KGL Resources Limited Jervois Resource Update

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Brisbane, Australia (ABN Newswire) - The global resource at KGL Resources Ltd. (ASX:KGL) Jervois Resource has been increased to a total of 25.3 mt @ 1.1% copper and 22.1 g/t silver for a total of 280,000 tonnes of contained copper and 18 million ounces of contained silver as detailed in Table 1 in link below.

The drilling in this program has increased the Resource by 11.6Mt (85%) and increased contained copper by 109,500kt (64%).

Mineralisation remains open in all existing deposits and there are further prospects that are currently being drilled and evaluated such as Killeen, Morley and the recently identified mineralisation between Green Parrot and Cox's Find that have potential to further add to the resource base.

KGL commenced resource extension drilling at the Jervois project in September 2013. The priority was to generate a substantial increase in the resources at Marshall-Reward and Bellbird but also commence delineation of resources at the Cox's Find and Rockface prospects. The program has achieved all the goals set and provided new insights on the resource.

Drilling at Bellbird has exceeded expectations with the resource continuing to grow in size.

Significantly, drilling has not closed off the resource with clear targets for further drilling and a distinct north plunge revealed. A new mineralised trend was discovered at Bellbird East that has yet to be fully evaluated. Although narrow the mineralisation is likely to be within the Bellbird pit.

The Marshall-Reward resource was extended and a new parallel resource was discovered ~50m east of Reward at East Reward. More notable was the intersection of a high-grade massive lead-zinc sulphide zone at Reward that resulted in a large increase in the global lead-zinc resource.

Further evaluation of the sulphide lenses is planned.

Shallow drilling in the weathered profile at Marshall-Reward and Bellbird has revealed high-grade supergene enriched mineralisation in the transition zone. This enriched zone has improved the economics of the open pits and will be further evaluated by drilling currently in progress.

This resource update also includes maiden resources for the Cox's Find and Rockface prospects that lie on the 'J-shaped' trend between Marshall-Reward and Bellbird. Exploration success at these prospects highlights potential along the entire 12km strike that has often been poorly tested, particularly in areas of transported cover.

KGL Resources Managing Director Simon Milroy commented "The priority for our recent drilling program has been to substantially increase the resource and begin to assess the true potential of the project while identifying high-grade zones at depth that could be amenable to underground mining. The drilling program that is currently under way has begun the process of upgrading the classification of the existing resource and assessing the potential of shallow mineralisation at several other prospects."

KGL has exceeded the upper end of the range for Exploration Potential included in the 2012 resource update of 5-10Mt containing 50-100,000t copper. The new Exploration Potential of the larger deposits identified by H&S Consulting consists of areas peripheral to the current Inferred estimates within the interpreted mineral wireframes, unconstrained by depth. This is estimated to be a combined total for Marshall-Reward and Bellbird of 5-12Mt @ 1.3% Cu and 12 to 20g/t Ag at a 0.5% Cu cut off (50,000 to 150,000 tonnes Cu and 2 to 7 Moz silver) (See Figures 1 and 2). The deposits are open at depth and there are additional possibilities along strike from the deposits.

Table 2 2014 Jervois Gold Resource Estimate (This is a sub set of the resource shown in Table 1 in link below.)
Gold grades have been included in the resource estimates though the amount of historical gold data is limited and as a result the gold resource estimate is classed as Inferred. A global resource of 21.4Mt @ 0.16g/t for 113,000ozs at a copper cut off of 0.5% (Table 2 in link below).

Mineralisation at Jervois is stratabound in a series of sub-vertical lenses over a strike length of 12km. The mineralisation is hosted by a sequence of meta-sediments (schists) comprising siltstone, mudstone, sandstone with lesser limestone that have been strongly deformed and display a well-developed foliation. Proximal to mineralisation there is a characteristic alteration that may include silica, magnetite, garnet, chlorite and epidote. The host sediments and sulphide lenses have been folded to form the distinctive &apos;J-Shaped&apos; Jervois Range.

The style of mineralisation at Jervois remains controversial and is currently being investigated as part of a collaborative research project. Previous companies have suggested the mineralisation has similarities to the Broken Hill deposits, to skarn, volcanic-hosted massive sulphide (VHMS) and to sedimentary exhalative (SEDEX). Recent work has provided evidence for an early mineralising event, possibly syn-sedimentation (SEDEX) with significant structural modification during metamorphism.

The Jervois Project comprises six main areas of economic interest, namely Marshall-Reward, Green Parrot, Bellbird and Bellbird North, Rockface and Cox&apos;s Find. Each area has sufficient drilling for the identification of a mineral resource. Marshall-Reward (Cu-Ag), Bellbird (Cu), Rockface (Cu) and Cox&apos;s Find (Cu) are essentially copper (+silver) deposits with a more polymetallic nature to the Green Parrot and Bellbird North deposits. A location map of the deposits with the regional geology is included as Figure 3 in link below.

Pit optimisation and underground mine design have now commenced, however the delays to the completion of the resource estimate mean the pre-feasibility study is now expected to be completed in November 2014.

Follow up drilling is now underway with drilling designed to upgrade the shallow resources from Inferred to Measured and Indicated and to test several new exploration targets at Rockface, Killeen and Bellbird East. The drill program comprises 70 holes for approximately 6,000m (See Figure 9 in link below).

Diamond drilling of the deep stratigraphic hole has also commenced at site.

To view all figures and diagrams, please visit:

About KGL Resources Limited:
KGL Resources Ltd. (ASX:KGL) 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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