

# Notice of extraordinary general meeting

KGL Resources Limited ACN 082 658 080

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Notice is given that the extraordinary general meeting of KGL Resources Limited (KGL) will be held at:

Location	Offices of McCullough Robertson Lawyers, Level 11, 66 Eagle Street, Brisbane, Queensland, 4000
Date	Monday, 23 October 2017
Time	9.30am (Brisbane time)

## Special Business

Resolution 1 – Ratification of previous issue of Shares to institutional and sophisticated investors

To consider, and if in favour, pass the following resolution as an ordinary resolution:

‘That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders ratify the previous issue of 18,500,000 Shares at an issue price of \$0.30 per Share, as detailed in the Explanatory Memorandum.’

Note: KGL will disregard any votes cast by or on behalf of any person who participated in the issue of securities and any of their associates.

The Directors unanimously recommend that you vote in favour of Resolution 1.

Resolution 2 – Approval of issue of Shares to Mr Denis Wood

To consider, and if in favour, pass the following resolution as an ordinary resolution:

‘That for the purposes of ASX Listing Rule 10.11 and for all other purposes, shareholders approve the issue of 4,000,000 Shares to Mr Denis Wood (or entities controlled by him) at an issue price of \$0.30 per Share, on the terms set out in the Explanatory Memorandum.’

Note: KGL will disregard any votes cast by Mr Wood and any of his associates.

The Directors (with Mr Wood abstaining) recommend that you vote in favour of Resolution 2.

Resolution 3 – Approval of issue of Shares to Mr Ferdian Purnamasidi

To consider, and if in favour, pass the following resolution as an ordinary resolution:

‘That for the purposes of ASX Listing Rule 10.11 and for all other purposes, shareholders approve the issue of 333,333 Shares to Mr Ferdian Purnamasidi at an issue price of \$0.30 per Share, on the terms set out in the Explanatory Memorandum.’

Note: KGL will disregard any votes cast by Mr Purnamasidi and any of his associates.

The Directors (with Mr Purnamasidi abstaining) recommend that you vote in favour of Resolution 3.

Dated: 22 September 2017

By order of the Board

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Kylie Anderson  
Company Secretary

## Notes

- (a) A shareholder who is entitled to attend and cast a vote at the meeting is entitled to appoint a proxy.
- (b) The proxy need not be a shareholder of the Company. A shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.
- (c) If you wish to appoint a proxy and are entitled to do so, then complete and return the attached proxy form.
- (d) KMP (or their closely related parties) (as defined in the Corporations Act) appointed as a proxy must not vote on a resolution connected directly or indirectly with the remuneration of KMP if the proxy is undirected unless:
  - (i) the proxy is the person chairing the meeting; and
  - (ii) the proxy appointment expressly authorises the person chairing the meeting to vote undirected proxies on that resolution.
- (e) If the proxy form specifies the way the proxy is to vote on a particular resolution the proxy need not vote on a show of hands but if the proxy does so, it must vote as specified in the proxy form.
- (f) If the proxy has two or more appointments that specify different ways to vote on the resolution the proxy must not vote on a show of hands.
- (g) If the proxy is the chair of the meeting, the proxy must vote on a poll or must vote the way specified in the proxy form.
- (h) If the proxy is not the chair of the meeting the proxy need not vote on the poll, but if the proxy does so, the proxy must vote as specified in the proxy form.
- (i) If the proxy form specifies the way the proxy is to vote on a particular resolution and the proxy is not the chair of the meeting and a poll is demanded and either:
  - (i) the proxy is not recorded as attending; or
  - (ii) the proxy does not vote,
- (j) the chair of the meeting is deemed the proxy for that resolution.
- (k) A corporation may elect to appoint a representative, rather than appoint a proxy, under the Corporations Act in which case the Company will require written proof of the representative's appointment which must be lodged with or presented to the Company before the meeting.
- (l) The Company has determined under regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that for the purpose of voting at the meeting or adjourned meeting, securities are taken to be held by those persons recorded in the Company's register of shareholders as at 5.00pm on 21 October 2017.
- (m) If you have any queries on how to cast your votes call Kylie Anderson, Company Secretary, on (07) 3071 9003 during business hours.

## Voting restrictions

Under Listing Rule 14.11, KGL will disregard any votes cast:

Resolution 1 – Ratification of previous issue of Shares to institutional and sophisticated investors	by any person who participated in the issue or their associate.
Resolution 2 – Approval of issue of Shares to Mr Denis Wood	by Mr Wood or any of his associates.
Resolution 3 – Approval of issue of Shares to Mr Ferdian Purnamasidi	by Mr Purnamasidi or any of his associates.

However, KGL need not disregard a vote if it is cast by:

- (a) a person as proxy for a person who is entitled to vote, under the directions on the proxy voting form; or
- (b) the person chairing the meeting as proxy for a person who is entitled to vote, under a direction on the proxy form to vote as the proxy decides.

## Voting intentions of the chair

Shareholders should be aware that the chair of the Meeting intends to vote all undirected proxies in favour of each item of business.

# Explanatory memorandum

KGL Resources Limited ACN 082 658 080

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This Explanatory Memorandum accompanies the Notice of General Meeting of KGL to be held at the offices of McCullough Robertson Lawyers, Level 11, 66 Eagle Street, Brisbane, Queensland on Monday, 23 October 2017 at 9.30am (Brisbane time).

The Explanatory Memorandum has been prepared to assist shareholders in determining how to vote on the resolutions proposed and ought to be read in conjunction with the Notice of Meeting.

## Background - Placement

- 1 On 13 September 2017, KGL announced that will undertake a capital raising of \$12.4 million (before offer costs) by way of a placement of approximately 22.8 million KGL Shares to institutional and sophisticated investors (Placement) and a pro rata non-renounceable rights issue (Entitlement Offer).
- 2 The Placement is being conducted in two tranches:
  - (a) an initial placement of 18,500,000 Shares (First Tranche Shares), which completed on or about 18 September 2017 (First Tranche); and
  - (b) a subsequent placement of an additional 4,333,333 Shares (Second Tranche Shares), to directors of KGL, which is anticipated to complete on or about Monday, 23 October 2017 (Second Tranche) (subject to shareholder approval).
- 3 The First Tranche Shares and the Second Tranche Shares both have an issue price of \$0.30 per share (Issue Price).
- 4 Directors (and their controlled entities) have applied for 4,333,333 Shares, which comprise the Second Tranche Shares (and will be issued subject to Shareholder approval).
- 5 The funds raised from the Placement and the Entitlement Offer will be used for further drilling at KGL's 100% owned Jervois Copper Project in the Northern Territory and working capital.
- 6 As announced on 12 September 2017, KGL has completed down hole electromagnetic (DHEM) surveys and is awaiting assay results from recent drilling at the Reward Prospect. Separately the assays announced on 4 September 2017 for recent holes drilling at Rockface, delivered good continuity of high-grade copper mineralisation, which will assist in future exploration planning. KGL will announce the results of these assays in due course.

## Resolution 1 – Ratification of previous issue of Shares to institutional and sophisticated investors

- 7 Resolution 1 seeks approval from shareholders under Listing Rule 7.4 (and for all other purposes) to ratify the previous issue of the First Tranche Shares to institutional and sophisticated investors on or about 18 September 2017.
- 8 Listing Rule 7.1 provides that, subject to certain exemptions, prior approval of shareholders is required for an issue of equity securities if the securities will, when aggregated with the securities issued by KGL during the previous 12 months, exceed 15% of the number of the securities at the commencement of that 12 month period.

- 9 The issue of First Tranche Shares detailed in this resolution did not exceed KGL's 15% threshold. However, Listing Rule 7.4 provides that where KGL ratifies an issue of equity securities, the issue is treated as having been made with shareholder approval for the purpose of Listing Rule 7.1, thereby replenishing KGL's 15% capacity and enabling it to issue further equity securities up to that limit.
- 10 Resolution 1 proposes the ratification and approval of the allotment and issue of the First Tranche Shares for the purpose of satisfying the requirements of Listing Rule 7.4. Details of the issue are set out below.

Issue date	18 September 2017
Number of securities	18,500,000 KGL Shares
Issue price per security	\$0.30 per KGL Share
Terms of issue	The Shares rank equally with all existing Shares on issue
Allottees	KMP Investments Pte Ltd RFC Opportunities Fund Redland Plains Pty Ltd ATF Majestic Investment Trust
Intended use of funds	Proceeds of the issue will be used to will be used for further drilling at KGL's 100% owned Jervois Copper Project in the Northern Territory and working capital.

#### Directors' recommendation

- 11 The Directors unanimously recommend you vote in favour of this resolution.

#### Resolution 2 – Approval of issue of Shares to Mr Denis Wood

- 12 Resolution 2 seeks approval from shareholders under Listing Rule 10.11 (and for all other purposes) for the issue of Shares to Mr Denis Wood, Executive Chairman of KGL, as part of the issue of Placement Shares.
- 13 Listing Rule 10.11 requires KGL to obtain the approval of shareholders prior to the issue of securities to a related party. 'Related party' is defined in the Listing Rules to include the Directors and their spouses, as well as entities controlled by the Directors. Therefore, the issue of Placement Shares to Mr Wood as contemplated by Resolution 2 requires shareholder approval under Listing Rule 10.11 before the Shares can be issued.
- 14 If approval is obtained pursuant to Listing Rule 10.11, KGL will be entitled to rely on Listing Rule 7.2, Exception 14 as an exception to any requirement that may otherwise apply requiring shareholder approval under Listing Rule 7.1.
- 15 Mr Wood (or entities controlled by him) has subscribed for 4,000,000 Shares under the Placement, which, subject to shareholder approval under Resolution 2, will be issued on or about 23 October 2017.

- 16 The following additional information is given under Listing Rule 10.13 on the Shares that are proposed to be issued to Mr Wood under the Placement:

Related party	Mr Denis Wood, Executive Chairman of KGL
Maximum number of securities to be issued	4,000,000 Shares
Date KGL committed to issue the securities	13 September 2017
Date KGL will issue the securities	KGL expects to issue the Shares to Mr Wood shortly after the Meeting (i.e. on or about 23 October 2017)
Issue price per security	\$0.30 per Share
Terms of issue	The Shares will be issued on the same terms as, and rank equally with, existing Shares
Intended use of funds	Proceeds of the issue will be used to will be used for further drilling at KGL's 100% owned Jervois Copper Project in the Northern Territory and working capital.

- 17 The Directors consider that the issue of Shares to Mr Denis Wood will be on arms' length terms as the Shares will be on the same terms to all other parties who participate in the Placement, regardless of whether they are associated with KGL or not. Accordingly, the proposed issue of securities falls within the 'arms length terms' exemption provided by section 210 of the Corporations Act to the requirement to obtain shareholder approval under Chapter 2E of the Corporations Act.

Directors' recommendation

- 18 The Directors (with Mr Wood abstaining) recommend that shareholders vote in favour of Resolution 2.

#### Resolution 3 – Approval of issue of Shares to Mr Ferdian Purnamasidi

- 19 Resolution 3 seeks approval from shareholders under Listing Rule 10.11 (and for all other purposes) for the issue of Shares to Mr Ferdian Purnamasidi, Non-Executive Director of KGL, as part of the Placement announced on 13 September 2017.
- 20 Listing Rule 10.11 requires KGL to obtain the approval of shareholders prior to the issue of securities to a related party. 'Related party' is defined in the Listing Rules to include the Directors and their spouses, as well as entities controlled by the Directors. Therefore, the issue of Placement Shares to Mr Purnamasidi as contemplated by Resolution 3 requires shareholder approval under Listing Rule 10.11 before the Shares can be issued.
- 21 If approval is obtained pursuant to Listing Rule 10.11, KGL will be entitled to rely on Listing Rule 7.2, Exception 14 as an exception to any requirement that may otherwise apply requiring shareholder approval under Listing Rule 7.1.
- 22 Mr Purnamasidi (or entities controlled by him) has subscribed for 333,333 Shares under the Placement, which, subject to shareholder approval under Resolution 3, will be issued on or about 23 October 2017.

- 23 The following additional information is given under Listing Rule 10.13 on the Shares that are proposed to be issued to Mr Purnamasidi under the Placement:

Related party	Mr Ferdian Purnamasidi, Non-Executive Director of KGL
Maximum number of securities to be issued	333,333 Shares
Date KGL committed to issue the securities	13 September 2017
Date KGL will issue the securities	KGL expects to issue the Shares to Mr Purnamasidi shortly after the Meeting (i.e. on or about 23 October 2017)
Issue price per security	\$0.30 per Share
Terms of issue	The Shares will be issued on the same terms as, and rank equally with, existing Shares
Intended use of funds	Proceeds of the issue will be used to will be used for further drilling at KGL's 100% owned Jervois Copper Project in the Northern Territory and working capital.

- 24 The Directors consider that the issue of Shares to Mr Ferdian Purnamasidi will be on arms' length terms as the Shares will be on the same terms to all other parties who participate in the Placement, regardless of whether they are associated with KGL or not. Accordingly, the proposed issue of securities falls within the 'arms length terms' exemption provided by section 210 of the Corporations Act to the requirement to obtain shareholder approval under Chapter 2E of the Corporations Act.

Directors' recommendation

- 25 The Directors (with Mr Purnamasidi abstaining) recommend that shareholders vote in favour of Resolution 3.

# Glossary

Term	Definition
ASX	means ASX Limited ABN 98 008 624 691 or the securities market which it operates, as the context requires.
Board	means the board of directors of the Company.
Company or KGL	means KGL Resources Limited ACN 082 658 080.
Constitution	means the constitution of the Company from time to time.
Corporations Act	means the Corporations Act 2001 (Cth).
Directors	means the directors of the Company.
Explanatory Memorandum	means the explanatory memorandum attached to the Notice of Meeting.
Key Management Personnel	means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise).
Listing Rules	means the listing rules of ASX.
Notice of Meeting	means this notice of meeting and includes the Explanatory Memorandum.
Shares	means fully paid ordinary shares in KGL.


**LODGE YOUR VOTE**

 **ONLINE**  
www.linkmarketservices.com.au

 **BY MAIL**  
KGL Resources Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia

 **BY FAX**  
+61 2 9287 0309

 **BY HAND**  
Link Market Services Limited  
1A Homebush Bay Drive, Rhodes NSW 2138

 **ALL ENQUIRIES TO**  
Telephone: +61 1300 554 474



**X999999999999**

**PROXY FORM**

I/We being a member(s) of KGL Resources Limited and entitled to attend and vote hereby appoint:

**APPOINT A PROXY**

**the Chairman of the Meeting (mark box)**

**OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

**STEP 1**

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Extraordinary General Meeting of the Company to be held at **9:30am (Brisbane time) on Monday, 23 October 2017 at at the offices of McCullough Robertson Lawyers, Level 11, 66 Eagle Street, Brisbane, Queensland, 4000 (the Meeting)** and at any postponement or adjournment of the Meeting.

**The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.**

**VOTING DIRECTIONS**

**Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an**

**Resolutions**

	For	Against	Abstain*
1 Ratification of previous issue of Shares to institutional and sophisticated investors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Approval of issue of Shares to Mr Denis Wood	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval of issue of Shares to Mr Ferdian Purnamasidi	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**STEP 2**



\* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

**SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED**

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)




Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

**STEP 3**

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).





## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

### DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form.

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either shareholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

### LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **9:30am (Brisbane time) on Saturday, 21 October 2017**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



#### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



#### BY MAIL

KGL Resources Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia



#### BY FAX

+61 2 9287 0309



#### BY HAND

delivering it to Link Market Services Limited\*  
1A Homebush Bay Drive  
Rhodes NSW 2138

\* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE EXTRAORDINARY GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**