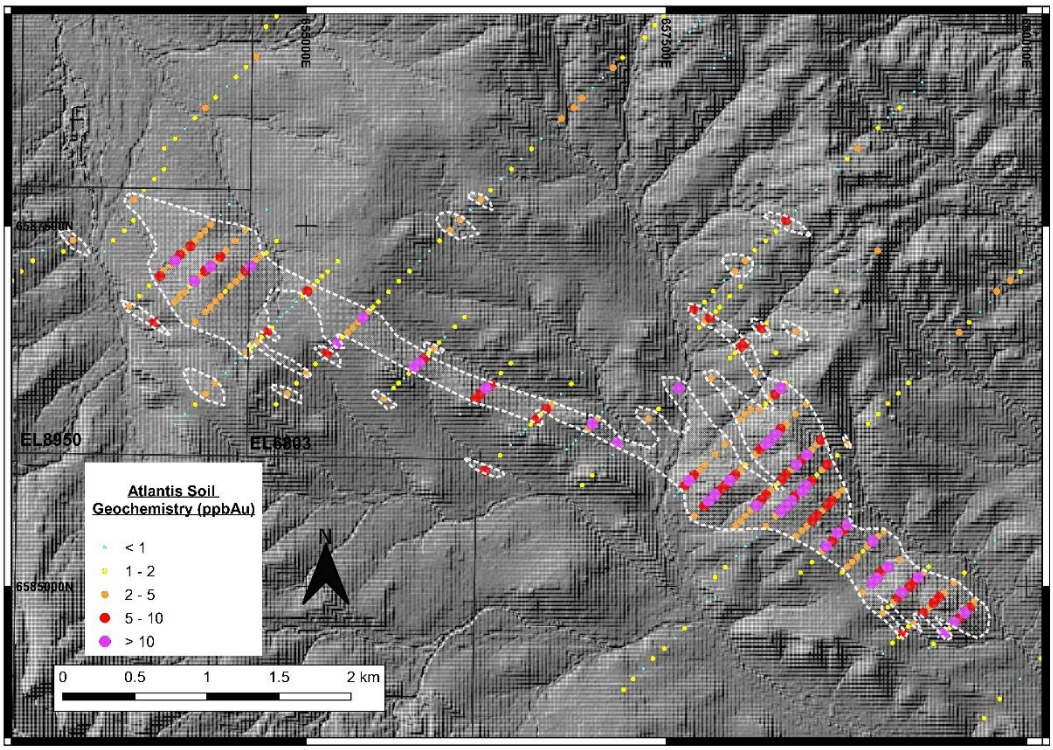

Figure 3: Atlantis Prospect – Gold in soils on 5m DEM. White polygon defines > 2ppbAu.

Four Queens Prospect

The Four Queens Prospect area lies approximately 5km along strike from the Atlantis Prospect. Previous sampling had returned a maximum of 55.9ppbAu within an area of +5 to 25ppb gold values (Figure 4). Infill sampling along the northern and southern extents primarily returned low level gold values (<2ppbAu) with the exception in the vicinity of previously defined anomalism where sampling returned a maximum of 17.6ppbAu. Infill sampling has limited the extent of the anomaly to approximately 4km strike extent by 400m width.

No previous exploration has been undertaken in the vicinity of the Four Queens Prospect and the area has never been drill tested.

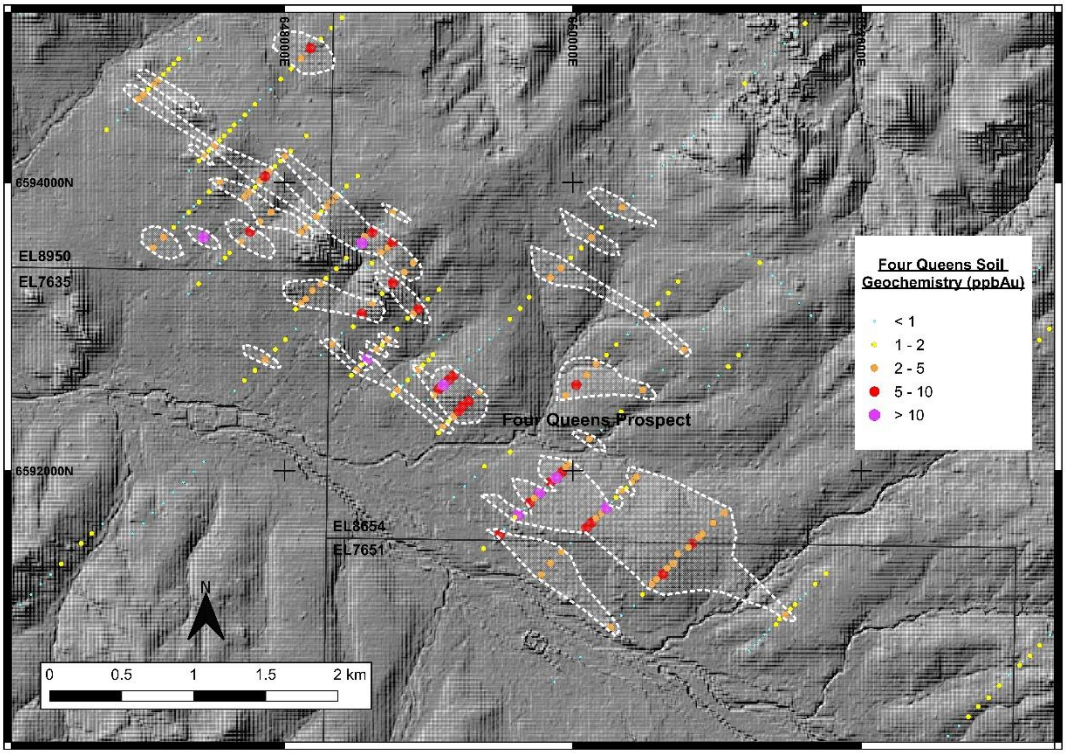

Figure 4: Four Queens Prospect – Gold in soils on 5m DEM. White polygon defines > 2ppbAu.

Vegas Prospect

The Vegas Prospect lies along strike of the Four Queens and Atlantis Prospects in an area of extensive quartz scree. Previous sampling defined anomalous values of +5ppbAu (to a maximum of 20.1ppbAu) over an area of approximately 1km strike by 400m width (Figure 5). Infill sampling returned a maximum of 10.3ppbAu in line with the trend of the anomaly, extending the strike length of anomalous values to approximately 2km.

No previous exploration has been undertaken in the Vegas Prospect area and the area has never been drill tested.

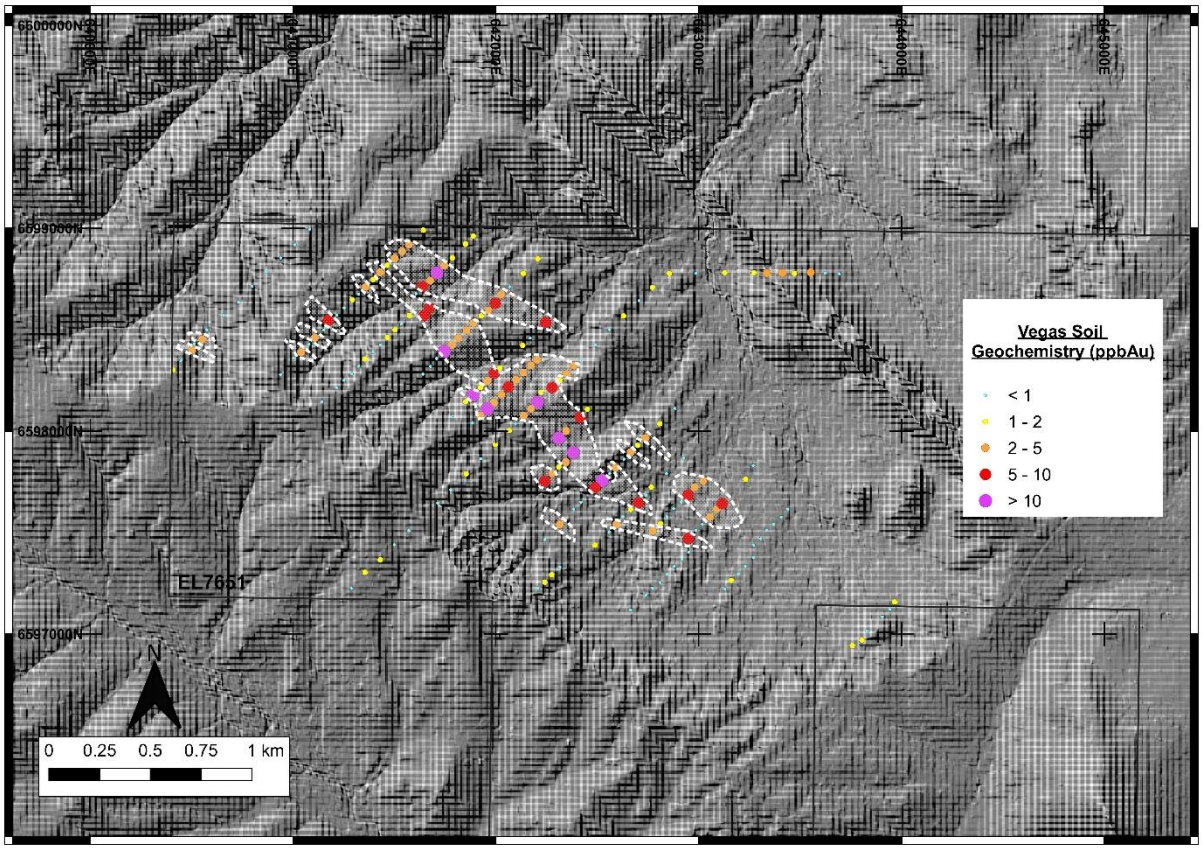

Figure 5: Vegas Prospect – Gold in soils on 5m DEM. White polygon defines > 2 ppbAu.

STRUCTURAL MAPPING

Toward the end of the quarter Koonenberry Gold engaged the services of PGN Geoscience to undertake structural mapping of reef systems and lithological units at the Lucky Sevens, Lasseter, Vegas and Atlantis Prospects, with the intention to identify the outcropping mineralised structures and key features across the Project (Figure 6). Areas of anomalous soil geochemistry (Atlantis and Vegas) and areas of known mineralisation (Lucky Sevens and Lasseters) were the initial focus to provide supporting evidence to assist in drill targeting.

Preliminary results indicate that the veins and quartz reefs developed during flexural slip associated with tight NW-SE trending isoclinal folding (F1). The F1 early folds are overprinted by open, NE-SW trending, steeply plunging second generation folds (F2). The main deformation event (D1) was a prolonged event with shortening in a NE-SW direction that resulted in reverse faulting and overprinting during the development of the quartz veins and reefs. Quartz veins are also seen to develop along the faults indicating a prolonged (mineralised?) fluid generation event.

The structural mapping program was ongoing at the end of the Quarter with mapping planned for the Breakaways, Bellagio-Longhorn-Monte Carl areas and continuation of mapping at Lucky Sevens during April.

Figure 6: Structural mapping by PGN Geoscience at Lasseters Prospect.

REPROCESSING OF GEOPHYSICAL DATA

During the Quarter reprocessing of geophysical resistivity data was initiated for the Lucky Sevens Prospect area. The original data was collected as a trial in 2019 with the objective of mapping out sub surface extent of the quartz reefs and surface extent of palaeo-channels beneath Mesozoic to Recent cover. The original data appeared to map interpreted resistive features (quartz veining), where these features occurred primarily within fresh bedrock, while results were uncertain in the mapping of palaeo-channel extent.

Reprocessing using current inversion modelling software produced a similar result to the original data but improved and highlighted resistive features (dark blue in image) interpreted as quartz reefs. The reprocessed data also highlighted the possibility of multiple quartz reefs at depth on the displayed section (Figure 7) and the extent of conductive cover (white in lower image), interpreted as weathered bedrock.

Further processing of the data is ongoing with the objective to produce an interpretive 3D model and resistivity depth slices.

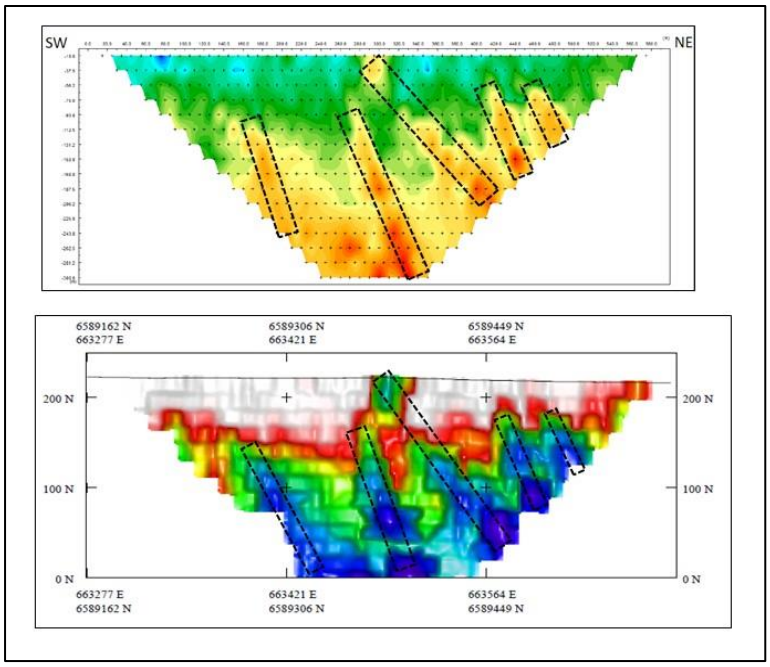

Figure 7: Lucky Sevens Resistivity Sections (upper original data, lower reprocessed) showing resistive features interpreted as quartz reefs).

Field Activities

An orientation field visit and site inspection of prospect areas and introduction to stakeholders and landowners was undertaken by the Stakeholder Liaison Manager, Company consultant and new Exploration Manager in March. During visits to Prospect areas gold specimens were recovered from the Lucky Sevens and Breakaway Prospect areas (Figure 8). These samples were not sent for destructive analysis, but clearly demonstrate the high grade potential of the Project.

Figure 8: Gold in quartz specimen samples from Breakaway (left) and Lucky Sevens (right) Prospects.

UPCOMING EXPLORATION ACTIVITIES

The Company is pursuing large gold deposits at its Koonenberry Gold Project and is encouraged by the size of the geochemical anomalism generated and widespread surficial expression of gold to date.

Detailed structural mapping of outcropping quartz reef systems and associated lithological units in areas of known mineralised quartz reefs and highly prospective soil geochemistry will be finalised during the next Quarter. These studies will generate a new 3D geological model which will be used, in conjunction with the soil geochemistry data, magnetics and other multidisciplinary datasets, to rank and prioritise drill targets.

Reprocessing of current ground resistivity data will continue to determine the methods effectiveness in outlining targets, both quartz reef systems and palaeo-channels, beneath Mesozoic to Recent cover, especially within Exploration Licences 8819, 8919 and the north-eastern parts of EL8706. Initial results are highly encouraging and if final results warrant the Company will consider an airborne geophysical survey as a means of effectively exploring large areas of the current tenement package.

The Company is planning significant drill programs commencing around mid-year that will target both high priority areas of known mineralisation (Lucky Sevens, Lasseters, Bellagio/Double Tank) and Prospects where outcrop is limited or non-existent but anomalous to highly anomalous soil geochemistry highlights the enormous potential and prospectivity of the area (Atlantis, Four Queens, Crystal Palace, Longhorn).

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CORPORATE UPDATE

As reported in the previous quarter, the Chief Executive Officer and Exploration Manager resigned and served out their notice periods concluding their employment with the Company during the reporting period.

A new Exploration Manager, Brett Rava, was employed in February 2022 while the search for a new Managing Director/CEO was continuing. Brett is a geologist with more than 30 years' experience in minerals exploration and has been extensively involved in management of regional and local scale exploration programs from project concept and target generation to setting and implementing green-field and brown-field exploration and evaluation strategies. He has experience across a broad range of commodities and deposit types in both Australia and Indonesia, leading and participating in multidisciplinary teams exploring for orogenic and epithermal gold, porphyry Cu-Au, Broken Hill type (Pb-Zn-Ag) deposits, sedimentary hosted uranium and copper, magnetite/iron ore, Rare Earth Elements (REE), Iron Oxide Copper-gold-uranium (IOCG-U) and heavy mineral sands.

Brett has held management positions at Heathgate Resources, Stellar Resources and SPCM (a joint venture company between Sinosteel Corporation and Pepinnini Minerals Ltd) and senior technical roles at Newmont Mining Corporation and Aberfoyle Resources. He has undertaken consultancy and contract positions with several companies including Inflection Resources, Enviro Copper, BHP and Dominion Mining Ltd (Challenger Gold Mine, SA). He holds a Bachelor of Applied Science degree (Geology) from the University of NSW and is a member of the Society of Economic Geologists (SEG) and Australian Institute of Geoscientists (AIG).

Since the end of the March quarter new Managing Director, Dan Power, has joined the Company as announced on 6 April 2022. Dan is a geologist with 25 years' experience in minerals exploration, primarily focused on project generation and the evaluation and management of exploration programs throughout Australia, China, SE Asia, the SW Pacific and Mongolia. Dan has experience across a broad range of commodities and has particular expertise in orogenic gold, porphyry copper-gold and epithermal gold deposits.

Dan has held senior technical and management positions at Newmont Mining Corporation including as Country Manager and in Mongolia for Titeline Resources as Executive Director and has been involved in several Greenfield discoveries.

He holds a Bachelor of Science degree (BSc, Geology) (Hons) from Monash University, a Master of Economic Geology degree (MSc Econ. Geol.) from the University of Tasmania (CODES) and is a member of the Australian Institute of Geoscientists (AIG), the Society of Economic Geologists (SEG) and the Australian Institute of Company Directors (AICD).

During the quarter performance right and options held by former non-executives and the CEO were cancelled in accordance with the terms of issue.

CAPITAL MANAGEMENT

As at 31 March 2022, Koonenberry had a cash balance of $5.63 million and no debt.

Exploration and evaluation expenditure incurred during the quarter was $204,946.

RELATED PARTY PAYMENTS IN QUARTER TO 31 MARCH 2022

SRG Advisory and Accounting Fees	$30,000 [1]
Non-Executive director fees	$ 52,523 [2]

[1] SRG Advisory provides accounting support services with SRG Partners, (George Rogers is a director of SRG Partners.)

[2] Directors fees include payments for Non-executive Director fees.

At 31 March 2022 no other payments have been made to, or to an associate of, a related party of the entity that the Directors are aware of.

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ACTUAL EXPENDITURE SINCE LISTING COMPARED TO "USE OF FUNDS" IN PROSPECTUS

Listing Rule 5.3.4 requires the Company to provide a comparison of actual expenditure to date since listing on 28 September 2021 against the use of funds statement in the Prospectus dated 2 July 2021.

Use of Funds [1]	Use of Funds Statement $'000's	Actual spend to 31 March 2022 $'000's
Exploration Expenditure	4,700	691
Future Acquisition Costs	1,000	-
Expenses of the Offers	798	1,458
Working Capital	2,055	1,736
Total	**10,553**	**3,885**

[1] The use of funds table is a statement of current intentions at the date of the Prospectus (2 July 2021). As with any budget intervening events (including exploration success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

All costs spent to date are aligned with Koonenberry's expected use of funds as outlined in the Prospectus dated 2 July 2021. The exploration costs have been lower than planned due to COVID-19 border lockdowns and changes in exploration personnel affecting planned activities.

CAPITAL STRUCTURE AT 31 MARCH 2022

Ordinary Fully Paid Shares	119,749,088
Unlisted Options	12,728,000 (various strike prices and expiry dates)
Performance Rights	1,800,000 (various performance hurdles and expiry dates)

Of the issued ordinary shares, 45,632,860 (38.1%) of them are restricted shares.

REFERENCES

1. Greenfield and Reid (2006). Orogenic gold in the Tibooburra area north of Broken Hill- an extension of the Victorian goldfields? (AESC2006, Broken Hill).
2. Willman et al 2010. Crustal-Scale Fluid Pathways and Source Rocks in the Victorian Gold Province, Australia: Insights from Deep Seismic Reflection Profiles (Society of Economic Geologists, Inc. Economic Geology, v. 105, pp. 895–915)

This ASX release was authorised by the Board of the Company.

-ENDS-

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For further information regarding the Company and its projects please visit www.koonenberrygold.com.au

Methodology

The soil survey was designed primarily in residual terrain, avoiding the network of alluvial channels and Mesozoic cover. After scraping away surface lag gravels and windblown sands, samples were taken typically from about 10-20cm depth and sieved to collect about 3kg of the -2mm fraction. These samples were sent to Bureau Veritas in Adelaide where they were pulverized and a 1kg split was taken for BLEG gold analysis (24-hour cyanide leach) with a detection limit of 0.1 ppb Au.

SampleID	Prospect	East MGAz54	North MGAz54	Sample Type	Au BLEG (ppb)
KB04002	The Chimney	650734	6599878	Soil	12.7
KB04061	Four Queens	650233	6591745	Soil	17.6
KB04145	Vegas	641957	6598111	Soil	10.2
KB04154	Vegas	641710	6598782	Soil	10.3
KB04756	Atlantis	654090	6587257	Soil	11.3
KB04767	Atlantis	654337	6587218	Soil	18.3
KB04800	Atlantis	654615	6587219	Soil	14.5
KB04824	Atlantis	655782	6586550	Soil	17
KB04825	Atlantis	655749	6586515	Soil	21.2
KB04847	Atlantis	656986	6586126	Soil	10.7
KB04857	Atlantis	657657	6585734	Soil	24.8
KB04873	Atlantis	658125	6585560	Soil	17.5
KB04890	Atlantis	658720	6585096	Soil	11.2
KB04891	Atlantis	658754	6585137	Soil	12.3
KB04901	Atlantis	658932	6585313	Soil	16.1
KB04906	Atlantis	659247	6585063	Soil	17.3
KB04909	Atlantis	659134	6584959	Soil	21.1
KB04922	Atlantis	659571	6584817	Soil	13
KB04924	Atlantis	659496	6584750	Soil	12.1
KB04926	Atlantis	659425	6584677	Soil	11.9
KB04927	Atlantis	659425	6584677	Soil	10.8

Table 1: Significant Sample Results >10 ppb Au (approximately 97th percentile). 21 assay results from 439 soil samples collected in total (incl. QAQC).

Competent Persons Statement

The information in this announcement that relates to exploration results is based on information compiled under the supervision of Mr Brett Rava, who is a Member of the Australian Institute of Geoscientists (AIG) and the Exploration Manager of Koonenberry Gold Limited. Mr Rava has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves." Mr Rava consents to the inclusion in this report of the matter based on his information in the form and context in which it appears.

Forward looking statements

This announcement may include forward looking statements and opinion. Forward looking statements are based on Koonenberry and its Management's good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect Koonenberry's business and operations in future. Koonenberry does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that Koonenberry's business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by Koonenberry or Management or beyond Koonenberry's control. Although Koonenberry attempts and has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be as anticipated, estimated or intended, and many events are beyond the reasonable control of Koonenberry. Accordingly, readers are cautioned not to place undue reliance on forward looking statements. Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law in providing this information Koonenberry does not undertake any obligation to publicly update or revise any of the forward-looking statements or to advise of any changes in events, conditions or circumstances on which any such statement is based.

APPENDIX 1 – SUMMARY OF TENEMENTS

Licence Number	Location	Title Holder	Equity Interest at Quarter End	Change in Equity Interest during Quarter
EL6803	NSW	Lasseter Gold Pty Ltd	100%	N/A
EL6854	NSW	Lasseter Gold Pty Ltd	100%	N/A
EL7635	NSW	Lasseter Gold Pty Ltd	100%	N/A
EL7651	NSW	Lasseter Gold Pty Ltd	100%	N/A
EL8245	NSW	Lasseter Gold Pty Ltd	100%	N/A
EL8705	NSW	Lasseter Gold Pty Ltd	100%	N/A
EL8706	NSW	Lasseter Gold Pty Ltd	100%	N/A
EL8819	NSW	Lasseter Gold Pty Ltd	100%	N/A
EL8918	NSW	Lasseter Gold Pty Ltd	100%	N/A
EL8919	NSW	Lasseter Gold Pty Ltd	100%	N/A
EL8949	NSW	Lasseter Gold Pty Ltd	100%	N/A
EL8950	NSW	Lasseter Gold Pty Ltd	100%	N/A

Koonenberry's 100% owned subsidiary company, Lasseter Gold Pty Ltd, owns a 100% interest in twelve (12) granted tenements associated with the Koonenberry Gold Project.

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