

23 March 2016

## Jervois Exploration Update

### Highlights

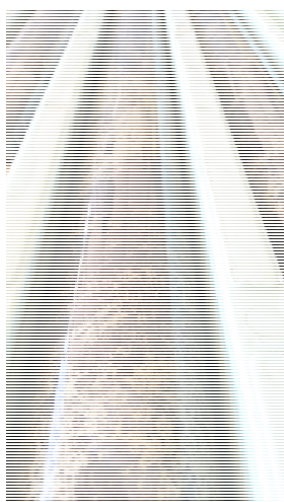
- **Copper/lead/zinc mineralisation intersected at Green Parrot infill drilling**
- **Chalcopyrite in massive magnetite intersected at Rockface**
- **Detailed gravity survey completed**

### RC and Diamond Drilling

A program of RC and diamond drilling is underway at Jervois. RC drilling of five holes at Green Parrot has been completed, two of these holes still require diamond tails to be drilled. These holes are targeted in to an area of historical drilling to verify the existing results and to provide additional density information. The verification of historical data is designed to facilitate an upgrade of the shallow open pit resources at Green Parrot.

At Rockface, a strong 3DIP chargeability anomaly was drilled in late 2015, intersecting a broad interval of massive magnetite/chalcopyrite mineralisation. The results of this hole (KJCD171) included 13m @ 2.14% Cu, 12.5g/t Ag, 0.10g/t Au from 255 m and 2m @ 2.83% Cu, 10.8g/t Ag, 0.05g/t Au from 278 m. A follow-up down-hole EM survey identified two strong off-hole conductors that have been targeted in this program.

Diamond tails through the target zones are now in progress. The first diamond tail (Hole KJCD 183) has intersected approximately 17 metres of chalcopyrite hosted in massive magnetite which looks similar to the recent intersection in hole KJCD171 (Figures 1 and 2). Drilling of the diamond tail in the second hole is currently underway.



**Figure 1. Core from drill hole KJCD183 at Rockface**



**Figure 2. Core from drill hole KJCD183 at Rockface showing chalcopyrite in magnetite**

## Gravity Survey

A detailed gravity survey over the Bonya metamorphics in the Jervois project area is now complete. An image of the terrain corrected residual bouguer gravity is shown in Figure 3. Magnetite and garnet-altered rocks within and adjacent to mineralisation are significantly denser than the unaltered country rocks and constitute a good gravity target. This is especially evident in areas such as Marshall, Reward and in the fold hinge zone at Rockface, where the gravity response is significantly higher (red/white). The presence of high density sulphide minerals can make the gravity response even larger. A gravity low (blue) has been identified to the west of Green Parrot. The source is unknown as there is no outcrop though the response is similar to a felsic intrusive. The objective of the gravity survey has been to improve the understanding of the geology and, in combination with existing drilling results, previous geophysical surveys and structural mapping, define new and refine existing drilling targets.

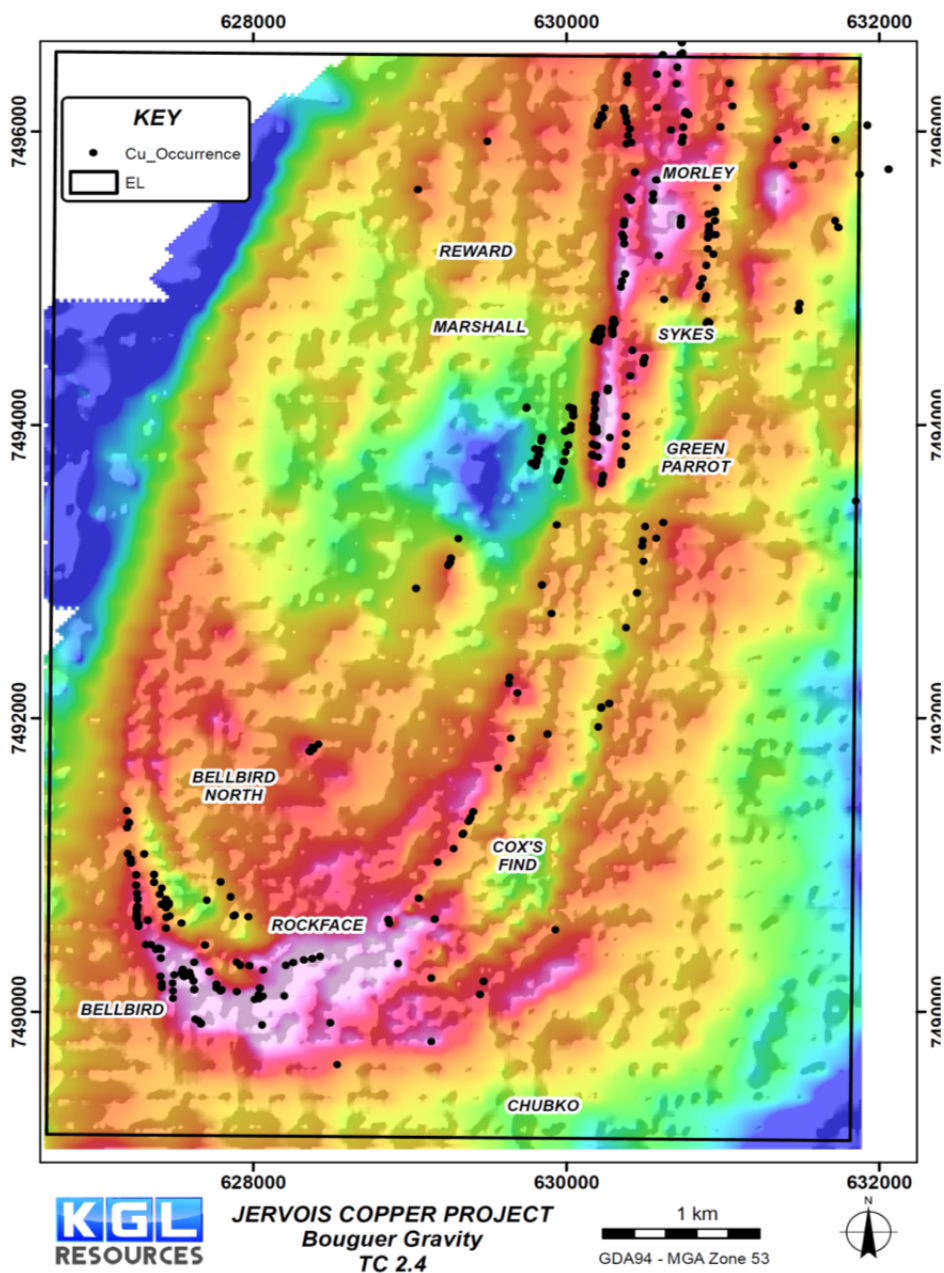


Figure 3. Gravity survey results with copper occurrences at the surface.

## RC and Diamond Drilling

Shallow RC drilling targeting several soil, geo-chemical, gravity and magnetic anomalies identified in recent field work will commence next week.

### 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
KJCD171	22/10/2016	2012