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28 May 2015

KGL Resources intersects 25.4% zinc at Jervois

KGL Resources (ASX:KGL) is pleased to announce that reverse circulation (RC) drilling at Jervois has continued to extend high-grade mineralisation. Individual one metre intercepts were up to 25.4% zinc (KJC138) and 23.5% lead (KJC136) at Reward North, 7.34% copper (KJC163) at Bellbird East and 404 g/t silver (KJC159) at Green Parrot. Significant results from this program include:

Green Parrot

***KJC159* -** 14m @ 1.49% Cu, 0.64% Pb, 0.3% Zn, 160.5g/t Ag, 0.09g/t Au from 160 m

Including 3m @ 3.83% Cu, 1.08% Pb, 0.17% Zn, 404g/t Ag, 0.2g/t Au from 170 m

3m @ 1.77% Cu, 0.2% Pb, 0.35% Zn, 117.1g/t Ag, 0.24g/t Au from 190 m

Reward North

KJC 138 - 3m @ 7.76% Pb, 10.29% Zn, 0.07% Cu, 86.6g/t Ag, 0.06g/t Au from 34 m
KJC140 - 4m @ 5.03% Pb, 6.91% Zn, 0.24% Cu, 48.2g/t Ag, 0.04g/t Au from 57 m

Bellbird East

KJC161 - 6m @ 1.36% Cu, 2.72% Pb, 6.92% Zn, 19.3g/t Ag, 0.06g/t Au from 65 m
KJC163 - 7m @ 2.1% Cu, 1.11% Pb, 2.19% Zn, 17g/t Ag, 0.03g/t Au from 51 m

A ~10,000m RC drilling program was commenced in early February at the Bellbird, Marshall-Reward and Green Parrot Resources. Particular emphasis was placed on targeting poorly drilled portions of these resources that have potential for high-grade mineralisation and are within or close to the proposed open pits or planned underground mine development. The final assays have been received and work is now commencing on updating the Jervois resource.

Drilling beneath the 2014 Green Parrot pit shell has intercepted copper mineralisation with associated high silver assays (KJC159 14m @ 1.49% Cu, 160.5g/t Ag from 160m). Green Parrot primarily contains high-grade lead-zinc mineralisation with associated copper, hosted by calc-silicate within micaceous schist. Deformation has resulted in the formation of high-grade lead-zinc lenses surrounded by wide zones of lower grade mineralisation. Copper mineralisation intersected in the most recent drilling is likely to result in a deepening of the pit and additional drilling will be required to fully delineate the copper mineralisation which remains open at depth.

Several zones of shallow lead-zinc-silver mineralisation were identified in 2014 beyond the northern wall of the proposed Marshall-Reward open pit. Follow up drilling in 2015 has confirmed and extended these zones with a best result of 3m @ 7.76% Pb, 10.29% Zn, 86.6g/t Ag from 34m in KJC138. This new zone is likely to be captured in a new open pit following the planned resource update and pit optimisation.

Additional drilling conducted to test the surface occurrences at the Bellbird East trend, 150m east of Bellbird, has intersected more high-grade copper-lead-zinc mineralisation that appears to be improving with depth (KJC161 6m @ 1.36% Cu, 2.72% Pb and 6.92% Zn, 19.3g/t Ag). Bellbird East extends for several hundred metres and is now interpreted to be the north-eastern extension of the Killeen zinc prospect. Poor access has limited previous drilling in the area that is located on the southern wall of the proposed Bellbird open pit. Additional drilling will be required to fully evaluate the potential at Bellbird East.

Simon Milroy, the Managing Director of KGL Resources comments, "KGL's commitment to drilling at Jervois continues to deliver excellent results. Intersections from the recently completed RC drilling program are likely to generate increases in both the open pit and underground resources that will be announced in July 2015. It is also particularly pleasing to see new mineralised trends discovered."

For further information contact:

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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 Jervois Exploration data in this report is based on information compiled by Martin Bennett, who is a member of the Australian Institute of Geoscientists and a full time employee of KGL Resources Limited.

Mr. Bennett has sufficient experience which is relevant to the style of the mineralisation and the type of deposit under consideration and to the activity to which he is undertaking, to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Bennett has consented to the inclusion of this information in the form and context in which it appears in this report.

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
RJ	002	16/05/2011	2004
GCP	9	16/05/2011	2004
KJC	129	08/05/2015	2012
KJC	128	08/05/2015	2012
KJC	127	08/05/2015	2012
JOC	179	24/10/2014	2012
RJ	37	16/05/2011	2004
JOC	180	24/10/2014	2012
RJ	148	16/05/2011	2004
RJ	220	16/05/2011	2004

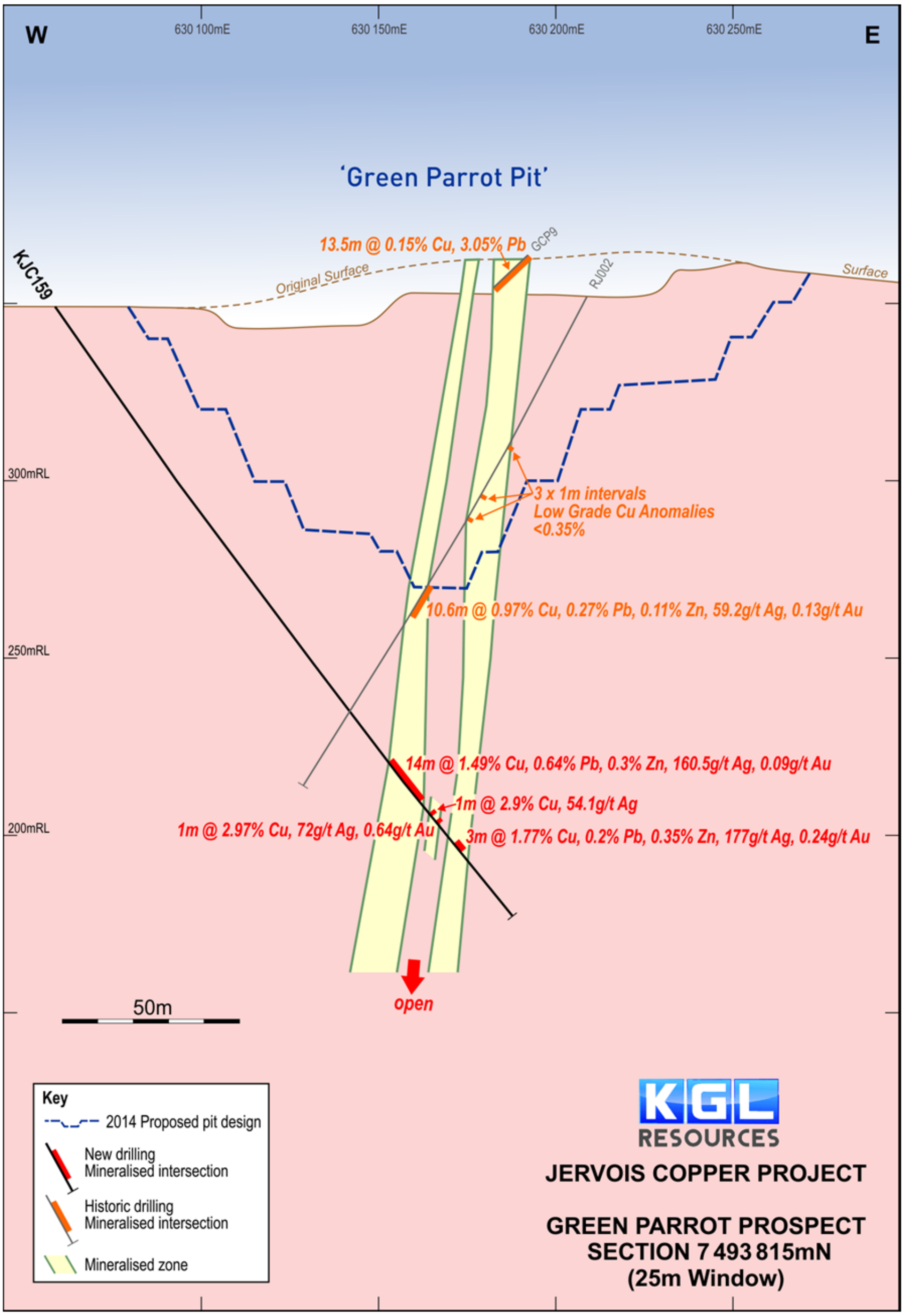

Figure 1 Green Parrot Prospect Cross Section 7493815N

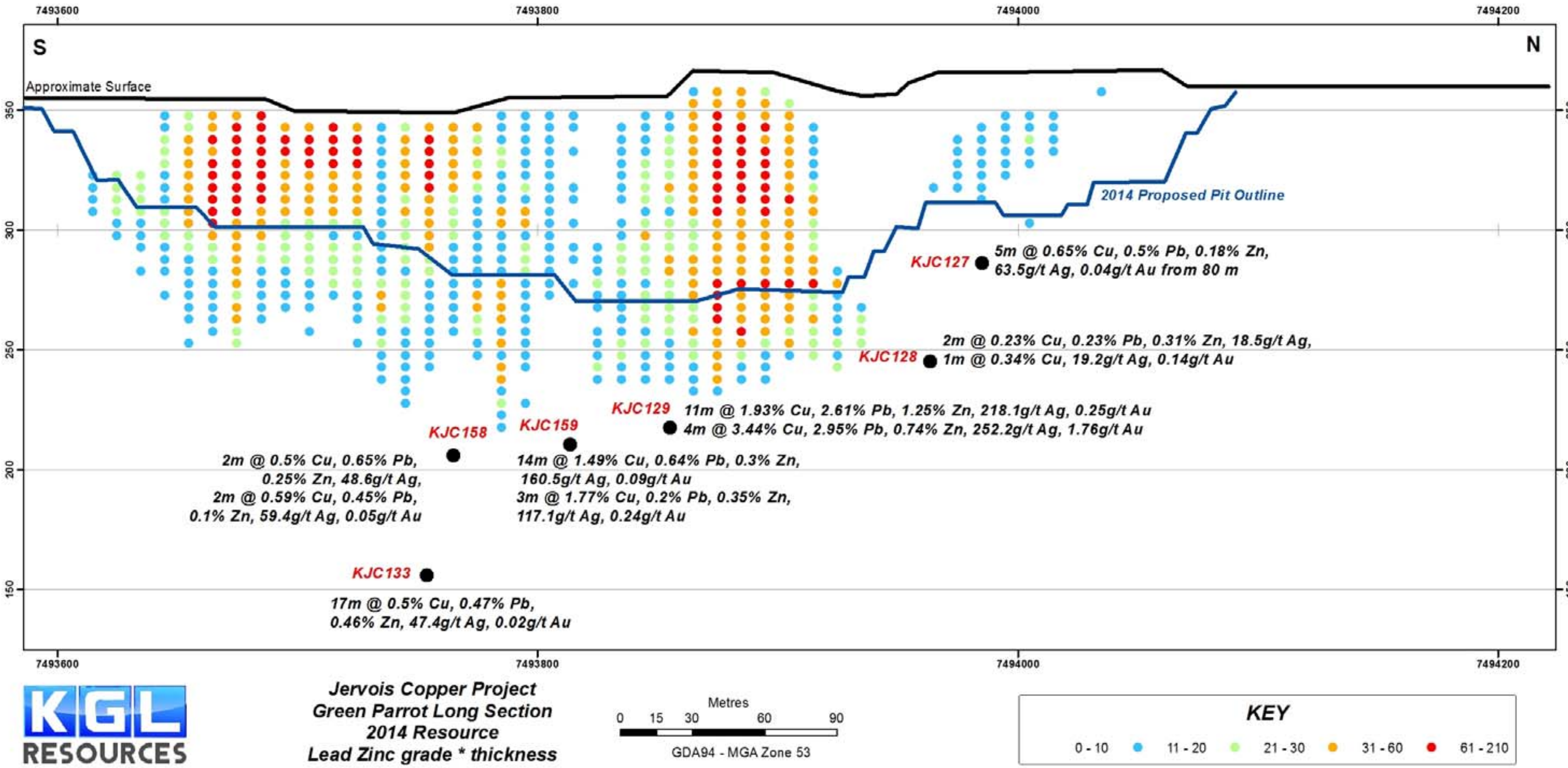

FIGURE 2 GREEN PARROT LONG SECTION

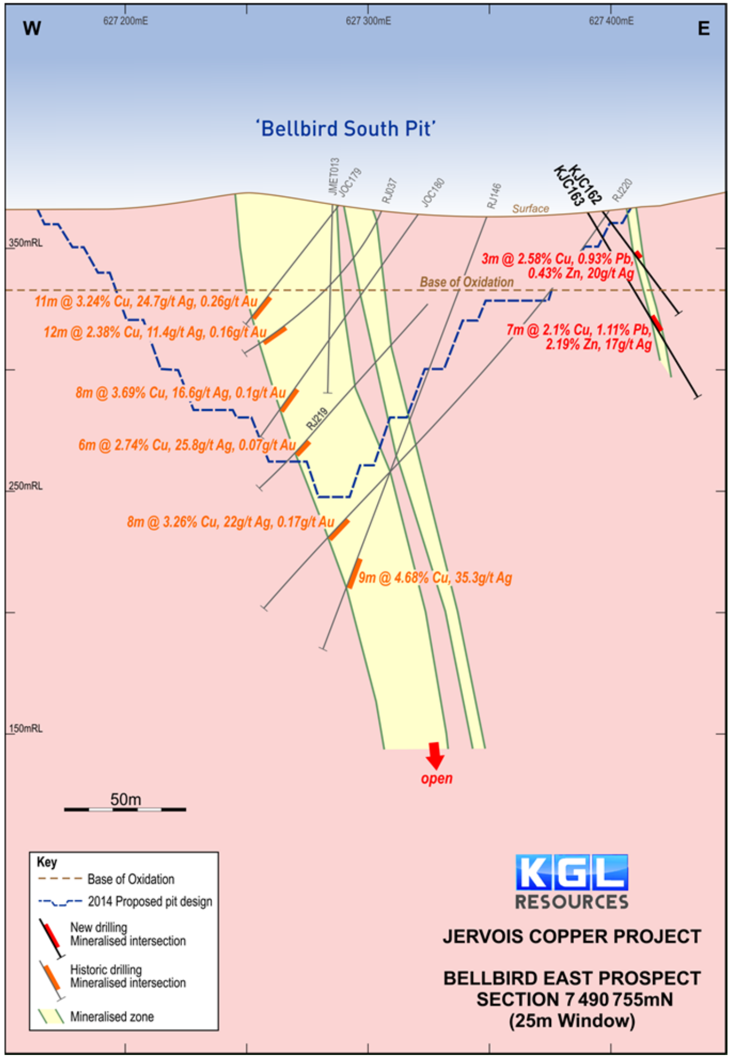

FIGURE 3 BELLBIRD PROSPECT CROSS SECTION 7490755N

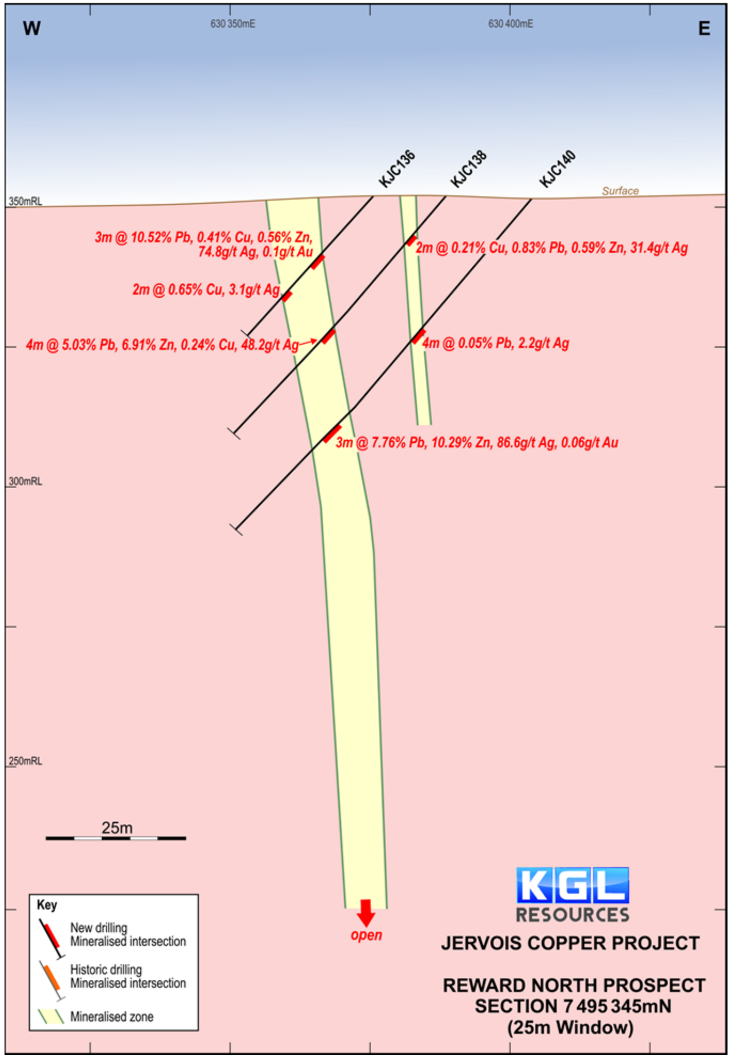

FIGURE 4 REWARD PROSPECT CROSS SECTION 7495345N

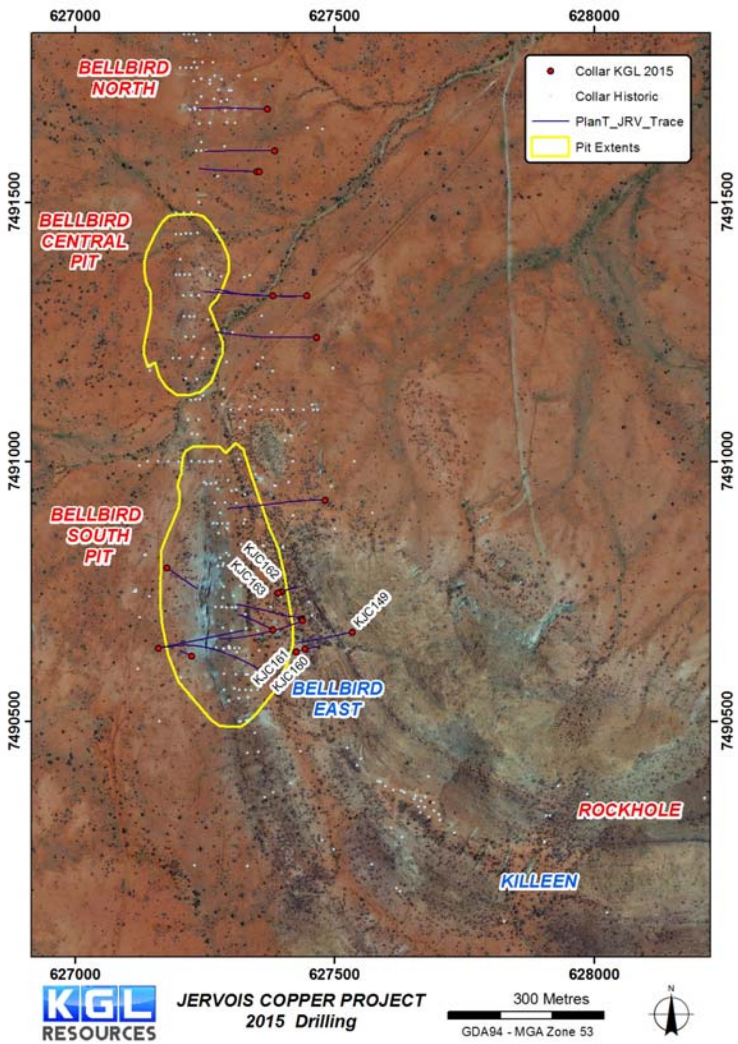

FIGURE 5 PLAN OF BELLBIRD DRILLING

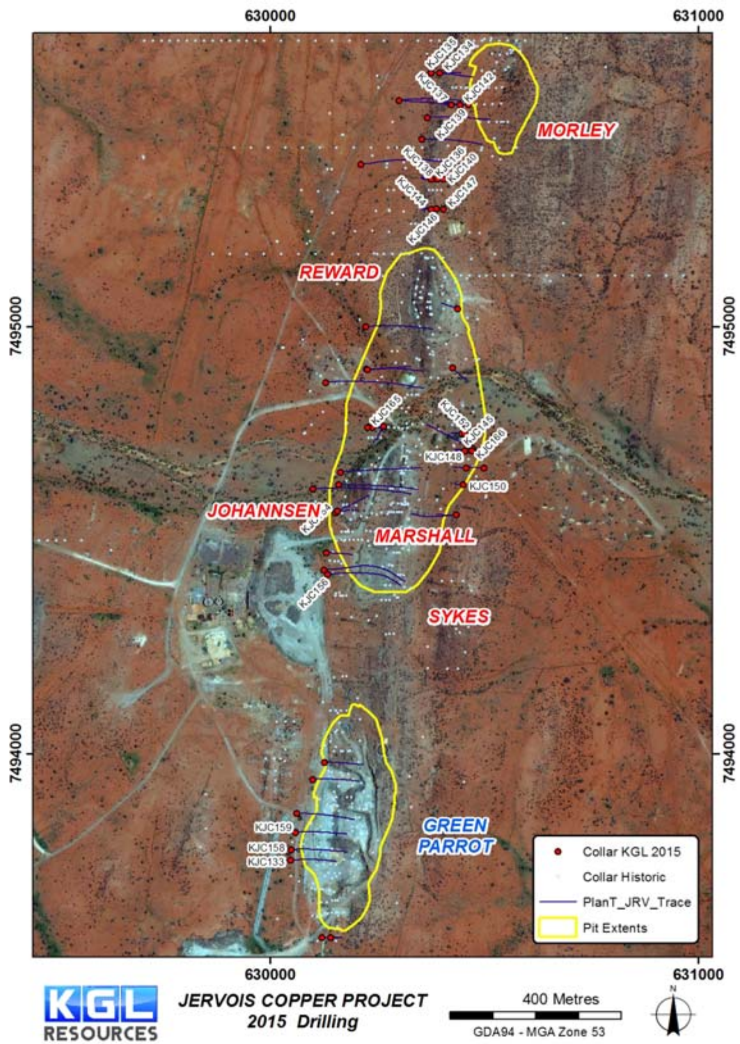

FIGURE 6 PLAN OF MARSHALL-REWARD AND GREEN PARROT DRILLING

TABLE 1 TABLE OF SIGNIFICANT RESULTS

Hole ID	Easting (m)	Northing (m)	RL (m)	Dip	Azimuth	BOX[1] (m)	Total Depth (m)	From (m)	To (m)	Interval (m)	ETW[2] (m)	Cu %	Pb %	Zn %	Ag g/t	Au g/t
KJC133	630048	7493750	348	-61	83	54	252	224	241	17	6.7	0.5	0.47	0.46	47.4	0.02
KJC134	630397	7495595	357	-55	88	49	82	46	48	2	1.2	0.9	0.67	0.2	9.5	0.02
								51	52	1	0.6	0.67	0.2	0.21	45.4	0.42
								60	61	1	0.6	0.72	0.07	0.16	3.9	0.06
								63	66	3	1.9	1.07	2.73	0.37	41.9	0.1
KJC135	630376	7495595	356	-56	91	22	165	99	100	1	0.6	0.64	0.07	0.12	8.2	0.1
KJC136	630376	7495345	352	-50	270	34	34	15	18	3	1.9	0.41	10.52	0.56	74.8	0.1
							including	16	17	1	0.7	0.61	23.5	0.81	141	0.14
								24	26	2	1.3	0.65	0.16	0.07	3.1	0
KJC137	630423	7495520	358	-55	269	33	34	15	19	4	2.3	0.36	1.91	0.16	22.7	0.03
KJC138	630390	7495346	353	-49	270	36	58	11	13	2	1.3	0.21	0.83	0.59	31.4	0.07
								34	37	3	2.0	0.07	7.76	10.29	86.6	0.06
							Including	35	36	1	0.7	0.02	14.55	25.4	164	0.09
KJC139	630464	7495520	356	-59	268	39	118	82	85	3	1.7	0.18	7.57	0.19	309.8	0.25
								90	92	2	1.1	0.58	0.07	0.1	6.6	0.07
								94	98	4	2.3	0.11	1.26	0.13	11.4	0.03
KJC140	630405	7495346	353	-52	269	41	82	57	61	4	2.8	0.24	5.03	6.91	48.2	0.04
KJC142	630444	7495520	357	-57	268	36	70	39	42	3	1.6	0.79	1.68	0.68	55.3	0.07
								56	62	6	3.3	0.87	1.96	0.28	74.5	0.34
KJC144	630376	7495276	356	-50	269	34	34	15	18	3	1.9	1.66	0.19	0.18	20.9	0.34
KJC145	630455	7494710	346	-56	268	24	52	5	9	4	2.0	0.69	0.26	0.01	1.2	0.16
								20	22	2	1.1	0.56	0.04	0.01	1.7	0.07
								24	26	2	1.1	1.65	0.02	0.02	0.7	0.04
								28	30	2	1.1	2.05	0.01	0.03	1.5	0.07
KJC146	630389	7495276	355	-50	271	32	52	32	39	7	4.5	0.72	0.09	0.19	10	0.09
								46	47	1	0.7	0.78	0.03	0.43	3.9	0.01
KJC147	630404	7495276	354	-50	270	52	70	55	58	3	2.1	0.83	0.1	0.19	10.1	0.21

Hole ID	Easting (m)	Northing (m)	RL (m)	Dip	Azimuth	BOX[1] (m)	Total Depth (m)	From (m)	To (m)	Interval (m)	ETW[2] (m)	Cu %	Pb %	Zn %	Ag g/t	Au g/t
KJC148	630457	7494670	346	-56	270	19	64	40	41	1	0.6	0.61	0	0.03	5.2	0.02
KJC149	627534	7490672	377	-63	257	55	400	37	38	1	0.6	0.75	0.01	0.01	3.8	0.02
								134	135	1	0.5	3.88	6.27	10.5	31.8	0.12
								169	170	1	0.5	0.63	0.02	0.05	4	0.02
								310	313	3	1.4	0.52	0.01	0.02	1.7	0.04
								338	339	1	0.5	1.52	0.02	0.02	4.9	0.06
								351	353	2	1.0	0.92	0.04	0.02	4.3	0.04
KJC150	630451	7494630	347	-56	270	22	40	12	14	2	1.1	0.67	0.01	0.03	1	0.06
KJC152	630474	7494750	345	-57	270	26	106	23	25	2	1.1	2.02	0	0.02	12.8	0.04
KJC154	630157	7494569	346	-56	87	25	95	50	52	2	1.2	0.5	0	0.02	25.8	0.3
KJC156	630135	7494420	349	-60	85	22	392	354	359	5	2.6	0.8	0.06	0.08	12.5	0.28
KJC158	630049	7493775	349	-56	86	7	232	98	100	2	1.1	0.11	0.75	0.12	22	0.02
								111	113	2	1.1	0.5	0.65	0.25	48.6	0.04
								185	187	2	1.2	0.59	0.45	0.1	59.4	0.05
KJC159	630059	7493815	349	-57	85	25	214	160	174	14	8.5	1.49	0.64	0.3	160.5	0.09
							including	170	173	3	1.8	3.83	1.08	0.17	404	0.2
								178	179	1	0.6	2.19	0.34	0.27	54.1	0.02
								181	182	1	0.6	2.97	0.05	0.16	72.4	0.64
								190	193	3	1.9	1.77	0.2	0.35	117.1	0.24
KJC160	627443	7490639	367	-51	71	16	16	3	6	3	1.9	2.72	0.33	0.23	25.7	0.01
KJC161	627426	7490634	367	-56	70	50	88	65	71	6	3.5	1.36	2.72	6.92	19.3	0.06
KJC162	627398	7490749	365	-50	69	52	52	20	23	3	1.9	2.58	0.93	0.43	20.2	0.03
KJC163	627392	7490747	365	-57	69	38	88	51	58	7	3.7	2.1	1.11	2.19	17	0.03
							Including	56	57	1	0.5	7.34	0.59	1.97	67.4	0.09
KJC165	630227	7494764	346	-61	89	23	70	47	48	1	0.5	0.71	0.02	0.07	23.9	0.12
KJC166	630471	7494710	346	-58	270	49	76	24	26	2	1.1	0.51	0.01	0.02	1.3	0.02

[1]Base of Oxidisation down hole depth [2]Estimated True Width

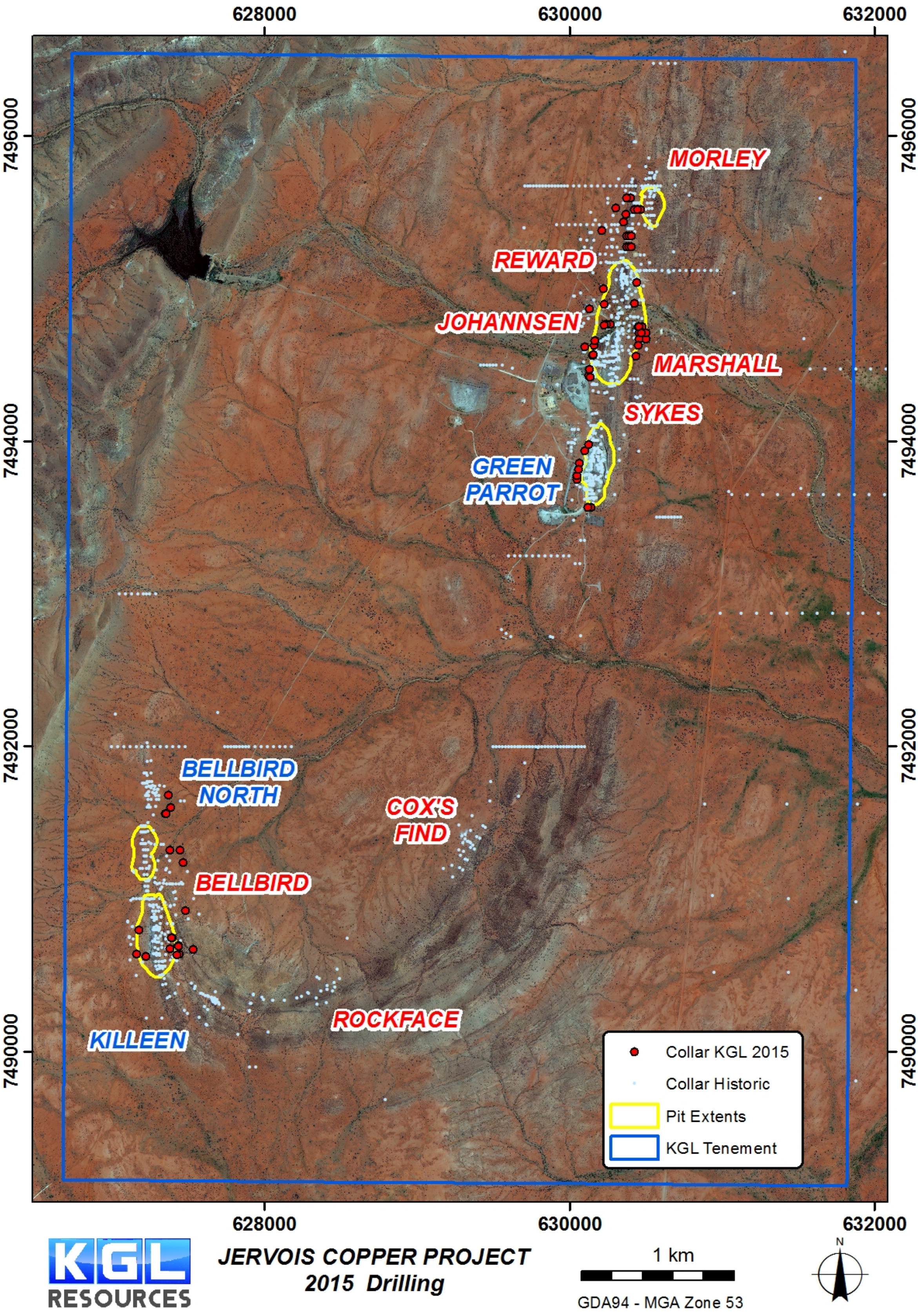

FIGURE 7 PLAN OF RC DRILLING FOR RESOURCE EXTENSION

1 JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Diamond drilling and reverse circulation (RC) drilling were used to obtain samples for geological logging and assaying. • RC drill holes are sampled at 1m intervals and split using a cone splitter attached to the cyclone to generate a split of ~3kg. • Diamond core was quartered with a diamond saw and generally sampled at 1m intervals with shorter samples at geological contacts. • RC samples are routinely scanned with a Niton XRF. Samples assaying greater than 0.1% Cu, Pb or Zn are submitted for analysis at a commercial laboratory.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• RC Drilling was conducted using a reverse circulation rig with a 5.25" face-sampling bit. Diamond drilling was either in NQ2 or HQ3 drill diameters. Metallurgical diamond drilling (JMET holes) were PQ
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• RC samples were not weighed on a regular basis but no sample recovery issues were encountered during the drilling program. • Overweight samples (>3kg) were re-split with portable riffle splitter
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• All RC and diamond core samples are geologically logged. Core samples are also orientated and logged for geotechnical information.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• RC drill holes are sampled at 1m intervals and split using a cone splitter attached to the cyclone to generate a split of ~3kg. • Diamond core was quartered with a diamond saw and generally sampled at 1m intervals with shorter samples at geological contacts. • RC sample splits (~3kg) are pulverized to 85% passing 75 microns. • Diamond core samples are crushed to 70% passing 2mm and then pulverized to 85% passing 75 microns.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• The QAQC data includes standards, duplicates and laboratory checks. In ore zones Standards are added at a ratio of 1:10 and duplicates and blanks 1:20. • Basemetal samples are assayed using a four acid digest with an ICP AES finish. Gold samples are assayed by Aqua Regia with an ICP MS finish. Samples over 1ppm Au are re-assayed by Fire Assay with an AAS finish. • An umpire laboratory is used to check ~1% of samples analysed.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data*	• Data is validated on entry into the Datashed database. • Further validation is conducted when data is imported into Vulcan

Criteria	JORC Code explanation	Commentary
	verification, data storage (physical and electronic) protocols. • *Discuss any adjustment to assay data.*	
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Surface collar surveys were picked up using a Trimble DGPS. • Downhole surveys were taken during drilling with a Ranger or Reflex survey tool every 30m with checks conducted with a Gyrosmart gyro and Azimuth Aligner. • All drilling is conducted on the MGA 94 Zone 53 grid. All downhole magnetic surveys were converted to MGA 94 grid.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Drilling for Inferred resources has been conducted at a spacing of 50m along strike and 80m within the plane of the mineralized zone. Closer spaced drilling was used for Indicated resources. • Shallow oxide RC drilling was conducted on 80m spaced traverses with holes 10m apart
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Holes were drilled perpendicular to the strike of the mineralization a default angle of -60 degrees but holes vary from -45 to -80.
Sample security	• *The measures taken to ensure sample security.*	• Samples were stored in sealed polyweave bags on site and transported to the laboratory at regular intervals by KGL staff or a transport contractor.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• The sampling techniques are regularly reviewed.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The Jervois project is within E30242 100% owned by Jinka Minerals and operated by Kentor Minerals (NT), both wholly owned subsidiaries of KGL Resources. • The Jervois project is covered by Mineral Claims and an Exploration licence owned by KGL Resources subsidiary Jinka Minerals.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Previous exploration has primarily been conducted by Reward Minerals, MIM and Plenty River.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• EL30242 lies on the Huckitta 1: 250 000 map sheet (SF 53-11). The tenement is located mainly within the Palaeo-Proterozoic Bonya Schist on the northeastern boundary of the Arunta Orogenic Domain. The Arunta Orogenic Domain in the north western part of the tenement is overlain unconformably by Neo-Proterozoic sediments of the Georgina Basin. • The copper-lead-zinc mineralisation is interpreted to be stratabound in nature, probably relating to the discharge of base metal-rich fluids in association with volcanism or metamorphism or dewatering of the underlying rocks at a particular time in the geological history of the area.
Drill hole	• *A summary of all information material to the understanding of*	• Refer Table 1

Criteria	JORC Code explanation	Commentary
Information	*the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Refer Table 1
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Refer Table 1
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Refer Figures 1, 2, 3, 4, 5, 6 & 7
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Refer Table 1
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Outcrop mapping of exploration targets using Real time DGPS.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Refer Figures 2, 5, 6 & 7