

20 February 2015

Exploration Update

Highlights

- 9,000m RC in-fill and extension drilling program commenced
- 1,260m Geotechnical diamond drilling program commenced
- Copper mineralisation intersected east of the Marshall deposit

KGL has commenced a nine hole diamond drilling program to obtain geotechnical data for the two largest pits Marshall-Reward and Bellbird South. This will assist in further optimising the final pit designs for the Pre-Feasibility Study. Drilling of the second hole at Marshall-Reward intersected unexpected mineralisation east of Marshall (Figure 1).



Figure 1 Section of core from GTD002 showing copper mineralisation including chalcopyrite (yellow), bornite (brown) and malachite (green) within quartz veins

Diamond hole GTD002 was collared approximately 130m east of the Marshall-Reward resource, close to the east wall of the proposed open pit (Figure 4). The hole intersected sulphide and quartz-sulphide veins in an unexpected zone of alteration within the footwall sequence of interbedded siltstones and mudstones. The mineralisation is at a shallow depth and has been partially oxidised with chalcopyrite converting to bornite and malachite (Figure 1). Associated garnet-biotite alteration is typical of alteration in the main Marshall-Reward resource.

This mineralisation is in a similar position to East Reward that was previously thought to be closed off 400m to the north and may be a link between East Reward and the Sykes prospect in an area of alluvial cover. Additional shallow RC drilling is planned to delineate the extent of the mineralisation because of it's potential impact on the location of the pit wall.



Figure 2 Diamond core rig currently drilling at Marshall-Reward Deposit.



Figure 3 RC rig currently drilling at Bellbird

On the 14th May Mitchell Services commenced a 9,000m RC drilling program focused on the Marshall-Reward and Bellbird resources. Extensional drilling will target resources in close proximity to planned underground and open pit development. Drilling will also test high-priority targets down dip and down plunge from the existing resources. At Bellbird drilling in 2014 revealed a moderate north plunge that remains open with holes KJC031 intersecting 4m @ 4.9% Cu and KJCD026 5m @ 3.9% Cu on the margin of the resource (Figure 4).

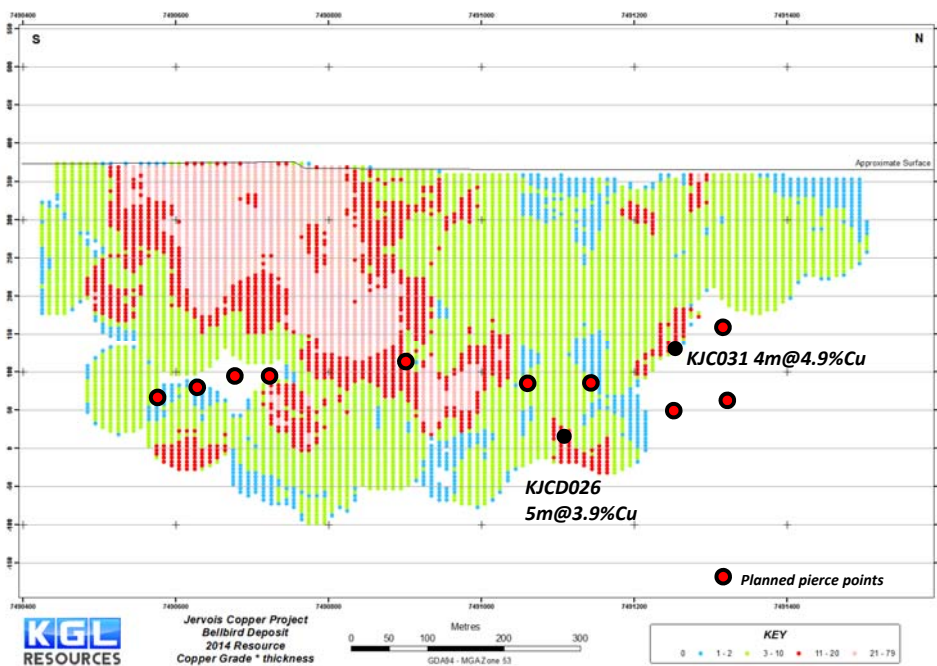


Figure 4 Copper grade-thickness of resource block model

Simon Milroy the managing director of KGL Resources comments “Jervois continues to surprise with unexpected shallow mineralisation in close proximity to the Marshall Reward deposit. This current RC drilling program is focussed on extending the high grade zones at Bellbird, Green Parrot and Marshall-Reward within the top 350m of the deposits. This drilling combined with the 10,000m of RC completed late 2014 will be basis for an updated resource to be announced in June.”

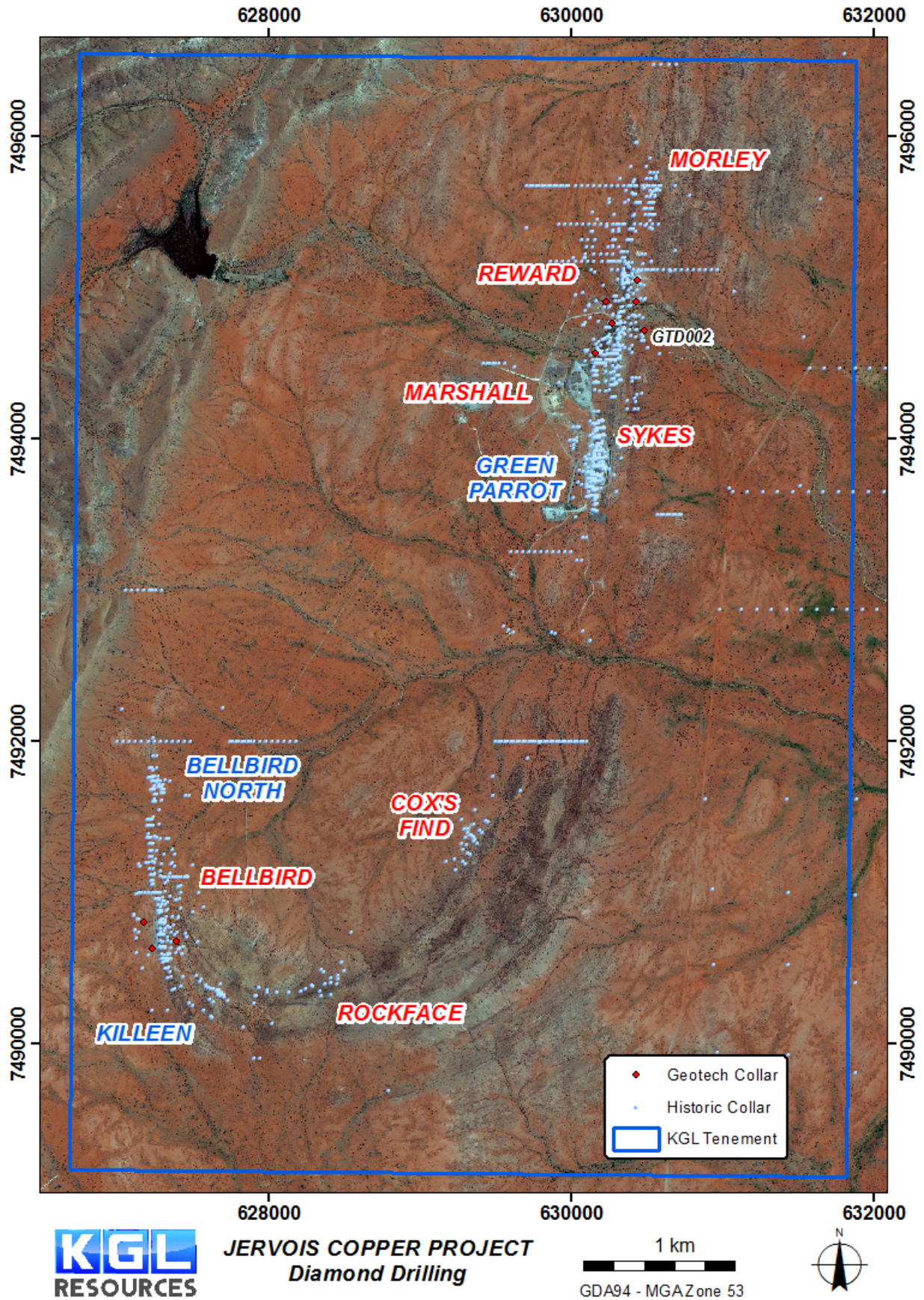


Figure 5 Plan of drilling at Jervois

For further information contact:

Mr Simon Milroy
Managing Director
Phone: (07) 3071 9003

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 JORC 2012 on the basis that the information has not materially changed since it was last reported.

Hole		Date originally Reported	JORC Reported Under
KJC	031	16/06/2014	2012
KJCD	26	24/04/2014	2012