

ASX ANNOUNCEMENT

16 January 2024

Approval to commence maiden drilling program at Atlantis Au-Cu Prospect



HIGHLIGHTS - Atlantis Au-Cu Prospect

- Final approvals have been received for the maiden drilling program at the Atlantis Au-Cu Prospect
- Atlantis is a compelling drill target represented by:
 - High grade 15.3% Cu and 0.84g/t Au rock chip results¹ (see photo 1)
 - Extensive 6.5km long Au-Cu-Sb-As soil anomaly
 - Three Electromagnetic (EM) geophysical conductors identified down-dip of the outcropping copper-gold mineralisation
 - Located between two fault splays coming off the mantle-tapping Koonenberry Fault
 - Doubly-plunging mafic dome similar to +5Moz Stawell gold mine in Western Victoria
- First ever drilling program of circa 6,000m is planned following summer months

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

Managing Director, Dan Power, said “We are pleased to inform our shareholders that **all approvals for the Atlantis drilling are now in place**. As soon as weather conditions permit, the Company will mobilise the drill rig to conduct first pass Air Core drilling.

The Atlantis outcropping copper-gold mineralisation, copper-gold soil anomaly, geophysical targets, structural and geological setting make Atlantis a compelling target. Whilst this prospect has been known about for some years, Koonenberry Gold has advanced it to drill ready status and will be the first ever exploration company to conduct drill testing.

In addition, we also eagerly await assay results from our Phase II Air Core drilling program at Bellagio. These results are anticipated soon.”



Photo 1. Rock chip sample KB03113, which returned 15.3% Copper¹, comprised of oxidized white meta-tuffaceous siltstone with oxide copper mineralisation (green in photo).

¹ Refer ASX announcement dated 21/03/2023

Atlantis Prospect Background

The Atlantis Prospect is defined by a 6.5km long gold-copper-antimony-arsenic soil anomaly. Stratiform malachite and remnant sulphides have been observed in outcrop in association with silica and hematite alteration. High-grade rock chip assays of 15.3% Cu and 5.62% Cu, as well as up to 0.84g/t Au, 16,000ppm As and 0.34% Pb, have been returned from outcrop.²

The geology comprises sediments, volcanics and an interpreted doubly-plunging basalt dome which is represented as a magnetic high. The area is considered highly prospective for Orogenic Gold mineralisation (Stawell Gold Mine – Type). Copper-dominant mineralisation styles such as VMS (Volcanogenic Massive Sulphides) are also possible.

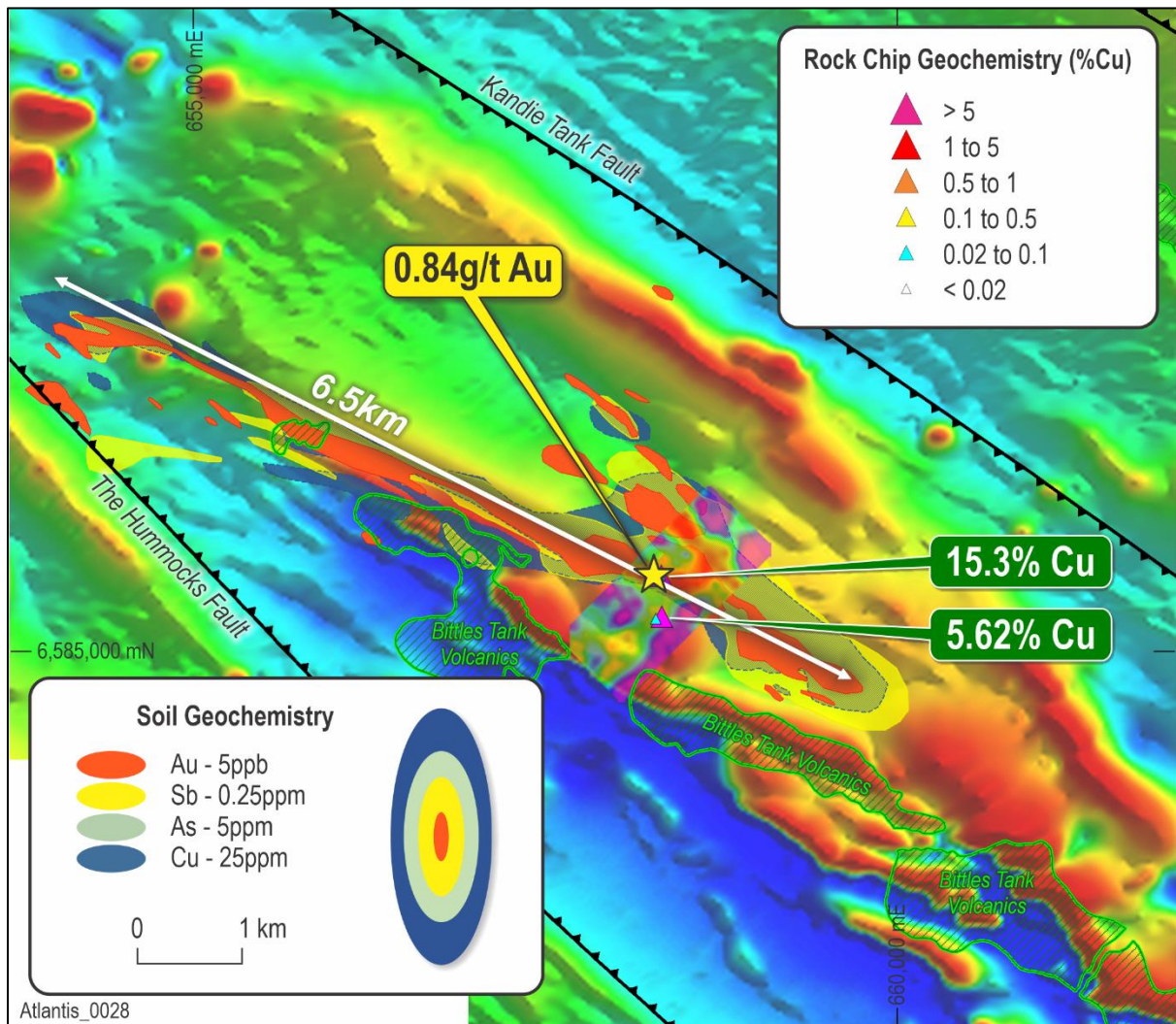


Figure 1. Atlantis Prospect with Late Time (Channel 21) EM image over RTP aeromagnetic image, 6.5km long Gold-Copper and Pathfinder element soil anomaly, rock chips & Volcanics outcrop. Coordinates in WGS84 Zone 54.

A Moving-Loop Electromagnetic (MLEM) survey was completed in March 2023 at the Atlantis Prospect to test for the presence of conductive bodies potentially representing sulphide mineralisation. The survey was completed over only a 600m strike length of the 6.5km long gold-copper-antimony-arsenic soil anomaly. Three Electromagnetic (EM) conductors were detected proximal to peak Gold and Copper rock chip assays of 0.84g/t gold and 15.3% Cu.³

² Refer ASX announcement dated 1/03/2023

³ Refer ASX announcement dated 21/03/2023

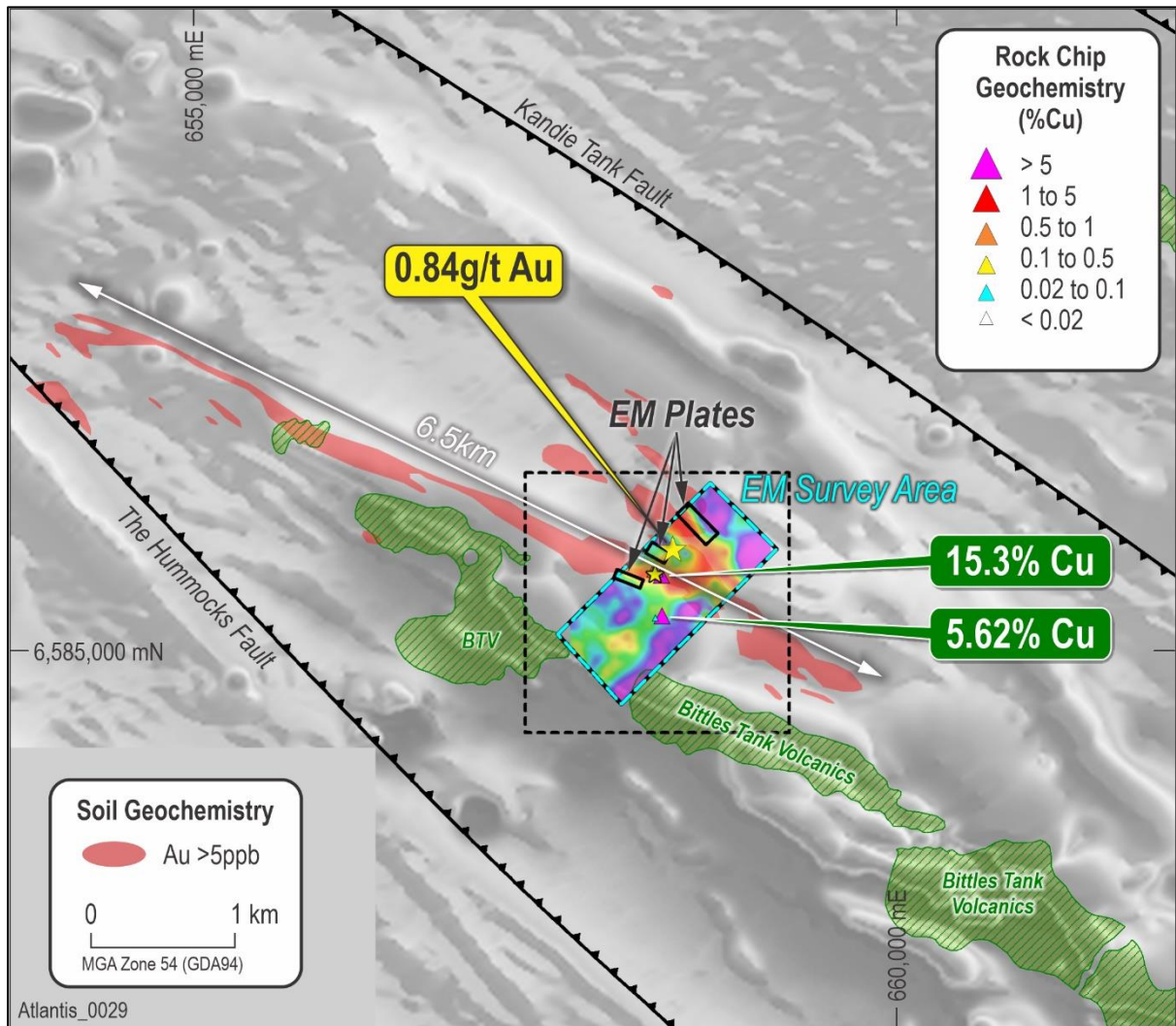


Figure 2. Atlantis Prospect with Late Time (Channel 21) EM image within the survey area over Grayscale RTP aeromagnetic image, 6.5km long Gold in soil anomaly, Rock Chips and Volcanics outcrop. See Figure 3 for enlargement of insert boxed area.

The EM conductors, whilst relatively weak, are interpreted to represent possible interconnected sulphide veinlets associated with Au-Cu mineralisation. These are labelled as EM Plate 1 – 3 on the cross section (Figure 4) and have approximate strike lengths of 200m, 150m and 300m respectively, each with 125m down dip extent.

The high-grade rock chips, gold in soil anomaly, multi-element pathfinder anomalies and the late-time EM response (red component) are all co-incident with a fold hinge mapped by the Geological Survey of NSW. Modelled EM plates appear to be located on both limbs of the fold. The limbs may have increased structural complexity related to deformation and therefore be better sites for mineralisation.

Significantly, the high-grade rock chip samples and gold in soil anomaly sit directly up dip from the modelled central plate, and the down dip extension of the SW plate coincides with a monoclinial flexure in the conductivity profiles. These coincidences could be interpreted as up-dip leakage of sulphide mineralisation from a NE dipping body and the SW dipping plate reflecting a fault (Figure 4).

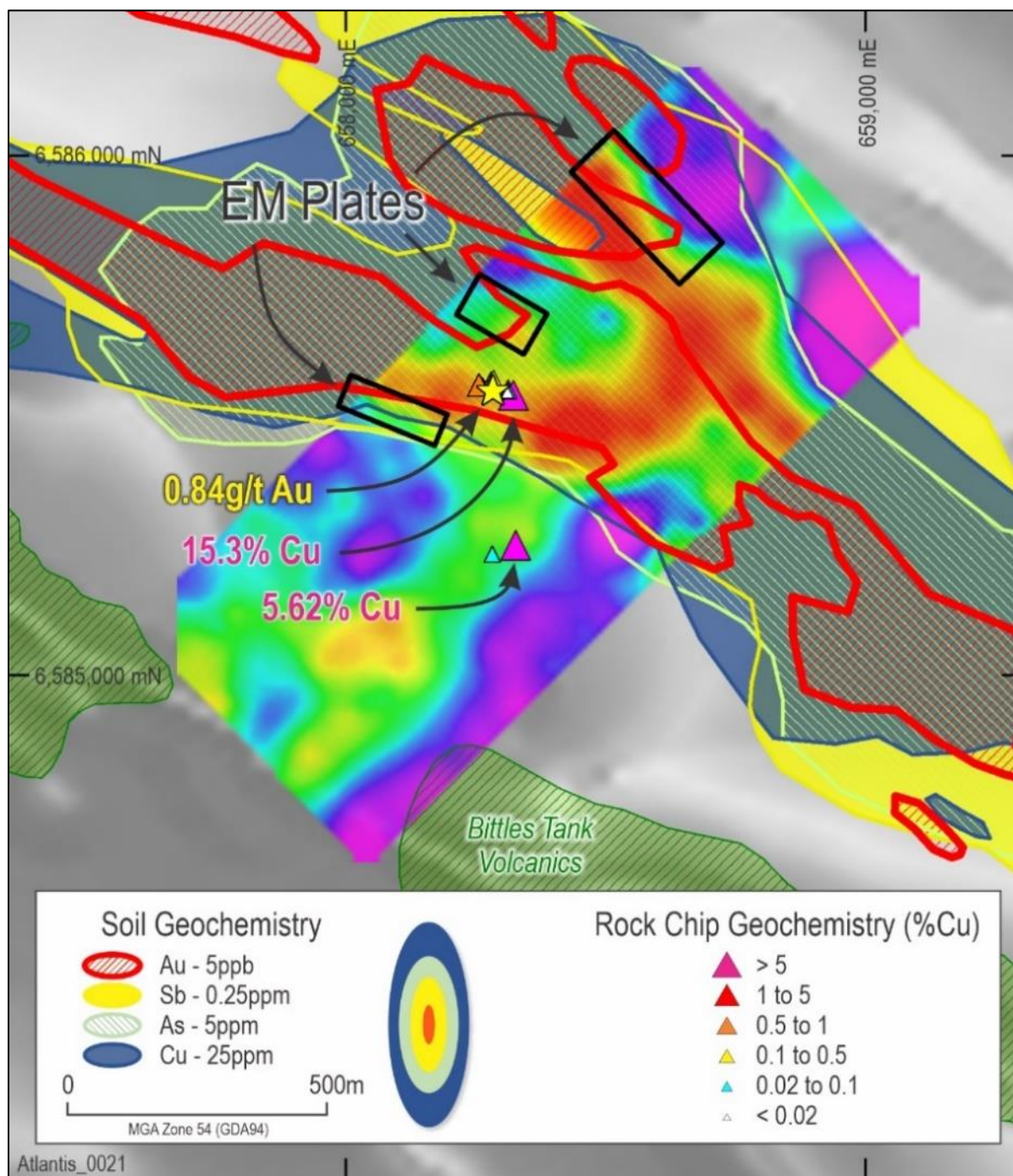


Figure 3. Enlarged area from Figure 2 showing the EM conductors over the Late Time (Channel 21) EM image over Grayscale RTP aeromagnetic image, Gold and Pathfinder soil anomalies, rock chips & Volcanics outcrop. The modelled EM plates are the black rectangles labelled. Refer ASX announcement dated 21/03/2023 for EM survey details

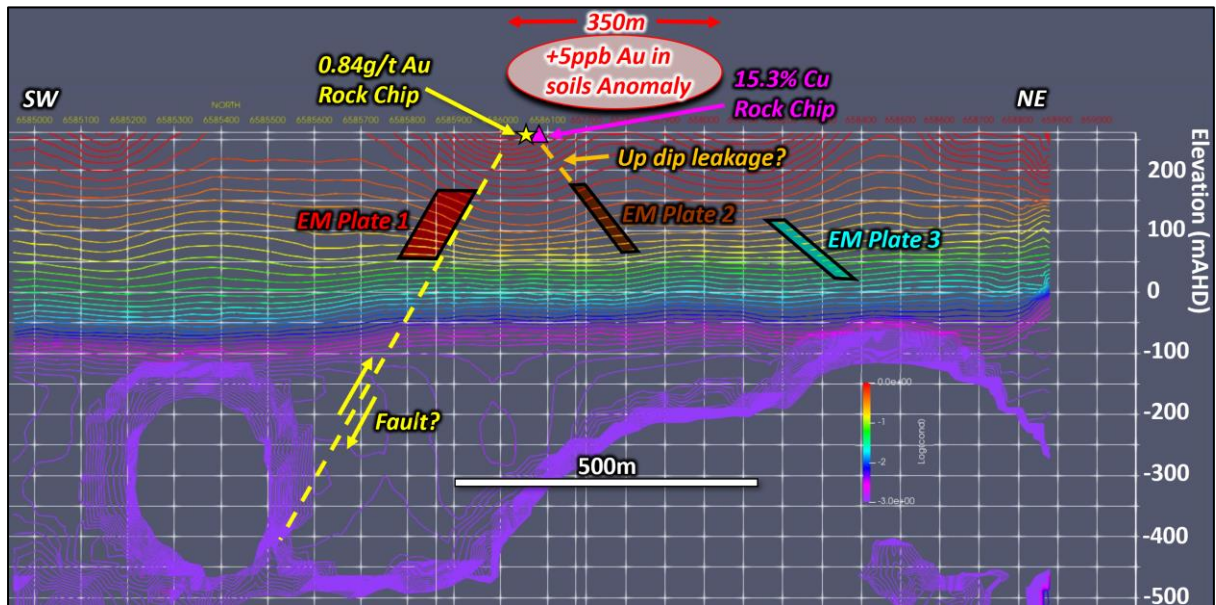


Figure 4. SW-NE Cross section through the high-grade copper rock chips (view toward NW) with modelled EM plates, conductivity contours and possible structures. Elevation mAHd is metres Australian Height Datum. Note the location is also coincident with the 350m wide gold in soil anomaly.

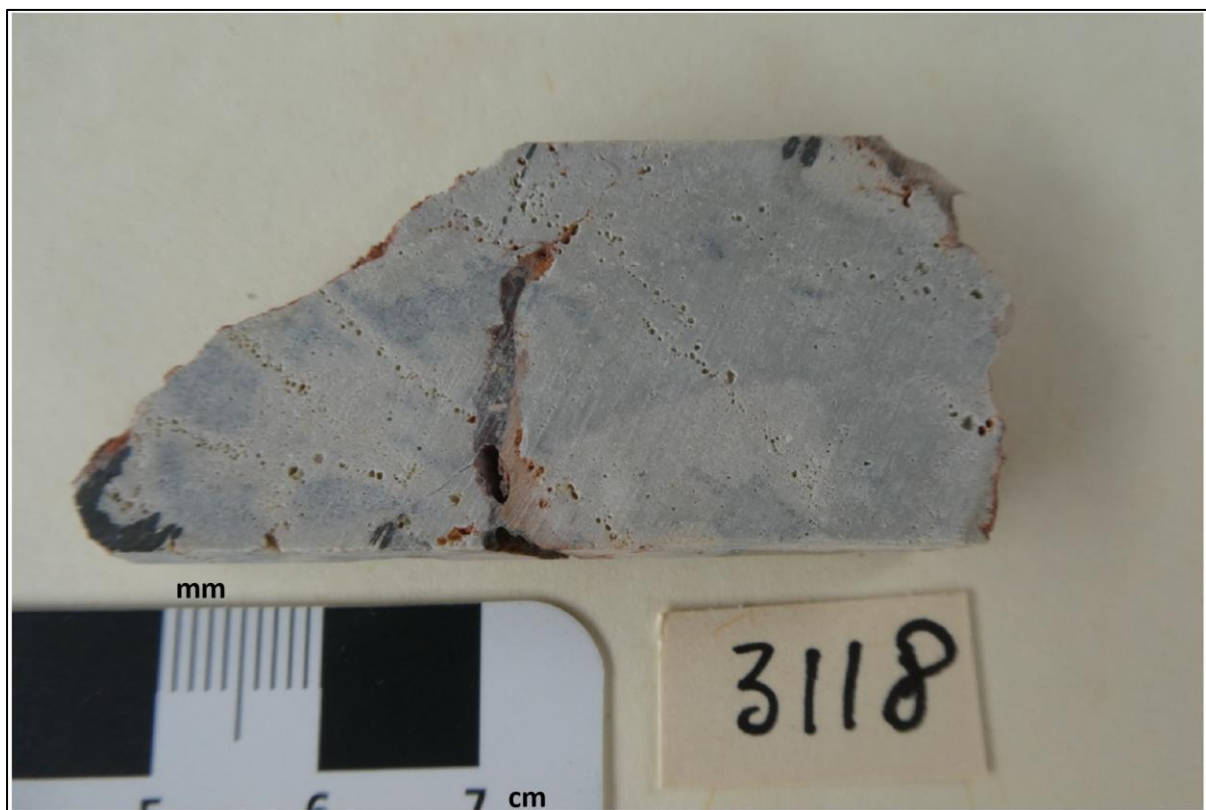


Photo 2 – Slab from Atlantis outcrop of sample KB03118 which returned 0.838g/t Gold⁴, dominated by secondary silica (hydrothermal alteration), containing abundant ex-sulphide coarse voids (up to 1mm) which are flanked by fibrous pressure fringe quartz.

⁴ Refer ASX announcement dated 21/03/2023

Forward Program

An initial program of around 60 Air Core holes for 6,000 metres has been designed to test the Atlantis Prospect. The program will test several prospective features including multiple drill traverses across the 6.5km long multi-element soil anomaly, high grade copper and gold rock chips in outcrop, up dip positions of the three electromagnetic conductors and contact margins of the Bittles Tank Volcanics from the RTP magnetics.

The program has been designed to systematically test these features and is expected to take around 2-3 weeks to complete. The program is scheduled to commence as soon as weather conditions permit following the summer months.

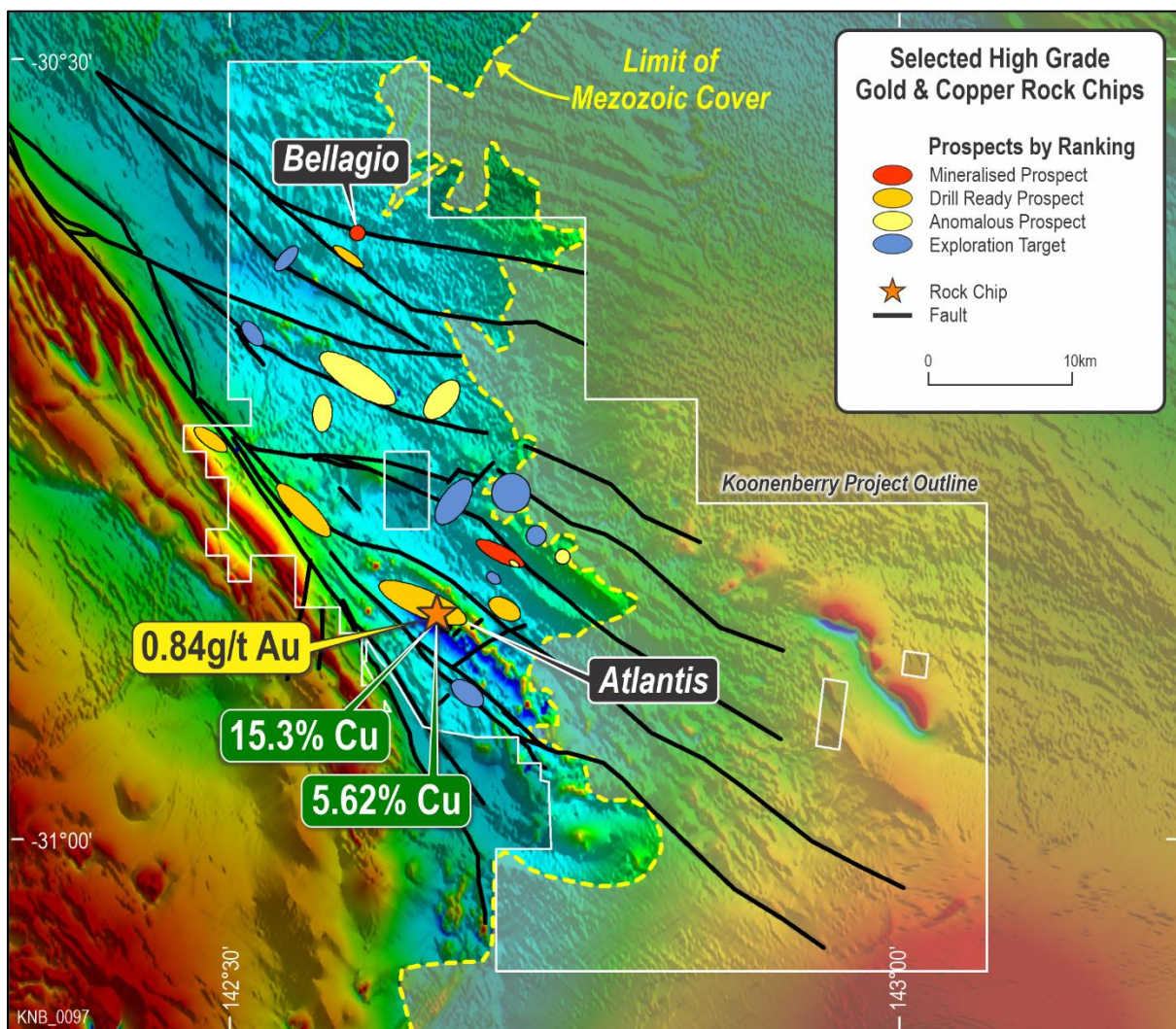


Figure 5 – Atlantis Prospect, including select rock chip results⁵, in relation to the numerous Prospects within the Koonenberry Project.

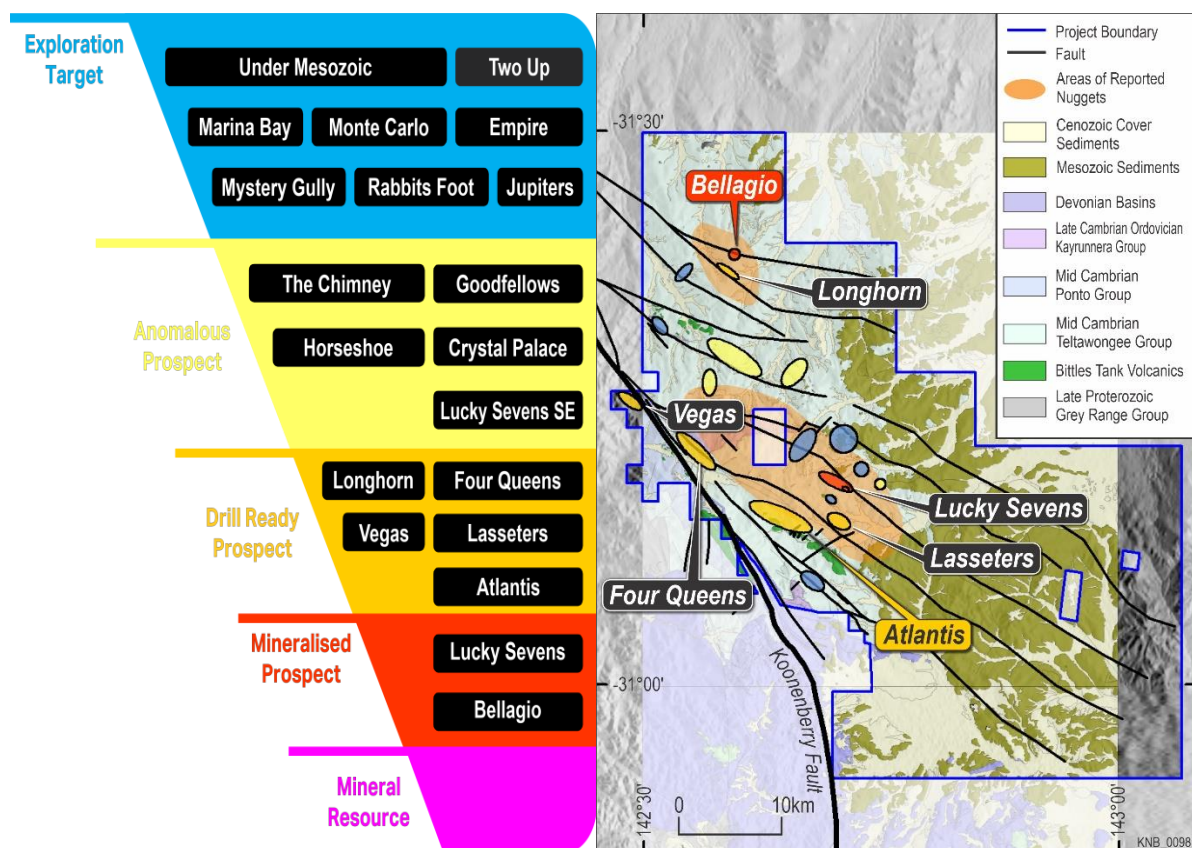
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⁵ Refer ASX announcement dated 21/03/2023

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.



Koonenberry Gold Prospects and pipeline of discovery opportunities.

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

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- 06/09/2023 KNB (ASX). Drilling Program Update for Bellagio Gold Prospect.
- 03/10/2023 KNB (ASX). Bellagio Gold Prospect Encouraging Initial Drill Results.
- 07/09/2023 KNB (ASX). Addendum to Bellagio Update Announcement.
- 23/10/2023 KNB (ASX). Quarterly Activities Report.
- 30/10/2023 KNB (ASX). Widespread gold mineralisation identified from first pass drilling at Bellagio.
- 20/11/2023 KNB (ASX). High impact follow up drilling to commence at Bellagio.
- 12/12/2023 KNB (ASX). Bellagio drilling intersects visible gold and widespread alteration

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. Where reference is made to previous announcements of exploration results in this announcement, the Company confirms that it is not aware of any new information or data that materially affects the information and results included in those announcements.

Forward looking statements

This announcement may include forward looking statements and opinion. Often, but not always, forward looking statements can be identified by the use of forward looking words such as "may", "will", "expect" "intend", "plan", "estimate", "anticipate", "continue", "outlook" and "guidance" or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs. 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. Visual estimates of mineral abundance should never be considered a proxy or substitute for laboratory analyses where concentrations or grades are the factor of principal economic interest. Visual estimates also potentially provide no information regarding impurities or deleterious physical properties relevant to valuations.