



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

Level 7 167 Eagle Street Brisbane 4000

9 July 2020

## Entitlement Offer to raise approximately \$3.991 million

*Not for release to US wire services or distribution in the United States except by KGL Resources Limited to Approved US Shareholders*

- ) **Non-renounceable entitlement offer to raise approximately \$3,991,272.**
- ) **Offer price of \$0.16 per new share, an 8.6% discount to the closing price of KGL Resources shares on Wednesday, 8 July 2020.**
- ) **Proceeds raised from the Entitlement Offer will be used to complete all the necessary pre-development modelling and costings for the Jervois Project based on information already obtained prior to the onset of the COVID-19 pandemic, and to sustain KGL Resources through to the project financing stage, in preparation for when favourable market conditions return.**
- ) **Major shareholders, KMP Investments and Denis Wood (on behalf of his controlled entities) are fully supportive of the Entitlement Offer and have confirmed their intention to take up their full entitlement.**

### Entitlement Offer

KGL Resources Limited (**KGL Resources**) intends to conduct an equity raising via a 2 for 25 non-renounceable entitlement offer of fully paid ordinary shares in KGL Resources (**New Shares**) to raise approximately \$3,991,272 (**Entitlement Offer**).

The offer price for the Entitlement Offer will be \$0.16 per share (Offer Price). The Offer Price represents an 8.6% discount to the last traded price of KGL Resources shares on Wednesday, 8 July 2020.

Under the Entitlement Offer, eligible shareholders will be able to subscribe for 2 new ordinary shares in KGL Resources for every 25 existing ordinary shares held at 7.00pm (AEST) on Tuesday, 14 July 2020 (**Record Date**) at the Offer Price (**Entitlements**). Major shareholders KMP Investments and Denis Wood (on behalf of his controlled entities) have confirmed to KGL Resources that they currently intend to subscribe for their full entitlement under the Entitlement Offer.

The Entitlement Offer will include a top up facility under which eligible shareholders who take up their full Entitlement will be invited to apply for additional shares in the Entitlement Offer from a pool of those not taken up by other shareholders. There is no guarantee that applicants under this top up facility will receive all or any of the shares they apply for under the facility.

Proceeds raised from the Entitlement Offer will be used to complete all the necessary pre-development modelling and costings for the Jervois Project based on information already obtained prior to the onset of the COVID-19 pandemic, and to sustain KGL Resources through to the project financing stage, in preparation for when favourable market conditions return.

The Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable. Shareholders who do not take up their Entitlements will not receive any value for those Entitlements that they do not take up. Shareholders who are not eligible to receive Entitlements will not receive any value for the Entitlements they would have received had they been eligible.

Approximately 24.94 million new ordinary shares in KGL Resources may be issued as part of the Entitlement Offer. Shares issued under the Entitlement Offer will rank equally with existing shares.

KGL Resources will notify shareholders as to whether they are eligible to participate in the Entitlement Offer. Eligible shareholders will receive an information booklet including a personalised entitlement and acceptance form which will provide further details of how to participate in the Entitlement Offer.

### Key dates<sup>1</sup>

Event	Date
Announcement of Entitlement Offer	Thursday, 9 July 2020
Shares traded on an 'ex' entitlement basis	Monday, 13 July 2020
Record date for eligibility to participate in the Entitlement Offer	7.00pm AEST, Tuesday, 14 July 2020
Despatch of information booklet and personalised Entitlement and acceptance forms to Eligible Shareholders	Friday, 17 July 2020
Entitlement Offer opens	Friday, 17 July 2020
Last date to extend the closing date for the Entitlement Offer	Tuesday, 28 July 2020
Entitlement Offer closes	5.00pm AEST, Friday, 31 July 2020
Announcement of results of Entitlement Offer and under-subscriptions	Wednesday, 5 August 2020
Allotment of New Shares issued under the Entitlement Offer	Friday, 7 August 2020
Dispatch of holding statements for New Shares issued under the Entitlement Offer	Friday, 7 August 2020
Normal ASX trading for New Shares issued under the Entitlement Offer commence	Monday, 10 August 2020

### Further information

If you have any queries, please call Link Market Services on 1300 306 230 (inside Australia) or +61 1300 306 230 (outside Australia) between 8.30am and 5.30pm (AEST) Monday to Friday during the offer period or, alternatively, consult your professional adviser.

This announcement is authorised by the Board of Directors.

### Important information

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration of the US Securities Act and applicable US state securities laws.

This announcement contains certain 'forward-looking statements' within the meaning of the securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as 'may,' 'should,' 'expect,' 'anticipate,' 'estimate,' 'scheduled' or 'continue' or the negative version of them or comparable terminology. Any forecasts or other forward looking statements contained in this announcement are subject to known and unknown risks and uncertainties and may involve significant elements of subjective judgment and assumptions as to future events which may or may not be correct. There are usually differences between forecast and actual results because events and actual circumstances frequently do not occur as forecast and these differences may be material. KGL Resources does not give any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur and you are cautioned not to place undue reliance on forward-looking statements.

<sup>1</sup> All times are in Australian Eastern Standard Time (AEST), unless otherwise stated. This timetable is indicative only and subject to change. The Directors may vary these dates subject to the ASX Listing Rules. An extension of the Closing Date will delay the anticipated date for issue of the New Shares. The Directors also reserve the right not to proceed with the whole or part of the Entitlement Offer any time before the allotment and issue of the New Shares. In that event, the relevant Application Monies (without interest) will be returned in full to applicants.