

# EXPLORATION UPDATE

## Kurnalpi Project Geophysical Targeting Exercise Completed

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Date: 20 July 2015

**ASX Code:** KGM

**www.kalnorthgoldmines.com**

**Shares on issue:** 315.97M ordinary shares

**Share Price:** \$0.009\*

**Market Capitalization:** \$2.844 M\*

\*the company applied Voluntary Suspension since 17 July 2015.

### Projects

#### Eastern Goldfields-Western Australia

- Kurnalpi (100%)
- Lindsays (100%)
- Kalpini (100%)
- Spargoville (100%)

### Directors

Jiajun Hu: Chairman

Lijun Yang: Executive Director &  
Company Secretary

Yuanguang Yang: Director

### Principal Office

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KalNorth Gold Mines Limited (**KalNorth** or the **Company**) (ASX:KGM) is pleased to announce that it has completed a comprehensive district scale geological interpretation and targeting exercise, based upon geophysical data, at its 100 percent owned Kurnalpi Project, located 90km to the east of Kalgoorlie.

- Comprehensive acquisition and merging of publically available aeromagnetic and company commissioned gravity surveys to provide the highest resolution datasets for the interpretation process.
- Advanced Geological and Structural interpretation map of the Kurnalpi District at 1:25000 scale completed.
- Range of targets identified from the interpretation that are considered prospective areas for gold mineralisation.
- Five top tier targets selected after field inspection and prioritisation for further evaluation.
- Future work proposed to include, detailed Kurnalpi wide geological mapping, Aircore and RAB drilling at top tier targets.

## **Kurnalpi Gold Project**

The company's wholly owned Kurnalpi project is located some 90 kilometres to the east of Kalgoorlie and covers approximately 100 square kilometres centered on the historical Kurnalpi townsite. Kurnalpi was the site of a major alluvial gold rush in the late 1890's, was exploited in the mid 1980's by modern alluvial mining and continues to yield gold nuggets to this day over a wide area by prospectors who work the company's ground under agreement. Numerous small historical gold workings are located throughout the Kurnalpi area but a primary source to the extensive alluvial gold areas is yet to be located. The company considers the Kurnalpi Project to have the core geological, geophysical, geochemical and structural characteristics that are required to host major Archaean orogenic lode gold deposits, and has initiated work to progress exploration over this high priority area.

In March 2015 the company engaged Andrew Bisset (Core Geophysics) to complete an interpretation of the Kurnalpi area using all available open file company and Government aeromagnetic data sets that were merged to create a seamless mosaic over the wider area surrounding the interpretation block. The purpose of the interpretation was to deliver both a significantly improved geological and structural framework of Kurnalpi, but also a range of ranked target areas considered prospective for gold mineralisation that would assist the prioritisation and focussing of future exploration.

The interpretation was timely, given the Geological Survey of Western Australia (GSWA) completed the Kurnalpi South and North aeromagnetic surveys in July 2013, which covered a large area to the east of Kalgoorlie at 100m line spacings, a major improvement over the previously publically available 200m dataset. In addition to the aeromagnetic data, merging and processing of the company's detailed ground gravity survey that was undertaken in early 2012, with the regional GSWA dataset was also completed. Merging of the aeromagnetic and gravity data was completed in order to offer the highest resolution datasets for the interpretation process.

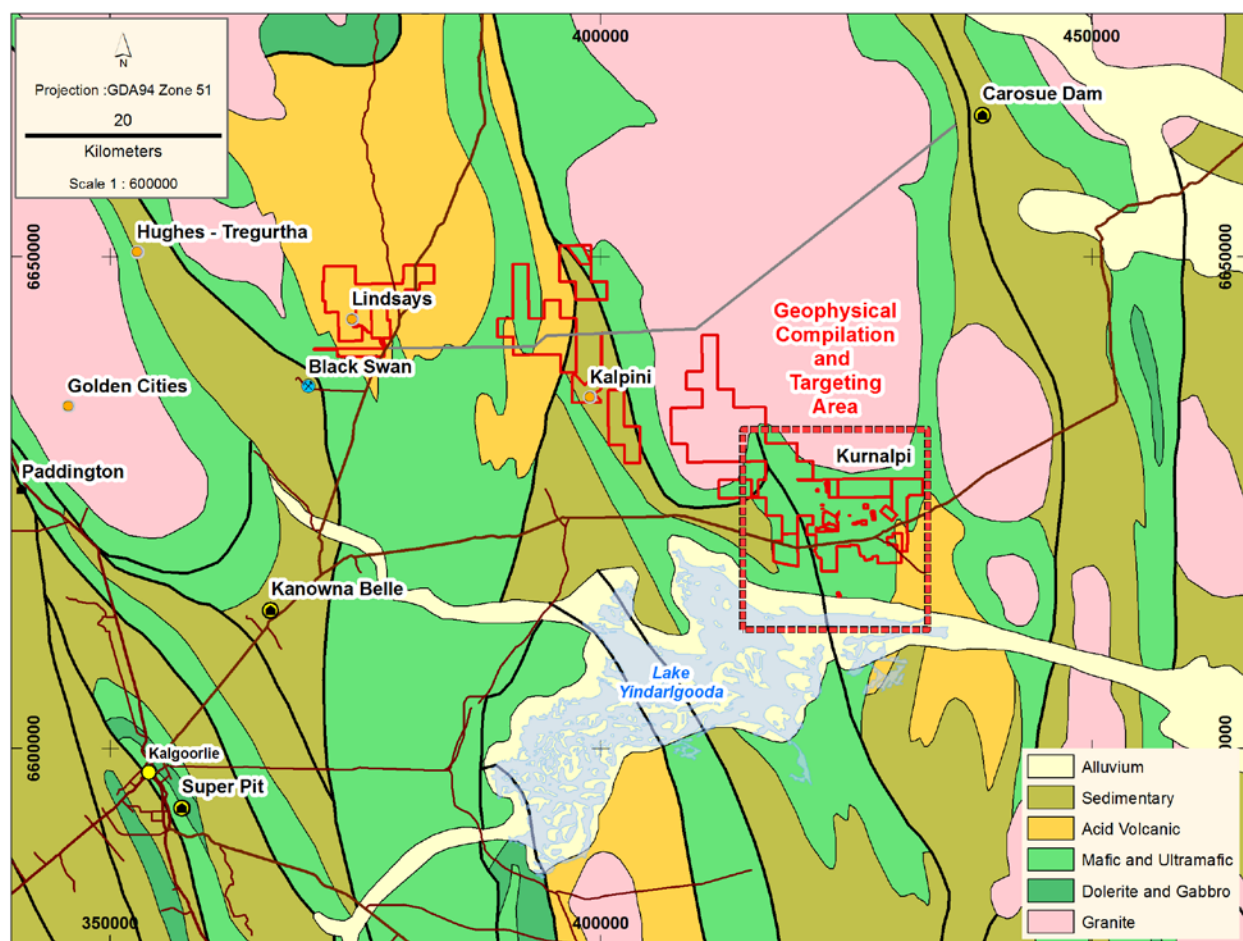
Given the level of detail produced from the merged geophysical datasets, some 50 targets were selected from the interpretation and were presented as an empirical ranking of Low, Medium and High. Some of these targets are in close proximity to each other and were thus considered as one or as a "cluster". The company has completed a field review and inspection of the higher ranked targets and has selected five areas considered top tier for further follow up evaluation by drilling. Three of these target areas have had no previous areas of drilling.

### **Future Work**

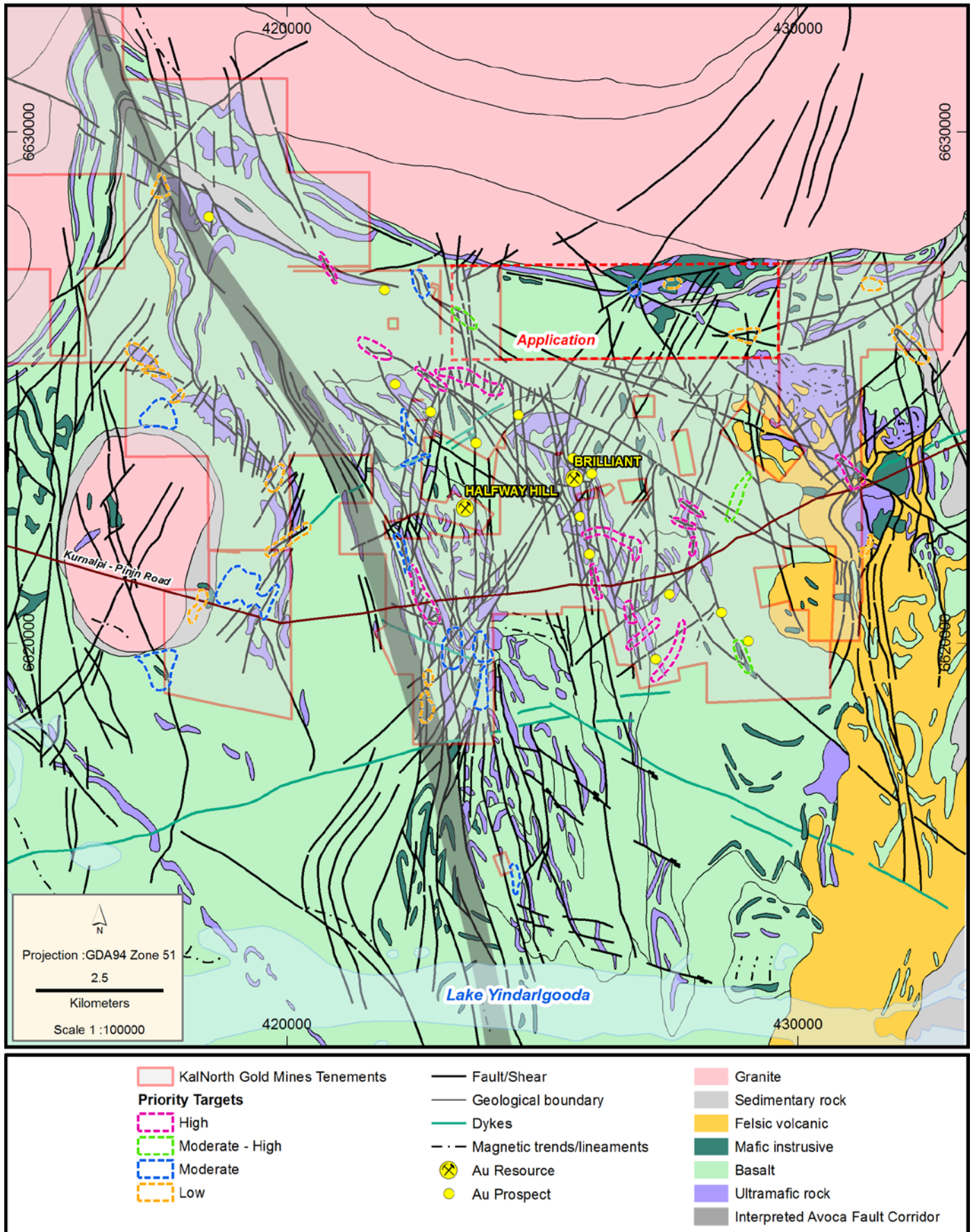
To complement the geophysical interpretation at Kurnalpi the company is planning to complete a detailed fact geological and geochemical (alteration) mapping program and initial drill evaluation of the five top tier targets. The geological mapping and geophysical interpretation datasets will be integrated to deliver an improved geological interpretation and further re prioritisation of areas considered to have the strongest vectors (geology, alteration, and geochemistry) to a major gold system.

**KalNorth Executive Director Lijun Yang commented** *“the recently released high resolution air aeromagnetic data provided by the GSWA integrated with the company owned detailed ground gravity data has provided the basis for a new and improved geological interpretation and targeting map over the Kurnalpi project, It is hopeful to unveil a new gold discovery from further evaluation of the higher ranked exploration targets selected on the basis of geology, structure and previous exploration*

**Lijun Yang**  
**Executive Director**  
**KalNorth Gold Mines Limited**

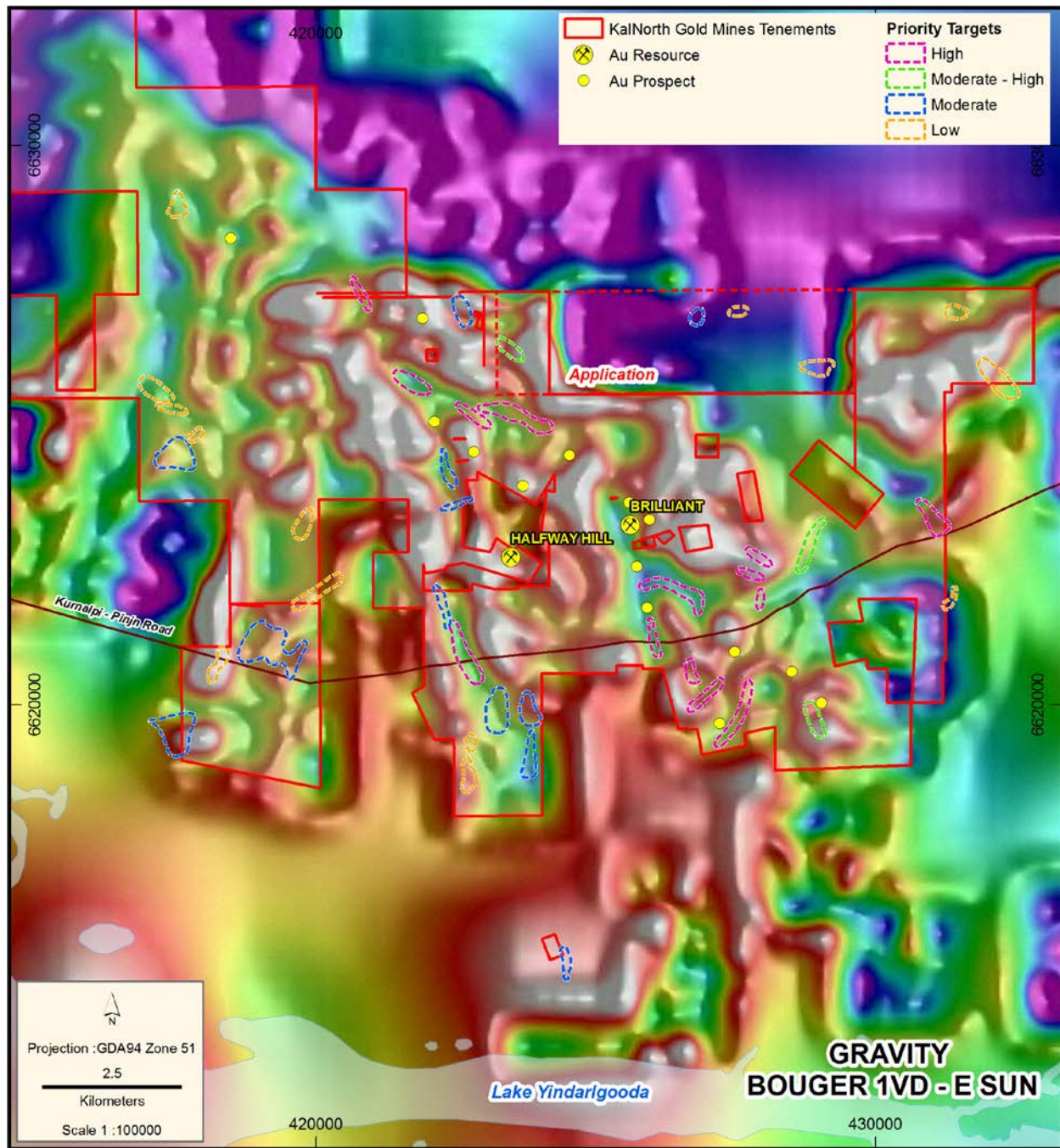


**Figure 1** Regional geology and location of Kalnorth project area with extent of Kurnalpi geophysical compilation.

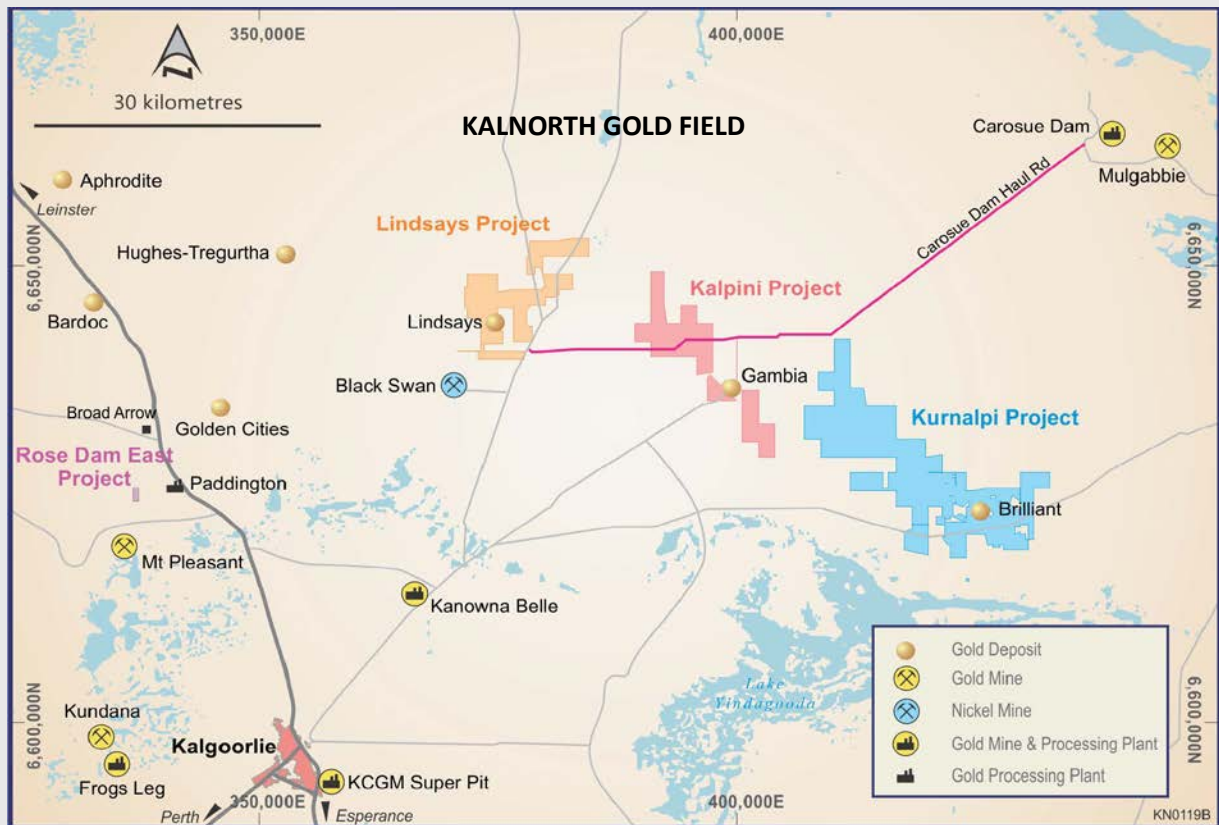


**Figure 2-**Geophysical Interpretation of the Kurnalpi Project and targets Identified. (Bisset





**Figure 3-**Image of processed and merged detailed gravity data, Kalnorth tenure and geophysical targets.



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. The core tenement package is divided into three projects, Lindsays, Kalpini and Kurnalpi (collectively the KalNorth Field) with each project containing an gold resource, that are proximal to nearby operating gold processing plants. The Spargoville project, located approximately 55km's to the south of Coolgardie.

KalNorth transitioned to gold producer in January 2013 when it brought the Lindsays Project into production via an open pit and toll treatment at the Carosue Dam mill. KalNorth mined Lindsays for 7 months before ceasing mining in August 2013. The company is currently considering opportunities to develop Lindsays as an underground mine focussing upon the Parrot Feathers lode beneath the Stage 2 open pit, but also focussing exploration efforts at the Kurnalpi Project.

### NOTES:

#### Competent Person Statement-Exploration Results

Information in this announcement that relates to exploration results is based on information compiled and reviewed by Mr. Wade Johnson who is the Exploration Manager and full time employee of KalNorth Gold Mines Limited. Mr. Johnson is a member of the Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and the activity which he is undertaking 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. Johnson consents to the inclusion in the document of the information in the form and context in which it appears.