KGL Resources Jervois Copper Mine
BANKABLE FEASIBILITY STUDY & EARLY WORKS



KGL is a junior miner developing the high-grade Jervois copper deposit. KGL intends to exploit the reserves to produce copper concentrate for sale and export.

The Project

The Jervois Copper Mine will extract the high-grade reserves from three locations on the mine lease. There will be two opencut and three underground mines. Concentrate will be shipped to customers and/or port by road trains.

Flagstaff was engaged to strengthen and supplement the KGL project team, including provision of the Project Director, to complete the Feasibility Study to bankable standard, to manage a Front End Engineering and Design (FEED) study for the concentrator, and to advance planning for execution starting with early works.



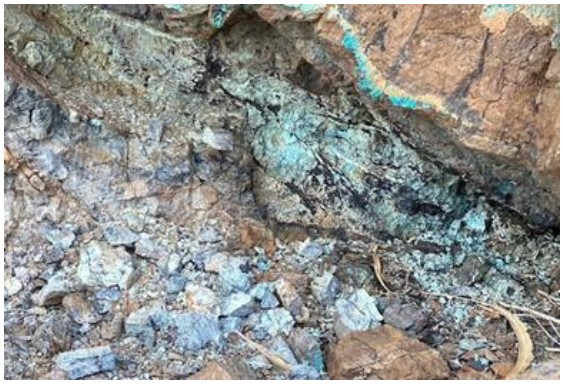


The Challenge

- Extremely remote location some 400km north-east of Alice Springs in the Northern Territory.
- Roads to access the site, and for product export including the Plenty Highway, routinely inundated during the gulf country wet season.
- Extremes of temperature in the summer.
- Controlling of a sole source plant EPC provider to ensure Client's interests were properly observed and protected.

The Outcome

- The business case for the mine development was thoroughly evaluated. The Internal Rate of Return to investors and the Net Present Value was modelled and determined.
- A comprehensive Feasibility Study report fully detailing the business case and project execution strategy was published within the schedule committed to the Client.
- The Contract for the FEED of the Concentrator was negotiated and awarded. The Contract was properly administered during Flagstaff's tenure.
- Early and pioneering works to maximise investor return were defined, planned, and prepared for commitment.



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