23 January 2019

Quarterly Activities Report - Period Ended 31 December 2018

Copper Resources upgraded as KGL's Jervois Project advances towards development

Highlights

1. Update of Mineral Resource Estimates increased confidence in Jervois Resource

Confidence in the Resource at KGL Resources Limited's (KGL or the Company) 100% owned Jervois Copper Project in the Northern Territory increased significantly with a material upgrade in copper from the Inferred to Indicated category. More than half of the Jervois copper Resource of 385,200 tonnes is now in the Indicated Resource category, a 25% increase since last May. This was due mainly to a major upgrade at the Rockface deposit where there was a 190% increase in the Indicated Resources.

2. Infill drilling confirmed high grades at Reward underground deposit

Infill drilling at the Reward deposit resulted in more high grade copper intersections in the underground mining area that is located below the proposed open pit outline. The results of the drilling are expected to contribute to a further upgrade of the copper resource at Reward.

3. Exploration around Reward North Fault and Reward Deeps identified DHEM conductor zones that could indicate additional high grade copper

Exploration during the quarter continued to produce encouraging results.

The fault zone at Reward North was subject to exploration mapping and drilling in pursuit of a portion of the Reward Deeps lode that the fault may have offset. The Down Hole Electromagnetic (DHEM) surveys Reward North and Reward Deeps indicated the presence of strongly conductive material with a similar signature to the Rockface high grade copper mineralisation. Further drilling is being planned to test the conductors for copper mineralisation.

4. Environmental Impact Study progressed towards approval following positive public review stage

A major approval required for the Project came closer when the public review stage of the Draft Environmental Impact Study (EIS) concluded. Public responses were positive. However, additional drilling is required to obtain water from a sustainable source. This will require an additional lease and associated cultural heritage clearances before further drilling. We still expect to complete and submit the Supplementary EIS by the middle of this year.

KGL Executive Chairman Denis Wood commented:

> "We are pleased that we have delivered on commitments as the Jervois Copper Project progresses. The infill drilling at Rockface has resulted in a significant upgrade of Resources which is an essential step to be able to estimate a Mineral Reserve from which mining can proceed.
>
> "From the capital raisings last year, we committed to infill drilling to upgrade the resource at Jervois and exploration drilling to extend mineralisation particularly at Reward. We have done that successfully and will continue to apply the funds to unlock further potential at Reward North, using the DHEM technology as we have done so effectively at Rockface.
>
> "We are encouraged by the supportive comments from all stakeholders during the public review of the Draft EIS and the absence of any project stoppers. We are now focussing on concluding the water sourcing for the Project, referencing the comments made in the EIS consultation process."

1. Upgrade of Mineral Resources – Jervois January 2019

The update of the Mineral Resource Estimates at Jervois resulted in a significant improvement in resource quality and confidence mainly due to a substantial amount of Inferred Resources being converted to Indicated Resources at the Rockface deposit. Indicated Copper Resources at Jervois increased by 25.4% from 153,700 tonnes to 192,800 tonnes. This now comprises more than half of the total Copper Resources at Jervois which have increased marginally from 384,800 tonnes to 385,200 tonnes.

Category	Mt	Cu %	Ag g/t	Cu Kt	Ag Moz
Indicated	12.7	1.52	23.8	192.8	9.7
Inferred	13.1	1.47	30.4	192.4	12.8
TOTAL	**25.8**	**1.49**	**27.1**	**385.2**	**22.5**

Table 1: Summary of Mineral Resource Estimates for Jervois as reported in Jan 2019.

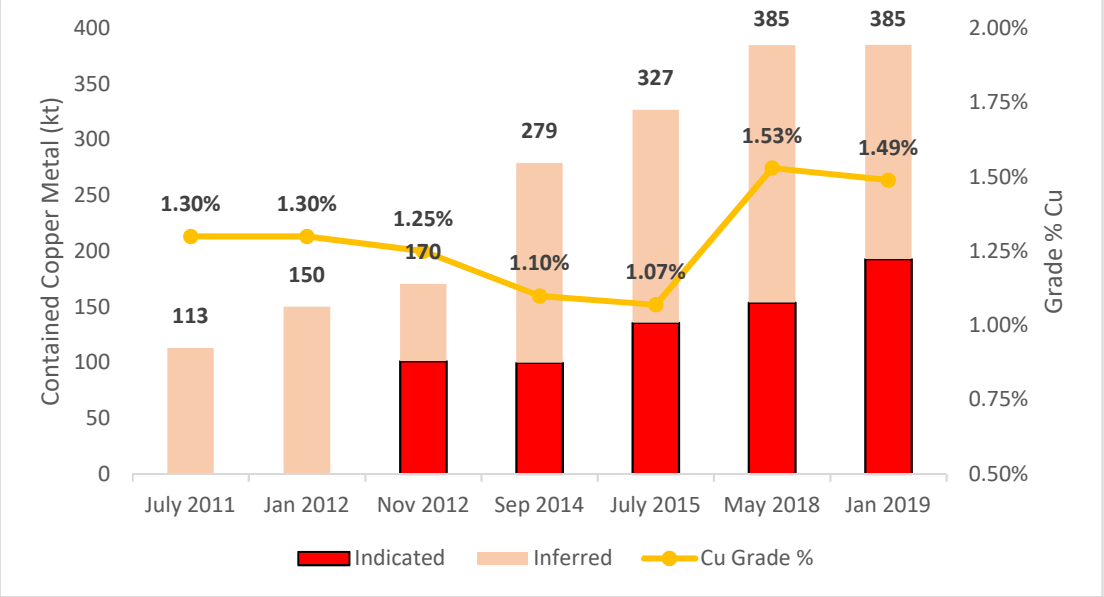

Figure 1: Copper Mineral Resource history at Jervois

Indicated Resources for Silver increased in the conversion from Inferred to Indicated categories during the update – by 5.4% from 9.2 Moz to 9.7 Moz silver. The combined Inferred and Indicated Silver Resources increased slightly from 22.4 Moz to 22.5 Moz silver.

The infill drilling at Rockface brought in more peripheral lower grade mineralisation which caused the small decline in average copper and silver grades. However, the average grade of copper in the Indicated category increased by 9% to 1.52% copper.

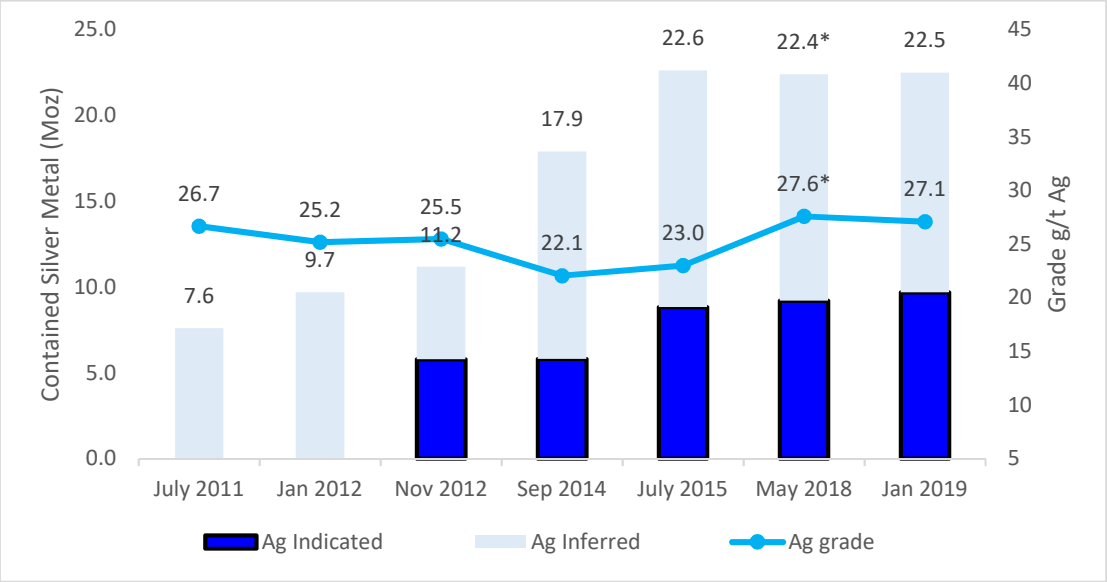

Figure 2: Silver Mineral Resource history at Jervois.
**Minor amendment after publication of the May 2018 Mineral Resource Estimate report.*

Rockface – new high quality Mineral Resources in 3 years

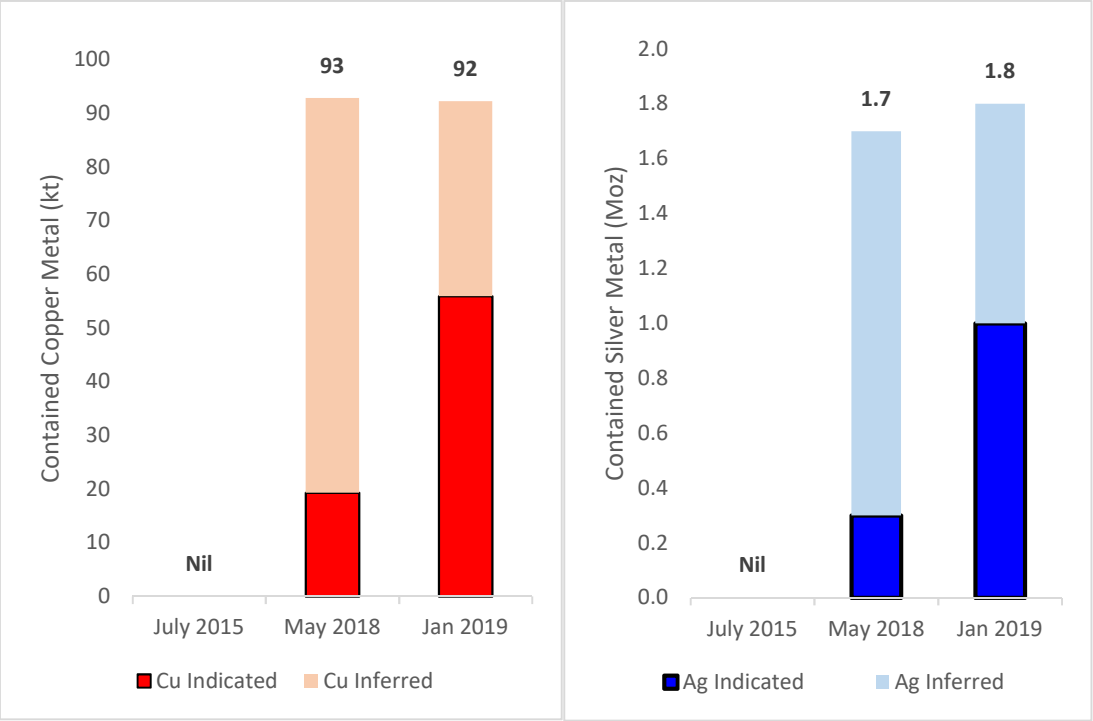

Figure 3: Mineral Resources at Rockface UG to date, left: contained Copper; right: contained UG - Silver

Discovered less than 4 years ago, the resource at the Rockface deposit has been significantly upgraded in the past year. The Rockface UG Mineral Resource is currently delineated below the 200m RL. The remaining results of the infill drilling program designed to upgrade the Resource were received during the quarter. With the subsequent conversion of Inferred to Indicated Resources, the Indicated Copper Resource Estimate at Rockface increased by 190% from 19,300 tonnes to 55,900 tonnes.

The conversion from Inferred to Indicated Resources at Rockface also resulted in a 233% increase in the Indicated Silver Resource Estimate from 0.3 Moz to 1.0 Moz.

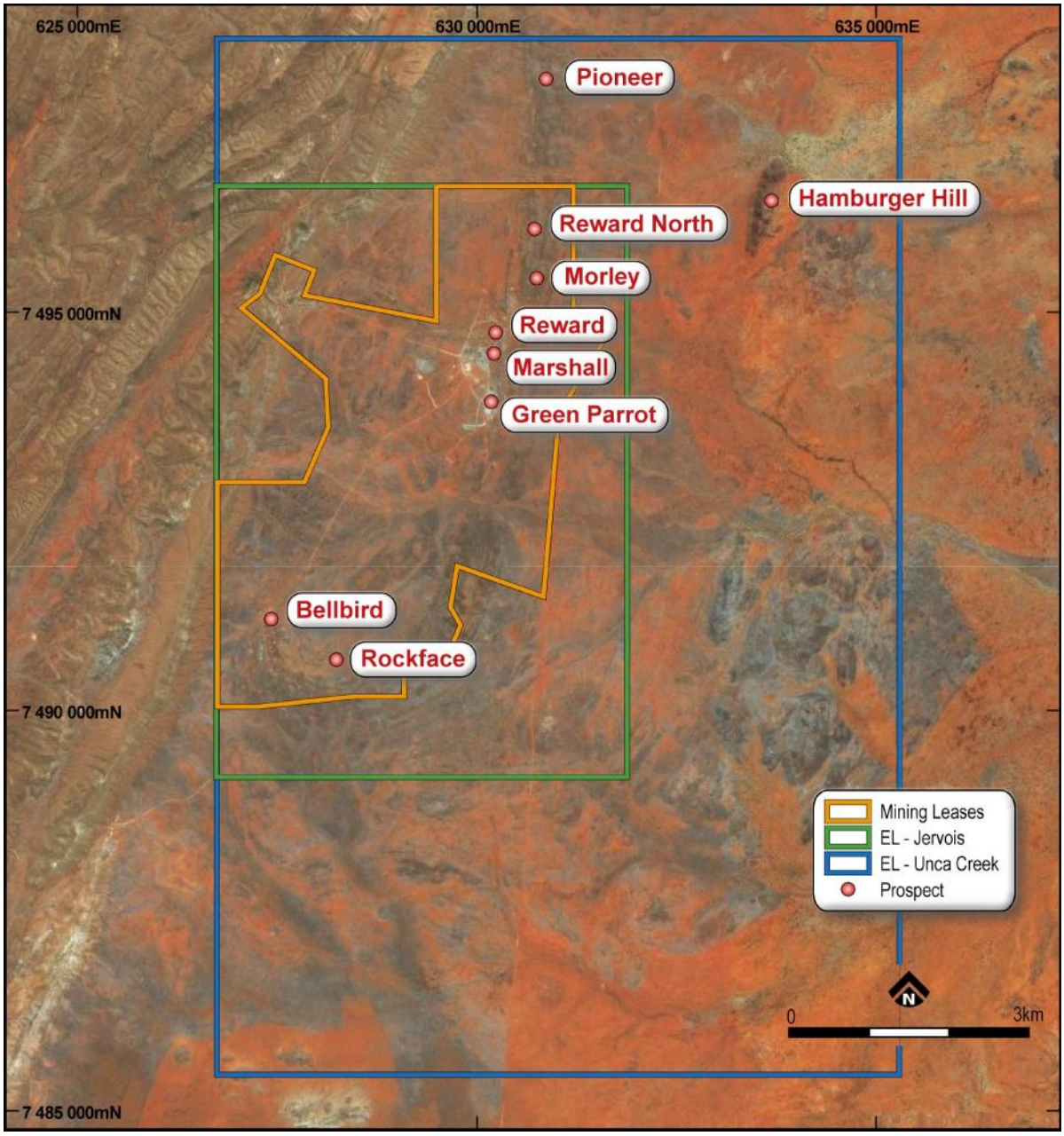

Figure 4: Satellite image showing the relative locations of the Rockface, Reward, Marshall, Bellbird and other prospects at Jervois within the mining and exploration leases held by KGL.

2. Infill Drilling

Results received for infill drilling during the quarter confirmed high grade mineralisation at Rockface and Reward Underground (the area below the outline of the proposed open pit at Reward). Assays were received for 27 holes, comprising 3 from Rockface, 20 from Reward and 4 from Reward North.

The four holes at Reward North played a part in the exploration activities that are targeting opportunities for further discoveries around the Reward North fault zone.

Rockface

The current infill drilling program at Rockface has been completed. All assays have been received and the results included in the current Mineral Resource update.

KJCD231X	1.37 m @ 1.01% Cu, 0% Pb, 0.04% Zn, 6.5 g/t Ag, 0.09 g/t Au from 666.14 m
KJCD273D1	1.04 m @ 2.43% Cu, 0.02% Pb, 0.72% Zn, 24 g/t Ag, 0.01 g/t Au from 466.29 m
KJCD233D6	28.7 m @ 1.02% Cu, 0.02% Pb, 0.11% Zn, 4.6 g/t Ag, 0.04 g/t Au from 665.3 m including: 2.58 m @ 5.76% Cu, 0.21% Pb, 0.93% Zn, 24.2 g/t Ag, 0.19 g/t Au from 666.61 m and including: 8.7 m @ 1.16% Cu, 0.01% Pb, 0.04% Zn, 5.5 g/t Ag, 0.08 g/t Au from 685.3 m

Table 2: Highlighted assay results for drill holes outside of the current Indicated Resource estimates at Rockface. All widths are drill hole widths; for estimated true widths see Appendix 2.

All three holes intersected mineralisation peripheral to the current Indicated Resource model at Rockface. These intercepts are similar to previously reported intercepts in the periphery of the Rockface Copper Resource. Follow-up drilling of previous high grade intercepts in the shallow portion of the Rockface North Lode are planned for the current quarter.

Reward

Infill drilling during the quarter was designed to upgrade the Mineral Resource at Reward produced very good results.

The drilling targeted the proposed underground area at Reward UG – between 0 and 200 m RL, and below the proposed open pit outline. Mineralisation was intersected in every one of the 20 holes for which assays have so far been received.

The assays from Reward UG are considered excellent, with 17 out of the 20 holes reporting intercepts of more than 1% Cu over more than 3 m, including 8 of the intercepts over more than 7 m. This confirms the geological interpretation for the area. The results are reported below (Table 3 and Figure 5).

The assay results indicate the typical copper and precious metal mineralisation of Reward. All intercepts are similar to widths and copper values predicted for the current Inferred Resources. Thus, the results of the drilling are expected to increase the confidence of the Mineral Resources at Reward by contributing to an increase in the Indicated Resource category in the next update of Mineral Resource Estimates.

KJC154X	20.8 m @ 1.16% Cu, 0.27% Pb, 1.88% Zn, 30.9 g/t Ag, 0.17 g/t Au from 240 m including: 3.62 m @ 2.12% Cu, 0.68% Pb, 1.48% Zn, 59.6 g/t Ag, 0.54 g/t Au from 240 m and including: 7.03 m @ 1.79% Cu, 0.28% Pb, 3.23% Zn, 40.2 g/t Ag, 0.16 g/t Au from 251.67 m
KJCD292	34.38 m @ 0.74% Cu, 0.06% Pb, 0.14% Zn, 6.5 g/t Ag, 0.09 g/t Au from 264.63 m including: 4 m @ 1.23% Cu, 0.08% Pb, 0.36% Zn, 8.3 g/t Ag, 0.05 g/t Au from 277 m and including: 4.11 m @ 2.01% Cu, 0.19% Pb, 0.12% Zn, 17.5 g/t Ag, 0.42 g/t Au from 292.15 m
KJCD293	13.37 m @ 0.46% Cu, 0.5% Pb, 0.75% Zn, 11.4 g/t Ag, 0.07 g/t Au from 334.63 m including: 3.77 m @ 1.41% Cu, 0.08% Pb, 0.13% Zn, 15.6 g/t Ag, 0.2 g/t Au from 334.63 m
KJCD295	15.69 m @ 1.15% Cu, 0.03% Pb, 0.17% Zn, 7 g/t Ag, 0.07 g/t Au from 166.72 m including: 10.5 m @ 1.45% Cu, 0.03% Pb, 0.22% Zn, 8.9 g/t Ag, 0.1 g/t Au from 166.72 m
KJCD296	21.58 m @ 1.2% Cu, 0.13% Pb, 0.25% Zn, 14.1 g/t Ag, 0.44 g/t Au from 263.95 m
KJCD297	18.79 m @ 1.2% Cu, 0.21% Pb, 0.1% Zn, 28.5 g/t Ag, 0.27 g/t Au from 244.11 m
KJCD298	16.77 m @ 2.05% Cu, 0.63% Pb, 0.98% Zn, 78.5 g/t Ag, 0.28 g/t Au from 222.23 m including: 9.23 m @ 3.04% Cu, 1.03% Pb, 1.58% Zn, 114.9 g/t Ag, 0.47 g/t Au from 223.55 m
KJCD299W1	19.76 m @ 0.3% Cu, 3.44% Pb, 2.96% Zn, 95.6 g/t Ag, 0.06 g/t Au from 309.56 m including: 5.24 m @ 0.57% Cu, 12.41% Pb, 4.5% Zn, 324.2 g/t Ag, 0.16 g/t Au from 309.56 m
KJCD300	0.98 m @ 0.65% Cu, 0.44% Pb, 0.17% Zn, 34 g/t Ag, 0.2 g/t Au from 273 m and: 1.32 m @ 1.86% Cu, 0.1% Pb, 0.22% Zn, 16.8 g/t Ag, 0.11 g/t Au from 281 m
KJCD301	3.67 m @ 1.65% Cu, 0.91% Pb, 0.25% Zn, 42.9 g/t Ag, 0.23 g/t Au from 254.58 m and: 4.34 m @ 0.91% Cu, 0.03% Pb, 0.06% Zn, 6.9 g/t Ag, 0.04 g/t Au from 275.58 m and: 4.1 m @ 1.08% Cu, 0.02% Pb, 0.03% Zn, 5 g/t Ag, 0.05 g/t Au from 297.9 m and: 5.16 m @ 1.85% Cu, 1.23% Pb, 1.14% Zn, 125.4 g/t Ag, 0.27 g/t Au from 317.47 m
KJCD302	8.95 m @ 0.9% Cu, 0.05% Pb, 0.24% Zn, 7.3 g/t Ag, 0.06 g/t Au from 209.8 m and: 7 m @ 1.17% Cu, 0.41% Pb, 1.31% Zn, 36 g/t Ag, 0.09 g/t Au from 235 m and including: 3.22 m @ 2.18% Cu, 0.53% Pb, 1.07% Zn, 47.8 g/t Ag, 0.15 g/t Au from 238.78 m
KJCD303	2.54 m @ 1.22% Cu, 0.03% Pb, 0.06% Zn, 11.3 g/t Ag, 0.08 g/t Au from 277.46 m
KJCD304	4.2 m @ 1.01% Cu, 0.1% Pb, 0.2% Zn, 8.5 g/t Ag, 0.11 g/t Au from 274.73 m and: 3.21 m @ 1.38% Cu, 0.12% Pb, 0.52% Zn, 8.3 g/t Ag, 0.07 g/t Au from 283.12 m and: 3.78 m @ 0.84% Cu, 0.05% Pb, 0.02% Zn, 4.4 g/t Ag, 0.12 g/t Au from 306.15 m

KJCD305	4.04 m @ 1.11% Cu, 0.03% Pb, 0.2% Zn, 4.8 g/t Ag, 0.1 g/t Au from 199.96 m and: 3.69 m @ 4.9% Cu, 1.4% Pb, 0.09% Zn, 227.1 g/t Ag, 0.32 g/t Au from 220.84 m
KJCD306	7.59 m @ 0.91% Cu, 0.02% Pb, 0.05% Zn, 9.1 g/t Ag, 0.14g/t Au from 254.63 m and: 8.2 m @ 1.46% Cu, 0.08% Pb, 0.35% Zn, 12.5g/t Ag, 0.13 g/t Au from 286.11 m
KJCD307	19.11 m @ 1.03% Cu, 3.22% Pb, 1.49% Zn, 64.7 g/t Ag, 0.12 g/t Au from 287.89 m
KJCD308W1	6.64 m @ 1.98% Cu, 0.02% Pb, 0.13% Zn, 15.3 g/t Ag, 0.15g/t Au from 410.78 m
KJCD309	4.41 m @ 1.2% Cu, 0.03% Pb, 0.18% Zn, 9 g/t Ag, 0.19 g/t Au from 326.52 m and: 6.17 m @ 5% Cu, 0.04% Pb, 0.18% Zn, 34 g/t Ag, 1.52 g/t Au from 373.08 m
KJCD311	5.56 m @ 0.37% Cu, 0.12% Pb, 1.24% Zn, 12.4 g/t Ag, 0.03 g/t Au from 319.1 m
KJD316	13.6 m @ 1.77% Cu, 0.13% Pb, 0.21% Zn, 31.8 g/t Ag, 0.24 g/t Au from 212.4 m including: 6.08 m @ 3.08% Cu, 0.25% Pb, 0.41% Zn, 56.6 g/t Ag, 0.41 g/t Au from 219.92 m

Table 3: Highlighted assay results for drill holes outside of the current Indicated Resource estimates at Reward UG. All widths are drill hole widths; for estimated true widths see Appendix 2.

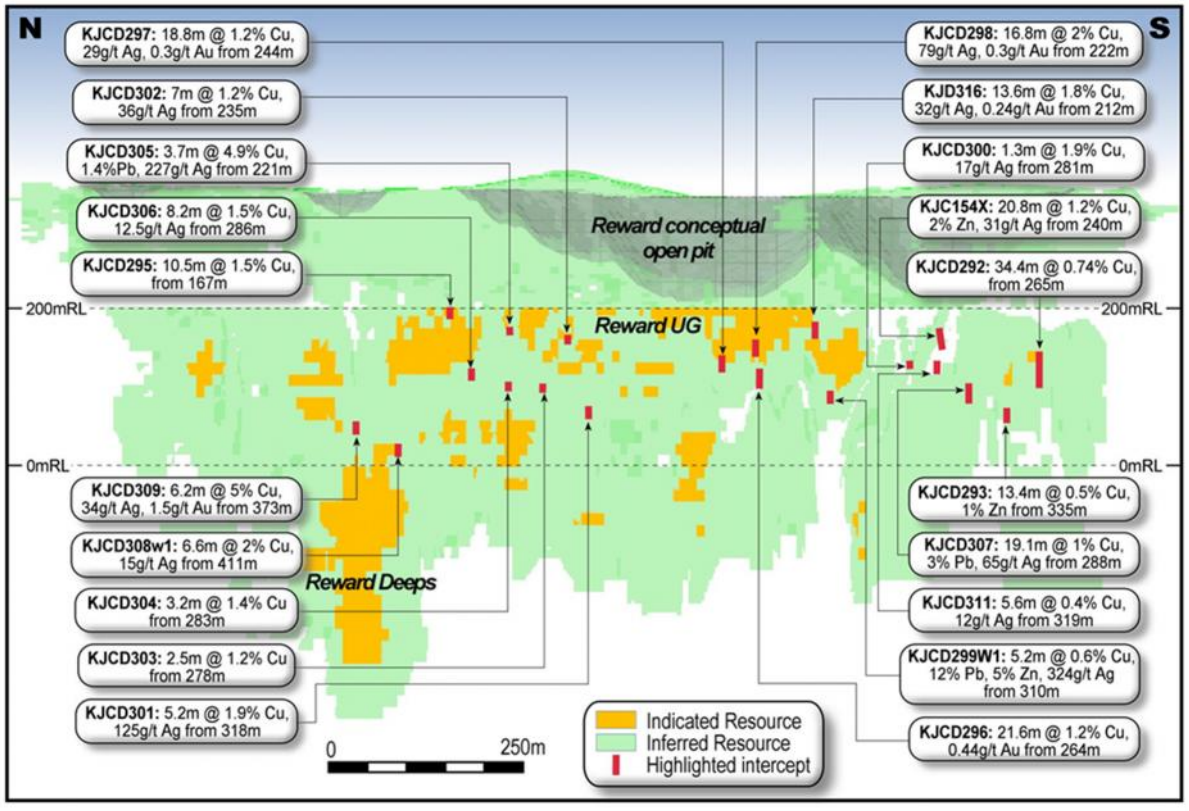

Figure 5: Longitudinal section of the Reward UG, block model of the May 2018 Resource Estimates and recent assays from KJC154X , KJCD292 , KJCD293 , KJCD295 , KJCD296 , KJCD297 , KJCD298 , KJCD299W1 , KJCD300, KJCD301 , KJCD302 , KJCD303 , KJCD304 , KJCD305 , KJCD306 , KJCD307 , KJCD308W1 , KJCD309 , KJCD311 and KJD316.

3. Exploration - High Potential Results from Resource Growth Exploration

The extended exploration program, made possible by the successful capital raising in September 2018, has enabled the Company to pursue the high potential for additional Resources and so enhance the robustness of the Jervois Project.

Reward North

The discovery of a fault zone at Reward North has created opportunities for potential displaced mineralisation.

Structural mapping and drilling around the Reward North Fault zone and initial encouraging results of down hole electromagnetic (DHEM) surveying have heightened the potential for more high grade mineralisation to be found.

The structural mapping has revealed the displacement of the copper-bearing lodes by the Reward North Fault (the north block has moved 300 m to the north east) making it possible to project the location of the offset portion of the higher grade mineralised zones at Reward North (see Figures 6 and 7).

In testing the results from the surface mapping, minor extension drilling of holes KJCD066X, KJCD073X and KJC079X demonstrated potential mineralisation over more than 500 m strike length. A hole 350 m to the north, KJC193 (previously referred to as Boundary), was also extended and successfully intercepted further mineralisation.

Previous KJC193	3 m @ 1.08% Cu, 0.02% Pb, 0.04% Zn, 5.3 g/t Ag, 0.01 g/t Au from 130 m
Extension KJC193X	3.74 m @ 3.58% Cu, 0.09% Pb, 0.39% Zn, 11.3 g/t Ag, 0.04 g/t Au from 133 m
Combined	6.74 m @ 2.47% Cu, 0.06% Pb, 0.23% Zn, 8.6 g/t Ag, 0.03 g/t Au from 130 m

Table 4: Highlighted assay results from hole KJC193X drilled Rockface Reward North. All widths are drill hole widths; for estimated true widths see Appendix 2.

DHEM surveying in hole KJC079X identified small on and off-hole conductors. Surveying in hole KJCD240W1 also identified small on and off-hole conductors plus a big conductor plate largely coinciding with previously modelled EM conductor plates (R1).

Reward Deeps

At Reward Deeps, surveying in hole KJCD313 identified two distinct elongated conductor plates west of already known plates: the extension of conductor (R6) and an entirely new plate (R7). It is anticipated that high grade mineralisation will be located associated with these conductors. These juxtaposed plates are interpreted as high grade breccia pipes having similar EM signatures and geometry to the conductors with high grade mineralisation modelled at Rockface.

Further drilling is being planned to test the conductors for copper mineralisation. More follow-up surveys are planned and for this purpose DHEM-dedicated holes will be drilled at a deeper part of Reward North.

Assays for KJCD313 are pending.

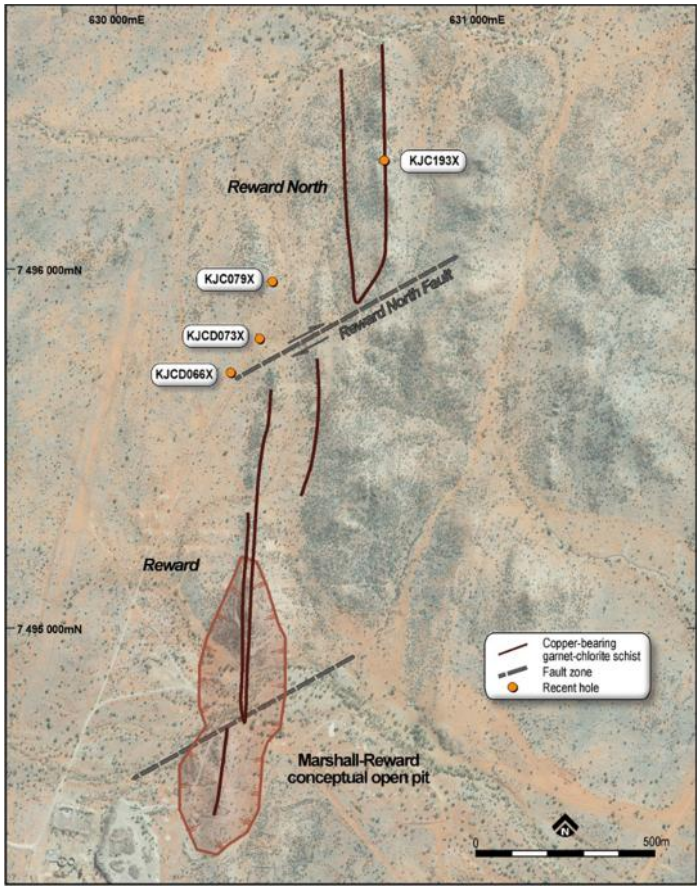

Figure 6: Map view of Reward and Reward North with the interpreted fault zones offsetting the continuation of the higher grade mineralised lode at Reward North to the east.

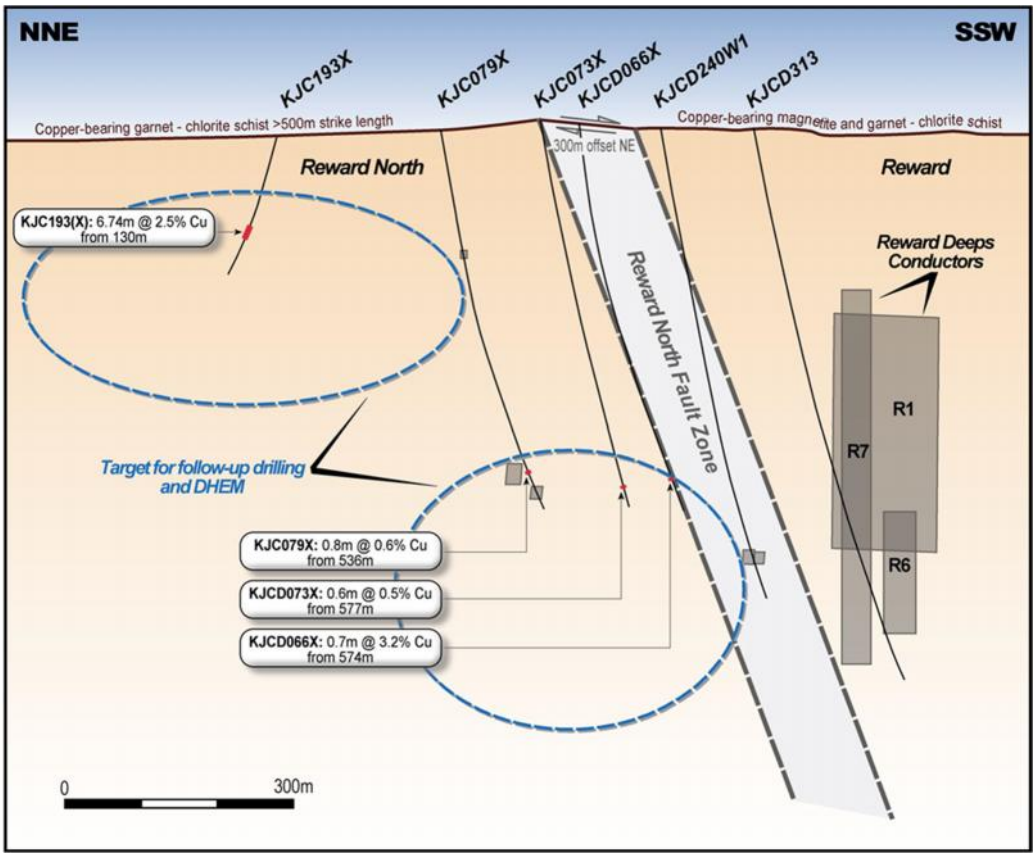

Figure 7: Diagram of Reward and Reward North – the copper-bearing lodes mapped at surface are offset by the NE trending Reward North Fault. The diagram also shows recent assays from Reward North and the new conductor plates modelled after recent DHEM surveys at Reward North and Reward Deeps (including R7 and R6).

4. Draft Environment Impact Statement

The draft Environmental Impact Statement was lodged with the Northern Territory Environmental Protection Authority in October and the government and public review period closed on 14 December. Comments received from the review process were positive for the Project. The Company is now preparing a supplementary report as part of the regulatory process for the EIS, the last major approval required for the Project. The comments from the public consultation and the government's information requests do not demonstrate any potential impediments to the project development

However, some delay in the EIS approval timeframe and consequently the Company's current development program is expected as the required lease and clearances are obtained in order to secure the most reliable and environmentally sustainable source of water for the Project.

5. Outlook

During the early part of 2019, the Company will focus on several directions, all designed to progress project development:

- Re-start drilling in late January. The priorities will be to increase the Company's understanding of the potential at Reward North, confirm the potential thickening of the Reward Deeps as suggested by the recent DHEM surveying, and pursue the potential expansion of the shallow portion of Rockface North lode indicated by previous high grade intercepts
- Start the process of preparing the EIS supplementary report with an emphasis on the clearances and approvals necessary for drilling to confirm a sustainable source of process water
- Progress and complete optimisation studies for the metallurgical and mining processes.

Appendix 1: Resource estimates for Jervois as reported in Jan 2019.

Jervois Jan 2019	Category	Mt	Cu %	Ag g/t			Cu Kt	Ag Moz			Cu cut off %
Marshall OP	Indicated	1.4	1.45	35.6			20.1	1.6			0.5
Reward OP	Indicated	3.4	1.11	25.8			38	2.8			0.5
Reward UG	Indicated	0.8	2.27	37.9			17.6	0.9			1
Bellbird OP	Indicated	4	1.21	8.6			48.6	1.1			0.5
Bellbird UG	Indicated	0.2	1.84	12			3.9	0.1			1
Rockface UG	Indicated	1.9	2.99	16.1			55.9	1			1
Marshall OP	Inferred	0.3	0.9	20.2			2.6	0.2			0.5
Reward OP	Inferred	0.3	0.92	16.6			2.7	0.2			0.5
Reward UG	Inferred	3.8	1.91	33.2			73.2	4.1			1
Reward E OP	Inferred	0.5	0.78	6.6			3.8	0.1			0.5
Reward E UG	Inferred	0.7	1.45	12.9			10.3	0.3			1
Bellbird OP	Inferred	1.2	0.9	6.6			10.9	0.3			0.5
Bellbird UG	Inferred	1.7	2	12.7			33.6	0.7			1
Rockface UG	Inferred	1.7	2.12	15.5			36.3	0.8			1
Sub-total	Indicated	**11.7**	1.57	19.94			**184.1**	**7.5**			-
	Inferred	**10.2**	1.70	20.43			**173.4**	**6.7**			-
	Sub-total	**21.9**	**1.63**	**20.2**			**357.5**	**14.2**			-

2015 Lead Resource	Category	Mt	Cu %	Ag g/t	Pb %	Zn %	Cu Kt	Ag Moz	Lead Kt	Zinc Kt	Cu cut off %
Reward	Indicated	0.5	0.74	70.7	6.84	0.9	3.6	1.1	33.6	4.4	None
Green Parrot	Indicated	0.5	0.99	64	0.92	0.63	5.1	1.1	4.7	3.2	0.3
Reward	Inferred	0.8	0.51	90.9	8.64	1.17	4.1	2.3	69.4	9.4	None
Green Parrot	Inferred	1.4	0.81	78	1.78	0.93	11.1	3.4	24.4	12.8	0.3
Bellbird North	Inferred	0.7	0.57	17.9	1.71	2.52	3.8	0.4	11.3	16.7	0.2
	Sub-total	**3.8**	**0.72**	**67.5**	**3.74**	**1.21**	**27.7**	**8.3**	**143.5**	**46.5**	

TOTAL	Indicated	12.7	1.52	23.8			192.8	9.7			
	Inferred	13.1	1.47	30.4			192.4	12.8			
	TOTAL	**25.8**	**1.49**	**27.1**			**385.2**	**22.5**			

Appendix 2: Summary of significant assay results

Prospect	Hole ID	Easting (m)	Northing (m)	RL (m)	Dip	Azi	Total Depth (m)	From (m)	To (m)	Interval (m)	ETW (m)	Cu %	Pb %	Zn %	Ag g/t	Au g/t
Rockface North Lode	KJCD273D1	628322.3	7490744.3	357.3	-30.4	164.7	580.1	466.29	467.33	1.04	0.98	2.43	0.02	0.72	24.00	0.01
Rockface Main Lode	KJCD231X	628406.9	7490795.4	357.9	-53.8	181.5	696.9	666.14	667.51	1.37	0.99	1.01	0.00	0.04	6.50	0.09
	KJCD233D6	628281.5	7490773.0	356.7	-42.9	187.6	725.3	665.30	694.00	28.70	24.09	1.02	0.02	0.11	4.60	0.04
							including	666.61	669.19	2.58	2.13	5.76	0.21	0.93	24.20	0.19
							and including	685.30	694.00	8.70	7.36	1.16	0.01	0.04	5.50	0.08
Reward UG	KJC154X	630157.2	7494568.6	346.4	-46.1	98.4	281	240.00	260.80	20.80	16.81	1.16	0.27	**1.88**	30.90	0.17
							including	240.00	243.62	3.62	2.93	2.12	0.68	**1.48**	59.60	0.54
							and including	251.67	258.70	7.03	5.68	1.79	0.28	**3.23**	40.20	0.16
	KJCD292	630158.8	7494420.4	349.4	-64.9	80.2	319.1	264.63	299.01	34.38	28.33	0.74	0.06	**0.14**	6.50	0.09
							including	277.00	281.00	4.00	2.86	1.23	0.08	**0.36**	8.30	0.05
							and including	292.15	296.26	4.11	2.94	2.01	0.19	**0.12**	17.50	0.42
	KJCD293	630137.3	7494467.7	348.3	-48.7	88.5	384.1	334.63	348.00	13.37	10.44	0.46	0.50	**0.75**	11.40	0.07
							including	334.63	338.40	3.77	2.94	1.41	0.08	**0.13**	15.60	0.20
	KJCD295	630280.7	7495194.3	351.8	-60.4	89.0	225.9	166.72	182.41	15.69	10.00	1.15	0.03	**0.17**	7.00	0.07
							including	166.72	177.22	10.50	6.69	1.45	0.03	**0.22**	8.90	0.10
	KJCD296	630184.0	7494782.7	346.4	-56.3	89.1	345	263.95	285.53	21.58	14.91	1.20	0.13	**0.25**	14.10	0.44
	KJCD297	630205.8	7494847.5	347.0	-55.6	93.4	326	244.11	262.90	18.79	13.14	1.20	0.21	**0.10**	28.50	0.27
	KJCD298	630228.3	7494799.1	345.8	-57.1	91.0	261.8	222.23	239.00	16.77	11.43	2.05	0.63	**0.98**	78.50	0.28
							including	223.55	232.78	9.23	6.29	3.04	1.03	**1.58**	**114.90**	**0.47**
	KJCD299W1	630171.5	7494713.4	346.1	-51.2	90.7	364.1	309.56	329.32	19.76	14.88	0.30	**3.44**	**2.96**	**95.60**	0.06
							including	309.56	314.80	5.24	3.95	0.57	**12.41**	**4.50**	**324.20**	0.16
	KJCD300	630157.2	7494598.3	345.7	-56.5	88.1	308.6	273.00	273.98	0.98	0.81	0.65	0.44	**0.17**	34.00	0.20
							and	281.00	282.32	1.32	1.09	1.86	0.10	**0.22**	16.80	0.11
	KJCD301	630216.3	7495019.7	346.1	-59.9	90.4	353.5	254.58	258.25	3.67	2.36	1.65	0.91	**0.25**	42.90	0.23
							and	275.58	279.92	4.34	2.83	0.91	0.03	**0.06**	6.90	0.04
							and	297.90	302.00	4.10	2.68	1.08	0.02	**0.03**	5.00	0.05
							and	317.47	322.63	5.16	3.40	1.85	**1.23**	**1.14**	**125.40**	0.27
	KJCD302	630234.0	7495044.9	347.4	-56.1	92.5	276.2	209.80	218.75	8.95	6.20	0.90	0.05	**0.24**	7.30	0.06
							and	235.00	242.00	7.00	5.10	1.17	0.41	**1.31**	36.00	0.09
							including	238.78	242.00	3.22	2.35	2.18	0.53	**1.07**	47.80	0.15
	KJCD303	630216.9	7495078.1	347.4	-52.2	89.0	333.6	277.46	280.00	2.54	2.09	1.22	0.03	**0.06**	11.30	0.08
	KJCD304	630218.5	7495115.4	348.1	-58.3	90.0	345.7	274.73	278.93	4.20	2.79	1.01	0.10	**0.20**	8.50	0.11
							and	283.12	286.33	3.21	2.13	1.38	0.12	**0.52**	8.30	0.07

							and	306.15	309.93	3.78	2.53	0.84	0.05	**0.02**	4.40	0.12
	KJCD305	630256.0	7495124.5	350.1	-54.6	94.3	249.8	199.96	204.00	4.04	2.88	1.11	0.03	**0.20**	4.80	0.10
							and	220.84	224.53	3.69	3.04	4.90	**1.40**	**0.09**	**227.10**	0.32
	KJCD306	630243.0	7495160.4	349.5	-64.5	84.7	319.5	254.63	262.22	7.59	4.40	0.91	0.02	**0.05**	9.10	0.14
							and	286.11	294.31	8.20	4.86	1.46	0.08	**0.35**	12.50	0.13
	KJCD307	630131.7	7494518.2	348.0	-49.4	91.2	342.6	287.89	307.00	19.11	14.77	1.03	**3.22**	**1.49**	64.70	0.12
	KJCD308W1	630157.2	7495265.3	348.5	-36.8	89.3	447.8	410.78	417.42	6.64	5.93	1.98	0.02	**0.13**	15.30	0.15
	KJCD309	630177.6	7495317.4	349.1	-54.0	88.9	398.3	326.52	330.93	4.41	3.17	1.20	0.03	**0.18**	9.00	0.19
							and	373.08	379.25	6.17	5.08	5.00	0.04	**0.18**	34.00	**1.52**
	KJCD311	630125.3	7494570.2	346.1	-47.2	91.8	381.8	319.10	324.66	5.56	4.43	0.37	0.12	**1.24**	12.40	0.03
	KJD316	630215.8	7494720.6	345.8	-49.7	87.2	250.9	212.40	226.00	13.60	11.21	1.77	0.13	**0.21**	31.80	0.24
							including	219.92	226.00	6.08	4.68	3.08	0.25	**0.41**	56.60	0.41
Reward North	KJCD066X	630324.1	7495719.6	354.4	-57.7	84.3	642.5	574.12	574.80	0.68	0.54	3.15	0.01	0.03	8.00	0.08
	KJCD073X	630394.7	7495800.1	355.7	-49.2	90.1	615.7	577.00	577.59	0.59	0.46	0.54	0.00	0.01	2.00	0.03
	KJC079X	630435.0	7495960.2	359.5	-49.7	99.1	601.4	536.44	537.23	0.79	0.61	0.56	0.05	0.06	2.00	0.02
	KJC193X	630772.8	7496315.5	351.2	-62.7	271.0	233.2	133.00	136.74	3.74	2.99	3.58	0.09	0.39	11.3	0.05

Competent Persons Statement

The Jervois Exploration data in this report is based on information compiled by Adriaan van Herk, a member of the Australian Institute of Geoscientists, Chief Geologist and a full-time employee of KGL Resources Limited.

Mr. van Herk 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. van Herk 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 the 2019 Mineral Resource estimates for the Jervois Copper Project 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 Director 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.

Tenements

Tenement Number	Location	Beneficial Holding
ML 30180	Jervois Project, Northern Territory	100%
ML 30182	Jervois Project, Northern Territory	100%
ML30829	Jervois Project, Northern Territory	100%
EL 25429	Jervois Project, Northern Territory	100%
EL 30242	Jervois Project, Northern Territory	100%
E28340	Yambah, Northern Territory	100%
E28271	Yambah, Northern Territory	100%
EL28082	Unka Creek, Northern Territory	100%

Mining Tenements Acquired and Disposed during the quarter*	Location	Beneficial Holding

Tenements subject to farm-in or farm-out agreements	Location	Beneficial Holding

Tenements subject to farm-in or farm-out agreements acquired or disposed of during the quarter	Location	Beneficial Holding

1 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 (e.g. 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 (e.g. '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 (e.g. submarine nodules) may warrant disclosure of detailed information.*	• At Reward diamond drilling and reverse circulation (RC) drilling were used to obtain samples for geological logging and assaying. The core samples comprised a mixture of sawn HQ quarter core, sawn NQ half core and possibly BQ half core (historical drilling only). Sample lengths are generally 1m, but at times length were adjusted to take into account geological variations. RC sample intervals are predominantly 1m intervals with some 2 and 4m compositing (historical holes only). A total of 586 drill holes for 83,400m, were completed, sited predominantly within the planned open pit area, but include 10 new KGL diamond (and minor RC) infill and extensional drilling totalling 6,812m. Drilling is on a nominal 25m spacing near surface expanding at depth to 50m and then to 100m on the periphery of the mineralisation • At Rockface diamond drilling was used to obtain samples for geological logging and assaying. Sample lengths are generally 1m in length, but adjusted at times to take into account geological variations. The samples comprised sawn HQ quarter core. A total of 33 holes for 19,330m were included on approximately 50m centres. • RC samples are routinely scanned by KGL Resources with a Niton XRF. Samples assaying greater than 0.1% Cu, Pb or Zn are submitted for analysis at a commercial laboratory. • Mineralisation at both deposits is characterized by disseminations, veinlets and large masses of chalcopyrite, associated with magnetite-rich alteration within a psammite. The mineralisation has textures indicative of structural emplacement within specific strata i.e. the mineral appears stratabound. • Documentation of the historical drilling (pre-2011) for Reward is variable.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. 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).*	• The KGL and previous Jinka-Minerals RC drilling was conducted using a reverse circulation rig with a 5.25 inch face-sampling bit. Diamond drilling was either in NQ2 or HQ3 drill diameters. Metallurgical diamond drilling (JMET holes) were PQ • There is no documentation for the historic drilling techniques. • Diamond drilling was generally cored from surface with some of the deeper holes at Rockface and Reward utilizing RC pre-

Criteria	JORC Code explanation	Commentary
		collars.) Oriented core has been measured for the recent KGL drilling.
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.*	) The KGL RC samples were not weighed on a regular basis but when completed no sample recovery issues were encountered during the drilling program.) Jinka Minerals and KGL split the rare overweight samples (>3kg) for assay. Since overweight samples were rarely reported no sample bias was established between sample recovery and grade.) Core recovery for Rockface is >95% with the mineral zones having virtually 100% recovery.) The core recovery for the KGL drilling of Reward has been regarded as acceptable although there is no documentation for the historical drilling.) No evidence has been found for any relationship between sample recovery and copper grade and there are no biases in the sampling with respect to copper grade and recovery.
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 KGL RC and diamond core samples are geologically logged. Logging in conjunction with multi-element assays is appropriate for Mineral Resource estimation.) Core samples are also orientated and logged for geotechnical information.) All logging has been converted to quantitative and qualitative codes in the KGL Access database.) All relevant intersections were logged.) Paper logs existed for the historical drilling. There is very little historical core available for inspection.
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.*	) The following describes the recent KGL sampling and assaying process: – RC drill holes are sampled at 1m intervals and split using a cone splitter attached to the cyclone to generate a split of ~3kg; – RC sample splits (~3kg) are pulverized to 85% passing 75 microns. – Diamond core was quartered with a diamond saw and generally sampled at 1m intervals with samples lengths adjusted at geological contacts; – Diamond core samples are crushed to 70% passing 2mm and then pulverized to 85% passing 75 microns. – Two quarter core field duplicates were taken for every 20m samples by Jinka Minerals and KGL Resources. – All sampling methods and sample sizes are deemed appropriate for resource estimation) Details for the historical sampling are not available.
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*	) The KGL drilling has QAQC data that includes standards, duplicates and laboratory checks. In ore zones standards are added at a ratio of 1:10 and duplicates

Criteria	JORC Code explanation	Commentary
	instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	and blanks 1:20. • Base metal samples are assayed using a four-acid digest with an ICP AES finish. 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. • There are no details of the historic drill sample assaying or any QAQC. • All assay methods were deemed appropriate at the time of undertaking.
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 MS Access database, using Database check queries and Maxwell's DataShed. • Further validation is conducted when data is imported into Surpac and Leapfrog Geo. • Hole twinning was occasionally conducted at Reward with mixed results. This may be due to inaccuracies with historic hole locations rather than mineral continuity issues. • For the resource estimation below detection values were converted to half the lower detection limit.
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.*	• For the KGL drilling surface collar surveys were picked up using a Trimble DGPS, with accuracy to 1 cm or smaller. • Downhole surveys were taken during drilling with a Ranger or Reflex survey tool at 30m intervals. Checks were conducted with a Gyrosmart gyro and Azimuth Aligner. • All drilling by Jinka Minerals and KGL is referenced on the MGA 94 Zone 53 grid. All downhole magnetic surveys were converted to MGA 94 grid. • For Reward there are concerns about the accuracy of some of the historic drillhole collars. There are virtually no preserved historic collars for checking. • There is no documentation for the downhole survey method for the historic drilling. • Topography was mapped using Trimble DGPS (see location points)
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 at Rockface was on nominal 50m centres with downhole sampling on 1m intervals. • Drilling at Reward was on 25m spaced sections in the upper part of the mineralisation extending to 50m centres with depth and ultimately reaching 100m spacing on the periphery of mineralisation. • For Reward shallow oxide RC drilling was conducted on 80m spaced traverses with holes 10m apart. • The drill spacing for all areas is appropriate for resource estimation and the relevant classifications applied. • A small amount of sample compositing has been applied to some of the near surface historic drilling.
Orientation of data in relation to	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	• Holes were drilled perpendicular to the strike of the mineralization; the default angle is -60 degrees but holes vary from -

Criteria	JORC Code explanation	Commentary
geological structure	) *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.*	45 to -80.) Drilling orientations are considered appropriate and no obvious sampling bias was detected.
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 or a transport contractor.
Audits or reviews	) *The results of any audits or reviews of sampling techniques and data.*	) The sampling techniques are regularly reviewed internally and by external consultants.

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 E30242 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.*	) EL30242 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 north eastern boundary of the Arunta 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 stratabound mineralisation for the project consists of a series of complex, narrow, structurally controlled, sub-vertical sulphide/magnetite-rich deposits hosted by Proterozoic-aged, amphibolite grade metamorphosed sediments of the Arunta Inlier.) Mineralisation is characterised by veinlets and disseminations of chalcopyrite in association with magnetite. In the oxide zone which is vertically limited malachite, azurite, chalcocite are the main Cu-minerals.) Massive to semi-massive galena in association with sphalerite occur locally in high grade lenses of limited extent with oxide equivalents including cerussite and anglesite in the oxide zone. Generally, these lenses are associated with more carbonate-rich host rocks occurring at Green Parrot, Reward and Bellbird North.
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 Appendix 2
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*	) Minimum grade truncation 0.5%Cu

Criteria	JORC Code explanation	Commentary
	stated. J *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.* J *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	
Relationship between mineralisation widths and intercept lengths	J *These relationships are particularly important in the reporting of Exploration Results.* J *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* J *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').*	J Refer Appendix 2
Diagrams	J *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.*	J Refer Figures 1, 2, 3, 4, 5, 6, 7,
Balanced reporting	J *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.*	J Refer Appendix 2
Other substantive exploration data	J *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.*	J Outcrop mapping of exploration targets using Real time DGPS. J Refer Figures 6, 7, 8
Further work	J *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* J *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	J Refer Figure 8

1.3 Section 3 Estimation and Reporting of the Rockface Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.

Criteria	Explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	J Limited validation was conducted by H&S Consultants (H&SC) to ensure the drill hole database is internally consistent. Validation included checking that no assays, density measurements or geological logs occur beyond the end of hole and that all drilled intervals have been geologically logged. The minimum and maximum values of assays and density measurements were checked to ensure values are within expected ranges. Checks have been made for duplicate samples. J H&SC has not performed detailed database validation or an audit but KGL personnel take responsibility for the accuracy and reliability of the data used to estimate the Mineral Resources. J At Rockface all but one holes used in the new underground resource estimation are new diamond holes drilled within the last 3 years. The confidence in the hole location and direction is much greater than other areas at Jervois, mainly due to the use of gyroscopic downhole surveys.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	J Regular site visits have been carried out by Adriaan van Herk, KGL's Chief Geologist, who acts as the Competent Person with responsibility for the integrity and validity of the database on which resource estimates were conducted. J Simon Tear of H&SC, Competent Person for the reporting of the Mineral Resource estimates, visited site in August 2011 for 4 days.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.*	J H&SC has completed new geological interpretations as wireframes, for the Rockface mineral lodes. A nominal 0.4-0.5% copper cut off grade has been used in conjunction with logged lithology, multielement assays, downhole geophysical modelling and geological sense. The 25m spaced cross sectional interpretation was extended to surface. J The mineralisation at Jervois comprises structurally controlled disseminations and veinlets of copper sulphide mineralisation (locally

Criteria	Explanation	Commentary
	• *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	oxidised near surface) associated with a broader magnetite alteration (discernible from iron assays and magnetic susceptibility measurements). The structural zones tend to be narrow, steeply dipping to vertical structures parallel to the host stratigraphy i.e. stratabound and eminently traceable at surface from mapping and in the airborne EM data. They are reasonably well defined by the drilling data. J The structural nature to the mineralisation meant there appeared in some cases to be lensing, bifurcations, small fault offsets and possible subtle en echelon zoning. The strike and dip of the mineral zones vary slightly but predominately strike parallel to the stratigraphy. Where no drill data exists along strike the wireframes were extended 15 metres beyond the last drill hole intercept. These wireframes were treated as hard boundaries for the estimation of each of the elements. J The Rockface mineralisation has been interpreted as two pairs of steeply-dipping copper lodes, as steeply plunging oreshoots, within a broader magnetite-rich zone, namely the Hangingwall ("HW") and Footwall ("FW") Main Lodes and the Hangingwall and Footwall North Lodes. It is uncertain at this stage if the repeated pair to the north is a fault offset of the main pair or the product of an isoclinal fold with a sub-vertical fold hinge. There is some evidence that the two North Lodes merge in the west. It is apparent that copper mineralisation forms both sharp and gradational contacts with the host rocks. J H&SC is aware that alternative interpretations of the mineralised zones are possible but consider the wireframes to adequately approximate the locations of the mineralised zones for the purposes of resource estimation. Alternative interpretations are unlikely to have a large impact on the global resource estimates.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	J The HW Main Lode mineralisation for Rockface has dimensions of 200m along strike (E-W), 900m down dip and averages 6m in true thickness. It is traceable from surface outcrop. The FW Main Lode mineralisation virtually mirrors the orientation, strike and dip dimensions of the HW Main Lode but is considerably narrower and generally of lower grade, whereas the North Lodes are smaller in strike length, width and dip extent. The Hangingwall North Lode resource has a strike length of 180m and a down dip extent of 400m below the 200m RL, ranging in thickness from 2m (downhole) to 6m (downhole). The Footwall North Lode resource is of similar geometry to the Hangingwall North resource but has a shorter strike length of 100m and a down dip extent of 250m although its thickness is roughly similar to Hangingwall North Lode resource. J . J In all cases mineralisation appears open at depth.
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.*	J The copper, silver and gold resources were estimated using Ordinary Kriging using the GS3 software (H&SC in-house) with the modelled data loaded into a new block model created in the Surpac mining software for resource review and reporting. J H&SC considers Ordinary Kriging to be an appropriate estimation technique for the type of copper, silver and gold mineralisation and extent of data available at Jervois. J 1m composites were used for estimation. With the new Rockface drilling a total of 998 composites were used for the four lodes with the majority for the HW Main Lode. J H&SC used a series of wireframes that outline zones of anomalous mineralisation broadly equating to a nominal 0.4-0.5% copper cut off for the underground scenario. The wireframes were treated as hard boundaries so that only composites from within each wireframe were used to estimate the blocks in the respective wireframe. J No top cuts were applied to the Rockface composites as the data was well structured and did not appear to be skewed. J KGL have informed H&SC that they plan to recover gold and silver as by-products. No assumptions were made regarding the recovery of the by-products. The resources are reported using a cut-off based on the copper grade.

Criteria	Explanation	Commentary
	• *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	) H&SC has modelled bismuth composite data on the assumption that it is a deleterious element, but KGL are of the opinion that bismuth may potentially be an economic by-product.) Drill spacing for Rockface is nominally 50m (X) by 50m (Z) with downhole sample spacing of 1m.) Block dimensions for the underground scenario are 15m by 2m by 15m (X, Y & Z respectively) with sub-blocking to 3.75m by 0.5m by 3.75m. The longest horizontal dimension was chosen as it is nominally a third to a half of the distance between drill hole sections (normal industry practice). The vertical dimension was chosen to reflect the data distribution and the likely underground mining methods. The thinnest dimension was chosen to reflect the sample spacing and anisotropy of mineralisation.) Search domains reflecting subtly variable dip angles were created for the HW (3 zones) and FW (2 zones) Main Lodes, whilst 3 search domains, for changing strike, were generated for the HW North Lode; the FW North Lode had a single search domain.) A 3 pass search strategy was employed with an initial Indicated Resource search (Pass 1) of 60m by 5m by 60m (X, Y & Z respectively) with a minimum number of 12 data and 4 octants. This was expanded in two stages to an Inferred Resource maximum search (Pass 3) of 105m by 9m by 105m with a minimum of 6 data and 2 octants. A second 3 pass search strategy (Passes 4 to 6) was used to define exploration potential within the interpreted mineral wireframes with a search radius reaching to 144m by 18m by 144m with minimum data for the Pass 4 search being 6 decreasing to 3 for the Pass 6 search. The only hard boundaries were the mineral wireframes. All reported mineralisation is below the base of oxidation.) The composites exhibit a strong correlation between copper and silver and a weak to moderate gold to silver correlation. Variography showed poor/limited continuity for all three elements which is due to a combination of the lack of drilling data, the narrowness of the lodes and subtle undulations in both dip and strike of the mineralisation.) The block model was reviewed visually by H&SC and it was concluded that the block model fairly represents the grades observed in the drill holes. H&SC also validated the block model statistically using a variety of histograms and summary statistics.) The updated estimates show a minor increase in overall tonnes of 12% that is offset by an 11% drop in copper grade leading to an overall decrease in copper metal tonnes of <1%. The tonnage increase is due to an expanded geological model based on the recent drilling but has now included more peripheral lower grade mineralisation and hence the drop in grade.) No mine production data is available for either area.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	) Tonnages of the Mineral Resource estimates are estimated on a dry weight basis.) No determination of moisture content has been made.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	) The underground resource estimates for Rockface are reported at a cut off of 1% copper with block centroids, including sub-blocks, inside the relevant mineral wireframe below the 200mRL level.) The cut off grades have been advised to H&SC by KGL and follow on from previous mining studies.
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	) The Rockface resource estimates were estimated on the assumption, based on advice supplied by KGL, that the resources will be targeted using conventional underground stoping mining methods with paste fill.) Minimum mining dimensions are envisioned to be around 3mx3mx3m.) The resource estimation includes some internal mining dilution, but no allowance for external dilution.

Criteria	Explanation	Commentary
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	) Mineral processing is assumed to be conventional ore crushing and floatation of the chalcopyrite mineralisation to produce a copper concentrate.) Results from scoping and prefeasibility level metallurgical testwork were used in the design of a processing facility. The intent is to process ore on site at Jervois at a certain production rate, producing a sellable copper concentrate product for shipment.) A Sulphide Flotation Testwork Report for the 2015 PFS was prepared for KGL Minerals Limited by AMEC Limited.) No metallurgical factors where used to determine the resource.) Sample selection and compositing for the metallurgical testwork program procedure involving continuous drill hole intersection samples making up the variability composite. Various amounts of variability composites were then blended to create four master composites to represent the oxide and sulphide components of each of the Bellbird and Marshall-Reward deposits. An extended suite of head assays were conducted on variability and master composites.) The lithologies within the tenement include quartzo-feldspathic muscovite and sericite schists, ranging from pelitic to psammo-pelitic. There are also local occurrences of cordierite, sillimanite, garnet and andalusite. The mine sequence also contains chlorite schist, garnet, magnetite quartzite, calc silicates and impure marble. The mineralization consists predominately of stratiform/bound copper and/or lead-silver-zinc sulphides within zones of massive/semi-massive pyrite associated with variable garnet and calc-silicate alteration.) Mineralogical analysis using QEMSCAN (and XRD) identified chalcopyrite (12%) to be the dominant economic mineral, with minor presence of galena, sphalerite, bismuthinite and molybdenite. Pyrite (18%) was the only sulphide gangue mineral, whilst magnetite (27%) and quartz (31%) were the main non-sulphide gangue minerals.) Comminution tests including SMC tests, JK drop weight tests, Bond ball mill tests, Bond rod mill tests and Bond abrasion tests, have been conducted on several samples from the Bellbird and Marshall-Reward deposits.
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	) The Jervois Project lies within a broad open area of relatively flat ground.) Vegetation is typical semi-arid bushland of Central Australia with seasonal rainfall and creek flows.) There has been previous mining activity at the Green Parrot open pit and some minor trial surface and underground mining at Reward and Bellbird.) There is plenty of flat ground that will allow for the easy construction of mine facilities.) There is a natural dam which is planned to be used as a water reservoir.) There are natural pond areas, which are planned to be used for waste dumps and tailings ponds.) There is potential for some acid mine drainage but carbonate sources are within 10km of the likely mineral processing site.) The environmental baseline studies to date have not indicated any rare or protected species.) The area is remote but has had an established exploration camp since the 1980s) The area is directly connected to a wide and well maintained, unsealed road, which is currently being sealed in stages by the government.) Sulphide content of the waste rock comprises pyrite (not marcasite?) at levels of 1-2% in strongly metamorphosed and annealed rocks.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately*	) Density data for Rockface and Reward consists of 1m sample lengths, as either half core or whole core, subjected to the weight in air/weight in water method (the Archimedes principle). All samples were generally competent core with no obvious vughs.) Any density data from the oxidation zone is limited. However, oxidation via surface weathering has had only limited sub-surface

Criteria	Explanation	Commentary
	account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit. • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	penetration as many partially oxidised pieces of core have density values marginally less than fresh rock. Density grades for Rockface were interpolated for the whole area using Ordinary Kriging on 5,570 sample points in the drillhole database unconstrained by the mineral wireframes. The density grade interpolation used a similar search strategy as for the metal grade interpolation with the inclusion of the second 3 pass search strategy. The density modelling method ensured densities peripheral to the mineralisation were interpolated in anticipation of use in mine planning studies.
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	) Mineral Resources for Rockface Underground mineralisation have been classified on the estimation search pass category subject to assessment of other impacting factors such as drill hole type and spacing, variography, drill hole location accuracy, geological logging and the geological model.) Pass 1 material is classified as Indicated whilst Passes 2 and 3 are classified as Inferred.) H&SC believes the confidence in tonnage and grade estimates based on the continuity of geology and grade, and the distribution of the data is reflected in the Indicated and Inferred categorisation. H&SC has not assessed the reliability of input data and KGL personnel take responsibility for the accuracy and reliability of the data used to estimate the Mineral Resources.) The estimates including their classification appropriately reflect the Competent Person's view of the deposit.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	) No audits or reviews have been conducted
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	) The Mineral Resources have been classified using a qualitative assessment of a number of factors including the geological understanding in conjunction with the complexity of mineralisation, the drillhole type and spacing, drill hole locations, the QA/QC data and the density data.) The Mineral Resource estimates are considered to be accurate globally, but there is some uncertainty in the local estimates due to the current drill hole spacing and lack of evidence for short scale grade continuity.) No statistical or geostatistical procedures were used to quantify the relative accuracy of the resource. The Mineral Resource estimates of the Jervois deposits are sensitive to the cut-off grade applied and are considered to be global estimates.) There is no reliable production data from the earlier Green Parrot mining or the trial mining at Bellbird and Marshall Reward.

21st January 2019

Denis Wood
KGL Resources Ltd
(by email)

Updated Resource Estimates for the Rockface Underground Deposit, NT

H&S Consultants Pty Ltd ("H&SC") was commissioned by KGL Resources Ltd ("KGL") to complete updated mineral resource estimates for the Rockface Deposit, part of its Jervois Copper Project in the Northern Territory, 380kms north east of Alice Springs. The target commodity is copper with subordinate silver and gold. The estimates have been reported in accordance with the 2012 JORC Code and Guidelines.

A total of four deposits comprise the project, namely Marshall-Reward (including Reward East and Sykes), Green Parrot, Bellbird including Bellbird North and Rockface. The current round of work involved completing updated resource estimates for the Rockface Underground lodes from the recent infill drilling.

The mineralisation for the project consists of a series of complex, narrow, structurally controlled, sub-vertical sulphide/magnetite-rich deposits hosted by Proterozoic-aged, amphibolite grade metamorphosed sediments of the Arunta Inlier. Mineralisation is characterised by masses, veinlets and disseminations of chalcopyrite in the fresh rock zone with malachite/azurite/chalcocite in the vertically-limited oxide zone. In addition, smaller scale lenses of high grade galena (and sphalerite) semi-massive to massive mineralisation occur locally in fresh rock with oxide equivalents including cerussite and anglesite. Generally, these lenses are associated with more carbonate-rich host rocks occurring at Green Parrot, Reward and Bellbird North.

KGL has supplied the drillhole database for the deposit, which H&SC has accepted in good faith as an accurate, reliable and complete representation of the available data. The responsibility for quality control resides solely with KGL. H&SC performed very limited validation of the data and noted no issues with the Rockface data. The drillhole database for Jervois is satisfactory for resource estimation purposes.

A brief review of the QAQC procedures and outcomes for the Rockface drilling indicates no obvious issues with the drilling, sampling or analytical data.

The updated resource estimates for Rockface are based almost entirely on recent KGL diamond drilling (100 holes for 38,410m) on approximately 50m centres. All drillhole intercepts are at relatively steep angles to the mineralisation and nearly all holes intersect the hangingwall and footwall contacts of the mineralisation. Core recoveries for the recent drilling have been very good globally averaging over 96.6%.

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H&SC updated the geological interpretation for Rockface using a nominal copper cut-off grade of 0.4 to 0.5% in conjunction with advice from KGL, geological logging, downhole geophysics, multi-element assays and geological sense. The cross-sectional interpretation has been completed on a 25m spacing. At Rockface mineralisation has been interpreted as two pairs of steeply-dipping copper lodes, as steeply plunging oreshoots, within a broader magnetite-rich zone, namely the Hangingwall ("HW") and Footwall ("FW") Main Lodes and the Hangingwall and Footwall North Lodes. It is uncertain at this stage if the repeated pair to the north is a fault offset of the main pair or the product of an isoclinal fold with a sub-vertical fold hinge. There is some evidence that the two North Lodes merge in the west. It is apparent that copper mineralisation forms both sharp and gradational contacts with the host rocks.

The HW Main Lode mineralisation for Rockface has dimensions of 200m along strike (E-W), 900m down dip and averages 6m in true thickness. It is traceable from surface outcrop. The FW Main Lode mineralisation virtually mirrors the orientation, strike and dip dimensions of the HW Main Lode but is considerably narrower and generally of lower grade, whereas the North Lodes are smaller in strike length, width and dip extent.

A total of 998 1m composites for all the Rockface lodes were extracted from the drillhole database constrained by the mineral wireframes. The HW Main Lode comprised the dominant number of data points at 582. The composites exhibit a strong correlation between copper and silver and a weak to moderate gold to silver correlation. Variography showed poor/limited continuity for all three elements which is due to a combination of the lack of drilling data, the narrowness of the lodes and subtle undulations in both dip and strike of the mineralisation.

Search domains reflecting subtly variable dip angles were created for the HW (3 zones) and FW (2 zones) Main Lodes, whilst 3 search domains, for changing strike, were generated for the HW North Lode; the FW North Lode had a single search domain.

Metal grade interpolation used Ordinary Kriging on the individual lode composites using the GS3 modelling software. Models were then loaded into the Surpac mining software for block model validation, resource reporting and further mining studies. Block size for Rockface was 15m by 2m by 15m (X, Y & Z) with 3.75m by 0.5m by 3.75m sub-blocking. A 3 pass search strategy was employed with an initial Indicated Resource search (Pass 1) of 60m by 5m by 60m with a minimum number of 12 data and 4 octants. This was expanded in two stages to an Inferred Resource maximum search (Pass 3) of 105m by 9m by 105m with a minimum of 6 data and 2 octants. A second 3 pass search strategy (Passes 4 to 6) was used to define exploration potential within the interpreted mineral wireframes with a search radius reaching to 144m by 18m by 144m with minimum data for the Pass 4 search being 6 decreasing to 3 for the Pass 6 search. The only hard boundaries were the mineral wireframes. All reported mineralisation is below the base of oxidation.

Density grades for Rockface were interpolated for the whole area using Ordinary Kriging on 5,570 sample points in the drillhole database unconstrained by the mineral wireframes. The density grade interpolation used a similar search strategy as for the metal grade interpolation with the inclusion of the second 3 pass search strategy. The density modelling method ensured densities peripheral to the mineralisation were interpolated in anticipation of use in mine planning studies.

Block model validation consisted of visual comparison of block grades with drillhole assays and composite values, a review of the summary statistics for the block grades and composite values, including analyses of cumulative frequency curves for each mineralised zone. No significant issues were noted. The updated estimates show a minor increase in overall tonnes of 12% that is offset by

an 11% drop in copper grade leading to an overall decrease in copper metal tonnes of <1%. The tonnage increase is due to an expanded geological model based on the recent drilling but has now included more peripheral lower grade mineralisation and hence the drop in grade. Of more significance is the increase in Indicated Resource from 17% of the total to 62%, which was the intention of the infill drilling.

Reporting of the new Mineral Resource estimates for the Rockface underground deposit uses a 1 % copper cut off for all block centroids inside the relevant mineral wireframes below a 200mRL elevation. This elevation is a nominal figure supplied by KGL for proposed underground extraction.

KGL has informed H&SC that they intend to selectively mine the deposit in an underground extraction scenario. The resource estimates have been modelled and classified on this assumption. The resource estimates are classified as Indicated and Inferred with the classification of the estimates based primarily on the drillhole/sample spacing, the geological model, QA/QC outcomes and drillhole recoveries, all from recent drilling by KGL. The new resource estimates for the Rockface deposit are included below.

Rockface Underground								
Category	**Mt**	**Cu %**	**Au g/t**	**Ag ppm**	**Cu T**	**Au ozs**	**Ag Mozs**	**Density t/m³**
Indicated	1.87	2.99	0.21	16.1	55,900	12,500	0.97	3.67
Inferred	1.71	2.12	0.20	14.8	36,250	10,950	0.81	3.38
Total	**3.58**	**2.58**	**0.20**	**15.5**	**92,150**	**23,450**	**1.78**	**3.53**

(minor rounding errors)

Exploration potential for the copper mineralisation is rather limited within the mineral wireframes comprising peripheral blocks to the defined resource estimates and amounts to:

0.1 to 0.2Mt @ 2 to 3%Cu, 0.2 to 0.3g/t Au, 15 to 30ppm Ag

The potential quantity and grade of the Exploration Potential is conceptual in nature and there has been insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will result in the determination of a Mineral Resource.

There is some potential for expanding the North Lodes to the east as significant high grade mineralisation remains open in that direction at potentially rising elevations.

Future work should involve extensional and infill drilling to both expand and upgrade the quality of the resource estimates. This would comprise:

1. Extensional drilling of the North lodes primarily to the east.
2. Closer spaced drilling for a selected sub-area for Rockface to better define grade continuity and to get a better understanding of the likely infill drill spacing required to upgrade the deposit to Measured.
3. Consider more analysis of the drilling data to better define geological controls to mineralisation eg develop a lithology interpretation for Rockface using logging and multi-element data.
4. Review all drilling identifying fault structures in holes and attempt to produce a more definitive 3D structural interpretation; this will benefit from using the surface mapping and fault interpretation of geophysical data e.g. airborne magnetics.

A series of figures and tables appear in Appendix 1.

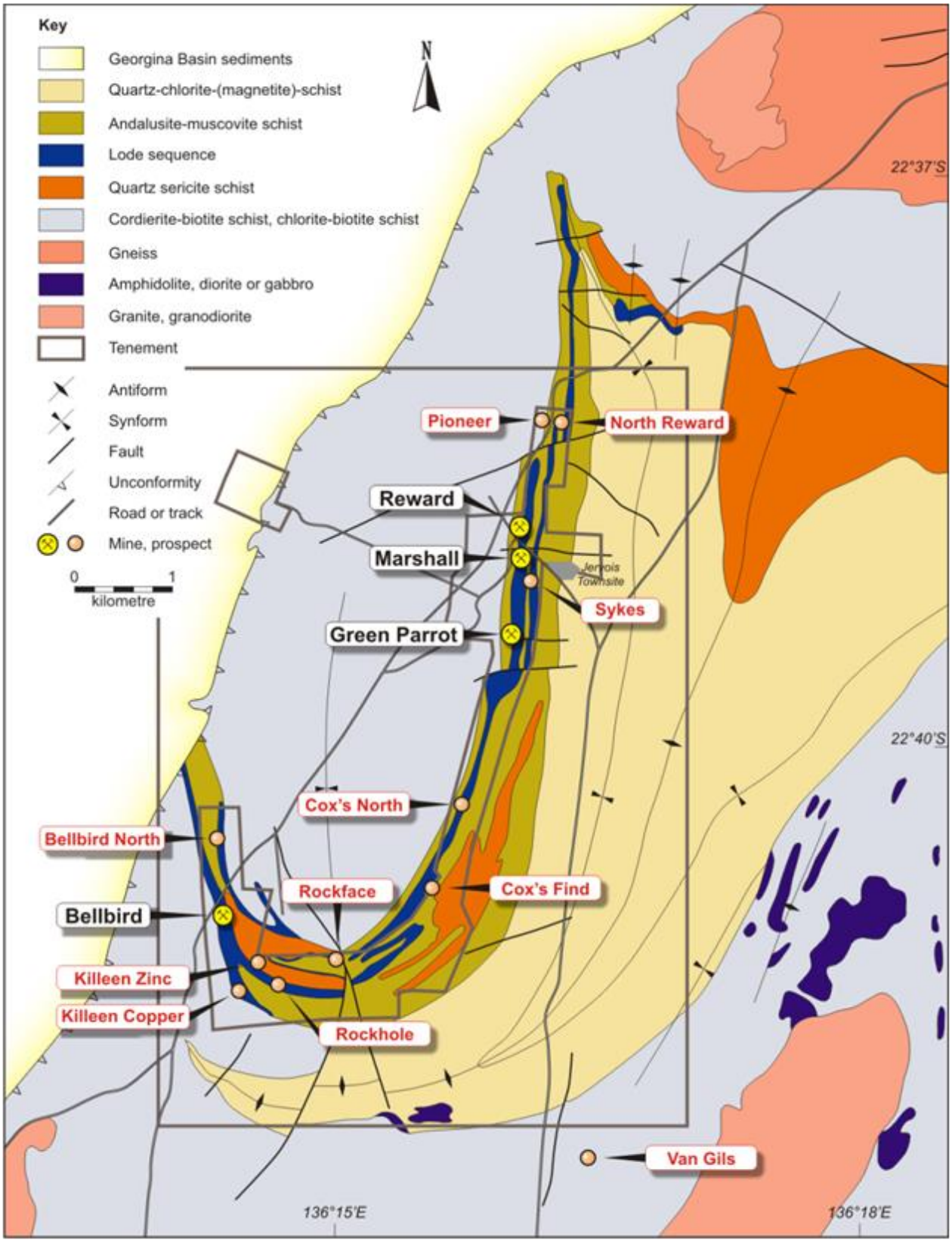
Simon Tear
Director and Consulting Geologist
H&S Consultants Pty Ltd

The data in this report that relates to Exploration Results for the Jervois Copper Project is based on information evaluated by Adriaan van Herk who is a Member of The Australasian Institute of Geologists (MAIG) 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 van Herk is an employee of KGL Resources Ltd and he consents to the inclusion in the report of the Mineral Resource in the form and context in which they appear.

The data in this report that relates to Mineral Resource Estimates for the Jervois Copper Project 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 Director 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.

Appendix 1

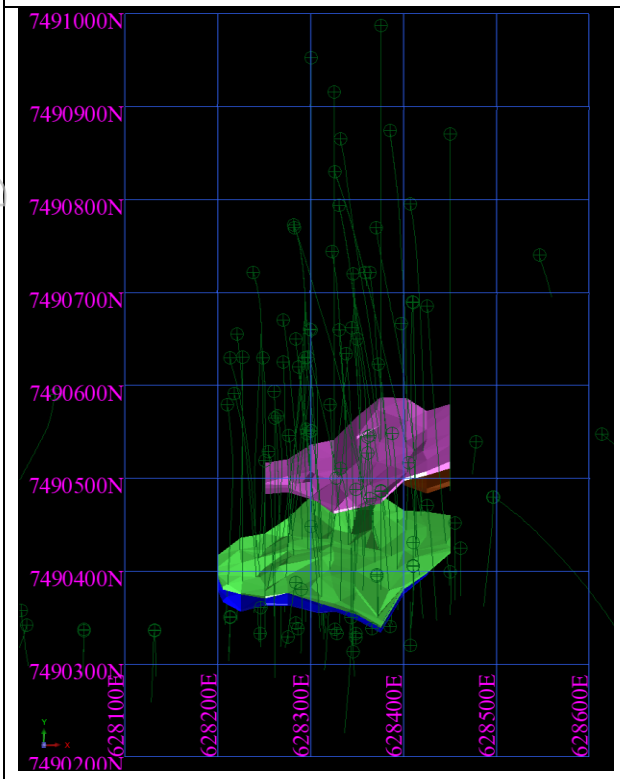
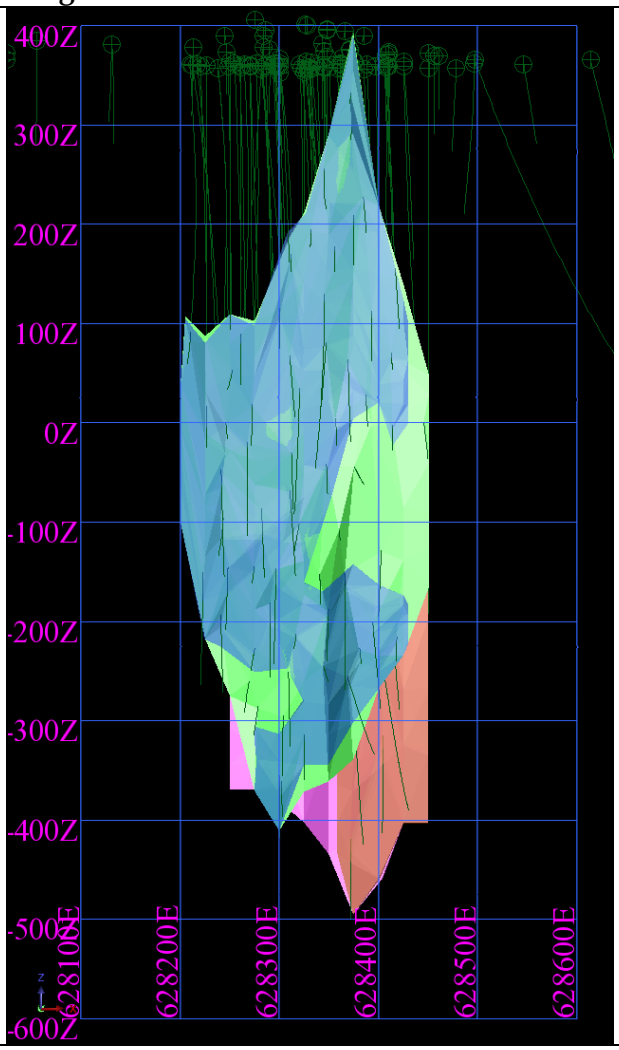
Jervois Project Location Map



(source: KGL)

Examples of the geological interpretation for the mineral lodes for both areas are included below.

Rockface Geological Interpretation of Copper Lodes

Plan View	Long Section View
	

(green = HW Main Lode; blue = FW Main Lode; purple = HW North Lode; brown = FW North Lode; dark green = drillhole traces)

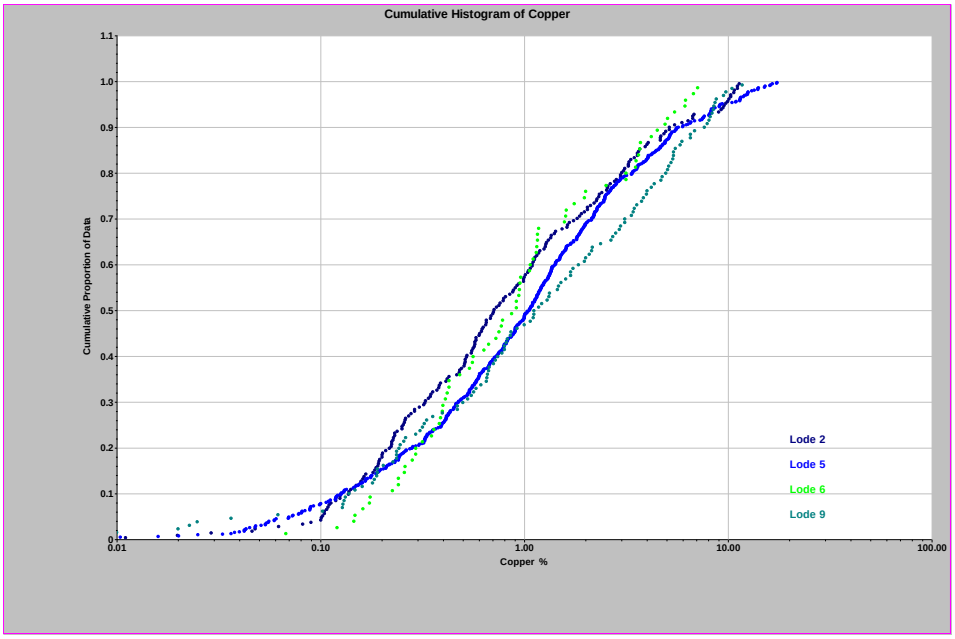
Summary statistics for the Rockface lodes are included below. The well-structured data and the relatively low coefficients of variation ("CV" = SD/mean) suggest that the data is not skewed and that no top cutting of the data is required. The data suggests that there are similarities between the two HW lodes and the two FW lodes which could imply that the northern pair of lodes is in fact a faulted offset of the main lodes rather than the alternate limb of an isoclinal fold.

Rockface Univariate Statistics for Composites

	FW Main Lode			HW Main Lode		
	Copper	*Gold*	*Silver*	*Copper*	*Gold*	*Silver*
Mean	1.929	0.156	8.932	2.260	0.141	12.340
Median	0.711	0.04	3.965	1.05535	0.06	6
Mode	0.1041	0.005	1	1.13	0.005	1
Standard Deviation	2.75	0.37	11.55	3.21	0.23	16.23
Sample Variance	7.54	0.14	133.40	10.28	0.05	263.42
Coeff of Variation	1.42	2.36	1.29	1.42	1.60	1.32
Kurtosis	3.92	44.44	2.99	6.70	20.71	6.18
Skewness	2.15	5.78	1.91	2.52	3.74	2.37
Range	11.965	3.67	53.15	18.7445	2.285	93.85
Minimum	0.011	0.005	0.25	0.0055	0.005	0.25
Maximum	11.976	3.675	53.4	18.75	2.29	94.1
Count	211	211	211	582	582	582
	FW North Lode			**HW North Lode**		
	Copper	*Gold*	*Silver*	*Copper*	*Gold*	*Silver*
Mean	1.674	0.252	12.663	2.528	0.264	19.095
Median	0.9109	0.088	5.19	1.1413	0.1704	10.106
Mode	#N/A	0.005	2	#N/A	0.005	1
Standard Deviation	1.97	0.47	15.40	2.91	0.35	23.61
Sample Variance	3.89	0.22	237.22	8.47	0.13	557.54
Coeff of Variation	1.18	1.85	1.22	1.15	1.34	1.24
Kurtosis	2.29	15.99	1.62	1.00	14.88	12.90
Skewness	1.71	3.67	1.55	1.37	3.17	2.81
Range	8.6864	2.9334	58.56	11.7324	2.5322	171.47
Minimum	0.0675	0.005	0.35	0.0073	0.005	0.25
Maximum	8.7539	2.9384	58.91	11.7397	2.5372	171.72
Count	75	75	75	130	130	130

A plot of the cumulative frequency curves for copper for the four lodes is included below. It confirms that the copper mineralisation in the four lodes is of a relatively similar origin.

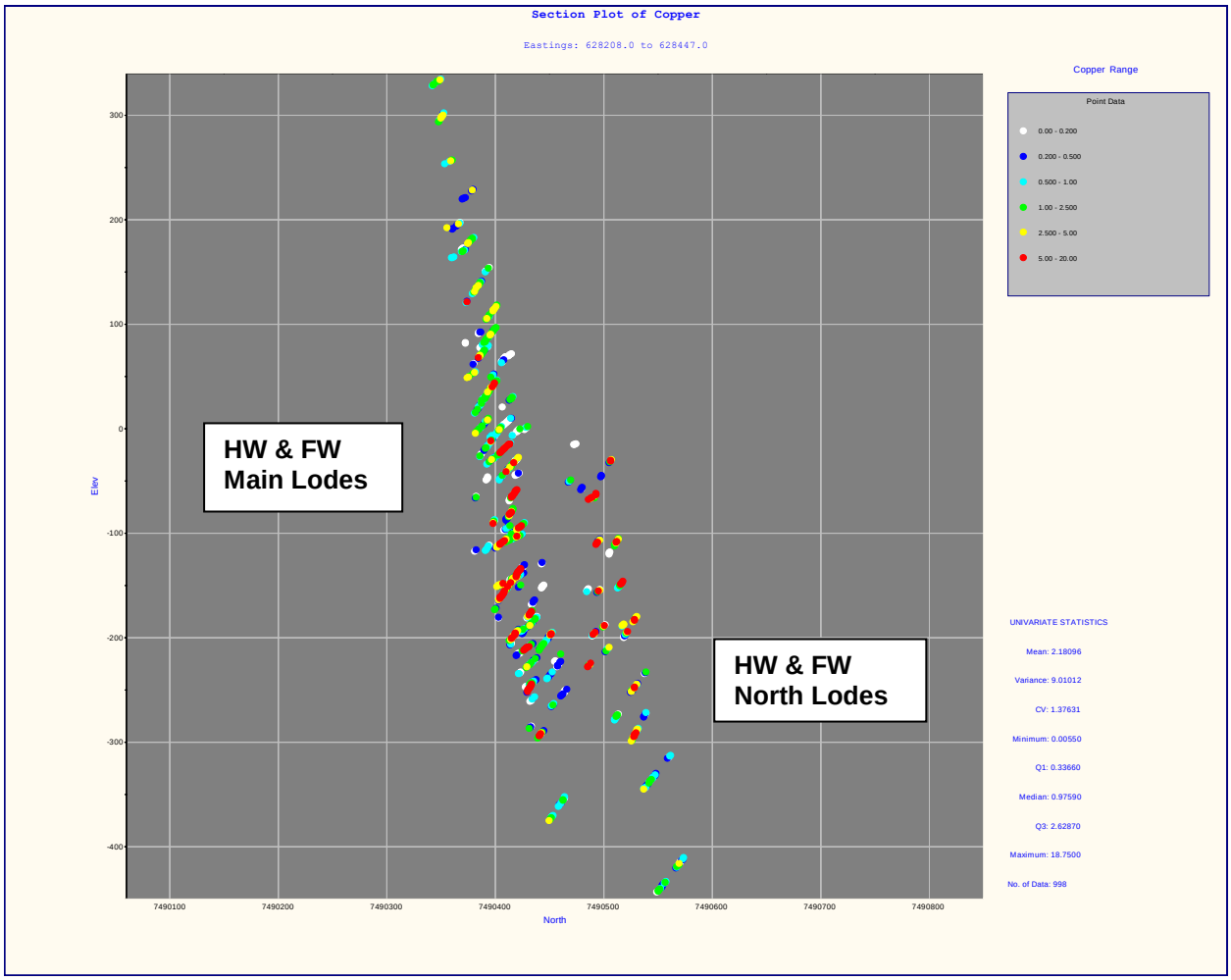
Cumulative Frequency Curves for Copper Composites All Lodes



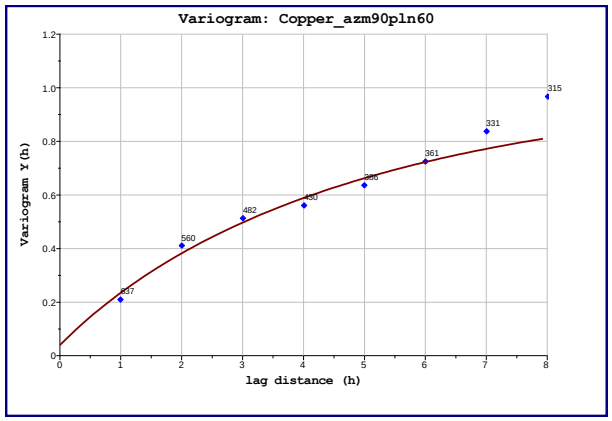
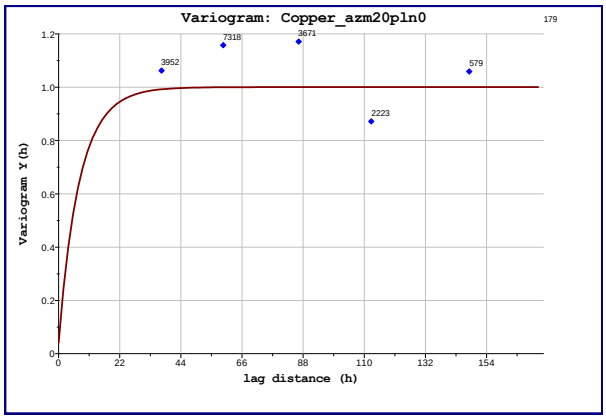
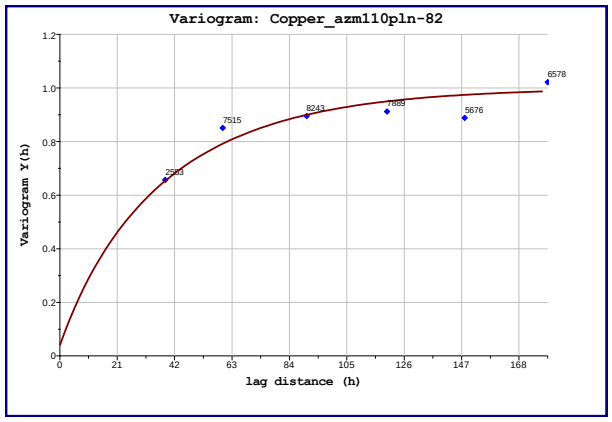
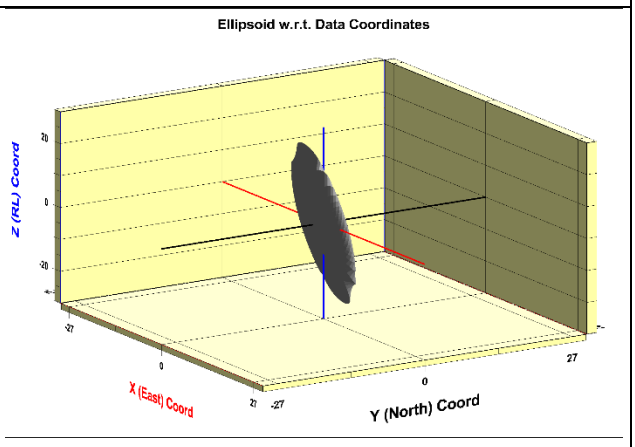
(Lode 2 = FW Main Lode; Lode 5 = HW Main Lode; Lode 6 = FW North Lode; Lode 9 = HW North Lode)

An example of the copper composite distribution for the Rockface lodes is included below.

Rockface Composite Data Distribution Copper Cross Section



An example of the experimental variograms and the 3D variogram model for the HW Main Lode is included below.

Downhole Variogram	Along Strike Variogram
	
Down Dip Variogram	**3D Variogram Model**
	

Details of the search parameters for the Rockface lodes are included below. Several rotations were used to reflect the subtle changes in dip and strike of the lodes.

Search Parameters for Grade Interpolation

Rockface	Pass 1	Pass 2	Pass 3	Pass 4	Pass 5	Pass 6
X	60	105	105	120	144	144
Y	5	9	9	15	18	18
Z	60	105	105	120	144	144
Min Data	12	12	6	6	6	3
Max Data	32	32	32	32	32	32
Min Octants	4	4	2	2	2	1
Rotations	**Main Lodes**					
	HW				FW	
X	8	16	2		8	16
Y	0	0	0		0	0
Z	10	10	10		10	10
Rotations	**North lodes**					
	HW				FW	
X	10	9	10		9	
Y	0	0	0		0	
Z	26	10	2		0	

(trigonometrical convention for rotations)

Estimation results for the pass categories for the Rockface underground mineralisation are reported below for block centroids inside the relevant mineral wireframe at a 1% copper cut off below the 200mRL level.

Rockface Estimation Results

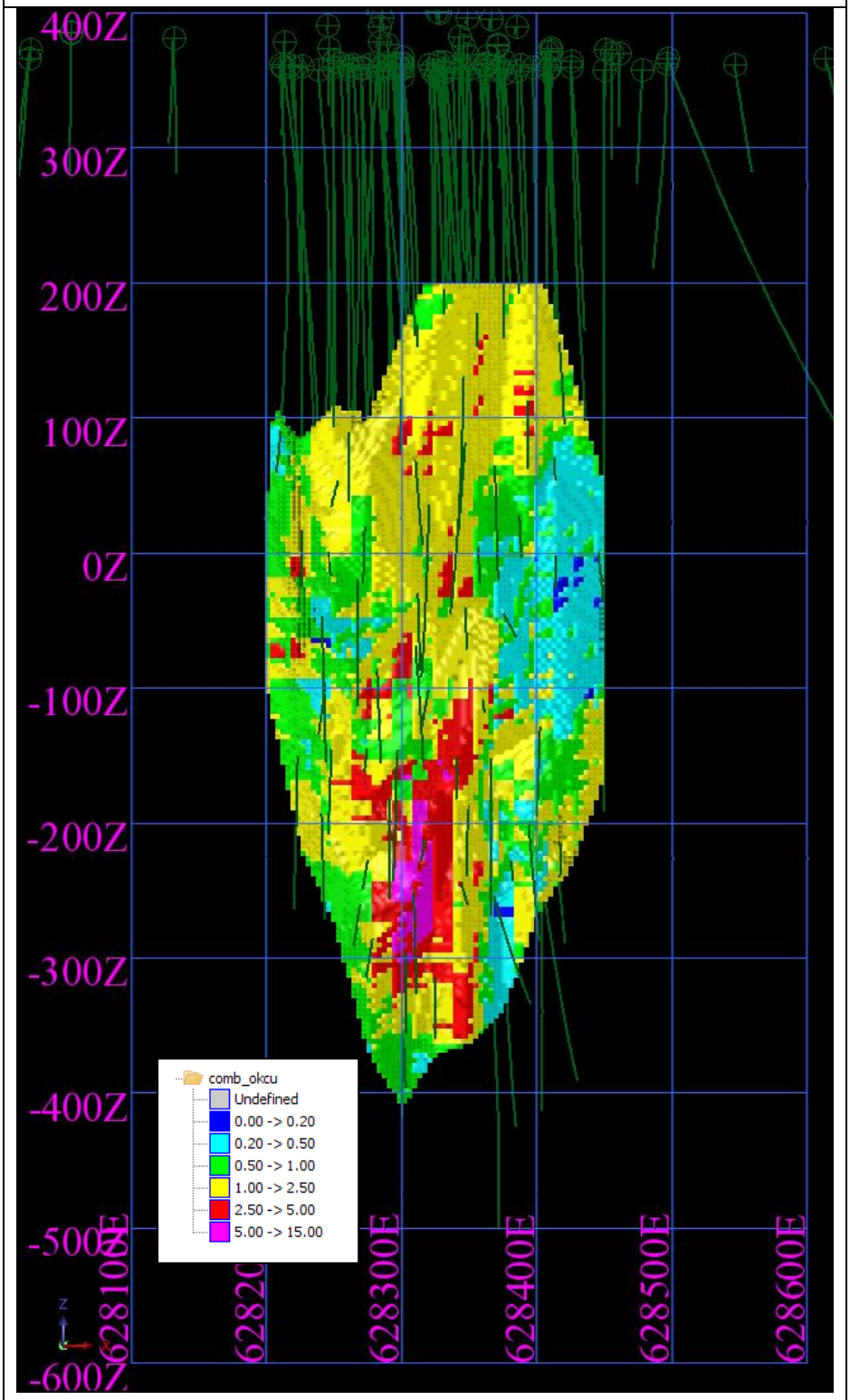
Rockface HW Main Lode									
Pass	**Volume**	**Tonnes**	**Cu %**	**Au g/t**	**Ag ppm**	**Cu T**	**Au Ozs**	**Ag Ozs**	**Density t/m³**
Pass 1	488,412	1,801,179	2.75	0.17	15.0	49,604	9,846	865,840	3.69
Pass 2	55,807	189,845	1.54	0.09	9.4	2,918	543	57,564	3.40
Pass 3	40,641	126,866	1.48	0.10	7.8	1,875	408	31,941	3.12
Pass 4	7,348	21,561	1.80	0.09	7.8	389	64	5,387	2.93
Pass 5	218	615	1.83	0.13	7.2	11	2	142	2.82
Pass 6	0	0	0.00	0.00	0.0	0	0	0	
Total	**592,425**	**2,140,066**	**2.56**	**0.16**	**14.0**	**54,786**	**10,872**	**960,621**	**3.61**
Rockface FW Main Lode									
Pass	**Volume**	**Tonnes**	**Cu %**	**Au g/t**	**Ag ppm**	**Cu Ts**	**Au Ozs**	**Ag Ozs**	**Density t/m³**
Pass 1	72,830	248,270	3.51	0.31	15.5	8,704	2,451	123,736	3.41
Pass 2	35,888	119,118	2.13	0.17	9.6	2,535	640	36,655	3.32
Pass 3	19,716	63,673	1.42	0.06	6.6	905	129	13,410	3.23
Pass 4	4,001	12,475	1.57	0.08	7.7	195	34	3,069	3.12
Pass 5	2,482	7,969	1.64	0.08	7.6	131	20	1,945	3.21
Pass 6	246	830	1.24	0.04	6.1	10	1	163	3.37
Total	**135,162**	**452,335**	**2.76**	**0.23**	**12.3**	**12,480**	**3,273**	**178,898**	**3.35**
Rockface HW North Lode									
Pass	**Volume**	**Tonnes**	**Cu %**	**Au g/t**	**Ag ppm**	**Cu T**	**Au Ozs**	**Ag Ozs**	**Density t/m³**
Pass 1	33,806	120,175	3.29	0.36	22.3	3,955	1,387	86,016	3.55
Pass 2	69,827	238,202	2.60	0.28	18.5	6,186	2,145	141,619	3.41
Pass 3	77,273	265,831	2.87	0.32	27.0	7,624	2,693	230,615	3.44
Pass 4	20,855	67,023	2.89	0.35	26.6	1,940	756	57,217	3.21
Pass 5	7,327	24,040	2.87	0.32	27.5	691	249	21,226	3.28
Pass 6	4,521	15,366	2.17	0.20	44.2	333	99	21,838	3.40
Total	213,609	730,637	2.84	0.31	23.8	20,728	7,330	558,432	3.42
Rockface FW North Lode									
Pass	**Volume**	**Tonnes**	**Cu %**	**Au g/t**	**Ag ppm**	**Cu T**	**Au Ozs**	**Ag Ozs**	**Density t/m³**
Pass 1	10,294	38,978	2.49	0.32	19.5	971	395	24,477	3.79
Pass 2	34,770	125,014	2.07	0.30	16.7	2,593	1,186	67,250	3.60
Pass 3	70,193	226,146	1.85	0.24	14.5	4,193	1,709	105,438	3.22
Pass 4	2,559	7,610	1.53	0.13	11.7	117	32	2,868	2.97
Pass 5	0	0	0.00	0.00	0.0	0	0	0	
Pass 6	204	617	1.55	0.12	3.8	10	2	75	3.02
Total	**118,020**	**398,365**	**1.98**	**0.26**	**15.6**	**7,884**	**3,318**	**200,079**	**3.38**

(use of significant figures does not imply accuracy)

An example of the copper block grade distribution is included below for the HW Main Lode. The figure represents all interpolated copper grades for both 3 pass search strategies at a 0% copper cut off. (note the amount of Pass 4, 5 & 6 material is very small)

Rockface HW Main Lode Copper Block Grade Distribution

Cu >=0% All Pass Categories <200mRL



(long section view looking north)

Classification of the resource estimates is derived from the search passes and is detailed below.

Rockface Resource Classification

Classification	Pass Category
Indicated	Pass 1
Inferred	Pass 2 & Pass 3
Exploration Potential	Passes 4, 5 & 6

Other considerations in the classification include the following:

Positive

- Drilling is very recent comprising virtually all diamond drilling with multi-element assays
- Gyroscopic downhole surveys for all holes
- Reasonably spaced drilling adequate for Indicated Resources
- Copper, gold and silver composite data does not appear to be skewed such that Ordinary Kriging is an appropriate modelling method; no top cuts are required
- A reasonably good geological understanding of the deposit and the controls to mineralisation
- QAQC for the recent drilling has indicated no obvious issues with the sampling, sample preparation or analysis
- A substantial amount of quality density data modelled using Ordinary Kriging
- >96.6% core recoveries

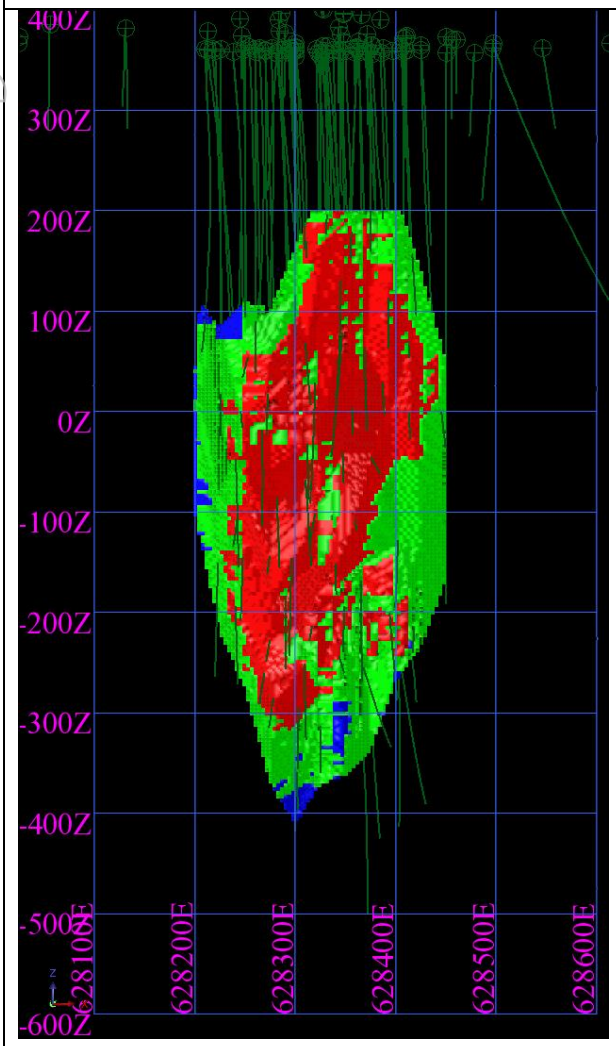
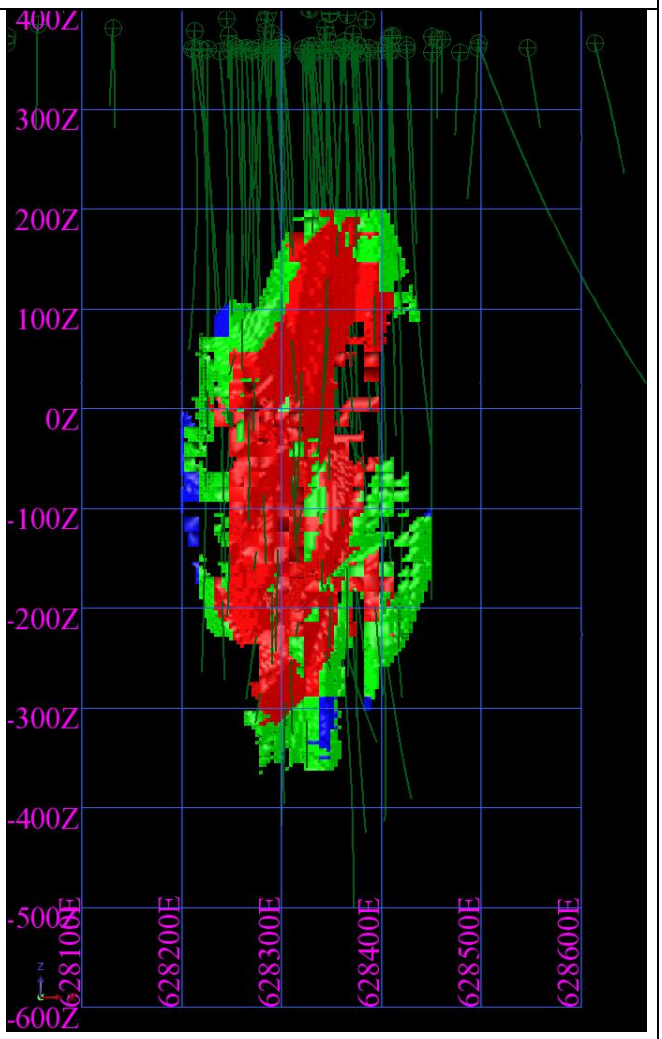
Negative

- Lack of close spaced drilling in most areas lending itself to relatively poor variography
- Narrow nature to the mineralisation with undulations in dip and strike and possible minor offset faulting.

An example of the classification of the Rockface Underground resource estimates for the HW Main Lode is included below. The small amount of Inferred Resource in the middle of the Indicated material in the right-hand figure is a thin skin of material caused by a thicker than usual mineral zone in combination with an associated modest change in dip & strike.

Rockface Resource Category for Blocks

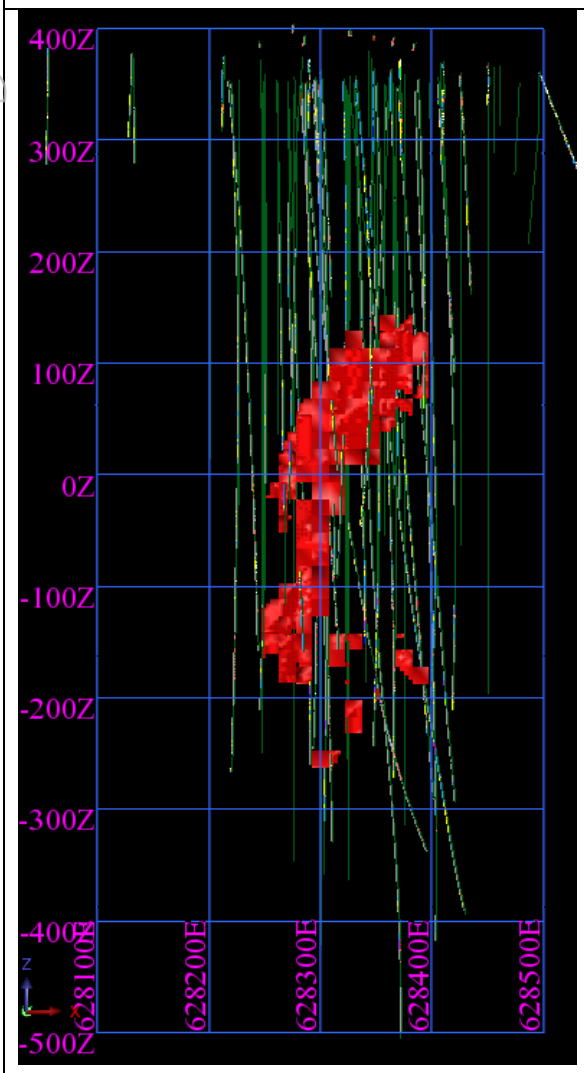
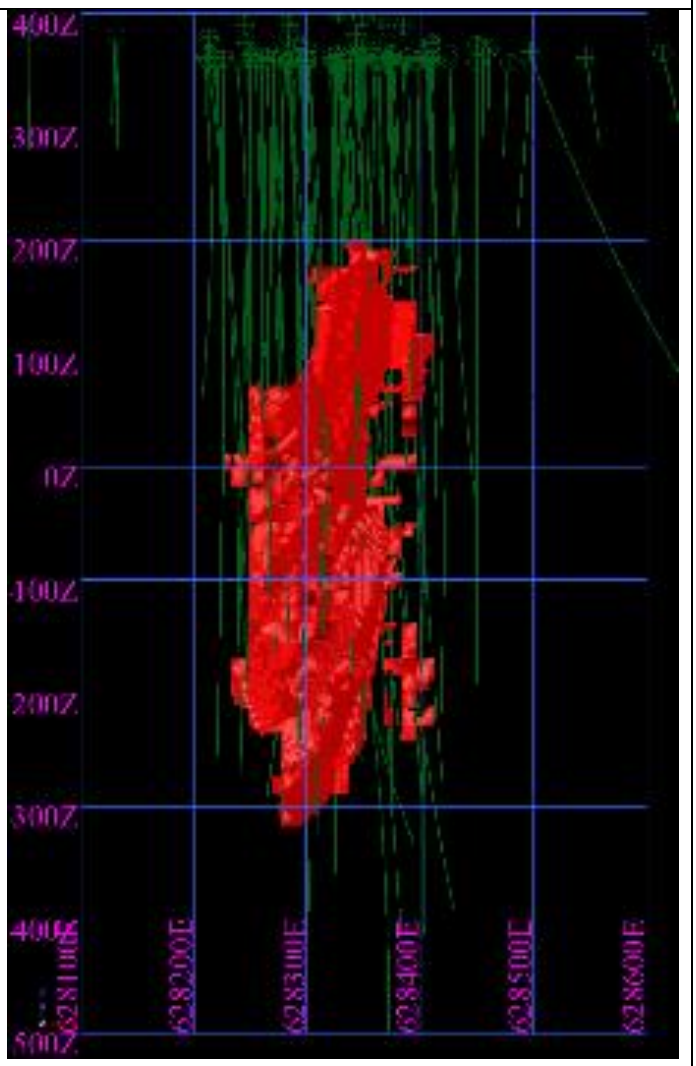
Rockface HW Main Lode (long section view looking north)

Cu >=0% All Passes <200mRL	**Cu >=1% All Passes <200mRL**
	

Red = Indicated Resources; Green = Inferred Resources; Blue = Exploration Potential

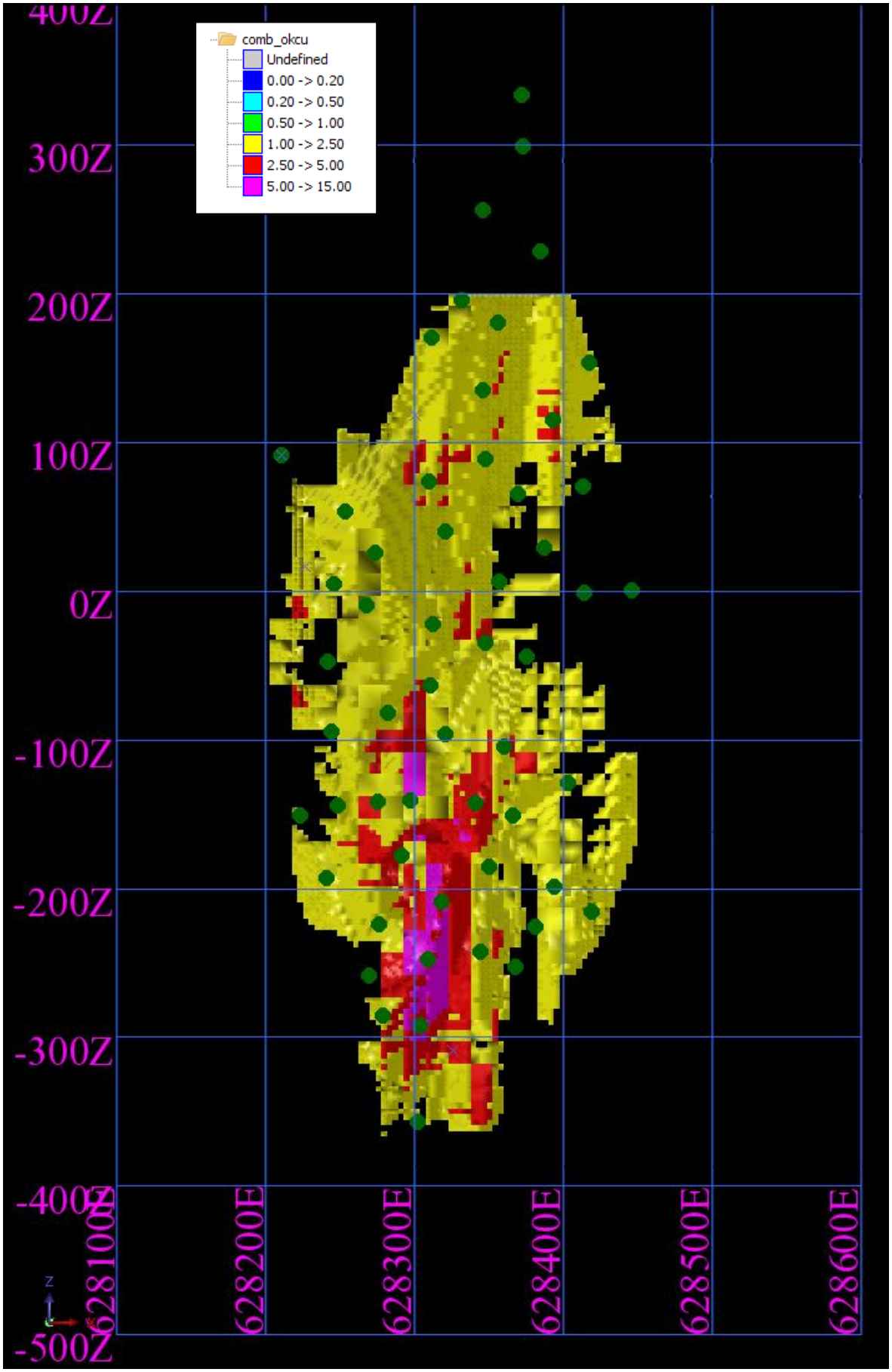
The figure below demonstrates the changes in the resource classification for the HW Main Lode that have resulted from the April to October 2018 infill drilling. The new Indicated Resources have shown a change of over 300% in the tonnes with a 20% drop in grade and 228% increase in copper metal. The drop in copper grade is due to the more recent infill drilling, since April 2018, generally being on the periphery of the mineralisation and returned a markedly lower average copper grade than the drilling pre-April 2018.

Change in Indicated Resources for HW Main Lode

Rockface HW Main Lode (long section view looking north) <200mRL	
Cu >=1% April 2018 Indicated Resources	**Cu >=1% Nov 2018 Indicated Resources**
	

The figure below represents the copper Mineral Resources for the Rockface HW Main Lode at a 1% copper cut off.

Rockface HW Main Lode Mineral Resource Estimates

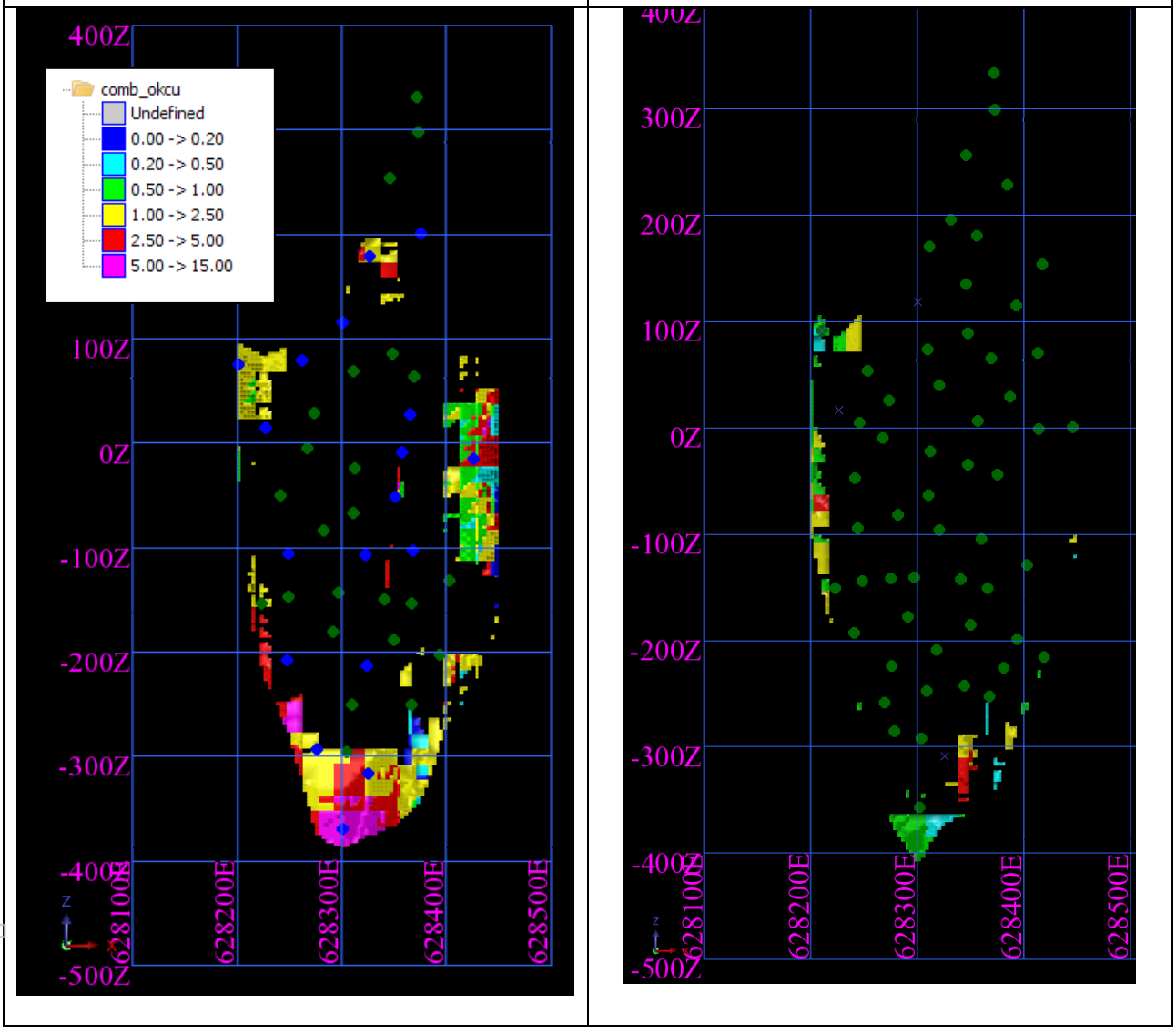


(green dots = pierce points for drilling)

Exploration potential for the Main Lode at Rockface is limited to peripheral material within the mineral wireframe shown in the right hand image of the figure below. It comprises material in the Pass 4 to Pass 6 categories where infill drilling could target clusters of blocks where the copper grade is above 1%. However the possibility of the discovering significant additional mineralisation is considered low at this stage.

Conversion of Exploration Potential to Resource for HW Main Lode

April 2018	November 2018



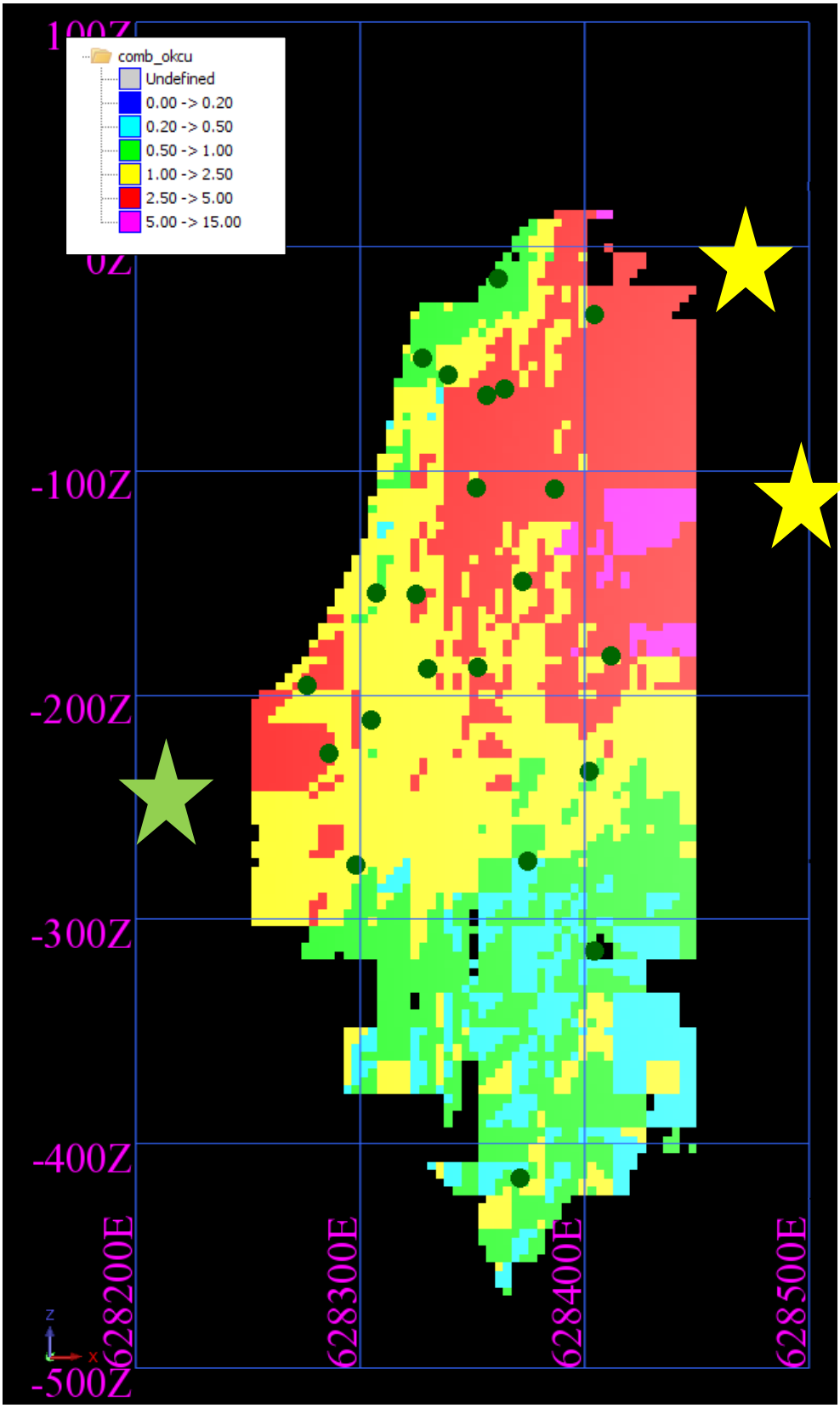
(green dots = pierce points for drilling)

The potential quantity and grade of the Exploration Potential is conceptual in nature and there has been insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will result in the determination of a Mineral Resource.

Exploration potential for the North Lode outside the current wireframe could be considered as much more optimistic. The figure below shows the copper block grades for the HW North Lode, along with the pierce points from drilling (green circles), and highlights a relatively high grade zone in the upper half of the lode. The figure clearly shows that the deposit is open to the east (yellow stars) where further drilling has the good chance of extending the deposit. This is also the possibility of

additional resources to the west (green star) as that is also open albeit on a smaller scale and at greater depths.

Exploration Potential for the HW North Lode



(green dots = pierce points for drilling)

Jervois Copper Project Mineral Resource Estimates

Jervois Dec 2018	Category	Mt	Cu %	Ag g/t	Pb %	Zn %	Cu Kt	Ag Mozs	Lead Kt	Zinc Kt	Cu cut off %
Marshall OP	Indicated	1.4	1.45	35.6			20.1	1.6			0.5
Reward OP	Indicated	3.4	1.11	25.8			38	2.8			0.5
Reward UG	Indicated	0.8	2.27	37.9			17.6	0.9			1
Bellbird OP	Indicated	4	1.21	8.6			48.6	1.1			0.5
Bellbird UG	Indicated	0.2	1.84	12			3.9	0.1			1
Rock Face UG	Indicated	1.9	2.99	16.1			55.9	1			1
Marshall OP	Inferred	0.3	0.9	20.2			2.6	0.2			0.5
Reward OP	Inferred	0.3	0.92	16.6			2.7	0.2			0.5
Reward UG	Inferred	3.8	1.91	33.2			73.2	4.1			1
Reward E OP	Inferred	0.5	0.78	6.6			3.8	0.1			0.5
Reward E UG	Inferred	0.7	1.45	12.9			10.3	0.3			1
Bellbird OP	Inferred	1.2	0.9	6.6			10.9	0.3			0.5
Bellbird UG	Inferred	1.7	2	12.7			33.6	0.7			1
Rock Face UG	Inferred	1.7	2.12	15.5			36.3	0.8			1
	Sub-total	**21.9**	**1.63**	**20.2**			**357.5**	**14.2**			
Lead Resource											
Reward	Indicated	0.5	0.74	70.7	6.84	0.9	3.6	1.1	33.6	4.4	None
Green Parrot	Indicated	0.5	0.99	64	0.92	0.63	5.1	1.1	4.7	3.2	0.3
Reward	Inferred	0.8	0.51	90.9	8.64	1.17	4.1	2.3	69.4	9.4	None
Green Parrot	Inferred	1.4	0.81	78	1.78	0.93	11.1	3.4	24.4	12.8	0.3
Bellbird North	Inferred	0.7	0.57	17.9	1.71	2.52	3.8	0.4	11.3	16.7	0.2
	Sub-total	**3.8**	**0.72**	**67.5**	**3.74**	**1.21**	**27.7**	**8.3**	**143.5**	**46.5**	
TOTAL	Indicated	12.7	1.52	23.8			192.8	9.7			
	Inferred	13.1	1.47	30.4			192.4	12.8			
	TOTAL	**25.8**	**1.49**	**27.1**			**385.2**	**22.5**			

(minor rounding errors)(UG = underground; OP = Open Pit)

+Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

KGL Resources

ABN	**Quarter ended ("current quarter")**
52 082 658 080	31 Dec 2018

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
1.	**Cash flows from operating activities**	-	-
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	(5,033)	(13,343)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(179)	(658)
	(e) administration and corporate costs	(74)	(702)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	70	265
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Research and development refunds	-	-
1.8	Restructuring costs	(163)	(163)
1.9	**Net cash from / (used in) operating activities**	**(5,379)**	**(14,601)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(66)	(143)
	(b) tenements (see item 10)	-	-
	(c) investments	–	–
	(d) other non-current assets	–	–

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(66)**	**(143)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares	-	13,179
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(38)	(69)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**(38)**	**13,110**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**	**16,198**	**12,349**
4.1	Cash and cash equivalents at beginning of period		
4.2	Net cash from / (used in) operating activities (item 1.9 above)	**(5,379)**	**(14,601)**
4.3	Net cash from / (used in) investing activities (item 2.6 above)	**(66)**	**(143)**
4.4	Net cash from / (used in) financing activities (item 3.10 above)	**(38)**	**13,110**
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**10,715**	**10,715**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	314	504
5.2	Call deposits	10,401	15,694
5.3	Trust	-	-
5.4	Bank overdrafts		
5.5	Other (provide details)		
5.6	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**10,715**	**16,198**

6.	**Payments to directors of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to these parties included in item 1.2	57
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Remuneration and expenses paid to executive and non-executive directors for the quarter.

7.	**Payments to related entities of the entity and their associates**	**Current quarter $A'000**
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

8.	**Financing facilities available** *Add notes as necessary for an understanding of the position*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

9.	**Estimated cash outflows / (inflows for next quarter**	**$A'000**
9.0	Equity Raising	-
9.1	Exploration and evaluation	1,924
9.2	Development (Jervois Project)	686
9.3	Production	-
9.4	Staff costs	167
9.5	Administration and corporate costs	235
9.6	Fixed Assets	82
9.7	**Total estimated cash outflows / (inflows)**	**3,094**

10.	**Changes in tenements (items 2.1(b) and 2.2(b) above)**	**Tenement reference and location**	**Nature of interest**	**Interest at beginning of quarter**	**Interest at end of quarter**
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Sign here: ..... Date: .....23/01/2019.....
(Director/Company secretary)

Print name: .....Kylie Anderson.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.

2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.