

10 September 2014

Amended Exploration Update

Highlights

- Phase 3 - 6,000m RC drilling program commenced
- Deep drill hole at Reward to commence this week
- Resource estimate undertaken by H&S Consulting anticipated to be released next week

In June, KGL completed a 9,769m shallow RC drilling program at Marshall-Reward, Bellbird and Green Parrot to better define the oxidation boundaries of the copper resources at Jervois. High-grade copper mineralisation was intersected in the transition zone at all three resources. Follow up drilling is now underway with drilling designed to upgrade the shallow resources from Inferred to Measured and Indicated and to test several new exploration targets at Rockface, Killeen and Bellbird East. The drill program comprises 70 holes for approximately 6,000m (See Figure 1).

At Green Parrot, in-fill drilling will be conducted near hole JOC062 that intersected 18m @ 4.92% Cu, 1.54% Pb and 240.5g/t Ag from 10m under old workings to the north of the Green Parrot pit. Green Parrot North was not previously included in the resource. Deeper drilling will test for extensions to the high-grade Pb-Zn-Cu sulphide lens intersected in JOC176 that included 6m @ 8.55% Cu, 15.08% Pb, 10.95% Zn, 679.7g/t Ag and 4.87g/t Au from 48m.

Shallow drilling at Rockface in June was designed to generate a maiden Inferred resource. Drilling currently in progress will test for extensions to the resource to the east and west along strike. To the west prospecting has located new copper occurrences along the Rockface trend.

Drilling is also planned to test shallow copper workings along a newly identified trend at Bellbird East. Bellbird East is located 50m east of Bellbird and was discovered during the recently completed resource drilling program. The southern extension of Bellbird East has not been drilled previously. Although narrow, Bellbird East is significant because it is likely to be within the Bellbird open pit.

Killeen is a Zn-Pb prospect located between Bellbird and Rockface with several historical drill holes in an area untested by KGL. Previous results include 8m @ 5.98% Zn, 1.1% Pb from 33m including 2m @ 2.84% Cu in RJ076 and 4m @ 11.49% Zn, 1.6% Pb and 0.48% Cu from 32m. Planned drilling will in-fill previous coverage and allow a maiden resource estimate. Drilling will also target an outcropping gossan along strike to the west that may represent an extension to this mineralisation.

Preparation of the drill pad for the deep diamond drill hole under Reward is now complete with drilling planned to commence later this week. This deep drill hole is designed as a stratigraphic hole to give us a better understanding of the style of the deposit.

The existing collaborative research program at Jervois has now been extended to include analysis of the results from this drilling and further build on the understanding of controls and vectors for mineralisation.

Simon Milroy the managing director of KGL Resources comments “The resource update is now complete except for the final classification of the resource. We have again used independent consultants H&S Consulting to undertake the resource update and the large volume of drilling and assaying undertaken by KGL has meant that this is a major revision.

“The update will include two new copper resources at Cox’s Find and Rockface. The Green Parrot Resource has not been updated since 2011 and high grade copper mineralisation intersected this year has meant significant extensions to this deposit. The new areas of high grade copper and lead mineralisation at Bellbird and Marshall/Reward have made the resource update more complex and hence time consuming.”

“KGL has now drilled more metres than all of the historical explorers at Jervois combined in order to realise the true potential of the project.”

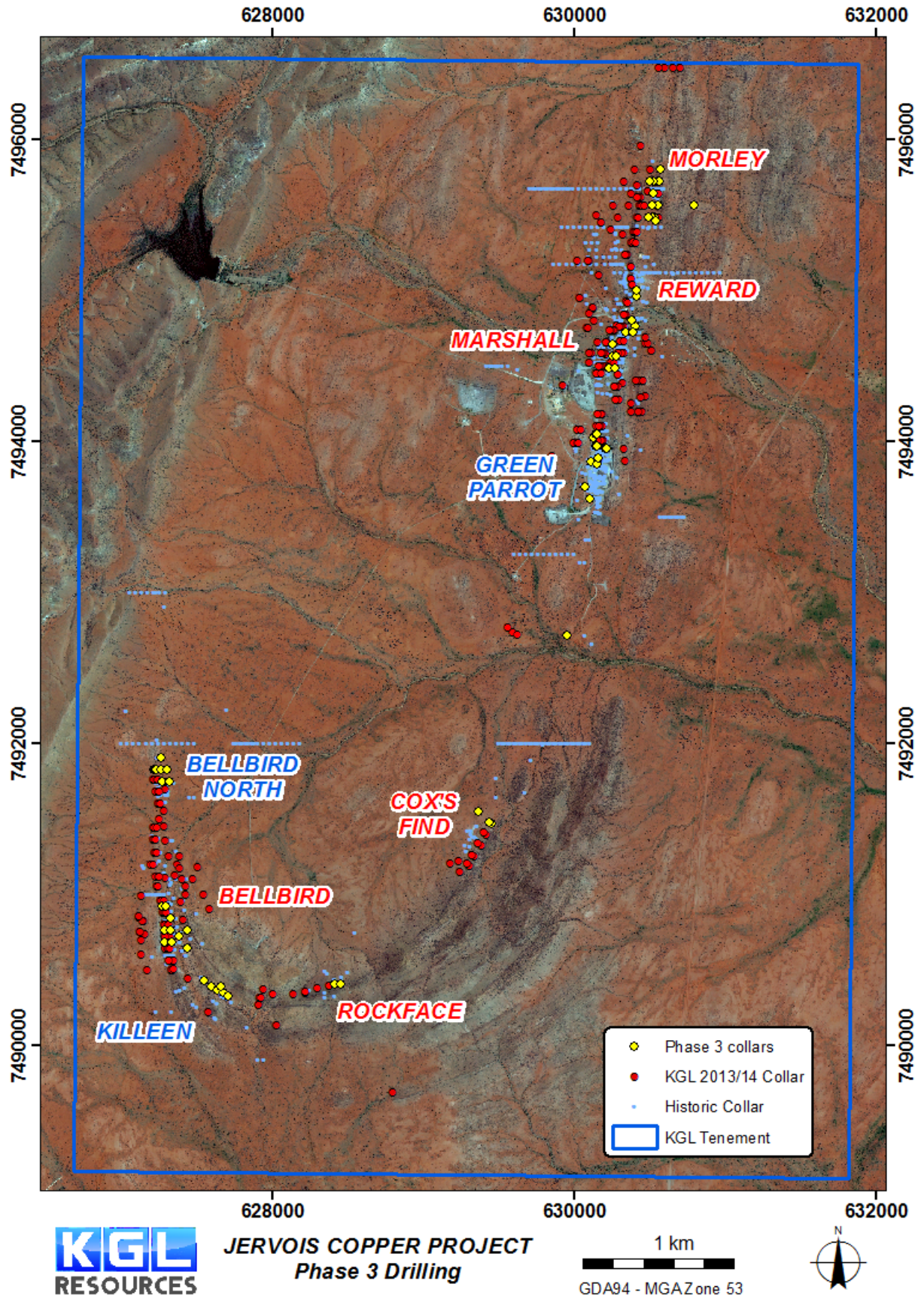


Figure 1 Plan of drilling at Jervois

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About KGL Resources

KGL Resources Limited is an Australian mineral exploration company focussed on increasing the high grade Resource at the Jervois Copper-Silver-Gold Project in the Northern Territory and developing it into a multi-metal mine.

Competent Person Statement

The following drill holes were originally reported on the date indicated and using the JORC code specified in the table. Results reported under JORC 2004 have not been updated to comply with the JORC 2012 on the basis that the information has not materially changed since it was last reported.

Hole	Date originally reported	JORC Reported under
JOC62	18/07/2014	2012
JOC176	14/08/2014	2012
JOC76	31/08/2011	2004