

KGL RESOURCES LTD

ACN 082 685 080

Entitlement Offer Information Booklet

1 for 13 pro rata non-renounceable entitlement offer at \$0.42 per Share.

Last date for acceptance and payment: 5.00pm (AEDT) on 16 March 2021

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*

Lead Manager - Morgans Corporate Limited

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IMPORTANT NOTICES

This Information Booklet is dated 22 February 2021. 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 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 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 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 is to be made in countries other than Australia, New Zealand and Singapore, except to Approved US Shareholders (as defined below 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 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 with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on 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 under the *Financial Markets Conduct Act 2013*. 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's 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, and the New Shares will only be offered and sold, in the United States to existing shareholders of KGL 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 Daylight Time (**AEDT**), unless otherwise indicated.

Taxation

There will be tax implications associated with participating in the Entitlement Offer and receiving New Shares. KGL 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 recommends that you consult your professional tax adviser in connection with the Entitlement Offer.

Privacy

KGL 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.

By submitting an Entitlement and Acceptance Form, you will be providing personal information to KGL (directly or through the Share Registry). KGL collects, holds and will use that information to assess your Application. KGL collects your personal information to process and administer your shareholding in KGL and to provide related services to you. KGL may disclose your personal information for purposes related to your shareholding in KGL, including to the Share Registry, KGL's 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 holds about you. To make a request for access to your personal information held by (or on behalf of) KGL, please contact KGL 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 may not be relied upon as having been authorised by KGL or any of its officers.

Past performance

Investors should note that KGL's past performance, including past share price performance, cannot be relied upon as an indicator of (and provides no guidance as to) KGL's future performance including KGL's 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 and certain plans and objectives of the management of KGL. 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, 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. 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 risk' in the Investor Presentation for a summary of specific and general risk factors that may affect KGL.

Chairman's letter

22 February 2021

Dear Shareholder

I am pleased to write to you, as a valued shareholder of KGL Resources Ltd (**KGL**), and offer you the opportunity to participate in KGL's recently announced 1 for 13 non-renounceable entitlement issue of new ordinary shares in KGL (**New Shares**) at an issue price of \$0.42 per New Share (**Entitlement Offer**).

Equity Raising

On 22 February 2021, KGL announced its intention to raise approximately \$23.77 million¹, comprising \$12 million through a placement to institutional investors (**Institutional Placement**) and \$11.77 million through an Entitlement Offer (together, the **Equity Raising**).

The Institutional Placement was a result of approaches by leading, highly regarded Australian Fund Managers, adding to the quality of the KGL register and providing a strong endorsement of the Jervois Project and prospectivity in surrounding areas.

Proceeds from the Equity Raising will be applied to KGL's Jervois Copper Project and will enable KGL to optimise the mine planning, complete the full project feasibility study, undertake financing, and provide a pool of funds to test some of what KGL believes are exciting additional exploration targets in the area.

Further information regarding progress of the Jervois Copper Project and the use of funds from the Equity Raising is set out in the Investor Presentation lodged with the Australian Securities Exchange (ASX) on 22 February 2021, 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 \$0.42 per New Share, which is the same price offered to institutional investors who participated in the Institutional Placement. The issue price of \$0.42 per New Share represents an 8.7% discount to the closing price of KGL shares on 17 February 2021 (being the last trading day for Shares in KGL before announcement of the Equity Raising).

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 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:

¹ Before Equity Raising costs.

- the investor presentation referred to above, which was released to ASX on 22 February 2021, and provides information on KGL, the Entitlement Offer and key risks for you to consider;
- 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.

The Entitlement Offer closes at **5.00pm AEDT on 16 March 2021**.

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 306 413 (inside Australia) and +61 1300 306 413 (outside Australia) between 8.30am and 5.30pm (AEDT), 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, 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 Equity Raising

Institutional Placement	
Issue Price	\$0.42 per Share
Size	28,571,427 Shares
Gross proceeds	\$12,000,000 *
Entitlement Offer	
Ratio	1 New Share for every 13 existing KGL ordinary shares
Issue Price	\$0.42 per New Share
Size	28,024,573 New Shares
Gross proceeds	\$11,770,321*
Total gross proceeds of the Equity Raising	\$23,770,321*

* Before Equity Raising costs.

Key dates

Activity	Date
Announcement of the Entitlement Offer and completion of the Institutional Placement	22 February 2021
Settlement of Institutional Placement	24 February 2021
Shares traded on an 'ex' entitlement basis	24 February 2021
Allotment of Shares under the Institutional Placement	25 February 2021
Record Date for Entitlement Offer (7:00pm)	25 February 2021
Normal ASX trading for Shares issued under the Institutional Placement commences	26 February 2021
Information Booklet and Entitlement and Acceptance Form despatched	1 March 2021
Entitlement Offer opens	1 March 2021
Last date to extend the closing date for the Entitlement Offer	11 March 2021
Closing date for acceptances under Entitlement Offer (5:00pm)	16 March 2021
Announcement of results of Entitlement Offer and under-subscriptions	19 March 2021
Allotment of New Shares issued under the Entitlement Offer	23 March 2021
Normal ASX trading for New Shares issued under the Entitlement Offer commences	24 March 2021
Despatch of holding statements for New Shares issued under the Entitlement Offer	25 March 2021

Notes: All times are in Australian Eastern Daylight Time (**AEDT**).

This timetable is indicative only and subject to change. The Directors may vary these dates, in consultation with the Lead Manager and 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 306 413 (inside Australia) and +61 1300 306 413 (outside Australia) between 8.30am and 5.30pm (AEDT). 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 306 413 (within Australia) or +61 1300 306 413 (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 28,024,573 New Shares at \$0.42 per New Share to raise about \$11,770,321 (before direct offer costs including fees paid to the Lead Manager, advisers and to providers of specific services to cover share registry, printing and postage costs).

Proceeds from the Equity Raising will be applied to KGL's Jervois Copper Project and will enable KGL to optimise the mine planning, complete the full project feasibility study, undertake financing, and provide a pool of funds to test some of what KGL believes are exciting additional exploration targets in the area.

Further information regarding progress of the Jervois Copper Project and the use of funds from the Equity Raising is set out in the Investor Presentation lodged with the Australian Securities Exchange (ASX) on 22 February 2021, a copy of which is included in this Information Booklet in section 3.

Eligible Shareholders who are on KGL's share register on the Record Date are entitled to acquire 1 New Share for every 13 Shares held on the Record Date (**Entitlement**).

Investors issued shares under the Institutional Placement will be entitled to participate in the Entitlement Offer.

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

The issue price of \$0.42 per New Share represents a discount of 8.7% to the closing price of KGL shares on 17 February 2021 (being the last trading day for Shares in KGL before announcement of the Equity Raising).

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

Shareholders will have their interest in KGL diluted because of the issue of Shares under the Institutional Placement. In addition, Eligible Shareholders who do not take up all of their Entitlements will have their percentage shareholding in KGL further diluted.

Eligible Shareholders should be aware that an investment in KGL involves risks. The key risks identified by KGL are summarised in the Investor Presentation set out in section 3.

1.2 Lead Manager

Morgans Corporate Limited has been appointed by KGL as Lead Manager to the Equity Raising. The Lead Manager is responsible for lead managing the Equity Raising, including managing the Institutional Placement and placement of any Shortfall Shares under the Entitlement Offer.

Under the terms of the mandate letter between KGL and the Lead Manager:

- (a) the Lead Manager will receive a fee comprising of:
 - (i) a management fee of up to 1.5% of the gross proceeds of the Equity Raising (excluding GST), excluding any proceeds raised from the placement of any Shortfall Shares; and

- (ii) a selling fee of 3.5% of the gross proceeds of the Equity Raising (excluding GST), but excluding any proceeds raised from:
 - (A) New Shares that KMP Investments and/or the Denis Wood Entities and other agreed participants apply for under the Entitlement Offer;
 - (B) the placement of any Shortfall Shares.
- (b) the Lead Manager is entitled to reimbursement of certain expenses; and
- (c) KGL has agreed to indemnify the Lead Manager and others against their losses in connection with the Equity Raising.

1.3 Shortfall

A shortfall may arise if applications received for New Shares under the Entitlement Offer (including 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) (i) has a registered address on the KGL share register in Australia, New Zealand, Singapore or (ii) is an Approved US or a Shareholder that KGL has otherwise determined is eligible to participate;
- (b) 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
- (c) 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 will make an application 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 six Business Days after the close of the Entitlement Offer.

Application Monies will be held by KGL 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 up of fractional, the capital structure of KGL following the issue of New Shares (assuming the Entitlement Offer is fully subscribed) is expected to be as follows:

Existing Shares on issue as at 22 February 2021 (announcement of the Entitlement Offer) the date of this Information Booklet	335,748,021
Shares to be issued under the Institutional Placement	28,571,427
Shares on issue after allotment under the Institutional Placement	364,319,448
Approximate New Shares issued under the Entitlement Offer	28,024,573
Approximate total number of Shares after the Equity Raising	392,344,021

1.8 Effect on major shareholder voting power

KGL's top two major shareholders, KMP Investments and the Denis Wood Entities, did not participate in the Institutional Placement; as a result, their respective voting power will be diluted upon allotment of Shares under the Institutional Placement.

Following allotment of Shares under the Institutional Placement, approximately 7.84% of the share capital in KGL will be held by new investors introduced under the Institutional Placement.

The following table sets out the impact on voting power of KGL's major shareholders and directors based on different levels of Shareholder participation under the Entitlement Offer:

Participation level	42%*	50%	75%	100%**
KMP Investments	25.60%	25.44%	24.98%	24.53%
Denis Wood Entities	9.46%	9.41%	9.24%	9.07%
Other KGL Directors	0.89%	0.89%	0.87%	0.86%
Placement investors***	8.18%	8.13%	7.98%	7.84%

* Assumes participation by only the Shareholders named in the table.

** Assumes full subscription under the Entitlement Offer or placement of any shortfall.

*** Each placement investor holds its shares separately, and are included in this table as a combined holding for the purpose of demonstrating the impact of the Institutional Placement on the voting power in KGL.

1.9 Effect on KGL's financial position

Set out in section 2 is the consolidated balance sheet of KGL as at 30 June 2020 and a pro-forma balance sheet incorporating the \$12 million raised under the Institutional Placement and assuming the total funds raised under the Entitlement Offer is \$11.7 million.

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 the Company or the Lead Manager 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 website at <https://www.kglresources.com.au> or by calling the Share Registry on 1300 306 413 (within Australia) or +61 1300 306 413 (outside Australia) at any time from 8.30am to 5.30pm (AEDT) 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 Equity Raising on the financial position of KGL:

Pro forma Balance Sheet (unaudited)	30 June 2020	Institutional Placement	Entitlement Offer	Entitlement Offer
	(\$'000)	(\$'000)	(Assumes 50% Participation)	(Assumes 100% Participation)
			(\$'000)	(\$'000)
Cash at 30 June 2020	950	950	950	950
Term Deposits	2,503	2,503	2,503	2,503
Cash – Placement	-	12,000	12,000	12,000
Cash – Entitlement Offer	-	-	5,885	11,770
Total Cash & Term Deposits	3,453	15,453	21,338	27,223
Trade and Other Receivables	127	127	127	127
Property Plant and Equipment	224	224	224	224
Exploration and Evaluation	63,147	63,147	63,147	63,147
Prepayments	88	88	88	88
Intangibles	1	1	1	1
Financial Assets	333	333	333	333
Total Assets	67,373	79,373	85,258	91,143
Total Liabilities	816	816	816	816
Total Equity	66,557	78,557	84,442	90,327

Notes to pro forma balance sheet:

- Based on the Statement of Financial Position for the Half Year ended 30 June 2020.
- \$12,000,000 in new equity capital raised under the Institutional Placement.
- Raise up to \$11,770,321 in new equity capital under the Entitlement Offer.
- Assuming 100% take up of entitlement rights, capital raising expenses of up to ~\$1.1 million will be paid (includes fees paid to the Lead Manager, advisers and to providers of specific services to cover share registry, printing and postage costs)
- As disclosed in the 30 September 2020 and 31 December 2020 quarterly 5B cashflow reports, KGL raised \$3.7 million in net proceeds from an entitlement offer in July 2020, and has expended \$1.6 million on exploration and evaluation between 1 July 2020 and 31 December 2020. KGL had cash of \$5.2 million at 31 December 2020.
- There have been no other material balance sheet events since 30 June 2020.

3 Investor presentation



KGL Primed to Take Advantage of Rising Cu Market



Significant copper development project: **426.2 kt** contained copper Resource. Grade is **2.03%**



Exposure to high quality copper development project with additional lead/zinc upside



Significant opportunity through infill drilling and continued exploration across portfolio



\$5M cash plus proceeds of up to **\$23.77 M.**
No Debt
Supportive long-term shareholders



Advanced project planning and approvals



Experienced Board, appointed in recent years with extensive resources track record

Corporate Snapshot

Capital Structure

Australian Stock Exchange (ASX) code	KGL
ASX Share price (close 17 Feb 2021)	46 cents
52 week low / high	9.3cents /50cents
Shares outstanding	335.7M
Options on Issue	Nil
Market capitalisation	AS\$154.4M
Cash	AS\$5. M
Debt	Nil
Enterprise value	AS\$149.4M

Share price performance



Directors

Denis Wood
Ferdian Purnamasidi
Peter Hay
Fiona Murdoch

Major Shareholders

KMP Investments Pte Ltd	26.6%
Denis Wood	9.8%
Marshall Plenty Investments LLC	8.4%
Pegasus CP One	6.2%



Capital Raising Overview

Strategic placement raising approximately \$12 million and a proposed 1 for 13 non-renounceable entitlement offer of fully paid ordinary shares to raise up to \$11.77 million

Strategic Placement

- Placement offer to raise \$12 million via the issue of approximately 28.6 million fully paid ordinary shares ("Placement").
- Placement was a result of approaches by leading, highly regarded Australian Fund Managers, providing a strong endorsement of the Jervis Project and prospectivity in surrounding areas
- Issue price of \$0.42 per share, representing:
 - 8.7% discount to the last traded price on Wednesday, 17 February (\$0.46)
 - 11.2% discount to the previous 5-day VWAP (\$0.473)
- Placement shares issued within the Company's existing placement capacity under ASX Listing Rule 7.1
- Shares issued under the Placement will be eligible to participate in the Entitlement Offer

Non-renounceable entitlement offer

- 1 for 13 non-renounceable entitlement offer of fully paid ordinary shares to raise up to \$11.77 m via the issue of up to approximately 28.0m shares (Entitlement Offer)
- The offer price for the Entitlement Offer will be \$0.42 per share (Offer Price), being the same price offered to institutional investors under the Institutional Placement
- Eligible shareholders will be able to subscribe for 1 new ordinary share in KGL for every 13 existing shares held at 7.00pm (AEDT) on Thursday, 25 February 2021 (Record Date) at the Offer Price
- The company has received commitments from all places to take up their full entitlements in the Entitlement Offer.
- KMP Investments, entities associated with Mr Denis Wood and all KGL directors intend to take up their full entitlement.

Capital Raising Timetable

Event	Date
Trading halt and opening of Institutional Placement	Thursday, 18 February 2021
Institutional Placement closes (before market opens)	Monday, 22 February 2021
Announcement of Entitlement Offer and results of the Institutional Placement	Monday, 22 February 2021
Trading halt lifted	
Shares traded on an 'ex' entitlement basis	Wednesday, 24 February 2021
Allotment of Shares under the Institutional Placement	Thursday, 25 February 2021
Record date for eligibility to participate in the Entitlement Offer	7.00pm AEDT, Thursday, 25 February 2021
Despatch of information booklet and personalised Entitlement and acceptance forms to Eligible Shareholders	Monday, 1 March 2021
Entitlement Offer opens	Monday, 1 March 2021
Last date to extend the closing date for the Entitlement Offer	5.00pm AEDT, Thursday, 11 March 2021
Entitlement Offer closes	Tuesday, 16 March 2021
Announcement of results of Entitlement Offer and under-subscriptions	Friday, 19 March 2021
Allotment of New Shares issued under the Entitlement Offer	Tuesday, 23 March 2021
Normal ASX trading for New Shares issued under the Entitlement Offer commence	Wednesday, 24 March 2021
Dispatch of holding statements for New Shares issued under the Entitlement Offer	Thursday, 25 March 2021

Plans for the Funds

Funds raised under the current capital raising will enable KGL :

- to optimise the mine planning,
- complete the Jervois Full Feasibility Study,
- undertaking financing, and
- potentially provide a pool of funds to test some of what the company believes are exciting additional exploration targets in the area.

Mr Wood says

"At Jervois the aim is to recommence infill and step out drilling to increase the resource base and extend the current mine life and project economics.

We will also seek to leverage the strong correlation observed between DHEM analytics and mineralisation, as evidenced from the work done in recent years. As such some of the proceeds will be directed toward additional geophysics and drilling of key greenfield exploration targets at Jervois.

KGL's geological team are excited about the potential exploration success on their tenements given their improved understanding of the areas structural and geological setting, and ability to use technologies to better target mineralized zones."

Source and Use of Funds

Source of Funds		Use of Funds	
	A\$ million	Activity	A\$ million
Current Balance	\$5.00	Feasibility Study	
Placement Funds	\$12.00	Resource Infill & Geotech drilling	\$4.80
Placee, Major S/holder and Director Funds ¹	\$4.88	Program of work	\$3.70
		Owners' team costs	\$1.90
		Total Feasibility	\$10.40
		Financing Costs	\$1.50
		Exploration	
		Exploratory Drilling	\$5.78
		Target Generation/ geophysics	\$1.50
		Total Exploration	\$7.28
		Corporate and Employee Costs	\$2.70
Total	\$21.88	Total	\$21.88
Additional Entitlement Funds (100% Entitlement take-up)	\$6.89	Exploratory Drilling	\$5.49 ²
		Target Generation	\$1.40
Total	\$28.77	Total	\$28.77

1. This amount represents the total Entitlements for the Placement Investors (who have committed to subscribe) and KMP Investments, Denis Wood Entities and the KGL Directors, who have indicated their intention to subscribe for their entitlements.
 2. If the full \$23.77 million is not raised, additional spending on exploratory drilling and target generation will be reduced proportionately.

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Jervois Copper Project Progress

- Pre-Feasibility Study result delivered a robust mining project.
- Initial production 30,000tpa contained copper in cons plus silver and gold.
- Full Feasibility Study now under way.
- Drilling has recommenced February 2021 (planned to extend mine life to a minimum of 10 years).
- Project financing and product sales discussions in progress.
- NT Govt has approved Mining Management Plan – final major approval.



Deputy Chief Minister Manison and Denis Wood announcing approval of MMP, January 2021

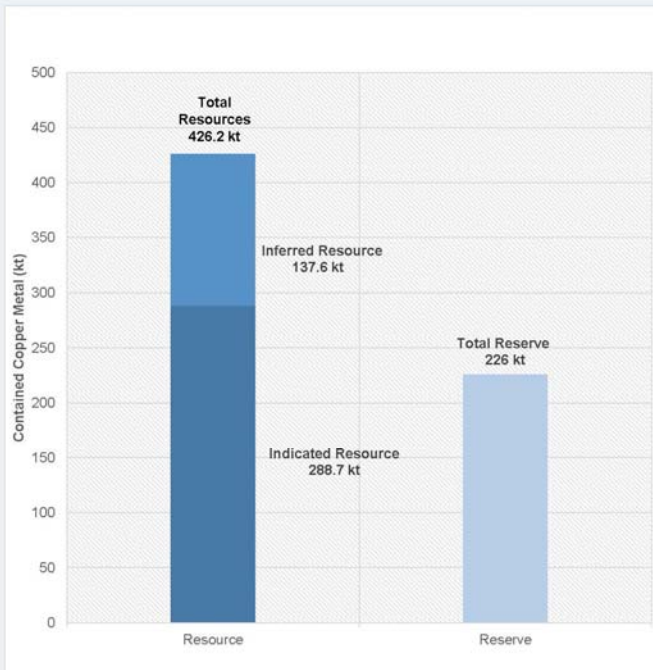
Timeline



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Jervois Copper



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- Focus for 2021 is to increase LOM which KGL is confident can be achieved through drilling targeted to upgrade Inferred Resources to Indicated Resources.
- In addition extensional drilling to the existing Reward, Rockface and Bellbird Resources with additional targets already identified.

Mine Design

- Design and costing completed for PFS.
- Optimising and mine life extension underway for Feasibility Study.

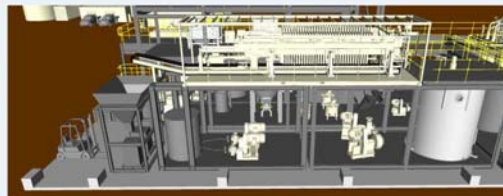
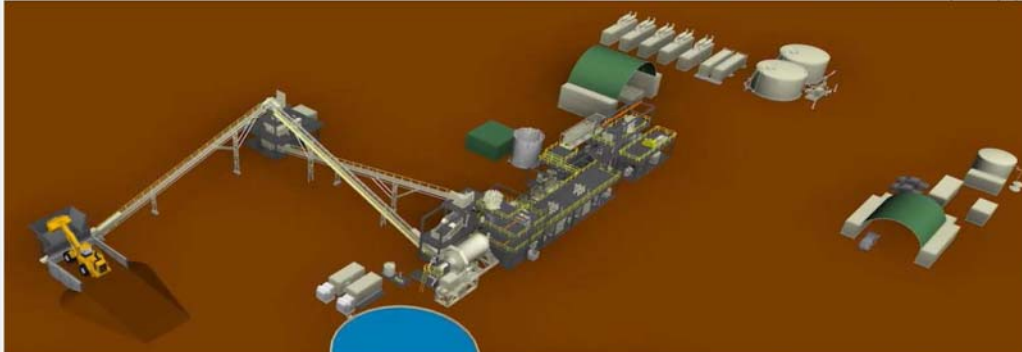


KGL Resources: Company Overview

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Process Plant

Cost effective modular design



- Modular offsite pre-assembled design.
- Reduced construction manhours and site risks.
- Standard flowsheet and equipment technology.
- Lower cost construction for same process design.

KGL Resources: Company Overview

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Prefeasibility Study - Dec 2020

PFS Key Metrics ⁽¹⁾

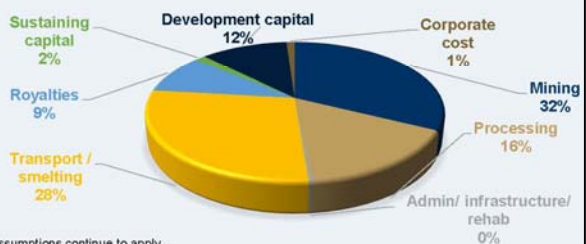
Financial Metrics	
Pre-Production Capex ⁽²⁾	A\$200 m
Total Revenue ⁽³⁾	A\$ 2,462 m
Project Cashflow (pre-tax)	A\$385 m
NPV (8%, real, pre-tax)	A\$177 m
IRR (pre-tax)	23.1%
Payback period	38 months

Physicals	
Mineralised material mined	11.3 M dmt
Cu Head Grade	2.20%
Cu in Concentrate	222 kt
Ag in Concentrate	6.7 Moz

PFS Assumptions

Assumptions	
Cu Price	US 6,788/t US\$3.08/lb
AUD/USD	0.71
Initial LOM	7.5 years
Processing rate	1.6 Mtpa

PFS AISC ⁽⁴⁾ (US/ lb, Cu Produced), excluding by-product credits



(1) For full details, refer to ASX Announcement dated 2 December 2020. All material assumptions continue to apply.

(2) Excludes working capital requirements.

(3) Gross Revenue, including by-product credits.

(4) AISC is All in sustaining costs, and includes C1 cost, corporate costs, sustaining capex and open cut stripping and underground capital development, converted at 0.71 AUD:USD.

KGL Resources: Company Overview

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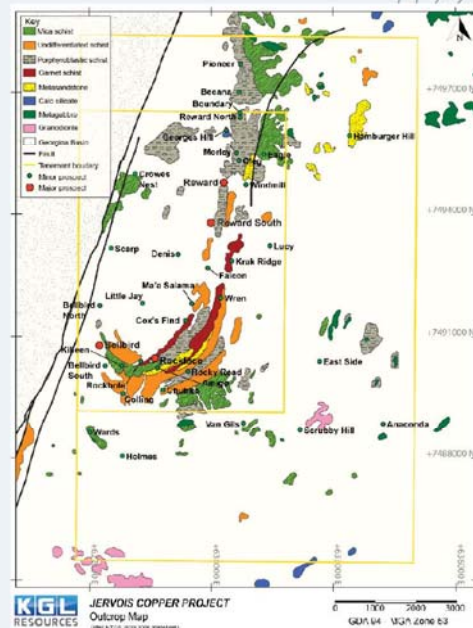
Sustainability and Environmental



- EPA recommended the mine proceed with operating conditions.
- Environmental risk assessment completed.
 - No environmental, social, economic or human health and safety risks with an extreme initial or residual risk rating identified.
- Positive impacts for local businesses, training opportunities, direct and indirect employment.

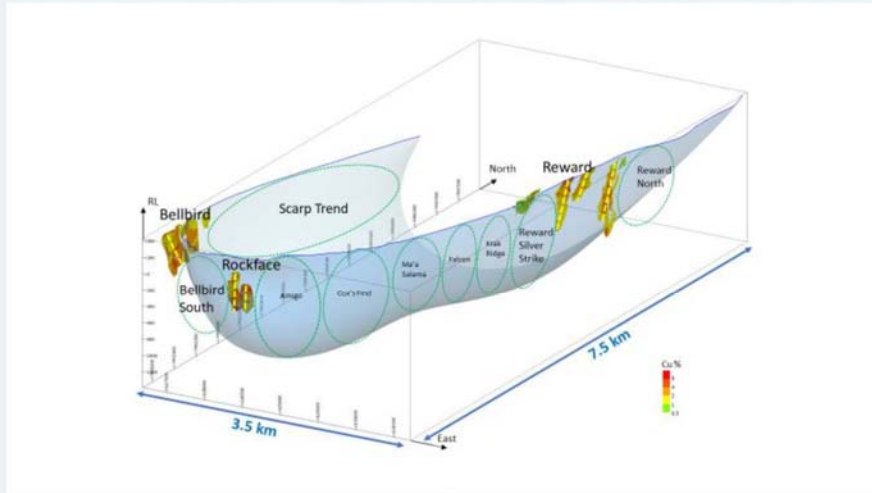
Jervois: Primed for Discovery

- Large Area, Large Structures, Large Potential:
 - Jervois (38 km²), Unca Creek (73 km²) Total 111 km².
- 12 km (78%) of undrilled or only shallow drilled sections of J structure.
- Multi Disciplinary Approach to Exploration:
 - Geology, structure, geophysics, pathfinder, mineralogy, drilling, conceptual geological modelling, academic studies.
- Geophysics, a Key Success Factor:
 - Rockface a geophysical discovery (gravity, DHEM)
 - Major review underway of all historical surveys and untested targets.
 - IP/Resistivity, Magnetics, Gravity, Surface and Airborne EM, SAM, MT, DHEM.



Highly Prospective Targets

- Extensions to high grade copper shoots – drill ready.
- Favourable host rocks and structures along the J-Structure.

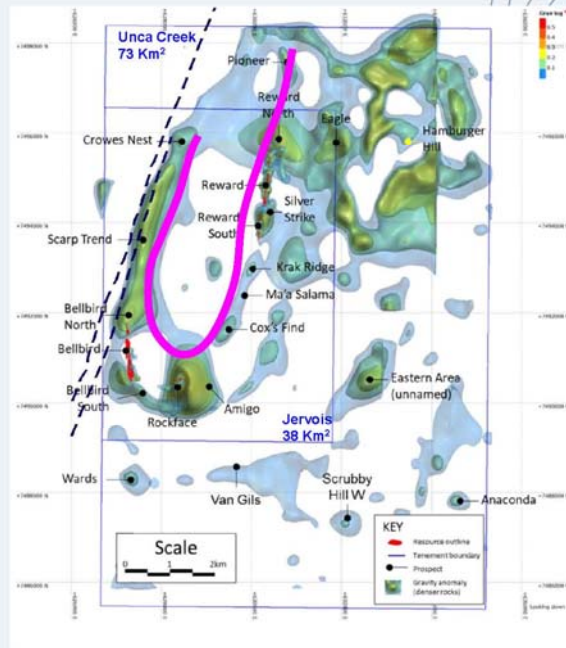


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Jervois J-Structure

- Jervois Copper Project: Large scale structures in a highly prospective geological setting.
- Broken-Hill-style SEDEX with an IOCG-Tennant Creek-style overprint.
- J-Structure (in pink):
 - Hosts known mineral resources.
 - Extends 2km North into Unca Creek Exploration Licence.
 - 4km Scarp – Crowes Nest Trend unexplored under shallow cover.
- Current drilling focus:
 - Convert Inferred to Indicated Resources
 - Increase Ore Reserves and Mine Life to 10 years plus.
 - Geotech for Open Pit and Underground mine design.
 - Exploration – Brownfield extensions to existing resources and new targets.
- Current technical focus:
 - Review of historical geophysics.
 - Synthesis of geophysics/geology/structure.
 - Ranking of exploration targets.

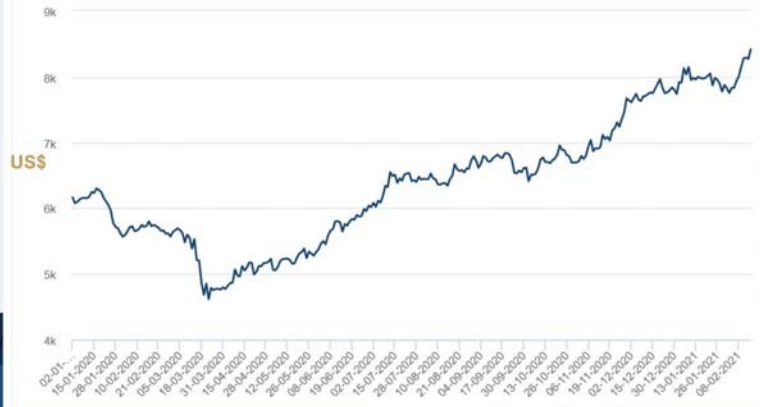


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Copper Entering Supercycle

LME Copper 2020/21



- “Prospect of entering 10 year supercycle” – JP Morgan (Feb 2021)
- Copper price target \$10,000/t – Goldman Sachs (Dec 2020).
- Growing supply/demand deficit.
- Price positive factors: International govt stimulus programs – historically low stocks – constrained production.

Favourable Copper Market Factors

Robust, high grade Jervois operation will come into production at a time of expected strong demand and high prices.

Growing demand

- Global post COVID-19 economic stimulus focused on renewable energy.
- Copper is key in a low carbon emission world:
 - Electric vehicles sales expected to increase tenfold by 2030.
 - Renewable energy generation is more copper intensive than conventional

Constrained supply

- Growing production deficit forecast from 2021.
- Large traditional mines running dry.
- Grade declining in current major mines.
- Increased costs.
- Water scarcity.

Limited new discoveries

- 2010-2019 – worst decade recorded for Cu discoveries.

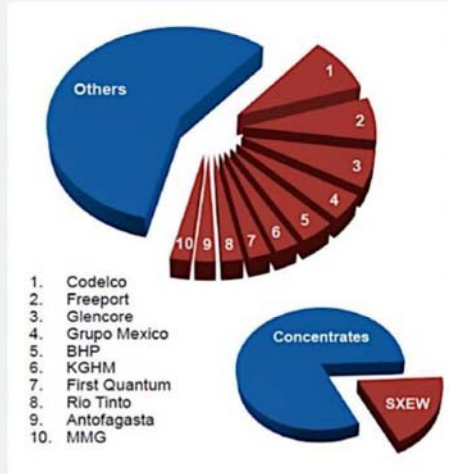
Growing sovereign risk

- DR Congo – tax and royalty hikes.
- Tanzania – export limitations.
- Philippines – mine closures.

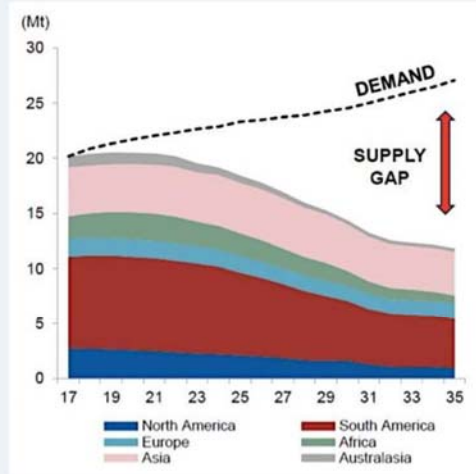
Copper Supply Gap

Without new projects, supply gap will exceed 15Mt by 2035.

Copper Mine Production 2017: 20.4Mt



Committed Mine Supply Forecast*



* Committed: Existing Operations and Firm Expansions.

Source: CRU, company reports.

KGL Resources: Company Overview

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Risk Factors

- Activities in KGL and its controlled entities, as in any business, are subject to risks which may impact on KGL future performance. There are a number of factors, both specific to KGL and of a general nature, which may affect the future operating and financial performance and position of KGL and the outcome of an investment in KGL. Some of these risks can be adequately mitigated by the use of safeguards and appropriate systems but many are beyond the control of KGL 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 to ASX (at www.asx.com.au, ASX: KGL) in order to gain an appreciation of KGL, 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 and deciding whether to increase their shareholding in KGL. The risk factors set out below are not intended to be an exhaustive list of all of the risk factors to which KGL 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.
- An investment in KGL should be considered speculative. There can be no certainty that KGL will be able to successfully implement its business strategy. No representation is or can be made as to the future performance of KGL and there can be no assurance that KGL will achieve its objectives.

KGL Resources: Company Overview

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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.

Material Business Risks

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 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.

Material Business Risks (cont.)

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.

Material Business Risks (cont.)

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.

Availability of equipment and contractors

Prior to the COVID-19 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.

Material Business Risks (cont.)

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. KGL has developed a comprehensive COVID-19 safe plan that has allowed the resumption of drilling on site however there also exists the possibility that the virus could re-emerge resulting in restrictions being strengthened which would impact significantly on the company's planned activities.

General Risk Factors

Mineral exploration and mining may be hampered by circumstances beyond the control of KGL 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. 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 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 Shares may also be affected by a wide variety of events and factors, including variations in KGL's 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. Some of these factors could affect KGL's share price regardless of KGL's underlying operating performance.

Taxation risk: Any change in KGL's 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, affect KGL's 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's interpretation may lead to an increase in KGL's tax liabilities and a reduction in Shareholder returns. Personal tax liabilities are the responsibility of each individual investor. KGL 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.

General Risk Factors

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's performance. The past performance of KGL is not necessarily an indication as to future performance of KGL as the trading price of Shares can go up or down. Neither KGL nor the Directors warrant the future performance of KGL or any return on an investment in KGL.

Economic factors: The operating and financial performance of KGL 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's operating and financial performance and financial position. KGL's future possible revenues and Share price can be affected by these factors, which are beyond the control of KGL.

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



Summary and Outlook

- Significant Australian copper project poised for development.
- Advanced project planning and approvals.
- Supportive long-term shareholder base.
- Strong copper market fundamentals.
- Substantial upside through infill drilling and further exploration.

Key milestones for 2021

- Feasibility Study
- Financing, FID
- Start Construction

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Disclaimer and Competent Person Statement

- The information contained in this presentation is for informational purposes only and does not constitute an offer to issue, or arrange to issue, securities or other financial products. The information contained in this presentation is not investment or financial product advice and is not intended to be used as the basis for making an investment decision. The presentation has been prepared without taking into account the investment objectives, financial situation or particular needs of any particular person. Before making an investment decision, you should consider, with or without the assistance of a financial adviser, whether an investment is appropriate in light of your particular investment needs, objectives and financial circumstances.

- No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation. To the maximum extent permitted by law, none of KGL Resources Ltd, their directors, employees or agents, nor any other person accepts any liability, including, without limitation, any liability arising out of fault of negligence, for any loss arising from the use of the information contained in this presentation. In particular, no representation or warranty, express or implied is given as to the accuracy, completeness or correctness, likelihood of achievement or reasonableness or any forecasts, prospects or returns contained in this presentation nor is any obligation assumed to update such information. Such forecasts, prospects or returns are by their nature subject to significant uncertainties and contingencies.

Competent Persons Statement

- The Jervois Resources information were first released to the market on 15/09/20 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 data in this report that relates to the 2015 Reward South Resource was first released to the market on 29/07/2015 (then named Green Parrot) 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 information contained in this release that relates to the Jervois Ore Reserves Estimate was first released to the market on 2 December 2020 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.

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.

More Information

For **more information** about the Jervois Project, please visit our website:



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 (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);
- (c) allow their Entitlement to lapse (refer to section 4.4).

Ineligible Shareholders may not take up any of their Entitlements.

No top up facility is available under the Entitlement Offer for Eligible Shareholders to apply for New Shares in excess of their Entitlement. Any Application Monies received from a Shareholder in excess of their Entitlement will be refunded in accordance with section 4.2.

KGL 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 (AEDT) on 16 March 2021** (however, that date may be varied by KGL, in accordance with the Listing Rules and following consultation with the Lead Manager).

4.2 Taking up all of your Entitlement

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

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 (AEDT) on 16 March 2021** at the address set out below:

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

If you are an Approved US Shareholder, then you must also return a US Investor Certificate along with an Entitlement and Acceptance Form. The US Investor Certificate is available from KGL's Company Secretary.

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 (AEDT) on 16 March 2021**.

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 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.

4.6 Payment

The consideration for the New Shares is payable in full on application by a payment of \$0.42 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 Ltd – Entitlement Offer**' 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. 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

Nominees and custodians that hold Shares should note that the Entitlement Offer is only being made to Eligible Shareholders. KGL is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Shares. 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 resident in New Zealand or Singapore; and
- (b) with the consent of KGL, to beneficial shareholders of KGL resident in certain other countries where KGL 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	means KGL Resources Ltd ACN 082 685 080.
\$	means Australian dollars.
AEDT	means Australian Eastern Daylight 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 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 16 March 2021, 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 chairman, Denis Wood, specifically: (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.
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 Entitlement Offer.

Term	Definition
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 1 New Share for every 13 Shares of which the Shareholder is the registered holder on the Record Date, at the Issue Price pursuant to this Information Booklet.
Equity Raising	means the Entitlement Offer and the Institutional Placement.
Existing Shares	means the Shares already on issue in KGL 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 1.4 of this Information Booklet.
Information Booklet	means this document.
Institutional Placement	means the offer of new Shares to institutional investors announced at the time of the Entitlement Offer.
Investor Presentation	means the update to investors, in section 3 of this Information Booklet, announced to ASX on 22 February 2021.
Issue Price	means \$0.42 per New Share.
KMP Investments	means KMP Investments Pte Ltd.
Lead Manager	means Morgans Corporate Limited ACN 010 539 607.
Listing Rules	means the official listing rules of ASX.
New Shares	means Shares to be allotted and issued under the Entitlement Offer.
Record Date	means 7.00pm AEDT on 25 February 2021.
Shareholders	mean holders of Shares.
Shares	means fully paid ordinary shares in the capital of KGL.
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.
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

Lead Manager

Morgans Corporate Limited
Level 29, 123 Eagle Street
BRISBANE QLD 4000
Tel: +61 7 3334 4888
www.morgans.com.au

Directors

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

Lawyers

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

Company Secretary

Kylie Anderson

Principal Share Register

Link Market Services Limited
Level 12, 680 George Street
SYDNEY NSW 2000
Offer Information Line : +61 1300 306 413
General enquiries: +61 1300 554 474
www.linkmarketservices.com.au



KGL Resources Ltd
ACN 082 658 080

All Registry communications to:
Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia
Telephone: 1300 306 413
From outside Australia: +61 1300 306 413
ASX Code: KGL
Website: www.linkmarketservices.com.au

SRN/HIN:

Entitlement Number:

**Number of Eligible Shares held as
at the Record Date, 7.00pm (AEDT)
on 25 February 2021:**

**Entitlement to New Shares
(on a 1 New Share for 13 basis):**

**Amount payable on full acceptance
at A\$0.42 per Share:**

Offer Closes 5.00pm (AEDT):	16 March 2021
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ENTITLEMENT AND ACCEPTANCE FORM

As an Eligible Shareholder you are entitled to acquire 1 New Share for every 13 Existing Shares that you hold on the Record Date, at an Offer Price of A\$0.42 per New Share. 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 22 February 2021. 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.

If you do not have a paper copy of the Information Booklet, you can obtain a paper copy at no charge, by calling the KGL Resources Ltd Offer Information Line on 1300 306 413 (within Australia) or +61 1300 306 413 (from outside Australia).

PAYMENT OPTIONS

If you wish to take up all or part of your entitlement, 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 (AEDT) on 16 March 2021. 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

If paying by cheque, 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 (AEDT) on 16 March 2021.



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.



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 Payment amount (Multiply the number in section A by A\$0.42)

A\$

C PLEASE INSERT CHEQUE DETAILS – Cheques must be drawn on an Australian branch of a financial institution in Australian currency, made payable to “KGL Resources Ltd – Entitlement Offer” 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"/>	<input type="text"/>

D CONTACT DETAILS – Telephone number

Telephone number – after hours

Contact name

KGL RESOURCES LTD

The Entitlement Offer to which this Entitlement and Acceptance Form relates is not being made to investors located or resident outside of Australia and New Zealand, except to certain categories of investor in Singapore and 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 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 Ltd.

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\$0.42 .

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

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. Payment Amount

Enter into section B the total amount payable by you. To calculate the total amount multiply the number in Section A by A\$0.42 .

C. Cheque details

Enter your cheque details in section C. Cheques must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "KGL Resources Ltd – Entitlement Offer" 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 Ltd may treat you as applying for as many New Shares as your cheque will pay for.

D. 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 Information Booklet 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 Ltd
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 (AEDT) on 16 March 2021. Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. KGL Resources Ltd 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 Ltd Offer Information Line on 1300 306 413 (within Australia) or +61 1300 306 413 (from outside Australia) between 8.30am and 5.30pm (AEDT) Monday to Friday.