

17 July 2018

Quarterly Activities Report Period Ended 30 June 2018

High grade infill drill results advance program to upgrade resources at Jervois Copper Project ahead of development

-) Increased and upgraded Mineral Resource – 384,800 tonnes of copper**
-) Infill drilling to further upgrade Inferred to Indicated Resource**
-) Appointments to strengthen board and project management**

Overview

KGL Resources Limited (ASX:KGL) (KGL or the Company) is pleased to announce a number of significant advancements for the Jervois Copper Project achieved during the quarter.

-) Announced an increased copper and silver Resource with significantly higher grades
-) Progressed an infill drilling program focussed on further upgrading the Resource confidence at Rockface and Reward
-) Advanced preliminary mine planning and metallurgical process design work
-) Continued the drafting of the Environmental Impact Statement (EIS), the only major outstanding approval and now in the final stages of preparation
-) Appointment of senior executive Mr Paul Richardson as Project Director now based on site at Jervois
-) Strengthened the board with the appointments of Mr John Gooding and Ms Fiona Murdoch, both with significant resource and infrastructure industry experience.

Jervois Copper Project, Northern Territory (KGL 100%)

Increased and upgraded Resource

During the quarter, the Company announced an increased and upgraded Mineral Resource Estimate for Jervois, resulting from the disciplined exploration program over the previous two years. The new Resource of 25.2 million tonnes contains

-) 384,800 tonnes of copper, an increase of 18%
 - o with the grade increasing significantly by 43% to 1.53%, and
-) 23.6 million ounces of silver, up 4%
 - o with the silver grade increasing by 27%.

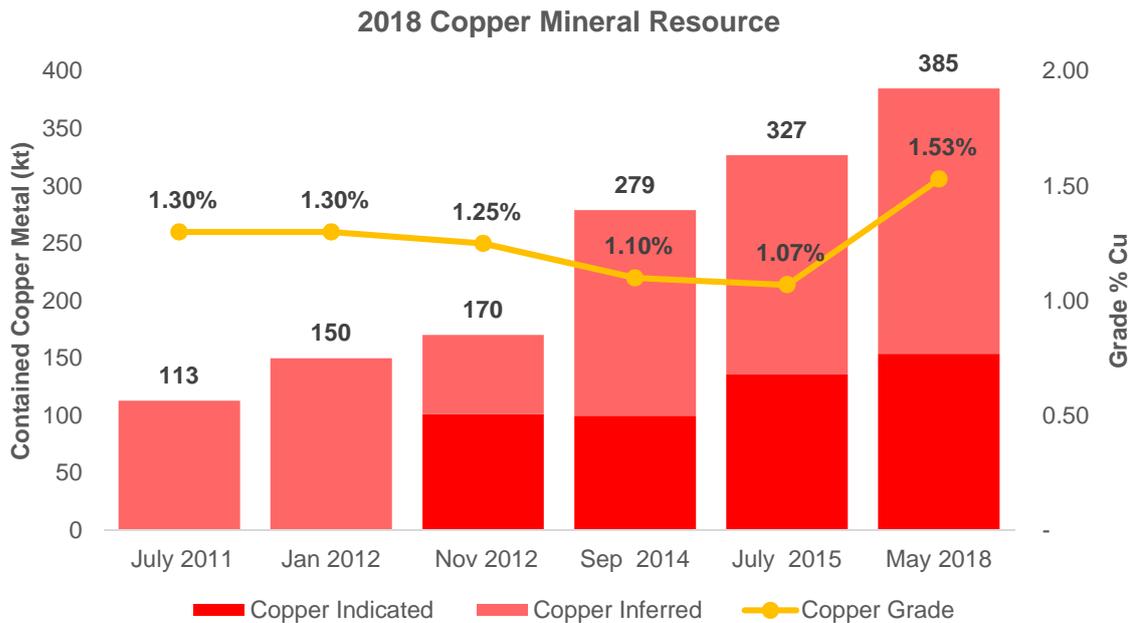


Figure 1. 2018 Copper Mineral Resource

For the first time, the discoveries at the Rockface prospect are included, estimated at more than 90,000 tonnes of copper at close to 3%, the highest average copper grades at Jervois. Also included is the recent high grade extension at the Reward prospect which is still in early stages of exploration.

Excluding the copper associated with lead-zinc resources which remain unchanged from the previous 2015 Mineral Resource Estimate, the grade is further enhanced:

) 357,200 tonnes of copper, an increase of 19% at an average grade 1.67%, an increase of 49%.

Jervois 2018	Category	Mt	Cu %	Ag g/t	Cu Kt	Ag Mozs	Cu cut-off
Marshall	Indicated	1.4	1.45	35.6	20.1	1.6	0.5
Marshall OP	Inferred	0.3	0.9	20.2	2.6	0.2	0.5
Reward OP	Indicated	3.3	1.11	27.7	37	3	0.5
Reward OP	Inferred	0.4	1.01	20.5	3.8	0.2	0.5
Reward UG	Indicated	0.7	2.68	43.1	18.3	0.9	1
Reward UG	Inferred	3.6	1.9	32.8	67.6	3.8	1
Reward E OP	Inferred	0.5	0.78	6.6	3.8	0.1	0.5
Reward E UG	Inferred	0.7	1.45	12.9	10.3	0.3	1
Bellbird OP	Indicated	3.9	1.19	8.6	46.5	1.1	0.5
Bellbird OP	Inferred	1.3	0.98	36.5	13	1.6	0.5
Bellbird UG	Indicated	0.2	1.84	12	3.9	0.1	1
Bellbird UG	Inferred	1.9	2	12.7	37.6	0.8	1
Rock Face UG	Indicated	0.5	3.57	19.3	19.3	0.3	1
Rock Face UG	Inferred	2.7	2.77	16.3	73.5	1.4	1
2018 Copper Resource Total	Indicated	10.1	1.44	21.6	145.1	7	-
	Inferred	11.3	1.88	22.9	212.1	8.3	-
	Sub-total	21.3	1.67	22.3	357.1	15.3	-

Table 1. Resource estimates for Jervois as reported on 18 May 2018.

Strategy

A decision was made two years ago to focus on improving the mineral resource at Jervois, particularly to increase the grade of copper with the intention to support a financially robust copper producer. The recent announcement of the upgraded Mineral Resource with the ongoing studies and associated work streams supports significant progress of the strategy.

The improvements have been achieved through the application of modern, cost efficient exploration methods. In particular down hole electromagnetic (DHEM) surveying has proven extremely successful, providing clear targets for drilling that has produced multiple high-grade intersections at Rockface, expanding zones of mineralisation. The same technologies have been used at Reward, 5km along strike to the north-east where they continue to improve our understanding of the deposit. The technique is planned to be applied to assess the potential for further high-grade underground mineralisation on both the Jervois and surrounding Unca Creek leases.

The immediate focus remains the current infill drilling program, to further enhance the confidence of the Resource.

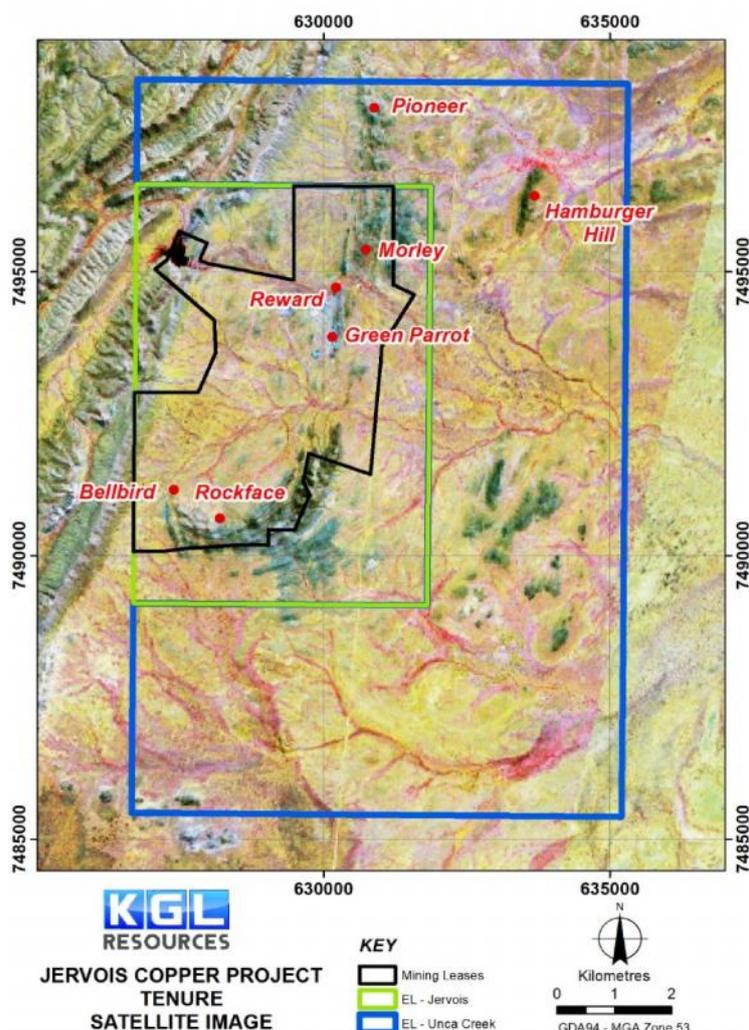


Figure 2. Satellite image showing the relative locations of the Rockface, Reward, Morley and other prospects at Jervois within the mining leases and exploration leases held by KGL Resources.

Drilling report

Rockface

Infill drilling at Rockface is targeting the two separate lodes, the Main Lode and the smaller North Lode, where the current combined Mineral Resource is 3.2Mt @ 2.90% Cu.

Excellent results were achieved during the quarter with three deflections (KJCD245D1, KJCD245D2 and KJCD245D3) successfully achieving the desired positions. Further deflections are planned on KJCD233 and the yet to be completed hole KJCD272.

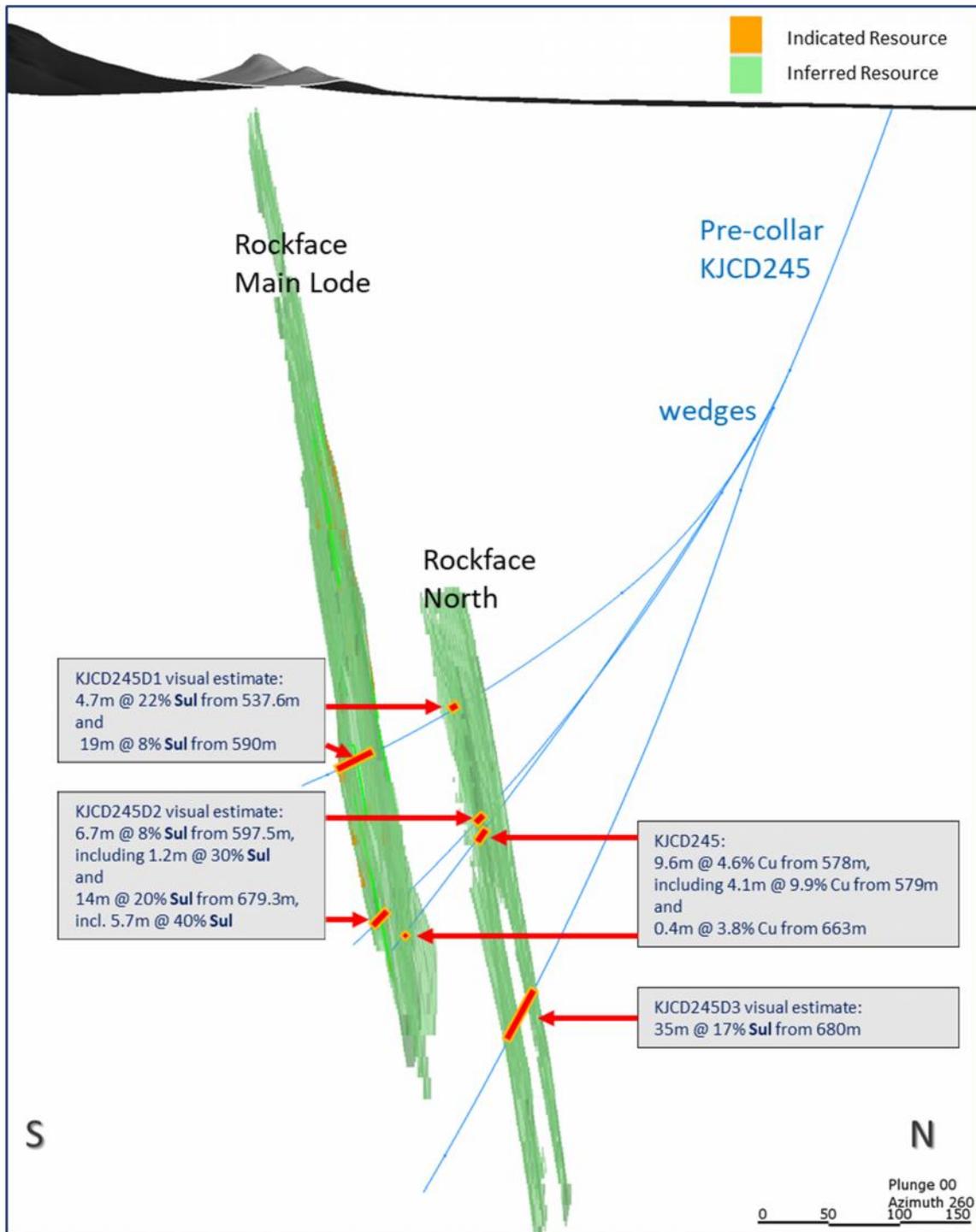


Figure 3. Cross Section of the North Lode (right) and Main Lode (left) to showing the mother hole KJCD245 and deflections KJCD245D1, KJCD245D2 and KJCD245D3 with assays for the mother hole and visual estimates for the sulphide intersections (Sul) obtained in the deflections for which assays are awaited.

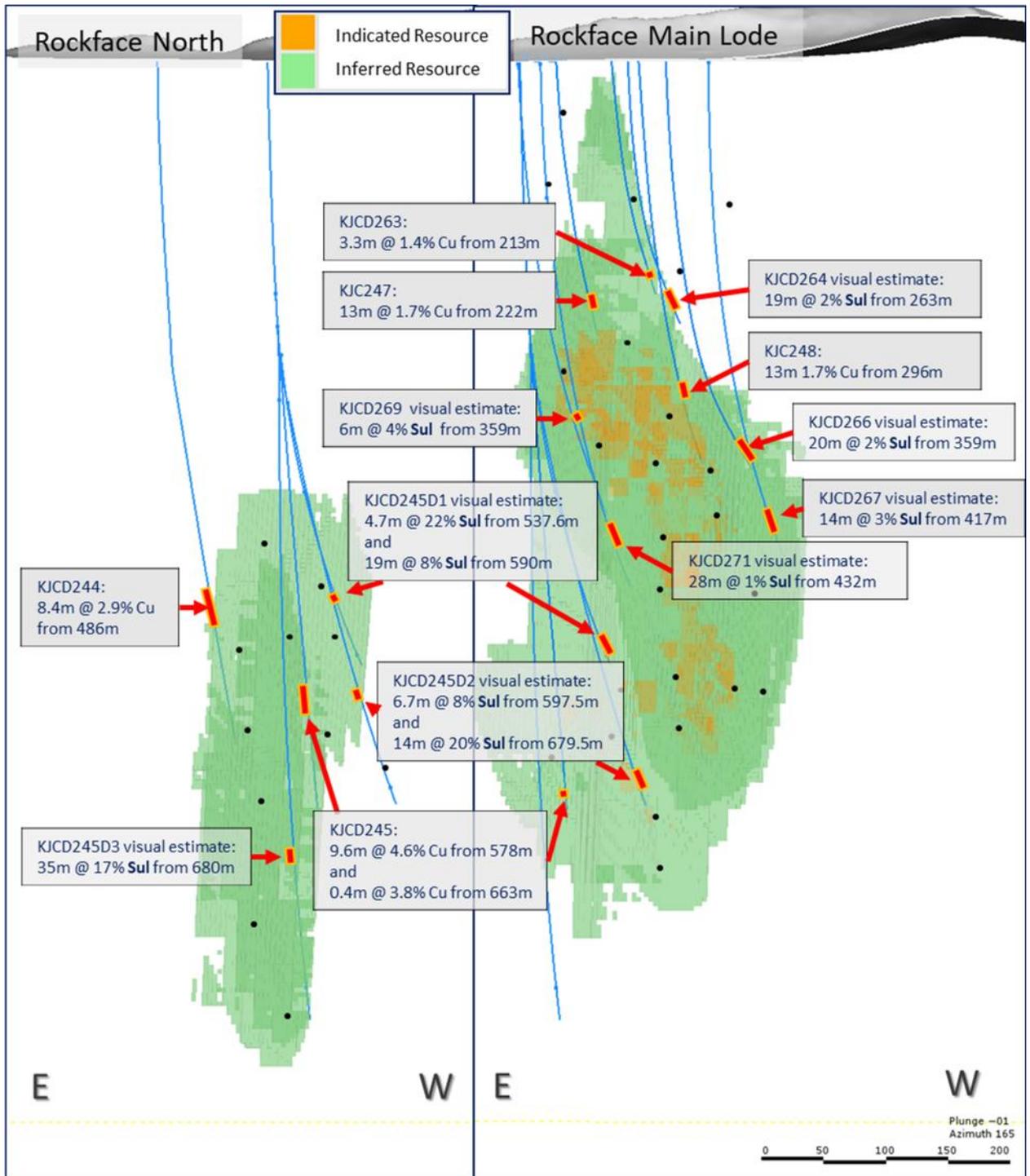


Figure 4. Longitudinal section of the North Lode (left) and Main Lode (right) with assays from KJCD244, KJCD245, KJC247, KJC248 and KJD263 and visual sulphide intercepts (Sul) from KJCD245D1, D2, D3, KJCD264, KJCD266, KJCD267, KJCD269 and KJCD271. Previous drill intercept pierce points are shown as black dots.

During the quarter, assays were received for several holes, while visual estimates and descriptions are provided for those awaiting assay results.

Assay results for resource drilling:

Holes KJC247, KJC248 and KJCD263 targeted the Main Lode at shallow depth in areas where the Resource is currently classified as Inferred. The overall results of these shallow holes are in line with surrounding drill holes, the grades in the holes from shallow parts of the Main Lode being lower than the average Main Lode Resource grade while a narrow zone of much higher grade in KJCD263 is noted below.

KJC247	13m @ 1.71% Cu, 11.1g/t Ag, 0.05g/t Au from 222 m
KJC248	13m @ 1.67% Cu, 9.5g/t Ag, 0.08g/t Au from 296 m
KJCD263	3.31m @ 1.38% Cu, 0.03% Pb, 0.29% Zn, 7g/t Ag, 0.11g/t Au from 213.38 m, including) 0.55m @ 6.91% Cu, 0.1% Pb, 0.97% Zn, 32g/t Ag, 0.01g/t Au from 215.32 m

Table 2. Assay results for drill holes in the shallow part of the Main Lode. All widths are drill hole widths, for estimated true widths see Table 7.

Visual estimates for resource drilling:

Visual estimates of intercepts by the deflections (KJCD245D1, KJCD245D2 and KJCD245D3) and other holes (KJCD264, KJCD266, KJCD267, KJCD269 and KJCD271) for which assays are pending are provided in Table 8, Figure 3 and Figure 4.

Significant mineralisation is observed in the KJCD245D1 and KJCD245D2 intersections (Figure 6 and Figure 7), while in the KJCD245D3 intersections good mineralisation is apparent in places (Figure 8).

Visual interpretations are estimates only, made by the geologist at the time of logging. Samples are in the process of being analysed and analytical results will be released at a future date.

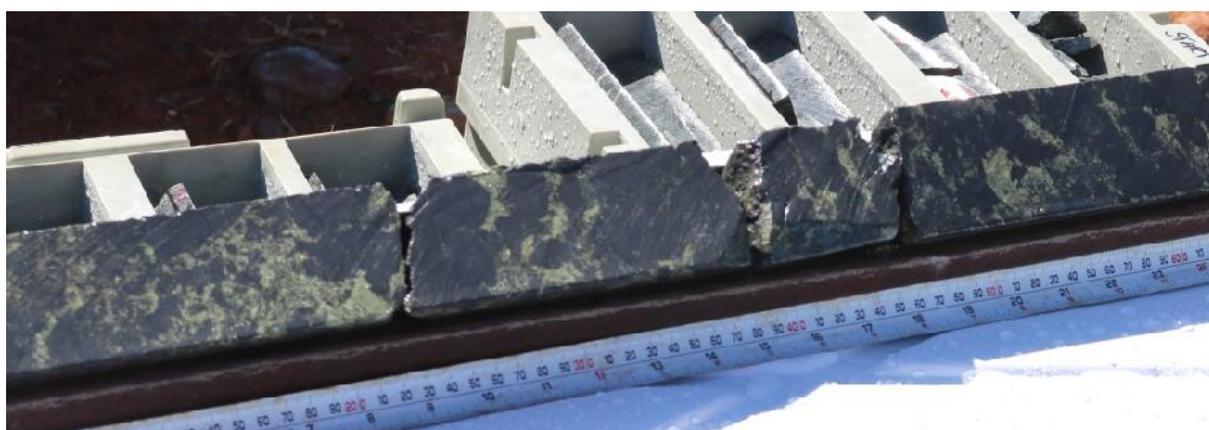


Figure 5 KJCD266 –Semi massive magnetite with disseminated vein-hosted chalcopyrite and pyrite from 366.8-367.5m.



Figure 6 Hole KJCD245D1 – Close up of North Lode mineralisation, with magnetite hosting semi-massive and stringers of chalcopyrite and pyrite. Minor chlorite and biotite alteration is also visible. Drill hole depth is approximately 538m.



Figure 7 KJCD245D2 – North Lode massive, matrix and disseminated chalcopyrite and pyrite within a zone of magnetite associated with biotite and chlorite. Drill hole depth approximately 438m.



Figure 8 Hole KJCD245D3 – Massive to semi-massive chalcopyrite and pyrite mineralisation with minor carbonate veinlets. Drill hole depth: 705 to 706m.



Figure 9 . KJCD245D2 Massive chalcopyrite mineralisation featuring minor pyrite within a psammite. Drill hole depth is approximately 684.6m.

Other assay results:

During the quarter, assay results were received for the last two holes drilled prior to the commencement of the current resource drilling program. KJCD244 targeted the eastern edge of the North Lode and KJCD245 targeted the central area of the North Lode (Figure 4).

Considering that the average grade of the North Lode is 2.40% Cu, both holes are expected to contribute additional copper resources and grade.

KJCD244	8.4m @ 2.91% Cu, 3.00% Pb, 0.17% Zn, 14.50g/t Ag, 0.43g/t Au from 486 m, including) 3.3m @ 5.12% Cu, 0.04% Pb, 0.37% Zn, 26.3g/t Ag, 0.94g/t Au from 486 m and) 6.85m @ 1.23% Cu, 0.03% Pb, 0.15% Zn, 7.4g/t Ag, 0.01g/t Au from 506.15 m
KJCD245	9.62m @ 4.63% Cu, 0.04% Pb, 1.03% Zn, 31.8g/t Ag, 0.03g/t Au from 578 m, including) 4.05m @ 9.91% Cu, 0.04% Pb, 2.15% Zn, 67g/t Ag, 0.02g/t Au from 578.95 m

Table 3 Assay results for holes KJCD244 and KJCD245 in the North Lode. All widths are drill hole widths, for estimated true widths see Table 7.

Reward

Drilling within the planned open pit outline at Reward and below the pit's lower outline is now completed, and is expected to contribute to the extension of the Indicated Resource.

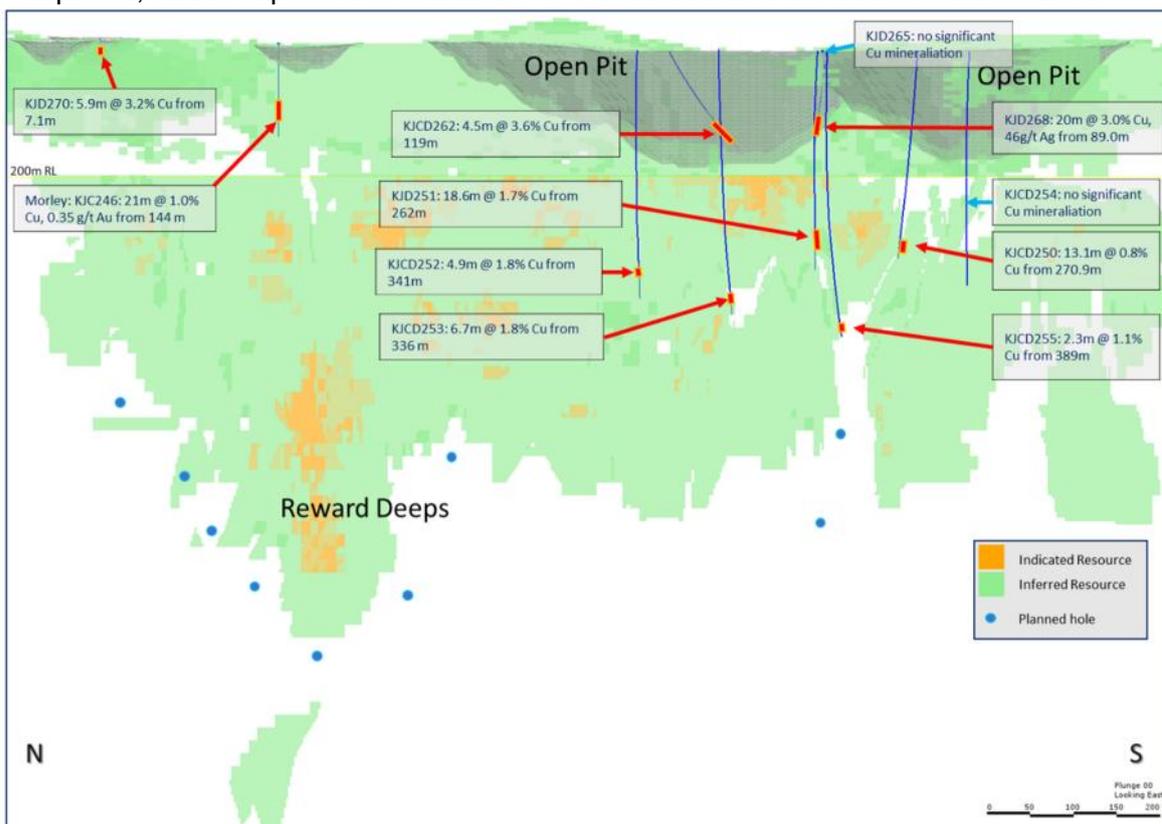


Figure 10: Longitudinal section of the Reward with assays from KJCD246, KJCD250, KJD251, KJCD252, KJCD253, KJCD255, KJCD262, KJD268, and KJD270. Previous drill intercept pierce points are shown as black dots.

Assay results were received for KJCD262 and KJCD268 approximately 100m apart (Figure 10, Table 4). The grades significantly exceed the average grade of the current Indicated estimate of 3.3Mt @ 1.11% Cu for the Reward open pit.

To the north KJD270 intersected copper mineralisation in the oxidised zone (Figure 10, Table 4).

KJCD262	4.53m @ 3.57% Cu, 0.07% Pb, 0.21% Zn, 27.3g/t Ag, 0.01g/t Au from 118.67m 4.4m @ 5.27% Cu, 0.34% Pb, 0.23% Zn, 56.4g/t Ag, 0.01g/t Au from 129.3m
KJD268	19.98m @ 2.95% Cu, 0.18% Pb, 0.22% Zn, 46.2g/t Ag, 0.03g/t Au from 89.02m, including J 9.29m @ 4.22% Cu, 0.28% Pb, 0.37% Zn, 67.5g/t Ag, 0.82g/t Au from 99.71m
KJD270	4.77m @ 3.82% Cu, 0.01% Pb, 0.03% Zn, 31.6g/t Ag, 0.06g/t Au from 8.23m

Table 4 Assay results in holes drilled within the open pit outline at Reward. All widths are drill hole widths, for estimated true widths see Table 7.

The drill holes intended to increase the confidence level from 'Inferred' to 'Indicated' are shown on Figure 9 and the mineralisation summarised in Table 5.

KJCD249	5.48m @ 1.08% Cu, 0.08% Pb, 0.03% Zn, 27.7g/t Ag, 0.01g/t Au from 231.63m and 3.09m @ 0.63% Cu, 0.64% Pb, 0.87% Zn, 49.8g/t Ag, 0.01g/t Au from 242.21m
KJCD250	13.05m @ 0.77% Cu, 0.16% Pb, 0.51% Zn, 18.4g/t Ag, 0.08g/t Au from 270.92m
KJCD251	18.6m @ 1.72% Cu, 0.25% Pb, 0.34% Zn, 33.6g/t Ag, 0.02g/t Au, from 261.93m and 6.29m @ 0.84% Cu, 0.02% Pb, 3.23% Zn, 11.9g/t Ag, 0.01g/t Au, from 294.6m
KJCD252	4.9m @ 1.79% Cu, 0.01% Pb, 0.05% Zn, 11.7g/t Ag, 0.01g/t Au from 341.1m
KJCD253	6.74m @ 1.82% Cu, 0.08% Pb, 0.12% Zn, 10.4g/t Ag, 0.01g/t Au from 335.5m
KJD254	No significant mineralisation.
KJCD255	2.26m @ 1.08% Cu, 0.06% Pb, 0.21% Zn, 12.7g/t Ag, 0.01g/t Au from 389m

Table 5 Assays results of drill holes within the underground mine plan outline. All widths are drill hole widths, for estimated true widths see Table 7.

Morley

At Morley, north-east of Reward, hole KJC246 intersected copper mineralisation (Figure 2); results are shown below in Table 6. Further work will be undertaken at Morley at an appropriate time.

KJC246	21m @ 1.03% Cu, 0.10% Pb, 0.05% Zn, 10.3g/t Ag, 0.35g/t Au from 144m, including J 8m @ 1.42% Cu, 0.01% Pb, 0.04% Zn, 15.4g/t Ag, 0.01g/t Au from 144m and J 5m @ 0.76% Cu, 0.01% Pb, 0.04% Zn, 7.6 g/t Ag, 1.35 g/t Au
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Table 6 Assay result for KJC246 drilled at Morley. All widths are drill hole widths, for estimated true widths see Table 7.

Resource drilling summary

Resource drilling at Reward and Rockface during the quarter totalled almost 4,000m of diamond drilling and over 10,200m of reverse circulation (RC). Drilling has commenced or been completed on a total of 18 holes at Rockface and 26 holes at Reward during the quarter. Most of the deeper holes are drilled with an RC pre-collar for the first 300-350m then a diamond tail is drilled from the end of the RC. This helps reduce the cost and speeds up the deeper drilling so at the end of the quarter there were several pre-collars awaiting the diamond tail. Both drilling rigs currently in use at Jervois are multi-purpose so can drill both diamond and RC.

The figures below highlight the holes that have been commenced or completed during the quarter. The infill drilling program will continue at Rockface and Reward with two drill rigs engaged on site at Jervois.

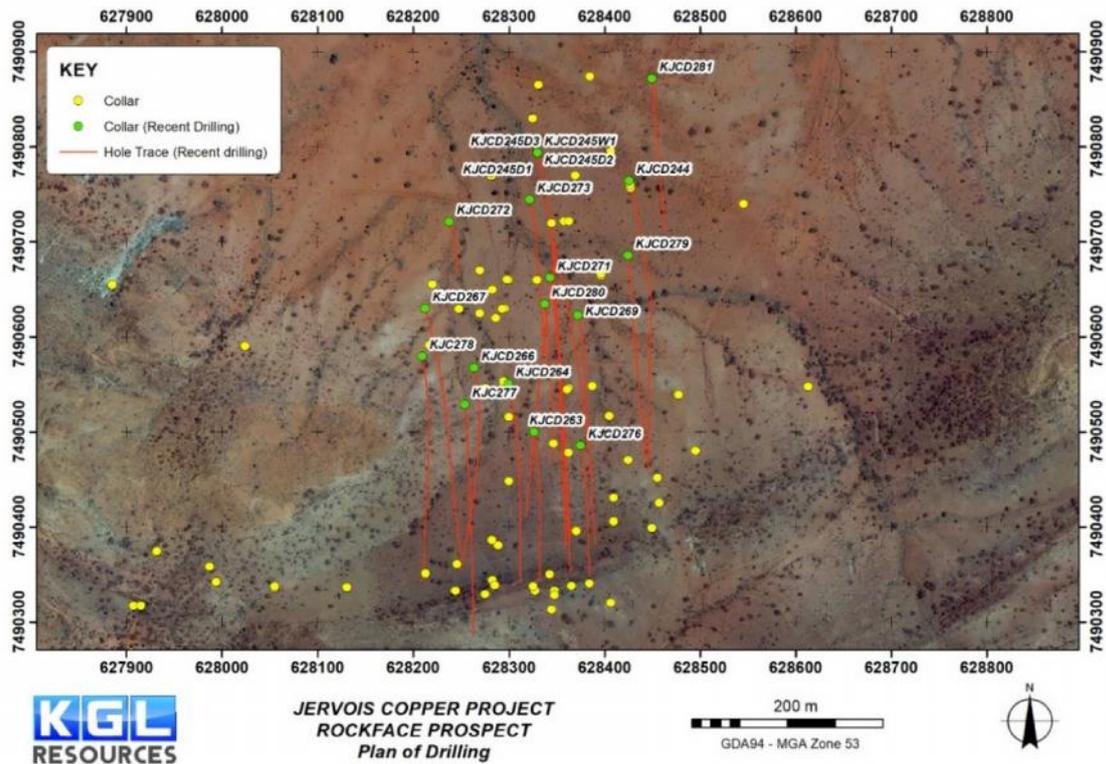


Figure 11 Plan of drilling at Rockface April-June 2018

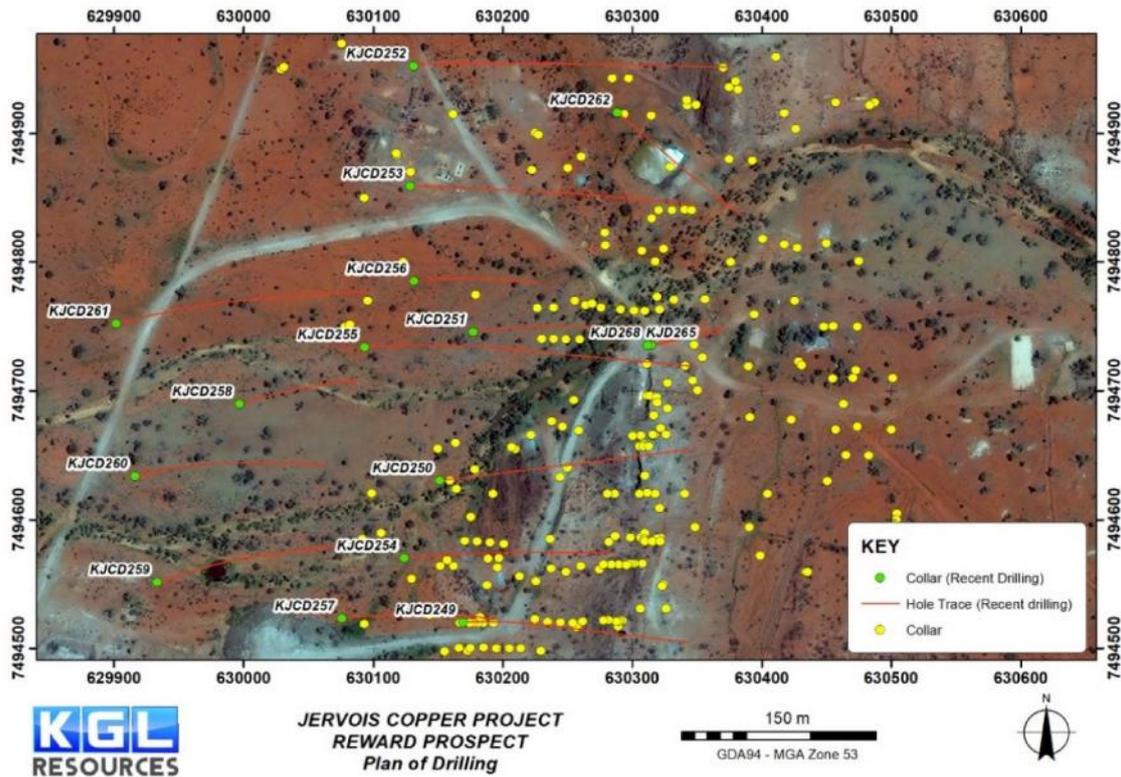


Figure 12 Plan of drilling at Reward April-June 2018

Project development work

During the quarter, mine planning continued in conjunction with work towards upgrading Resources. The mine plan envisages concurrent open cut and underground mining, to produce a blend of the higher grade underground ore with open cut material. The plan is based on a progression of open cut operations from Reward to Bellbird, while underground mining commences at Rockface and then moves to Reward.

The design and costing of a smaller processing plant than proposed in the previous pre-feasibility study was well advanced during the quarter. The expected higher grades of ore have reduced the required plant throughput while at the same time increased the projected concentrate production both annually and in total.

All the mining and processing design and site infrastructure planning is being done in conjunction with studies for the drafting of the Environmental Impact Statement.

Rail and port studies are also well under way, with several alternatives being investigated.



Figure 13. Schematic of Conceptual Processing Plant

Strengthening of board and management

During the quarter, the board of KGL was strengthened with the appointment of Mr John Gooding and Ms Fiona Murdoch as Directors, and Mr Paul Richardson was appointed to the key executive position of Project Director as the Jervois Project is advanced towards development.

Mr Chris Bain resigned as a director of KGL, Chairman Denis Wood thanking him for his contribution to the Company's strategy and governance during almost five years on the board.

Mr Gooding is a leading Australian mining industry figure who possesses an intense knowledge of the development and operation of copper mines. His distinguished career has included MD of Highlands Pacific Limited, CEO of Xstrata's Australian copper and zinc business, EGM of M.I.M. Holdings Limited's Mount Isa business and EGM Operations for Normandy Mining Limited.

Ms Murdoch has long experience in executive and non-executive roles in mining and infrastructure, including M.I.M. Holdings Limited, Xstrata Queensland and Seqwater, and at AMCI Investments Pty Ltd where she is currently GM Commercial.

Mr Richardson, a mineral processing engineer, is skilled at project development and mining management, attributes needed now for the Jervois project. He has held senior positions in Australian resources companies including St Barbara Mines Limited, Allegiance Metals Pty Ltd, BCD Resources NL and Avenir Limited, and in project feasibility and development including Avebury Nickel in Tasmania and the Wonarah Phosphate Project in the Northern Territory.

Environmental Impact Study

Preparation of the draft Environmental Impact Statement (EIS) for the Jervois Project progressed well during the quarter with the drafting of most sections under way.

Most specialist field study reports have been received and are being incorporated into the EIS. The completed Social Impact Assessment report indicates that there is strong community support for the Project. The EIS Project Description is being refined in coordination with the contractors and consultants responsible for transport logistics, materials processing and mining.

Table 7: Summary of significant assay results

Hole ID	Easting (m)	Northing (m)	RL (m)	Dip	Azimuth	BOX ¹ (m)	Total Depth (m)	From (m)	To (m)	Interval (m)	ETW ¹ (m)	Cu %	Pb %	Zn %	Ag g/t	Au g/t
KJCD244	628426.5	7490764	358.7	-67.4	166.67	na	629.8	486.00	494.40	8.40	5.84	2.91	3.00	0.17	14.50	0.43
							including	486.00	489.30	3.30	2.29	5.12	0.04	0.37	26.30	0.94
							And	506.15	513.00	6.85	4.76	1.23	0.03	0.15	7.40	0.01
KJCD245	628330.1	7490794	357.13	-70.2	168.82	na	700.1	578.00	587.62	9.62	7.01	4.63	0.04	1.03	31.80	0.03
							including	578.95	583.00	4.05	2.95	9.91	0.04	2.15	67.00	0.02
							And	662.50	662.89	0.39	0.31	3.84	0.09	0.02	15.00	0.09
KJC246	630437.4	7495361	353.54	-69.2	91.11	na	450	144.00	165.00	21.00	14.05	1.03	0.10	0.05	10.30	0.35
							including	144.00	152.00	8.00	5.35	1.42	0.01	0.06	15.40	0.01
							And	155.00	160.00	5.00	3.35	0.76	0.01	0.04	7.60	1.35
KJC247	628370.1	7490511	363.06	-62.7	173.08	na	269.3	222.00	235.00	13.00	8.70	1.71	0.00	0.04	11.10	0.05
KJC248	628300.3	7490516	363.19	-70	177.46		346.5	296.00	309.00	13.00	9.66	1.67	0.02	0.05	9.50	0.08
KJCD249	630169.7	7494520	348.35	-60	85.5	na	297.7	231.63	237.11	5.48	3.87	1.08	0.08	0.03	27.70	0.01
							And	242.21	245.30	3.09	2.18	0.63	0.64	0.87	49.80	0.01
KJCD250	630151.5	7494630	345.88	-57	83.46	na	310.6	270.92	283.97	13.05	9.23	0.77	0.16	0.51	18.40	0.08
KJCD251	630177.7	7494746	345.98	-61.1	83.85	na	312.6	261.93	280.53	18.60	14.33	1.72	0.25	0.34	33.60	0.02
							And	294.60	300.89	6.29	4.85	0.84	0.02	3.23	11.90	0.01
KJCD252	630131.3	7494953	347.18	-57.8	83.04		380.5	341.10	346.00	4.90	3.91	1.79	0.01	0.05	11.70	0.01
KJCD253	630128.9	7494859	347.97	-61.2	91.82	na	380.9	335.50	342.24	6.74	5.38	1.82	0.08	0.12	10.40	0.01
KJCD255	630093.9	7494734	347.1	-63.4	86.89		423.6	389.00	391.26	2.26	1.80	1.08	0.06	0.21	12.70	0.01
KJCD262	630288.8	7494916	345.6	-50.8	131.29	na	170	118.67	123.20	4.53	3.80	3.57	0.07	0.21	27.30	0.01
							And	129.30	133.70	4.40	3.51	5.27	0.34	0.23	56.40	0.01
KJCD263	628326.9	7490500	363.69	-59.6	173.67	na	244.9	213.38	216.69	3.31	2.64	1.38	0.03	0.29	7.00	0.11
							including	215.32	215.87	0.55	0.44	6.91	0.10	0.97	32.00	0.01
KJD268	630312.4	7494735	345.38	-64	77.46	na	126.6	89.02	109.00	19.98	15.96	2.95	0.18	0.22	46.20	0.03
							including	99.71	109.00	9.29	7.42	4.22	0.28	0.37	67.50	0.05
KJD270	630552.5	7495571	359.77	-55	88.54	na	57.4	8.23	13.00	4.77	3.81	3.82	0.01	0.03	31.60	0.06

Table 8: Summary of visual mineralisation intercepts

Hole ID	From (m)	From (m)	Interval (m)	ETW (m)	Minerals	Nature	*Est % Total Sulphide	Alteration
KJCD264	263	266	3	2.1	Chalcopyrite, Pyrite	Disseminated	1%	Garnet, chlorite, magnetite
	266	267.4	1.4	1.0	Chalcopyrite, Pyrite	Disseminated	2%	Garnet, chlorite, magnetite
	267.4	268	0.6	0.4	Chalcopyrite, Pyrite	Disseminated	4%	Garnet, chlorite, magnetite
	268	282	14	9.7	Chalcopyrite, Pyrite	Disseminated	2%	Garnet, chlorite, magnetite
KJCD266	359.3	366.84	7.54	7.0	Chalcopyrite, Pyrite	Disseminated stringers	2%	Garnet, chlorite, magnetite, biotite
	366.84	368.69	1.85	1.7	Chalcopyrite, Pyrite	Disseminated/ vein hosted	5%	Massive magnetite
	368.69	374.62	5.93	5.5	Chalcopyrite, Pyrite	Disseminated	1%	Garnet, chlorite, magnetite, biotite
	374.62	376.31	1.69	1.6	Chalcopyrite, Pyrite	Vein hosted/semi-massive	6%	Garnet, chlorite, magnetite, biotite
	376.31	379	2.69	2.5	Chalcopyrite, Pyrite	Disseminated stringers	2%	Sericite, biotite, magnetite
KJCD267	424.49	426.53	2.04	1.7	Chalcopyrite, Pyrite, Galena	Disseminated stringers	4%	Massive magnetite
	426.53	428.04	1.51	1.3	Chalcopyrite, Pyrite	Disseminated	4%	Massive magnetite
	428.04	439.36	11.32	9.4	Chalcopyrite, Pyrite	Disseminated pervasive	3%	Massive magnetite
KJCD269	390.47	395.08	4.61	3.9	Chalcopyrite, Pyrite, Galena	Disseminated	4%	Massive magnetite
	395.08	396.12	1.04	0.9	Pyrite, Chalcopyrite	Disseminated	6%	Massive magnetite
KJCD271	431.57	433.78	2.21	2.0	Chalcopyrite, Pyrite	Disseminated	2%	Massive magnetite
	433.78	450.27	16.49	14.7	Pyrite, Chalcopyrite	Disseminated	0%	Magnetite, biotite, garnet, chlorite
	450.27	453.6	3.33	3.0	Pyrite, Chalcopyrite	Disseminated	2%	Magnetite, biotite, garnet, chlorite
	453.6	456.56	2.96	2.6	Pyrite, Chalcopyrite	Disseminated	0%	Magnetite, biotite, garnet, chlorite
	456.56	459.97	3.41	3.0	Chalcopyrite, Pyrite	Disseminated	2%	Massive magnetite, carbonate veinlets
KJCD245D1	537.55	540.48	2.93	2.8	Chalcopyrite, Pyrite	Semi-massive breccia matrix	20%	Massive magnetite
	540.48	542.28	1.8	1.7	Pyrite, Chalcopyrite	Semi-massive breccia matrix	25%	Massive magnetite
	610.73	613.42	2.69	2.6	Chalcopyrite, Pyrite	Vein-hosted	3%	Massive magnetite, carbonate & quartz veins
	613.42	616.12	2.7	2.7	Chalcopyrite, Pyrite	Vein-hosted	6%	Massive magnetite, carbonate & quartz veins
	616.12	618.23	2.11	2.1	Chalcopyrite, Pyrite	Semi-massive breccia matrix	30%	Massive magnetite, carbonate & quartz veins
	618.23	618.97	0.74	0.7	Chalcopyrite, Pyrite	Vein-hosted	6%	Massive magnetite, carbonate & quartz veins
	618.97	623.61	4.64	4.6	Chalcopyrite, Pyrite	Vein-hosted	3%	Massive magnetite, carbonate & quartz veins
KJCD245D2	597.49	600.07	2.58	2.2	Chalcopyrite, Pyrite	Disseminated	2%	Massive magnetite, K-feldspar veinlets
	600.07	601.26	1.19	1.0	Chalcopyrite, Pyrite	Semi-massive	30%	Chlorite, biotite, magnetite
	601.26	602.31	1.05	0.9	Pyrite, Chalcopyrite	Semi-massive breccia matrix	4%	Chlorite, biotite, magnetite
	602.31	604.14	1.83	1.6	Pyrite, Chalcopyrite	Semi-massive breccia matrix	3%	Massive magnetite
	679.26	684.645	5.385	5.0	Chalcopyrite, Pyrite	Disseminated	3%	Massive magnetite, carbonate & quartz veins
	684.645	690.81	6.165	5.7	Chalcopyrite, Pyrite	Semi-massive breccia matrix	40%	Massive magnetite, carbonate & quartz veins
	690.81	692.83	2.02	1.9	Chalcopyrite, Pyrite	Disseminated	3%	Massive magnetite, carbonate & quartz veins
KJCD245D3	679.9	680.8	0.9	0.6	Chalcopyrite, Pyrite	Disseminated	4%	Massive magnetite, carbonate veins
	680.8	697.25	16.45	10.1	Chalcopyrite, Pyrite	Disseminated	2%	Massive magnetite, carbonate veins
	697.25	699.36	2.11	1.3	Chalcopyrite, Pyrite	Semi-massive breccia matrix	40%	Massive magnetite, carbonate veins
	699.36	700.42	1.06	0.7	Chalcopyrite, Pyrite	Disseminated	2%	Massive magnetite, carbonate veins
	700.42	706.1	5.68	3.5	Chalcopyrite, Pyrite	Semi-massive breccia matrix	40%	Massive magnetite, carbonate veins
	706.1	711.2	5.1	3.1	Pyrite, Chalcopyrite	Semi-massive breccia matrix	50%	Magnetite, carbonate veins
	711.2	715.34	4.14	2.5	Pyrite, Chalcopyrite	Disseminated	3%	Magnetite, sericite, chlorite

Visual interpretations are estimates only, made by the geologist at the time of logging. Samples are in the process of being analysed and analytical results will be released at a future date

Competent Persons Statement

The Jervois Exploration data in this report is based on information compiled by Adriaan van Herk, a member of the Australian Institute of Geoscientists, Chief Geologist and a full-time employee of KGL Resources Limited.

Mr. van Herk 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. van Herk has consented to the inclusion of this information in the form and context in which it appears in this report.

The Jervois Resources information were first released to the market on 18 May 2018 and complies with JORC 2012. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Tenements

Tenement Number	Location	Beneficial Holding
ML 30180	Jervois Project, Northern Territory	100%
ML 30182	Jervois Project, Northern Territory	100%
ML30829	Jervois Project, Northern Territory	100%
EL 25429	Jervois Project, Northern Territory	100%
EL 30242	Jervois Project, Northern Territory	100%
E28340	Yambah, Northern Territory	100%
E28271	Yambah, Northern Territory	100%
EL28082	Unka Creek, Northern Territory	100%

Mining Tenements Acquired and Disposed during the quarter*	Location	Beneficial Holding

Tenements subject to farm-in or farm-out agreements	Location	Beneficial Holding

Tenements subject to farm-in or farm-out agreements acquired or disposed of during the quarter	Location	Beneficial Holding

JORC CODE, 2012 EDITION – TABLE 1

1.1 Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none">) 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. 	<ul style="list-style-type: none">) 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	<ul style="list-style-type: none">) 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). 	<ul style="list-style-type: none">) 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	<ul style="list-style-type: none">) 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. 	<ul style="list-style-type: none">) 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	<ul style="list-style-type: none">) 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. 	<ul style="list-style-type: none">) 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	<ul style="list-style-type: none">) 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. 	<ul style="list-style-type: none">) 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	<ul style="list-style-type: none">) 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. 	<ul style="list-style-type: none">) 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.

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	<ul style="list-style-type: none">) 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. 	<ul style="list-style-type: none">) Data is validated on entry into the Dashed database.) Further validation is conducted when data is imported into Vulcan
Location of data points	<ul style="list-style-type: none">) 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. 	<ul style="list-style-type: none">) 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	<ul style="list-style-type: none">) 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. 	<ul style="list-style-type: none">) 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	<ul style="list-style-type: none">) 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. 	<ul style="list-style-type: none">) 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	<ul style="list-style-type: none">) The measures taken to ensure sample security. 	<ul style="list-style-type: none">) 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	<ul style="list-style-type: none">) The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none">) The sampling techniques are regularly reviewed.

1.2 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	<ul style="list-style-type: none">) 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. 	<ul style="list-style-type: none">) The Jervis project is within E30242 100% owned by Jinka Minerals and operated by Kentor Minerals (NT), both wholly owned subsidiaries of KGL Resources.) The Jervis project is covered by Mineral Claims and an Exploration licence owned by KGL Resources subsidiary Jinka Minerals.
Exploration done by other parties	<ul style="list-style-type: none">) Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none">) Previous exploration has primarily been conducted by Reward Minerals, MIM and Plenty River.
Geology	<ul style="list-style-type: none">) Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none">) 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 Information	<ul style="list-style-type: none">) 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: <ul style="list-style-type: none"> o easting and northing of the drill hole collar o elevation or RL (Reduced Level – elevation above sea level in 	<ul style="list-style-type: none">) Refer Table 7

Criteria	JORC Code explanation	Commentary
	<p><i>metres) of the drill hole collar</i></p> <ul style="list-style-type: none"> ○ <i>dip and azimuth of the hole</i> ○ <i>down hole length and interception depth</i> ○ <i>hole length.</i> <p>) <i>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.</i></p>	
<i>Data aggregation methods</i>	<p>) <i>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.</i></p> <p>) <i>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.</i></p> <p>) <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></p>) Minimum grade truncation 0.5%Cu
<i>Relationship between mineralisation widths and intercept lengths</i>	<p>) <i>These relationships are particularly important in the reporting of Exploration Results.</i></p> <p>) <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></p> <p>) <i>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').</i></p>) Refer Table 7
<i>Diagrams</i>	<p>) <i>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.</i></p>) Refer Figures 2, 3, 4, 9, 10 & 11
<i>Balanced reporting</i>	<p>) <i>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.</i></p>) Refer Table 7
<i>Other substantive exploration data</i>	<p>) <i>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.</i></p>	<p>) Outcrop mapping of exploration targets using Real time DGPS.</p> <p>) Refer Figures 5, 6, 7 & 8</p>
<i>Further work</i>	<p>) <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></p> <p>) <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></p>) Refer Figures 10 & 13

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

KGL Resources

ABN

52 082 658 080

Quarter ended ("current quarter")

30 June 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities	-	-
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(3,037)	(5,159)
(b) development	-	-
(c) production	-	-
(d) staff costs	(189)	(373)
(e) administration and corporate costs	(190)	(309)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	90	123
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Restructuring costs	-	-
1.9 Net cash from / (used in) operating activities	(3,326)	(5,718)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(20)	(56)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(20)	(56)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	6,730
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(22)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	6,708

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	16,629	12,349
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,326)	(5,718)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(20)	(56)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	6,708
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	13,283	13,283

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	412	115
5.2 Call deposits	12,871	16,514
5.3 Trust	-	-
5.4 Bank overdrafts		
5.5 Other (provide details)		
5.6 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	13,283	16,629

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	48
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Remuneration and expenses paid to executive and non-executive directors for the quarter.

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available

Add notes as necessary for an understanding of the position

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
-	-
-	-
-	-

8.1 Loan facilities

8.2 Credit standby arrangements

8.3 Other (please specify)

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

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9. Estimated cash outflows / (inflows for next quarter)	\$A'000
9.0 Equity Raising	-
9.1 Exploration and evaluation	2,718
9.2 Development (Jervois Project)	2,286
9.3 Production	-
9.4 Staff costs	167
9.5 Administration and corporate costs	296
9.6 Fixed Assets	26
9.7 Total estimated cash outflows / (inflows)	5,493

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: *K. Anderson* Date:17/07/2018.....
(Director/Company secretary)

Print name:Kylie Anderson.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.