



30 August 2018

\$5.7 M PLACEMENT TO EXTEND JERVOIS COPPER PROJECT EXPLORATION PROGRAM

-) **Placement to raise approximately \$5.7 M at 38 cents per share – a 12.8% premium to the last close including:**
 - **ASM Connaught House Fund LP and ASM Connaught House (Master) Fund III LP, subscribed for \$3M**
 - **Existing shareholders KMP Investments and RCF Opportunities Fund L.P. also participated**
-) **Share Purchase Plan to raise \$2M at 33 cents per share to follow, allowing all current shareholders to participate.**
-) **Placement to fund resumption of exploration of high potential areas and to extend and upgrade resources**

KGL Resources Limited (ASX:KGL) (**KGL** or the **Company**) is pleased to announce that it has undertaken a capital raising via a placement to raise approximately \$5.7 million.

The Company has received commitments in respect of a placement to issue approximately 15.0 million new shares (**Placement Shares**) at 38 cents each, raising \$5.7 million (**Placement**) from a small group of sophisticated and institutional investors, including ASM Connaught House Fund LP and ASM Connaught House (Master) Fund III LP (both managed by Argyle Street Management Limited), RCF Opportunities Fund L.P, a fund in the global resource private equity firm Resource Capital Funds and KGL's majority shareholder, KMP Investments Pte Ltd.

The Company is also pleased to announce a Share Purchase Plan to ensure all shareholders are able to participate to raise up to \$2 million (**Share Purchase Plan**).

The new shares to be issued under the Share Purchase Plan will be issued at 33 cents per share. This represents a 13.2% discount to the Placement issue price.

Current Activities

In February of this year the Company undertook a placement that secured KGL's ability to complete the total current resource drilling program, and to complete the Environmental Impact Statement, an essential step towards project development at the growing Jervois Copper Project.

Significant progress has been made on these activities including:

-) Undertaking the planned infill drilling program at Rockface which will be completed in September and we look forward to announcing an updated resource in Q4 2018. This will underpin mining studies and estimation of Rockface's maiden reserves that are also planned for release in Q4.

-) Completing the infill drilling of potential open pit mining areas at Reward and Bellbird. This will help advance open pit mining studies and estimation of Reserves.
-) Continuing to progress the Environmental Impact Statement, the last of the major licences required before the right to mine is achieved. The Company is on schedule for submission to the Northern Territory government in November, which following the required public consultation process will see the Company prepare and lodge a supplementary report early in 2019.

Plans for the Placement and SPP Funds

This Placement and SPP will allow KGL to resume exploration drilling, by retaining the two drill rigs on site for a further 6 months to capitalise on the expertise captured during the infill drilling to add potential additional resources.

There is significant potential at the northern end of Reward and a drilling program to upgrade and extend this deeper high-grade copper mineralisation will be a primary objective for the raised funds. Down hole Electromagnetics (DHEM) that has been used so successfully at Rockface and Reward North will continue to play an important role in guiding drilling to the highest grade mineralisation.

The existing resource at Jervois includes 3.8Mt of silver/lead/zinc mineralisation and drilling will also be targeted at these deposits to both upgrade and extend the mineralisation, primarily at Reward and Green Parrot. Several areas of shallow copper mineralisation have been identified in recent and historical drilling that offers the potential for additional open pitable resources. East Reward, Morley and Boundary prospects are all on the existing granted mining lease and will be a priority for follow up drilling. There are also several exciting exploration targets that will be evaluated as part of this next drilling campaign.

Use of Funds

	Funds
Current Balance (less Creditors) (Aug 2018)	\$10.1M
Placement and Share Purchase Plan (assuming 100% SPP participation)	\$7.7M
Current Activities inc Infill Drilling, EIS Completion, Engineering and Mining Studies, Administration	\$(6.5)M
Exploration drilling	\$(8.1) M
Balance (Jun 2019)	\$3.2M

KGL Executive Chairman Denis Wood commented,

“The Board is pleased with the participation of ASM Connaught House Fund in the placement and with the continuing strong support of our existing shareholders KMP Investments and RCF Opportunities Fund L.P.

With this extended exploration program we aim to pursue the high potential for additional resources and so enhance the robustness of the Jervois project.”

Details of Placement

Pursuant to the terms of the Placement, the Company has agreed to issue 15.02 million Placement Shares in the Company at an issue price of 38 cents per share – a 12.8% premium to the last close - to raise \$5.7 million before costs, under the Company's existing 15% placement capacity pursuant to ASX Listing Rule 7.1.

Share Purchase Plan

In order to ensure existing shareholders are able to participate, the Company is pleased to announce a Share Purchase Plan to raise \$2 million will be offered to all eligible shareholders at a price of 33 cents per share. This represents a 13.2% discount to the Placement issue price.

The Share Purchase Plan is available to Australian and New Zealand shareholders who were registered as KGL shareholders at 7:00pm (AEST) on 29 August 2018 (**Record Date**) (**Eligible Shareholders**). Shareholders wishing to participate can choose between \$1,000, \$2,000, \$7,500 and \$15,000 investments.

Full details of the Share Purchase Plan will be contained in an information booklet which is anticipated to be dispatched to Eligible Shareholders on 3 September 2018. Eligible Shareholders should read the information booklet carefully before making any investment decision regarding the Share Purchase Plan. If you are in any doubt about the Share Purchase Plan, you should consult your financial or other professional adviser.

Share Purchase Plan Key Dates

Event	Date
Record Date (7pm)	29 August 2018
Announcement of SPP	30 August 2018
SPP Open and Documents dispatched	3 September 2018
SPP Close	19 September 2018
Allotment of new KGL shares	25 September 2018
Quotation of new KGL shares	26 September 2018

All dates are indicative only and subject to change. All times and dates refer to Australian Eastern Standard Time. KGL reserves the right to amend any or all of these dates and times, subject to the Corporations Act 2001 (Cth), the ASX Listing Rules and other applicable laws and regulations. In particular, KGL reserves the right to extend the closing date of the Share Purchase Plan, to accept late applications (either generally or in particular cases) and to withdraw the Share Purchase Plan without prior notice. Any extension of the closing date may have a consequential impact on the date that new shares are issued. Applicants are encouraged to submit their acceptance forms as soon as possible after the Share Purchase Plan opens.

For further information, contact:

Ms Kylie Anderson
Company Secretary
Phone: 07 3071 9003

Attachment : KGL Investor Presentation.



Corporate Presentation

August 2018



www.kglresources.com.au

Important Notices and Disclaimers

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Forward-looking statements:

- This presentation includes certain forward-looking statements. The words “forecast”, “estimate”, “like”, “anticipate”, “project”, “opinion”, “should”, “could”, “may”, “target” and other similar expressions are intended to identify forward looking statements. All statements, other than statements of historical fact, included herein, including without limitation, statements regarding forecast cash flows and potential mineralisation, resources and reserves, exploration results and future expansion plans and development objectives of KGL are forward-looking statements that involve various risks and uncertainties. Although every effort has been made to verify such forward-looking statements, there can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. You should therefore not place undue reliance on such forward-looking statements.
- Statements regarding plans with respect to the Company’s mineral properties may contain forward looking statements. Statements in relation to future matters can only be made where the Company has a reasonable basis for making those statements.

Company Highlights – Jervois Copper Project

- Rapidly progressing a significant copper project – **384.8kt of contained copper**
- One of the few ASX companies providing exposure to a copper development project, with additional lead/zinc upside
- Significant opportunity to add value to project through infill drilling program and continued exploration across the portfolio
- Preliminary mine planning and metallurgical process design work underway
- Environmental Impact Statement (EIS), the only major outstanding approval and now in the final stages of preparation
- Experienced resource industry appointments recently made to progress development
- Base metal market dynamics continue to improve with new demand for high quality projects



Corporate Snapshot



CAPITAL STRUCTURE

Australian Stock Exchange (ASX) code	KGL
ASX Share price (close 28-Aug-18)	A\$0.33.7
52 week low / high	A\$0.405 / A\$0.26
Shares outstanding	243.0M
Options on Issue	Nil
Market capitalisation	A\$81.0M
Cash (30-Jun-18)	A\$13.3M
Debt	Nil
Enterprise value	A\$67.7M

DIRECTORS

Denis Wood - Executive Chairman
Appointed 28 July 2015

Ferdian Purnamasidi - Non-Executive Director
Appointed 26 April 2016

Peter Hay - Non-Executive Director
Appointed 2 November 2017

John Gooding - Non-Executive Director
Appointed 12 June 2018

Fiona Murdoch - Non-Executive Director
Appointed 12 June 2018

24 MONTH SHARE PRICE PERFORMANCE



MAJOR SHAREHOLDERS

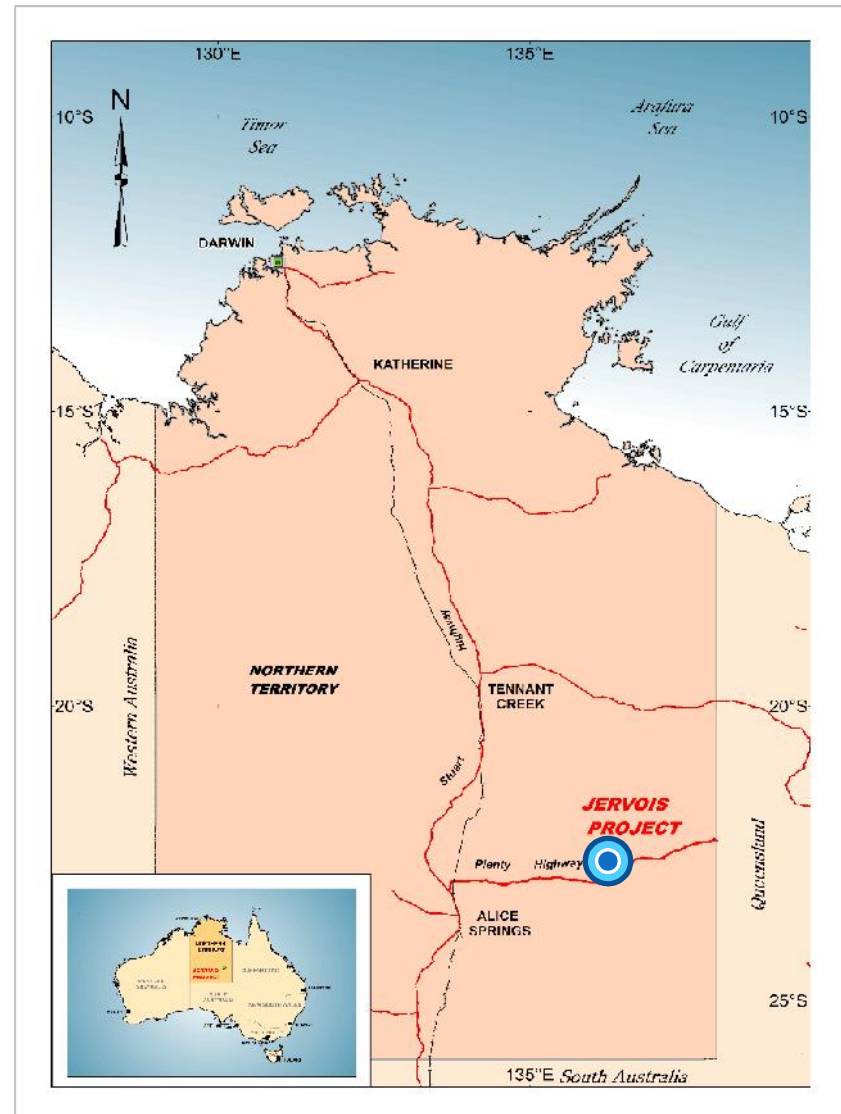
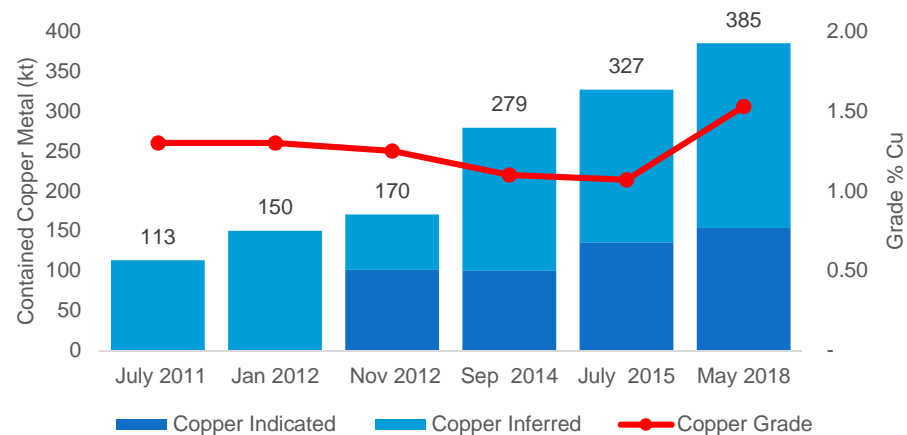
KMP Investments Pte Ltd	25.7%
Denis Wood	9.2%
Pegasus CP One	7.2%
Marshall Plenty Investments LLC	5.1%

Building a Quality Australian Copper Company

Jervois Copper Project – 100% Owned

- 380km ENE of Alice Springs with access via Stuart and Plenty Highway
- Jervois Project Area 111km² – Pastoral Lease
- Bonya Community 17km SW of project
- Upgraded Mineral Resource (18 May 2018)
 - **384.8 kt copper**
 - 23.6 moz silver
 - 143.5 kt lead*
 - 46.5 kt zinc*
 - 135 koz gold

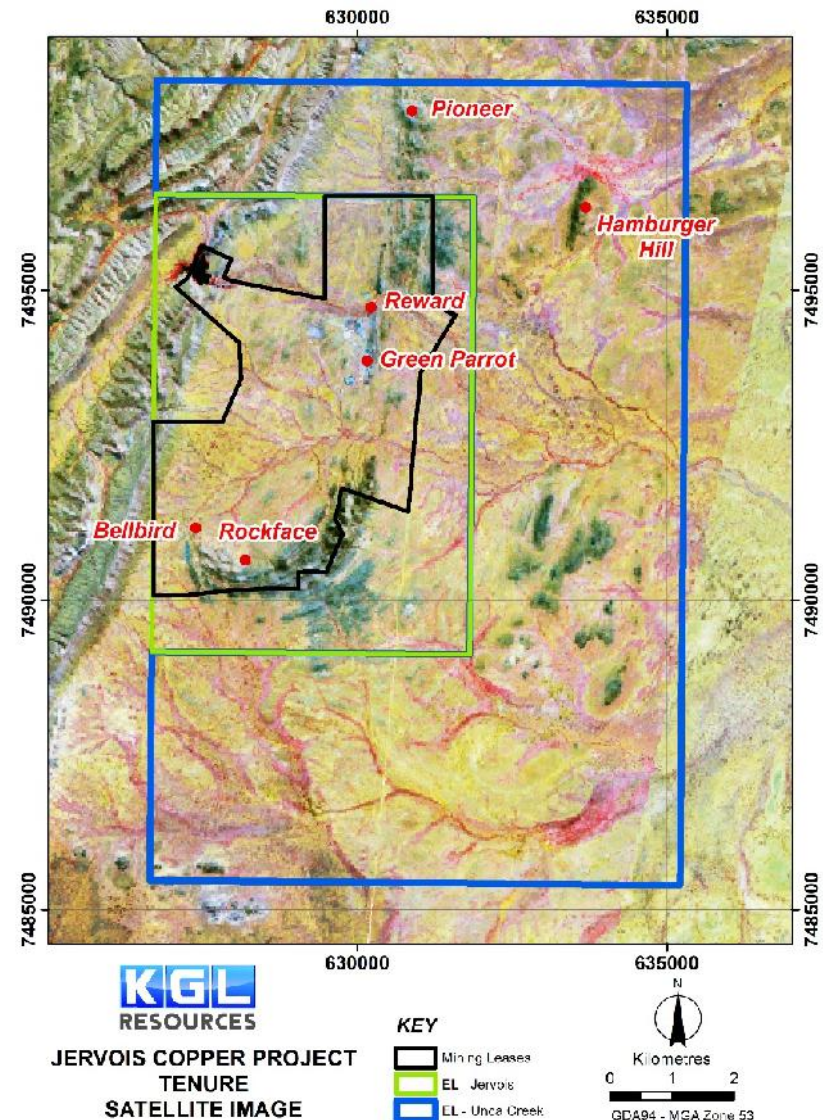
JERVOIS - CONTAINED COPPER METAL & COPPER GRADE



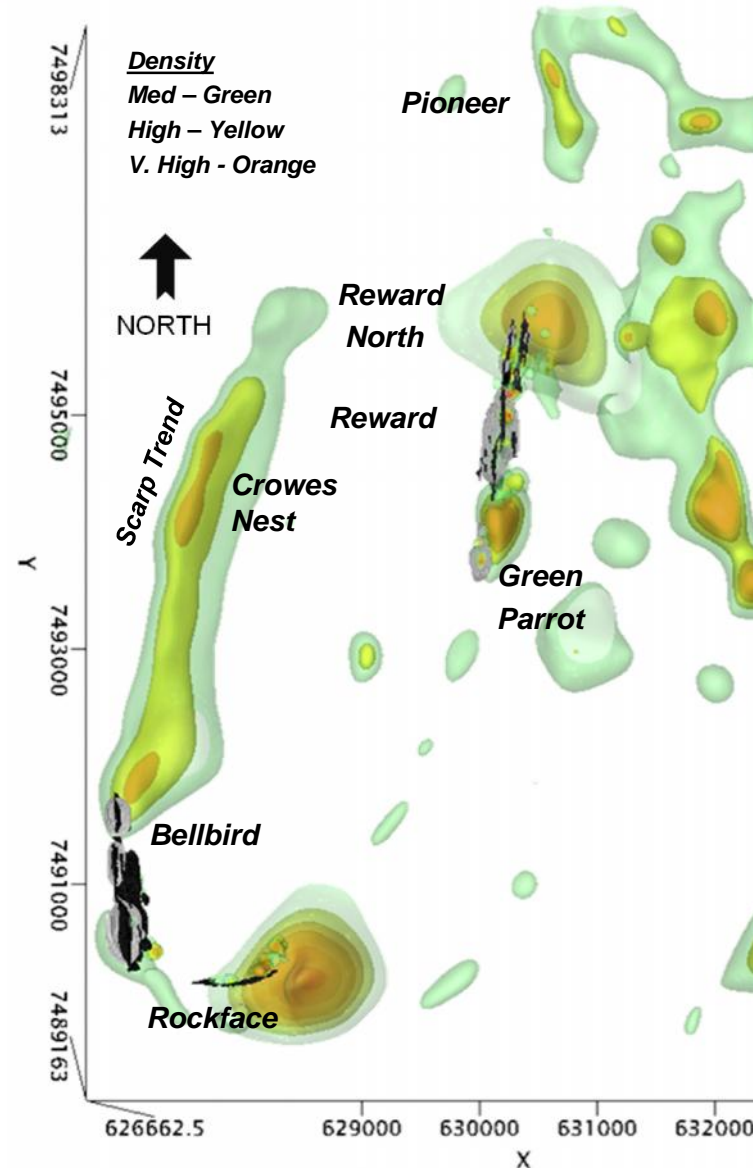
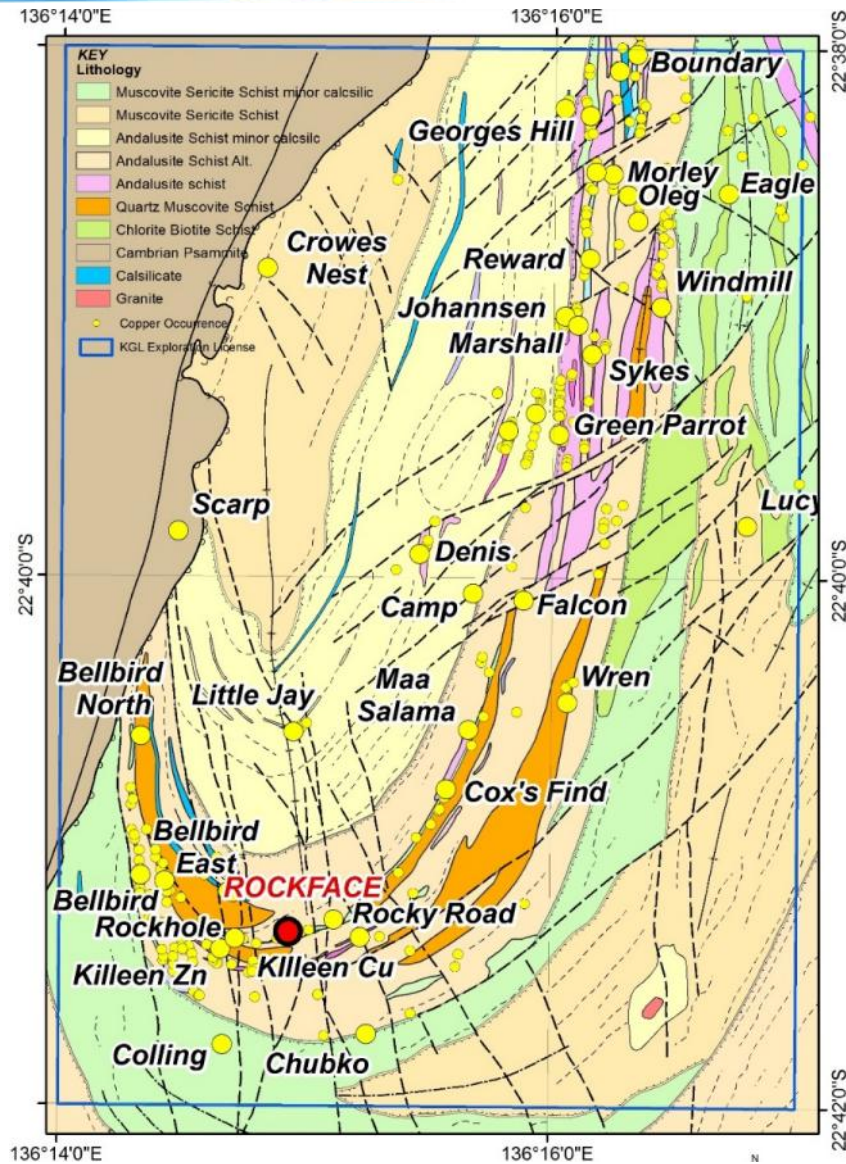
* Resources are reported from the 2015 models

Jervois and Unca Creek

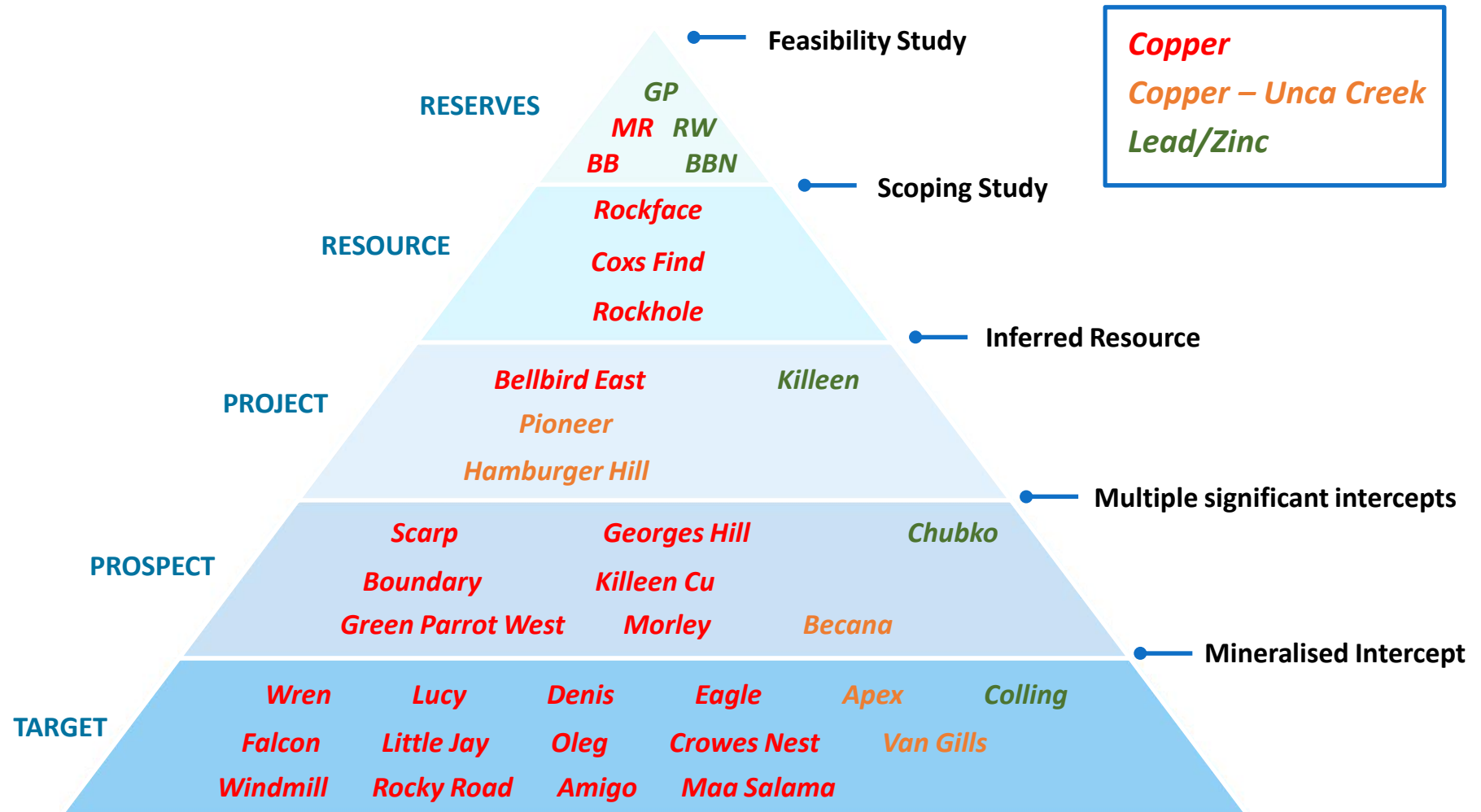
- High-grade Jervois Copper Project located in highly prospective geological setting
- Research suggesting Hybrid Sedex / Silici-Clastic-Felsic VMS
- Mining Leases granted over all existing resources
- Unca Creek Project (acquired March 2017) continues a 1.85km extension of the Reward /Morley trend
- Current exploration focus
 - Upgrading Reward Deeps from Inferred to Indicated confidence
 - Identify extensions to existing silver/lead/zinc deposits
 - Identify extensions to existing copper/silver/gold deposits
 - Evaluate potential for new open pit resources
 - Test highest ranked exploration targets



Geological Setting and Gravity Inversion



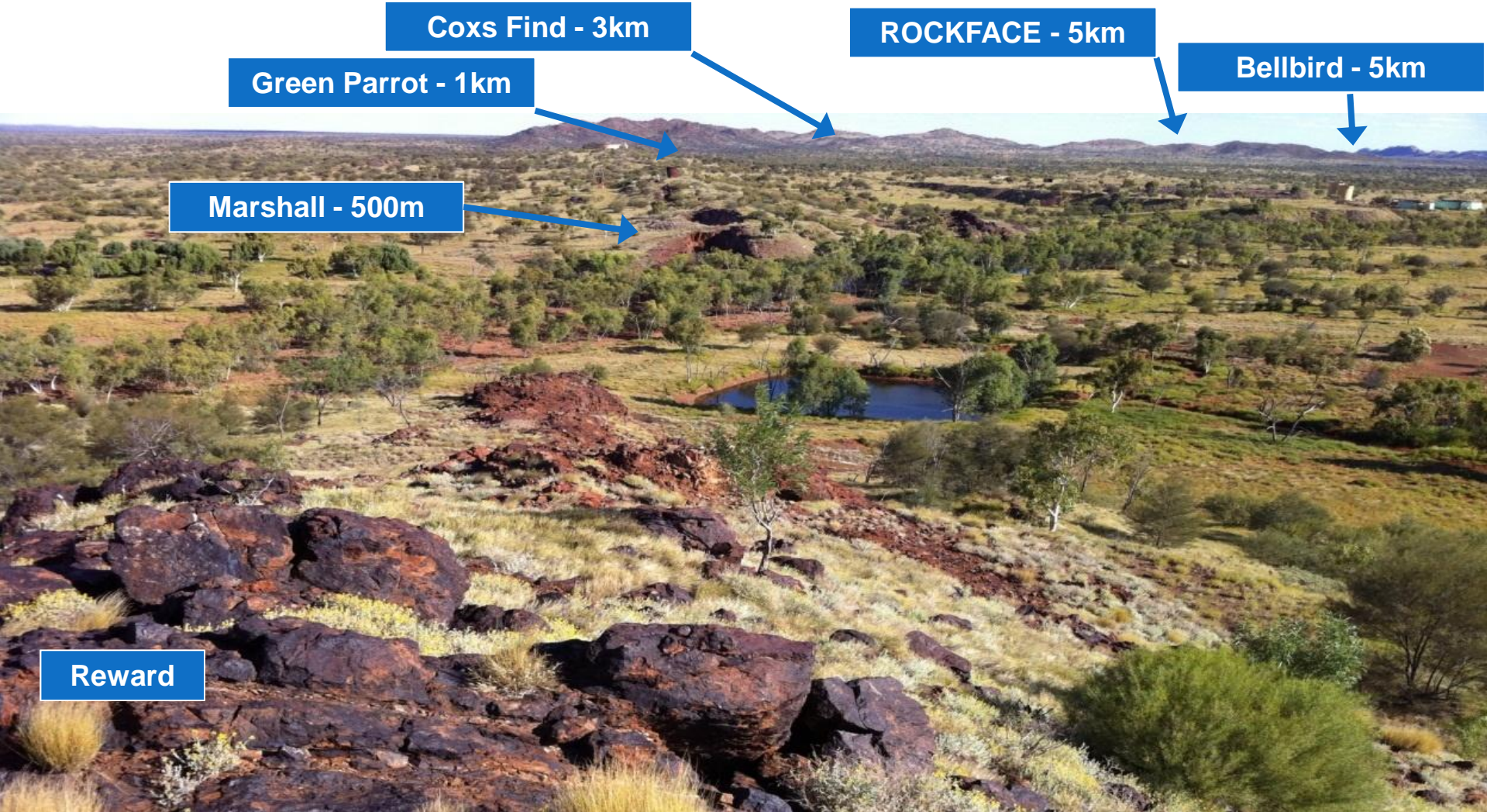
Extensive Project Pipeline – 100% Owned



* MR - Marshall Reward (incl. Reward North) BB – Bellbird
 GP – Green Parrot, BBN – Bellbird North, RW - Reward

Jervois – Establishing a Mining District

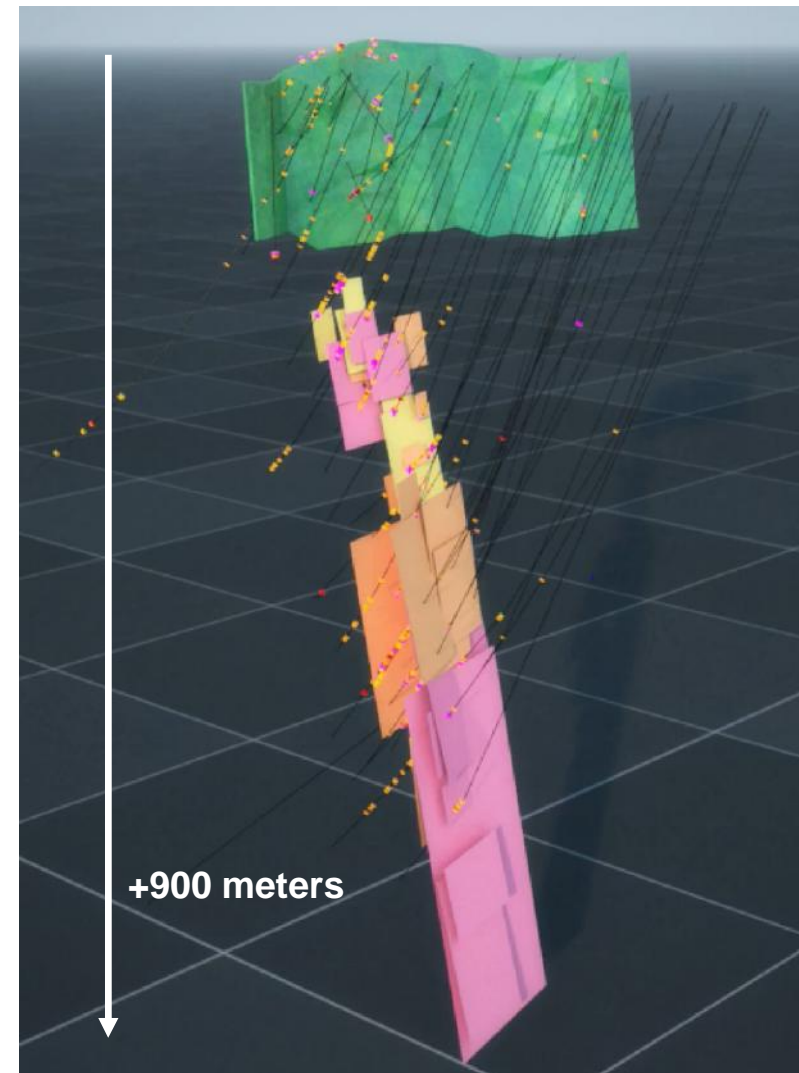
Outcropping Copper Mineralisation



Rockface Prospect

- Current Mineral Resource is **3.2Mt @ 2.90% Cu**
- Multiple parallel lenses, dipping north at -80 degrees
- Down hole electromagnetic (DHEM) surveying has proven extremely successful, providing clear targets for drilling
- Identified conductors approximately 900m from surface
- Drilling confirms grade increasing with depth
- Current infill drilling targeting the two separate lodes, the Main Lode and the smaller North Lode
- Recent results at KJCD244, KJCD245 include¹:
 - **8.4m @ 2.91% Cu**, 3.00% Pb, 0.17% Zn, 14.50g/t Ag, 0.43g/t Au from 486 m, including
 - **3.3m @ 5.12% Cu**, 0.04% Pb, 0.37% Zn, 26.3g/t Ag, 0.94g/t Au from 486 m; and
 - 6.85m @ 1.23% Cu, 0.03% Pb, 0.15% Zn, 7.4g/t Ag, 0.01g/t Au from 506.15 m
 - **9.62m @ 4.63% Cu**, 0.04% Pb, 1.03% Zn, 31.8g/t Ag, 0.03g/t Au from 578 m, including
 - **4.05m @ 9.91% Cu**, 0.04% Pb, 2.15% Zn, 67g/t Ag, 0.02g/t Au from 578.95 m
- Both holes expected to contribute additional copper resources and grade to May 2018 resource upgrade

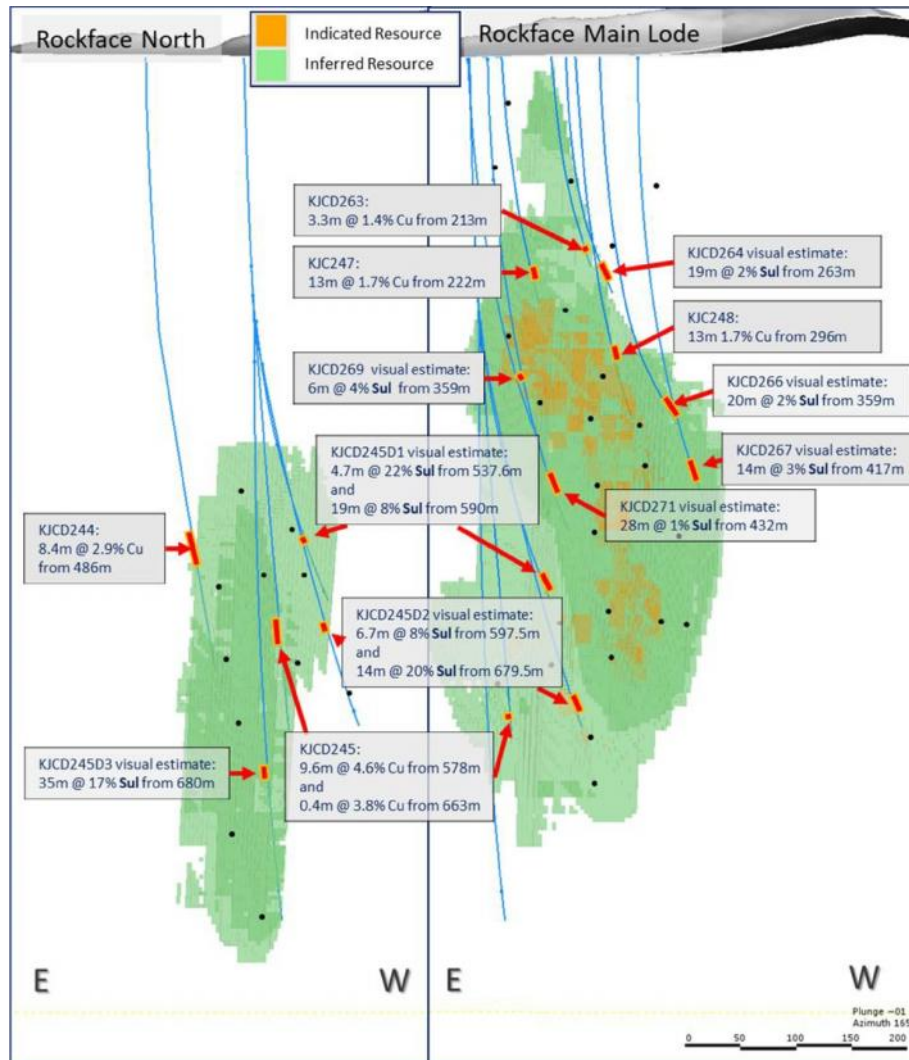
Rockface Cross Section – Outline of Conductors



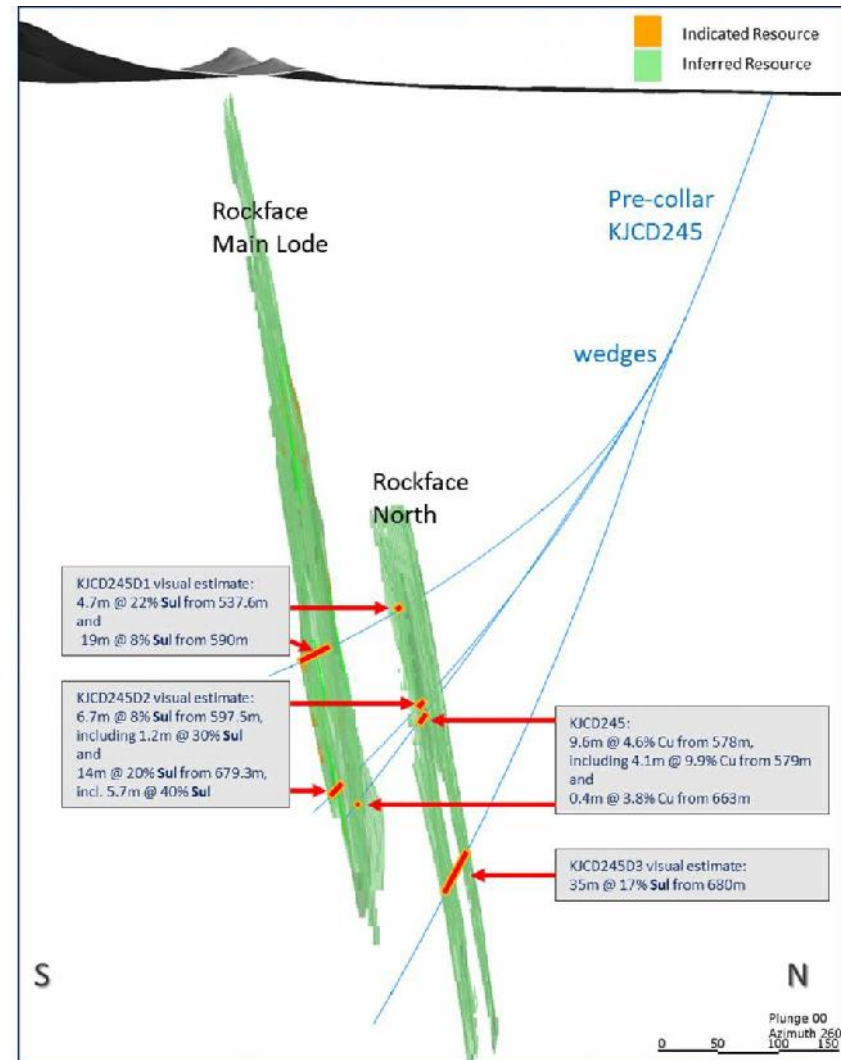
¹ "Quarterly Activities Report Period Ended 30 June 2018" released 17 July 2018

Rockface – Main and North Lode

Rockface - Longitudinal section

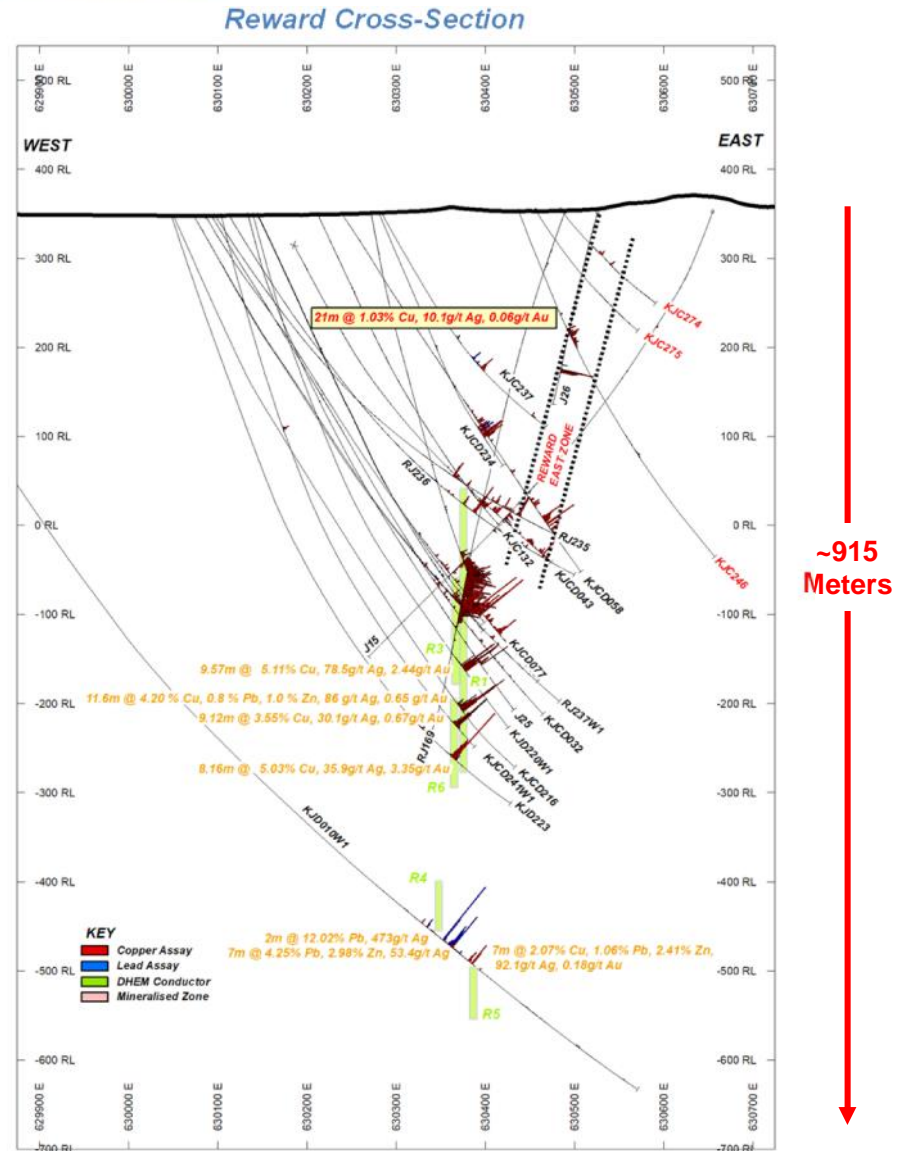


Rockface - Cross Section



Reward Prospect

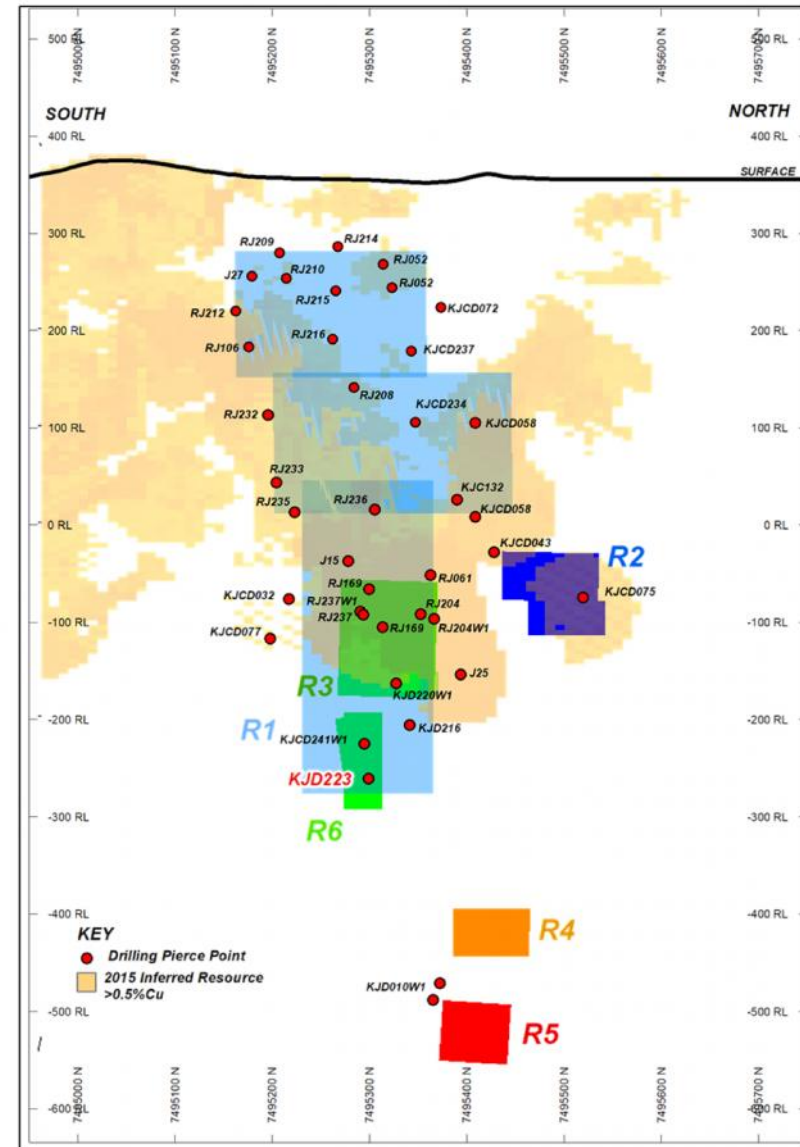
- Current Mineral Resource is **9.2Mt @ 1.7% Cu**
- Drilling confirms significant discovery at Reward
- Down hole electromagnetic (DHEM) surveying has proven extremely successful, providing clear targets for drilling
- Several DHEM conductors remain untested to the north of this deeper drilling
- Additional resource growth exists surrounding Reward
- Morley located north-east of Reward intersected copper mineralisation (KJC246)
 - **21m @ 1.03% Cu**, 0.10% Pb, 0.05% Zn, 10.3g/t Ag, 0.35g/t Au from 144m, including
 - **8m @ 1.42% Cu**, 0.01% Pb, 0.04% Zn, 15.4g/t Ag, 0.01g/t Au from 144m; and
 - **5m @ 0.76% Cu**, 0.01% Pb, 0.04% Zn, 7.6 g/t Ag, 1.35 g/t Au



Reward North

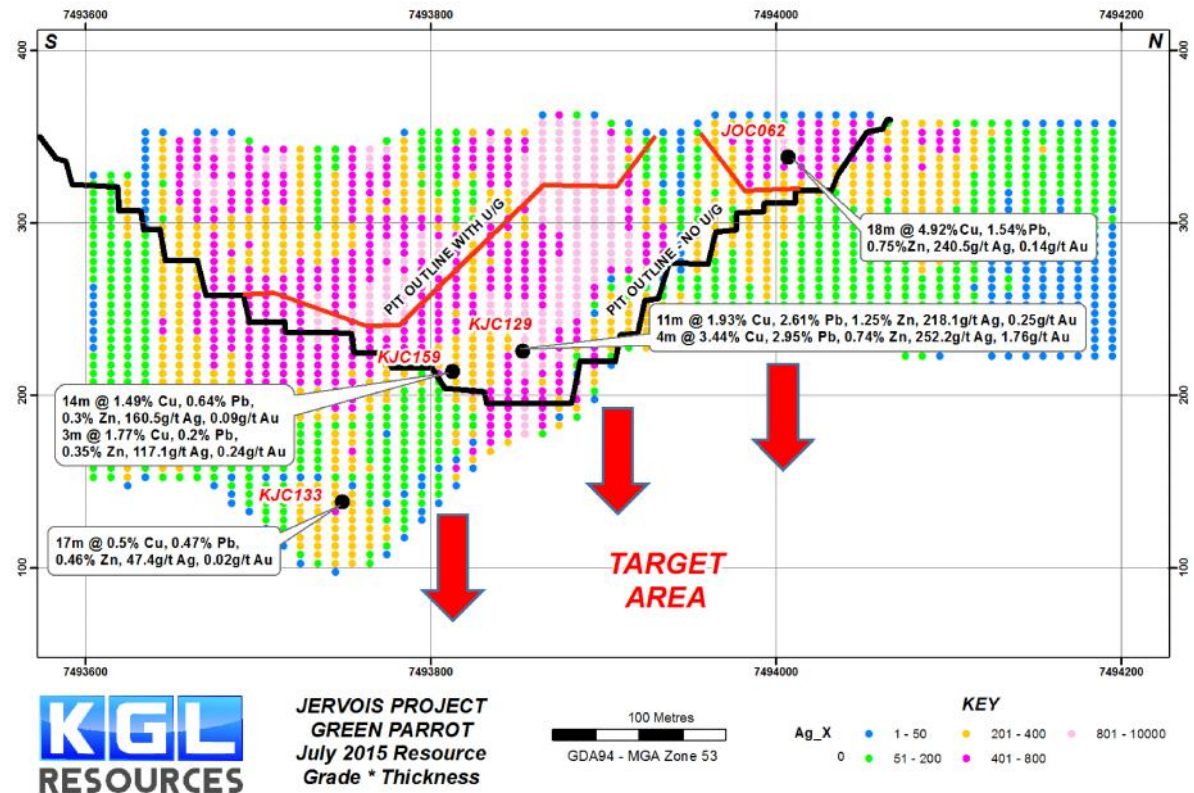
KJD223 Assays and Core

From m	To m	Interval m	Copper %	Lead %	Zinc %	Silver g/t	Gold g/t
691.44	692.07	0.63	0.64	0.03	0.06	7.2	0.15
692.07	692.5	0.43	2.05	0.05	0.05	25.3	0.33
692.5	693.4	0.9	4.02	0.05	0.06	32.8	0.48
693.4	694.3	0.9	5.83	0.17	0.08	51.3	0.85
694.3	695.3	1	5.46	0.05	0.05	38.9	0.26
695.3	696.18	0.88	5.34	0.06	0.04	35.3	0.23
696.18	697.3	1.12	15.24	0.12	0.09	92.2	21.52
697.3	698	0.7	2.62	0.03	0.34	18.4	1.56
698	698.7	0.7	1.09	0.07	0.03	12.6	0.19
698.7	699	0.3	0.41	0.03	0.10	4.6	0.12
699	699.6	0.6	1.51	0.03	0.05	8.7	0.18



Jervois Hosts Significant Zinc and Lead

- Jervois Project contains significant upside associated with zinc and lead
- Current zinc/lead Resource hasn't been upgraded since 2015
 - 143.5 kt lead*
 - 46.5 kt zinc*
- Further exploration potential across the projects and at known prospects
- By example current Green Parrot Resource
 - Indicated - 0.5Mt @ 0.99% Cu, **0.92% Pb**, **0.63% Zn**, 64.0g/t Ag
 - Inferred - 1.4Mt @ 0.81% Cu, **1.78%Pb**, **0.93% Zn**, 78.0g/t Ag



* Resources are reported from the 2015 models

Project Development Studies

- Mine planning continues in conjunction with work towards upgrading Resource confidence
- Preliminary mine plan envisages concurrent open cut and underground mining, to produce a blend of the higher grade underground ore with open cut material
- Plan is based on a progression of open cut operations from Reward to Bellbird, while underground mining commences at Rockface and then moves to Reward
- Design and costing of a smaller processing plant than proposed in the previous pre-feasibility study is well advanced
- All mining and processing design and site infrastructure planning is being done in conjunction with studies for the drafting of the EIS.
- Rail and port studies are also well under way, with several alternatives being investigated

Schematic of Conceptual Processing Plant



Greater Jervois Project

- Unca Creek Project has considerable strategic value*
- 1.85km northern extension of the Reward/Morley trend
- Within the Bonya Metamorphics – SAM survey completed
- Soils geochemistry survey completed
 - Multiple rock chips samples **over 10% Cu**
 - Soil sample assays of up to 2,080ppm Cu
- Multiple prospective drill targets

Boundary

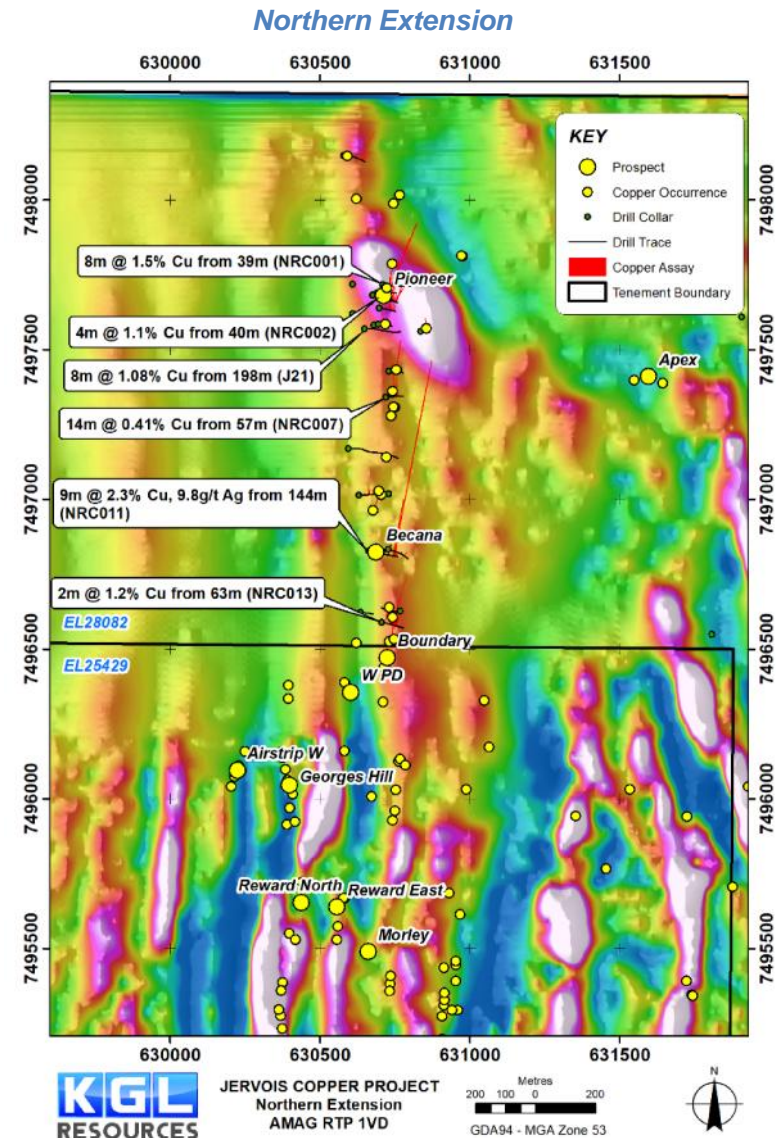
- 11m @ 0.72% Cu, 3.6g/t Ag from 63m in KJCD004
- 3m @ 1.08% Cu, 5.3g/t Ag from 130 m in KJC193
 - EOH assay of 1.05% Cu when the hole was abandoned due to excessive water

Becana

- 9m @ 2.3% Cu, 9.8g/tAg from 144m
- 2m @ 1.4% Cu from 63m

Pioneer

- 4m @ 1.1% Cu from 40m
- 8m @ 1.5% Cu from 39m
- 8m @ 1.08% Cu from 198m

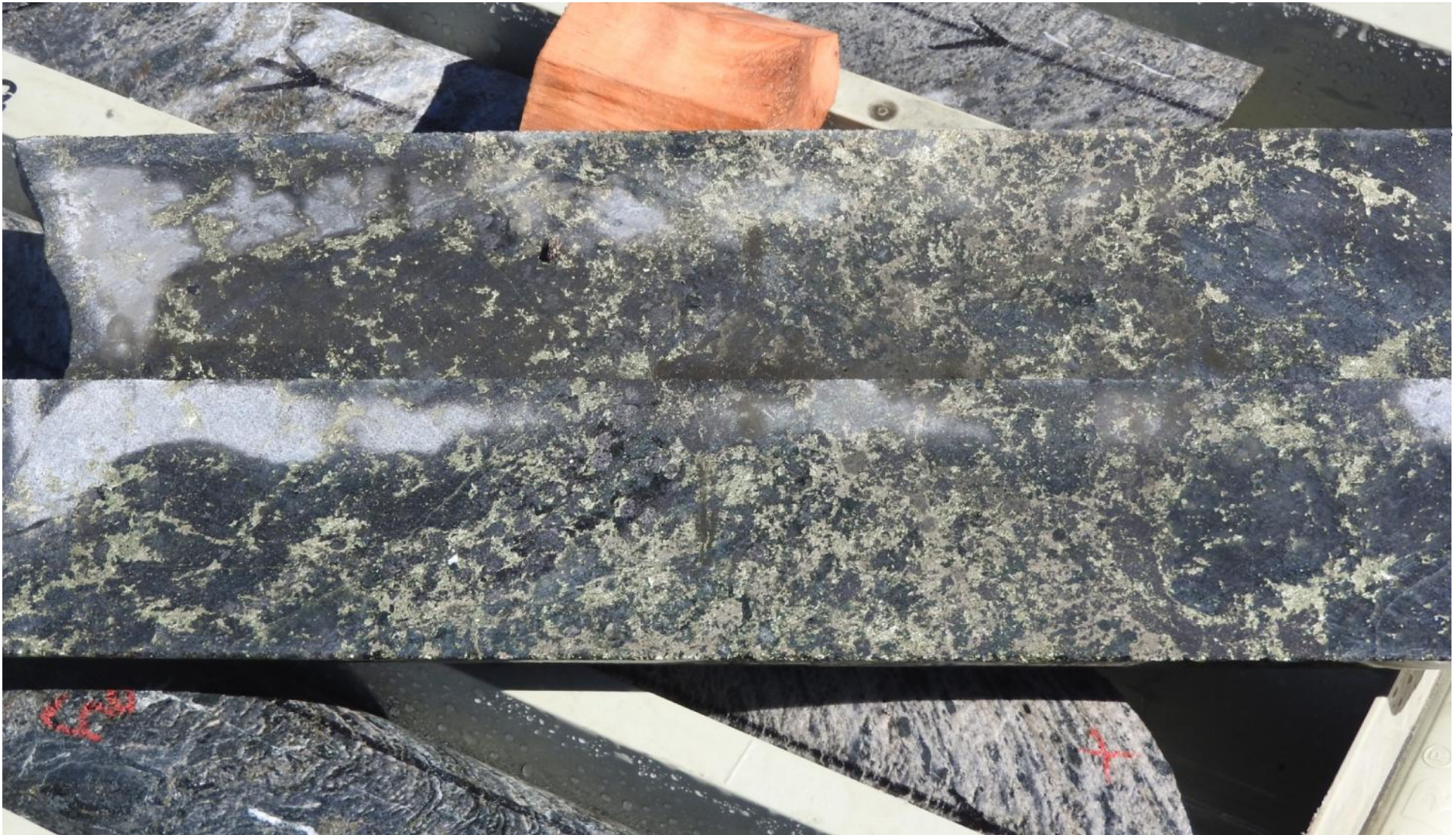


*Refer ASX Announcement "KGL expands Jervois Project" released on 27 March 2017

Summary and Outlook

- Jervois Copper Project, one of Australia's most promising new copper mineral discoveries
- KGL is expeditiously progressing exploration and development activities
 - Environmental and project approvals process proceeding
 - Mining Lease approved
 - Metallurgical test work underway
 - Preliminary mine planning and geotechnical work progressing
 - Update to Mineral Resource for both Reward and Rockface planned
 - Progress processing design, site infrastructure planning and development studies
- KGL is on track to building a quality Australian copper company with strong and supportive major shareholders





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Appendix 1: Jervois – Mineral Resource (July 2018)



Jervois 2018	Category	Mt	Cu %	Ag g/t	Pb %	Zn %	Cu Kt	Ag Mozs	Lead Kt	Zinc Kt	Cu cut off
Marshall	Indicated	1.4	1.45	35.6			20.1	1.6			0.5
Reward OP	Indicated	3.3	1.11	27.7			37.0	3.0			0.5
Reward UG	Indicated	0.7	2.68	43.1			18.3	0.9			1.0
Bellbird OP	Indicated	3.9	1.19	8.6			46.5	1.1			0.5
Bellbird UG	Indicated	0.2	1.84	12.0			3.9	0.1			1.0
Rock Face UG	Indicated	0.5	3.57	19.3			19.3	0.3			1.0
Marshall OP	Inferred	0.3	0.90	20.2			2.6	0.2			0.5
Reward OP	Inferred	0.4	1.01	20.5			3.8	0.2			0.5
Reward UG	Inferred	3.6	1.90	32.8			67.6	3.8			1.0
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			1.0
Bellbird OP	Inferred	1.3	0.98	36.5			13.0	1.6			0.5
Bellbird UG	Inferred	1.9	2.00	12.7			37.6	0.8			1.0
Rock Face UG	Inferred	2.7	2.77	16.3			73.5	1.4			1.0
	Sub-total	21.3	1.67	22.3			357.1	15.3			
Lead Resource *											
Reward	Indicated	0.5	0.74	70.7	6.84	0.90	3.6	1.1	33.6	4.4	None
Green Parrot	Indicated	0.5	0.99	64.0	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	78.0	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	11.1	1.39	25.8			153.7	9.2			
	Inferred	14.1	1.64	31.9			230.7	14.5			
	TOTAL	25.2	1.53	29.2			384.8	23.6			
Gold Resources	Category	Mt	Gold g/t	Gold Koz	Cut-off Cu%						
Reward UG	Indicated	0.7	0.67	14.8	1.0						
Rockface UG	Indicated	0.5	0.23	4.1	1.0						
Total	Indicated	1.2	0.48	18.9							
Marshall Reward OP	Inferred	5.9	0.24	44.9	0.5						
Reward UG	Inferred	3.6	0.42	48.3	1.0						
Bellbird OP	Inferred	5.2	0.12	19.7	0.5						
Bellbird UG	Inferred	1.9	0.09	5.1	1.0						
Rockface UG	Inferred	2.7	0.20	17.3	1.0						
Total	Inferred	19.2	0.22	135.4							
Total	Ind & Inf	20.5	0.23	154.2							

* Resources are reported from the 2015 models

Competent Person Statement

-
- The following drill holes were originally reported on the date indicated and using the JORC code specified in the table. Results reported under JORC 2004 have not been updated to comply with JORC 2012 on the basis that the information has not materially changed since it was last reported.

Hole		Date originally Reported	JORC Reported Under
KJD	010W1	15/01/2015	2012
KJD1	220W	12/12/17	2012
KJCD	223	12/12/17	2012
KJCD	244	17/07/2018	2012
KJCD	245	17/07/2018	2012
KJCD	263	17/07/2018	2012
KJCD	264	17/07/2018	2012
KJCD	248	17/07/2018	2012
KJCD	266	17/07/2018	2012
KJCD	267	17/07/2018	2012
KJCD	271	17/07/2018	2012
KJCD	269	17/07/2018	2012
KJC	247	17/07/2018	2012
KJC	246	17/07/2018	2012
KJCD	216	25/09/2017	2012
KJC	133	28/05/2015	2012
KJC	159	28/05/2015	2012
KJC	129	21/07/2014	2012
JOC	062	18/07/2014	2012
Unca Creek		16/05/2017	2012

- The Jervois Resources information were first released to the market on 18 May 2018 and complies with JORC 2012. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.