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KGL Resources (ASX:KGL) releases the Chairman's and Managing Director's addresses to be given at today's Annual General Meeting.

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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.

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2015 AGM Chairman's Address

Ladies and gentlemen, the last 12 months has been one of significant achievement for KGL's Jervois project in the Northern Territory, despite volatile global markets and an uncertain commodity outlook.

At the last AGM we reported that we were well advanced with the Pre-Feasibility Study for Jervois. Let me remind you that we had embarked on the PFS in early 2014 following completion of an encouraging initial Scoping Study. That Study had suggested that the Project could produce around 20,000 tonnes of copper in a copper/silver concentrate or equivalent per year, and commence with a modest open cut mining operation followed by a move to underground workings.

Whilst the primary product would be a copper sulphide concentrate, after a few years of operation the process plant would be modified to also produce lead and zinc concentrates.

As part of the PFS we undertook an extended drilling program to upgrade and increase the Project's resource base as well as an extensive metallurgical test program together with geotechnical studies and plant design

Today I am pleased to be able to say that in just about every aspect of the PFS that we commenced 17 months ago, we have exceeded our goals and expectations. In particular:

- The drilling program up until the end of June 2014, when we began the revised calculation of the Project's resources base, was more successful than we had expected. The new resource estimate, announced last September, increased copper resources by 64% to 280,00t contained copper, silver resources by 61% to 18 million ounces, lead resources by 225% to 84,000 contained lead and zinc by 63% to 36,000 tonnes contained zinc.
- Downhole EM surveys identified potential additional mineralisation at depth.
 The Project's Exploration Target Range was increased to an additional 50-150,000 tonnes of contained copper tonnes further enhancing the Projects potential mine life.
- The metallurgical test program was also very successful in three areas:
 - 1. The transition material responded so well to the test work that we were able to abandon the concept of a heap leach operation and include that material in plant feed;
 - Projected copper recoveries of primary ore material exceeded our expectations; and

3.Probably the major breakthrough, was realising that and the Project would be able to produce a marketable lead/zinc bulk concentrate without the need for a separate mill circuit.

The impact of all of these developments was, that by late November last year, when the initial PFS work was completed we concluded that the project was viable and there were no "show stoppers". Indeed, it was clear that because of the positive exploration and metallurgical results a rethink was required.

- the scheduling of the proposed mining development needed to include much larger open cut mines;
- the design of the processing plant circuit could be simplified to include the ability to produce a mixed concentrate from day one, but not through a separate circuit; and
- a further drilling program would be needed to upgrade the resource base by following up newly discovered extensions to mineralisation.

So last December, just prior to the end of our FY, Management and the Board decided that the best way forward would be for us to extend the PFS to incorporate the new information and revise the Project development schedule. Simon will tell you later, in more detail, what we have been and are doing, but essentially that is where we are today.

We expect that a further upgraded estimate of the Project's resource base will be completed in July 2015. This will be fed into a revised mining and processing schedule and along with updated capital and operating cost estimates, the latest material and construction costs and current exchange rates, we anticipate that the final results of all of this work will be available in the fourth quarter of this year.

By any measure we believe we have had a very successful year. We have managed to complete all of this work and will be able to deliver the revised PFS later this year with the funds we currently have available.

Of course, once we have completed this revised PFS, we will have to decide what our next steps will be and how indeed we are going to fund them.

And that, quite neatly brings me to the subject of the global economy and world commodity prices.

Whereas internally, we have been extremely pleased with project developments, the same cannot be said of the global marketplace in which we operate.

Slowing growth rates in China, continuing weakness of the Eurozone sector, the strength of the US dollar, the fall in Australian interest rates, iron ore prices recently dipping below US\$50/tonne and WTI oil prices below US\$50/bbl. I could go on, but they all result in market volatility and a loss of confidence in the resource sector and have an impact on KGL. The simple fact is, that it is currently a very difficult world in which to make long term business plans.

Having said that, I can tell you that we have had preliminary discussions with a number of potential Project partners. However, In order to achieve the best possible outcome for shareholders, we have held off progressing the search for a partner until the revised PFS information is available.

So in summary. KGL's Jervois Project is in very good shape and on track to deliver a successful revised PFS towards the end of this year. We do have the funds to complete all of our current scheduled PFS work at Jervois but will need funding for the next stage of the Project's development. Although the investment market for resource companies in Australia remains uncertain. Jervois is an outstanding project and I am confident that it is on track to be developed into an operating mine.

In closing I would like to thank Simon and his team and my fellow directors for their support and hope that you as shareholders share our excitement about the future of the Jervois Project and our Company.





1. Jervois Copper PFS Optimisation

2. Exploration Plans



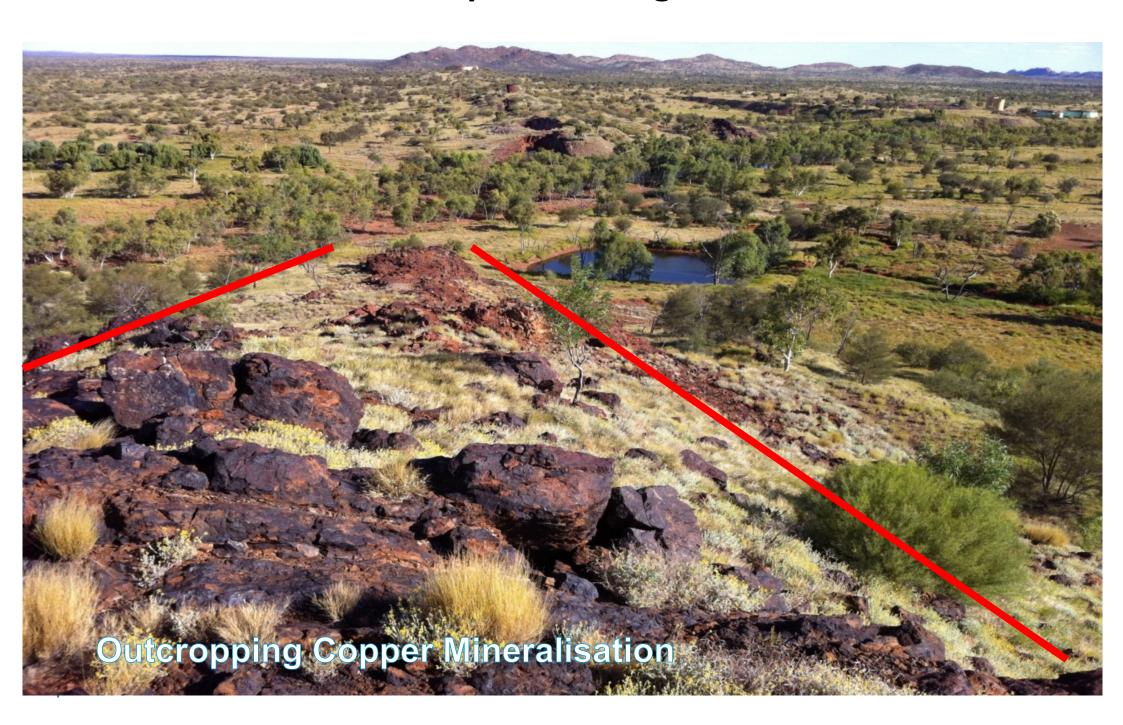


Jervois Project Setting

- On the Plenty Highway
- Concentrate to be trucked from site to Alice Springs then transported by rail to Darwin port
- In the 1960's, ore was trucked from Jervois to Mt Isa



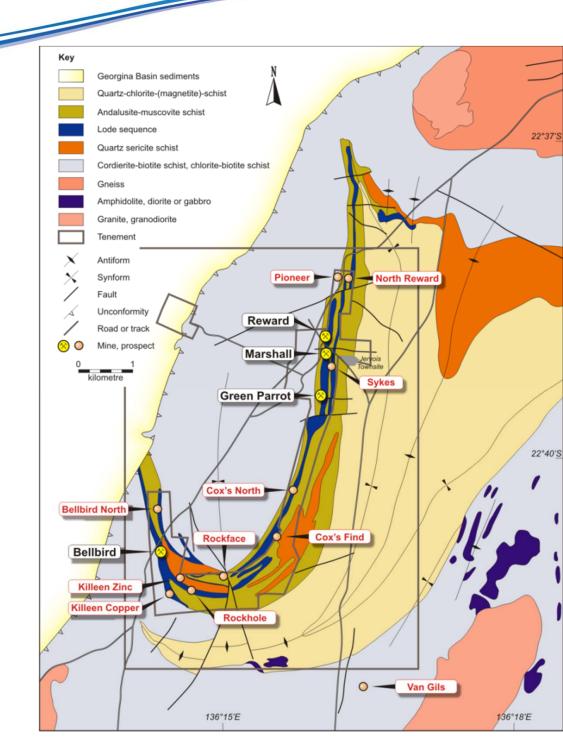
Reward Prospect looking south





Geological Setting

- Hosted by Bonya Metamorphics in Eastern Arunta
- Northerly Plunging Syncline
- Hybrid SEDEX-VMS





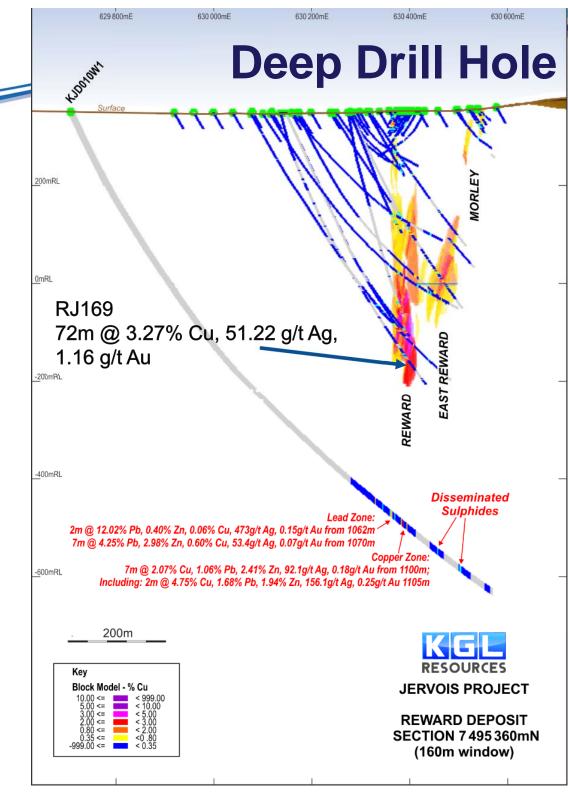
Mineralisation intersected 870m below surface



Copper mineralisation



Lead and Zinc mineralisation

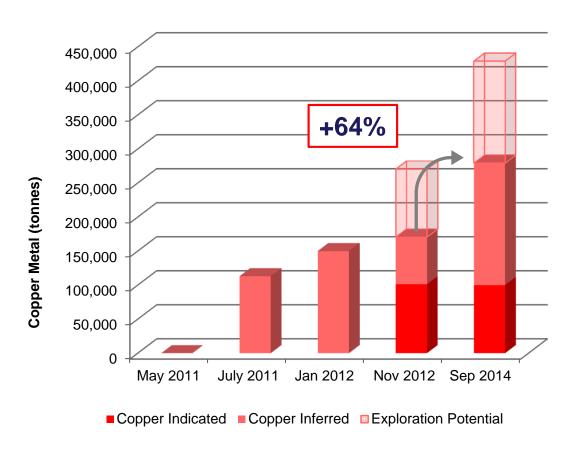


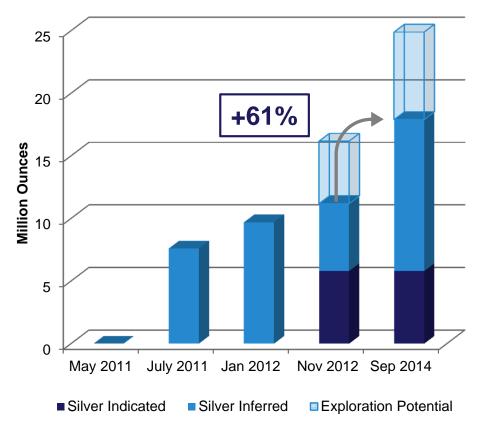


Mineral Resources Update

25.3 Mt @ 1.1% Cu for 280,000 t Cu

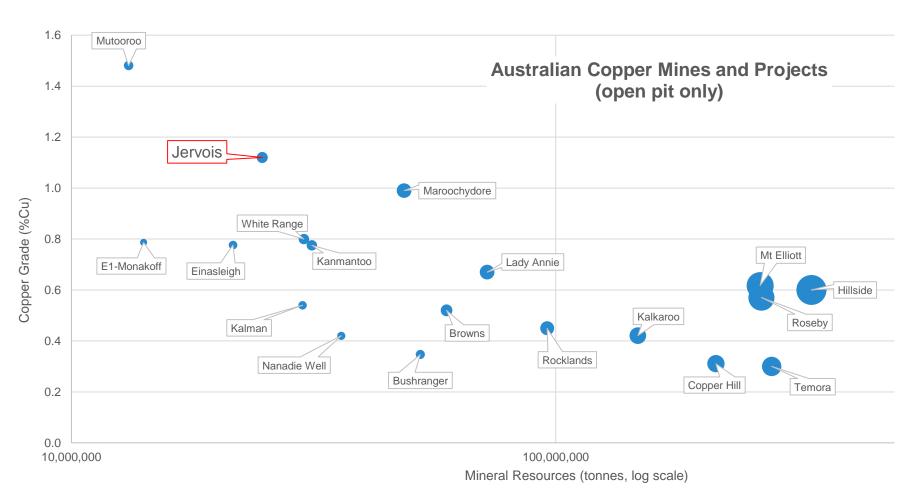
25.3 Mt @ 22 g/t Ag for 18 Moz Ag







High Grade Resources



Source: SNL Mining & Metals, Terra Studio. Most recent mineral resources available, copper only. Bubble size according to copper metal contained.



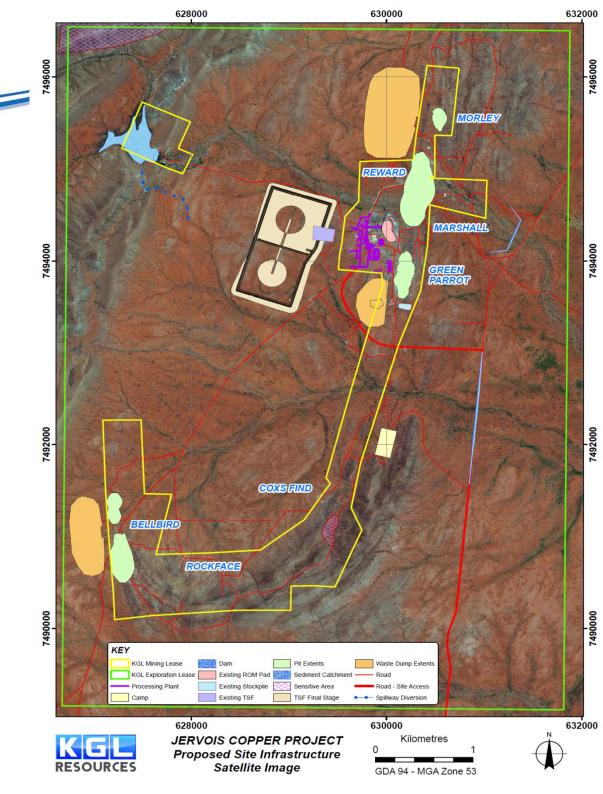
PFS Optimisation



Jervois Pre-Feasibility Study Dec 2014

- 2 mtpa Flotation Plant
- 7 Year Mine Life
- 21,000 tpa Copper Production
- 1 M ozpa Silver Production
- Initial Capex \$189m
- C1 cost US\$1.51/lb*

^{* (}After by-product credits and using an exchange rate of A\$/USD 0.845 and silver price of USD 20/oz)





Additional Work Programme

The Jervois project's value can be significantly increased by further drilling and metallurgical work:

- Geotechnical Steeper Pit Walls
- Metallurgy Targeting increased recovery of Copper and Silver
- 3. Resource Drilling Targeting known high grade areas
- 4. Operating Costs Reductions in mining costs cheaper diesel



1. Geotechnical Drilling

- 1,200 meters of diamond core drilling in to the planned pit walls
- Aim is to design steeper walls to reduce waste mining
- New zones of copper discovered in Eastern and Western walls at Marshall
- Result Pit Walls design angle increased from 47 to 51 degrees





2. Metallurgical Test work

Metallurgy test work designed to achieve the following:-

- Increase the gold and silver recoveries
- Increase the recovery of copper in the transitional zone
- Test the production of a mixed lead and zinc concentrate
- Also determined ore is softer (lower power consumption)





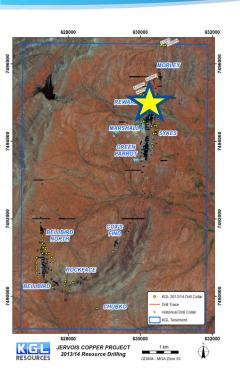


Improvements in Metallurgical Recovery

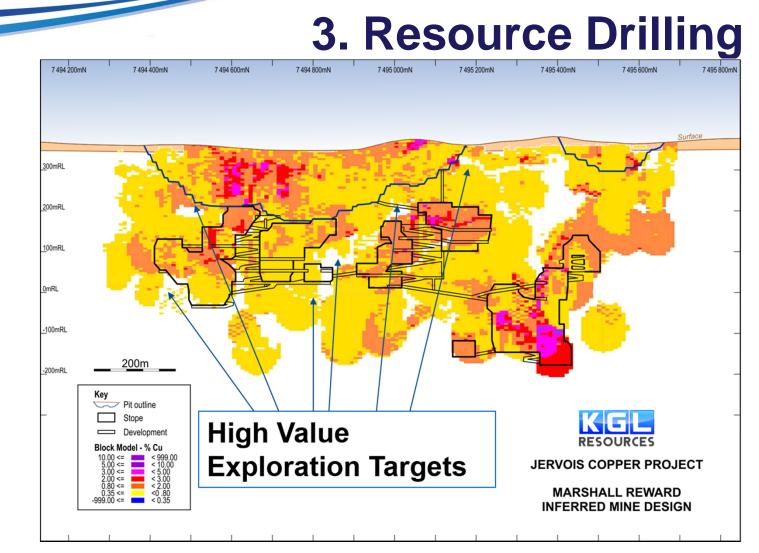
Additional metallurgical test work ongoing to further enhance silver and copper recoveries.

Results to date indicate that we can expect a significant improvement in silver recovery and some improvement in both copper and gold recovery.



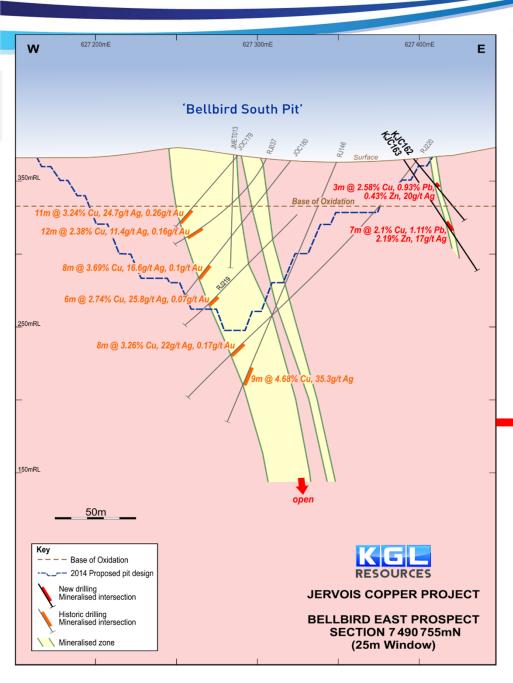


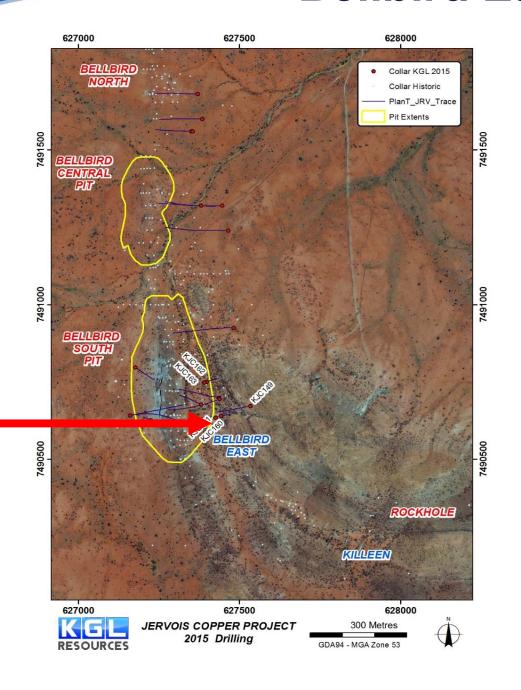
 11,000m Resource Drilling Completed





Bellbird East

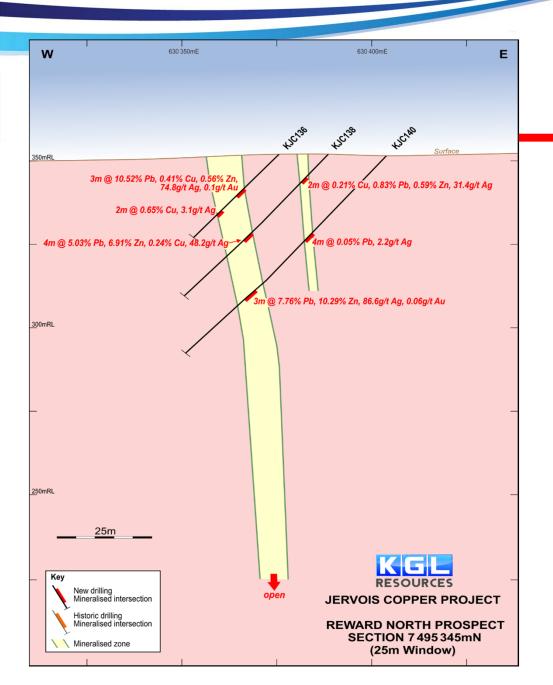


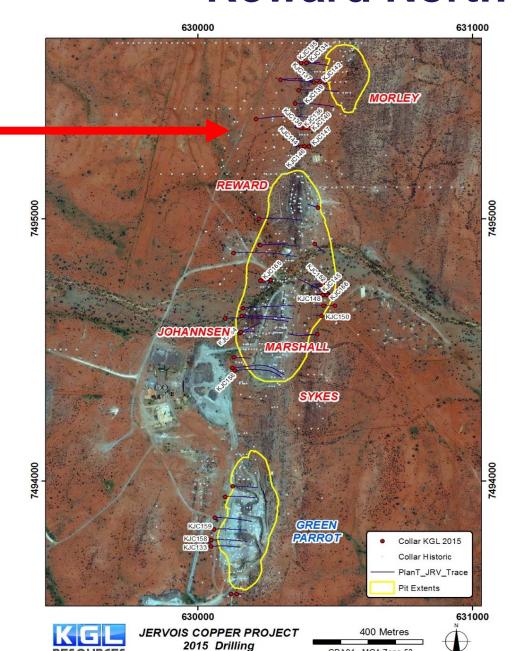




Reward North

GDA94 - MGA Zone 53





RESOURCES



4. Operating Costs

Updated pricing received for open pit and underground mining costs

- Processing operating costs reduced due to lower power consumption
- ~\$4m per year saving
- Cheaper diesel fuel price will result in substantial savings
- ~\$9m per year saving at current prices



Exploration



Exploration

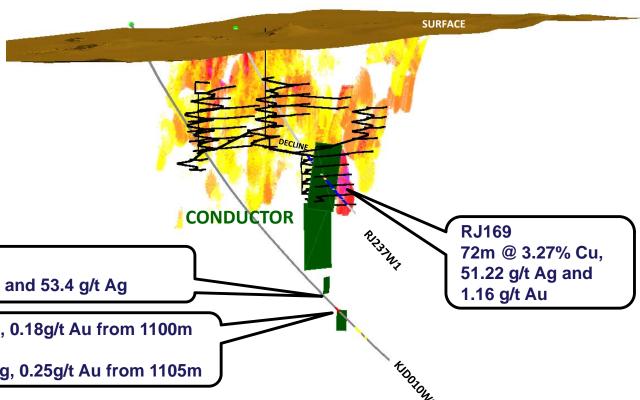
- CSIRO Research Project conclusion SedEx-VMS Hybrid
- SedEx deposits generally large
- Mineralisation is polymetallic
- Folded repetitions within north plunging syncline

 Deep drilling programme to test the down dip potential of the three main deposits at Marshall-Reward, Bellbird and Green Parrot



Reward

Large EM conductor at Reward to be tested by diamond drilling



2m @ 12.02% Pb and 473 g/t Ag

7m @ 0.6% Cu, 4.25% Pb, 2.98% Zn and 53.4 g/t Ag

7m @ 2.07% Cu, 1.06% Pb, 2.41% Zn, 92.1g/t Ag, 0.18g/t Au from 1100m Including

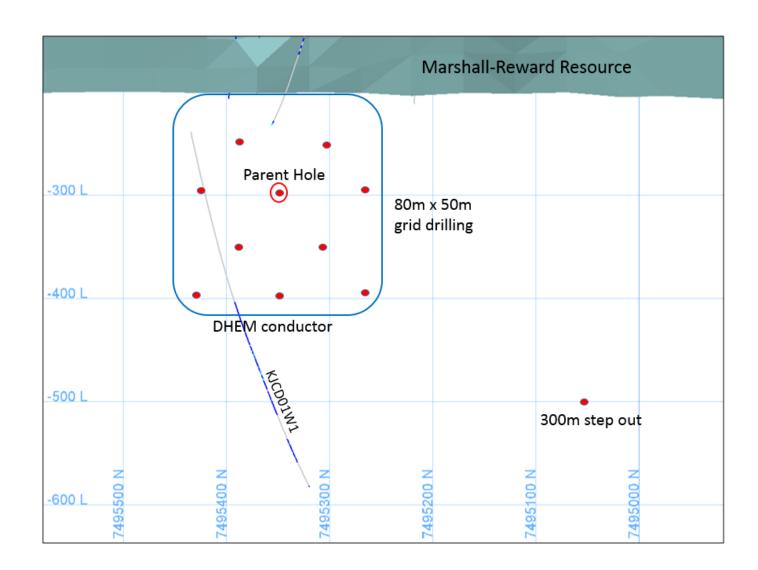
2m @ 4.75% Cu, 1.68% Pb, 1.94% Zn, 156.1g/t Ag, 0.25g/t Au from 1105m



Reward

If EM target is successful then daughter holes to be drilled.

Second deep hole to be drilled 300m along strike to the south of first deep hole.



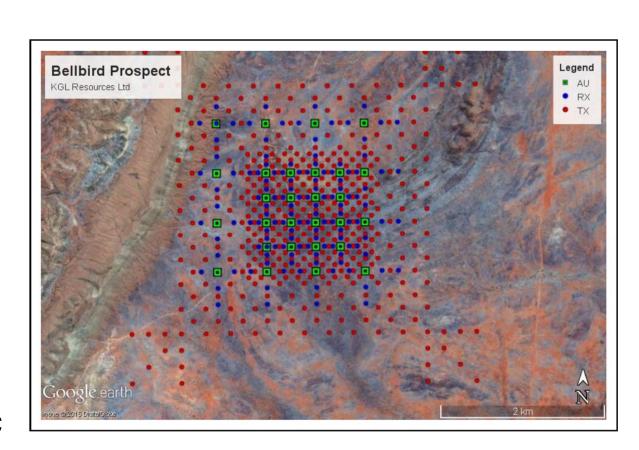


Bellbird 3DIP

Bellbird Mineralisation responds well to Induced Polarisation (IP)

3DIP survey designed to identify sulphides in zones along strike and parallel to Bellbird to depths of over 500m

Inclusion of Magnetotelluric (MT) acquisition extends this to over 1000m depth

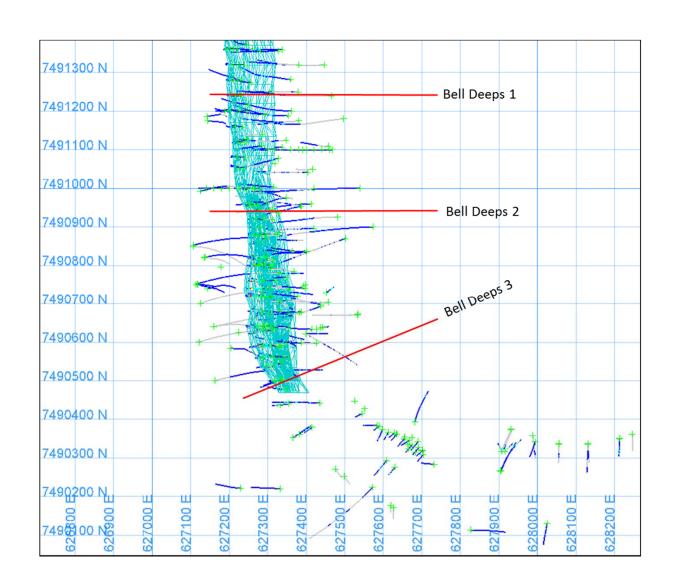




Bellbird

Three deep diamond holes to be drilled approximately 300m below the base of the Bellbird deposit.

Targeting will be optimised with 3DIP results



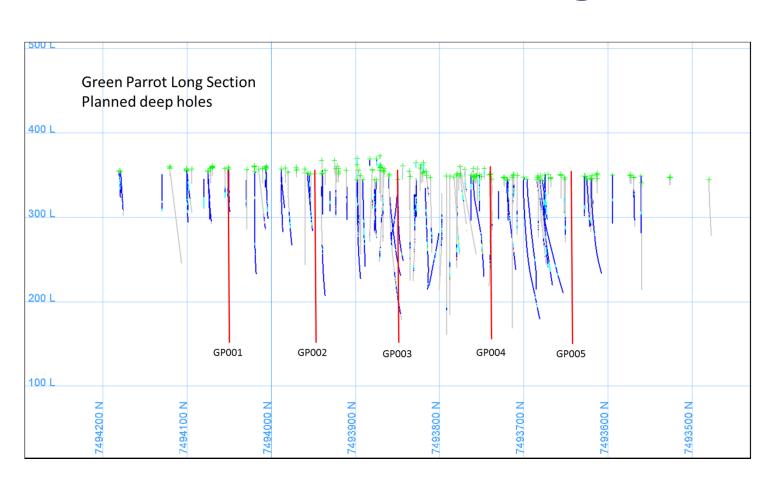


Green Parrot Long Section

Five deep RC holes to be drilled 100m below the base of the Green Parrot resource

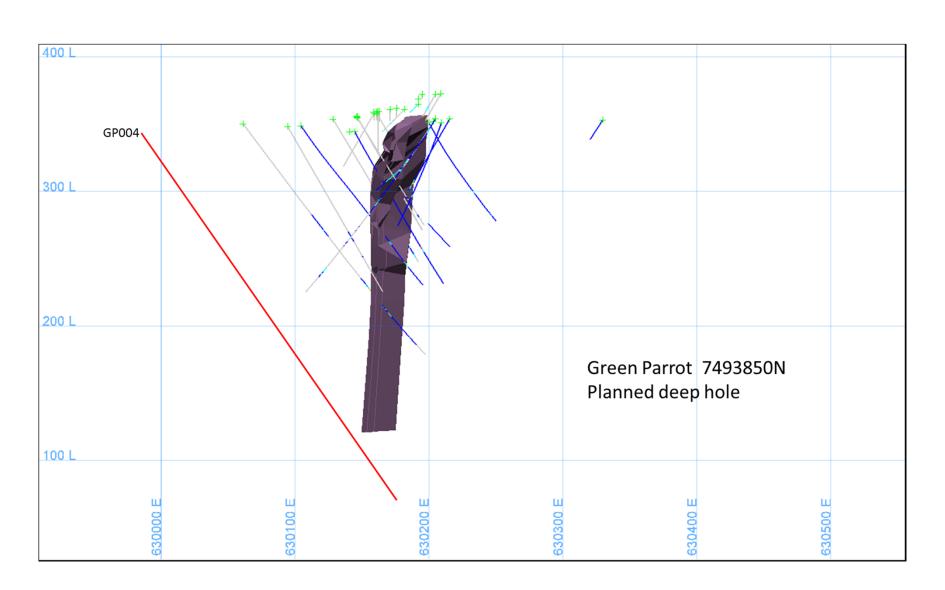
Successfully drilling deep RC holes

In most recent program 532m was achieved





Green Parrot Cross Section

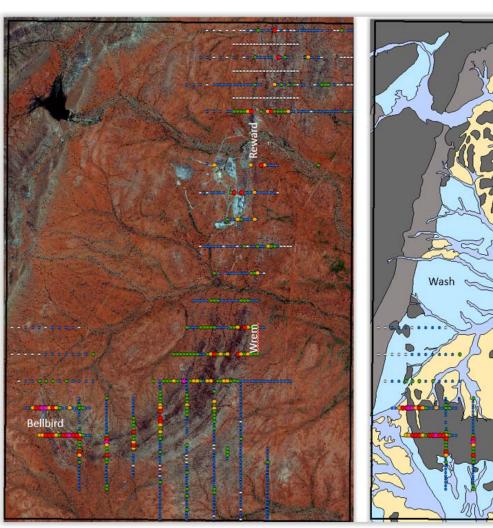


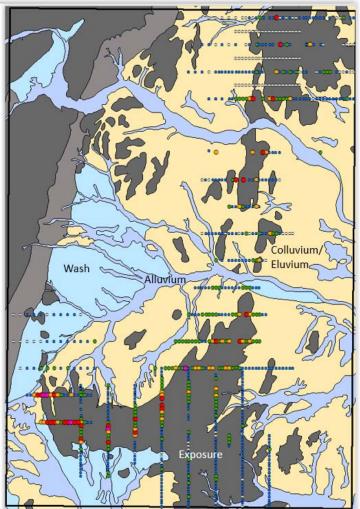


Soil Sampling and RAB drilling

Completing the geochemical picture

Soil Sampling in areas of subcrop & RAB Drilling in areas of transported cover







Schedule

- > 1,200m Diamond Core Geotechnical Drilling Completed in March 2015
- 11,000m Resource Drilling Programme Completed April 2015
- Metallurgical Test work Nearing Completion
- Resource update scheduled for July 15
- Updated Pre Feasibility Study October 15
- Exploration Programme June to Dec 2015



For more information contact

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Forward-Looking Statements:

This presentation includes certain "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 Resources are forward-looking statements that involve various risks and uncertainties. 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.

The Jervois Resources information was first released to the market on 15 September 2014 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.'



Hole		Date originally Reported	JORC Reported Under
RJ	169	7/09/2011	2004
KJD010W1		15/01/2015	2012
KJC	162	28/05/2015	2012
KJC	163	28/05/2015	2012
KJC	136	28/05/2015	2012
KJC	138	28/05/2015	2012
КЈС	140	28/05/2015	2012
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JORC Compliance Statement

The drilling results reported under JORC 2004 have 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.

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The Jervois Pre-Feasibility Results were first released to the market on 8 December 2014 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.

