www.kglresources.com.au

21 March 2014

First assays from East Reward copper zone confirm good grades and widths of copper mineralisation

- **Further drilling at the northern end of the Reward zone continues to intercept significant copper mineralisation**
- **Extension drilling planned to bring new zone into the Jervois Resource**
- **Good off-hole EM anomaly to be followed up**

Drill results

Hole KJCD058 intersected the following intervals in the East Reward zone

- **4m @ 1.32% Cu, 9.1g/t Ag, 0.07g/t Au from 390 m**
- **11m @ 2.63% Cu, 26.1g/t Ag, 0.08g/t Au from 408 m**
  Including 2m @ 5.86% Cu, 36.7g/t Ag, 0.04g/t Au from 417 m
- **1m @ 3.9% Cu, 36.3g/t Ag, 0.12g/t Au from 421 m**
- **2m @ 1.9% Cu, 16.4g/t Ag, 0.07g/t Au from 425 m**

Including narrow zones of internal dilution (Table 3) the composited East Reward zone comprises

- **19m @ 1.95% Cu, 18.8g/t Ag, 0.09g/t Au from 408 m**

This is in addition to the previously announced intersections in the Reward zone of

- **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

Hole KJCD043 intersected mineralisation in the Reward zone including

- **7m @ 1.36% Cu, 0.14% Pb, 0.12% Zn, 25g/t Ag, 0.53g/t Au from 413 m**

The hole was abandoned short of target depth due to lost gear down the hole but not before intersecting further mineralisation in the East Reward zone including

- **7m @ 1.28% Cu, 0.65% Zn, 20.1g/t Ag, 0.06g/t Au from 483 m**

All results have now been received for Holes KJCD043 and KJCD058, both drilled along strike to the north of the existing Resource. Both holes intersected the Reward deposit and were then extended further to the east where they have intersected a second zone of mineralisation that does not outcrop which has been named East Reward. The centre of the East Reward lode intersected in KJCD058 contains three zones of massive and semi-massive chalcopyrite in veins from 408m. This is within a broad zone with stringers and dissemination of chalcopyrite 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 alteration has proven to be a good indicator of base metal mineralisation at Jervois, suggesting close proximity to mineralisation

.

The Reward East position is virtually untested at depth and the lode remains open to the north with no drilling for 800m of strike. Copper occurrences, calcsilicate and gossan exposures have been mapped along the trend. 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.

A down-hole electro-magnetics (DHEM) survey was undertaken on hole KJCD058 as part of a larger survey and this highlighted conductors in the Reward and East Reward zone. The off-hole conductor detected in the East Reward zone is down dip and along strike to the south of hole KJCD058. This will be the target of follow up drilling planned for April.

Simon Milroy, the Managing Director of KGL Resources, commented: "The DHEM survey results to date have correlated well with known areas of high grade mineralisation. This gives us confidence that drilling newly identified DHEM anomalies may result in further high grade results."

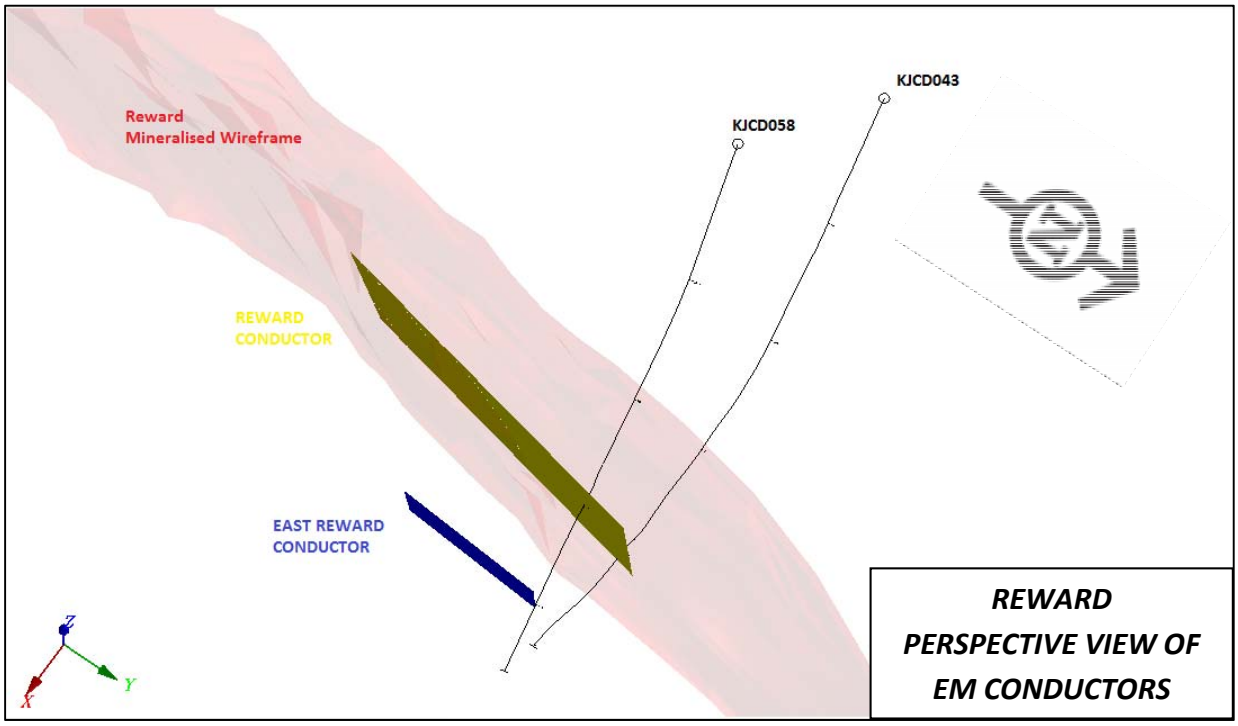

Figure 1 Conductive plates modelled from KJCD058 down Hole EM. East Reward conductors detected off-hole to the south and down dip of KJCD058 East Reward intercept and extending south of in the Reward position.

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
								347	349	2	1.1	0.86	.05	0.5	7.1	0.05
								372	373	1	0.6	0.52	0.01	0.05	2.8	0.05
								385	387	2	1.1	0.83	0.01	0.08	8.8	0.05
								390	**394**	**4**	**2.3**	**1.32**	**0.00**	**0.07**	**9.1**	**0.07**
								408	**419**	**11**	**6.3**	**2.63**	**0.04**	**0.04**	**26.1**	**0.08**
							including	**417**	**419**	**2**	**1.1**	**5.86**	**0.01**	**0.04**	**36.7**	**0.04**
								421	**422**	**1**	**0.6**	**3.90**	**0.02**	**0.04**	**36.3**	**0.12**
								425	**427**	**2**	**1.1**	**1.90**	**0.01**	**0.02**	**16.4**	**0.07**
KJCD043	630169	7495450	349.6	-64.2	-88.7		502[3]	**413**	**420**	**7**	**5.6**	**1.36**	**0.14**	**0.12**	**25.0**	**0.53**
								453	455	2	1.6	0.56	0.03	0.11	2.1	0.02
								465	473	8	6.4	0.85	0.01	0.06	8.0	0.25
								483	**490**	**7**	**5.6**	**1.28**	**0.06**	**0.65**	**20.1**	**0.06**
								494	496	2	1.6	0.71	0.05	0.69	12.1	0.06

[1]Base of Oxidisation down hole depth [2]Estimated true width [3]Hole KJCD043 abandoned short of target depth
Intervals greyed out have been announced previously (10th Feb 2014)

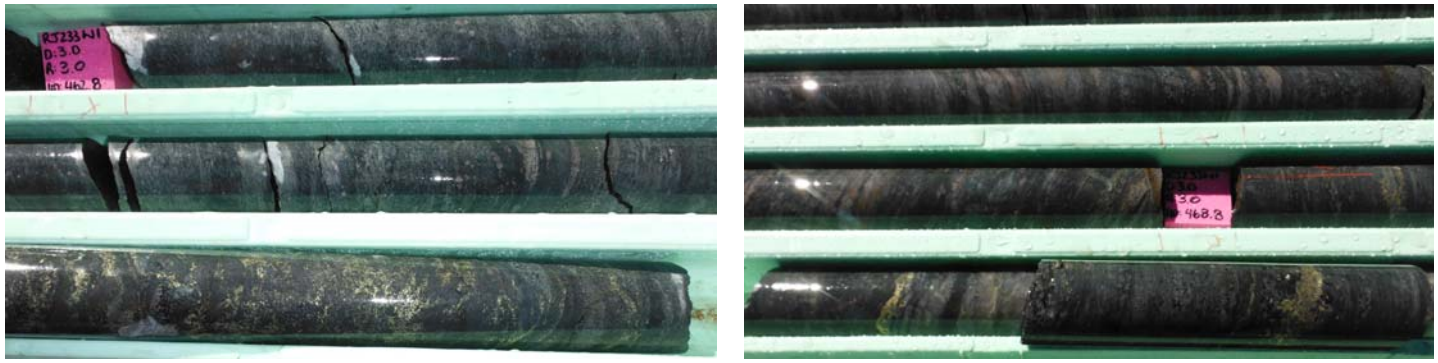

Figure 2 Core from extension Hole RJ233 East Reward zone showing chalcopyrite disseminated throughout the garnet-magnetite schist

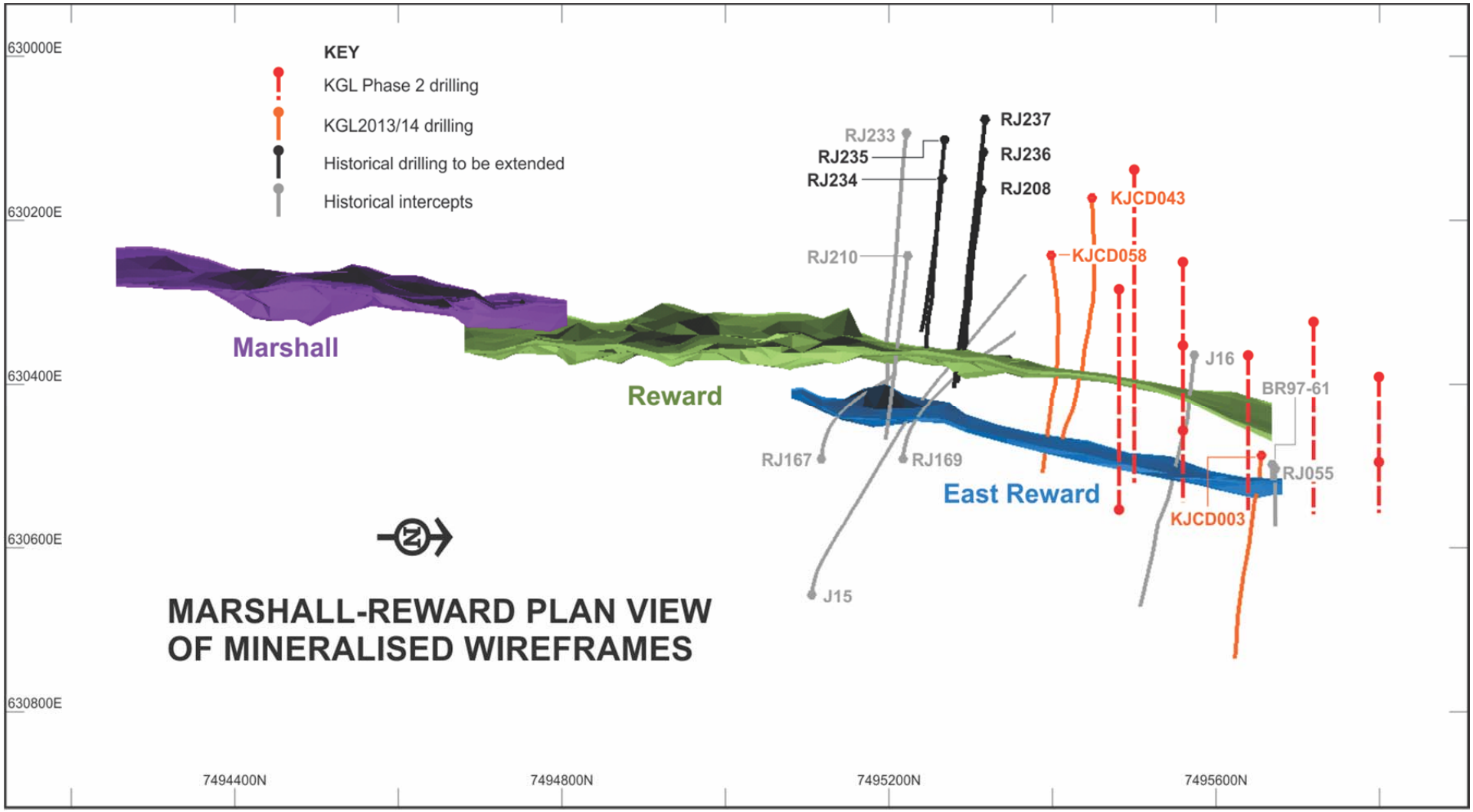

Figure 3 Plan of Marshall, Reward and East Reward mineralised wireframes

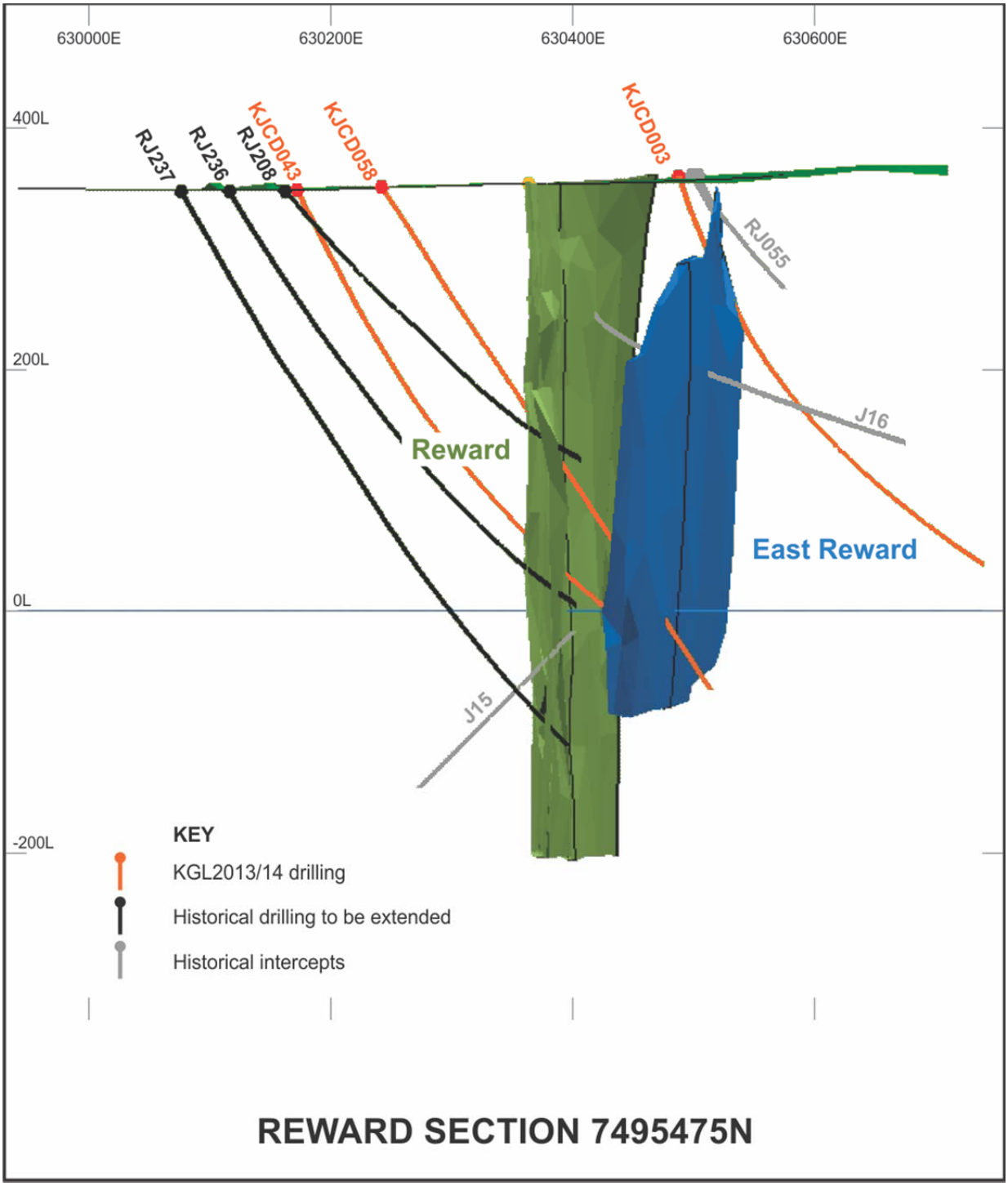

Figure 4 Reward & East Reward Cross Section centred on 7495475N

Table 2 Historical East Reward intercepts

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

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

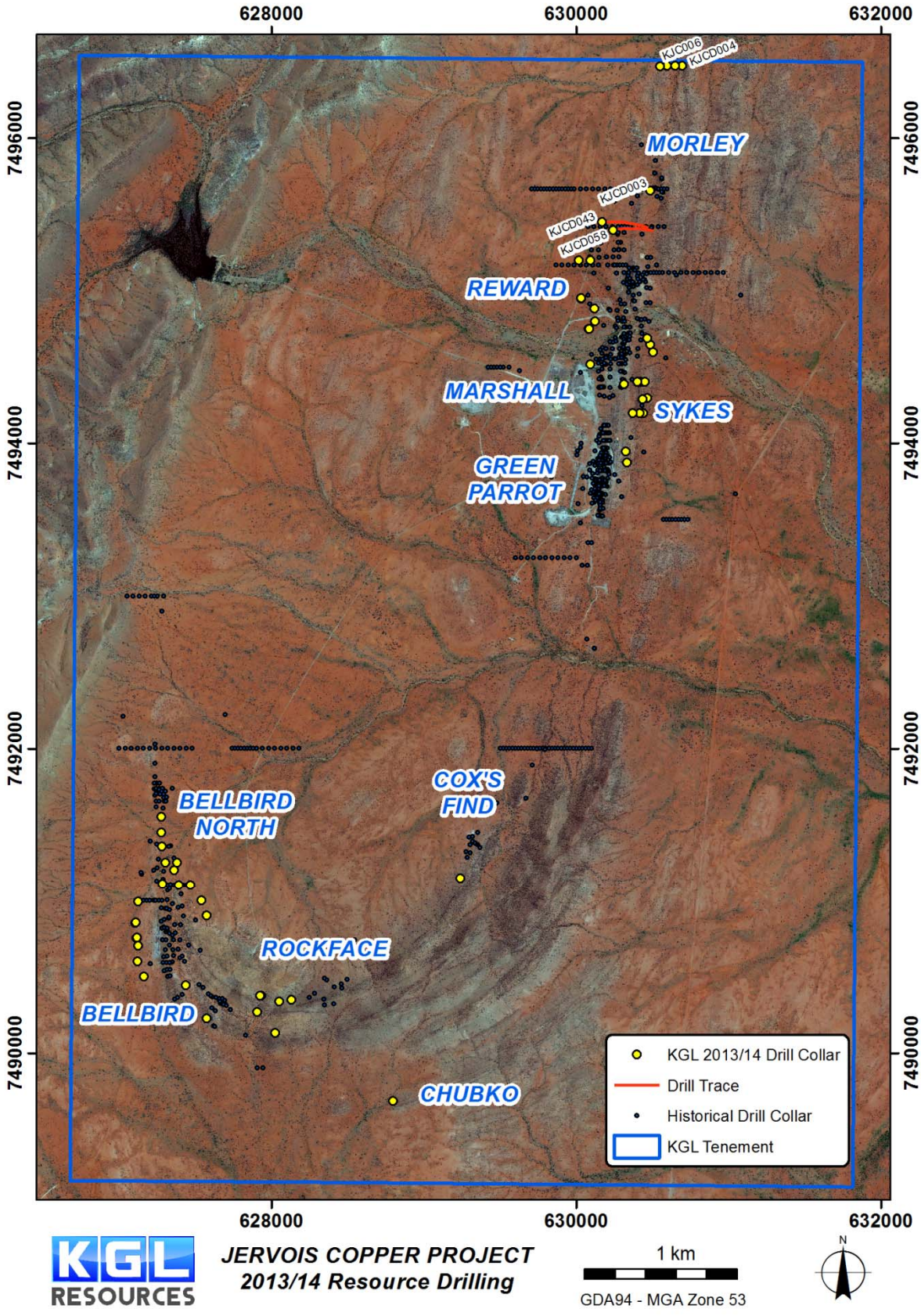

Figure 5 Plan of Jervois tenement and drill hole collars

Table 3 Assays for diamond tail KJCD058 in East Reward zone

Hole	Sample No.	From m	To m	Interval m	Copper %	Lead %	Zinc %	Silver g/t	Gold g/t
KJCD058	97699	385	386	1	0.91	0.02	0.07	11	0.061
KJCD058	97700	386	387	1	0.75	0.00	0.08	6.5	0.046
KJCD058	97701	387	388	1	0.23	0.00	0.04	1.3	0.007
KJCD058	97702	388	389	1	0.06	0.00	0.04	-0.5	0.006
KJCD058	97703	389	390	1	0.28	0.00	0.05	4.9	0.119
KJCD058	97705	390	391	1	1.89	0.00	0.09	12.2	0.047
KJCD058	97706	391	392	1	0.52	0.00	0.06	3.4	0.013
KJCD058	97707	392	393	1	1.38	0.01	0.10	12.7	0.185
KJCD058	97708	393	394	1	1.51	0.00	0.05	8.1	0.036
KJCD058	97709	394	395	1	0.13	0.01	0.03	1.7	0.021
KJCD058	97711	395	396	1	0.20	0.01	0.03	2.6	0.008
KJCD058	97712	396	397	1	0.04	0.00	0.03	-0.5	0.001
KJCD058	97713	397	398	1	0.01	0.00	0.02	-0.5	0.001
KJCD058	97714	398	399	1	0.00	0.00	0.03	-0.5	-0.001
KJCD058	97715	399	400	1	0.00	0.00	0.04	-0.5	0.001
KJCD058	97717	400	401	1	0.01	0.00	0.03	-0.5	0.001
KJCD058	97718	401	402	1	0.01	0.00	0.03	-0.5	-0.001
KJCD058	97719	402	403	1	0.04	0.00	0.03	0.5	0.001
KJCD058	97720	403	404	1	0.02	0.00	0.02	-0.5	0.001
KJCD058	97721	404	405	1	0.14	0.00	0.02	4.2	0.002
KJCD058	97723	405	406	1	0.00	0.02	0.03	-0.5	-0.001
KJCD058	97724	406	407	1	0.06	0.01	0.03	3.5	0.002
KJCD058	97725	407	408	1	0.05	0.01	0.03	0.8	0.002
KJCD058	97726	408	409	1	0.88	0.02	0.07	8.3	0.033
KJCD058	97727	409	410	1	5.79	0.32	0.09	116	0.226
KJCD058	97729	410	411	1	2.61	0.03	0.04	27.3	0.206
KJCD058	97730	411	412	1	2.11	0.01	0.02	17	0.093
KJCD058	97731	412	413	1	1.84	0.01	0.02	16.2	0.062
KJCD058	97732	413	414	1	1.57	0.00	0.03	11.6	0.046
KJCD058	97733	414	415	1	1.64	0.00	0.02	9.7	0.039
KJCD058	97735	415	416	1	0.79	0.00	0.02	6.5	0.03
KJCD058	97736	416	417	1	0.06	0.00	0.08	1.3	0.083
KJCD058	97737	417	418	1	8.31	0.01	0.06	47	0.079
KJCD058	97738	418	419	1	3.40	0.01	0.02	26.4	0.006
KJCD058	97739	419	420	1	0.12	0.00	0.03	1.1	0.446
KJCD058	97741	420	421	1	0.11	0.00	0.02	-0.5	0.003
KJCD058	97742	421	422	1	3.90	0.02	0.04	36.3	0.123
KJCD058	97743	422	423	1	0.02	0.00	0.02	-0.5	0.001
KJCD058	97744	423	424	1	0.03	0.00	0.03	-0.5	0.002
KJCD058	97745	424	425	1	0.07	0.01	0.02	0.7	0.003
KJCD058	97747	425	426	1	2.29	0.01	0.02	19.3	0.112
KJCD058	97748	426	427	1	1.50	0.01	0.02	13.6	0.035
KJCD058	97749	427	428	1	0.42	0.01	0.05	24.3	0.022

For further information contact:

Mr Simon Milroy
Managing Director
Phone: (07) 3071 9003

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,*	• 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.

Criteria	JORC Code explanation	Commentary
	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.*	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 ~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 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	• *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

Criteria	JORC Code explanation	Commentary
		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 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, 4,5 & 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. •
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 3 & 4