

KGL RESOURCES

Schroder Equities Australian Resources Conference

28 February 2014

Agenda

- KGL Resources Corporate Overview
- Jervois Copper Project
- Current Mineral Resources
- 2013-14 Drilling Programme
- Pre-Feasibility Study
- Copper Market Outlook

KGL Resources Ltd

- ASX listed (KGL.AU) emerging copper producer
- Focus on the Jervois copper project
  - High grade copper (1.25% Cu) project
  - Current mineral resource 170,000 t Cu and 11 Moz Ag
  - Located in the Northern Territory with access to existing infrastructure
- Strong cash position $20m
- 20,000 metres drilling program underway
- Regular market updates expected from drilling campaign

* Cash balance as at 31 December 2013

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Board of Directors



Andrew Daley – Non Executive Chairman

Mining Engineering, Mining Project Finance, Investor Relations



Simon Milroy – Managing Director

Mining Engineering, Project Development, Feasibility Studies, Environmental & Social Impact Studies



Christopher Bain – Non Executive Director

Geology & Mineral Economy, Mineral Asset Valuation, Acquisitions & Divestments



John Taylor – Non Executive Director

Resources Project Engineering & Construction



Brad Ellis – Non Executive Director

Extractive Metallurgy & Process Engineering

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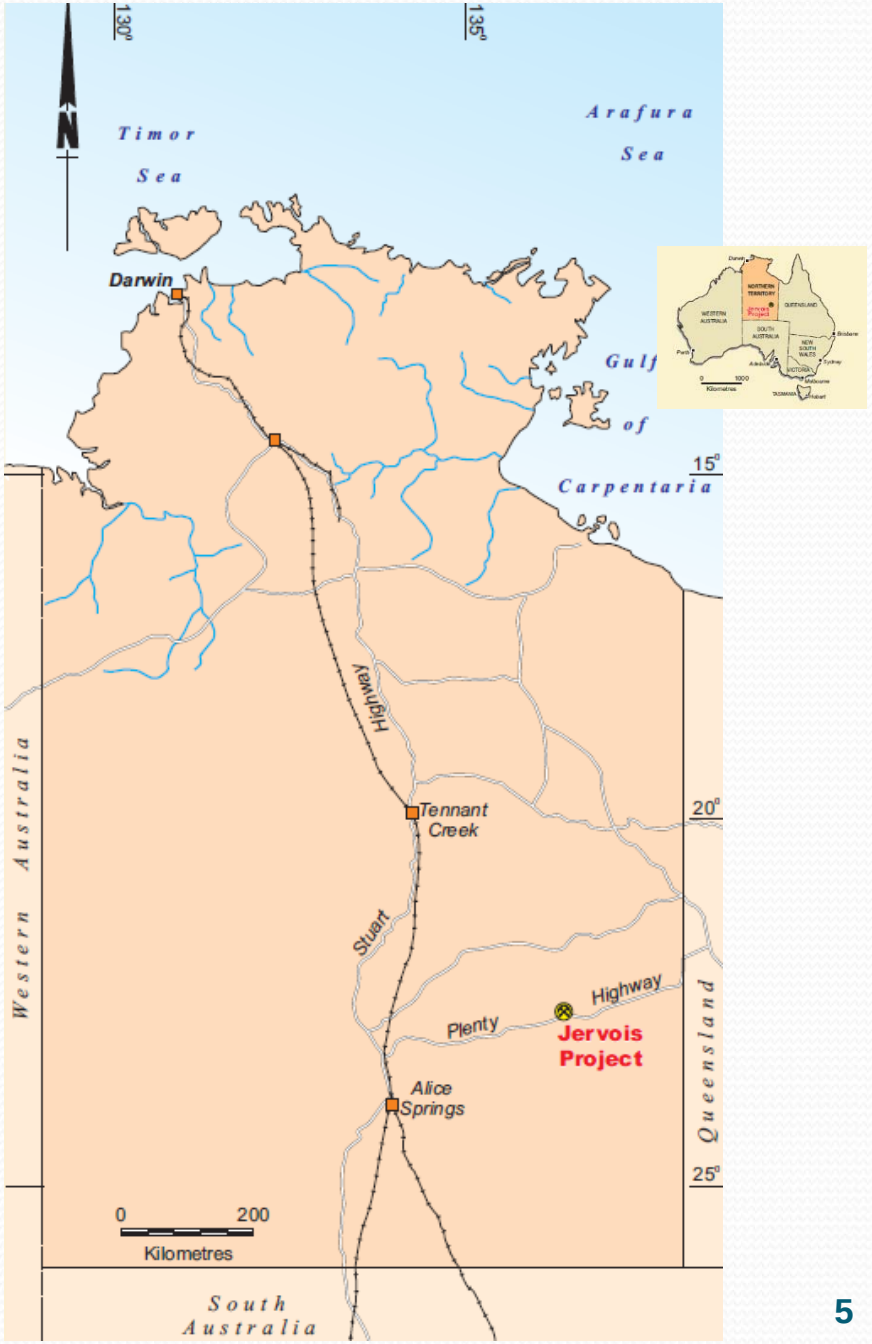
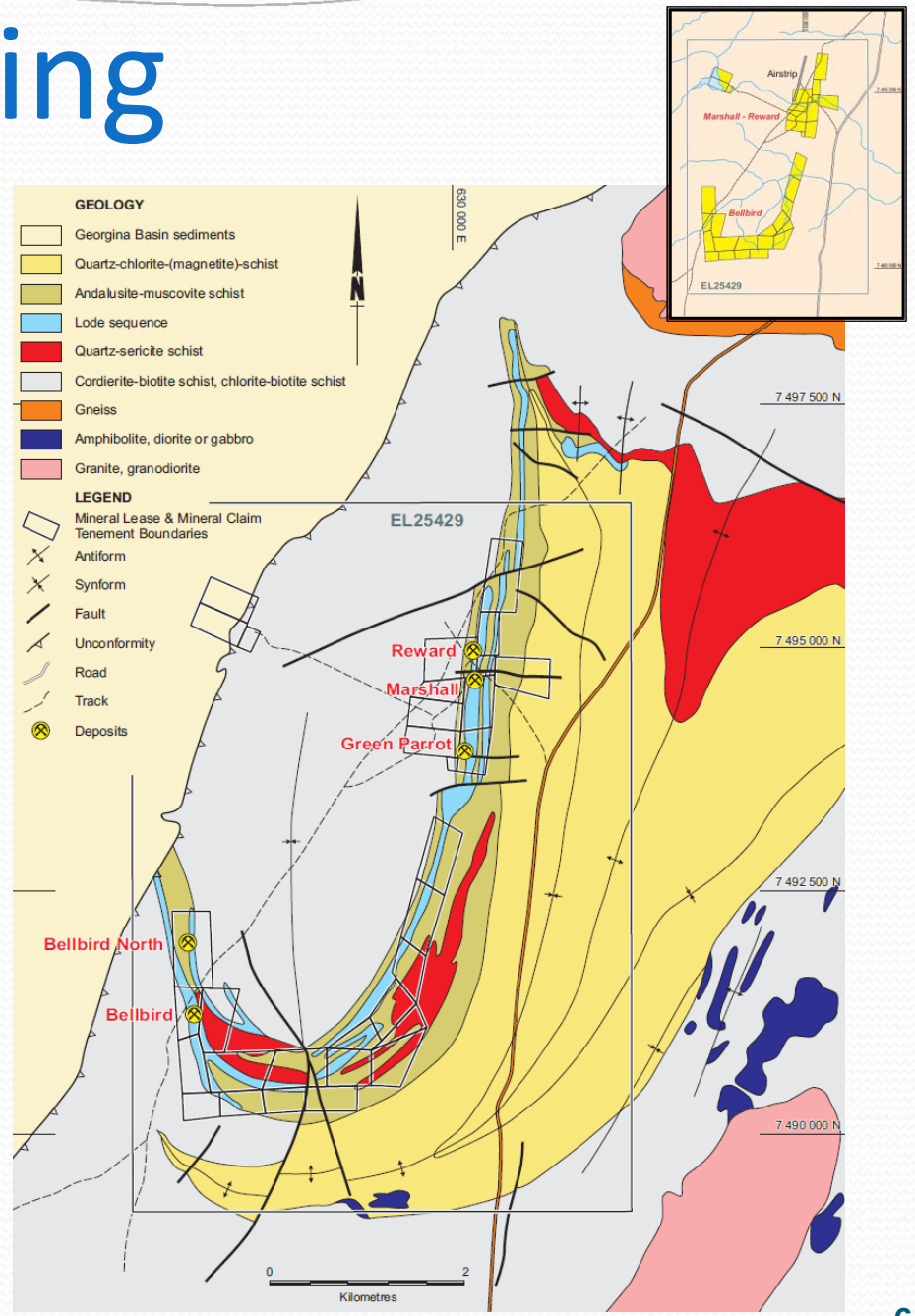
Jervois (KGL 100%)

- Located 350 km north east of Alice Springs on the Plenty Highway
- 250 km away from the Alice Springs to Darwin Port rail link



Jervois Project Setting

- Series of stratabound copper-gold deposits
- 31.4 km^2 exploration licence
- 6.5 km^2 granted mineral leases
- 12 km prospective strike length
- Hosted by Bonya Schist in the Eastern Arunta
- Outcropping high grade copper mineralisation



Early Mining History

- Discovered in 1929
- Small scale copper carbonate mining in 1950's
- Plenty River Pb-Ag mining in early 1980's







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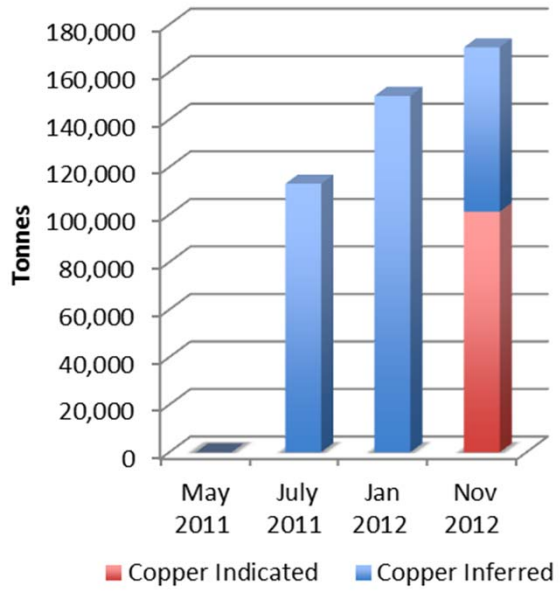
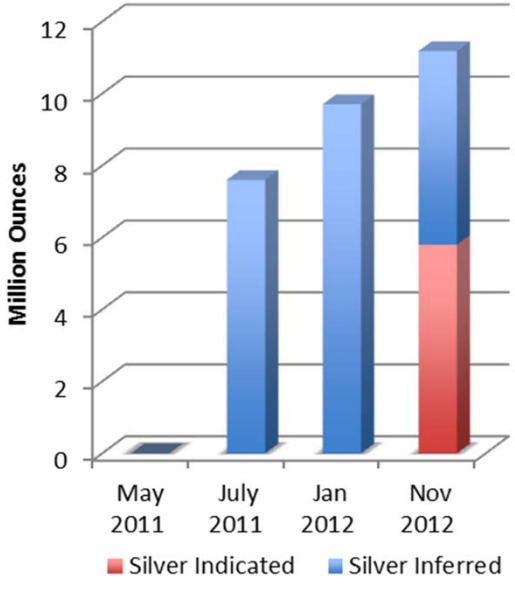
JORC Mineral Resources

	M.Tonnes	Cu %	Cu t	Ag g/t	Ag moz	M.Tonnes	Au g/t	Au oz
Measured								
Indicated	7.9	1.28	101,200	23	5.80			
Inferred	5.8	1.19	69,000	29	5.38	12.7	0.17	**69,000**
Total	**13.5**	**1.30**	**170,300**	**25.5**	**11.18**			





Next Resource Upgrade in May 2014

The JORC resource was prepared under JORC 2004 and first announced 7 November 2012. The company is not aware of any new information or data that materially effects the relevant information in that announcement. All material assumptions and technical parameters underpinning the resource estimate continue to apply and have not materially changed.

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2013-2014 Drilling Programme

- 20,000m drilling commenced September 2013
- Combination of resource extension and exploration
- 2 multi-purpose rigs able to drill both diamond and RC



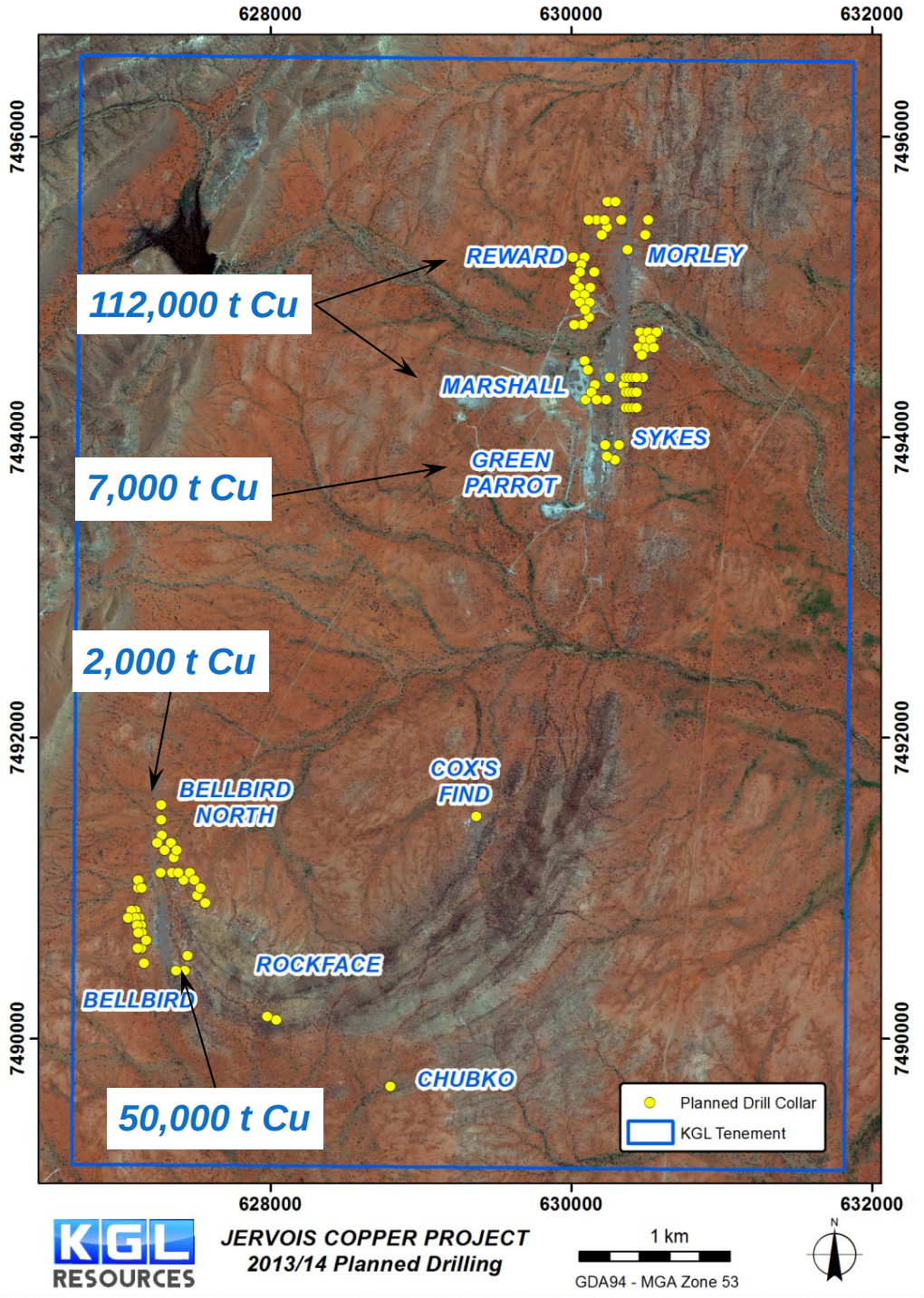
2013-14 Drilling

Resource Extension Drilling (DD & RC)

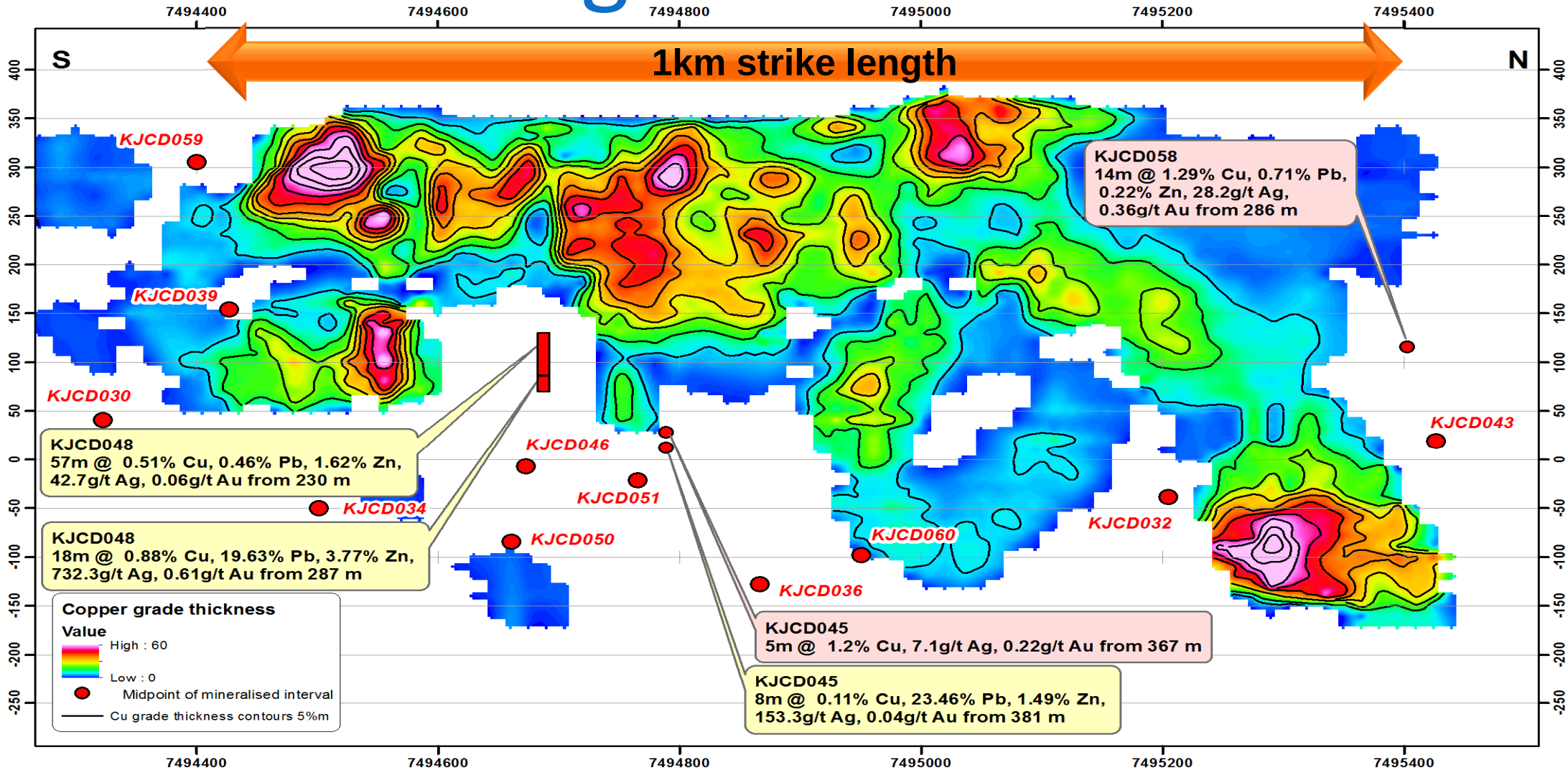
- Reward
- Marshall
- Green Parrot
- Bellbird North
- Bellbird

Exploration Drilling (RC)

- Morley
- Sykes
- Cox's Find
- Rockface
- Chubko



Reward Long Section



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Jervois Copper Project
Marshall-Reward Deposit
Copper grade * thickness of
2012 Resource Block Model

Meters
0 50 100 200 300

GDA94 - MGA Zone 53

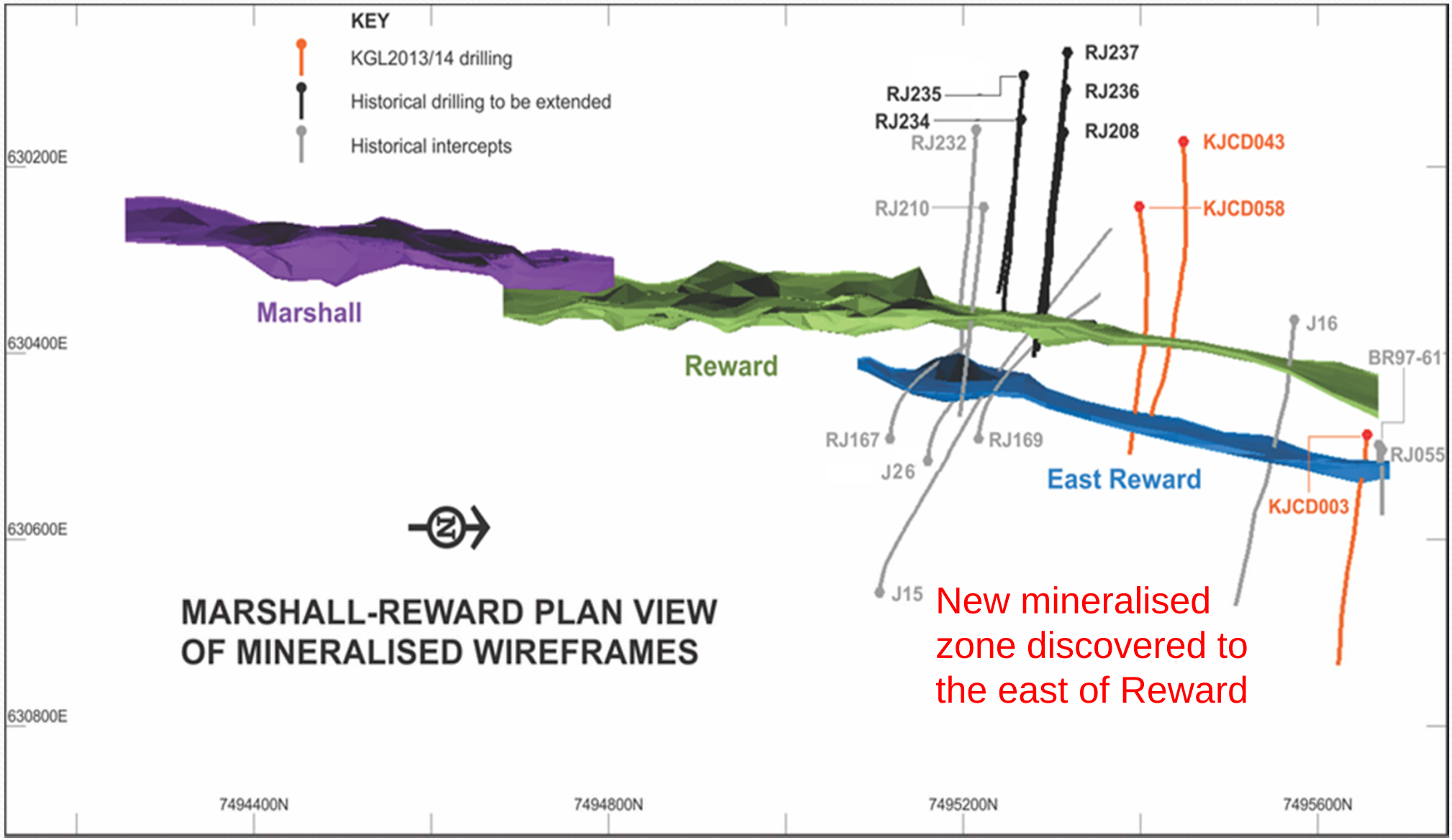
High Grade Silver – Lead - Zinc

Hole 48 18m @732 g/t Silver, 19.63% Lead, 3.77% Zinc
Hole 45 8m @ 153 g/t Silver, 23.46% Lead, 1.49% Zinc



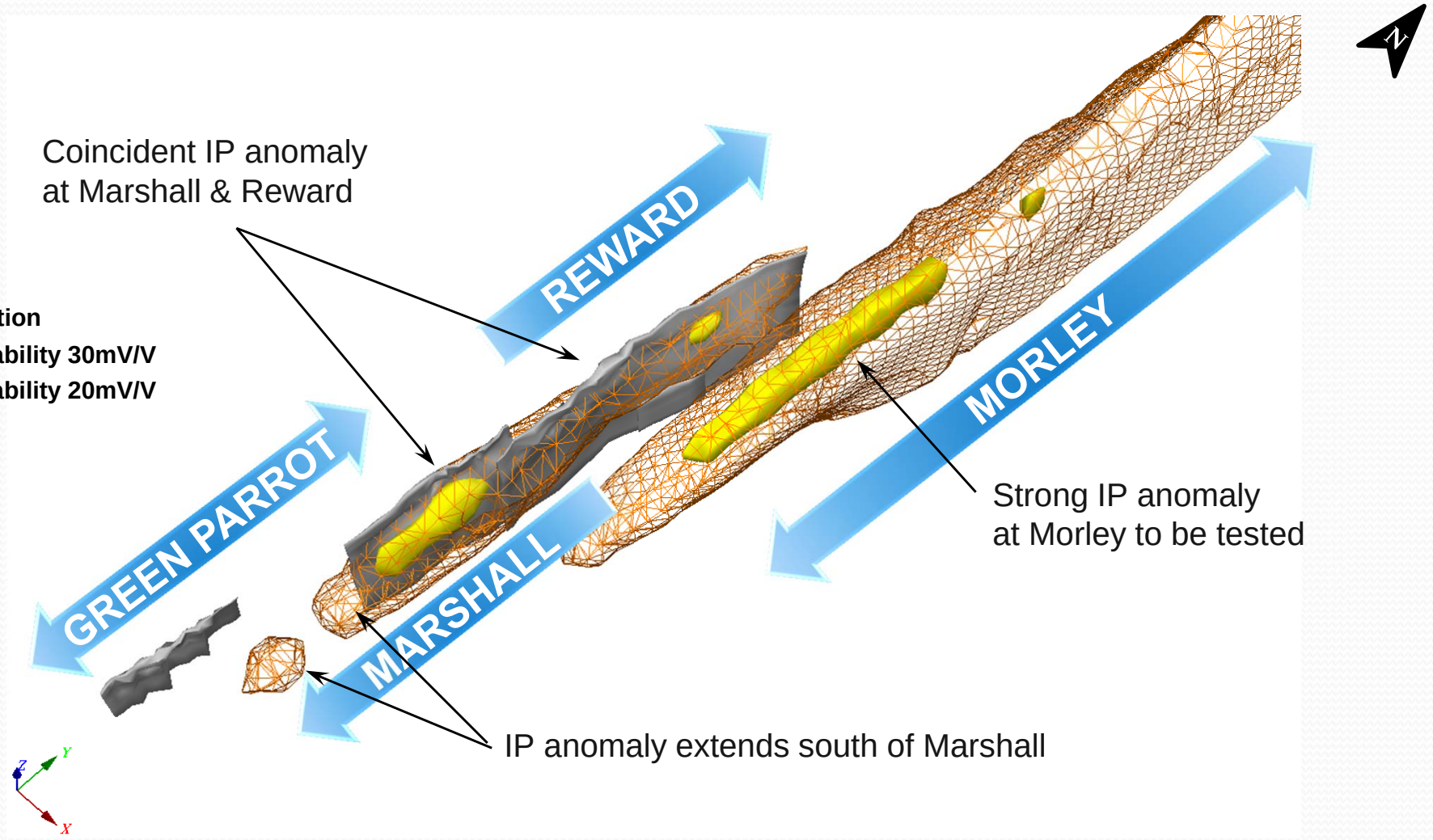
Hole KJCD048 and KJC045 - This information was first reported 9 December 2013 and 3 February 2014 under 2012 JORC Code.

New Discovery east of Reward



IP Survey Results

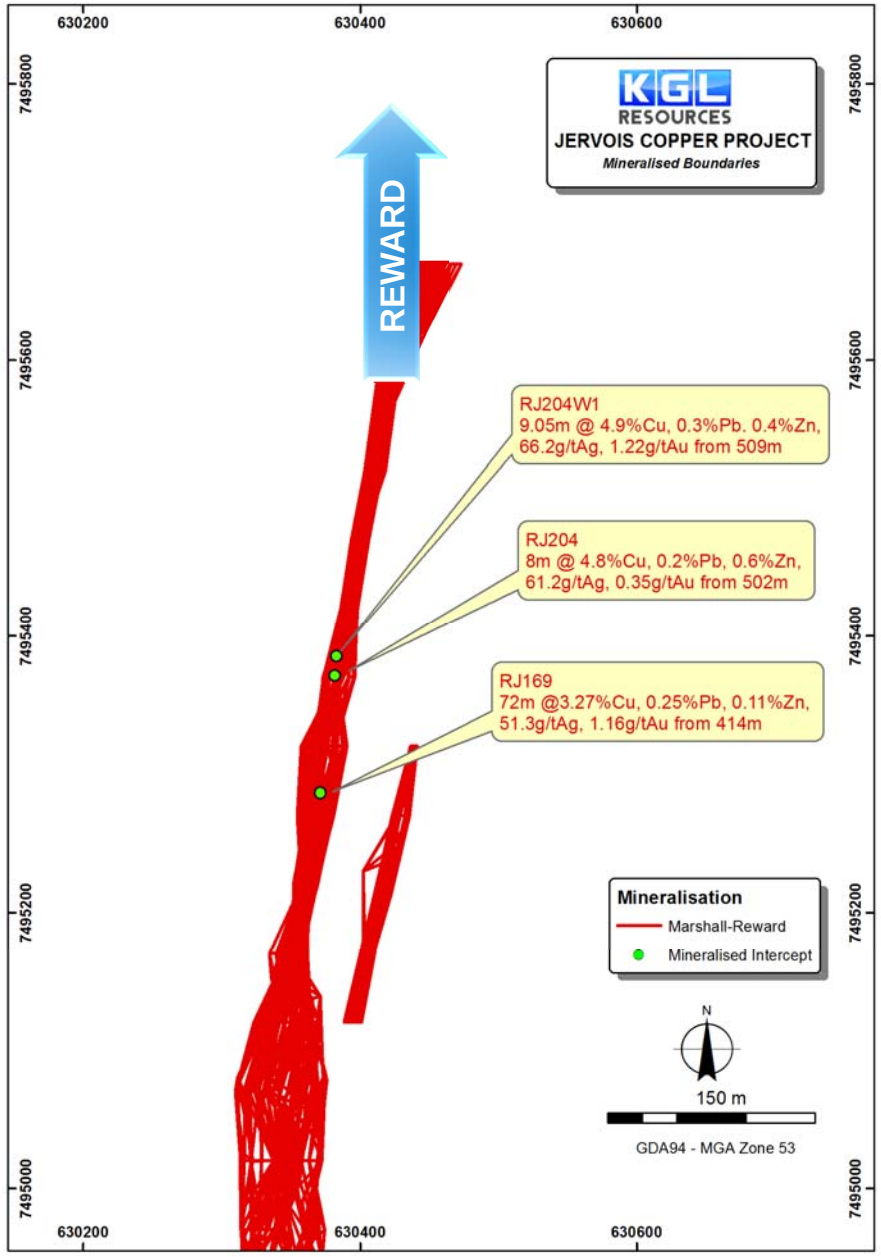
EM Survey currently in progress



Reward North

- 2011 KGL drilling
- 72m @ 3.3% Cu, 51.2 g/t Ag, 1.16 g/t Au
- 2012 KGL drilling
- 8.0m @ 4.8% Cu, 62.1g/t Ag, 0.35g/t Au
- 9.05m @ 4.9% Cu, 66.2g/t Ag, 1.22g/t Au





Hole RJ204W1 and RJ204 This information was prepared and first disclosed under the JORC Code 2004 on 16 August 2012. 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 RJ169 This information was prepared and first disclosed under the JORC Code 2004 on 16 August 2012. 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

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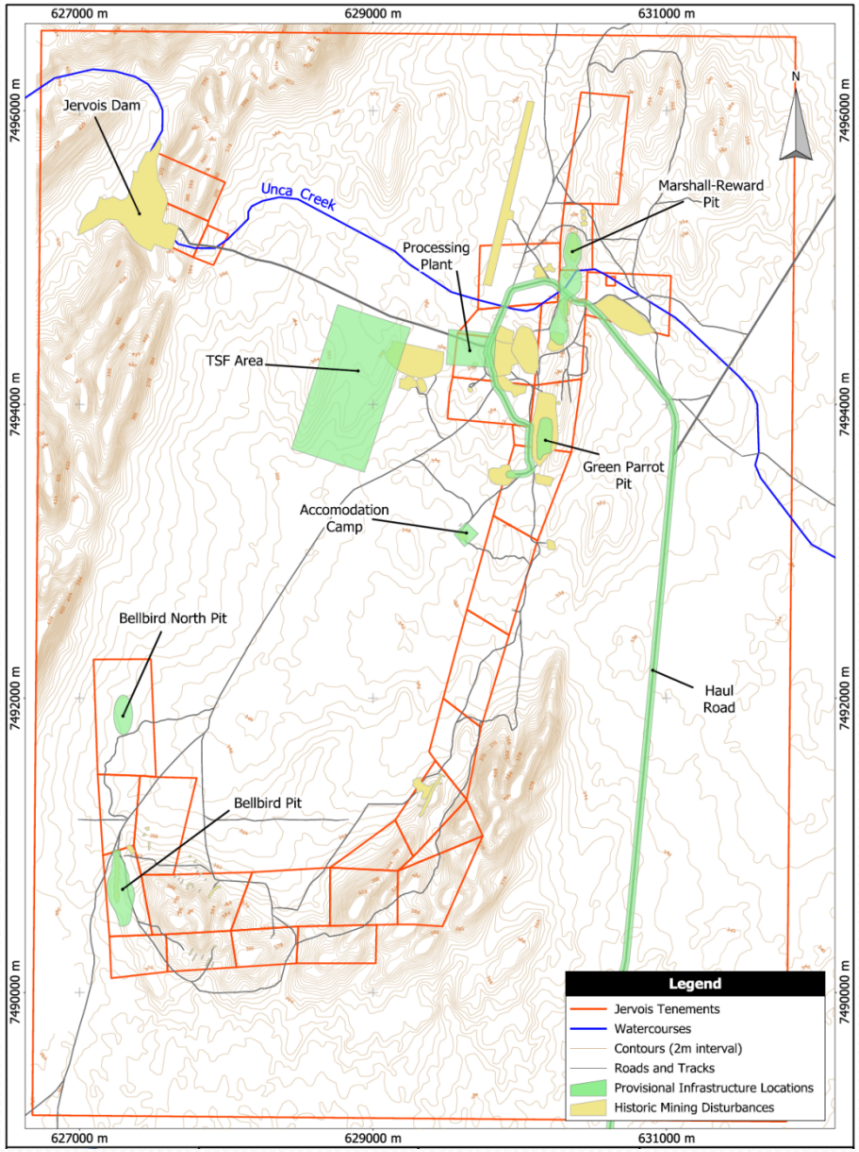
Pre-Feasibility Study

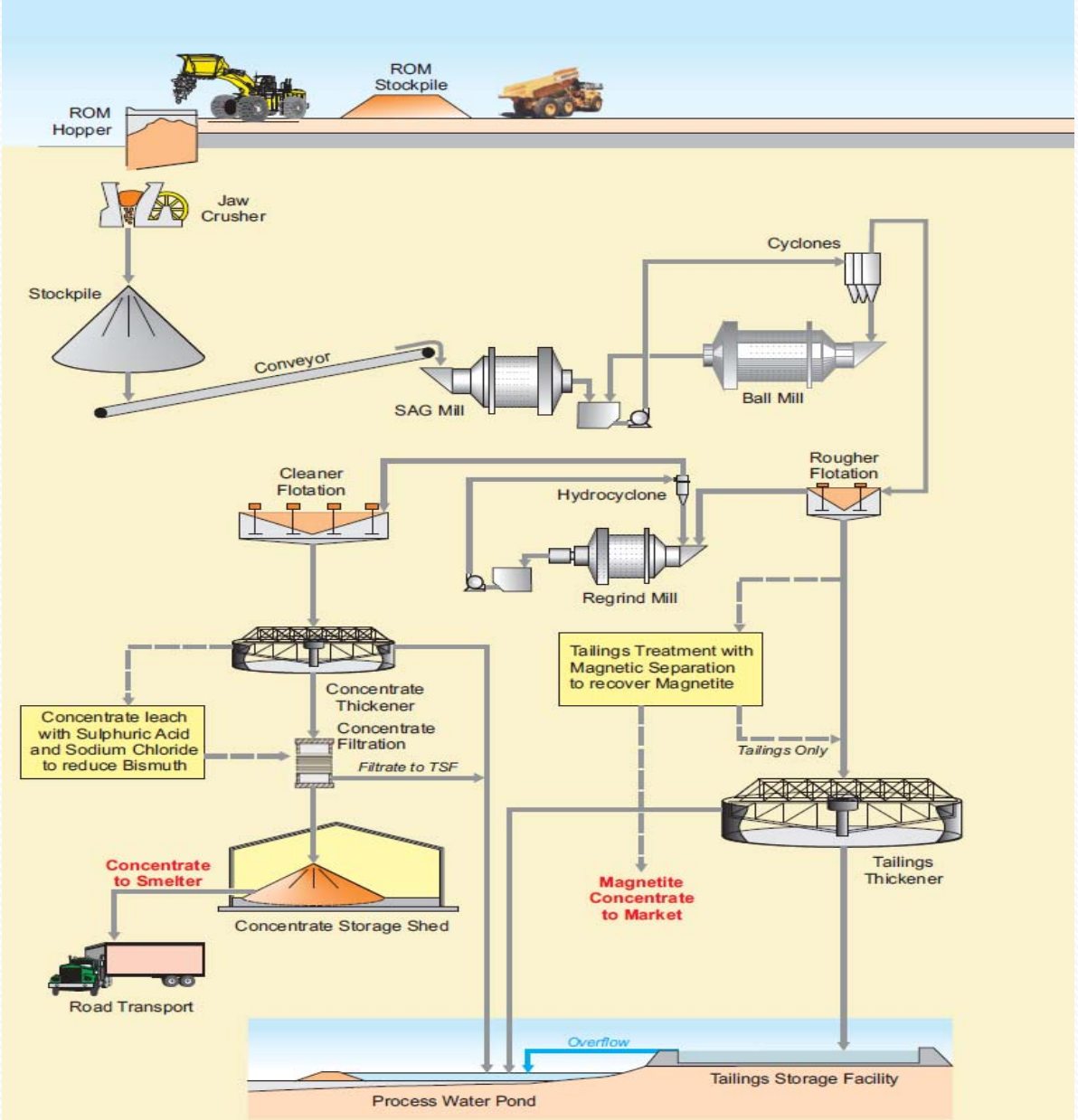
- PFS to evaluate a conventional crush, grind and float treatment plant
- Distance to Plenty highway 15 km
- Gas pipeline along the highway
- 12 MW dual fuel (diesel / natural gas) fired power station

Sep 13 - Mar 14	Apr 2014	May 2014	June 2014
Phase 1 Drilling	Assay Results	Resource Upgrade	PFS



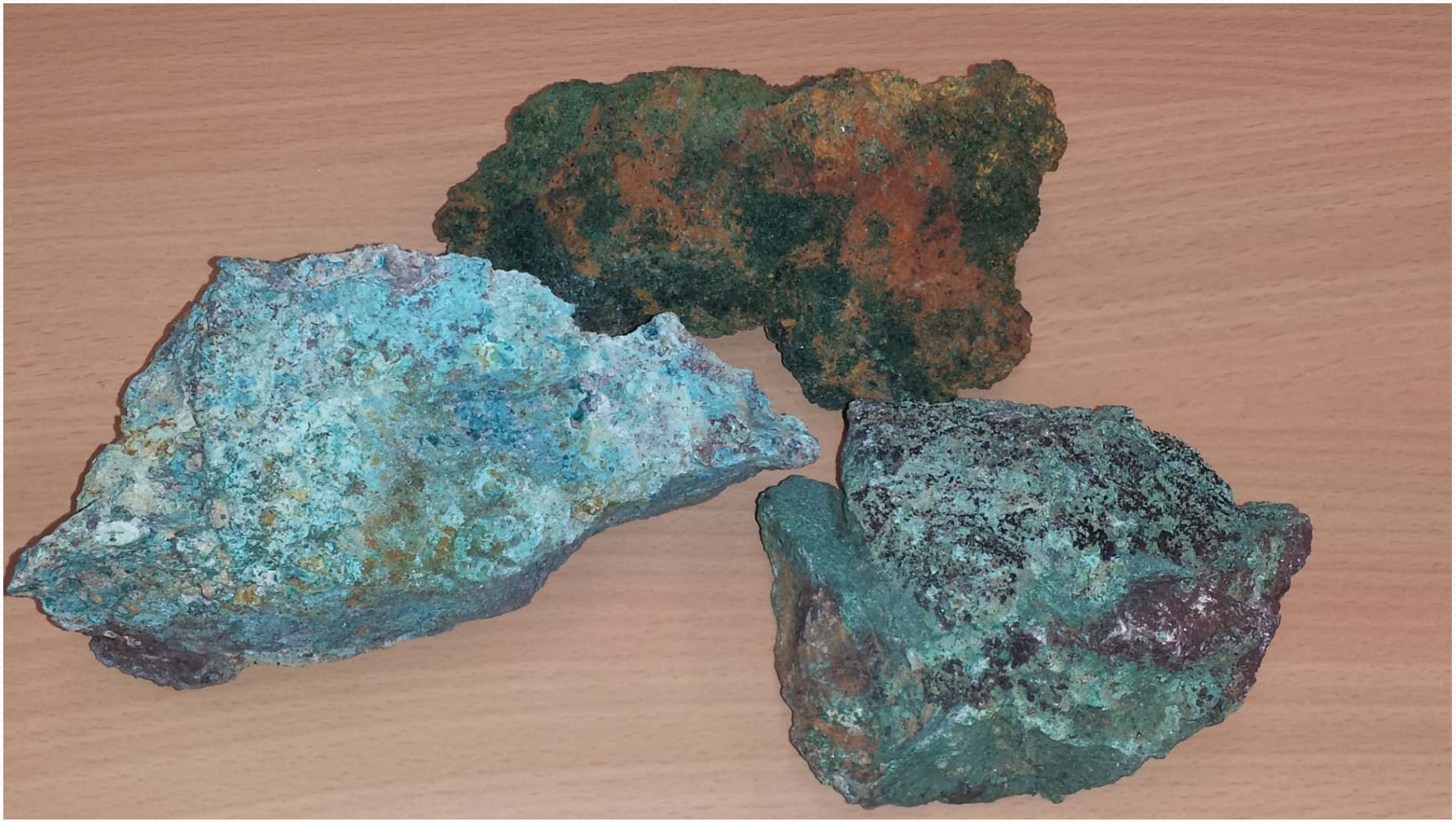
Flowchart

- Conventional flotation, followed by de-watering and filtration
- Target production 20,000 to 25,000 tpa of copper in concentrate
- 27% copper concentrate with gold and silver by-product credits
- Possibility to produce a magnetite concentrate from the flotation tailings using magnetic separation

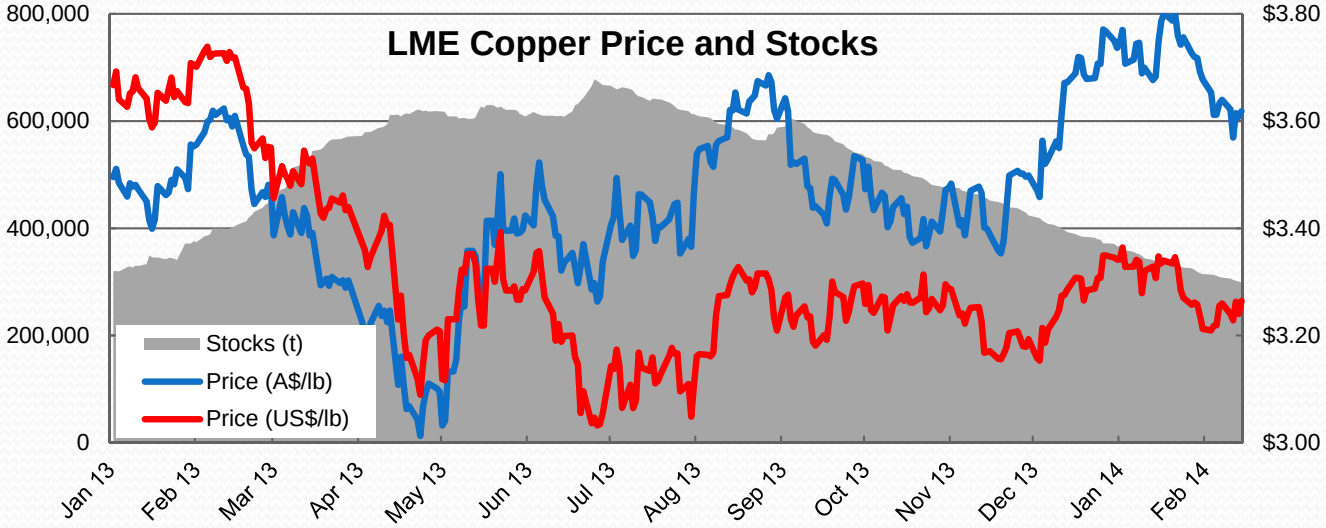


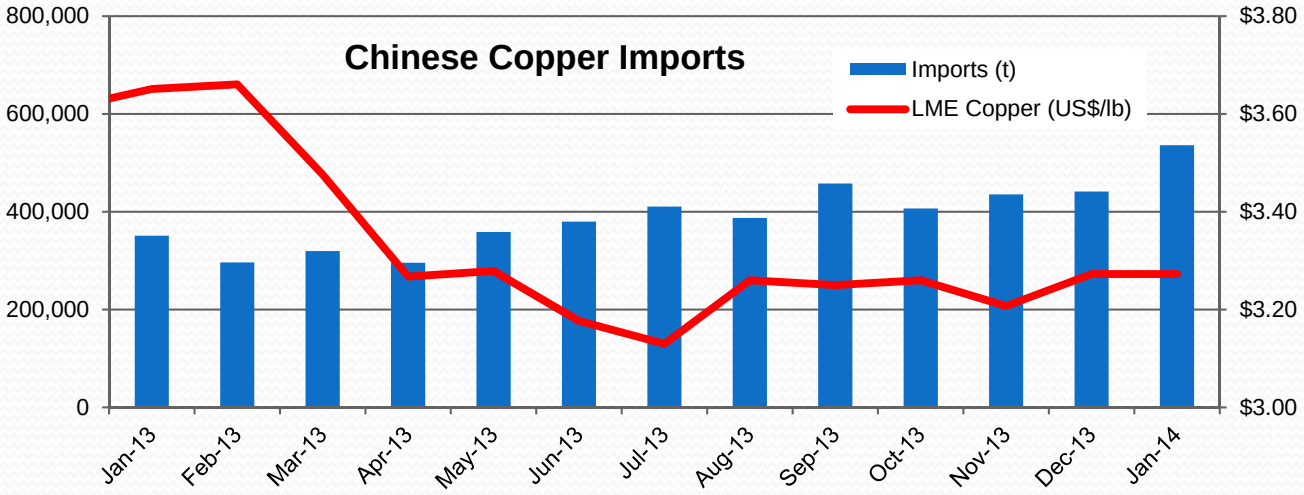
Copper Oxide Heap Leach

PFS to examine options for heap leaching copper oxide



Copper Market





- Decreasing metal inventories
- Stable US$ copper prices
- Strong Chinese copper imports
- 2014 expected market surplus estimated at only 328,000 tonnes, or < 2% of global annual consumption

Source: Lincoln Crowne & Co

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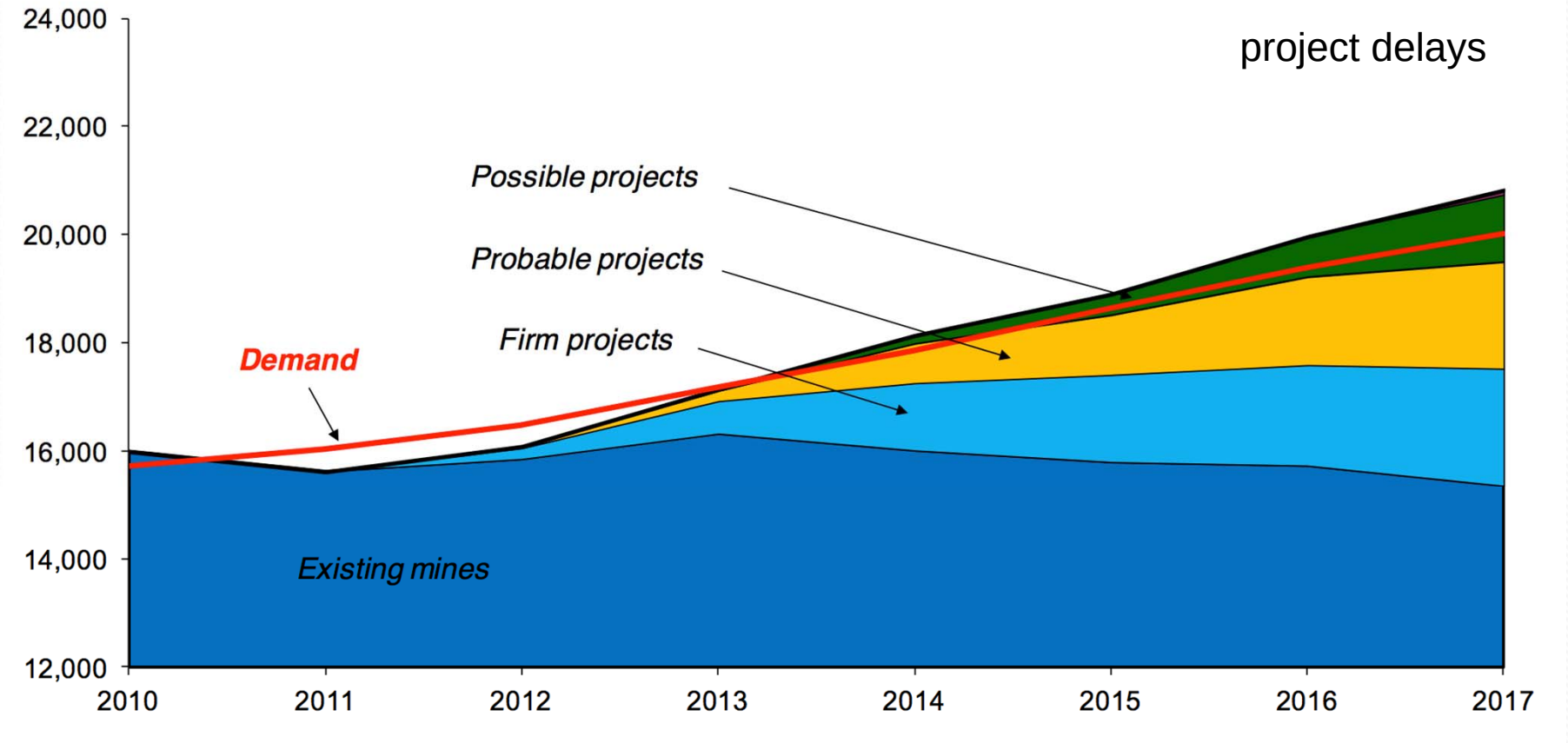
Supply – Demand Outlook

- Into the Possible Projects
- Current downturn means project delays

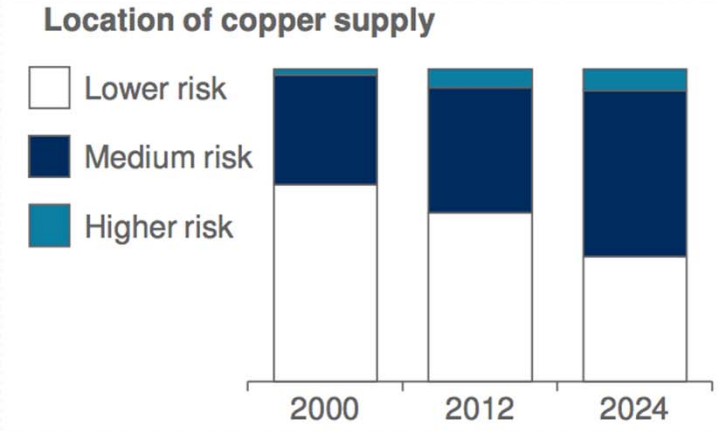
Global Copper Mine Production Potential ('000 t contained copper)



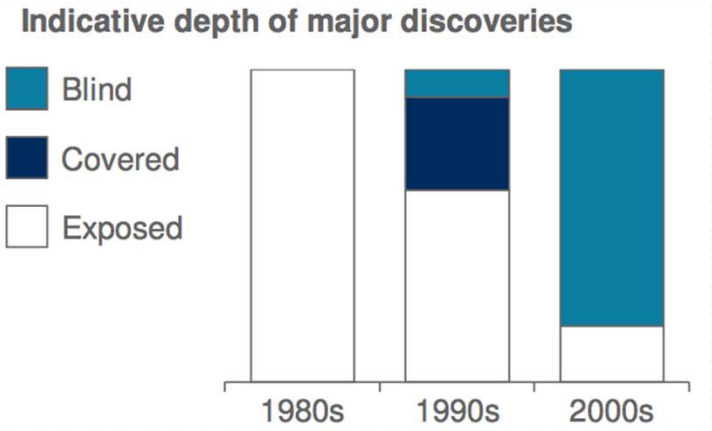
Source: CRU

Quality of Potential New Supply

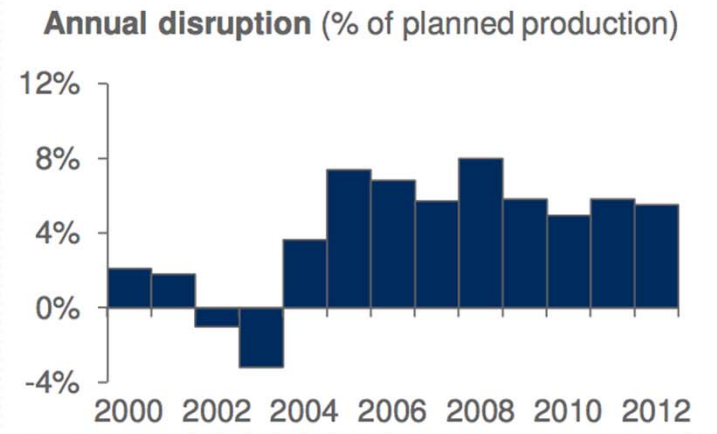
Riskier Regions



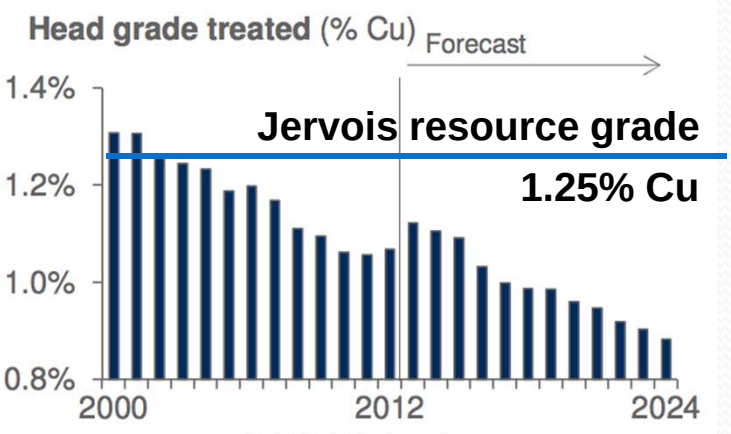
Greater Depth



High Disruptions



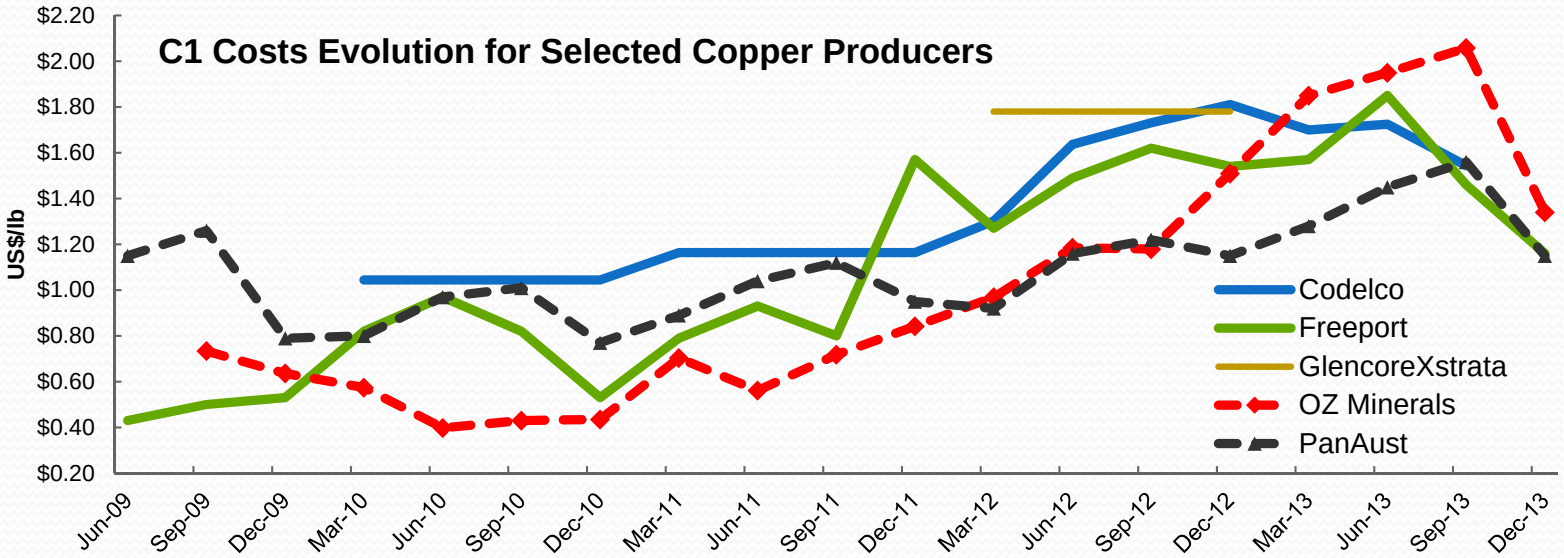
Declining grades



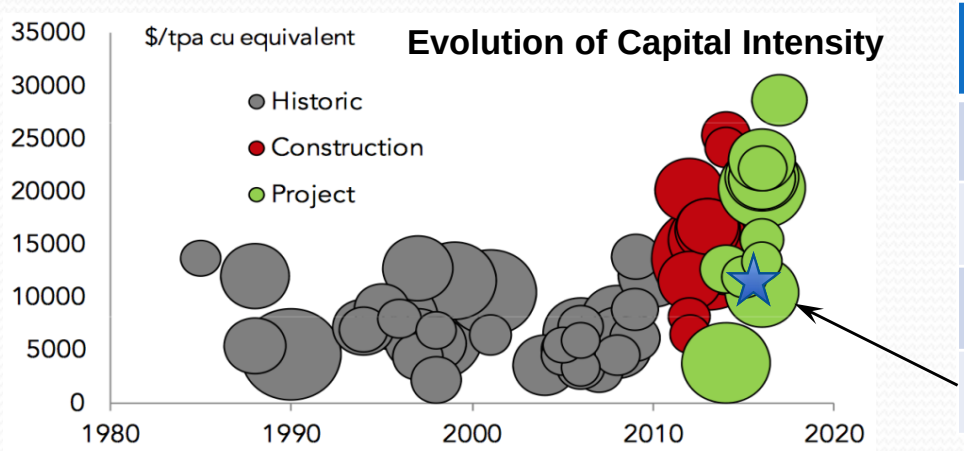
- Increasing country and infrastructure risks
- Increasing deposit depth
- Decreasing ore grades
- Translate into higher operating and capital costs

Source: Wood MacKenzie, Rio Tinto

Evolution of Opex and Capex



- Increasing operating costs
- Strong increase in capital intensity



Period	Projects	Capital Intensity *US$/tpa*
1985 - 2011	Greenfield and brownfield copper projects	$7,700/t
2012 - 2015	Greenfield copper projects in construction	$14,970/t
2016 - 2020	Greenfield unapproved copper projects	$18,600/t
	Jervois copper project (scoping study)	$11,000/t

Source: Lincoln Crowne & Co, Wood Mackenzie

Summary

- High grade Cu-Ag project with mineral resource of 13.5 Mt @ 1.3% Cu, 25.8 g/t Ag and 69,000 oz Au
- Fully funded programs
- 20,000 metre drill plan underway, favourable drilling rates
- Positive economics, PFS underway
- Strong news flow





KGL RESOURCES

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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.

Competent Person Statements:

The data in this report that relates to Mineral Resource Estimates for Jervois is based on information evaluated by Mr Simon Tear who is a Member of The Australasian Institute of Mining and Metallurgy (MAusIMM) and who has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity 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 (the "JORC Code"). Mr Tear is a full-time employee of H&S Consultants Pty Ltd and he consents to the inclusion in the report of the Mineral Resource in the form and context in which they appear.

The exploration data in this report relating to the Jervois project is based on information compiled by Rudy Lennartz, who is a member of the Australian Institute of Mining and Metallurgy and a full time employee of Kentor Minerals (NT) Pty Ltd. Mr. Lennartz 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 (the "JORC Code"). Mr. Lennartz has consented to the inclusion of this information in the form and context in which it appears in this report.

The data in this report that relates to Jervois cut off grades and mining assumptions is based on information evaluated by Mr Simon Milroy who is a member of the Australasian Institute of Mining and Metallurgy (MAusIMM) and who has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity 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 (the "JORC Code"). Mr Milroy is a full-time employee of KGL Resources Limited and he consents to the inclusion in the report of the cut off grades and mining assumptions in the form and context in which they appear

- Hole KJCD048 and KJC045 - This information was first reported 9 December 2013 and 3 February 2014 under 2012 JORC Code.
- Hole KJC058 This information was first reported 10 February 2014 under 2012 JORC Code
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