

ASX Announcement

COMPANY UPDATE



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Brisbane QLD 4000
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20 April 2023

- **Accelerated Drilling Program Commenced**

- Drilling commenced on 1 March 2023. A cost-effective option of adding a third drilling rig exists once near-term resource expansion opportunities are more fully developed.
- Goal of expanding the resource and extending the mine life to 15+ years with a focus on near mine extensions to the current resource.
- Geotechnical drilling to be completed to support the mine plan optimisation.

- **Project Development**

- Feedback from discussions with contractors will be incorporated into the preparation of termsheets for mining and process tenders.
- Project will commence when confidence in the supply of labour and materials can be assured to deliver the project on time and on budget.

- **Final Results for 2022 drilling campaign**

- Further high-grade assay results received from infill drilling at Reward aimed at increasing the measured resource beyond the first two years at Bellbird, and includes:
 - **KJCD565** **6.8m¹** **@ 3.10% Cu**, 181.0 g/t Ag, 0.63 g/t Au from 144.0m
 - **KJCD568** **6.1m** **@ 2.14% Cu**, 82.2 g/t Ag, 0.22 g/t Au from 107.0m
 - **and** **9.3m** **@ 2.68% Cu**, 87.2 g/t Ag, 0.20 g/t Au from 182.3m
- Preliminary exploration work was carried out on a number of greenfield target areas which included a small number of reasonably shallow drill holes that will provide the opportunity to conduct Down Hole Electromagnetic (DHEM) surveys to assist in the identification of additional targets for ongoing drilling programs.

Following the completion of the Jervois Feasibility Study in November 2022, KGL Resources Limited (ASX:KGL) committed to three (3) key work programs

1. To prepare competitive tenders for key contracts,
2. Continue to identify opportunities to improve the project value and reduce risks, and
3. Continue exploration to grow the high-grade resource to potentially extend the scheduled mine life.

¹ All intervals are Estimated True Thickness unless otherwise specified.

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Accelerated Exploration Drilling Program for 2023

Expanding the Resource base to target an extension of mine life is a priority for KGL in 2023 given the robust outlook for copper prices going forward.

Drilling commenced at the Jervois Copper Project on early March 2023 starting with two diamond drilling rigs for the 2023 program.

An extensive drilling program together with Down Hole Electromagnetic (DHEM) surveys has provided the data for the design of new holes, aimed at near mine extensions of existing resources.

Within the 1.5km Reward structural corridor, lie four principal high grade lodes (Marshall, Main, Deeps South and Deeps North, Figure 1) each approximately 200 m in strike length. Plunging down to 800 m below the surface, the lodes are open to depth. The lodes range in thickness from 2 to 25 m. Reward remains open to the north and south beyond Reward South to known pre-resource deposits (e.g., Cox's Find).

Rockface consists of structurally controlled lodes which strike approximately 300 m. The four lodes (Main, Main FW, North and North FW, Figure 1) individually strike approximately 100 to 200 m and plunge between 500 to 900 m below the surface. The lodes are open to depth and range in thickness from 1 to 10 m.

At the Rockface deposit, mineralisation is typically massive chalcopryite-pyrite breccia in magnetite-bearing metasediments. This chalcopryite-pyrite-magnetite breccia is also common at Reward and Bellbird; however, these deposits additionally feature galena-sphalerite boudins generally associated with local skarn-like calc-silicates.

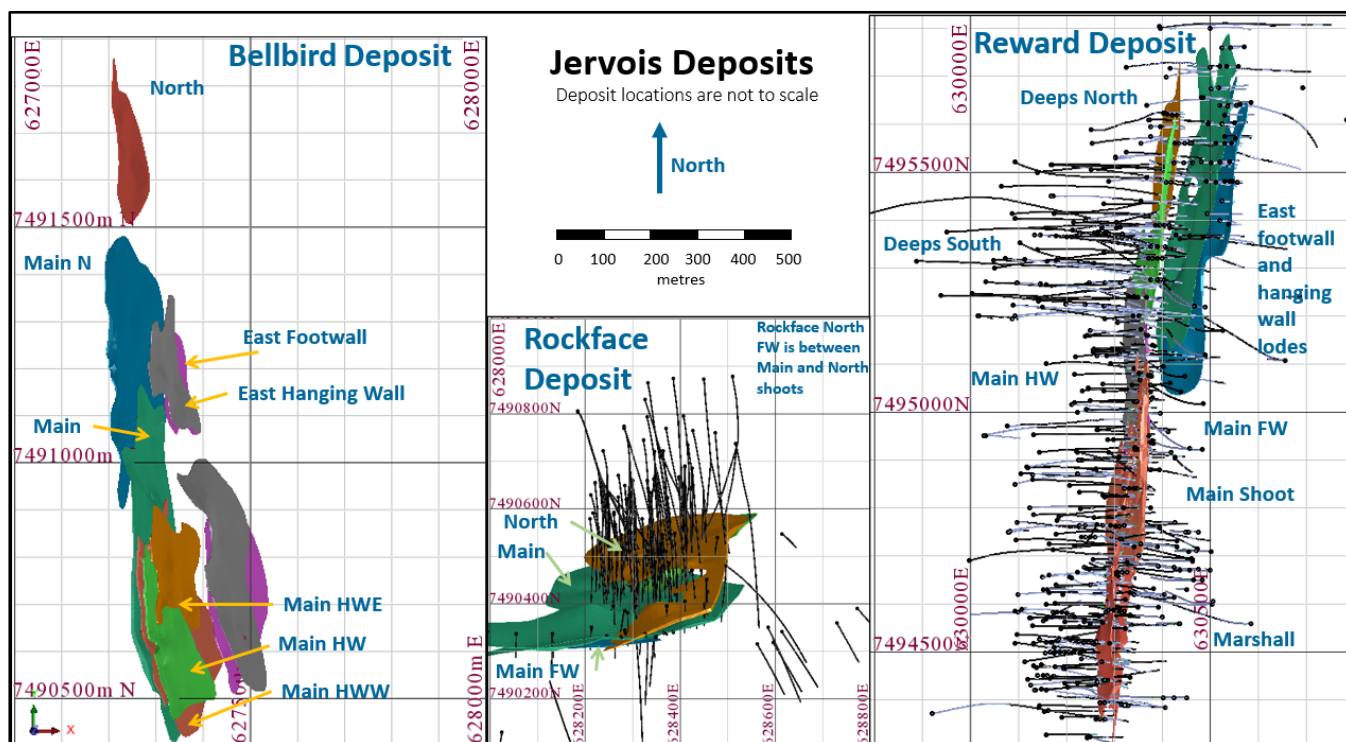


Figure 1: Bellbird, Rockface and Reward deposits
Geotechnical Drilling

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The geotechnical drill program is being updated for underground mine plan optimization work that follows the commencement of open cut operations. The drill core from the program will be used to optimise the rock support design parameters for underground drift development as part of the underground operations tendering program.

Project Development

Work has progressed to bundle 15 significant contracts scopes across the entire Jervois Project covering Project Construction, Commissioning and Execution Phase. The key contracts in terms of contract value and labour requirements are the Underground Operations contract, the Open-Cut Operations contract and the Plant Operations contracts which make up 70% of the life of mine operating expenditure.

These contracts have been developed in draft form to commence discussion with potential service providers. A review of the current mining contractors participating in Open Cut and Underground hard rock markets has been completed.

The project will commence when confidence in the supply of labour and materials can be assured to deliver the project on time and on budget.

Other contracts such as fuel, concentrate transport and power supply (20% of the total operating expenditure) and overheads (camp, administration, travel and general overheads) make up the remaining 10% of the LOM expenditure.

The next phase is to address the contracts associated with the project delivery civil scope, water supply, power supply, communications, camp supply and construction.

Work continues with process plant modulization design and additional geotechnical information to improve rock support design and costing for the underground mining tender package.

KGL's Chairman, Denis Wood, commented: "KGL will continue to focus on growing the resource and optimising key project value drivers to be ready for when the board believes the risks associated with being able to deliver a project on time and on budget are manageable and acceptable to shareholders. We remain confident regarding the robust outlook for the copper market and believe that the Jervois copper hub is a high-quality project in a Tier One jurisdiction that will play an important role in supporting economic development activity in Northern Australia and Australia's sovereign strategic supply of critical minerals to meet the electrification and clean energy needs of tomorrow."

Final Results for 2022 Drilling Campaign

Assay results have been finalized for 19 holes from the 2022 Jervois drilling program. The complete list of intersections can be found in Table 1 below.

These holes were drilled on a variety of targets including 3 diamond drill-holes and 2 RC holes which were the initial holes of 40-hole program designed to update the mineral resource at Reward. It is expected that this program will be completed in 1H 2023 and result in a significant percentage of the JORC-reported mineral resources now classified as Indicated to be reclassified as Measured. The intersections obtained from four holes are as follows which continue to confirm the existing Reward geological model.

- **KJCD565 6.8m² @ 3.10% Cu**, 181.0 g/t Ag, 0.63 g/t Au from 144.0m

² All intervals are Estimated True Thickness unless otherwise specified.

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- **KJC567** **3.1m** **@ 2.45% Cu, 31.9 g/t Ag, 0.64 g/t Au from 80.0m**
- **KJCD568** **6.1m** **@ 2.14% Cu, 82.2 g/t Ag, 0.22 g/t Au from 107.0m**
 and **9.3m** **@ 2.68% Cu, 87.2 g/t Ag, 0.20 g/t Au from 182.3m**
- **KJCD569** **2.4m** **@ 2.66% Cu, 78.3 g/t Ag, 0.21 g/t Au from 107.0m**

Exploration Program

Assays announced below were received on an additional hole at Rockface and Marshall Deeps.

Rockface: KJCD556D1 was a wedged daughter hole from KJCD556 and intersected the Rockface North structure 65 metres further east. The hole intersected stringer copper (chalcopryite) mineralization hosted by massive magnetite (49% Fe from 966.65m to 978.48m). The copper grade of this intersection, is lower compared to the average grade of Rockface. This is interpreted to be due to the strong physical toughness and competence of the magnetite-garnet host, resulting in a relative lack of structural preparation which normally accompanies high-grade copper. The Rockface North structure remains strong in KJCD556D1.

- **KJCD556D1 6.8m²** **@ 1.15% Cu, 12.1 g/t Ag, 0.15 g/t Au from 967.52m**

Expanding the Rockface resource will be a primary focus in 2023.

Marshall Deeps: KJCD503 was not previously reported but intersected copper mineralization of potentially economic significance and also produced DHEM conductors which aided the targeting of subsequent drilling in 2022 and, in planning the 2023 program for Marshall Deeps.

- **KJCD503 2.4m²** **@ 1.99% Cu, 24.4 g/t Ag, 0.12 g/t Au from 681.4m**

Marshall Deeps has been one of the primary exploration targets during 2022 and will again be a focus of 2023 drilling aimed at increasing the mineral resources and potential for mine-life extension.

KGL also conducted preliminary exploration work on a number of greenfield target areas including a number of relatively shallow holes which will be the subject of DHEM surveys for input into future drilling programs.

KGL's Chairman, Denis Wood, commented: "The focus in 2023 will be on expanding the resource and extending the mine life of the high-grade Jervois copper hub to 15+ years targeting near mine extensions along strike and at depth for Reward and Rockface which has the potential to add considerable value for shareholders, particularly given the robust outlook for copper prices going forward. Once we have achieved this objective, we will expand our focus to include greenfield targets for drilling and DHEM analysis as our understanding of the geological structures improves".

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Hole_ID	Depth_From m	Depth_To m	Downhole Thickness m	Estimated True Thickness m	Cu %	Ag g/t	Au g/t	Target/Prospect
KJD501	No significant copper intersection							TSF IP anomaly
KJCD503	681.4	684.6	3.2	2.4	1.99	24.4	0.12	Marshall Deepes
KJCD507	586.2	591.1	4.9	4.4	1.11	25.5	0.02	Cox's Find South
KJCD536	381.9	384.0	2.1	1.5	1.92	11.5	0.01	Cox's Find South
KJCD537	No significant intersection							Cox's Find South
KJCD554	223.2	224.0	0.8	#N/A	1.38	4.6	<0.01	Ma'a Salama
KJCD555	No significant intersection							Ma'a Salama
KJD558	162.4	164.8	2.5	#N/A	1.16	5.7	0.02	Becana
KJD559	263.4	264.4	1.1	#N/A	1.56	49.0	0.05	Becana
	293.5	294.2	0.8	#N/A	1.19	5.0	0.01	
	308.0	309.0	1.0	#N/A	1.78	0.9	0.03	
KJD560	300.4	301.3	0.9	#N/A	3.57	7.5	0.03	Becana
	428.0	429.0	1.0	#N/A	1.05	0.8	0.01	
KJCD561	243.0	244.0	1.0	#N/A	1.06	1.8	0.04	Pioneer
	393.5	394.3	0.9	#N/A	1.62	1.9	0.04	
KJCD562	No significant intersection							Ferdian Hill
KJCD563	No significant intersection							Ferdian Hill
KJCD556D1 incl.	967.52	975.60	8.08	7.6	1.15	12.1	0.15	Rockface
	967.52	968.39	0.87	0.8	2.56	20.0	0.25	
	990.97	991.98	1.01	1.0	3.24	17.9	0.40	
KJD564	481.0	482.0	1.00	#N/A	1.10	1.2	0.02	Becana
KJD565 incl.	144.0	154.2	10.15	6.8	3.10	181.0	0.63	Reward
	151.0	154.2	3.15	2.1	5.14	531.5	0.84	
	164.0	166.0	2.00	1.3	1.62	48.5	0.19	
	174.0	174.9	0.90	0.6	1.16	8.5	0.10	
KJC566	57.0	58.0	1.00	0.7	0.79	13.4	0.10	Reward
KJC567 incl.	80.0	85.0	5.00	3.1	2.45	31.9	0.64	Reward
	81.0	83.0	2.00	1.2	4.53	61.7	1.42	
	102.0	104.0	2.00	1.2	0.58	5.3	0.13	
KJD568	107.0	115.7	8.70	6.1	2.14	82.2	0.22	Reward
	121.7	122.6	0.90	0.6	1.16	9.8	0.05	
	128.5	129.9	1.43	1.0	3.17	30.4	0.13	
	182.3	195.9	13.60	9.3	2.68	87.2	0.20	
	203.7	205.7	2.04	1.1	2.26	150.6	0.04	
KJD569	129.4	137.0	7.56	2.4	2.66	78.3	0.21	Reward
	184.3	185.6	1.30	0.8	1.29	8.9	0.19	
	197.3	204.4	7.10	4.6	1.24	23.6	0.14	
	226.0	227.0	1.00	0.4	2.48	72.1	0.17	
	231.0	239.0	8.00	3.3	1.14	20.1	0.08	
KJCD172X	No significant intersection							Bellbird South

Table 1: Table of previously unreported intersections for holes completed in 2022 (N.B. Estimated True Thickness is unavailable for intersections with insufficient geological information to determine the spatial orientation of the mineralised zones).

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Competent Person Statement

The information in this announcement that relates to Exploration Results is based on data compiled by John Levings BSc, a Competent Person who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Levings is Principal Geologist for the Company. Mr Levings has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which is being undertaking to qualify as a Competent Person as defined in the 2012 Edition of 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Levings consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

Forward Looking statements

This release includes certain forward-looking statements. The words “forecast”, “estimate”, “like”, “anticipate”, “project”, “opinion”, “should”, “could”, “may”, “target” and other similar expressions are intended to identify forward looking statements. All statements, other than statements of historical fact, included herein, including without limitation, statements regarding forecast cash flows and potential mineralisation, resources and reserves, exploration results and future expansion plans and development objectives of KGL are forward-looking statements that involve various risks and uncertainties. Although every effort has been made to verify such forward-looking statements, there can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. You should therefore not place undue reliance on such forward-looking statements.

Statements regarding plans with respect to the Company’s mineral properties may contain forward looking statements. Statements in relation to future matters can only be made where the Company has a reasonable basis for making those statements.

This announcement has been approved by the directors of KGL Resources Limited.

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JORC Code, 2012 Edition – Table

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 (e.g. 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 (e.g. '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 (e.g. submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> At Reward diamond drilling and reverse circulation (RC) drilling were used to obtain samples for geological logging and assaying. The core samples comprised a mixture of sawn HQ quarter core, sawn NQ half core and possibly BQ half core (historical drilling only). Sample lengths are generally 1m, but at times length were adjusted to take into account geological variations. RC sample intervals are predominantly 1m intervals with some 2 and 4m compositing (historical holes only). RC samples are routinely scanned by KGL Resources with a Niton XRF. Samples assaying greater than 0.1% Cu, Pb or Zn are submitted for analysis at a commercial laboratory. Mineralisation at all deposits is characterized by disseminations, veinlets and large masses of chalcopyrite, associated with magnetite-rich alteration within a psammite. The mineralisation has textures indicative of structural emplacement within specific strata i.e. the mineral appears stratabound. Documentation of the historical drilling (pre-2011) for Reward is variable.
Drilling techniques	<ul style="list-style-type: none"> Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. 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"> The KGL and previous Jinka-Minerals RC drilling was conducted using a reverse circulation rig with a 5.25-inch face-sampling bit. Diamond drilling was either in NQ2 or HQ3 drill diameters. Metallurgical diamond drilling (JMET holes) were PQ There is no documentation for the historic drilling techniques. Diamond drilling was generally cored from surface with some of the deeper holes at Rockface and Reward utilizing RC pre-collars. Oriented core has been measured for the recent KGL drilling.
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. 	<ul style="list-style-type: none"> The KGL RC samples were not weighed on a regular basis but when completed no sample recovery issues were encountered during the drilling program.

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Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> 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"> Jinka Minerals and KGL split the rare overweight samples (>3kg) for assay. Since overweight samples were rarely reported no sample bias was established between sample recovery and grade. Core recovery for recent drilling is >95% with the mineral zones having virtually 100% recovery. No evidence has been found for any relationship between sample recovery and copper grade and there are no biases in the sampling with respect to copper grade and recovery.
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 KGL RC and diamond core samples are geologically logged. Logging in conjunction with multi-element assays is appropriate for mineral resource estimation. Core samples are also orientated and logged for geotechnical information. All logging has been converted to quantitative and qualitative codes in the KGL Access database. All relevant intersections were logged. Paper logs existed for the historical drilling. There is very little historical core available for inspection.
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"> The following describes the recent KGL sampling and assaying process: <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; RC sample splits (~3kg) are pulverized to 85% passing 75 microns. Diamond core was quartered with a diamond saw and generally sampled at 1m intervals with samples lengths adjusted at geological contacts; Diamond core samples are crushed to 70% passing 2mm and then pulverized to 85% passing 75 microns. Two quarter core field duplicates were taken for every 20m samples by Jinka Minerals and KGL Resources. All sampling methods and sample sizes are deemed appropriate for mineral resource estimation Details for the historical sampling are not available.

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Criteria	JORC Code explanation	Commentary
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 (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established. 	<ul style="list-style-type: none"> The KGL drilling has QAQC data that includes standards, duplicates and laboratory checks. In ore zones standards are added at a ratio of 1:10 and duplicates and blanks 1:20. Base metal 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. There are no details of the historic drill sample assaying or any QAQC. All assay methods were deemed appropriate at the time of undertaking.
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 MS Access database, using Database check queries and Maxwell's DataShed. Further validation is conducted when data is imported into Micromine and Leapfrog Geo software Hole twinning was occasionally conducted at Reward with mixed results. This may be due to inaccuracies with historic hole locations rather than mineral continuity issues. For the resource estimation below detection values were converted to half the lower detection limit.
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"> For the KGL drilling surface collar surveys were picked up using a Trimble DGPS, with accuracy to 1 cm or better. Downhole surveys were taken during drilling with a Ranger or Reflex survey tool at 30m intervals All drilling by Jinka Minerals and KGL is referenced on the MGA 94 Zone 53 grid. All downhole magnetic surveys were converted to MGA 94 grid. For Reward there are concerns about the accuracy of some of the historic drillhole collars. There are virtually no preserved historic collars for checking. There is no documentation for the downhole survey method for the historic drilling. Topography was mapped using Trimble DGPS and LIDAR
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. 	<ul style="list-style-type: none"> Drilling at Rockface was on nominal 50m centres with downhole sampling on 1m intervals. Drilling at Reward was on 25m spaced sections in the upper part of the

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Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> Whether sample compositing has been applied. 	<p>mineralisation extending to 50m centres with depth and ultimately reaching 100m spacing on the periphery of mineralisation.</p> <ul style="list-style-type: none"> For Reward shallow oxide RC drilling was conducted on 80m spaced traverses with holes 10m apart. The drill spacing for all areas is appropriate for resource estimation and the relevant classifications applied. A small amount of sample compositing has been applied to some of the near surface historic drilling.
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; the default angle is -60 degrees, but holes vary from -45 to -80. Drilling orientations are considered appropriate and no obvious sampling bias was detected.
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 internally and by external consultants.

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 Jervois Project is within EL25429 and EL28082 100% owned by Jinka Minerals and operated by Kentor Minerals (NT), both wholly owned subsidiaries of KGL Resources. The Jervois 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"> EL25429 and EL28082 lie 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 stratabound mineralisation for the

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Criteria	JORC Code explanation	Commentary																																																																																																																																												
		<p>project consists of a series of complex, narrow, structurally controlled, sub-vertical sulphide/magnetite-rich deposits hosted by Proterozoic-aged, amphibolite grade metamorphosed sediments of the Arunta Inlier.</p> <ul style="list-style-type: none">Mineralisation is characterised by veinlets and disseminations of chalcopyrite in association with magnetite. In the oxide zone which is vertically limited malachite, azurite, chalcocite are the main Cu-minerals.Massive to semi-massive galena in association with sphalerite occur locally in high grade lenses of limited extent with oxide equivalents including cerussite and anglesite in the oxide zone. Generally, these lenses are associated with more carbonate-rich host rocks occurring at Green Parrot, Reward and Bellbird North.																																																																																																																																												
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">easting and northing of the drill hole collarelevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collardip and azimuth of the holedown hole length and interception depthhole 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.	<table><tr><th>Hole_ID</th><th>Max_Depth</th><th>NAT_East</th><th>NAT_North</th><th>NAT_RL</th><th>AZ Grid</th><th>Dip</th></tr><tr><td>KJCD172X</td><td>1,152.5</td><td>627,885.2</td><td>7,490,654.7</td><td>369.8</td><td>204.0</td><td>-62.0</td></tr><tr><td>KJD501</td><td>237.7</td><td>629,047.4</td><td>7,494,504.3</td><td>354.9</td><td>110.0</td><td>-65.0</td></tr><tr><td>KJCD503</td><td>721.7</td><td>629,919.7</td><td>7,494,357.6</td><td>349.5</td><td>90.6</td><td>-60.2</td></tr><tr><td>KJCD507</td><td>825.4</td><td>628,400.3</td><td>7,490,906.0</td><td>356.4</td><td>102.8</td><td>-66.5</td></tr><tr><td>KJCD536</td><td>501.8</td><td>628,658.4</td><td>7,490,883.0</td><td>359.4</td><td>89.5</td><td>-69.1</td></tr><tr><td>KJCD537</td><td>427.7</td><td>628,929.5</td><td>7,491,076.3</td><td>356.0</td><td>101.9</td><td>-75.2</td></tr><tr><td>KJCD554</td><td>456.8</td><td>629,419.1</td><td>7,491,808.0</td><td>347.7</td><td>79.2</td><td>-75.0</td></tr><tr><td>KJCD555</td><td>651.3</td><td>629,430.0</td><td>7,492,379.0</td><td>341.6</td><td>79.0</td><td>-69.8</td></tr><tr><td>KJCD556D1</td><td>1,135.1</td><td>628,119.9</td><td>7,490,999.3</td><td>354.4</td><td>140.3</td><td>-74.8</td></tr><tr><td>KJD558</td><td>209.6</td><td>630,637.2</td><td>7,496,816.0</td><td>349.3</td><td>90.0</td><td>-51.0</td></tr><tr><td>KJD559</td><td>380.5</td><td>630,607.4</td><td>7,496,816.0</td><td>348.4</td><td>90.0</td><td>-58.7</td></tr><tr><td>KJD560</td><td>464.8</td><td>630,607.4</td><td>7,496,816.0</td><td>348.4</td><td>90.5</td><td>-69.9</td></tr><tr><td>KJCD561</td><td>577.2</td><td>630,490.5</td><td>7,497,680.0</td><td>354.0</td><td>90.9</td><td>-58.8</td></tr><tr><td>KJCD562</td><td>401.8</td><td>630,432.2</td><td>7,498,128.5</td><td>359.4</td><td>89.5</td><td>-61.9</td></tr><tr><td>KJCD563</td><td>849.9</td><td>630,194.9</td><td>7,497,998.0</td><td>361.8</td><td>90.5</td><td>-67.3</td></tr><tr><td>KJD564</td><td>555.3</td><td>630,783.8</td><td>7,496,610.0</td><td>343.6</td><td>89.7</td><td>-68.4</td></tr><tr><td>KJD565</td><td>195.5</td><td>630,259.0</td><td>7,494,817.8</td><td>345.7</td><td>89.6</td><td>-57.2</td></tr><tr><td>KJD568</td><td>240.3</td><td>630,198.3</td><td>7,494,505.0</td><td>350.5</td><td>87.5</td><td>-56.7</td></tr><tr><td>KJD569</td><td>267.8</td><td>630,197.3</td><td>7,494,505.0</td><td>350.5</td><td>90.4</td><td>-59.9</td></tr></table> <p>For mineralised intercept depths please see table in the body of the report</p>	Hole_ID	Max_Depth	NAT_East	NAT_North	NAT_RL	AZ Grid	Dip	KJCD172X	1,152.5	627,885.2	7,490,654.7	369.8	204.0	-62.0	KJD501	237.7	629,047.4	7,494,504.3	354.9	110.0	-65.0	KJCD503	721.7	629,919.7	7,494,357.6	349.5	90.6	-60.2	KJCD507	825.4	628,400.3	7,490,906.0	356.4	102.8	-66.5	KJCD536	501.8	628,658.4	7,490,883.0	359.4	89.5	-69.1	KJCD537	427.7	628,929.5	7,491,076.3	356.0	101.9	-75.2	KJCD554	456.8	629,419.1	7,491,808.0	347.7	79.2	-75.0	KJCD555	651.3	629,430.0	7,492,379.0	341.6	79.0	-69.8	KJCD556D1	1,135.1	628,119.9	7,490,999.3	354.4	140.3	-74.8	KJD558	209.6	630,637.2	7,496,816.0	349.3	90.0	-51.0	KJD559	380.5	630,607.4	7,496,816.0	348.4	90.0	-58.7	KJD560	464.8	630,607.4	7,496,816.0	348.4	90.5	-69.9	KJCD561	577.2	630,490.5	7,497,680.0	354.0	90.9	-58.8	KJCD562	401.8	630,432.2	7,498,128.5	359.4	89.5	-61.9	KJCD563	849.9	630,194.9	7,497,998.0	361.8	90.5	-67.3	KJD564	555.3	630,783.8	7,496,610.0	343.6	89.7	-68.4	KJD565	195.5	630,259.0	7,494,817.8	345.7	89.6	-57.2	KJD568	240.3	630,198.3	7,494,505.0	350.5	87.5	-56.7	KJD569	267.8	630,197.3	7,494,505.0	350.5	90.4	-59.9
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Data aggregation methods	<ul style="list-style-type: none">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.	<ul style="list-style-type: none">Minimum grade truncation 0.5%Cu for intercepts above 200m RLMinimum grade truncation 1.0%Cu for intercepts below 200m RLAggregate intercepts use length-weightingNo top-cuts are applied nor considered necessaryNo metal equivalents are used																																																																																																																																												
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none">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 length, true width not known').	<ul style="list-style-type: none">In the main deposit areas, the geometry of the lodes is well known and is used to estimate true widths. The intercept in KJCD557 is > 200 metres from other drilling and the attitude of the intersected lode is not well defined, therefore down-hole drilled widths are reported.																																																																																																																																												
Diagrams	<ul style="list-style-type: none">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.	<ul style="list-style-type: none">Refer Figure 1 in the report																																																																																																																																												

ASX Announcement

COMPANY UPDATE



Level 5, 167 Eagle Street
Brisbane QLD 4000
Australia
kglresources.com.au

Criteria	JORC Code explanation	Commentary
Balanced reporting	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Results for all holes are reported according to the Data Aggregation Methods stated above
Other substantive exploration data	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Outcrop mapping of exploration targets using Real time DGPS. IP, Magnetics, Gravity, Downhole EM are all used for targeting Metallurgical studies are well advanced including recovery of the payable metals including Cu, Ag and Au. Deleterious elements such as Pb Zn Bi and F are modelled
Further work	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> The current report relates to infill and mineral resource confirmatory drilling and is ongoing Brownfields and greenfield drilling has also commenced Additional IP and DHEM surveys are planned