

ASX ANNOUNCEMENT
4th August 2023



Approval to commence Maiden drilling program at the Bellagio Gold Prospect

HIGHLIGHTS

Bellagio

- Final approval has been received from the NSW Regulator to commence drilling at the Bellagio Prospect
- An Aircore drilling program is scheduled to commence in August and has been designed to test:
 - Multiple high grade gold assays from outcropping quartz veins, including the 39.4g/t gold and 22.5g/t gold rock chips previously reported
 - A robust gold in soil anomaly with a maximum result of 33ppb Au
 - Coincident chargeability and resistivity anomalies from the IP geophysical survey
- The Bellagio Prospect has never been drilled

Koonenberry Gold Ltd (ASX:KNB) (“Koonenberry” or the “Company”) is pleased to report the progress of work at the Bellagio Prospect.

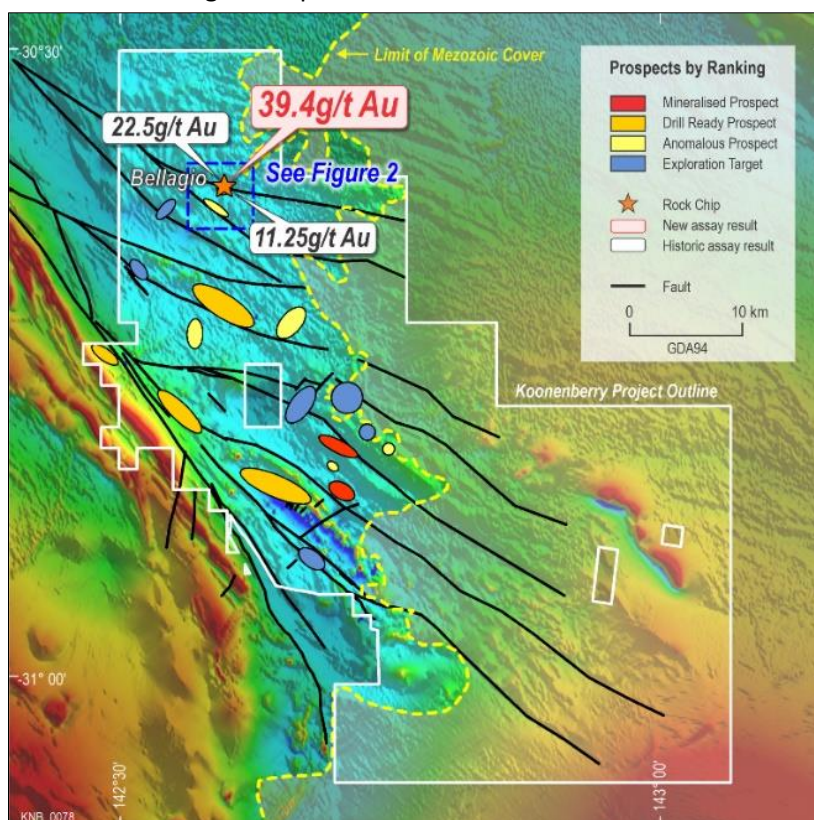


Figure 1. Koonenberry Gold Project with previously reported high grade rock chips at Bellagio.

Managing Director, Dan Power, said “The long-awaited final approvals for Bellagio open the door for the first ever drilling program to test outcropping quartz veins which have returned some spectacular gold results to date. With a drilling contractor identified and drilling to commence in the coming weeks this is a very exciting time for the team and our shareholders.”

Bellagio Exploration Background

A regional rock chip program commencing in early 2023 returned an initial result of **22.5g/t Au** from a quartz vein outcrop at the *Bellagio* Prospect. The same outcrop was later resampled as a check and returned **39.4g/t Au**⁽⁹⁾ which was a Project record high for gold. The high grade resample along with additional mineralised quartz vein samples returning 0.72g/t Au to 1.68g/t Au (**Figure 2**) provides confidence in the repeatability of gold assays and suggests the distribution of gold within the quartz veins is more homogenous rather than being extremely nuggety. This is considered a huge positive for the Project.

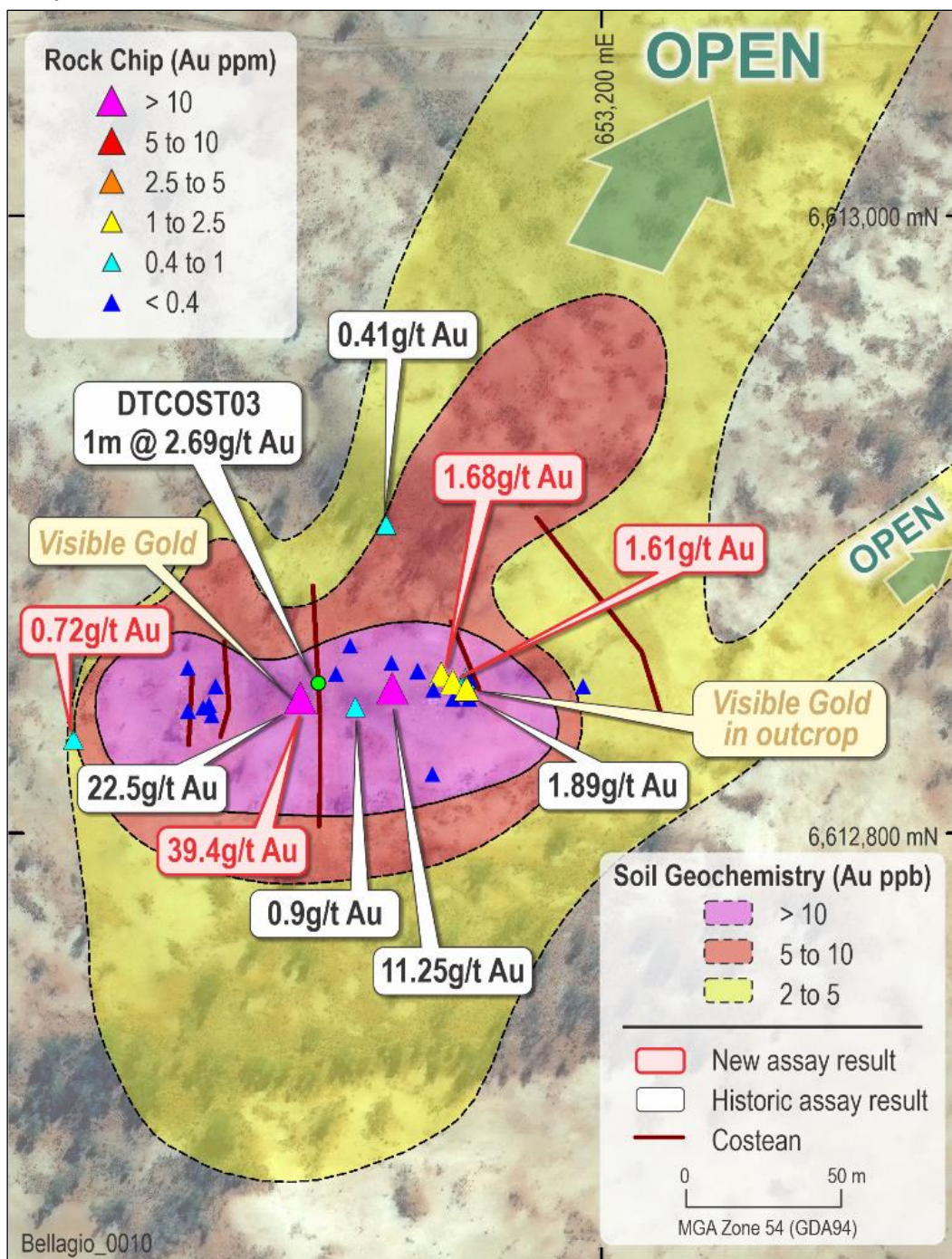


Figure 2. Most recent high-grade gold rock chip assays at Bellagio and gold in soil anomaly, along with previously reported rock chips and historical costeans over aerial photo. Both the strike of the quartz veins and N-S orientation of the soil anomaly suggest that the historical costeans were completed approximately parallel to the mineralised system and are therefore considered ineffective.

Petrographic work was completed on the 39.4g/t rock chip sample and native gold was observed in the thin section as a single small subhedral grain ~100 x 40 µm in size⁽⁹⁾. It occurs in the coarse-grained primary quartz vein. A bright pale-yellow colour suggests it has very high fineness (i.e. purity).

In response, a small-scale soil program of 47 sample sites in a grid was completed, within 150m of the outcrop in all directions. This revealed a +2ppb gold in soil (BLEG) contour open to both the North and South under thin transported cover. A maximum result of 33ppb Au (**Figure 2**) was returned along with a peak Arsenic assay of 37.4ppm (mean 6.67ppm). No other pathfinder elements were considered anomalous. This was then followed by a larger soil sample program at 100m x 50m sample spacings for 207 sample sites, which closed off the anomaly to the south⁽¹⁰⁾.

An Induced Polarisation (IP) survey was completed at the Bellagio Prospect by Zonge Engineering and Research Organization. This work involved a single orientation line of Dipole-Dipole IP with 20m electrode spacing. The survey was small due to time constraints. The aim was to test for a chargeable response representing sulphides at depth below the base of moderate weathering (estimated at 30-50m depth). Moderate chargeability anomalies were returned (up to 9msec in the inversion), potentially representing disseminated sulphides⁽⁹⁾. The 5msec chargeability contour was overlain on the resistivity pseudosection and the strongly resistive zones from the resistivity inversion model (interpreted to be vein quartz zones) were overlain on the chargeability pseudosection. This indicates that some of the chargeability anomalies are coincident with the resistivity features and suggests that sulphides (±gold) may occur with the veins. Along with the high grade quartz veins themselves, these coincident features represent compelling drill targets.

In addition, a further seven lines of shallow Electrical Resistivity Tomography (ERT) were completed to help determine the strike direction of the quartz veins observed in outcrop and test for their strike continuity. The short (50m) lines were completed at high detail (2m electrode spacing) and the outer lines had 10m electrode spacing. Resistivity highs on each section were able to be traced between sections in an interpreted NNW direction, which may indicate the trend of quartz veining⁽¹⁰⁾.

Bellagio drill program

The upcoming Air Core drilling program at Bellagio will test several prospective features. These include the continuity and extent of the outcropping gold in quartz vein mineralisation, multiple high-grade gold assays in rock chips, the gold in soil anomaly and the coincident chargeability and resistivity anomalies from the IP geophysical survey.

The program has been designed to systematically test these features and is expected to take around two to three weeks to complete. The program is scheduled to commence in August.

-ENDS-



ABOUT KOONENBERRY GOLD

Koonenberry Gold Ltd is a minerals explorer based in Australia aiming to create value for shareholders through exploration at the Company's 100%-owned Koonenberry Gold Project. The Project is located in north-western New South Wales, approximately 160km north-east of the major mining and cultural centre of Broken Hill and 40km west of the opal mining town of White Cliffs. Good access is available via main roads connecting Broken Hill, White Cliffs and Tibooburra. Acquired in 2017, and with an IPO in 2021, the Project covers 2,060km² of granted EL's in a consolidated tenement package.

With abundant evidence of high-grade mineralisation in multiple bedrock sources and a pipeline of emerging targets, the tenement package offers a compelling district scale Greenfields discovery opportunity in an underexplored and emerging province. Koonenberry Gold holds a dominant position in the Koonenberry Belt in NSW which is believed to be an extension of the Stawell Zone in Western Victoria and therefore has the potential for the discovery of significant gold deposits.

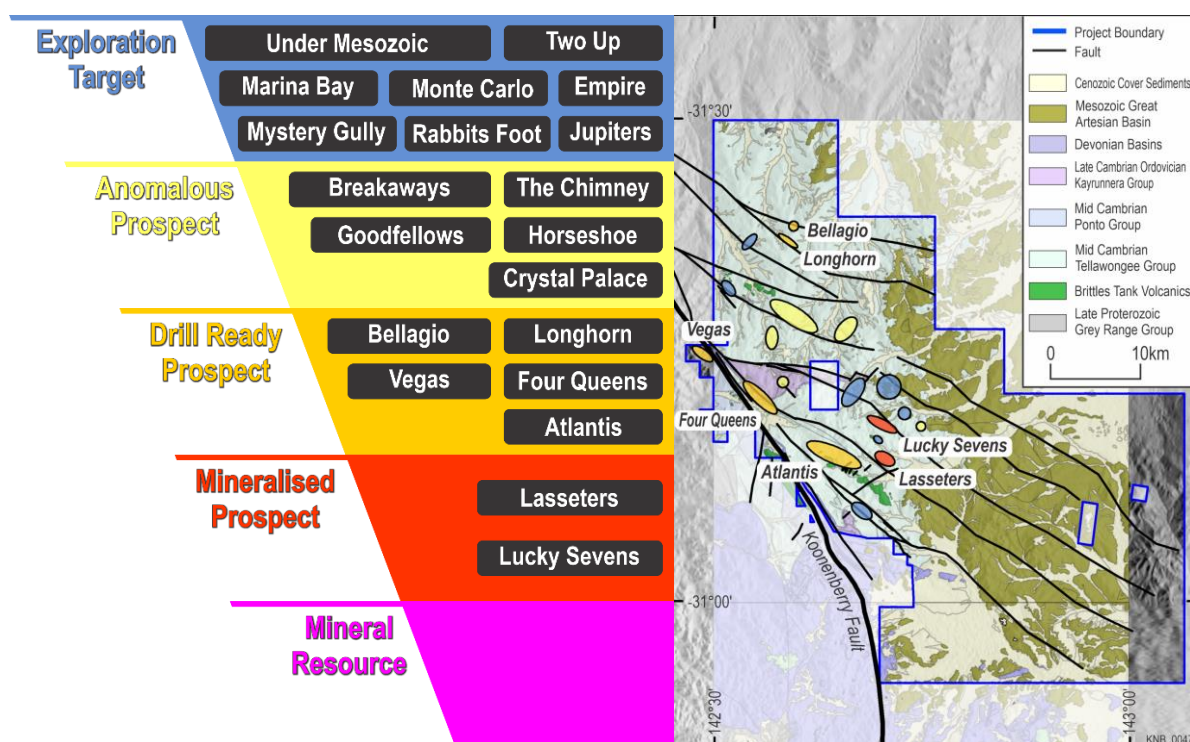


Figure 3. Koonenberry Gold Prospects and pipeline of discovery opportunities⁽²⁾.

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

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References

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8. Koonenberry Gold (ASX) 3/04/2023. Exciting 22.5g/t Gold in quartz vein outcrop at Bellagio Prospect.
9. Koonenberry Gold (ASX) 31/05/2023. Bellagio Prospect and Regional Project Update.
10. Koonenberry Gold (ASX) 25/07/2023. Quarterly Activities Report.

Competent Persons Statement

The information in this announcement that relates to Exploration Results is based on information compiled under the supervision of Mr Paul Wittwer, who holds a BSc Geology (Hons.), is a Member of the Australian Institute of Geoscientists (AIG) and the Australian Institute of Mining and Metallurgy (AusIMM) and is the Exploration Manager of Koonenberry Gold Limited. Mr Wittwer 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 Wittwer 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.

Cautionary statement on visual estimates of mineralisation

Any references in this announcement to visual results are from visual estimates by qualified geologists. Laboratory assays are required for representative estimates of quantifiable elemental values.

