



5 September 2013

## **Farm-in Agreement for Bashkol**

KGL Resources (KGL) have signed a binding agreement with Robust Resources (Robust) for Robust to farm in to the Bashkol project in the Kyrgyz Republic.

Kentor currently owns 80% of CJSC Kentor a Kyrgyz company which holds 100% of the Baskol project. The other 20% of CJSC Kentor is held by the Kyrgyz Geophysical Expedition (KGE).

Under the terms of the Agreement, Robust has been granted a sole and exclusive right to earn an equity interest in CJSC Kentor on the following terms:

- Robust contributes an initial expenditure of A\$2 million by 31 December 2017 to earn a 51% ownership in CJSC Kentor.
- Robust can earn a further 19% ownership in CJSC Kentor if it contributes a further A\$5 million in the period ending 31 December 2021.
- Robust must contribute a minimum annual expenditure to keep the Bashkol Tenement in good standing, currently estimated at US \$375,000 per annum.

A 2,000m diamond drilling programme at Bashkol is due to commence this month.

Simon Milroy, the Managing Director of KGL Resources said "Farming out the Bashkol project in the Kyrgyz Republic allows us to be fully focussed on the exploration and development of the Jervois copper project in the Northern Territory."

### **For further information contact:**

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Managing Director  
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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. Jervois currently has Indicated and Inferred Resources of 13.5 million tonnes @ 1.3% copper and 25.8 g/t silver for a total of 170,415 tonnes copper and 11.6 million oz silver at a 0.5% copper cutoff, together with 69,000 oz gold, 26,000 tonnes lead and 22,000 tonnes zinc.

## Competent Person

The data in this report that relates to Jervois Mineral Resource Estimates is based on information evaluated by Mr Simon Tear who is a Member of The Australasian Institute of Mining and Metallurgy (MAusIMM) and who has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code"). Mr Tear is a Director of H&S Consultants Pty Ltd and he consents to the inclusion in the report of the Mineral Resource in the form and context in which they appear.

The data in this report that relates to Jervois cut off grades and mining assumptions is based on information evaluated by Mr Simon Milroy who is a Member of The Australasian Institute of Mining and Metallurgy (MAusIMM) and who has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code"). Mr Milroy is a full-time employee of KGL Resources Limited and he consents to the inclusion in the report of the cut off grades and mining assumptions in the form and context in which they appear.

The data in this report that relates to exploration results for Jervois is based on information compiled by Rudy Lennartz, who is a member of the Australasian Institute of Mining and Metallurgy and a full time employee of Kentor Minerals (NT) Pty Ltd. Mr. Lennartz 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 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Lennartz has consented to the inclusion of this information in the form and context in which it appears in this report.