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14 August 2014

12% Copper, 22% Lead, 17% Zinc and 963 g/t Silver intersected at the Green Parrot prospect at Jervois

Highlights

Drilling at the Jervois project confirms high grade copper-lead-zinc-silver-gold mineralisation at Green Parrot and extends the mineralised zone down dip. The interval also included the highest ever recorded gold grade at Green Parrot of 25.7 g/t gold.

JOC176

- **6m @ 8.55% Cu, 15.08% Pb, 10.95% Zn, 679.7g/t Ag, 4.87g/t Au from 48 m**

  Including 3m @ 12.38% Cu, 22.15% Pb, 16.78% Zn, 963.3g/t Ag, 1.01g/t Au from 49 m

JOC177

- **6m @ 1.68% Cu, 4.30% Pb, 5.03% Zn, 124.5g/t Ag, 0.04g/t Au from 83 m**

KGL Resources Limited (KGL) announces more very high grade drilling results at the Green Parrot deposit as part of the campaign to increase the total Resources at the Jervois Project in the Northern Territory.

The historic Green Parrot pit lies south of Marshall-Reward, the location of the largest currently known Resource at Jervois.

Commenting on the latest results, Simon Milroy, the Managing Director of KGL, said:

> "These extraordinary intersections confirm the mineralisation at Green Parrot as both high grade and multi-metal – copper, lead, zinc, silver and gold, and are close to the surface, strongly indicating the potential for open pit mining."
>
> "They follow last month's announcement of the highest grade copper ever recorded at Jervois along with very high silver (2m @ 31.5% copper, 5.96% lead. 1.77% zinc, 1240 g/t silver) from Hole JOC062 which lies approximately 100m to the north."
>
> "The results further expand and upgrade the extensive zone of high grade mineralisation centred on the main Marshall-Reward deposits and now extending from Morley in the north to Green Parrot in the south."
>
> "These intersections come on top of other recent announcements of further high grade drilling results to the south along the 'J-curve' Jervois fold and are part of the 6km mineralised trend that extends from Bellbird to Reward and Morley."

Previous exploration at Green Parrot delineated several high-grade lead-zinc-copper resources that were partially mined from an open pit in the 1980's. As part of the recent extension drilling program by KGL two RC holes were drilled from the base of the Green Parrot pit to test the main lead-zinc lens and to extend it down dip.

Some historical drilling stopped short of the main zone of mineralisation (Figure 1). JOC176 and JOC177 both intersected high grade massive sulphide that over intervals contains in excess of 50% combined copper-lead-zinc. The mineralised zone in JOC176 also includes individual results of up to 25.7g/t gold and 1,055g/t silver (refer Table 2).

Mr. Milroy added:

> "When you consider over 80% of the historical holes at Green Parrot were not assayed for gold, and in many cases these were also not assayed for silver or zinc, the potential within the known mineralisation is yet to be fully realised."
>
> "The two deepest historical holes on this section stopped short of the main lode, hence the high grade mineralisation on this section has only now been explored to approximately 60m vertically below the surface and this lode is still open down dip. We plan to test this in the upcoming drill programme."
>
> "These two holes conclude the results from the phase 2 drill programme and we look forward to commencing the phase 3 drill programme in September 2014."

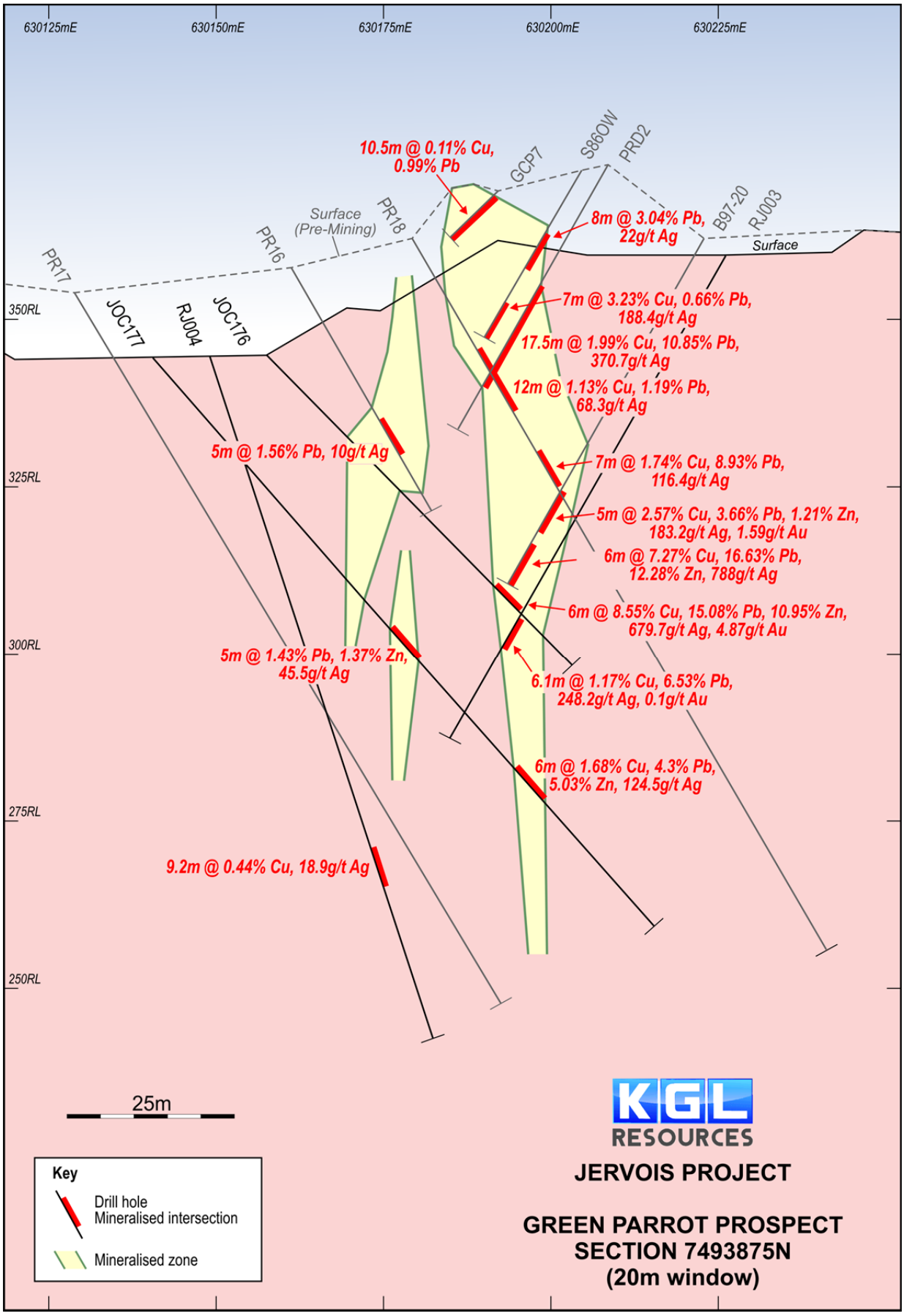


Figure 1 Green Parrot Cross-Section

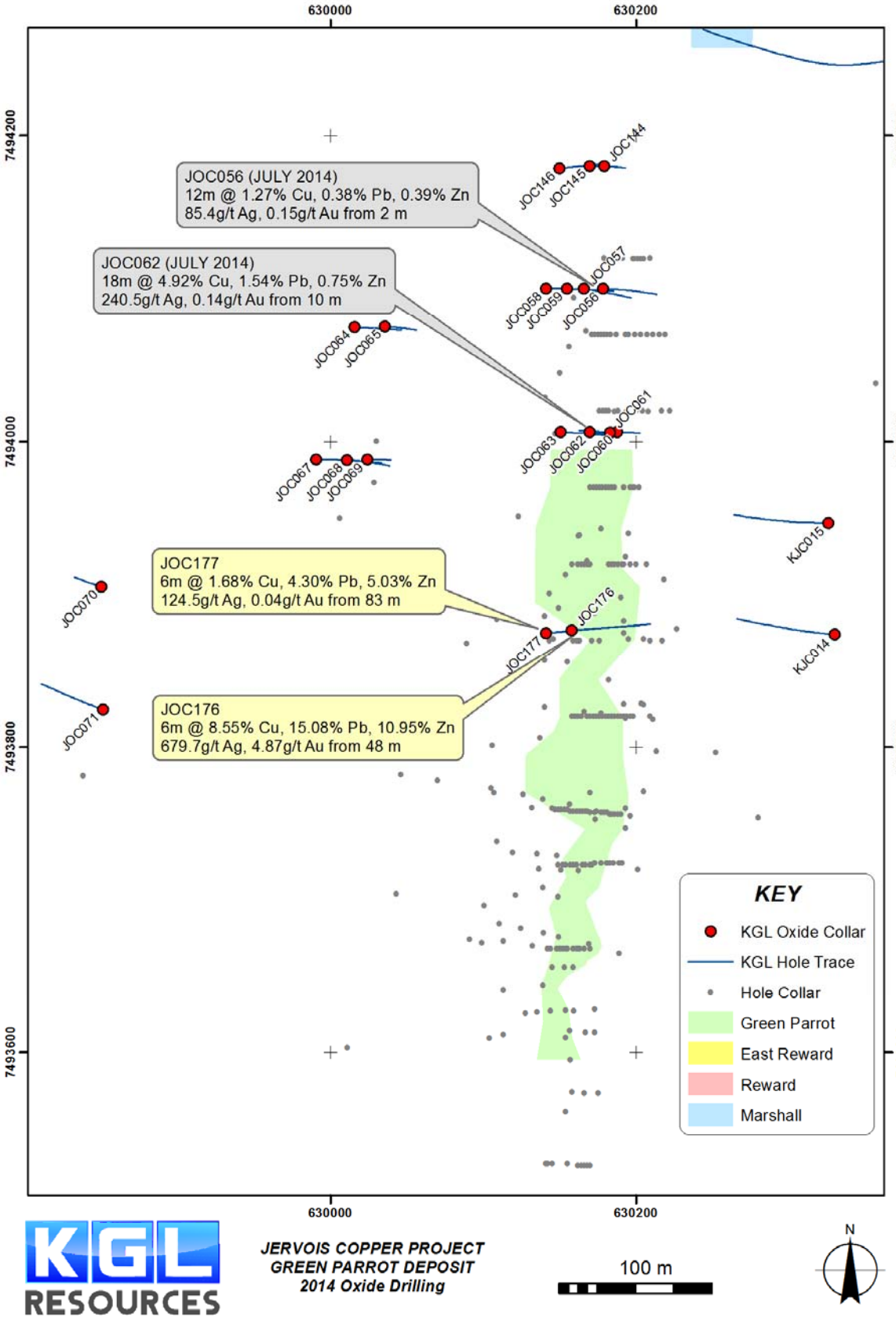


Figure 2 Plan of drilling at Green Parrot

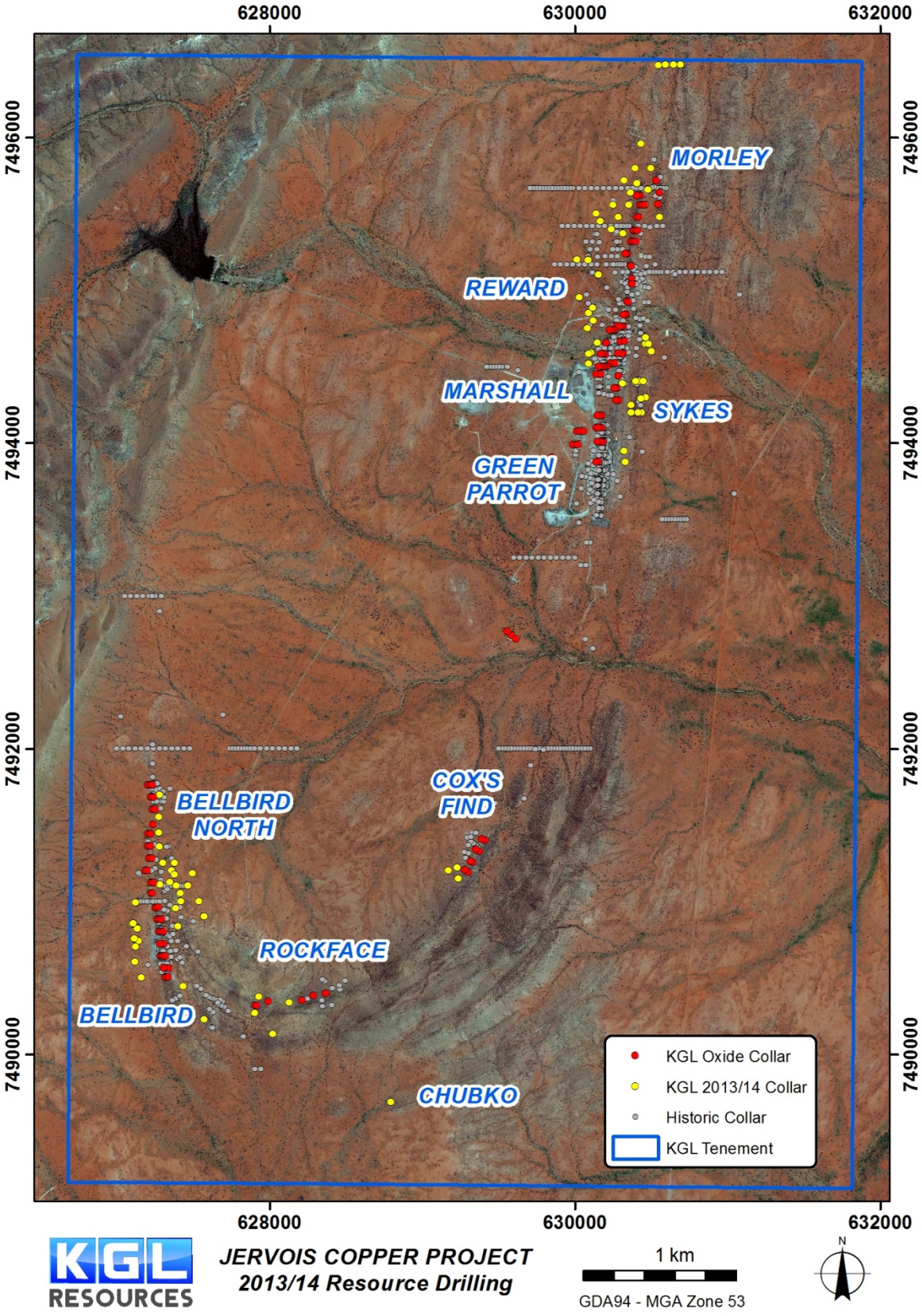


Figure 3 Plan of Jervois tenement and drill hole collar locations

Table 1 Assays for mineralisation within Holes JOC176 and JOC177

Hole	Sample No.	From m	To m	Interval m	Copper %	Lead %	Zinc %	Silver g/t	Gold g/t
JOC176	119185	46	47	1	0.13%	0.05%	0.09%	26.1	0.001
JOC176	119186	47	48	1	0.06%	0.04%	0.11%	7.3	0.229
JOC176	119187	48	49	1	5.32%	2.28%	2.19%	312	25.7
JOC176	119188	49	50	1	14.95%	14.25%	10.50%	815	2.82
JOC176	119189	50	51	1	11.80%	26.60%	20.50%	1055	0.15
JOC176	119190	51	52	1	10.40%	25.60%	19.35%	1020	0.055
JOC176	119191	52	53	1	6.64%	16.40%	9.78%	663	0.415
JOC176	119193	53	54	1	2.19%	5.32%	3.38%	213	0.072
JOC176	119194	54	55	1	0.70%	1.64%	1.08%	66.2	0.006
JOC176	119195	55	56	1	0.14%	0.32%	0.25%	13.5	0.046
JOC176	119196	56	57	1	0.21%	0.41%	0.30%	19	0.045
JOC176	119197	57	58	1	0.87%	0.30%	0.28%	37.8	0.015
JOC176	119198	58	59	1	0.19%	0.29%	0.20%	14	0.016
JOC176	119199	59	60	1	0.03%	0.06%	0.06%	2.7	0.003
JOC177	119296	81	82	1	0.02%	0.01%	0.03%	-0.5	0.001
JOC177	119297	82	83	1	0.02%	0.03%	0.04%	1	0.007
JOC177	119298	83	84	1	0.47%	2.25%	3.27%	63	0.105
JOC177	119299	84	85	1	5.28%	15.60%	17.55%	431	0.056
JOC177	119300	85	86	1	0.67%	2.04%	1.87%	57.2	0.017
JOC177	119302	86	87	1	1.32%	2.21%	2.42%	59.3	0.031
JOC177	119303	87	88	1	0.44%	0.73%	0.76%	22.2	0.016
JOC177	119304	88	89	1	1.93%	2.97%	4.32%	114	0.01
JOC177	119305	89	90	1	0.13%	0.25%	0.32%	11.2	0.01
JOC177	119306	90	91	1	0.06%	0.09%	0.22%	4.2	0.004

Table 2 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
JOC176	630157.8	7493877.0	344.3	-47.0	86	2	65.0	14	27	13	8.9	0.11	0.25	0.32	15.3	0.03
								48	54	6	4.1	8.55	15.08	10.95	679.7	4.87
							including	49	52	3	2.0	12.38	22.15	16.78	963.3	1.01
								57	58	1	0.7	0.87	0.3	0.28	37.8	0.02
JOC177	630140.8	7493875.0	344.2	-53.1	85	2	114.0	45	47	2	1.2	0.06	0.69	0.98	25.3	0.02
								55	60	5	3.0	0.06	1.43	1.37	45.5	0.01
								83	89	6	3.6	1.68	4.3	5.03	124.5	0.04

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

For further information contact:

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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.

The following drill holes were originally reported on the date indicated and using the JORC code specified in the table. Results reported under JORC 2004 have not been updated to comply with JORC 2012 on the basis that the information has not materially changed since it was last reported.

Hole		Date originally Reported	JORC Reported Under
JOC	56	18/07/2014	2012
JOC	62	18/07/2014	2012

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 ~1% 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. • Shallow oxide RC drilling was conducted on 80m spaced traverses with holes 10m apart
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.*	• Previous exploration has primarily been conducted by Reward Minerals, MIM and Plenty River.
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

Criteria	JORC Code explanation	Commentary
		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 interpreted to be stratabound 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 Table 1 & 2
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
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 1 &2
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 Figure 3