

12 May 2020

Arrangements for Annual General Meeting

KGL Resources Limited (ASX:KGL or the “Company”) is pleased to provide further information on the special arrangements for the Annual General Meeting to be held **10am AEST 19 May 2020 via teleconference**, as a result of the potential health risks and government restrictions in response to the COVID-19.

1. Shareholders and interested parties can dial in to hear the Chairman discuss the Company’s performance. Instructions are as follows:
 -) Dial **1800 151 624**
 -) When answered by the system Enter the **PIN 468 328 217 #**
 -) Listen to any system commands. You will hear music until the call leader joins the meeting.
2. The Chairman's address and presentation is attached to this announcement for shareholders to review prior to the meeting.
3. Shareholders are invited to submit questions in advance of the meeting to admin@kglresources.com.au.
4. All voting will be conducted by poll using proxy instructions received in advance of the meeting. Shareholders are encouraged to lodge a directed proxy by no later than **10am (AEST) 17 May 2020**. Lodgement instructions (which include the ability to lodge proxies electronically) are set out in the Notice of Meeting.

This announcement is authorised by the Board of Directors.

Chairman's Address to the Annual General Meeting of KGL Resources Limited, 19 May, 2020

Welcome to this online Annual General Meeting. Unfortunately, due to the measures in place to deal with the COVID-19 virus, we are unable to meet in the usual way. This address is being released to the ASX on 12 May to enable shareholders to read it in advance of the meeting on 19 May.

Four years ago directors embarked on a strategy of intensive exploration designed to identify a mineral resource of such quality at Jervois that we would be able to proceed with a robust, copper-based mining project. We are now well positioned to achieve that objective.

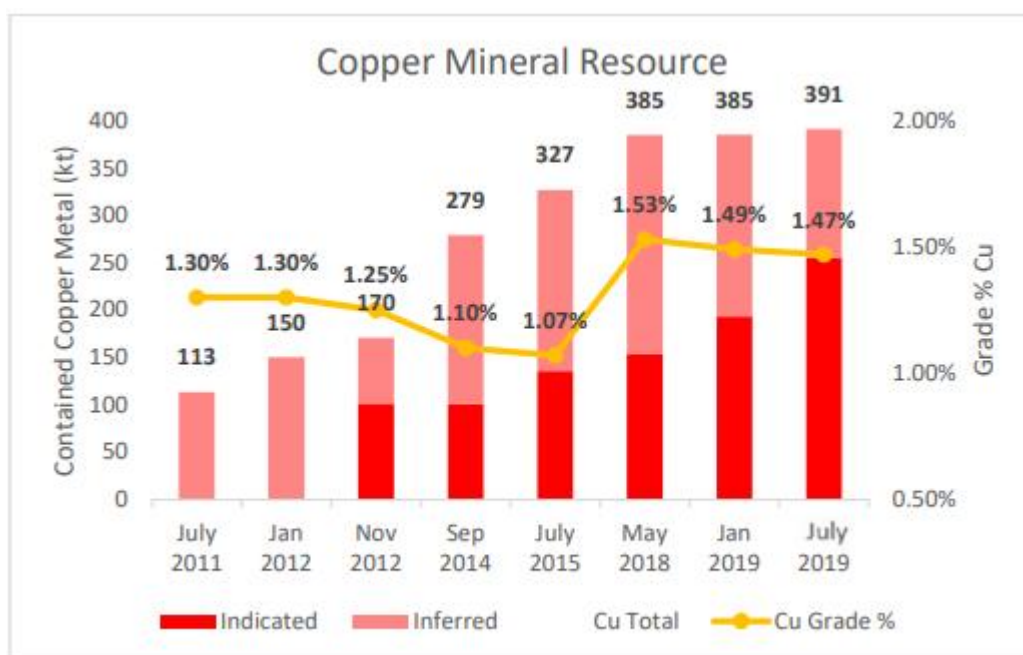
COVID-19 has brought uncertainty and volatility to global markets. At KGL, we are focusing on pre-development work and the optimisation of mine planning incorporating the latest high grade drill results in order to ensure a robust project.

Our goal now is to proceed to project financing and development when favourable market conditions return.

As we prepare to bring Jervois into production, I would like to report on three areas of importance – the mineral resource at Jervois, the level of preparedness for project development, and the international copper market on to which it's planned to launch Jervois production.

First, the resource.

Last year, we succeeded in our principal objective of upgrading the quality of the resource. We used modern, state-of-the-art exploration technology to undertake efficient, targeted drilling. As a result, in only six months, between the January and July 2019 updates, the confidence levels were increased considerably. Copper in the Indicated Resource category was increased from 50% to 65% of the total Jervois resource of 391,000 tonnes of contained copper.



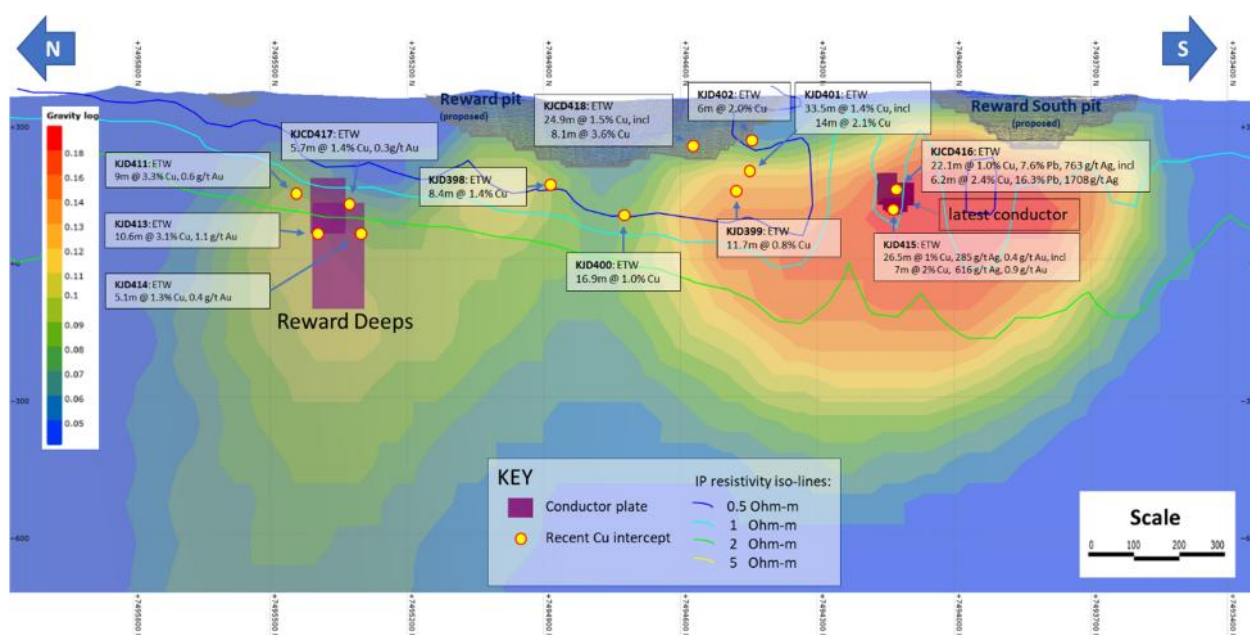
Slide 1. Copper Mineral Resource History at Jervois

Recent drill results at Reward

Our exploration activities since that upgrade have led us to expect a further upgrading of the confidence levels and further expansion of the resource. At the Reward deposit, where half of the current Jervois resource is located, this is particularly evident. The most recent drill results have intersected high grade copper not only at the bottom of the proposed pit, but also just below the pit level. These encouraging intercepts are adding considerably to the options available to the team presently optimising the mine design for the project.

Nearby, at Reward South, drilling into a newly discovered conductor has produced intersections of not only high grade copper but also the very high grade silver in holes KJD415 and KJCD416. Adding to the potential value is the fact that the multi-metal intersections by both the first and the second drill holes were over wide intervals.

Drilling results are also adding value at Reward Deepes where continuity of high grade mineralisation has been shown to extend over more than 200 metres.

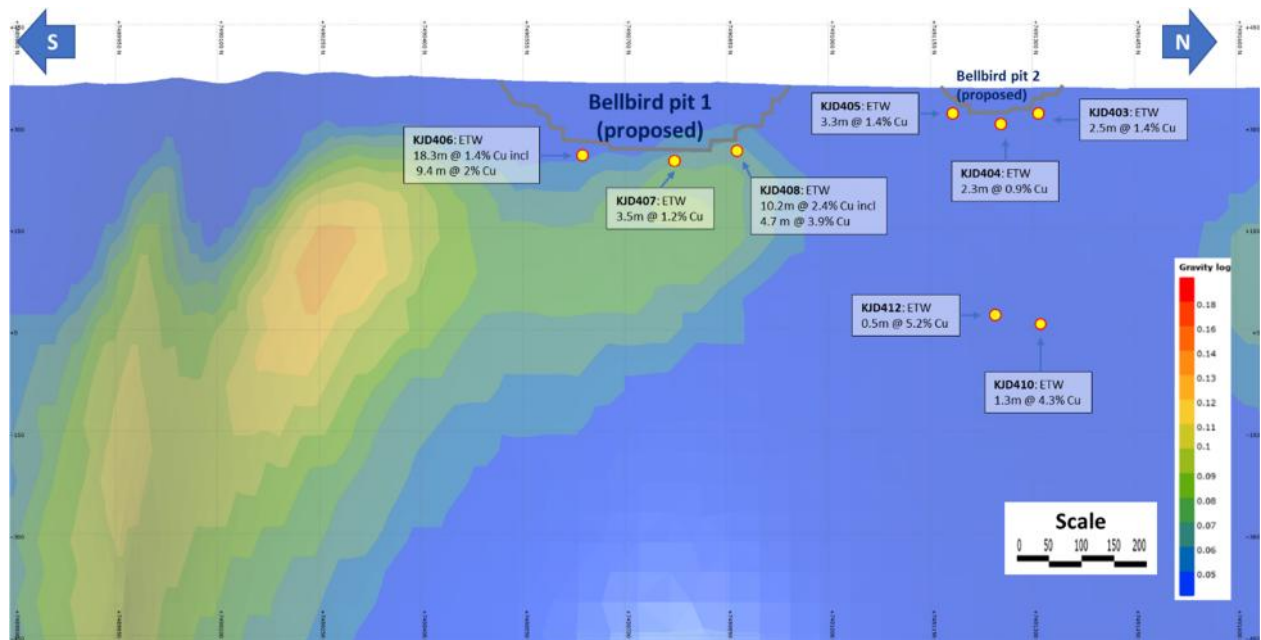


Slide 2. Recent drill results at Reward

Recent drill results at Bellbird

At the Bellbird deposit, five kilometres south-west of Reward and along strike on the Jervois J-curve, recent drilling has also enhanced mine design by intersecting high grade copper immediately below the limit of the proposed pit. At Bellbird North, additional copper was also intersected immediately below the outline of the proposed pit, and also further below.

The results of the recent drilling have added to our understanding of the structures of the deposits where we propose to mine. Using the time that we now have, we have gone back to first principles in re-assessing the resources and better planning the final mine designs.



Slide 3. Recent drill results at Bellbird

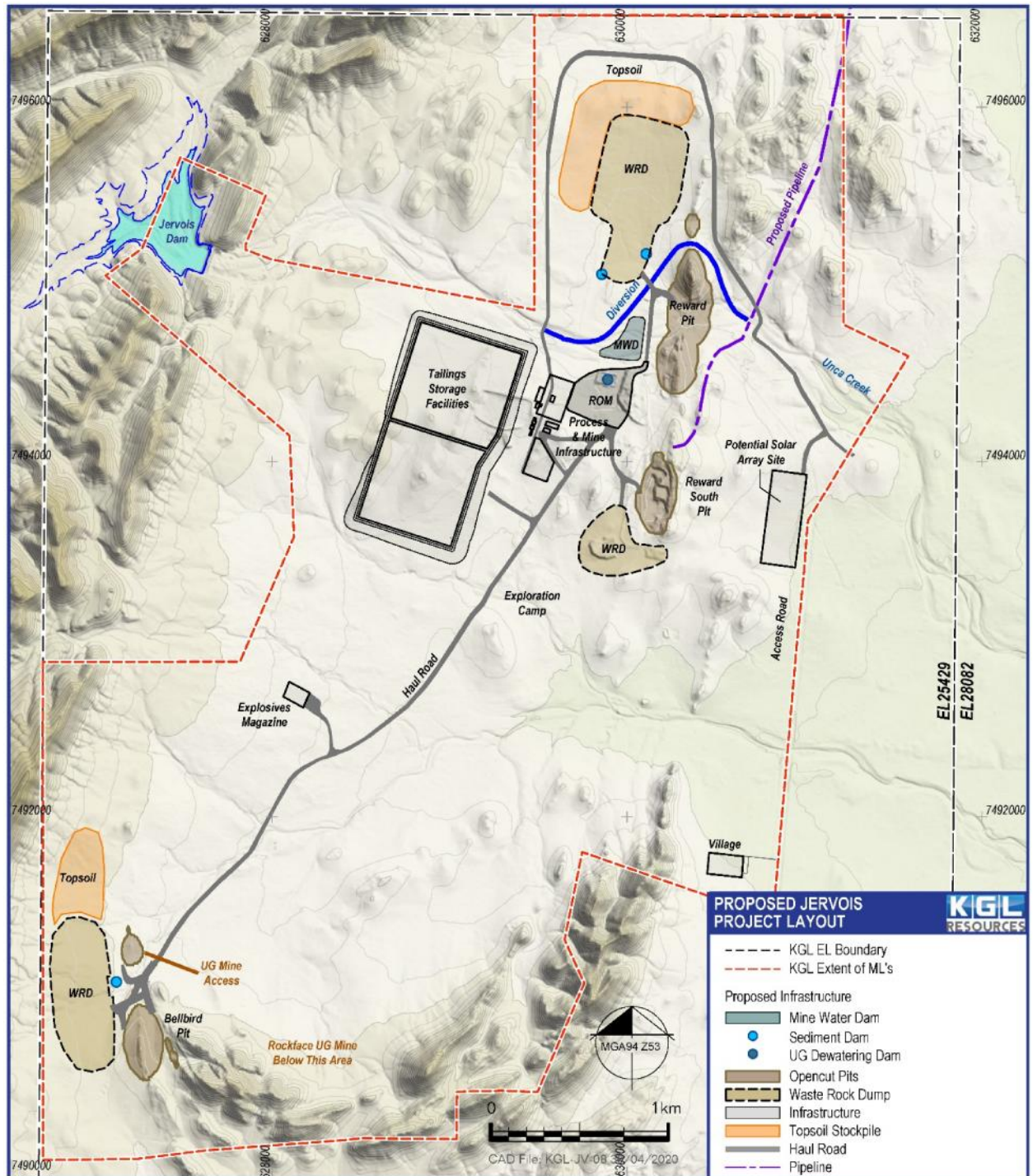
Preparing for project development.

We continue to be encouraged by the potential for extending and expanding the resource at Jervois, but, of course, the priority has been on bringing the initial project into production.

The drilling required for mine planning has been completed. The latest high grade drill results are being incorporated into geological studies and, as I have indicated, are providing opportunities to optimise the final mine design. The process flowsheet to produce the concentrate has been finalised, and an updating of the process plant's construction and operating costs is now under way. With the production requirements now understood, work is progressing on the project's detailed infrastructure planning. Updated proposals from contractors to build, own and operate the village are now under consideration, and water supply planning is also well advanced.

The Government approval processes have been successfully navigated and now effectively finalised. During the last year, the Environmental Impact Statement process was completed and the Northern Territory's Environmental Protection Authority subsequently recommended approval of the project to the NT Government. The Mine Management Plan was completed

earlier this year and has been sent to the NT Government for final government approval of the project.



Slide 4. Proposed Jervois Project Layout

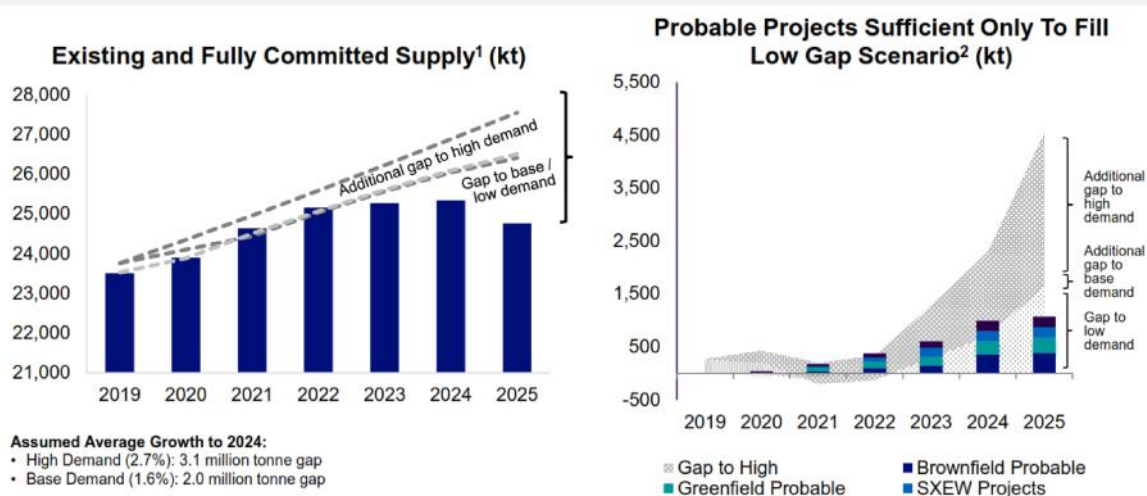
Economic and market environment

While the COVID-19 crisis has caused the postponement of the project financing and mine development stages of Jervois, the economic and market environment in which the project will be developed and brought into production is expected to be favourable.

In the immediate future, governments will be giving high priority to economic recovery in Australia. Jervois will be a job creating project of local and national economic value, and should present opportunities for accessing government support for project development.

Copper Supply / Demand Balance

Projects available to fill low demand scenario gap



Teck

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Slide 5 Copper Supply/ Demand Balance

(<https://www.teck.com/media/TD-Securities-Mining-Conference-Jan-2020.pdf>)

The fundamentals of the international copper market – copper mine production struggling to keep up with growing consumption – will reassert themselves in the future, with production shortfalls placing upward pressure on copper prices. These charts by Teck Corporation highlight the looming deficit issue, with the blue bars showing committed copper supply (on the left) and probable new production, and the dotted lines and hatched area showing the projected demand.

There will be strongly increasing demand for copper in infrastructure, consumer goods, electrical transmission and electric vehicles. The rate of demand growth is, of course, difficult to forecast in the current disruption. Undoubtedly the injection of government funding into infrastructure and other construction projects in order to stimulate economies will add to that demand growth for copper. And in this constantly changing world, the medium and long term industrial trends of increased copper usage will not be stopped. Copper is a modern metal with important traditional and emerging applications. International Copper Association research into emerging copper usages shows that renewable power generators use 8 to 12 times more copper than traditional generators. Electric vehicles require up to 4 times the copper of petrol vehicles.

The pandemic has depressed immediate industrial activity and therefore copper usage, and consequently the copper price, and at the same time caused several large copper mines to close – such as in Zambia - or reduce production.

However, it has also had the effect of curtailing future copper production – the mine output needed to reduce the forecast shortfall in the years immediately ahead. It has created a pause in the pipeline of major projects, delaying the development of new copper mines and mine extensions, among them Teck Resources' Quebrada Blanca Phase 2 project and Antofagasta's Los Pelambres expansion in Chile, and Anglo American's Quellaveco project in Peru.

Adding to the long-term problem, mines will continue to be confronted by declining copper ore grades. Average production grades have fallen about 20% over the last 10 years to about 0.6%. And so costs have been rising with major producers having to increase mine volumes to maintain copper production. This has been felt particularly in Chile, the world's largest copper producing country, where BHP reported a 12% decline in grade at the Escondida mine last year and Codelco is facing falling grades. Rio Tinto's copper production declined by 5% in 2019 due to lower grades. The company recently forecast further reductions in production in 2020 due to the pandemic and other causes. There are other large, undeveloped high grade copper deposits, but in higher risk parts of the world.

Forecasting the future is always fraught – who could have forecast the corona virus? However, the supply-demand outlook clearly points to a higher copper price.

The recent facts of the market are that the copper price began rising late last year to peak on 14 January 2020 at US\$6327 a tonne. As the pandemic took hold, the price fell to a low of US\$4630 on 23 March, then rose to US\$5223 on 11 May as manufacturing and construction appeared to be recovering in China. The pandemic has postponed the improvement that was under way a few months ago. The price is now expected to strengthen in response to the post-COVID-19 economic activity and the reassertion of the longer term supply-demand fundamentals of the copper market. How strong will that recovery be? UBS was reported last month as forecasting US\$3 a pound (US\$6139 tonne) copper in 2021.

The Company has continued to receive the strong support of shareholders.

On behalf of all directors, I would like to thank shareholders for the confidence they continued to show in the Company and the Jervois project by their strong participation in the capital raisings last year during which a total of \$12.4 million was raised by way of a placement in March and a shareholder entitlement offer in December. The placement was made to three of the Company's largest shareholders, and all of the top 10 shareholders participated in the entitlement offer.

I would also like to acknowledge the assistance and goodwill that we receive from the traditional owners of the Jervois Project as speakers of the Eastern Arrrente dialect Akityerre, the neighbouring pastoralists and all the relevant government departments and agencies.

Finally, I would like to thank my fellow directors and the dedicated staff of KGL for their hard work during the past year. As the Company geared up for project financing, construction and production, Russell Dwyer, a civil engineer experienced in mining and construction projects, was appointed to the new position of Project Manager working with Project Director

Paul Richardson. A new Chief Financial Officer, Amy Treble, also joined the Company; she has extensive financial experience in the mining industry.

In conclusion, let us all look forward to the end of the current period of disruption and a world copper market with the growth to enable us to bring Jervois into production.

JORC Compliance Statement

The Jervois Resources information were first released to the market on 22/08/19 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.

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	401	17/03/2020	2012
KJD	408	17/03/2020	2012
KJCD	418	14/04/2020	2012
KJCD	416	14/04/2020	2012
KJD	413	17/03/2020	2012
KJCD	417	14/04/2020	2012
KJD	415	17/03/2020	2012
KJD	411	17/03/2020	2012
KJD	414	17/03/2020	2012
KJD	398	17/03/2020	2012
KJD	400	17/03/2020	2012
KJD	402	17/03/2020	2012
KJD	399	17/03/2020	2012
KJD	406	17/03/2020	2012
KJCD	358	17/10/2019	2012
KJD	407	17/03/2020	2012
KJD	405	17/03/2020	2012
KJD	412	17/03/2020	2012
KJD	404	17/03/2020	2012
KJD	410	17/03/2020	2012
KJD	403	17/03/2020	2012

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.