

1 July 2016

## Jervois Exploration Update

### Chalcopyrite in massive magnetite intersected at Rockface

#### Down Hole Electromagnetic survey scheduled to commence next week

A diamond drilling program is now underway with the first of 3 planned holes targeting the large Conductor 3 Down-Hole Electromagnetic (DHEM) anomaly at the Rockface prospect nearing completion.

A zone of approx. 11m of semi-massive/ stringer chalcopyrite/ pyrite in a strongly altered garnet/magnetite host rock has been intersected from approx. 478.5m to 489.2m in diamond hole KJCD195.

A second moderately mineralised zone of approx. 10m has been intersected between approx. 513.5m to 523.1m. Stringer and disseminated chalcopyrite/ pyrite, in this interval, is also hosted within a strongly altered garnet-magnetite zone.

The style of mineralisation in KJCD195 appears very similar to that observed in KJCD171 and KJCD182-3. Chalcopyrite occurs as fracture fill within the magnetite host rock, and grades into zones of semi-massive and stringer chalcopyrite-pyrite. The magnetite-chalcopyrite mineralisation is located at the sheared contact between a metamorphosed siltstone/mudstone sequence and a footwall meta-sandstone unit. The host rock is an intensely altered chlorite-garnet-magnetite assemblage.



Figure 1 Mineralised core from KJCD195

Diamond hole KJCD183 drilled in March 2016 was designed to target the Conductor 3 anomaly. The hole lifted more than planned intersecting the mineralised horizon approx. 10m above the remodelled position of Conductor 3. The mineralised intercept in KJCD183 appears to be a further extension of the massive magnetite-chalcopyrite mineralisation that was first intersected in KJCD171. The results of KJCD183 included 16m @ 3.34% Cu, 16.7g/t Ag, 0.17g/t Au from 362m.

This zone of magnetite/chalcopyrite mineralisation at Rockface is rapidly growing in size and significance to the Jervois project. The current diamond hole KJCD195 intersected mineralisation 105m below and 15m to the west of the nearest existing hole KJCD183.

The high grade copper mineralisation in the magnetite/chalcopyrite zone is responding very well to DHEM and a survey is planned for next week to assist in optimising the targeting of additional drilling into the highest grade mineralisation.

**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 Vectorex Pty Ltd and consults to KGL Resources.

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	22/10/2015	2012
KJCD182	9/05/2016	2012
KJCD183	26/04/2016	2012

