In October 2020, a field inspection was made by KME personnel to the historical Jaeilgunbuk mine workings, situated in the northern sector of the Haman project. Rock chip sampling indicates the presence of an unusual sediment-hosted replacement style of Au-Cu mineralization, associated with the sheeted vein-dyke swarm system. KME considers there is significant potential for a bulk tonnage, open pittable Cu-Au-Ag deposit, as well as high-grade Au-Cu-Ag still remaining in the vein structures at Jaeilgunbuk

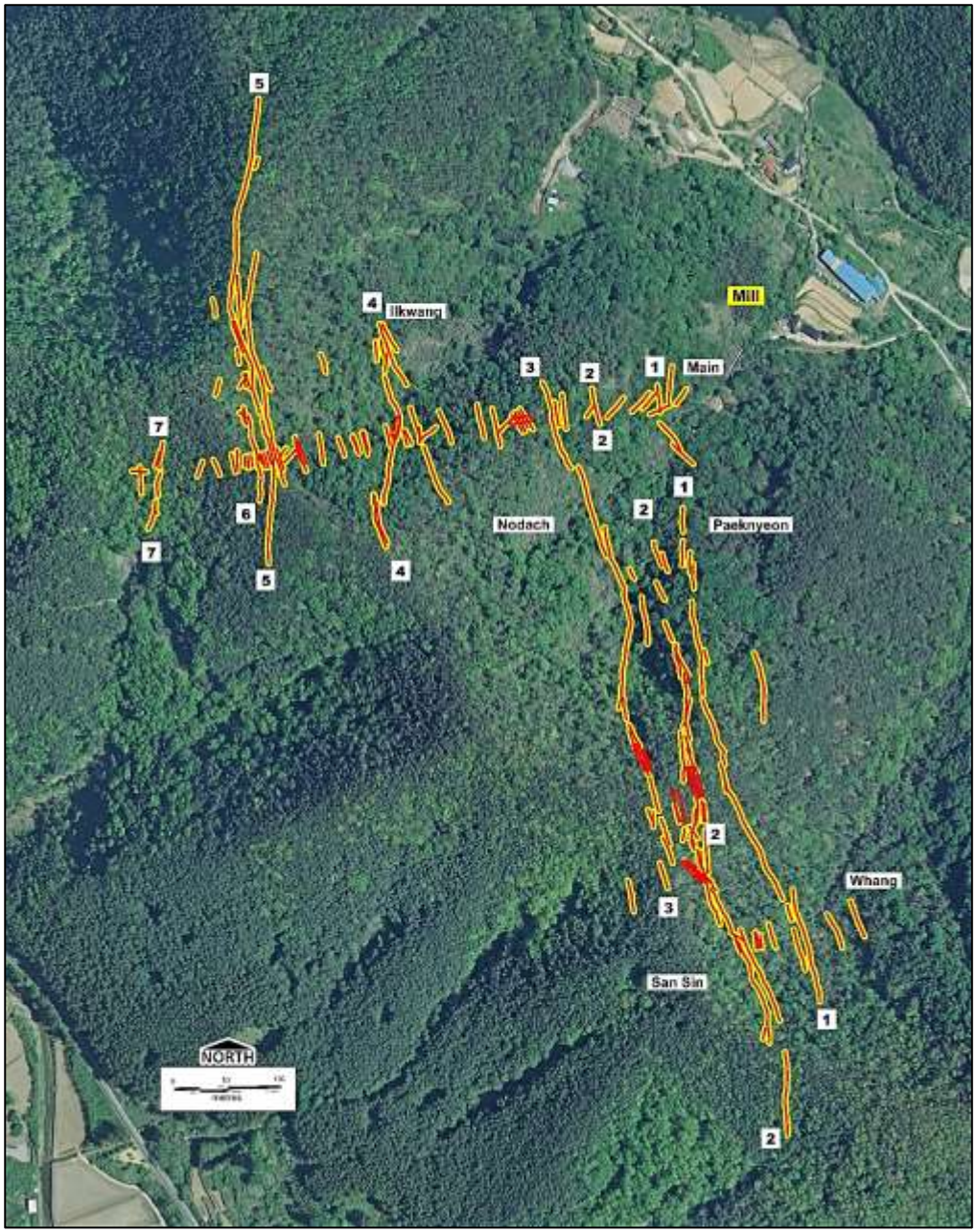
Jaeilgunbuk consists of a sheeted vein system, striking NNW, with steep dips to the W, developed over an area with strike length of 960m x 550m width. Detailed mapping of the underground adit maps shows the presence of numerous narrow sheeted, subparallel, carbonate and chalcopyrite-pyrite veinlets (1-15cm wide), exposed in the adit walls between the **No 1** to **No 7 Vein** structures. A swarm of narrow mafic basic dykes (lamprophyre?) have been emplaced along the same fissure structures as the veins and a genetic relationship with mineralization is most likely.

Jaeilgunbuk was mined during 1963-1975 using the *Main, Paeknyeon, Sam Sin, Nodachi, Ilkwang and Whang Adits*, which were all accessed from the eastern flank of the hill at Jaeilgunbuk. Based on the underground adit maps (Moon et al, 1968), it is possible to estimate the total length of tunneling as 4,990 metres and the amount of material extracted as about 55,000 tonnes.

KMPC (1975) indicates about 30,000t was mined at Jaeilgunbuk at an average ROM grade of 19.71g/t Au, 90g/t Ag and 7.19% Cu, which recovered 19,610oz gold, 89,375oz silver and 2,146t of copper. It is clear this production was sourced from adit driving-prospecting which followed the high-grade vein structures along strike, but there was little/no production from stoping.

The close association of magnetite and pyrrhotite with the mineralized vein structures, together with mafic basic dykes, suggests exploration at Jaeilgunbuk would significantly benefit from a high-resolution magnetometer survey to help better define the structures.

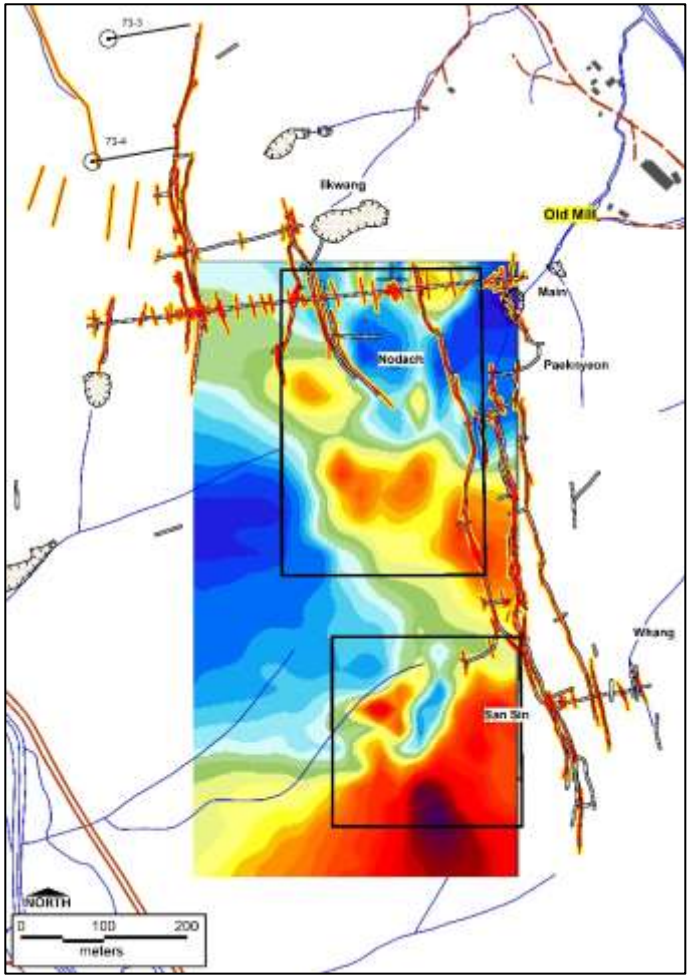
The Jaeilgunbuk vein system has never been drill tested.

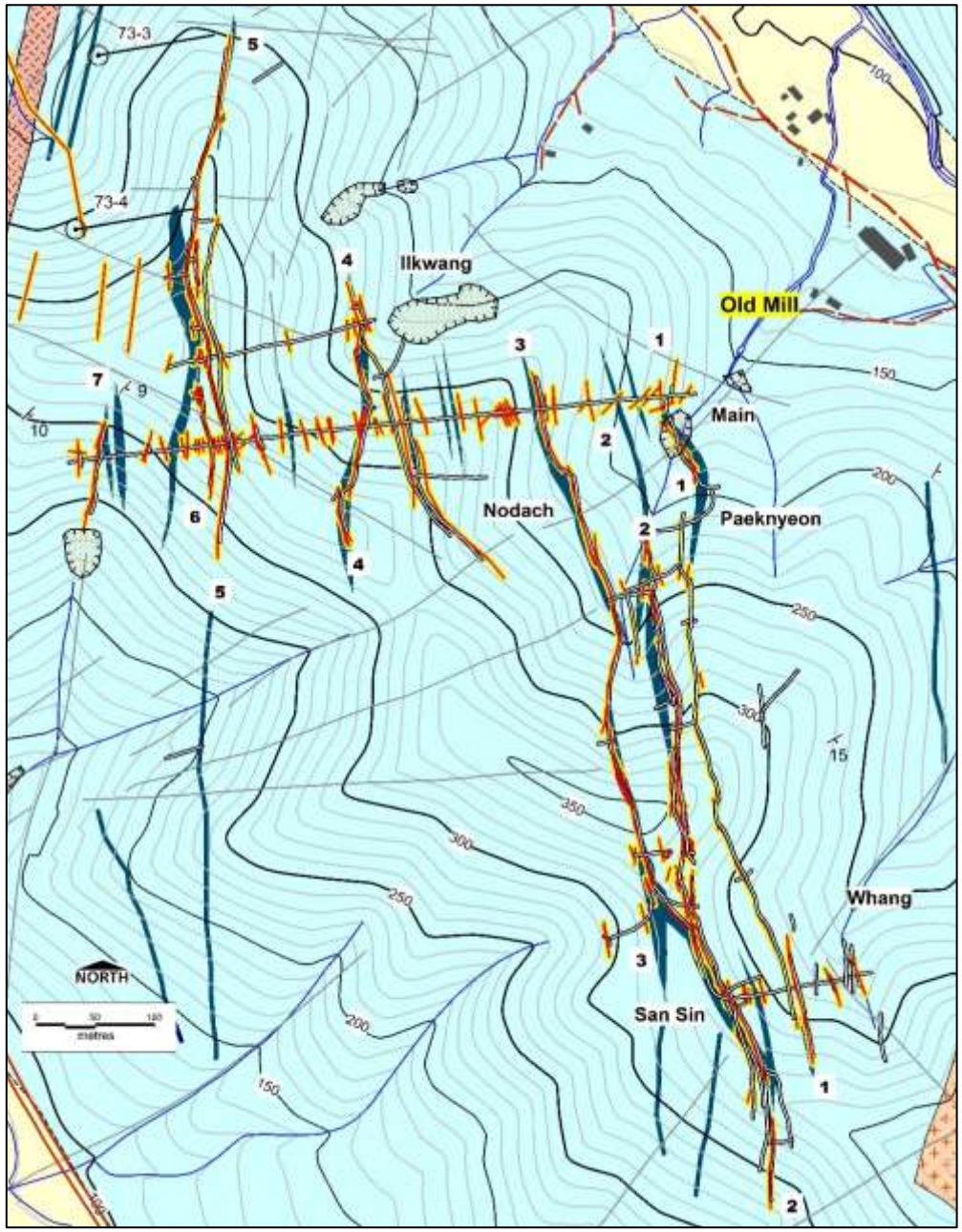


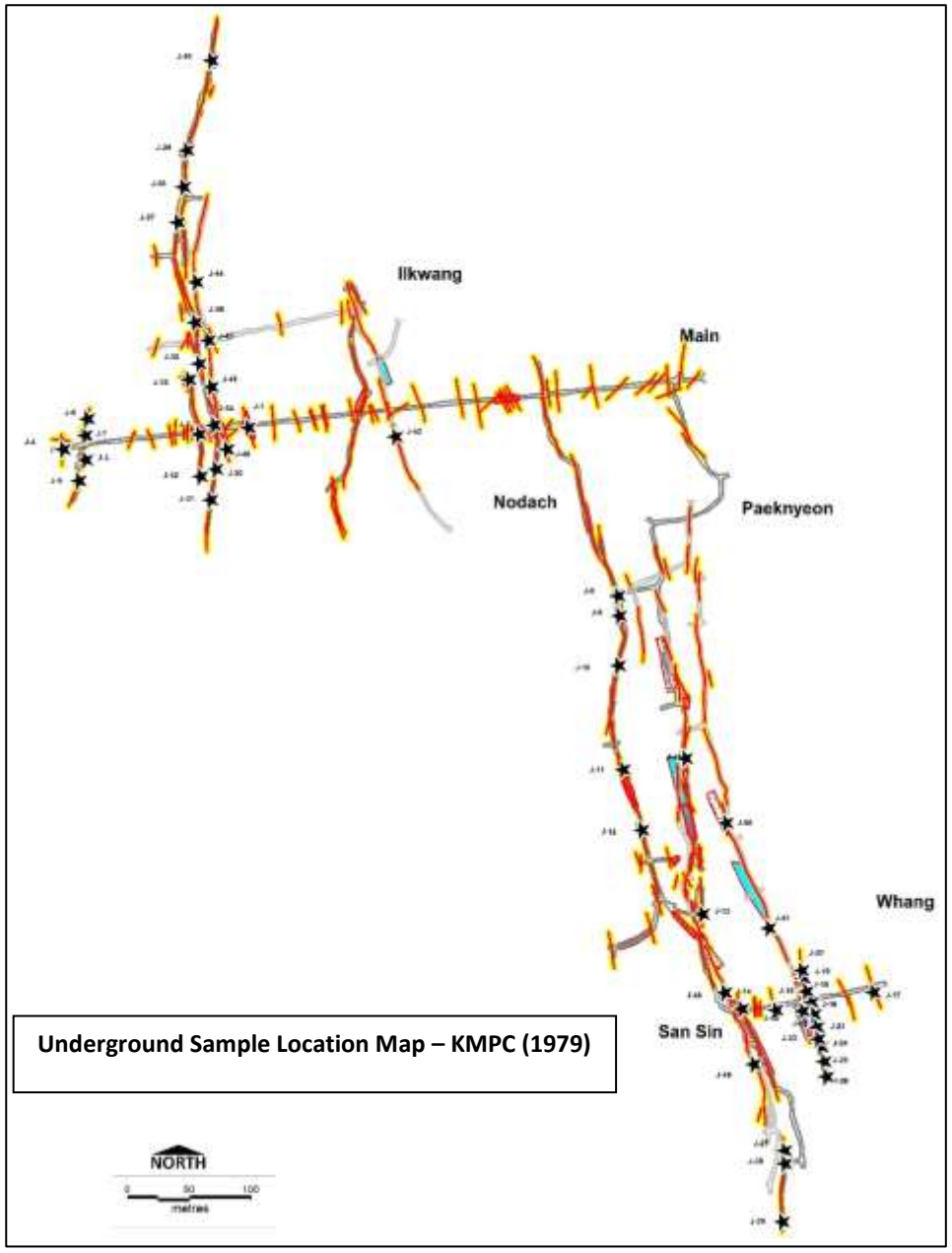
Jaeilgunbuk Aerial Photograph, showing surface projection of the historical prospecting adits and Vein Nos 1-7. Many veins were encountered in the Main Adit across the strike of the Jaeilgunbuk vein system. The location of the old flotation mill site (123tpd) is also shown.

Jaeilgunbuk Geological Map, showing surface projection of prospecting adits, Vein Nos 1-7 and the associated mafic dyke swarm. The close association of mafic dyke contacst with lode structures is readily apparent.

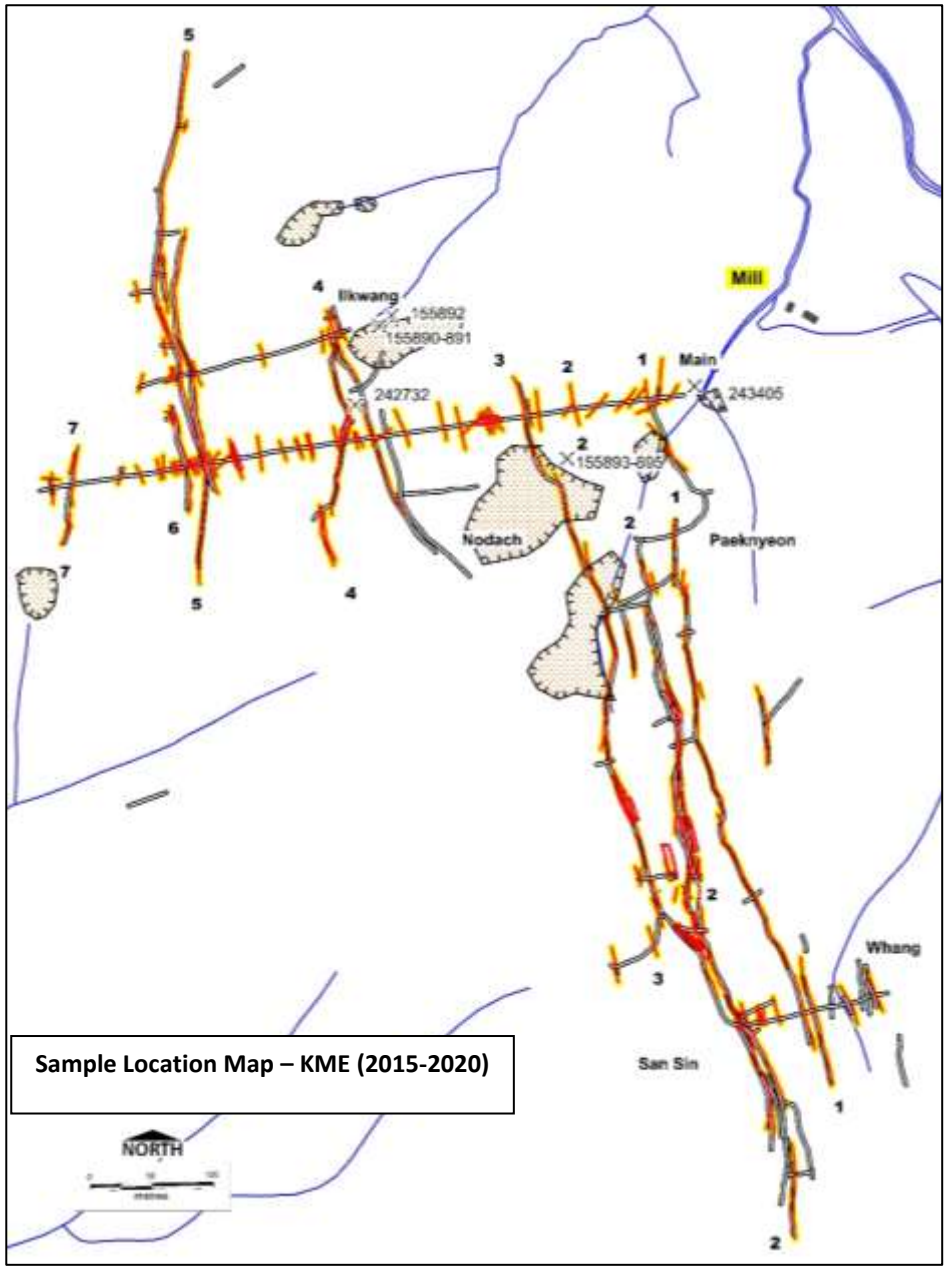
Self Potential geophysical survey colour plot below shows the conductor anomalies coincide well with the trend of the vein and mafic dyke swarm and suggest **Vein Nos 3** and **4** may be interconnected at depth. There is also a large anomaly in the south, immediately west of the San Shin adit. These SP anomalies have not been drill-tested.





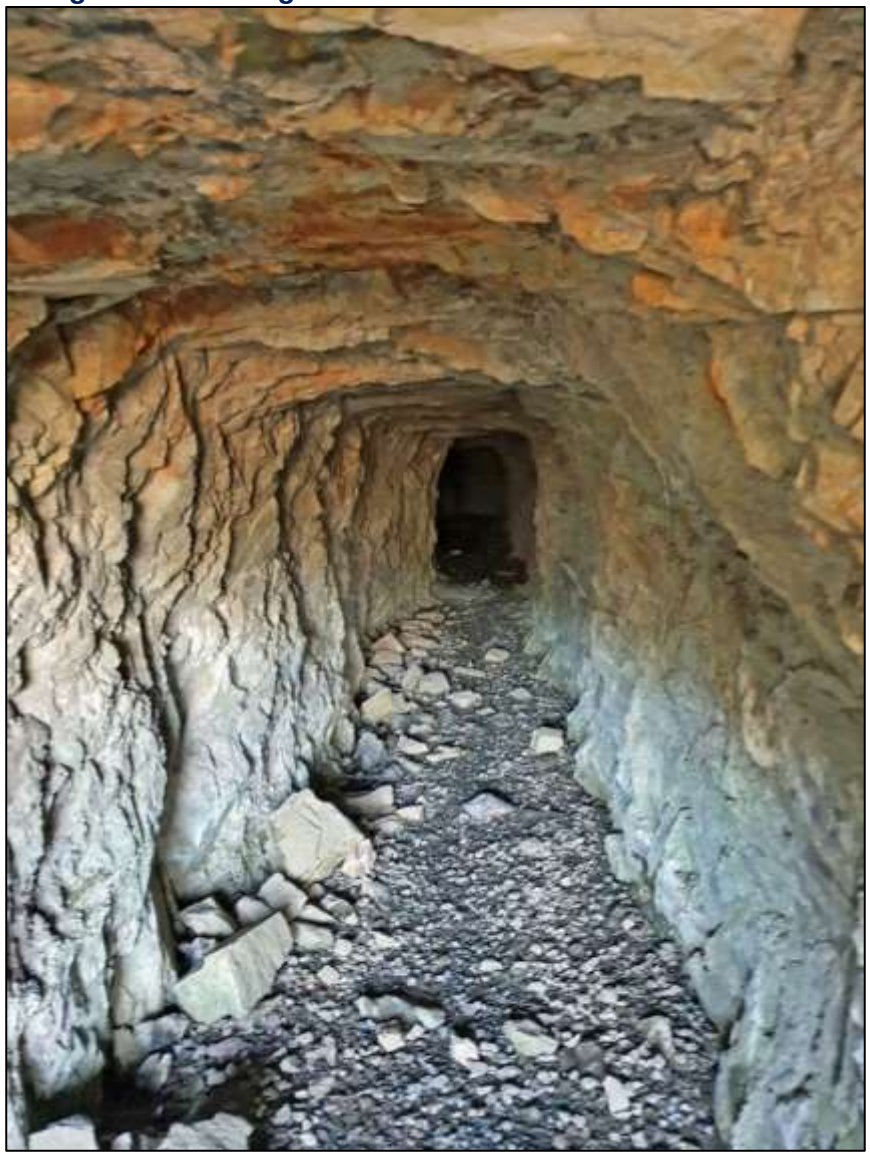


Underground Sample Location Map – KMPC (1979)

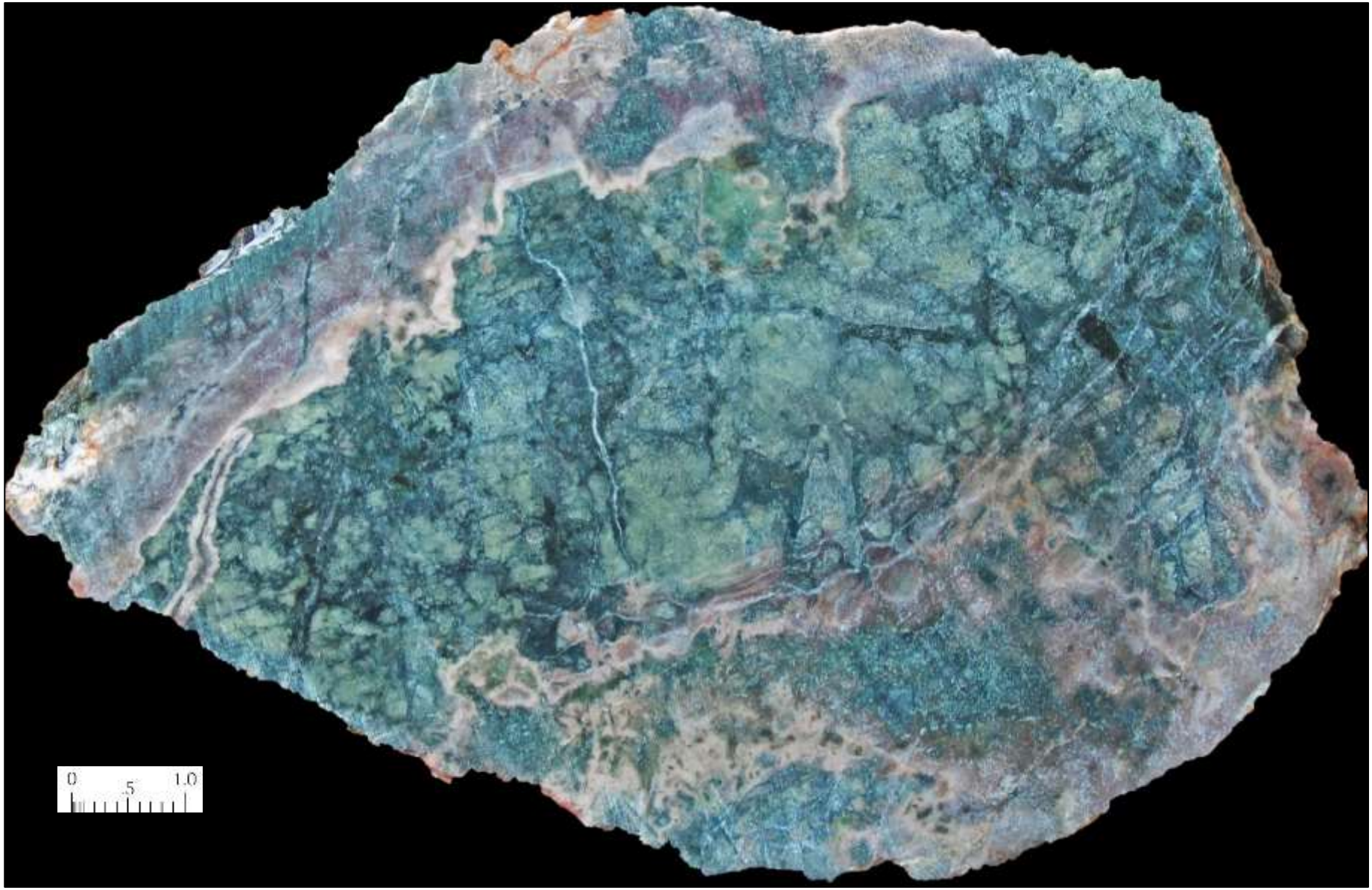


Sample Location Map – KME (2015-2020)

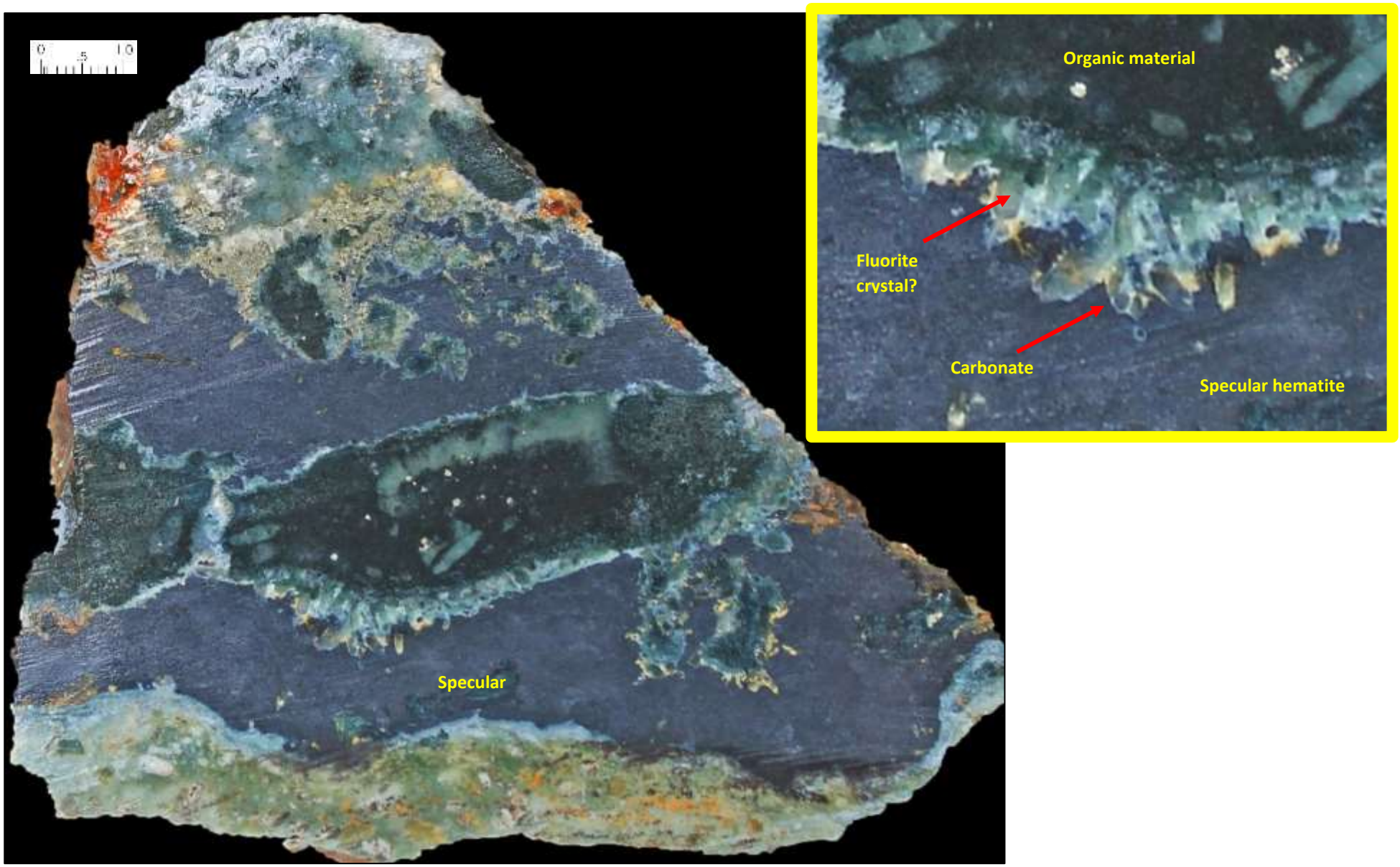
Jaeilgunbuk workings. Nodach Adit



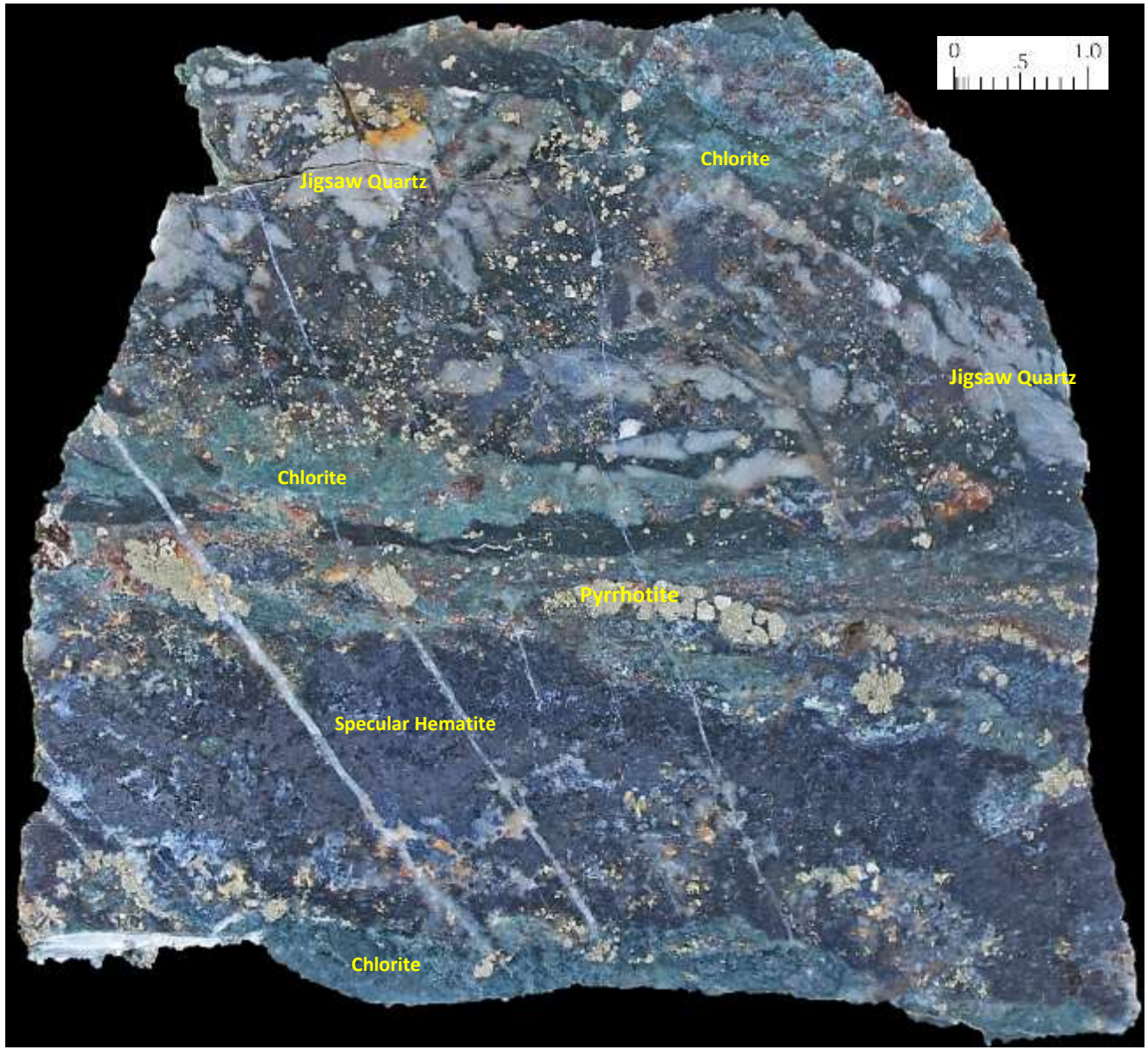
Inside the Nodach No 1 Adit, showing the prospecting adit is still accessible. At right is the mafic dyke exposed in the footwall of No 4 Vein, Nodach No 1 Adit. The mafic dyke strikes NNW, dipping steeply to the west, with a slickenslide contact with the gently dipping sediments of the Haman Formation. Only limited prospecting was done, the KMPC collecting sample **JG-42** from the **No 4 Vein** which assayed 1.00% Cu.



Sample 155893. Purple fluorite-white carbonate veins in chlorite altered, brecciated mafic dyke, exposed in footwall of No 4 Vein, Nodach No 1 Adit. The veining is consistent with late-stage hot alkaline fluid (fluorite-carbonate) overprinting the mafic dyke.



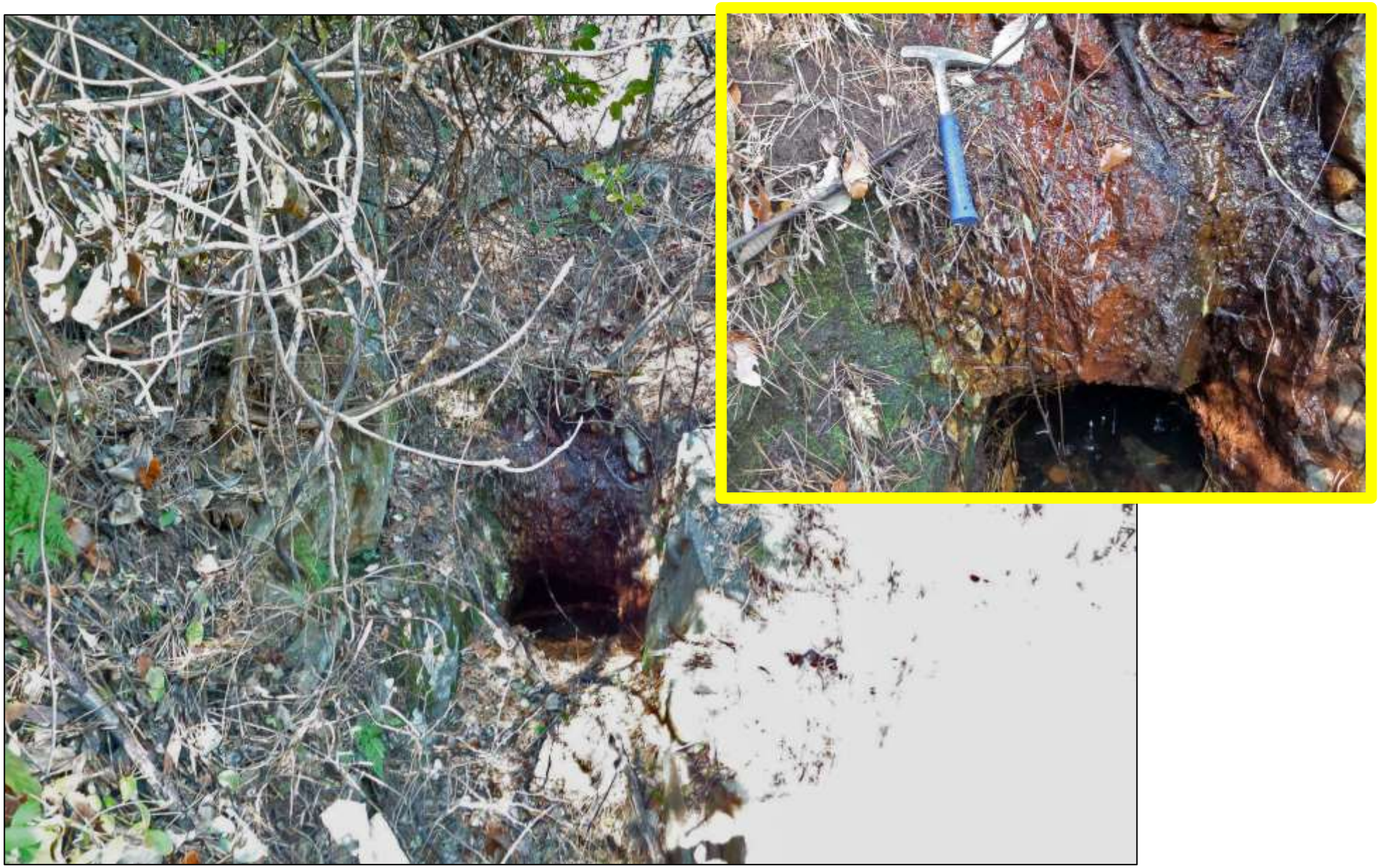
Sediment-hosted replacement style mineralization, Nodach No 1 Adit. Sample 155894: 7.42g/t Au, 0.56% Cu, 174ppm As, 261ppm W, 11.1% Fe & 0.40% Mn.
An unusual zoned dissolution-reaction-replacement front is clearly evident in this sample (see inset), consisting of steel-grey specular hematite, then green prismatic crystals of fluorite “ghost” outlined by a rim of white carbonate ?, then dark grey carbonaceous material (cyano algal mat ?) with pale slabby anhydrite evaporite ?.



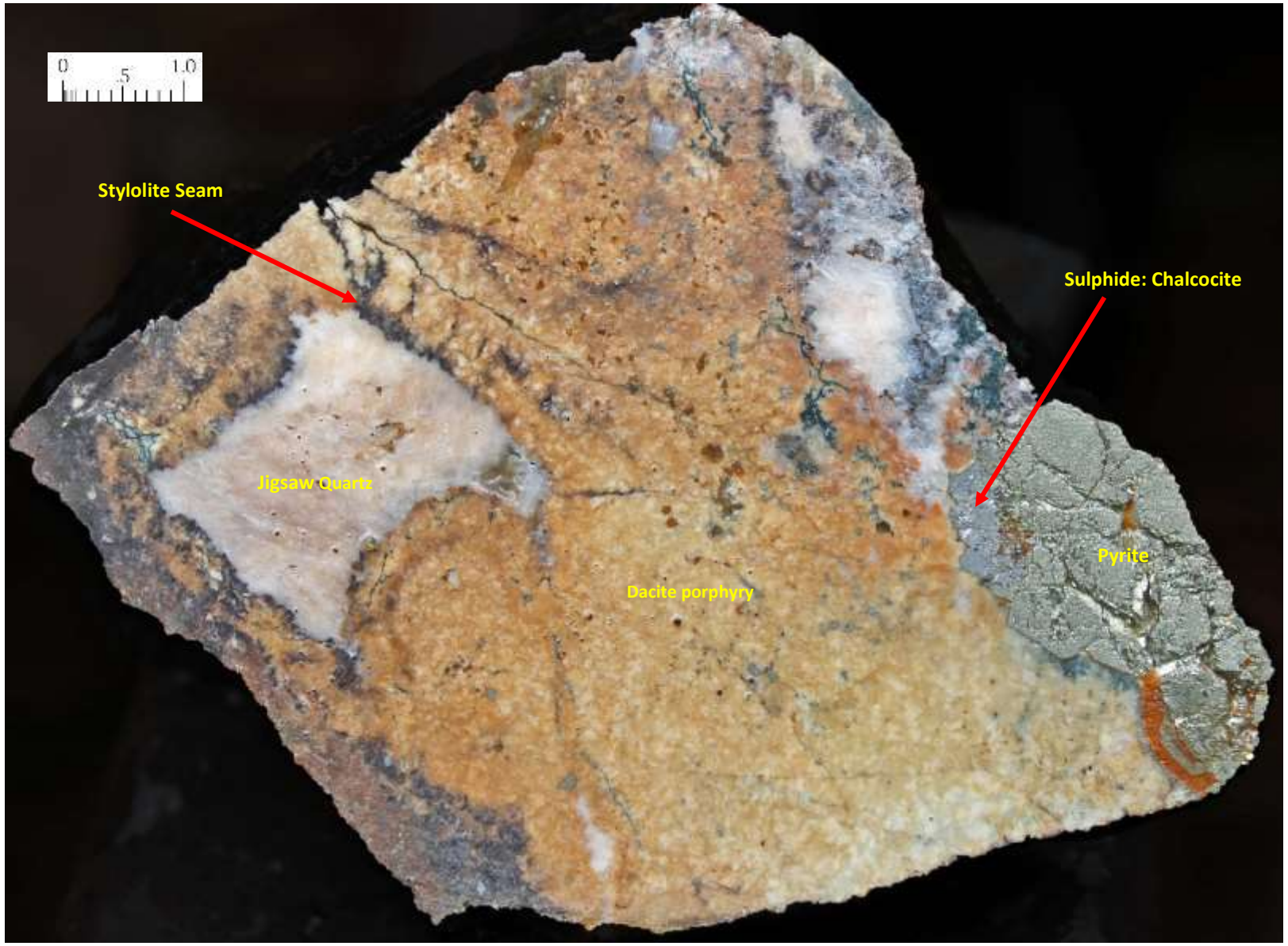
Vein No 4, Nodach No 2 Adit. Sample 155895: 12.15g/t Au, 3g/t Ag, 405ppm As, 0.33% Cu, 146ppm Co, 277ppm W, 0.23% Mn, 0.16% P & 14.45% Fe. Multi-phase hydrothermal breccia composed of fluidized bands of steel-grey specular hematite, green chlorite, amorphous diffuse streaks of grey jigsaw-textured quartz (evidence of recrystallization) and sulphides (pyrite, arsenopyrite, pyrrhotite and chalcopyrite).

Jaeilgunbuk workings. Ilkwang Adit

Ilkwang No 2 Adit, Jaeilgunbuk workings. The adit is still accessible to exploration.

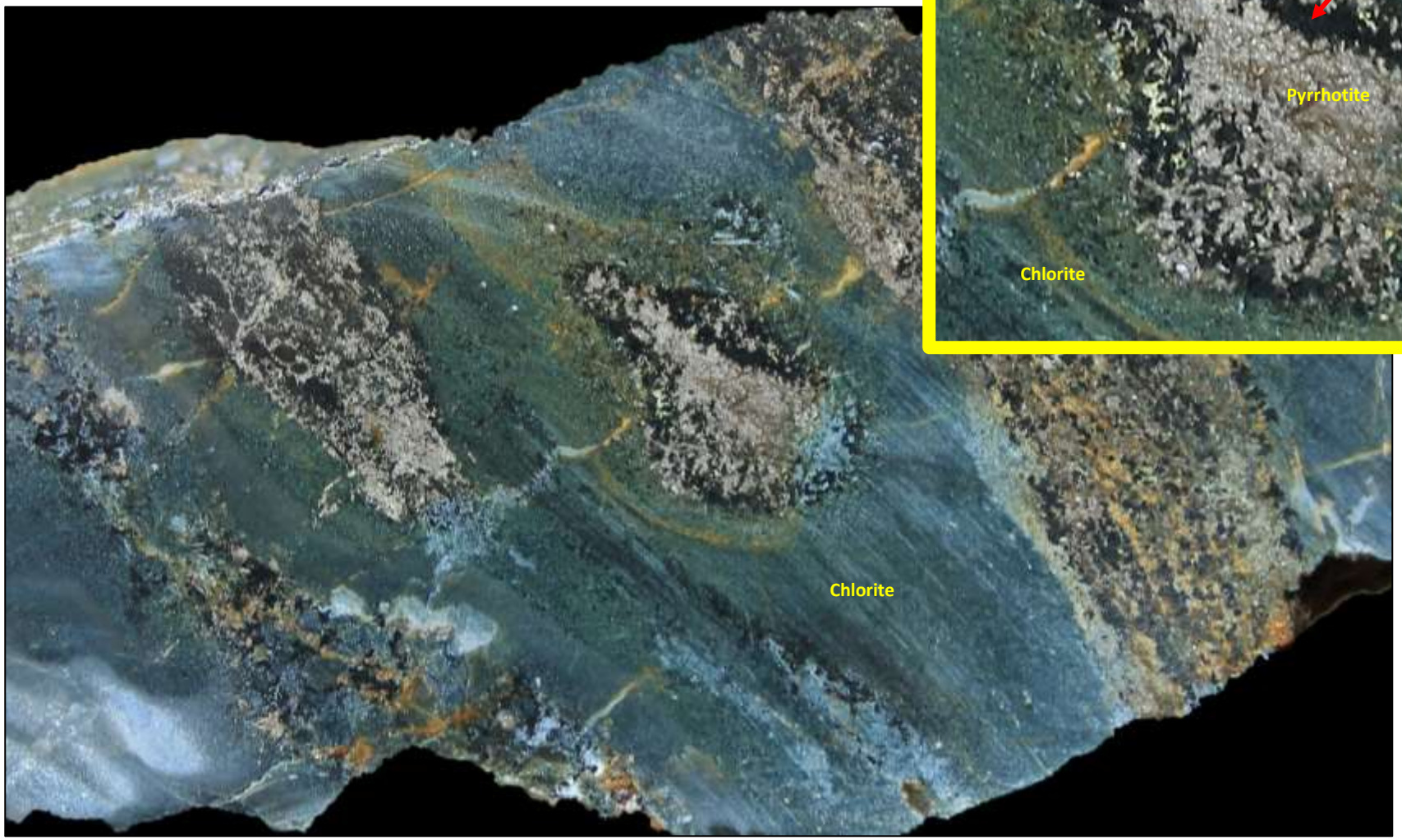


Ilkwang No 1 Adit, Jaeilgunbuk workings. Inset shows close up of the vein structure exposed in roof of this water-filled adit, with minor acid-mine drainage seepage.



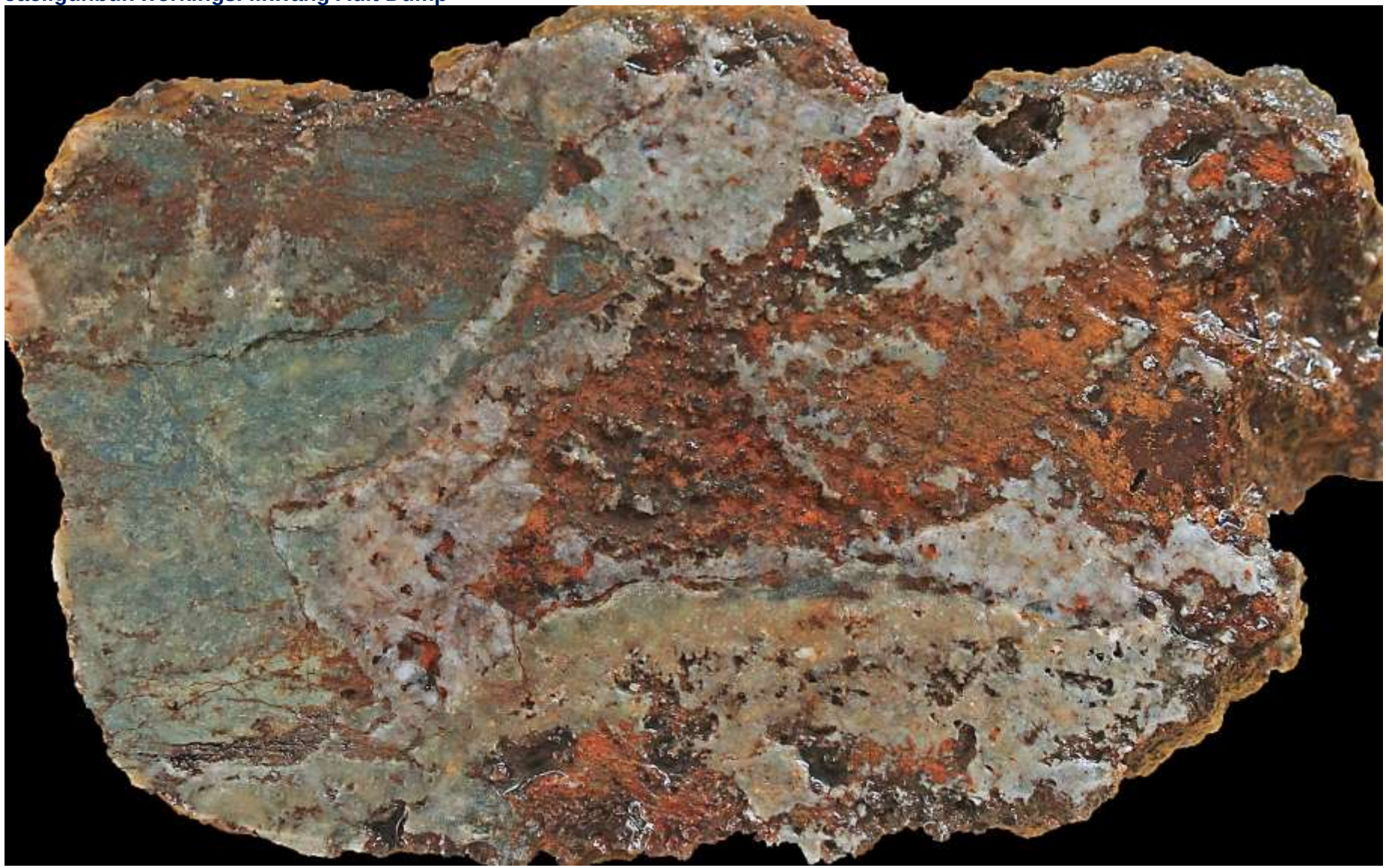
Feldspar porphyry dyke from the Ilkwang No 1 Adit. Sample 155890: 0.34g/t Au, 0.55% As, 497ppm Cu, 104ppm Bi, 111ppm Co, 11ppm Sb, 35.3% Fe, 2.44% Mn. The dyke is mainly composed of calc-potassic altered dacite porphyry. There are some dissolution pits after disseminated sulphide ?, along with jigsaw-textured quartz displaying stylolite margins and seams. Coarse-grained pyrite is evident at right, along with a silvery sulphide (chalcocite ?.

Example of sediment-hosted, replacement style mineralization, Ilkwang No 1 Adit, No 4 Vein. Sample 155891: 6.08g/t Au, 0.27% Cu, 72ppm As, 17ppm Mo, 0.28% Mn, 11.4% Fe. Fine-grained sediments of the Haman Formation contain layers with bands of unusual mounds (algal mat structures) that contain replacement-style early black manganese oxide?/sooty chalcocite? with later cores of pyrrhotite and arsenopyrite. The sample indicates there is potential for a significant bulk tonnage sediment-hosted, replacement style of mineralization at Jaeilgunbuk.

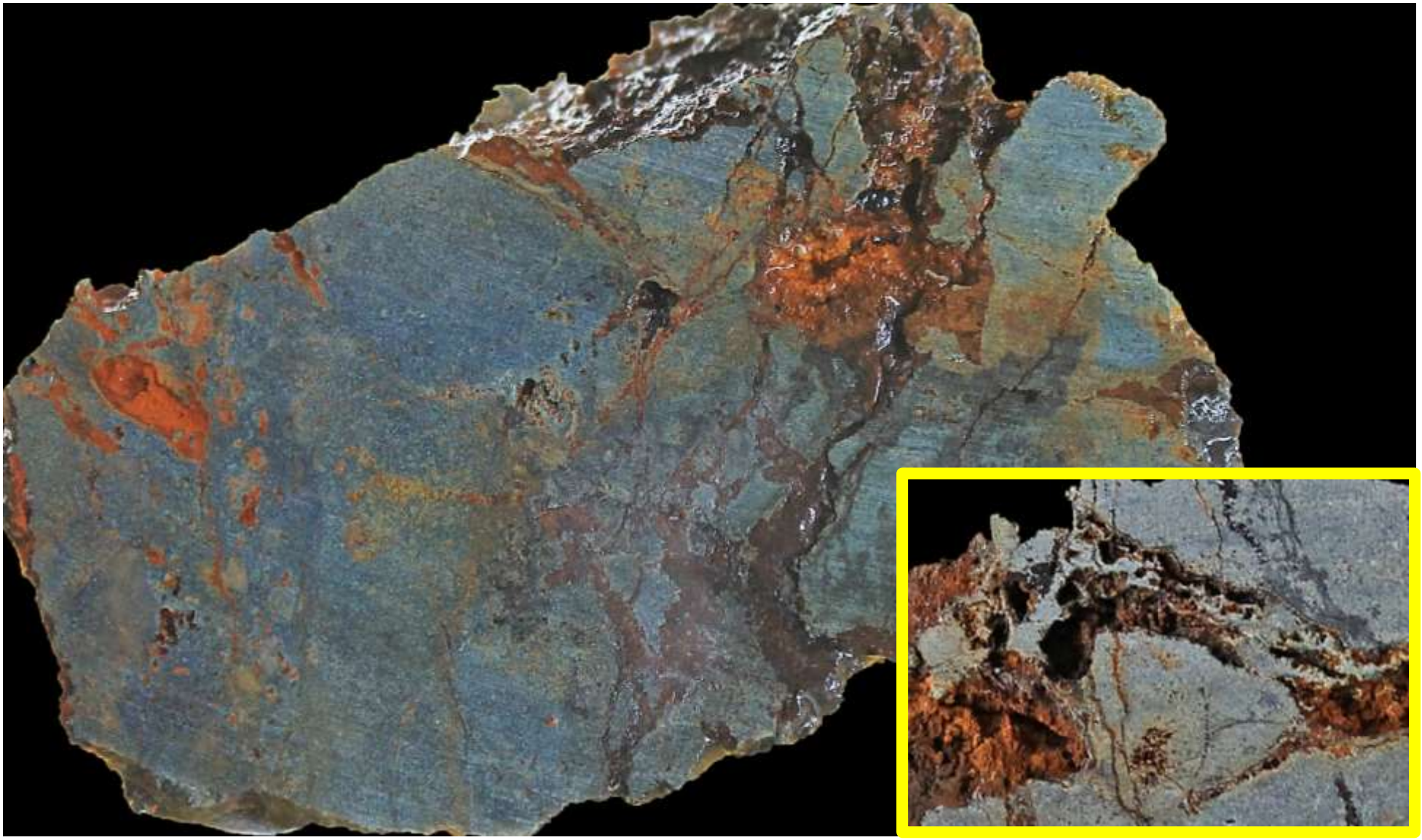


Multi-phase banded vein, Ilkwang No 2 Adit. Sample 155892: 2.04g/t Au, 6g/t Ag, 0.95% Cu, 24ppm Ga, 139ppm Ni, 174ppm Co, 101ppm V & 14.25% Fe. The vein consists of hornfels/silicified sediment at left with diffuse vein wall contact of cloudy white comb quartz apparently replacing and assimilating along porous bedding planes. The vein margin at right consists of white, “jigsaw textured” quartz (recrystallized quartz after original amorphous quartz) containing trails and disseminations of sulphides. The banded core of the vein is composed of late-stage deposition of specular hematite, magnetite and sulphides.

Jaeilgunbuk workings. Ilkwang Adit Dump



Jaeilgunbuk - Ilkwang Adit dump. Sample 242732-1: 0.56g/t Au, 3g/t Ag, 0.55% Cu, 18ppm Ga, 21ppm Mo, 0.30% Mn, 0.10% P, 12.25% Fe, 144ppm V. Quartz vein with cavities infilled with soft, porous hematite-goethite, hosted in epidote-chlorite altered siltstone. The quartz displays zonal prismatic quartz crystals, with cavities between crystals originally infilled with specular hematite-sulphide.



Jaeilgunbuk - Ilkwang Adit dump. Sample 242732-2: 0.56g/t Au, 3g/t Ag, 0.55% Cu, 18ppm Ga, 21ppm Mo, 0.30% Mn, 0.10% P, 12.25% Fe, 144ppm V. Epidote-chlorite altered siltstone with diffuse specular hematite ± quartz fractures-breccia and jarosite-limonite staining. Note dissolution cavities within the siltstone, suggesting the lithology may have contained an original carbonate component. **Inset Image** shows the rhythmic layered deposition of alternating bands of Fe-oxide, quartz, Mn-oxide, cavity and then a dissolution cavity lined with goethite. The nature of the mineralization is suggestive of a sediment-hosted replacement style and indicates potential for a bulk tonnage deposit.