KGL Resources Report Highest Jervois Silver Grade of 2,350 g/t at Reward

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Brisbane, Australia (ABN Newswire) - KGL Resources (ASX:KGL) Report Highest Jervois Silver Grade of 2,350 g/t at Reward.

- In-fill drilling at Reward intercepts highest ever silver grade of 2,350g/t

- High gold grades in the zone between Marshall and Reward 28m @ 1.55 % Cu and 2.49 g/t Au

Reverse circulation (RC) hole JOC266 drilled at Reward recorded the highest ever silver grade of 2,350g/t at Jervois beating the previous highest of 1,650g/t at Green Parrot. Best results from JOC266 include:

- 4m @ 3.24% Cu, 0.83% Pb, 1.17% Zn, 66g/t Ag, 0.36g/t Au from 9 m

- 9m @ 0.59% Cu, 3.6% Pb, 0.54% Zn, 419.7g/t Ag, 0.5g/t Au from 14 m

Including 1m @ 2.71% Cu, 15.7% Pb, 0.28% Zn, 2350g/t Ag, 2.01g/t Au from 19 m (Hole JOC266)

RC hole JOC268 drilled at Reward intersected high copper, silver and gold grades over a broad interval with an exceptionally high grade gold zone in the foot wall of the mineralisation.

- 28m @ 1.55% Cu, 0.14% Pb, 0.13% Zn, 37.8g/t Ag, 2.49g/t Au from 2 m

Including 2m @ 2.24% Cu, 0.15% Pb, 0.13% Zn, 24.2g/t Ag, 27.85g/t Au from 28 m (Hole JOC268)

RC Hole JOC270 drilled at the southern end of Reward again intercepted good copper, silver and gold grades

- 36m @ 2.08% Cu, 0.15% Pb, 0.36% Zn, 37.4g/t Ag, 0.9g/t Au from 93 m

- 13m @ 1.54% Cu, 13.4g/t Ag, 0.66g/t Au from 141 m

At the northern end of Green Parrot RC hole JOC241 intersected further shallow mineralisation

- 19m @ 0.9% Cu, 0.52% Pb, 0.66% Zn, 67g/t Ag, 0.08g/t Au from 7 m

The broad zones of gold mineralisation intersected at Reward are encouraging and suggest gold mineralisation is more widespread that initially thought. Many of the old drill holes at Jervois drilled by previous companies were not assayed for gold.

KGL has consistently assayed for gold as part of the standard assay suite and reported the first gold resource for Jervois in 2011. The size of the gold resource has steadily increased as drilling has progressed.

Simon Milroy, the Managing Director of KGL Resources comments “these additional results from the resource definition program, and in particular the gold intersections are particularly pleasing because they are from within the newly optimised pit shell at Reward and will further improve the mining economics’.

Background

In May-June 2014 KGL completed a 177 hole reverse circulation program at Jervois for 9,653m. The drilling program was designed to improve delineation of shallow mineralisation and to improve interpretation of the oxidation boundaries within the regolith profile prior to a resource update.

The new resource was subsequently used for a pit optimisation that forms part of the preliminary feasibility study. The drilling returned high-grade shallow copper intersections that were better than anticipated because of supergene enrichment at the base of oxidation. Following the pit optimisation the current phase of shallow drilling was designed with the aim of converting all Inferred resources within the Marshall-Reward, Bellbird and Morley pits to the Indicated category and test for extensions beyond the pit designs.

To view figures, please visit:
http://media.abnnewswire.net/media/en/docs/78740-ASX-KGL-415490.pdf

About KGL Resources Limited:

KGL Resources Ltd. (ASX:KGL) is an Australian mineral exploration company focussed on increasing the high grade Resource at the Jervois Copper-Silver-Gold Project in the Northern Territory and developing it into a multi-metal mine.

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