

27 March 2017

KGL Expands Jervois Project by Acquiring Neighbouring Tenement

Main Points

-) KGL expands Jervois project area with acquisition of adjoining tenement**
-) Highly prospective with geological similarities to Jervois.**
-) Consideration of \$500,000 cash**
-) \$1 million share placement undertaken to fund the acquisition and future exploration**

KGL Resources Limited (ASX:KGL) (KGL or the Company) is pleased to announce the acquisition of the Unca Creek Exploration Project (EL28082) bordering KGL's 100% owned Jervois Copper-Silver-Gold Project in the Northern Territory.

KGL considers the acquisition to have significant strategic value as the tenement offers geological similarities to Jervois and is located in the highly prospective Bonya Metamorphics.

The acquisition almost trebles the project area from 37.9km² to 110.8km² and offers multiple walk-up drill targets in an area that is relatively under-explored.

Work undertaken by previous tenement holders has demonstrated the tenement's exploration potential. This includes the northern strike extension of the sequence of rocks that host the Marshall-Reward deposits which represent a substantial part of the current Resource at Jervois. Copper mineralisation at KGL's Boundary Prospect can be observed in outcrop extending on to the newly acquired tenement. Further along strike to the north, drilling at prospects including Becana and YoHoHo have intersected mineralisation.

In the north-eastern part of this new tenement lies the Hamburger Hill prospect where several mineral occurrences have been discovered. Holes drilled at Hamburger Hill intersected mineralisation associated with calcsilicate rocks that closely resemble those at Jervois.

This two-kilometre strike extension has the potential to host economic mineralisation that can be mined by open pit or underground mining methods.

There is further potential in the southern area of EL28082 where very little previous exploration has been undertaken.

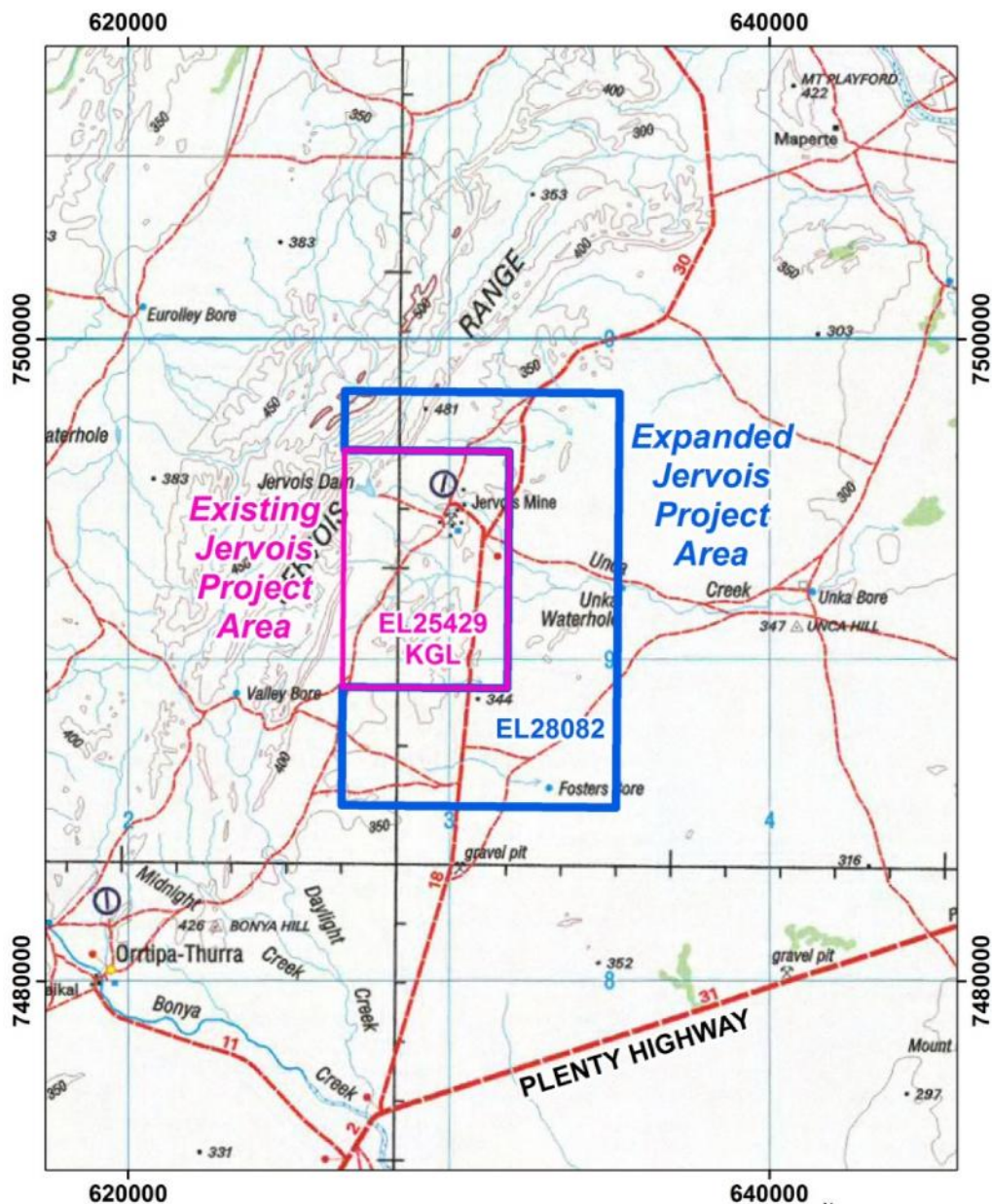
The Chairman of KGL Mr Denis Wood commented: "KGL is uniquely positioned to realise the mineral potential of this tenement and apply the exploration methodologies that have worked so effectively at Jervois."

Acquisition Terms and Placement

KGL has acquired the Unka Creek Explorataion Project (EL28082) from Natural Resources Exploration Pty Ltd (NRE) for a cash consideration of \$500,000.

The acquisition is contingent on the transfer of the tenement to KGL by the Northern Territory Government and the funds are being held in escrow until this condition precedent is satisfied.

KGL also announces the placement of 2,702,702 ordinary shares in the Company at 37 cents a share to raise a total of \$1 million (the Placement). The proceeds will be used to fund the acquisition of EL28082 and for future exploration of this tenement. The Placement was made to 4 parties including KGL's major shareholder, KMP Investments.



**JERVOIS PROJECT
TENURE**

