

With the Acquisition of Tourmaline Hills to go Along With their Bronze Fox Property, Kincora Copper Limited is Sitting On Top of Something Very Big - With One of the Largest Land Holdings Along the Highly Prospective Copper Belt Hosting Oyu Tolgoi



**Resources**  
**Copper and Gold Exploration and**  
**Development**  
**(KCC-TSXV)**



**Igor A. Kovarsky**  
**President and CEO**

**BIO:**  
 Mr. Igor Kovarsky has over 30 years of experience in the construction and mineral sectors, managing exploration, engineering, development and mining operations in a number of

large projects. He worked with Centerra Gold Inc. and its predecessor Cameco Gold since 1992 for 16 years, where he served in various roles including Director and Vice President, Government Affairs & Business Development for Centerra's subsidiaries in Kyrgyzstan, Mongolia and its head office in Toronto. Simultaneously he acted as President of Centerra Gold Mongolia LLC.

His significant role in bringing the Kumtor Mine in Kyrgyzstan, one of the world's largest gold mines, and Mongolia's Boroo Mine into full production has given him a valuable perspective for working in the region.

He played a key role in the acquisition, feasibility work and successful development of the Kumtor gold mine in Kyrgyzstan. Similarly he was instrumental in acquiring an ownership interest in the Australian gold exploration company AGR Limited, leading directly to the development of the Boroo mine in Mongolia and growth of the Boroo Gold Company and Centerra Gold Mongolia LLC. Most recently, prior to joining Kincora Copper in October 2011, Mr. Kovarsky worked at Kola Mining Corporation as President and CEO, leading the strategy of development of the cornerstone Souker Nickel Project in Russia, as well as being President, CEO, and Founder of Experto Crede Consultancy Corporation. In the past year he served as Executive Vice President of Puget Ventures Inc. and President of Global Cobalt International.

Mr. Kovarsky received his Masters in Civil/Structural Engineering from Moscow Technical University in 1980,

and Diploma in Foreign Relations & International Politics from Moscow Political University in 1985. He completed the Ivey Leadership Program at Richard Ivey School of Business, University of Western Ontario, Canada in 2004 and the Queen's Strategy Program at Queen's University School of Business, Canada in 2005.

Mr. Kovarsky is a member of the Prospectors and Developers Association of Canada.

He was made an Honorary Miner of Kyrgyz Republic and Mongolia in 1998 and 2004 respectively.

**Company Profile:**

Kincora Copper Limited is a mining exploration and development company focused on copper-gold deposits in Mongolia. Its key asset is the Bronze Fox (Buyant License) copper-gold deposit located in southeast Mongolia along the Oyu Tolgoi copper belt. Bronze Fox (Buyant License) is located approximately 140km to the northeast of the world-class Oyu Tolgoi copper-gold project, and is 250 km from the Chinese border.

**Interview conducted by:**  
**Lynn Fosse, Senior Editor**  
**CEOCFO Magazine**

**CEOCFO:** Mr. Kovarsky, what is the focus at Kincora?

**Mr. Kovarsky:** Kincora has a great asset in Mongolia. It is a massive mineralization footprint covering over 40 sq.km within our copper-gold property called the Bronze Fox, officially called Buyant License -15000X, the name assigned by the Mongolian Mineral Authority. This is an exploration

tenement we have been working on since Kincora was established in July last year. Current exploration activities are mainly concentrated in an area of about 35 square kilometers (within our 223 sq.km Buyant tenement) in the west central part with extensive known copper-gold-molybdenum mineralization. This exploration concentration part is divided into five areas of specific interest, named West Kasulu, Dunlop Fox, Buchanan Heights, Sophie North, and Leca Pass.

**CEOCFO:** What do you like about copper?

**Mr. Kovarsky:** Copper is a commodity that everybody needs and it is very well used in various industries. Copper is used anywhere from construction to high technology, so the consumption of copper is growing from year to year. It depends on the economy development, but as our property is next to China, which is definitely the biggest consumer of our products in the future and we will build the mine and the mill, with an eye on the Chinese and the world markets.

**CEOCFO:** Is copper prevalent in Mongolia?

**Mr. Kovarsky:** Copper has been prevalent since the mid-70s of the last century. Mongolia is well known for its copper deposits. Soviet geologists discovered the first deposit in the 1940's, and a huge mill was built by the Soviets in Mongolia in the early 1970's; it is still in operation. It is a huge deposit called Erdenet Mine. At the same time, people in the mining community are aware of the latest discovery made by Ivanhoe Mines and their Oyu Tolgoi porphyry type copper-gold deposit. It is the biggest undeveloped copper deposit in the world. Right now Rio Tinto, who is controlling 51% of it, together with Ivanhoe is developing this mine. It is in construction stage and the world is awaiting the commercial production from this mine in the first half of 2013. Then, speaking about Oyu Tolgoi and this porphyry copper belt, which goes through Gobi Desert, our property, the Bronze Fox is only 140 kilometers from this giant Oyu Tolgoi deposit. It is in proximity to it, strategically lo-

cated in the same geological structure and in the same Paleozoic island arc.

**CEOCFO:** What specific challenges are there when working in Mongolia?

**Mr. Kovarsky:** I have been in Mongolia for many years working for Cameco Gold/Centerra Gold. The first time I came into Mongolia was in 2002. We were pioneers at that time; we built and operated the Boroo Gold Mine not far away from Ulaanbaatar, along the main Mongolian highway. I went through all the stages of the project development; it was quite challenging. Nevertheless, we managed all outstanding issues successfully at that time; we built and operated an exemplary mine – the best one – in the country. Boroo became a real success for Centerra in Mongolia. Now, while being with another company and different projects in a different location in Mongolia, I can say that Mongolians have come a long way on the transition from their centralized socialist type economy to the

**We are sitting on the top of something very, very big and 2012 will be extremely exciting year. - Igor A. Kovarsky**

open democratic society and the market economy. It is not an easy process and everybody should give them credit for all their efforts. Still, bureaucracy is a challenge there and all kinds of red tape exist, but the Mongolian government does whatever they can to overcome and eliminate many of those challenges, red tape and has already corrected several mistakes made in the past. I believe the business climate in Mongolia right now is quite favorable, regardless of any challenges which you may have in any country in the world. Today, Mongolia attracts everybody's attention. I had not been to Mongolia for the last three years, but when I went to Ulaanbaatar, the capital of Mongolia with this new project, license and new company I was impressed with how many changes were made since the last time I was in Mongolia in 2008.

**CEOCFO:** What is the infrastructure like in the area where Kincora works?

**Mr. Kovarsky:** The infrastructure is a bit of a challenge, of course, because

we are in the Gobi Desert, one of the biggest deserts in the world. A desert is a desert; it speaks for itself. However, having said all that, we should understand there is a railroad that goes from Russia down to Beijing through Mongolia and this railroad is 200 kilometers away from us. At the same time, Oyu Tolgoi, a giant copper-gold mining complex is under construction, which is only 140 kilometers from us, and they are developing their own infrastructure. In addition, there is the plan for the railroad to be built by the government along with other foreign investors in a huge coal deposit, Tavan Tolgoi. It will go to the east from the Tavan Tolgoi deposit to China crossing this Russian railroad. This new railroad will be only 20 kilometers away from our property. With all this in mind, when the Bronze Fox project moves to a different stage of development, say for designing and construction of the mine and the mill, which may be a couple years from now depending on the results of our exploration work, infrastructure will be much better. All of those giants will develop their own facilities and we will obviously benefit from all of those developments.

**CEOCFO:** What is happening on the ground today, and what is going to happen in the next year or so?

**Mr. Kovarsky:** I will give you some highlights of our project; what we did and what we identified through the last drilling season. First, we have a sheer size of mineralized zone and it is very encouraging with almost every hole intercepting significant mineralization. Mineralization and alteration inside of the 22,323.34 hectare Bronze Fox (Buyant license) exploration area has been associated with sheeted and stock work quartz-chalcocopyrite-pyrite veins and disseminated chalcocopyrite-pyrite with associated gold and molybdenum sometimes. There is plenty of evidence of high grade. There is potential for shallow, low-grade open pit. By low-grade I mean the copper content could be between 0.4 to 0.6%. We are also finding gold zones with resource potential and this is another very exciting part as well. Our rock-chip sam-

pling and soil geochemistry continue to support our findings. In addition, we are continuing to search for the source for the real high-grade Oyu Tolgoi type copper mineralized zone, which could be deeper in the ground. Right now, our mineralization starts right from the surface in the most holes. Bronze Fox has a huge footprint with excellent geology. There is a very strong correlation between size of footprint and size of ore body. Kincora Copper's footprint is already over 30 square kilometers, which is larger than Oyu Tolgoi or El Teniente. Those are famous copper porphyry deposits and our footprints are bigger than most of the other world giants. This is a huge mineralized system, open at depth and in every direction with high-grade parts to it. The point is if we can trace high-grade zones, the upside is very significant. That said, it is going to take time due to the size. The initial focus will be on identifying high-grade gold zones to firm up our maiden gold resource, while continuing to vector in on the copper source. Another near term target is a shallow copper resource, which has been identified in our West Kasulu area. Speaking of our future targets, targets for the next eighteen months would be maiden gold resource and a significant copper resource, drilling plans to continue to explore in current area as well as expanding beyond. We already planned 16,000 meters of drilling for this year and plan for more geological surveys; we will be focusing on identified anomalies. Our expected cost for

2012 drilling program is between \$5.2 and \$5.5 million and we always are looking into other opportunities. We are continually reviewing other opportunities to acquire licenses in Mongolia. We have a strong team on the ground and good partners. We are reviewing every option and every opportunity that arises on a daily basis.

**CEO CFO:** Do you own your properties 100%  
Mr. Kovarsky: Yes!

**CEO CFO:** Is that a strategy that you will continue?  
Mr. Kovarsky: Yes!

**CEO CFO:** You just announced an agreement to acquire 100% of the outstanding shares in Golden Grouse LLC; what does this acquisition mean for Kincora Copper?

**Mr. Kovarsky:** The acquisition of the Properties is a great addition to the Bronze Fox project. We now hold two of Ivanhoe's former high priority target properties in Mongolia, the Bronze Fox and Tourmaline Hills. Kincora now holds one of the largest land holdings along the highly prospective copper belt hosting Oyu Tolgoi. Tourmaline Hills is a mid-stage exploration license with a number of significant gold targets. This places Kincora in a strong position to identify a significant copper-gold and gold deposit this year.

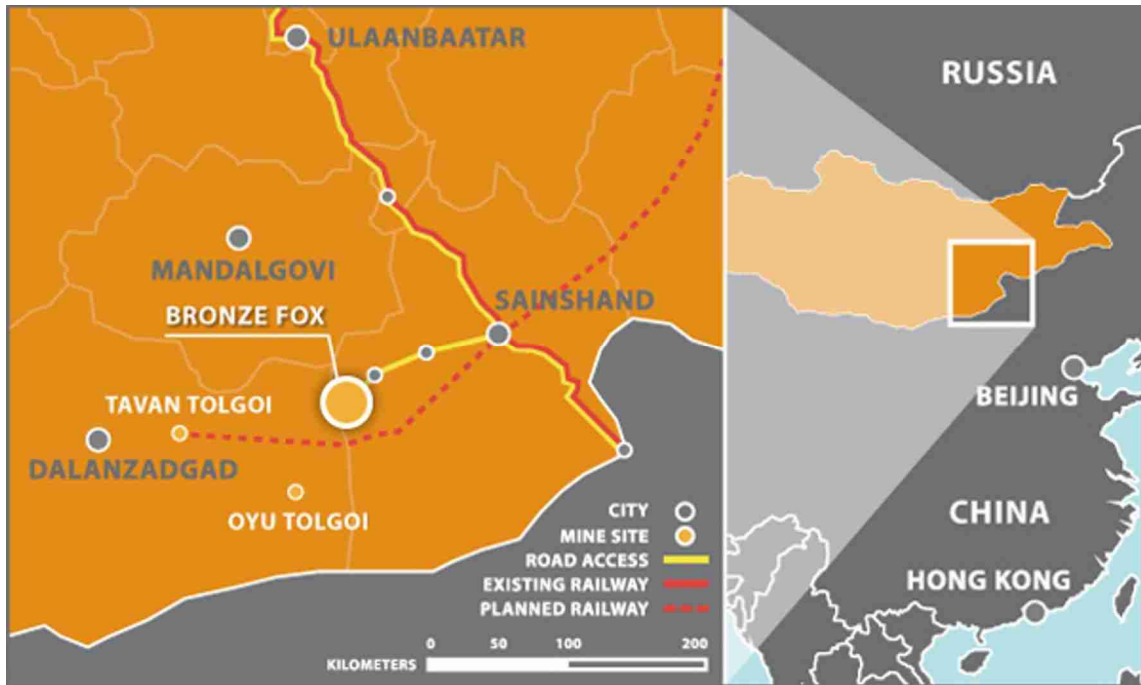
**CEO CFO:** What is the financial picture like for Kincora Copper?

**Mr. Kovarsky:** To do the work that we are planning, we have around \$3 million right now in our possession. We probably will be thinking about financing and we will be discussing internally with the board as to how we are going to approach this.

**CEO CFO:** Final thoughts? Why should potential investors pay attention to Kincora Copper Limited today?

**Mr. Kovarsky:** To me it is clear. Mongolia and the Bronze Fox property itself, was one of the priority targets for Ivanhoe 3 or 4 years ago. The property was identified but not explored enough. When we got the property and created Kincora, we spent a significant amount of money and significant efforts and work to get all the data that we have right now. We are sitting on the top of something very big. Therefore, for potential investors, I can say that if they want to be with us they should do it now because later in the year a few good drill holes may change the entire picture completely. We will be moving towards an updated NI 43-101 technical report. We will also be doing an assessment of our reserves and resources, moving to the scoping, pre-feasibility or feasibility study stages and it will cost potential investors much more to be onboard with us later in the year. Therefore, that is very simple. We are sitting on the top of something very, very big and 2012 will be extremely exciting year.





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