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Jervois delivers high copper grades at Rockface

Highlights

- **Diamond hole KJCD171 intersects a broad interval of high-grade copper mineralisation:**

  13m @ 2.14% Cu, 12.5g/t Ag, 0.10g/t Au from 255 m

  2m @ 2.83% Cu, 10.8g/t Ag, 0.05g/t Au from 278 m

- **Mineralisation coincides with a strong, IP chargeability and conductivity anomaly**

- **Strong DHEM conductors detected in-hole and off-hole extending 300m below current resource**

KGL Resources (KGL) recently completed a 3D - Induced Polarisation (3DIP) & Magnetotelluric (MT) survey in the Bellbird region to search for additional sulphide mineralisation in a poorly tested and yet highly prospective portion of the 12km long mineralised corridor at Jervois (Northern Territory). A strong coincident IP chargeability and conductivity response was modelled at the Rockface prospect that extends to a vertical depth of over 400m, the limit of the survey. The IP anomaly is located under a prominent ironstone ridge with copper occurrences.

Hole KJCD171 intersected intervals of disseminated mineralisation from 205m in garnet-chlorite altered sediments followed by 14m of massive magnetite-chalcopyrite from 253.5m to 267.5m. Garnet-chlorite schist and magnetite are typical of the host rocks for other sulphide resources within the project area. The sulphide intersection is deeper than any previous hole drilled at Rockface and well below the current Inferred resource boundary (Figures 1 & 2).

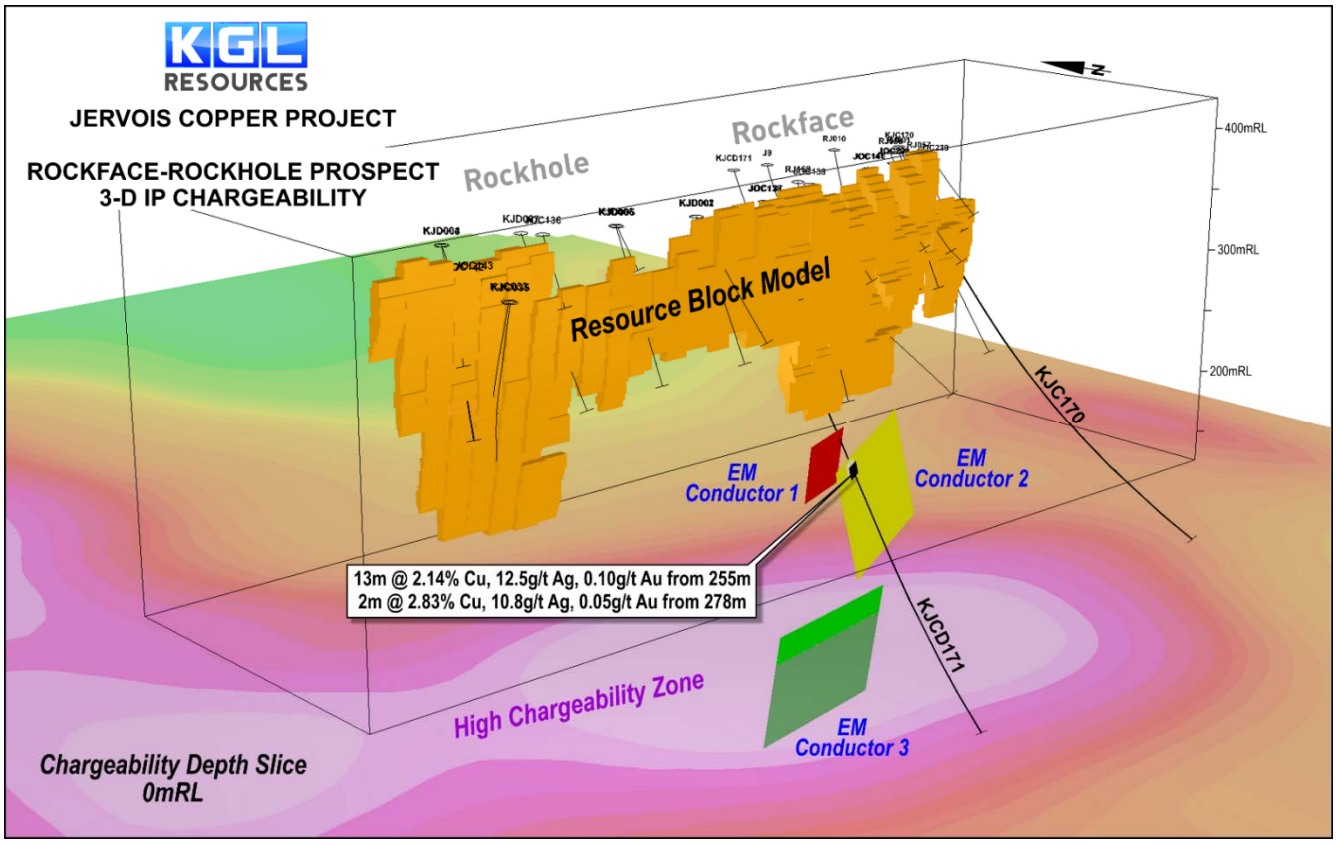

Figure 1 DHEM Conductive plates in KJCD171

A Down Hole Electro-Magnetics (DHEM) survey was completed on KJCD171 to delineate the extent of the sulphide mineralisation and to identify off-hole conductors that may represent additional lenses of high-grade mineralisation. Modelling of the DHEM by Newexco identified three good conductors. The hole pierced the top corner of Conductor 1 and 2 while Conductor 3 was not intersected and sits deeper beneath the hole, extending to 300m below the existing resource.

The average density of the high-grade zone in KJCD171 is 4.33 t/m^3, which is considerably higher than most of the resource that is closer to 3 t/m^3 implying a higher copper metal content per cubic metre of rock than elsewhere at Jervois given the same grades.

Simon Milroy, the Managing Director of KGL Resources comments, "Detection of strong off-hole EM conductors extending below KJCD171 is driving a reassessment of the potential at Rockface. The width and grade of the mineralisation is better than in any previous drilling closer to the surface and in outcrop. Rockface appears to be improving with depth."

"The Rockface trend does not currently feature in our PFS mine schedule but has the potential to add a new open pit and underground mine to the project. It is exciting to see a commitment to exploration generate further upside to the project at these grades."

The 3DIP technique responds well to disseminated sulphides and we are seeing low-grade disseminated copper mineralisation in each of the chargeability anomalies targeted. The assay results from hole KJCD171 are the best intersection in this program to date though other drilling has intercepted high grades but narrow intercepts including:

- 2m @ 3.18% Cu, 11.8g/t Ag, 0.03g/t Au from 19 m (KJC167) Target A
- 4m @ 0.51% Cu, 1.09% Pb, 4.27% Zn, 16.4g/t Ag, from 119 m (KJC169) Bellbird East

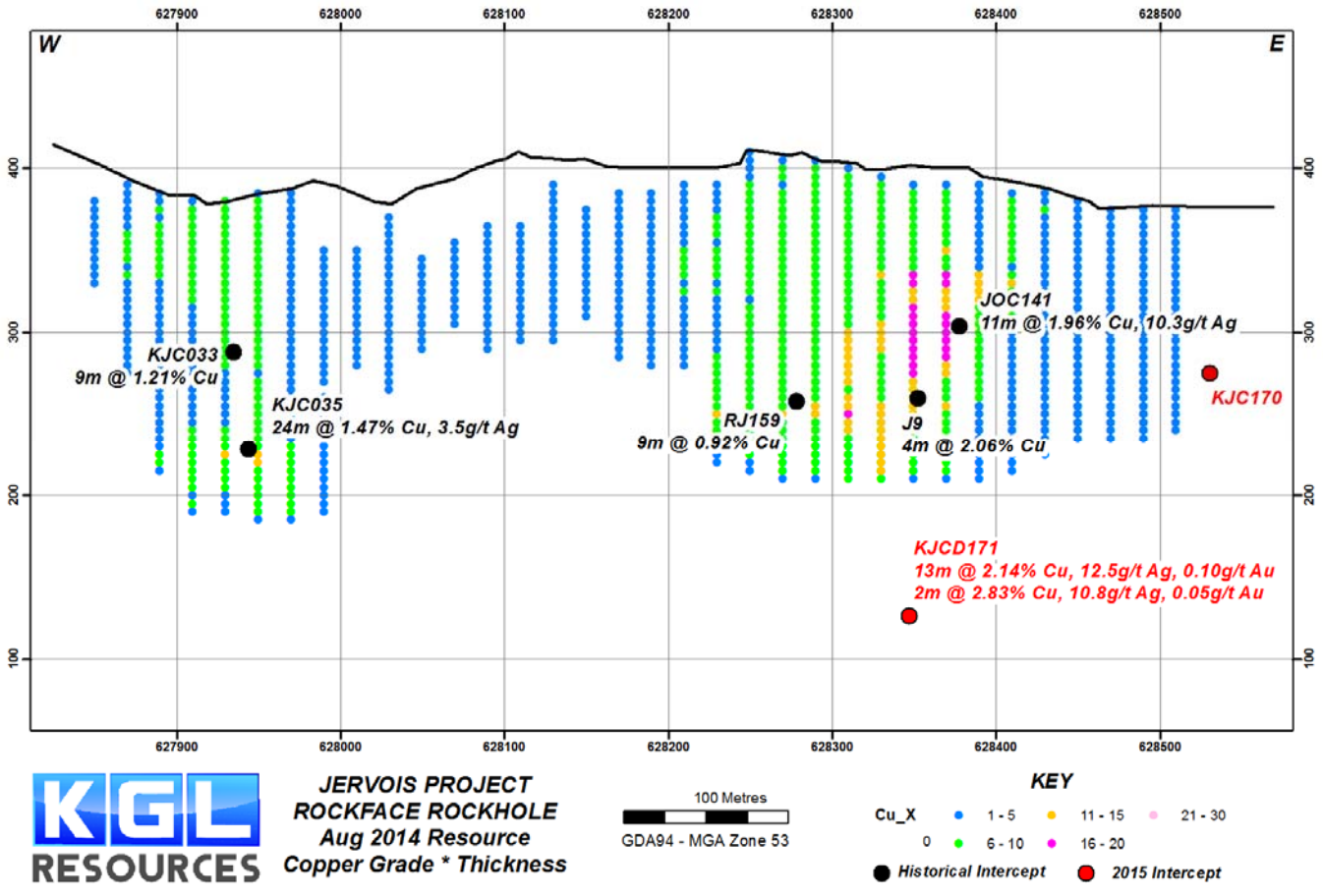

Figure 2 Rockface-Rockhole long section with copper grade thickness of block model

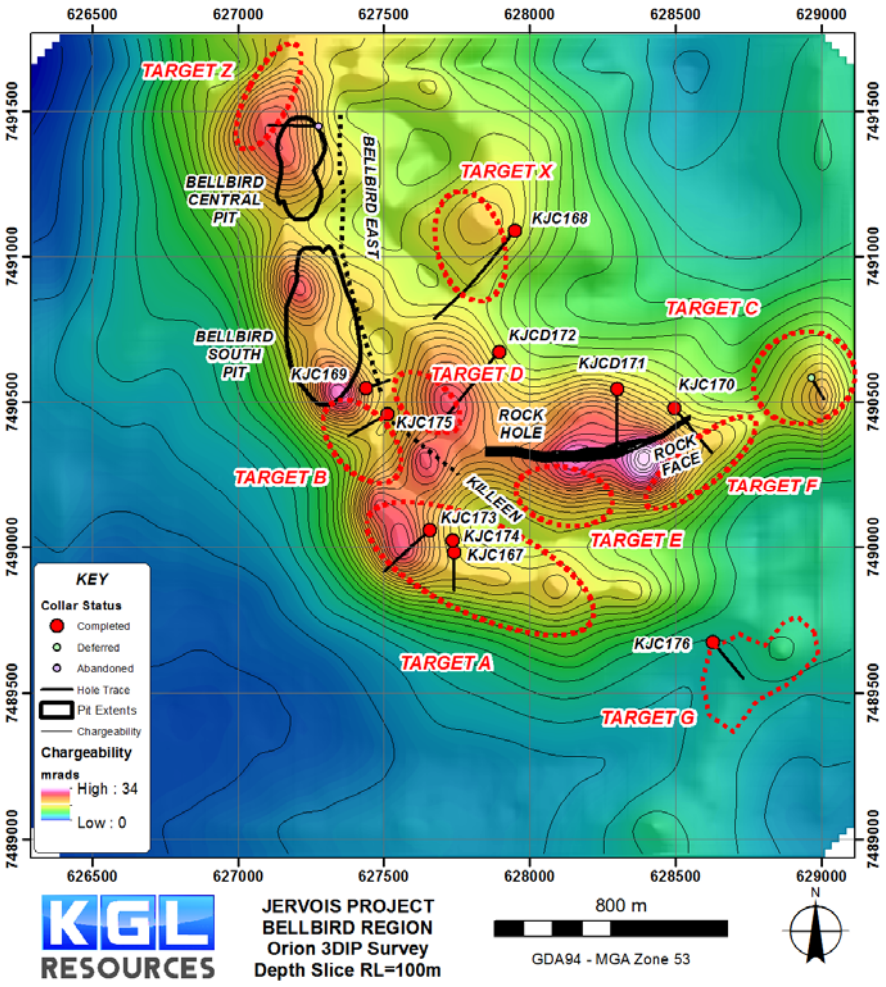

Figure 3 3DIP Chargeability depth slice at RL 100m

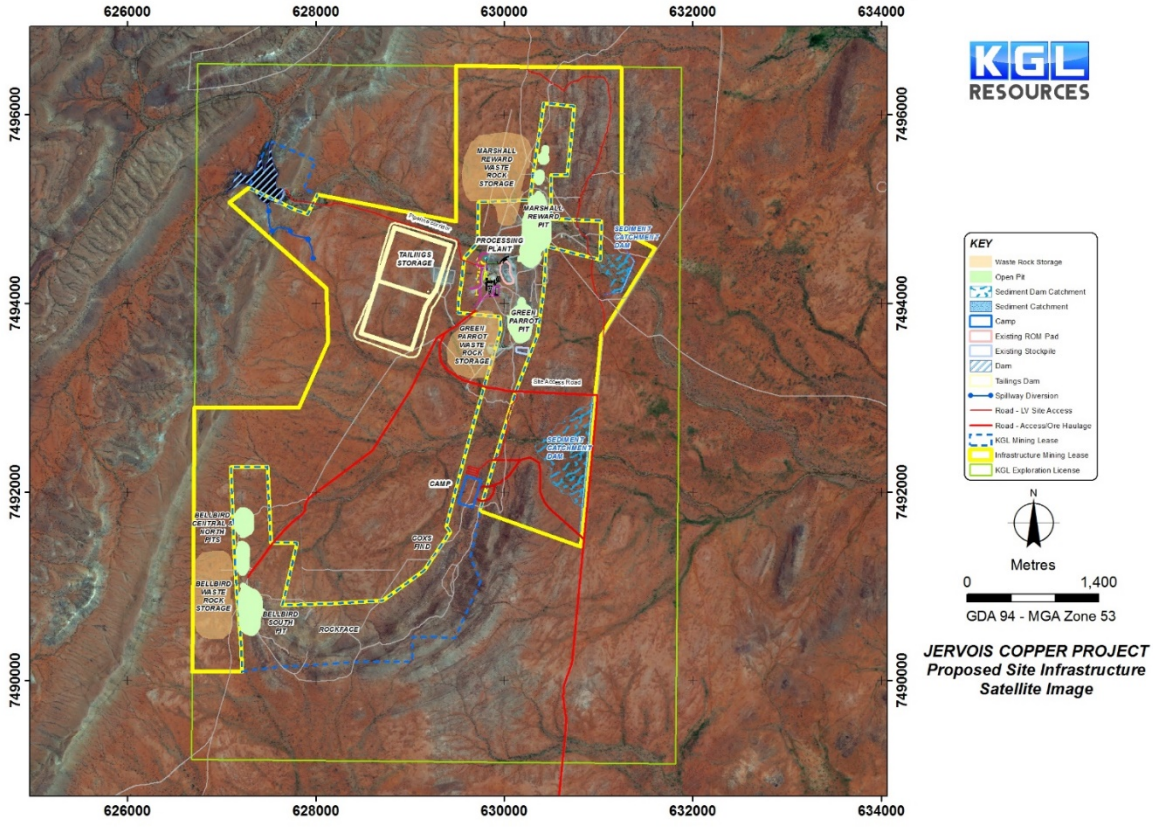

Figure 4 Jervois Proposed Site Layout

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
KJC167	627740	7489978	363	-59	175	42	232	19	21	2	1.3	3.18	0.02	0.03	11.8	0.03
								89	90	1	0.7	0.87	0.02	0.02	3	0.02
KJC169	627438	7490548	368	-56	62	30	147	119	123	4	3.1	0.51	1.09	4.27	16.4	0
KJC170	628496	7490480	366	-66	125	42	439	368	369	1	0.9	0.5	0	0.03	1.5	0
KJCD171	628331	7490510	363	-68	167	37	502	255	268	13	10.0	2.14	0.02	0.08	12.5	0.1
								269	270	1	0.8	0.71	0.01	0.05	5.3	0
								278	280	2	1.5	2.83	0	0.07	10.8	0.05

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

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
KJC033	08/11/2013	2004
KJC035	08/11/2013	2004
RJ159	15/08/2011	2004
J9	16/05/2011	2004
JOC141	01/08/2014	2012

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. • Other sampling techniques may have been used prior to KGL Resources involvement in 2011.
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 NQ or HQ drill diameters.
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.
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 6mm and then pulverized to 85% passing 75 microns. • Sampling techniques used by KGL are appropriate and generate sub-samples for analysis that are representative of the whole sample.
Quality of assay	• *The nature, quality and appropriateness of the assaying and*	• The QAQC data includes standards,

Criteria	JORC Code explanation	Commentary
data and laboratory tests	*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.*	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. • Assay methods are appropriate for the style of mineralisation and provide results of acceptable accuracy.
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 verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Data is validated on entry into the Datashed database. • Further validation is conducted when data is imported into Vulcan. • Below detection limit results are replaced in the database with values of half the detection limit. • Selected holes are twinned. • Intersections in selected historic holes were visually validated.
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. • A digital terrain model was generated using grid based DGPS data and surveyed drillhole collar data.
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. • 4m RC composite samples were used in unmineralised portions of the hangingwall and footwall.
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. • There is no sampling bias based on drill hole orientation.
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.
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 E25429 and contains two Mining Leases, ML30180 and ML30182 and one application MLA30829, all 100% owned by Jinka Minerals and operated by Kentor Minerals (NT), both wholly owned subsidiaries of KGL Resources. • The Jervois project is covered by Mining Licences 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.*	• E25429, ML30180, ML30182 and MLA30829 lie on the Huckitta 1: 250 000 map sheet (SF 53-11). The tenement is located mainly within the Palaeo-Proterozoic Bonya Metamorphics 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 Information	• *A summary of all information material to the understanding of 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.*	• Refer Table 1
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*	• Refer Table 1

Criteria	JORC Code explanation	Commentary
	length, true width not known').	
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
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 Figure 1