

KGL RESOURCES LIMITED

ACN 082 658 080

Entitlement Offer Information Booklet

2 for 25 pro rata non-renounceable entitlement offer at \$0.16 per Share.

Last date for acceptance and payment: 5.00pm (AEST) on 31 July 2020

If you are an Eligible Shareholder, this is an important document that requires your immediate attention. It should be read in its entirety. If, after reading this document you have any questions about the securities being offered for issue under it or any other matter, you should contact your stockbroker, solicitor, accountant or other professional adviser.

*NOT FOR RELEASE TO US WIRE SERVICES OR DISTRIBUTION IN THE UNITED STATES
EXCEPT BY KGL RESOURCES LIMITED TO APPROVED US SHAREHOLDERS*

Table of contents

IMPORTANT NOTICES	1
Chairman's letter	3
Summary of the Entitlement Offer	5
Key dates	5
Enquiries	5
1 Description and effect of the Offer	6
1.1 Overview	6
1.2 Issue of additional Shares under the Top Up Facility	6
1.3 Shortfall placement	7
1.4 Eligibility of Shareholders	7
1.5 Ranking of New Shares	7
1.6 Allotment	7
1.7 Capital structure	8
1.8 Effect on major shareholder voting power	8
1.9 Effect on KGL Resources' financial position	8
1.10 Broker handling fee	8
1.11 Information Availability	9
2 Financial position	10
3 Investor presentation	11
4 How to apply	24
4.1 Shareholder's choices	24
4.2 Taking up all of your Entitlement and participating in the Top Up Facility	24
4.3 Taking up part of your Entitlement and allowing the balance to lapse	25
4.4 Allow your Entitlement to lapse	25
4.5 Consequences of not accepting your Entitlement	25
4.6 Payment	25
4.7 Entitlement and Acceptance Form is binding	26
4.8 Brokerage and Stamp Duty	26
4.9 Notice to Nominees and Custodians	26
5 Definitions	27
6 Corporate information	29

IMPORTANT NOTICES

This Information Booklet is dated 9 July 2020. Capitalised terms in this section have the meaning given to them in this Information Booklet.

The Entitlement Offer is being made without a prospectus under section 708AA Corporations Act (as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84). This Information Booklet does not contain all of the information which a prospective investor may require to make an informed investment decision. The information in this Information Booklet does not constitute financial product advice and does not take into account your investment objectives, financial situation or particular needs.

This Information Booklet is important and should be read in its entirety before deciding to participate in the Entitlement Offer. This Information Booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC.

KGL Resources may make additional announcements after the date of this Information Booklet and throughout the period that the Entitlement Offer is open that may be relevant to your consideration about whether you should participate in the Entitlement Offer.

No party other than KGL Resources has authorised or caused the issue of this Information Booklet, or takes any responsibility for, or makes, any statements, representations or undertakings in this Information Booklet.

By returning an Entitlement and Acceptance Form or otherwise paying for your New Shares or Top Up Shares through BPAY or cheque in accordance with the instructions on the Entitlement and Acceptance Form, you acknowledge that you have read this Information Booklet and you have acted in accordance with and agree to the terms of the Entitlement Offer detailed in this Information Booklet.

No overseas offering

This Information Booklet and the accompanying Entitlement and Acceptance Form do not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make that offer or invitation. In particular, this Information Booklet does not constitute an offer to Ineligible Shareholders and may not be distributed in the United States and the New Shares may not be offered or sold, directly or indirectly, to persons in the United States, other than as specifically noted below.

This Information Booklet is not to be distributed in, and no offer of New Shares or Top Up Shares is to be made in countries other than Australia, New Zealand and Singapore, except to certain category of institutional investor in the United States. The distribution of this Information Booklet (including an electronic copy) in other jurisdictions may be restricted by law and therefore persons who come into possession of this Information Booklet should seek advice on and observe these restrictions. Any failure to comply with these restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Entitlement Offer or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction outside Australia.

Your Application for New Shares is subject to all requisite authorities and clearances being obtained for KGL Resources to lawfully receive your Application Monies.

New Zealand

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of KGL Resources with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the *Financial Markets Conduct Act 2013* and the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016*.

This Information Booklet has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This Information Booklet is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Singapore

This Information Booklet and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Information Booklet and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares may not be issued, circulated or distributed, nor may these securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in

accordance with the conditions of any other applicable provisions of the SFA.

This Information Booklet has been given to you on the basis that you are an existing holder of KGL Resources' shares. In the event that you are not such a shareholder, please return this Information Booklet immediately. You may not forward or circulate this Information Booklet to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

United States

The New Shares have not been, and will not be, registered under the US Securities Act of 1933 (**US Securities Act**) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws. In particular, this Information Booklet may only be distributed by KGL Resources, and the New Shares will only be offered and sold, in the United States to existing shareholders of KGL Resources who are institutional "accredited investors" within the meaning of Rule 501(a)(1), (2), (3) or (7) under the US Securities Act (**Approved US Shareholders**).

Definitions, currency and time

Defined terms used in this Information Booklet are contained in section 5. All references to currency are to Australian dollars and all references to time are to Australian Eastern Standard Time (**AEST**), unless otherwise indicated.

Taxation

There will be tax implications associated with participating in the Entitlement Offer and receiving New Shares. KGL Resources considers that it is not appropriate to give advice regarding the tax consequences of subscribing for New Shares under this Information Booklet or the subsequent disposal of any New Shares. KGL Resources recommends that you consult your professional tax adviser in connection with the Entitlement Offer.

Privacy

KGL Resources collects information about each Applicant provided on an Entitlement and Acceptance Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's shareholding in KGL Resources.

By submitting an Entitlement and Acceptance Form, you will be providing personal information to KGL Resources (directly or through the Share Registry). KGL Resources collects, holds and will use that information to assess your Application. KGL Resources collects your personal information to process and administer your shareholding in KGL Resources and to provide related services to you. KGL Resources may disclose your personal information for purposes related to your shareholding in KGL Resources, including to the Share Registry, KGL Resources' related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory bodies. You can obtain access to personal information that KGL Resources holds about you. To make a request for access to your personal information held by (or on behalf of) KGL Resources, please contact KGL Resources through the Share Registry.

Governing law

This Information Booklet, the Entitlement Offer and the contracts formed on acceptance of the Applications are governed by the law applicable in Queensland, Australia. Each Applicant submits to the exclusive jurisdiction of the Queensland courts and courts competent to hear appeals from those courts.

No representations

No person is authorised to give any information or to make any representation in connection with the Entitlement Offer which is not contained in this Information Booklet. Any information or representation in connection with the Entitlement Offer not contained in the Information Booklet may not be relied upon as having been authorised by KGL Resources or any of its officers.

Past performance

Investors should note that KGL Resources' past performance, including past share price performance, cannot be relied upon as an indicator of (and provides no guidance as to) KGL Resources' future performance including KGL Resources' future financial position or share price performance.

Future performance

This Information Booklet contains certain forward-looking statements with respect to the financial condition, results of operations, projects and business of KGL Resources and certain plans and objectives of the management of KGL Resources. These forward-looking statements involve known and unknown risks, uncertainties and other factors which are subject to change without notice, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct.

Forward-looking statements are provided as a general guide only and there can be no assurance that actual outcomes will not differ materially from these statements. Neither KGL Resources, nor any other person, gives any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statement will actually occur. In particular, those forward-looking statements are subject to significant uncertainties and contingencies, many of which are outside the control of KGL Resources. A number of important factors could cause actual results or performance to differ materially from the forward looking statements. Investors should consider the forward looking statements contained in this Information Booklet in light of those disclosures.

Risks

Refer to the 'Key risks' in the Investor Presentation for a summary of specific and general risk factors that may affect KGL Resources.

Chairman's letter

9 July 2020

Dear Shareholder

I am pleased to write to you, as a valued shareholder of KGL Resources Limited (**KGL Resources**), and offer you the opportunity to participate in KGL Resources' recently announced 2 for 25 non-renounceable entitlement issue of new ordinary shares in KGL Resources (**New Shares**) at an issue price of \$0.16 per New Share (**Entitlement Offer**).

Entitlement Offer

On 9 July 2020, KGL Resources announced its intention to raise approximately \$3.991 million through the Entitlement Offer.

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. Further information regarding progress of the Jervois Project is set out in the Investor Presentation lodged with the Australian Securities Exchange (ASX) on 9 July 2020, a copy of which is included in this Information Booklet in section 3.

Under the Entitlement Offer, eligible shareholders have the opportunity to invest at the price of \$0.16 per New Share. The issue price of \$0.16 per New Share represents an 8.6% discount to the closing price of KGL Resources shares on 8 July 2020 (being the last trading day before announcement of 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.

The number of New Shares you are entitled to subscribe for under the Entitlement Offer (**Entitlement**) is set out in your personalised Entitlement and Acceptance Form that is enclosed in this Information Booklet.

Major shareholders KMP Investments and the Denis Wood Entities have confirmed to KGL Resources that they intend to subscribe for their full entitlement under the Entitlement Offer.

The Entitlement Offer is non-renounceable and therefore your entitlements will not be tradeable on ASX or otherwise transferable.

Other information

This Information Booklet contains important information, including:

- the Investor Presentation set out in section 3, which was released to ASX on 9 July 2020, and provides information regarding progress of the Jervois Project;

- instructions on how to apply, detailing how to participate in the Entitlement Offer if you choose to do so, and a timetable of key dates;
- a personalised Entitlement and Acceptance Form which details your Entitlement, to be completed in accordance with the instructions; and
- instructions on how to take up all or part of your Entitlement via BPAY or cheque.

The Entitlement Offer closes at **5.00pm AEST on 31 July 2020**.

Please read in full the details on how to submit your application, which are set out in this Information Booklet. For further information, telephone 1300 306 230 (inside Australia) and +61 1300 306 230 (outside Australia) between 8.30am and 5.30pm (AEST), or visit our website at <https://www.kglresources.com.au>.

You should also consult your stockbroker, solicitor, accountant or other professional adviser to evaluate whether or not to participate in the Entitlement Offer.

On behalf of the Board of KGL Resources, I encourage you to consider this investment opportunity and thank you for your ongoing support.

Yours sincerely

Denis Wood
Chairman
KGL Resources Limited

Summary of the Entitlement Offer

Entitlement Offer	
Ratio	2 New Shares for every 25 existing KGL Resources ordinary shares
Issue Price	\$0.16 per New Share
Size	Approximately 24,945,448 New Shares*
Gross proceeds	Approximately \$3,991,272**

* Subject to rounding

** The Entitlement Offer is not underwritten – this assumes full take up of Entitlements by participants

Key dates

Activity	Date
Announcement of the Entitlement Offer	9 July 2020
Shares traded on an 'ex' entitlement basis	13 July 2020
Record Date for Entitlement Offer (7.00pm)	14 July 2020
Information Booklet and Entitlement and Acceptance Form despatched	17 July 2020
Entitlement Offer opens	17 July 2020
Last date to extend the closing date for the Entitlement Offer	28 July 2020
Closing date for acceptances under Entitlement Offer (5.00pm)	31 July 2020
Announcement of results of Entitlement Offer and under-subscriptions	5 August 2020
Allotment of New Shares issued under the Entitlement Offer	7 August 2020
Normal ASX trading for New Shares issued under the Entitlement Offer commence	10 August 2020
Dispatch of holding statements for New Shares issued under the Entitlement Offer	11 August 2020

Notes: 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 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.

Enquiries

For further information, telephone 1300 306 230 (inside Australia) and +61 1300 306 230 (outside Australia) between 8.30am and 5.30pm (AEST). Alternatively, contact your stockbroker, solicitor, accountant or other professional adviser.

If you have lost your Entitlement and Acceptance Form and would like a replacement form, you should contact the Share Registry on 1300 306 230 (within Australia) or +61 1300 306 230 (outside Australia) or at www.kglresources.com.au.

1 Description and effect of the Offer

1.1 Overview

The Entitlement Offer is a non-renounceable offer of approximately 24,945,448 New Shares at \$0.16 per New Share to raise approximately \$3,991,272 (before direct offer costs including fees paid to advisers and to providers of specific services to cover share registry, printing and postage costs).

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..

Eligible Shareholders who are on KGL Resources' share register on the Record Date are entitled to acquire 2 New Shares for every 25 Shares held on the Record Date (**Entitlement**).

Fractional Entitlements will be rounded down to the nearest whole number of New Shares.

The issue price of \$0.16 per New Share represents a discount of 8.6% to the closing price of KGL Resources shares on 8 July 2020 (being the last trading day before announcement of the Entitlement Offer).

The Entitlement Offer is non-renounceable. Accordingly, Entitlements do not trade on ASX, nor can they be transferred or otherwise disposed of.

An Entitlement and Acceptance Form setting out your Entitlement accompanies this Information Booklet. Eligible Shareholders may subscribe for all or part of their Entitlement.

Eligible Shareholders who do not take up all of their Entitlements will have their percentage shareholding in KGL Resources diluted.

Eligible Shareholders should be aware that an investment in KGL Resources involves risks. The key risks identified by KGL Resources are summarised in the Investor Presentation.

1.2 Issue of additional Shares under the Top Up Facility

Any New Shares not taken up by the Closing Date may be made available to those Eligible Shareholders who took up their full Entitlement and applied for additional New Shares under the Top Up Facility.

There is no guarantee that those Shareholders will receive the number of New Shares applied for under the Top Up Facility, or any. The number of New Shares available under the Top Up Facility will not exceed the shortfall from the Entitlement Offer. The Directors reserve the right to allot and issue New Shares under the Top Up Facility at their discretion, but it is intended that all Eligible Shareholders who apply for Top Up Shares will receive their pro rata entitlement to any available Top Up Shares. KGL Resources may allocate all, or a lesser number, of Shares for which an application has been made under the Top Up Facility. If applications are scaled back, there may be a different application of the scale-back policy to each Applicant.

1.3 Shortfall placement

A shortfall may arise if applications received for New Shares under the Entitlement Offer (including after the completion of the Top Up Facility (if any) and the Entitlements of Ineligible Shareholders) are less than the number of New Shares offered.

The Directors reserve the right, subject to the requirements of the Listing Rules and the Corporations Act, to place Shortfall Shares within three months after the Closing Date to either existing or new Shareholders at their discretion.

If issued, Shortfall Shares will be issued at a price not less than the Issue Price of New Shares under the Entitlement Offer. Shareholders will not receive any payment or value for the Entitlements not taken up under the Entitlement Offer that are subsequently taken up as Shortfall Shares.

1.4 Eligibility of Shareholders

The Entitlement Offer is being offered to all Eligible Shareholders.

An Eligible Shareholder is a Shareholder on the Record Date who:

- (a) has a registered address on the KGL Resources share register in Australia, New Zealand, Singapore or is a Shareholder that KGL Resources has otherwise determined is eligible to participate;
- (b) is an Approved US Shareholder;
- (c) is not in the United States and is not a person (including nominee or custodian) acting for the account or benefit of a person in the United States, excluding any Approved US Shareholders; and
- (d) is eligible under all applicable securities laws to receive an offer under the Entitlement Offer without any requirement for a prospectus to be lodged or registered.

The Entitlement Offer is not being extended to the Ineligible Shareholders because of the small number of those Shareholders, the number and value of the Shares they hold and the cost of complying with applicable regulations in jurisdictions outside Australia and New Zealand.

1.5 Ranking of New Shares

The New Shares issued under the Entitlement Offer will be fully paid and rank equally with Existing Shares.

1.6 Allotment

KGL Resources will make an application within seven days from the date of this Information Booklet for quotation of the New Shares on ASX. It is expected that allotment of the New Shares under the Entitlement Offer will take place no more than five Business Days after the close of the Entitlement Offer. Any application monies received for more than your final allocation of New Shares will be refunded to you as soon as practicable (where the amount is \$2.00 or greater).

Application Monies will be held by KGL Resources on trust for Applicants until the New Shares are allotted. No interest will be paid on Application Monies.

It is the responsibility of Applicants to determine the number of New Shares allotted and issued to them before trading the New Shares. The sale by an Applicant of New Shares before receiving their holding statement is at the Applicant's own risk.

1.7 Capital structure

Subject to the rounding down of fractional Entitlements, the capital structure of KGL Resources following the issue of New Shares is expected to be as follows:

Existing Shares on issue as at 9 July 2020 (announcement of the Entitlement Offer)	311,818,103
Approximate New Shares issued under the Entitlement Offer	24,945,448*
Approximate total number of Shares after the Entitlement Offer	336,763,551*

* The Entitlement Offer is not underwritten – this assumes full take up of Entitlements by participants

1.8 Effect on major shareholder voting power

As set out above, each of KMP Investments and the Denis Wood Entities have confirmed they intend to take up their entitlement under the Entitlement Offer in full.

The following table sets out the impact on their voting power based on different levels of Shareholder participation under the Entitlement Offer:

Participation level	36%*	50%	75%	100%**
KMP Investments	27.85%	27.56%	27.04%	26.54%
Denis Wood Entities	10.30%	10.19%	10.00%	9.81%

* Participation by only the two major Shareholders.

** Assumes all Shareholders are eligible to and do participate in the Entitlement Offer.

Depending on Shareholder participation under the Entitlement Offer, the voting power of Denis Wood Entities may increase to more than 10%. In controlling more than 10% of the Shares, Denis Wood Entities will have the ability to block a bidder under a takeover offer from acquiring an interest in 90% of the Shares, which would prevent the bidder from undertaking a compulsory acquisition of Shares under Chapter 6A of the Corporations Act.

1.9 Effect on KGL Resources' financial position

Set out in section 2 is the consolidated balance sheet of KGL Resources as at 31 December 2019 and a pro-forma balance sheet assuming the total funds raised under the Entitlement Offer is \$3,991,272.

1.10 Broker handling fee

A handling fee of 1% of the application amount (plus GST) of New Shares (subject to a maximum handling fee of \$150) (**Broker Handling Fee**) under the Entitlement Offer will be paid by KGL Resources to stockbrokers (being those entities being recognised as full service brokers or non-

advisory brokers by ASX) who submit a valid claim for a Broker Handling Fee on successful Applications.

1.11 Information Availability

Eligible Shareholders can obtain a copy of this Information Booklet from the KGL Resources website at <https://www.kglresources.com.au> or by calling the Share Registry on 1300 306 230 (within Australia) or +61 1300 306 230 (outside Australia) at any time from 8.30am to 5.30pm (AEST) during the Entitlement Offer period. Persons who access the electronic version of this Information Booklet should ensure that they download and read the entire Information Booklet. The electronic version of this Information Booklet will not include an Entitlement and Acceptance Form. A replacement Entitlement and Acceptance Form can be downloaded at <https://www.kglresources.com.au/>.

2 Financial position

The following shows the effect of the Entitlement Offer on the financial position of KGL Resources:

Pro forma Balance Sheet (unaudited)	31 December 2019 (\$'000)	Entitlement Offer (Committed Portion) (\$'000)	Entitlement Offer (Assumes 100% Participation) (\$'000)
Cash at 31 December 2019	3,626	3,626	3,626
Term Deposits	3,100	3,100	3,100
Cash – Entitlement Offer	-	1,450	3,991
Total Cash & Term Deposits	6,726	8,176	10,717
Trade and Other Receivables	172	172	172
Property Plant and Equipment	322	322	322
Exploration and Evaluation	60,140	60,140	60,140
Prepayments	104	104	104
Intangibles	5	5	5
Financial Assets	705	705	705
Total Assets	68,174	69,624	72,165
Total Liabilities	909	909	909
Total Equity	67,265	68,715	71,256

Notes to pro forma balance sheet:

- Based on the Statement of Financial Position for the Full Year ended 31 December 2019.
- Raise up to \$3.991m in new equity capital under the Entitlement Offer.
- Capital raising expenses are ~\$80,000.
- As disclosed in KGL Resources' Quarterly Activities Cashflow Report for the quarter ending 30 June 2020, ~\$3.3m has been spent on exploration and working capital since 31 December 2019.
- There have been no other material balance sheet events since 31 December 2019.

3 Investor presentation



KGL Resources - Corporate Snapshot

CAPITAL STRUCTURE

Australian Stock Exchange (ASX) code	KGL
ASX Share price (close 08-July-2020)	17.5 cents
52 week low / high	A\$0.277 / A\$0.094
Shares on issue	311.8M
Options on Issue	Nil
Market capitalisation	A\$54.6M
Cash (30 June 2020)	A\$3.5M
Debt	Nil
Enterprise value	A\$51.1M

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

60 MONTH SHARE PRICE PERFORMANCE

MAJOR SHAREHOLDERS

KMP Investments Pte Ltd	26.5%
Denis Wood	9.8%
Marshall Plenty Investments LLC	9.1%
Pegasus CP One	5.8%

Top 20 Shareholders hold 76.0% of shares on issue at 8 July 2020.

ASX:KGL | 1

KGL Resources - Capital Raising Overview



Offer Size and Structure

To Raise approximately **\$4 million**.

2 new ordinary share for every **25** existing ordinary share held.

Offer Price

\$0.16 per share.

8.6% discount to the closing price of \$0.175 on 8 July 2020

Use of Funds

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 the Company through to the project financing stage, in preparation for when favourable market conditions return.

ASX:KGL | 2

KGL Resources - Capital Raising Timetable



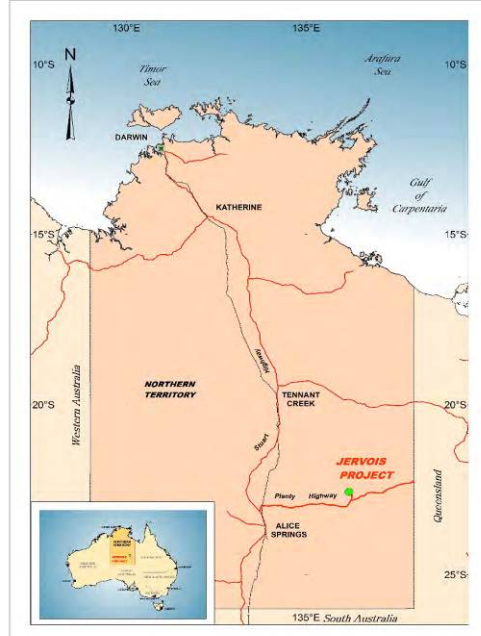
Event	Date
Announcement of Entitlement Offer	Thursday, 9 July 2020
Shares traded on an 'ex' entitlement basis	Monday, 13 July 2020
Record date for eligibility to participate in the Entitlement Offer	7.00pm AEST, Tuesday, 14 July 2020
Despatch of information booklet and personalised Entitlement and acceptance 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

ASX:KGL | 3

Jervois Project - Overview

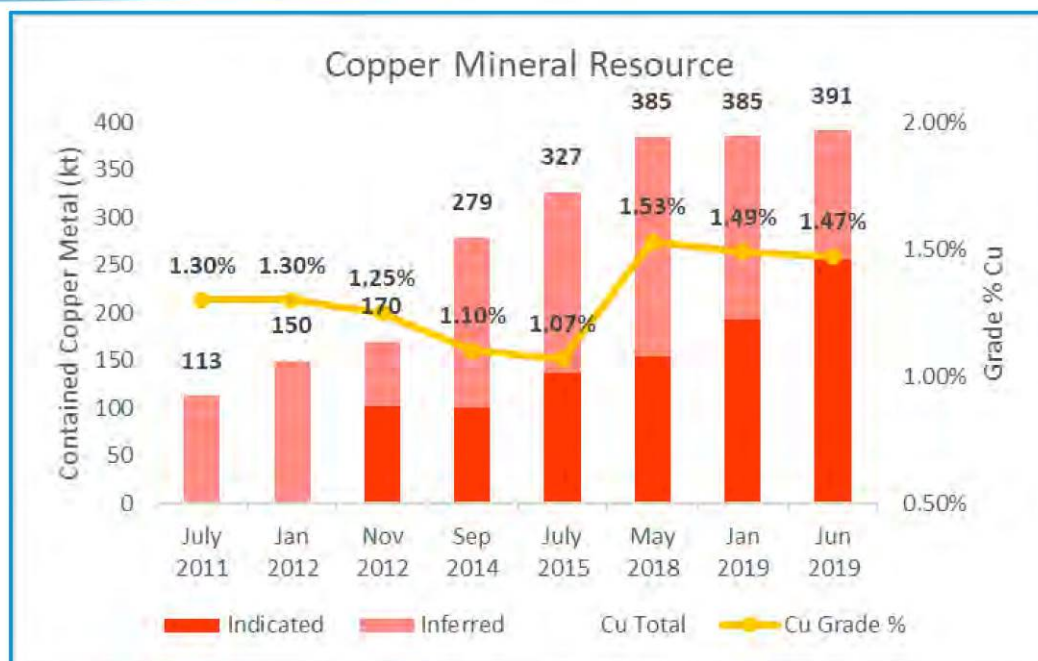


- 100% owned.
- Located 380km ENE of Alice Springs with access via Stuart and Plenty Highway.
- Mineral Resource:
 - **26.6 million tonnes at 1.47% copper and 24.7 g/t silver,**
 - containing **390,600 tonnes copper** and **21.1 million ounces silver,**
 - including Indicated Resources of **255,000 tonnes contained copper** and **12.7 million ounces contained silver** (approx. 65% of the Resource).
- Recent drilling results in Reward and Reward South identified the potential to expand Jervois beyond the initial project with further drilling.



ASX:KGL | 4

Jervois Project - Resource



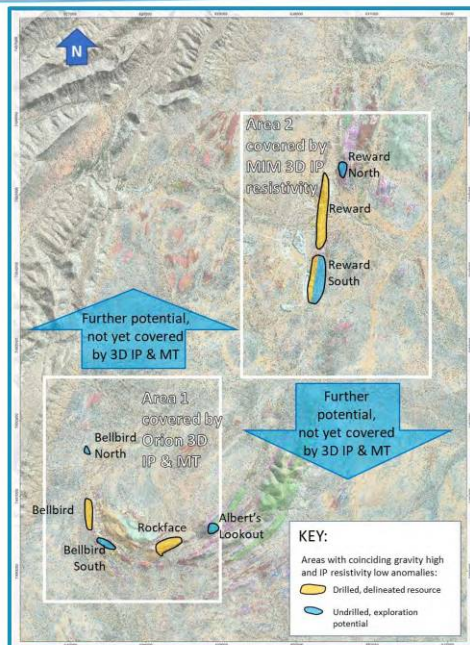
ASX:KGL | 5

Jervois Copper Project – Progress



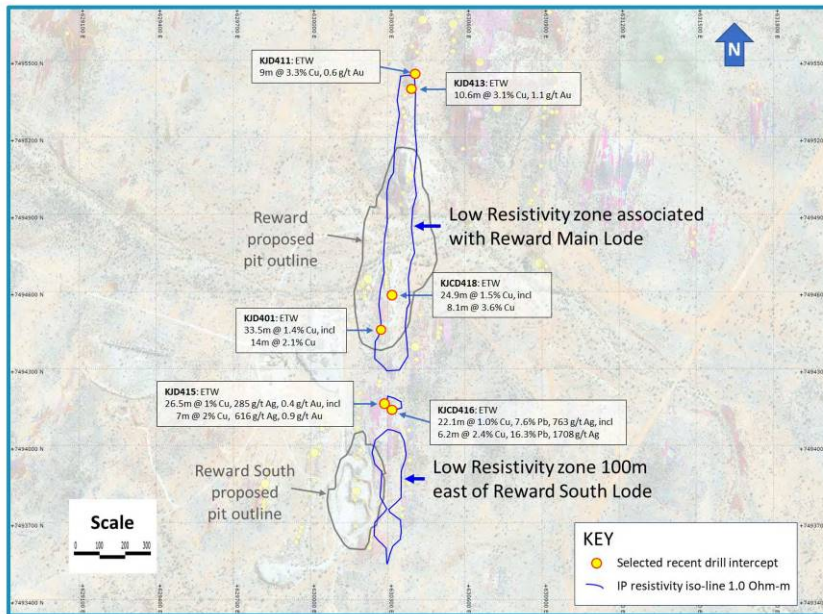
- COVID-19 shutdown has provided time to review and improve upon the geological model, incorporate recent drill results, complete mine geotechnical studies and other planning work.
- Other works underway and planned include:-
 - Updating the Life of Mine mining schedule based on improved geological knowledge at Reward;
 - Optimisation of mine designs and equipment;
 - Updating the construction and operation costs; and,
 - Detailed infrastructure planning.
- Completion of the works above will be incorporated into a PFS - release expected Q4 2020.

Jervois Project – Mineralised Zones



- This map shows selected exploration targets based on 3D IP & MT (magnetotelluric) resistivity and gravity around Reward, Rockface and Bellbird.
- These ready drill targets were outlined within the company's strategy to establish a mine plan.
- Recent advances in exploration and geological understanding and modelling have shown ample opportunity to expand exploration focus on both extensions of existing resources and the possible blind deposits that fit new geological model.

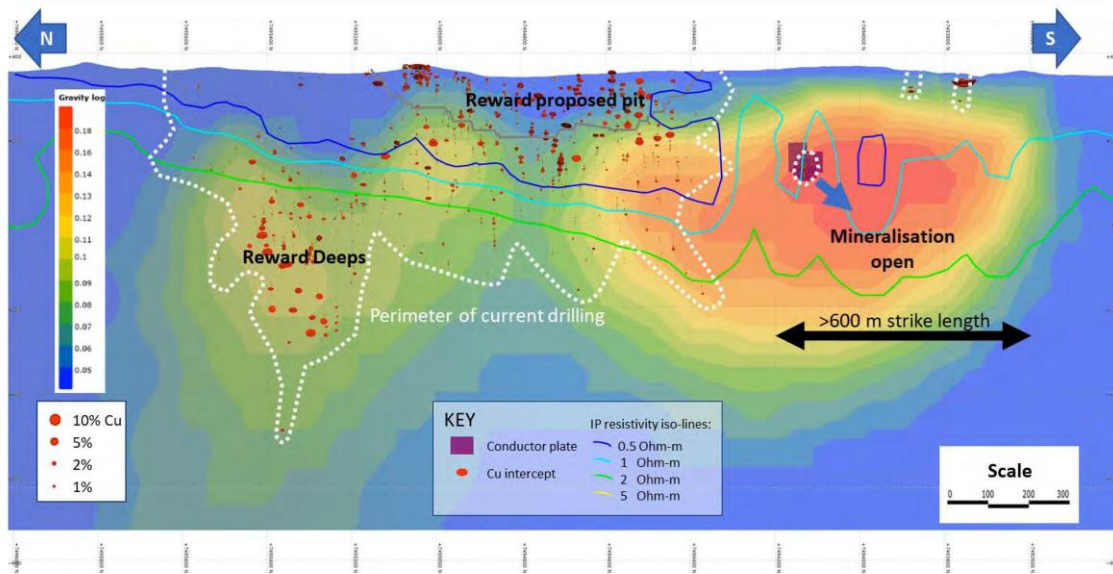
Jervois Project – Reward Exploration Potential



Surface map of Reward with selected recent drill intercepts and IP resistivity 0.5 Ohm-m iso-lines projected onto the surface.

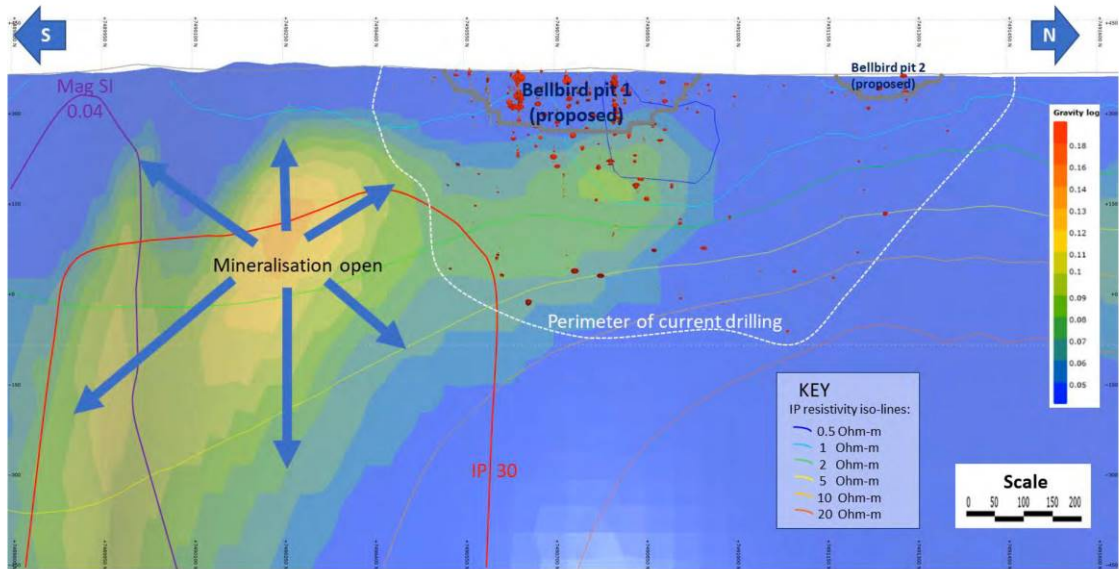
Reward Deposit - Geophysics

Longitudinal section of all drill intercepts depicted as discs with disc size reflecting the Cu grade. Also showing recent interpreted conductor plates, IP resistivity iso-lines and gravity image of Reward. The white dashed line marks the perimeter of the drilling at Reward to date.



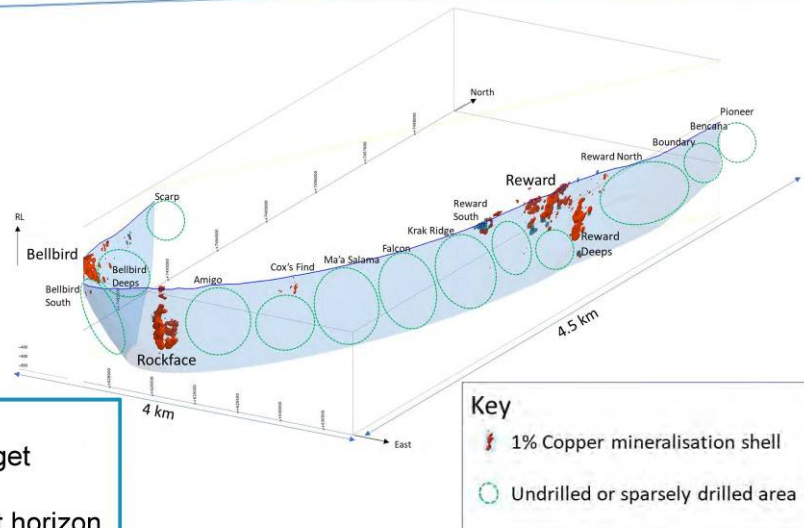
Bellbird Deposit - Geophysics

Longitudinal section of all drill intercepts depicted as discs with disc size reflecting the Cu grade. Also showing recent interpreted conductor plates, IP resistivity iso-lines and gravity image of Reward. The white dashed line marks the perimeter of the drilling at Bellbird to date.



ASX:KGL | 10

Jervois Project – High Potential Exploration Areas



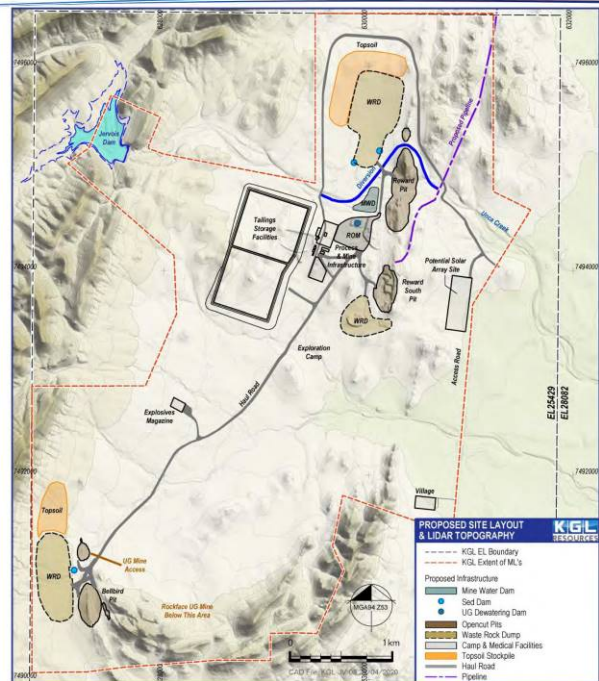
- Prospects and exploration opportunities within the target horizon along the J-fold.
- Only a fraction of the target horizon has been drilled. Numerous areas have been highlighted for their favourable geology, structures and geophysical signatures.

ASX:KGL | 11

Jervois Project – Site Planning



- Detailed planning underway for site layout and infrastructure.
- Review of power supply tenders and civil design proposal in progress.
- Lease and licence applications underway for water bore field supply.
- Mining Management Plan lodged with Northern Territory Government in early April 2020, with approval expected in Sep 2020 Qtr.



ASX:KGL | 12

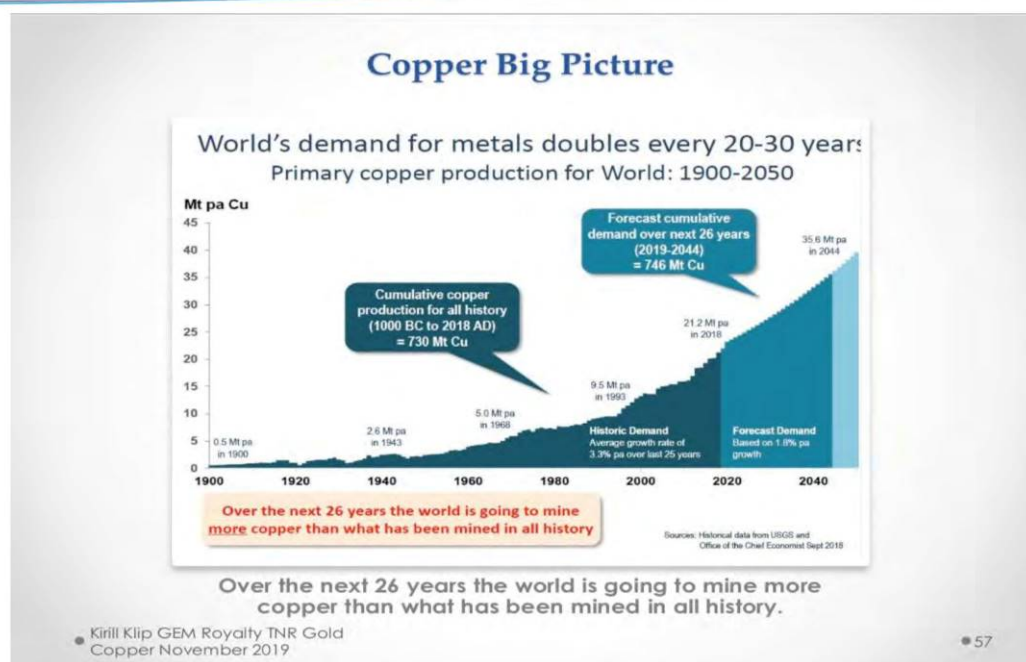
Copper Market



- Growing expectations of a strengthening international copper market.
- Supply side – COVID-19 has forced mine operations to halt and delayed further developments.
- Demand Side – Government incentives for copper intensive projects (renewables and electric vehicles).
- Trafigura forecasting 3.4% annual increase in demand for copper over the next 10 years.

ASX:KGL | 13

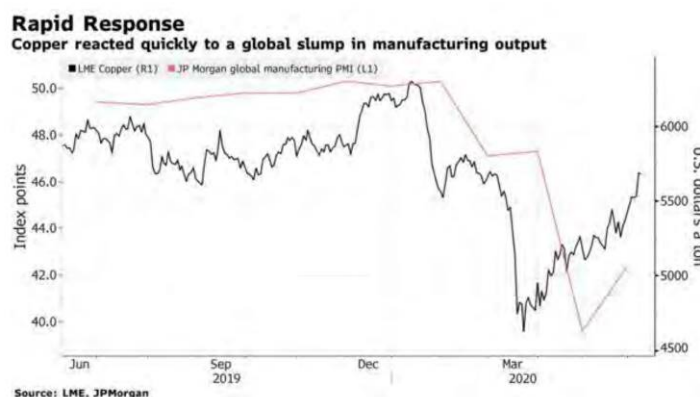
Copper Demand



ASX:KGL | 14

Copper Price

- Price began to increase late 2019 to peak at US\$6327/tonne on 14/01/2020.
- Price fell with the onset of COVID-19 to US\$4630 on 23 March
- Price on 8 July was US\$6,082/tonne
- Market has been influenced by the prospect of government stimulus measures.



ASX:KGL | 15



Risk Factors

- Activities in KGL Resources and its controlled entities, as in any business, are subject to risks which may impact on KGL Resources' future performance. There are a number of factors, both specific to KGL Resources and of a general nature, which may affect the future operating and financial performance and position of KGL Resources and the outcome of an investment in KGL Resources. Some of these risks can be adequately mitigated by the use of safeguards and appropriate systems but many are beyond the control of KGL Resources and its Directors and cannot be mitigated.
- Prior to deciding whether to take up their Entitlement, Shareholders should read the entire Information Booklet and review announcements made by KGL Resources to ASX (at www.asx.com.au, ASX: KGL) in order to gain an appreciation of KGL Resources, its activities, operations, financial position and prospects.
- Shareholders should also consider the summary risk factors set out below which the Directors believe represent some of the general and specific risks that Shareholders should be aware of when evaluating KGL Resources and deciding whether to increase their shareholding in KGL Resources. The risk factors set out below are not intended to be an exhaustive list of all of the risk factors to which KGL Resources is exposed, and they are not intended to be presented in any assumed order of priority. Additional risks and uncertainties not presently known to the Directors, or which they currently believe to be immaterial, may also have an adverse effect on KGL Resources.
- An investment in KGL Resources should be considered speculative. There can be no certainty that KGL Resources will be able to successfully implement its business strategy. No representation is or can be made as to the future performance of KGL Resources and there can be no assurance that KGL Resources will achieve its objectives.

Material Business Risks



Future Capital Raisings

KGL's ongoing activities may require substantial further financing in the future, in addition to amounts raised pursuant to the Entitlement Offer. KGL will require additional funding to bring the Jervois Copper Project into commercial production. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the current market price and debt financing, if available, may involve restrictive covenants which limit KGL's operations and business strategy. Although the Directors believe that additional capital can be obtained, no assurances can be made, especially given the impact of the COVID-19 pandemic, that appropriate capital or funding, if and when needed, will be available on terms favourable to KGL or at all. If KGL is unable to obtain additional financing as needed, it may be required to reduce, delay or suspend its operations and this could have a material adverse effect on KGL's activities and could affect KGL's ability to continue as a going concern.

Exploration Risk

The success of KGL depends on the delineation of economically mineable reserves and resources, access to required development capital, movement in the price of commodities, securing and maintaining title to KGL's exploration and mining tenements and obtaining all consents and approvals necessary for the conduct of its exploration activities. Exploration on KGL's existing tenements may be unsuccessful, resulting in a reduction of the value of those tenements, diminution in the cash reserves of KGL and possible relinquishment of the tenements. The exploration costs of KGL are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect KGL's viability. If the level of operating expenditure required is higher than expected, the financial position of KGL may be adversely affected. KGL may also experience unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

Feasibility and Development Risks

It may not always be possible for KGL to exploit successful discoveries which may be made in areas in which KGL has an interest. Such exploitation would involve obtaining the necessary licences or clearances from relevant authorities that may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. Further, the decision to proceed to further exploitation may require participation of other companies whose interests and objectives may not be the same as KGL's. There is a complex, multidisciplinary process underway to complete a feasibility study to support any development proposal. There is a risk that the feasibility study and associated technical works will not achieve the results expected. There is also a risk that even if a positive feasibility study is produced, the project may not be successfully developed for commercial or financial reasons.

Regulatory Risk

KGL's operations are subject to various Federal, State and local laws and plans, including those relating to mining, prospecting, development permit and licence requirements, industrial relations, environment, land use, royalties, water, native title and cultural heritage, mine safety and occupational health. Approvals, licences and permits required to comply with such rules are subject to the discretion of the applicable government officials. No assurance can be given that KGL will be successful in obtaining any or all of the various approvals, licences and permits or maintaining such authorisations in full force and effect without modification or revocation. To the extent such approvals are required and not retained or obtained in a timely manner or at all, KGL may be curtailed or prohibited from continuing or proceeding with production and exploration. KGL's business and results of operations could be adversely affected if applications lodged for exploration licences are not granted. Mining and exploration tenements are subject to periodic renewal. The renewal of the term of a granted tenement is also subject to the discretion of the relevant Minister. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising KGL's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of KGL. It is also possible that, in relation to tenements which KGL has an interest in or will in the future acquire such an interest, there may be areas over which

ASX:KGL I 18

Material Business Risks (cont.)



legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of KGL to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be affected. KGL has a registered Indigenous Land Use Agreement with the traditional owners for its Jervois Copper Project.

Occupational Health and Safety

Given KGL's exploration activities (and especially if it achieves exploration success leading to mining activities), it will face the risk of workplace injuries which may result in workers' compensation claims, related common law claims and potential occupational health and safety prosecutions. Further, the production processes used in conducting any future mining activities of KGL can be dangerous. KGL has, and intends to maintain, a range of workplace practices, procedures and policies which will seek to provide a safe and healthy working environment for its employees, visitors and the community. Of particular concern will be operating and managing health and safety in an environment where COVID-19 remains a major concern.

Limited operating history of KGL

KGL has limited operating history on which it can base an evaluation of its future prospects. If KGL's business model does not prove to be profitable, investors may lose their investment. KGL's historical financial information is of limited value because of KGL's lack of operating history and the emerging nature of its business. The prospects of KGL must be considered in the light of the risks, expenses and difficulties frequently encountered by companies in their early stage of development, particularly in the mineral exploration sector, which has a high level of inherent uncertainty.

Key Personnel

In formulating its exploration programs, KGL relies to a significant extent upon the experience and expertise of the Directors and management. A number of key personnel are important to attaining the business goals of KGL. One or more of these key employees could leave their employment, and this may adversely affect the ability of KGL to conduct its business and, accordingly, affect the financial performance of KGL and its Share price. Recruiting and retaining qualified personnel are important to KGL's success. The number of persons skilled in the exploration and development of mining properties is limited and competition for such persons is strong.

Resource Estimate Risk

Resource estimates are expressions of judgement based on knowledge, experience and industry practice. These estimates are expressions of judgment based on knowledge, experience and industry practice. These estimates were appropriate when made but may change significantly when new information becomes available. There are risks associated with such estimates. Resource estimates are necessarily imprecise and depend to some extent on interpretations, which may ultimately prove to be inaccurate and require adjustment. Adjustments to resource estimates could affect KGL's future plans and ultimately its financial performance and value. Copper and gold price fluctuations, as well as increased production costs or reduced throughput and/or recovery rates may render resources containing relatively lower grades uneconomic and may materially affect resource estimations.

Environmental Risk

The operations and activities of KGL are subject to the environmental laws and regulations of Australia. As with most exploration projects and mining operations, KGL's operations and activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. KGL attempts to conduct its operations and activities to the highest standard of environmental obligation, including compliance with all environmental laws and regulations. KGL is unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase KGL's cost of doing business or affect its operations in any area. However, there can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige KGL to incur significant expenses and undertake significant investments which could have a material adverse effect on KGL's business, financial condition and performance.

ASX:KGL I 19

Material Business Risks (cont.)



Availability of equipment and contractors

Prior to the COVID19 pandemic, the availability of appropriate equipment, including drill rigs, was in short supply. There was also high demand for contractors providing other services to the mining industry. The extent to which COVID-19 will impact on the availability of equipment and contractors in the future is uncertain at this stage but there will be an effect. Consequently, there is a risk that KGL may not be able to source all the equipment and contractors required to fulfil its proposed exploration activities. There is also a risk that hired contractors may underperform or that equipment may malfunction, either of which may affect the progress of KGL's exploration activities.

Fluctuations in Copper Price and Australian Dollar Exchange Rate

The copper mining industry is competitive. There can be no assurance that copper and gold prices will be such that KGL can mine its deposits at a profit. Copper and gold prices fluctuate due to a variety of factors including supply and demand fundamentals, international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns and speculative activities. These fluctuations were exacerbated by the world wide spread of the COVID-19 virus and at this stage, forecast recoveries from the impact of the virus are speculative. Similarly, demand and supply of capital and currencies, forward trading activities, relative interest rates and exchange rates and relative economic conditions can impact exchange rates.

Climate Change Risk

The operations and activities of KGL are subject to changes to local or international compliance regulations related to climate change mitigation efforts, specific taxation or penalties for carbon emissions or environmental damage, and other possible restraints on industry that may further impact KGL and its profitability. While KGL will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that KGL will not be impacted by these occurrences. Climate change may also cause certain physical and environmental risks that cannot be predicted by KGL, including events such as increased severity of weather patterns, incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which KGL operates.

COVID-19 Pandemic

On 11 March 2020, the World Health Organisation Director-General declared the outbreak of the novel coronavirus (2019-nCoV) a pandemic. Although in Australia the pandemic has largely been suppressed, there are still significant restrictions imposed at a federal, state and territory level. There also exists the possibility that the virus could re-emerge resulting in restrictions being strengthened. KGL has withdrawn all staff and contractors from the Jervois site. Regular site security checks are made ensuring that no contact is made with the local community. Resumption of site activities will be discussed with the NT government and will be impacted by state border restrictions.

ASX:KGL | 20

General Risk Factors



Mineral exploration and mining may be hampered by circumstances beyond the control of KGL Resources and are speculative operations which by their nature are subject to a number of inherent risks. These include general risk factors such as:

Market Risk: As with all stock market investments, there are risks associated with an investment in KGL Resources. Share prices may rise or fall and the price of Shares might trade below or above the issue price for the New Shares. The price at which KGL Resources Shares trade on the ASX may be determined by a range of factors including movements in local and international equity and bond markets, general investor sentiment in those markets, inflation, interest rates, general economic conditions and outlook and changes in the supply of, and demand for, exploration and mining industry securities, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates. The market for KGL Resources Shares may also be affected by a wide variety of events and factors, including variations in KGL Resources' operating results, recommendations by securities analysts, and the operating and trading price performance of other listed exploration and mining industry entities that investors consider to be comparable to KGL Resources. Some of these factors could affect KGL Resources' share price regardless of KGL Resources' underlying operating performance.

Taxation risk: Any change in KGL Resources' tax status or the tax applicable to holding Shares or in taxation legislation or its interpretation, could affect the value of the investments held by KGL Resources, affect KGL Resources' ability to provide returns to Shareholders and/or alter the post tax returns to Shareholders. In addition, an interpretation of Australian tax laws by the Australian Taxation Office that differs to KGL Resources' interpretation may lead to an increase in KGL Resources' tax liabilities and a reduction in Shareholder returns. Personal tax liabilities are the responsibility of each individual investor. KGL Resources is not responsible either for tax or tax penalties incurred by investors.

Liquidity risk: There can be no guarantee that there will continue to be an active market for Shares or that the price of Shares will increase. There may be relatively few buyers or sellers of Shares on ASX at any given time. This may affect the volatility of the market price of Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is less or more than the price paid under the Entitlement Offer.

Securities investment risk: Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock market, and in particular securities of mining and exploration companies have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. These factors may materially affect the market price of the securities regardless of KGL Resources' performance. The past performance of KGL Resources is not necessarily an indication as to future performance of KGL Resources as the trading price of Shares can go up or down. Neither KGL Resources nor the Directors warrant the future performance of KGL Resources or any return on an investment in KGL Resources.

Economic factors: The operating and financial performance of KGL Resources is influenced by a variety of general economic and business conditions, including levels of consumer spending, oil prices, inflation, interest rates and exchange rates, supply and demand, industrial disruption, access to debt and capital markets and government fiscal, monetary and regulatory policies. Changes in general economic conditions may result from many factors including government policy, international economic conditions, significant acts of terrorism, hostilities or war or natural disasters. A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could be expected to have an adverse impact on KGL Resources' operating and financial performance and financial position. KGL Resources' future possible revenues and Share price can be affected by these factors, which are beyond the control of KGL Resources.

Accounting standards: Australian accounting standards are set by the Australian Accounting Standards Board (AASB) and are outside KGL Resources' control. Changes to accounting standards issued by AASB could materially adversely affect the financial performance and position reported in KGL Resources' financial statements.

ASX:KGL | 21

Jervois Project – JORC Resources



Deposit	Category	Mt	Cu %	Ag g/t	Pb %	Zn %	Cu Kt	Ag Mozs	Pb Kt	Zn Kt	% Cu cut off
Reward OP	Indicated	5.1	1.22	27.9			61.7	4.5			0.5
Reward UG	Indicated	3.1	1.94	31.9			59.8	3.2			1
Bellbird OP	Indicated	3.8	1.23	7.6			46.7	0.9			0.5
Bellbird UG	Indicated	0.2	1.85	11.9			3.9	0.1			1
Rock Face UG	Indicated	3.1	2.44	13.5			74.9	1.3			1
Reward OP	Inferred	0.2	0.67	14.6			1.2	0.1			0.5
Reward UG	Inferred	2.1	1.70	32.3			35.6	2.2			1
Reward E OP	Inferred	0.7	0.76	7.1			5.4	0.2			0.5
Reward E UG	Inferred	0.8	1.29	12.0			10.8	0.3			1
Bellbird OP	Inferred	1.1	0.91	6.1			10.3	0.2			0.5
Bellbird UG	Inferred	1.7	2.02	12.7			33.6	0.7			1
Rock Face UG	Inferred	1.4	1.59	11.3			22.5	0.5			1
	Total	23.3	1.57	19.0			366.3	14.2			
Pb Resource											
Reward	Indicated	0.5	0.56	91.9	3.60	1.49	3.0	1.6	18.9	7.8	2% Pb
Reward S	Indicated	0.5	0.99	64.0	0.92	0.63	5.1	1.1	4.7	3.2	0.3
Reward	Inferred	0.3	0.51	56.8	3.58	1.73	1.4	0.5	9.8	4.7	2% Pb
Reward S	Inferred	1.4	0.81	78.0	1.78	0.93	11.1	3.4	24.4	12.8	0.3
Bellbird N	Inferred	0.7	0.57	17.9	1.71	2.52	3.8	0.4	11.3	16.7	0.2
	Total	3.3	0.73	64.4	2.07	1.35	24.3	6.9	69.2	45.2	
TOTAL	Indicated	16.3	1.57	24.2			255.0	12.7			
	Inferred	10.3	1.31	25.5			135.6	8.5			
		26.6	1.47	24.7			390.6	21.1			

(minor rounding errors)

ASX:KGL I 22

Important Notices



JORC Compliance Statement

- The Jervois Resources information was first released to the market on 22 August 2019 as "Significant upgrade of copper resources at KGL's Jervois Copper Project" and complies with JORC 2012 and can be found on the Company website www.kglresources.com.au. 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
KJCD	418	14/04/2020	2012
KJCD	416	14/04/2020	2012
KJD	413	17/03/2020	2012
KJD	415	17/03/2020	2012
KJD	411	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.

ASX:KGL I 23

More Information



For more information, please contact us



KGL Resources Limited

Level 7, 167 Eagle Street, Brisbane QLD 4000, Australia

T: +61 7 3071 9003

E: info@kglresources.com.au

W: www.kglresources.com.au

4 How to apply

4.1 Shareholder's choices

The number of New Shares to which Eligible Shareholders are entitled under the Entitlement Offer (i.e. their Entitlement) is shown on the accompanying Entitlement and Acceptance Form. Eligible Shareholders may:

- (a) take up their Entitlement in full and, if they do so, they may apply for additional New Shares under the Top Up Facility (refer to section 4.2);
- (b) take up part of their Entitlement, in which case the balance of the Entitlement lapses (refer to section 4.3); or
- (c) allow their Entitlement to lapse (refer to section 4.4).

Ineligible Shareholders may not take up any of their Entitlements.

KGL Resources reserves the right to reject any Entitlement and Acceptance Form that is not correctly completed or that is received after the Closing Date.

The Closing Date for acceptance of the Entitlement Offer is **5.00pm (AEST) on 31 July 2020** (however, that date may be varied by KGL Resources, in accordance with the Listing Rules).

4.2 Taking up all of your Entitlement and participating in the Top Up Facility

If you wish to take up your Entitlement in full, follow the instructions set out in the Entitlement and Acceptance Form.

If you have applied to take up all of your Entitlement, you may also apply for additional New Shares under the Top Up Facility.

Please return your completed Entitlement and Acceptance Form together with your Application Monies in accordance with section 4.6 for the amount shown on the Entitlement and Acceptance Form to the Share Registry so that it is received no later than **5.00pm (AEST) on 31 July 2020** at the address set out below:

KGL Resources Limited
C/- Link Market Services Limited
GPO Box 3560
SYDNEY NSW 2001

You may also take up all of your Entitlement by payment of the Application Monies through BPAY in accordance with the instructions on the Entitlement and Acceptance Form. If payment is being made through BPAY, you do not need to return the Entitlement and Acceptance Form. Your payment must be received by no later than **5.00pm (AEST) on 31 July 2020**.

If you do not return the Entitlement and Acceptance Form, amounts received by KGL Resources in excess of the Issue Price multiplied by your Entitlement (**Excess Amount**) may be treated as an application to apply for as many additional New Shares under the Top Up Facility as your Excess Amount will pay for in full.

If you apply for additional New Shares under the Top Up Facility and your application is successful (in whole or in part) your New Shares will be issued at the same time that other New

Shares are issued under the Entitlement Offer. There is no guarantee you will receive any New Shares under the Top Up Facility. The number of New Shares available under the Top Up Facility will not exceed the shortfall from the Entitlement Offer. The Directors reserve the right to allot and issue New Shares under the Top Up Facility at their discretion, but it is intended that all Eligible Shareholders who apply for Top Up Shares will receive their pro rata entitlement to any available Top Up Shares. KGL Resources may allocate all, or a lesser number, of Shares for which an application has been made under the Top Up Facility. If applications are scaled back, there may be a different application of the scale-back policy to each Applicant.

Refund amounts, if any, will be paid in Australian dollars. You will be paid either by cheque sent by ordinary post to your address as recorded on the share register (the registered address of the first-named in the case of joint holders), or by direct credit to the nominated bank account as noted on the share register as at the closing date of the offer. Any application monies received for more than your final allocation of New Shares will be refunded to you as soon as practicable (where the amount is \$2.00 or greater). If you wish to advise or change your banking instructions with the Share Registry you may do so by going to investorcentre.linkmarketservices.com.au/ and following the instructions.

4.3 Taking up part of your Entitlement and allowing the balance to lapse

If you wish to take up part of your Entitlement, complete the Entitlement and Acceptance Form for the number of New Shares you wish to take up and follow the other steps required under section 4.2.

You may arrange for payment through BPAY in accordance with the instructions on the Entitlement and Acceptance Form. If payment is made through BPAY and KGL Resources receives an amount that is less than the Issue Price multiplied by your Entitlement (**Reduced Amount**), your payment may be treated as an application for as many New Shares as your Reduced Amount will pay for in full.

4.4 Allow your Entitlement to lapse

If you do not wish to accept all or any part of your Entitlement, do not take any further action and that part of your Entitlement will lapse.

4.5 Consequences of not accepting your Entitlement

If you do not accept all of your Entitlement in accordance with the instructions set out above, your percentage shareholding in KGL Resources will be diluted and any New Shares that you would have otherwise been entitled to under the Entitlement Offer (or New Shares that relate to the portion of your Entitlement that has not been accepted) may be acquired under the Top Up Facility.

4.6 Payment

The consideration for the New Shares (including under the Top Up Facility) is payable in full on application by a payment of \$0.16 per New Share. The Entitlement and Acceptance Form must be accompanied by a cheque for the Application Monies. Cheques must be drawn in Australian currency on an Australian bank and made payable to '**KGL Resources Limited**' and crossed 'Not Negotiable'.

Alternatively, you may arrange for payment of the Application Monies through BPAY in accordance with the instructions on the Entitlement and Acceptance Form.

Eligible Shareholders must not forward cash by mail or by hand delivery. Receipts for payment will not be issued.

4.7 Entitlement and Acceptance Form is binding

A completed and lodged Entitlement and Acceptance Form, or a payment made through BPAY, constitutes a binding offer to acquire New Shares on the terms of this Information Booklet and, once lodged or paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid Application for New Shares. The Directors' (or their delegates') decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Monies or making a payment by BPAY, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:

- (a) you are an Eligible Shareholder and are not in the United States, excluding any Approved US Shareholder, and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States, excluding any Approved US Shareholder, and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares under the Entitlement Offer;
- (b) you acknowledge that the New Shares have not been, and will not be, registered under the US Securities Act or under the laws of any other jurisdiction outside Australia;
- (c) you have not and will not send any materials relating to the Entitlement Offer to any person in the United States or any other country outside Australia, except nominees and custodians may send materials relating to the Entitlement Offer to beneficial shareholders resident in New Zealand and Singapore; and
- (d) if you decide to sell or otherwise transfer any New Shares, you will only do so in regular way transactions on the ASX where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States or is acting for or on behalf of a person in the United States.

4.8 Brokerage and Stamp Duty

No brokerage fee is payable by Eligible Shareholders who accept their Entitlement. No stamp duty is payable for subscribing for New Shares under the Entitlement Offer.

4.9 Notice to Nominees and Custodians

If KGL Resources believes you hold Shares as a nominee or custodian you will have received, or will shortly receive, a letter in respect of the Entitlement Offer. Nominees and custodians should consider carefully the contents of that letter. Nominees and custodians may not distribute any part of this offer document, and may not permit any beneficial shareholder to participate in the Entitlement Offer, in any country outside Australia except:

- (a) to beneficial shareholders of KGL Resources resident in New Zealand or Singapore; and
- (b) with the consent of KGL Resources, to beneficial shareholders of KGL Resources resident in certain other countries where KGL Resources may determine it is lawful and practical to make the Offer.

5 Definitions

These definitions are provided to assist the understanding some of the expressions used in this Information Booklet.

Term	Definition
KGL Resources	means KGL Resources Limited ACN 082 658 080.
\$	means Australian dollars.
AEST	means Australian Eastern Standard Time.
Applicant	means an Eligible Shareholder who has applied to subscribe for New Shares by submitting an Entitlement and Acceptance Form or has arranged for payment through BPAY in accordance with the instructions on the Entitlement and Acceptance Form.
Application	means the submission of an Entitlement and Acceptance Form accompanied by the relevant Application Monies or arranging for payment of the relevant Application Monies through BPAY in accordance with the instructions on the Entitlement and Acceptance Form.
Application Monies	means the aggregate amount of money payable for the New Shares applied for in a duly completed Entitlement and Acceptance Form or through BPAY.
Approved US Shareholders	means existing shareholders of KGL Resources who are institutional 'accredited investors' within the meaning of Rule 501(a)(1), (2), (3) or (7) under the US Securities Act.
ASIC	means the Australian Securities and Investments Commission.
ASX	means ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).
Business Day	means a business day as defined in the Listing Rules.
Closing Date	means 31 July 2020, the day the Entitlement Offer closes, or any other date that the Directors in their absolute discretion determine, subject to the Listing Rules.
Corporations Act	means <i>Corporations Act 2001</i> (Cth).
Denis Wood Entities	means entities associated with the KGL Resources chairman, Denis Wood, specifically: <ul style="list-style-type: none">(a) Coal Industry Services Pty Ltd; and(b) The Wood Investment Trust (the trustees of which are Denis Wood and Anne Wood).
Directors	means the directors of KGL Resources.
Eligible Shareholder	means a Shareholder as at the Record Date who is not an Ineligible Shareholder.
Entitlement	means the right to subscribe for New Shares under the

Term	Definition
	Entitlement Offer.
Entitlement and Acceptance Form	means the Entitlement and Acceptance Form accompanying this Information Booklet.
Entitlement Offer	means the non-renounceable entitlement offer to Eligible Shareholders to subscribe for 2 New Shares for every 25 Shares of which the Shareholder is the registered holder on the Record Date, at the Issue Price pursuant to this Information Booklet.
Existing Shares	means the Shares already on issue in KGL Resources as at the Record Date.
Ineligible Shareholder	means a Shareholder as at the Record Date who does not satisfy the eligibility requirements set out in section 1.3 of this Information Booklet. (a)
Information Booklet	means this document.
Investor Presentation	means the update to investors, in section 3 of this Information Booklet, announced to ASX on 9 July 2020.
Issue Price	means \$0.16 per New Share.
KMP Investments	means KMP Investments Pte Ltd.
Listing Rules	means the official listing rules of ASX.
New Shares	means Shares to be allotted and issued under the Entitlement Offer, including (as the context requires) the shortfall from the Entitlement Offer issued under the Top Up Facility.
Record Date	means 7.00pm AEST on 14 July 2020.
Shareholders	mean holders of Shares.
Shares	means fully paid ordinary shares in the capital of KGL Resources.
Share Registry	means Link Market Services Limited ACN 083 214 537.
Shortfall Shares	means those New Shares not taken up by Eligible Shareholders under the Entitlement Offer, together with those New Shares to which any Ineligible Shareholders would otherwise have been entitled.
Top Up Facility	means the facility described in section 1.2 under which certain Eligible Shareholders may apply for New Shares in excess of their Entitlement.
Top Up Shares	means extra Shares a Shareholder may apply for in excess of their Entitlement under the Top Up Facility.
US Securities Act	means the US Securities Act of 1933, as amended.

6 Corporate information

Company

KGL Resources Limited
Level 7, 167 Eagle Street
BRISBANE QLD 4000
Tel: +61 7 3071 9003
www.kglresources.com.au

Lawyers

McCullough Robertson Lawyers
Level 11, 66 Eagle Street
BRISBANE QLD 4000
Tel: +61 7 3233 8888
www.mccullough.com.au

Directors

Denis Wood	Executive Chairman
Ferdian Purnamasidi	Non-executive Director
Peter Hay	Non-executive Director
John Gooding	Non-executive Director
Fiona Murdoch	Non-executive Director

Company Secretary

Kylie Anderson

Principal Share Register

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000
Offer Information Line : +61 1300 306 230
General enquiries: +61 1300 554 474
www.linkmarketservices.com.au



KGL Resources Limited

ACN 082 658 080

All Registry communications to:
Link Market Services Limited
Telephone: 1300 306 230
From outside Australia: +61 1300 306 230
ASX Code: KGL
Website: www.linkmarketservices.com.au

SRN/HIN:

Entitlement Number:

**Number of Eligible Shares held as
at the Record Date, 7:00pm (AEST)
on 14 July 2020:**

**Entitlement to New Shares
(on a 2 New Shares for 25 basis):**

**Amount payable on full acceptance
at A\$0.16 per Share:**

Offer Closes 5:00pm (AEST):	31 July 2020
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ENTITLEMENT AND ACCEPTANCE FORM

As an Eligible Shareholder you are entitled to acquire 2 New Shares for every 25 Existing Shares that you hold on the Record Date, at an Offer Price of A\$0.16 per New Share. You may also apply for New Shares in excess of your Entitlement, at the Offer Price. This is an important document and requires your immediate attention. If you do not understand it or you are in doubt as how to deal with it, you should contact your accountant, stockbroker, solicitor or other professional adviser.

IMPORTANT: The Offer is being made under the Information Booklet dated 9 July 2020. The Information Booklet contains information about investing in the New Shares. Before applying for New Shares, you should carefully read the Information Booklet. This Entitlement and Acceptance Form should be read in conjunction with the Information Booklet.

PAYMENT OPTIONS

If you wish to take up all or part of your Entitlement (as shown above), or take up all of your Entitlement and apply for additional New Shares, you have two payment options detailed below.

OPTION 1: PAYING BY BPAY®

If paying by BPAY®, refer to the instructions overleaf. **You do NOT need to return the acceptance slip below if you elect to make payment by BPAY®.** Payment must be received via BPAY® before 5:00pm (AEST) on 31 July 2020. You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry in time. By paying by BPAY® you will be deemed to have completed an Application Form for the number of Shares subject of your application payment.

OPTION 2: PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

If paying by cheque, bank draft or money order, complete and return the acceptance slip below with your Application Monies. No signature is required on the acceptance slip. The acceptance slip with your Application Monies must be received by the Registry before 5:00pm (AEST) on 31 July 2020.



Biller Code: [XXXXXXX]
Ref:

Telephone & Internet Banking – BPAY®

Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. More info: www.bpay.com.au
® Registered to BPAY Pty Ltd ABN 69 079 137 518

See overleaf for details and further instructions on how to complete and lodge this Entitlement and Acceptance Form.

THIS IS A PERSONALISED FORM FOR THE SOLE USE OF THE SHAREHOLDER AND HOLDING RECORDED ABOVE.



ACN 082 658 080

Please detach and enclose with payment



SRN/HIN:

Entitlement Number:

A Number of New Shares accepted (being not more than your Entitlement shown above)	B Number of additional New Shares	C Total number of New Shares accepted (add Boxes A and B)
<input type="text"/>	<input type="text"/>	<input type="text"/>
	+	=
<input type="text"/>		<input type="text"/>

D PLEASE INSERT CHEQUE, BANK DRAFT OR MONEY ORDER DETAILS – Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to “KGL Resources Limited” and crossed “Not Negotiable”.

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	A\$ <input type="text"/>

E CONTACT DETAILS – Telephone Number	Telephone Number – After Hours	Contact Name
<input type="text"/>	<input type="text"/>	<input type="text"/>

KGL RESOURCES LIMITED

The Entitlement Offer to which this Entitlement and Acceptance Form relates is not being made to investors located or resident outside of Australia, New Zealand and Singapore, except to certain category of institutional investor in the United States. In particular the Entitlement Offer is not being made to any person in the U.S. or to a U.S. person, other than to 'Approved US Investors' (as defined in the Information Booklet). The Information Booklet and Entitlement and Acceptance Form do not constitute an offer or invitation to acquire Shares in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation.

ACCEPTANCE OF ENTITLEMENT OFFER

By either returning the Entitlement and Acceptance Form with payment to the Registry, or making payment received by BPAY®:

- you represent and warrant that you have read and understood the Information Booklet and this Entitlement and Acceptance Form, and that you acknowledge the matters, and make the warranties and representations;
- you provide authorisation to be registered as the holder of New Shares acquired by you and agree to be bound by the Constitution of KGL Resources Limited.

HOW TO APPLY FOR NEW SHARES

1. IF PAYING BY BPAY® (AVAILABLE TO SHAREHOLDERS WITH AN AUSTRALIAN BANK ACCOUNT ONLY)

If you elect to make payment using BPAY® you must contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. For more information on paying by BPAY®: www.bpay.com.au

Work out the total amount payable by you. To calculate the total amount, multiply the number of New Shares you wish to apply for by A\$0.16.

Refer overleaf for the Biller Code and Reference Number. The Reference Number is used to identify your holding. If you have multiple holdings you will have multiple Reference Numbers. You must use the Reference Number shown on each personalised Entitlement and Acceptance Form when paying for any New Shares that you wish to apply for in respect of that holding.

2. IF PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

Complete all relevant sections of the Entitlement and Acceptance Form USING BLOCK LETTERS. These instructions are cross referenced to each section of the Entitlement and Acceptance Form.

A. Acceptance of New Shares

Enter into section A the number of New Shares you wish to apply for. The number of New Shares must be equal to or less than your Entitlement, which is set out overleaf.

B. Application for Additional New Shares

You can apply for more New Shares than your Entitlement. Please enter the number of **additional** New Shares above your Entitlement for which you wish to apply into Box B. Your Application for additional New Shares may not be successful (wholly or partially). The decision of KGL Resources Limited on the number of New Shares to be allocated to you will be final. No interest will be paid on any Application Monies received or returned.

C. Total Number of New Shares Subscribed for

To calculate total number of New Shares subscribed for, add Box A and Box B and enter this in Box C.

D. Cheque, bank draft or money order details

Enter your cheque, bank draft or money order details in section D. Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "KGL Resources Limited" and crossed "Not Negotiable". Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. If you provide a cheque or money order for the incorrect amount, KGL Resources Limited may treat you as applying for as many New Shares and Additional New Shares as your cheque, bank draft or money order will pay for.

E. Contact details

Enter your contact telephone number where we may contact you regarding your acceptance of New Shares, if necessary.

3. HOW TO LODGE YOUR ENTITLEMENT AND ACCEPTANCE FORM

A reply paid envelope is enclosed for your use. No postage stamp is required if it is posted in Australia. Alternatively, if you have lost the reply paid envelope, or you have obtained the Prospectus electronically, your completed Entitlement and Acceptance Form with the payment for New Shares may be mailed to the postal address, set out below. **If paying by BPAY® you do not need to complete or return the Entitlement and Acceptance Form.** You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry by the close of the offer.

Mailing Address

KGL Resources Limited
C/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001

Make sure you send your Acceptance Slip and application payment allowing enough time for mail delivery, so Link Market Services Limited receives them no later than 5:00pm (AEST) on 31 July 2020. Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. KGL Resources Limited reserves the right not to process any Acceptance Slips and cheques received after the Closing Date.

If you require further information on how to complete this Entitlement and Acceptance Form, please contact the KGL Resources Limited Offer Information Line on 1300 306 230 (within Australia) or +61 1300 306 230 (from outside Australia) between 8.30am and 5.30pm (AEST) Monday to Friday.