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New mineralised copper zone discovered at Jervois

- **Further drilling at the northern end of the Reward zone continues to intercept significant copper mineralisation**
- **Extension drilling intersects a new second zone of copper mineralisation 50 metres east of the existing Reward resource**
- **Extension drilling planned to bring new zone into the Jervois Resource**

Hole KJCD058 intersected the following intervals in the Reward zone

- 4m @ 1.47% Cu, 0.16% Pb, 0.11% Zn, 23.1g/t Ag, 0.26g/t Au from 278 m
- 14m @ 1.29% Cu, 0.71% Pb, 0.22% Zn, 28.2g/t Ag, 0.36g/t Au from 286 m Including 7m @ 2.04% Cu, 0.23% Pb, 0.09% Zn, 42.2g/t Ag, 0.59g/t Au from 293 m

The hole was then extended further to the east and has intersected a second zone of mineralisation that does not outcrop which has been named East Reward. The centre of the lode contains three zones of massive and semi-massive chalcopyrite in veins from 407m. This is within a broad zone with stringers and dissemination of chalcopyrite as shown in Figures A and B that extend for over 15m in the diamond tail for hole KJCD058. This new zone is approximately 50m east of the existing Reward resource and is interpreted to be a parallel vertical structure. The host rock is strongly altered, comprising coarse garnet and magnetite. This strong calc-silicate alteration, that includes garnet, has proven to be a good indicator of base metal mineralisation at Jervois, suggesting close proximity to mineralisation. Assay results for the East Reward intersection will be reported to the market when received.

Prior to drilling Hole KJCD058, Hole KJCD043 was extended eastward to test for the presence of East Reward based on results from several historical holes to the south (refer Figures 1 & 2). This hole was abandoned due to drilling gear lost down the hole but not before it had intersect some of the same alteration and mineralisation later observed in KJCD058. Assays for diamond tail KJCD043 are pending.

The Reward East position is virtually untested at depth and the lode remains open to the north with no drilling for 800m of strike. A traverse of RC holes drilled on the northern boundary of KGL Resources tenement in September 2013 intersected copper mineralisation and a broad zone of low-grade zinc mineralisation in calcsilicate altered rocks (KJC006 and KJCD004). A ground electromagnetic (EM) survey has now commenced and will cover the mineralised corridor north of Reward. East Reward and any EM targets identified will be drilled as part of the Phase 2 resource extension programme that will is planned to commence in March.

Simon Milroy, the Managing Director of KGL Resources, commented: “Discovery of a new copper zone so close to the existing Reward deposit and continuing to intercept good mineralisation north of Reward is a great result for this extensional drilling program. We now plan to re-enter and extend a number of historical holes that stopped short of intersecting the East Reward zone to bring the East Reward zone into the Jervois Resource.”

Table 1 Table of significant results

Hole ID	Easting (m)	Northing (m)	RL (m)	Dip	Azimuth	BOX[1] (m)	Total Depth (m)	From (m)	To (m)	Interval (m)	ETW[2] (m)	Cu %	Pb %	Zn %	Ag g/t	Au g/t
KJCD058	630239	7495400	333.8	-55.75	82.19	7	483.8	278	282	4	2.3	1.47	0.16	0.11	23.1	0.26
								286	300	14	7.9	1.29	0.71	0.22	28.2	0.36
							Including	293	300	7	4.0	2.04	0.23	0.09	42.2	0.59

[1]*Base of Oxidisation down hole depth* [2]*Estimated true width*

Figure A. Diamond core from East Reward in hole KJCD043

Figure B. Diamond core from East Reward in hole KJCD043

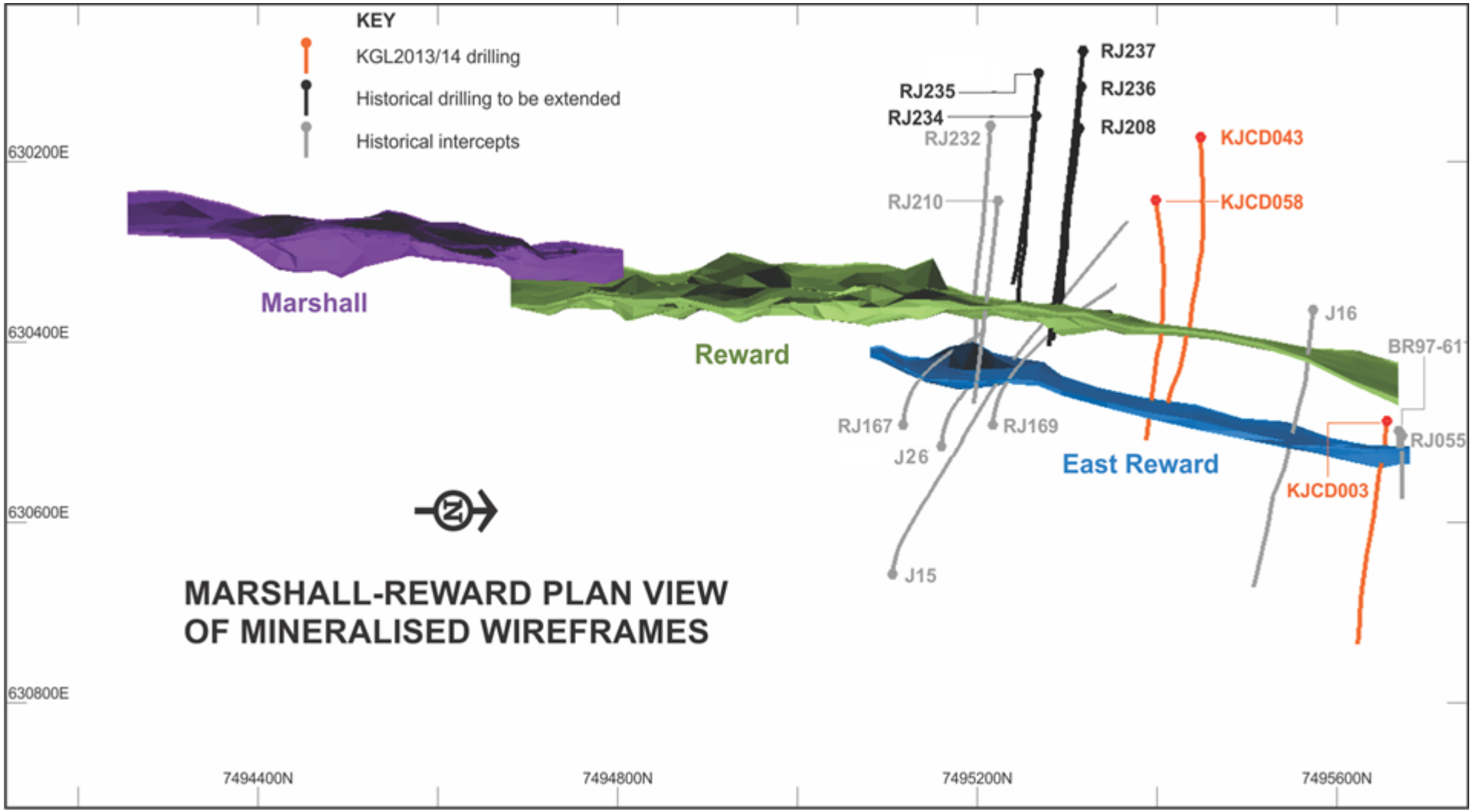

Figure 1 Plan of Marshall, Reward and East Reward mineralised wireframes

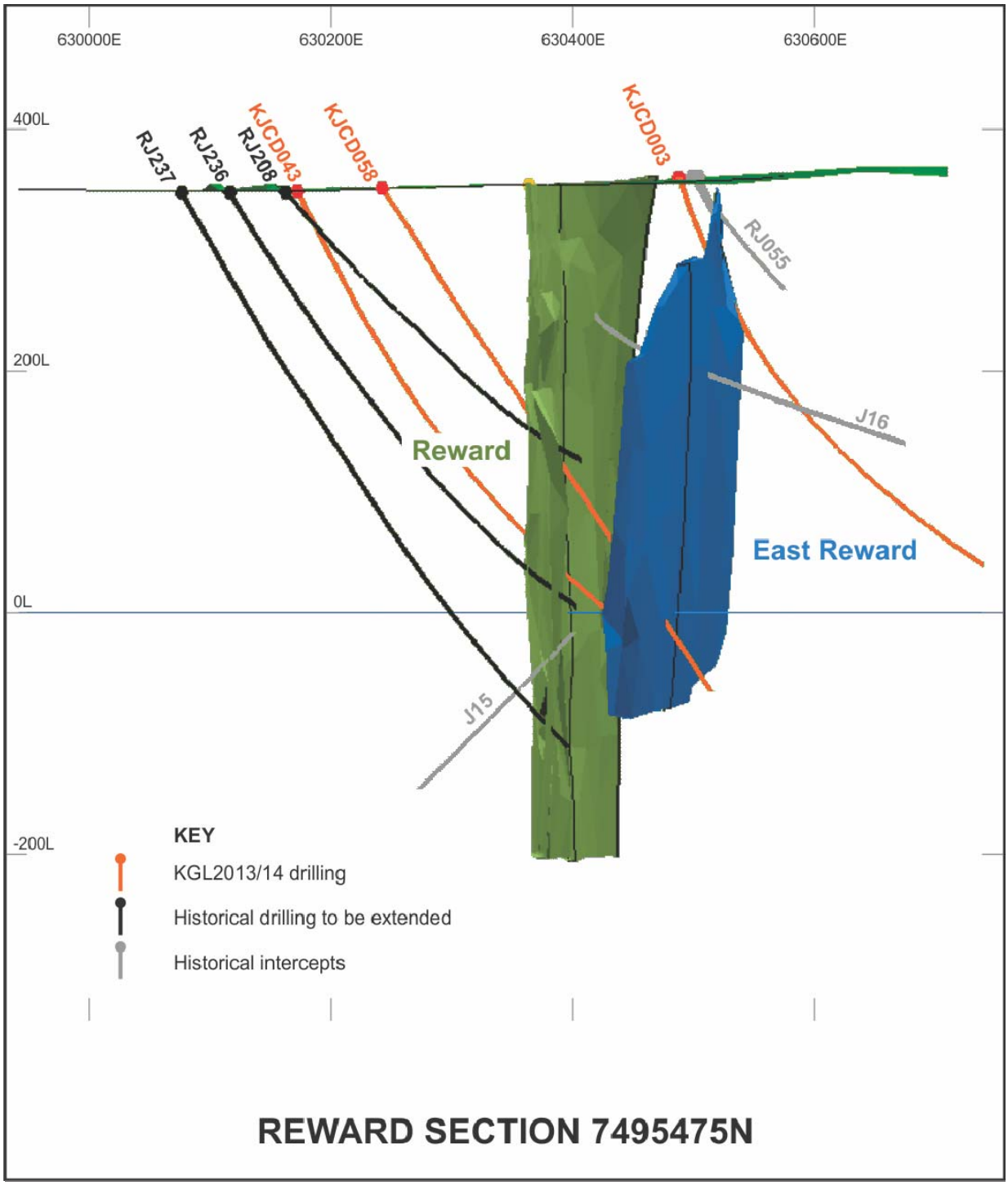

Figure 2 Reward & East Reward Cross Section centred on 7495475N

Table 2 Historical East Reward intercepts

This information was prepared and first disclosed under the JORC Code 2004 on 2 October 2012, 15 August 2011 and 16 May 2011. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported

Hole ID	Intercept
RJ232	9.8m @ 1.54% Cu, 18.8g/t Ag from 418.3m
J26	4m @ 5.0% Cu, 0.6% Pb, 0.13g/t Au from 181.2m
RJ167	8m @ 2.6% Cu from 321m
J15	10m @ 0.9% Cu from 435m
J16	2.2m @ 1.03% Cu from 219.8m

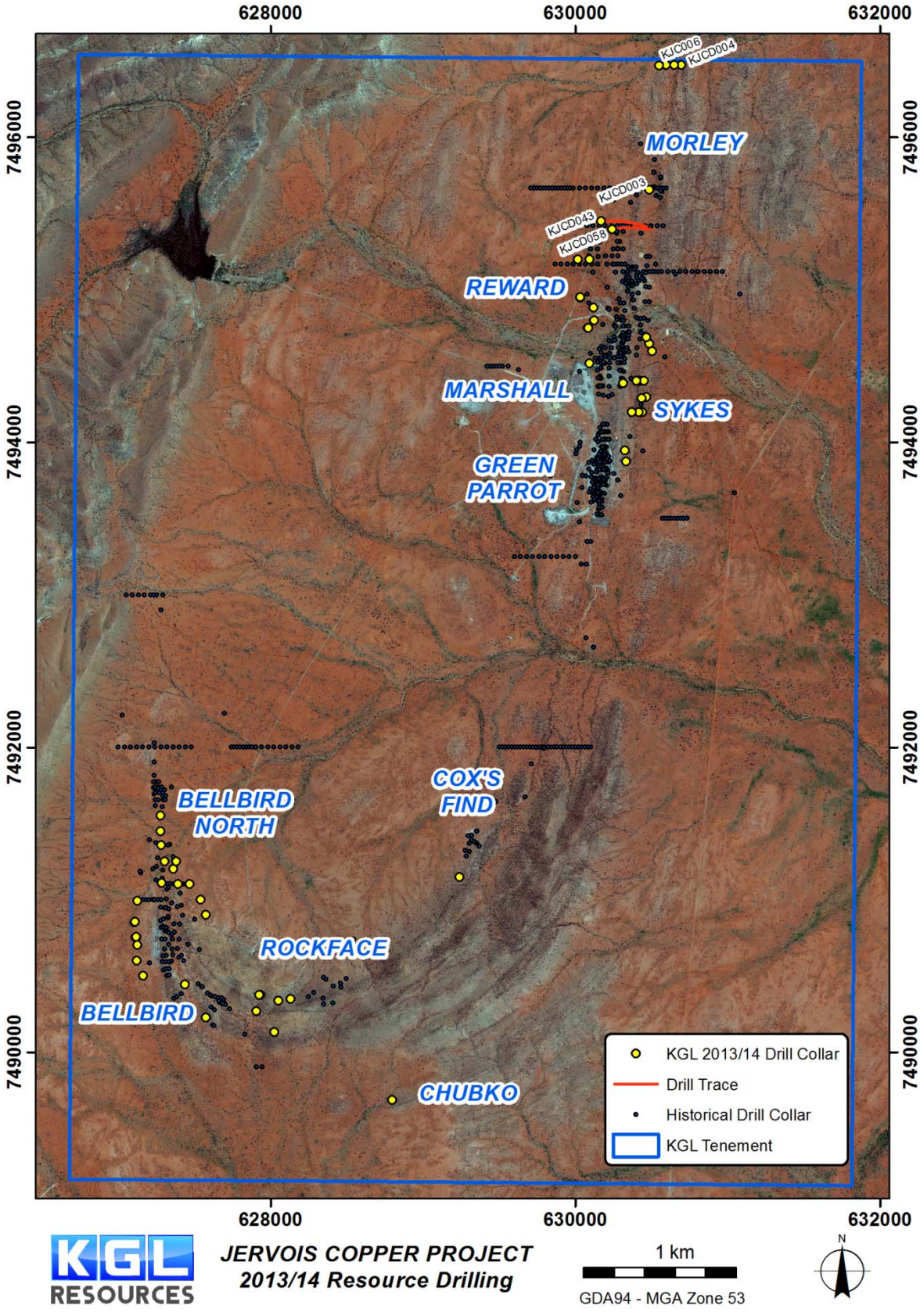

Figure 3 Plan of Jervois tenement and drill hole collars

Table 3 Assays for diamond tail KJCD058 in Reward zone. East Reward Assays pending

Hole	Sample No.	From m	To m	Interval m	Copper %	Lead %	Zinc %	Silver g/t	Gold g/t
KJCD045	97056	355	356	1	0.13	0.09	0.08	7	0.05
KJCD058	97201	265	266	1	0.50	0.08	0.12	9.5	0.079
KJCD058	97202	266	267	1	0.48	0.01	0.01	3.5	0.066
KJCD058	97203	267	268	1	0.21	0.01	0.02	2.7	0.054
KJCD058	97204	268	269	1	0.15	0.02	0.04	2.8	0.058
KJCD058	97205	269	270	1	0.07	0.01	0.03	0.9	0.055
KJCD058	97207	270	271	1	0.15	0.02	0.03	2.6	0.045
KJCD058	97208	271	272	1	0.26	0.02	0.04	2.1	0.104
KJCD058	97209	272	273	1	0.05	0.01	0.04	0.6	0.016
KJCD058	97210	273	274	1	0.06	0.01	0.04	-0.5	0.012
KJCD058	97211	274	275	1	0.44	0.03	0.07	3.4	0.098
KJCD058	97213	275	276	1	0.09	0.00	0.05	-0.5	0.009
KJCD058	97214	276	277	1	0.09	0.01	0.03	0.6	0.013
KJCD058	97215	277	278	1	0.18	0.02	0.06	1.8	0.023
KJCD058	97216	278	279	1	1.58	0.39	0.07	48	0.27
KJCD058	97217	279	280	1	1.54	0.11	0.05	17.2	0.121
KJCD058	97219	280	281	1	1.10	0.07	0.22	11.2	0.174
KJCD058	97220	281	282	1	1.66	0.09	0.12	15.9	0.465
KJCD058	97221	282	283	1	0.03	0.02	0.02	0.6	0.006
KJCD058	97222	283	284	1	0.02	0.49	0.04	5.2	0.014
KJCD058	97223	284	285	1	0.12	0.05	0.05	3.3	0.048
KJCD058	97225	285	286	1	0.30	0.20	0.17	12.9	0.16
KJCD058	97226	286	287	1	0.32	2.50	0.30	26.8	0.166
KJCD058	97227	287	288	1	0.03	1.92	1.22	16.5	0.042
KJCD058	97228	288	289	1	0.10	0.50	0.45	17.1	0.044
KJCD058	97229	289	290	1	1.13	3.18	0.11	16.1	0.132
KJCD058	97231	290	291	1	1.52	0.12	0.22	11.9	0.099
KJCD058	97232	291	292	1	0.26	0.07	0.04	2.7	0.088
KJCD058	97233	292	293	1	0.50	0.06	0.04	7.7	0.303
KJCD058	97234	293	294	1	1.52	0.03	0.07	10.6	0.282
KJCD058	97235	294	295	1	2.29	0.08	0.06	26.5	0.739
KJCD058	97237	295	296	1	3.57	0.14	0.12	32.3	0.096
KJCD058	97238	296	297	1	0.83	0.06	0.07	15.7	0.432
KJCD058	97239	297	298	1	1.79	0.11	0.20	29	0.863
KJCD058	97240	298	299	1	2.41	0.38	0.06	62.3	1.16
KJCD058	97241	299	300	1	1.85	0.85	0.06	119	0.572
KJCD058	97243	300	301	1	0.22	0.01	0.05	2.6	0.058
KJCD058	97244	301	302	1	0.07	0.01	0.04	1.1	0.01

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About KGL Resources

KGL Resources Limited is an Australian mineral exploration company focussed on increasing the high grade Resource at the Jervois Copper-Silver-Gold Project in the Northern Territory and developing it into a multi-metal mine.

Competent Person Statement

The Jervois Exploration data in this report is based on information compiled by Martin Bennett, who is a member of the Australian Institute of Geoscientists and a full time employee of KGL Resources Limited.

Mr. Bennett has sufficient experience which is relevant to the style of the mineralisation and the type of deposit under consideration and to the activity to which he is undertaking, to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Bennett has consented to the inclusion of this information in the form and context in which it appears in this report.

1 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	• *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.*	• 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	• *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).*	• 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.
Drill sample recovery	• *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.*	• 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	• *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.*	• 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	• *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.*	• 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	• *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,*	• 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

Criteria	JORC Code explanation	Commentary
	blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	with an AAS finish. • An umpire laboratory is used to check ~2% of samples analysed.
Verification of sampling and assaying	• *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.*	• Data is validated on entry into the Datashed database. • Further validation is conducted when data is imported into Vulcan
Location of data points	• *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.*	• Surface collar surveys were picked up using a Trimble DGPS. • Downhole surveys were taken during drilling with a Ranger 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	• *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.*	• 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.
Orientation of data in relation to geological structure	• *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.*	• 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	• *The measures taken to ensure sample security.*	• Samples were stored in sealed polyweave bags on site and transported to the laboratory at regular intervals by KGL staff.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• 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	• *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.*	• The Jervois project is within E25429 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	• *Acknowledgment and appraisal of exploration by other parties.*	• All new assays reported in the announcement were conducted by KGL Resources.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• EL25429 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

Criteria	JORC Code explanation	Commentary
		interpreted to be stratigraphic 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	• *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:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole 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.*	• Refer Table 1
Data aggregation methods	• *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.*	• Refer Tables 1 & 3
Relationship between mineralisation widths and intercept lengths	• *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').*	• Refer Table 1
Diagrams	• *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.*	• Refer Figures 1,2,3 & Table 1, 2,3
Balanced reporting	• *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.*	• Refer Table 3
Other substantive exploration data	• *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.*	• Outcrop mapping of exploration targets using Real time DGPS. • Refer Figures A & B
Further work	• *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.*	• Refer Figures 1, 2