



SUSTAINABILITY REPORT 2021





IMPORTANT INFORMATION

The KGL Resources Limited's Sustainability Report for 2021 provides a summary of the Company's sustainability performance and non-financial material risks for the financial year 1 January 2021 to 31 December 2021, unless otherwise stated.

When referring to KGL Resources in this report, we are referring to:

- KGL Resources (ABN 52 082 658 080), which is listed on the Australian Securities Exchange (ASX) under the code KGL.
- The Jervois Base Metal Project located on four Mineral Leases (ML 30180, ML 30182, ML 30829 and ML 32277) with operations being undertaken within Exploration Licence - EL 25429. This Exploration Licence is held by Jinka Minerals Ltd, an unlisted public company acquired in 2011 and a subsidiary of KGL Resources.
- Exploration, drilling, excavation of test pits and geotechnical investigations being performed by Jervois Operations Pty Ltd (formerly Kentor Minerals NT Pty Ltd) at the Jervois Project.

KGL do not currently seek third-party assurance of reports outside of the annual report and non-financial data. An internal review was conducted on the sustainability report's contents to assess the accuracy and validity and to identify any material errors or omissions.

This report includes forward-looking non-financial statements. For details on our financial performance and more around our governance structure, please refer to our Annual Report for the year ended 31 December 2021 available on our website.

The Annual Report 2021 is also to be referred to for information regarding the risks and uncertainties that could cause our financial results to differ materially.

All financial figures are quoted in Australian dollars, unless otherwise noted. Due to rounding, some figures and percentages may not add up to the total figure or 100%.

Additional information about KGL is available on our website – www.kglresources.com.au

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ABOUT THIS REPORT

We are pleased to present our inaugural annual Sustainability Report for the period 1 January 2021 to 31 December 2021 (Reporting Period). The scope covers the activities and approach of KGL Resources Ltd (KGL or the Company), its key subsidiaries, including Jinka Minerals Ltd and its wholly owned subsidiary, Jervois Operations Pty Ltd. The scope therefore reflects where KGL and its entities have operational control.

Accordingly, the following activities and operations are included within this scope and reporting boundary:

- The Jervois Base Metal Project, i.e. Jervois Project or the Project.
- All planning and approvals to support the Jervois Project within the regulatory framework and jurisdiction of the Northern Territory (NT), Australia;
- Exploration and site investigation activities, including drilling, excavation of test pits and geotechnical investigations being performed by Jervois Operations Pty Ltd and appointed third party contractors;
- Baseline environmental studies and monitoring; and
- Site infrastructure and mineral resource planning.

While KGL owns several other Exploration Licences (see page 7), minimal activities have been undertaken on these and therefore this Sustainability Report focuses primarily on the Jervois Project.

Please see the About Us section on our website (www.kglresources.com.au) for more information about KGL's activities.

This Sustainability Report focuses on the context and approach we have taken to identify and manage the material Environmental, Social and Governance (ESG) topics associated with our exploration and feasibility activities at the Jervois Project, considering that we are in the exploration and development phase of the mineral extraction lifecycle.

Furthermore, we outline our progress in developing credible controls and processes to mitigate, and where feasible, enhance the benefits or value across these three ESG pillars.

We are committed to building on our sustainability reporting platform set through this report. Year-on-year we will collect, interpret, and publish data to support our progress being made against our sustainability objectives and targets. We will also align our sustainability and ESG reporting approach with relevant international guidelines and frameworks that suit a company of our size as we advance in the construction and operational stages of our Project.

We welcome any feedback you may have on this Sustainability Report through engaging with us at info@kglresources.com.au.



MESSAGE FROM THE CEO

KGL's financial and operational success will be underpinned by effective Environmental, Social and Governance practices.

Welcome to KGL's inaugural Sustainability Report where we share the progress we have made in identifying and managing our Environment, Social and Governance (ESG) risks. We need to be fully cognisant of the ESG risks to ensure that we can provide effective stewardship over these matters as we responsibly advance our activities and operations at the Jervois Project. We recognise the value in making a significant commodity like copper available for further benefit accrual across the supply chain. To do this, our top priority is ensuring we have the correct management systems and governance processes in place.

To ensure we focus our attention in the correct areas, we completed a materiality assessment to identify our most important sustainability topics and prioritised these topics based on internal and external stakeholder input. Through the identification of our key material ESG risks, we were able to integrate key sustainability metrics and commitments into the Company's corporate strategy to ensure that we are effectively managing the risks and opportunities presented by these material topics.

As the business matures from exploration to development and then into operations, we will ensure our systems and processes evolve to make sure they remain relevant and drive continuous improvement.

As with most organisations around the world, the KGL operations were impacted by the global COVID-19 pandemic.

In addition to validating the mineral resource model, drilling, excavation of test pits and geotechnical investigation work has provided essential information to enable the design, construction and rehabilitation requirements of the tailings storage facility (TSF) and waste rock dumps and to determine the potential for contamination by these facilities.

KGL's performance in 2021 served to demonstrate the resilience of the business and our commitment to establishing a solid platform to positively support our sustainability commitments and aspirations.

While I am extremely proud of all our achievements, noteworthy sustainability outcomes in 2021 included:

- KGL's continued focus on health and safety was reflected in the way in which our COVID-19 controls were effectively implemented at our operations. The health and safety of our people is our first priority. Our people are our most valuable assets and their safety and health is our greatest responsibility.
- Working alongside our key stakeholders to identify those areas of sustainability that are important to them and our business, including the development of our first set of high-level sustainability objectives, targets and performance measures;
- Our commitment to the environment and our operations was demonstrated by receiving approval of our Mining Management Plan from the Northern Territory government, thus supporting our next steps into construction;
- The appointment of three key executive positions with outstanding experience to guide KGL through the next stages of construction and operation; and
- Reflecting KGL's approach to water stewardship, we received approval of water licenses and proceeded with the design of the water borefield and water management system to ensure water availability to accommodate the Project's needs.

These outcomes illustrate how sustainability is being actively embedded throughout our business as we progress from exploration and feasibility into mine operations.

In summary, our operations reflect the importance placed on ESG to achieve our strategic objectives and our ability to deliver sustainable value for all our stakeholders. KGL's financial and operational success will be underpinned by effective Environmental, Social and Governance practices and by the support of the people upon who's land we operate.



HIGHLIGHTS

These outcomes illustrate the multiple ways in which sustainability is actively being embedded throughout our business.

As we continue to advance our sustainability efforts and establish our baseline from which to measure our performance and drive improvements, we are proud to report the following accomplishments for 2021:

- We conducted a formal materiality assessment through which we were able to hear first-hand those matters that are of importance to our stakeholders. In considering what these areas mean to our stakeholders and us, we were able to formulate an overarching list of 14 material topics for our business.
- To ensure we can address these material topics, we developed our high-level sustainability framework that focuses on ensuring the required controls are in place and the effectiveness of these can be measured through the establishment of our first set of high-level sustainability objectives, targets and performance measures.
- The feasibility study was well progressed through which confirmatory drilling at Reward and Bellbird deposits at the Jervois Project increased confidence in the resource models and supported optimisation of mine design, costing and overall mine longevity.
- Approval of our Mining Management Plan by the NT Minister for Mining and Industry was a significant milestone being the last major regulatory approval required before the development of the Jervois Project can commence.
- Receiving approval of our required water licenses and the design of the water borefield and water harvesting system now ensures Project water needs can be met.
- Appointment of Mr. Simon Finnis as Chief Executive Officer, Mr. Steve Mallyon as a Non-Executive Director and Mr. Denis Gately as independent Non-Executive Director to provide the required high-level executive leadership to progress the Jervois Project into development and production.
- Mine infrastructure and plant layouts were completed to feasibility study level.
- Establishing charter flights and airfield requirements to meet our workforce fly-in-fly-out needs. This arrangement is one of our safety initiatives to address the identified risk of our staff being exposed to driving and road safety risks.
- Preparing a COVID-19 management plan and supporting procedures as the level of staffing increases for mine construction and operation.

ABOUT US

We are driven by our values of accountability, integrity, respect and sustainable development.

KGL Resources Limited (KGL) is an Australian-based mineral exploration and emerging copper mining company listed on the Australian Securities Exchange (ASX: KGL). KGL’s key focus is the confirmation of the resource at the Jervois Project to establish a world-class copper mine.

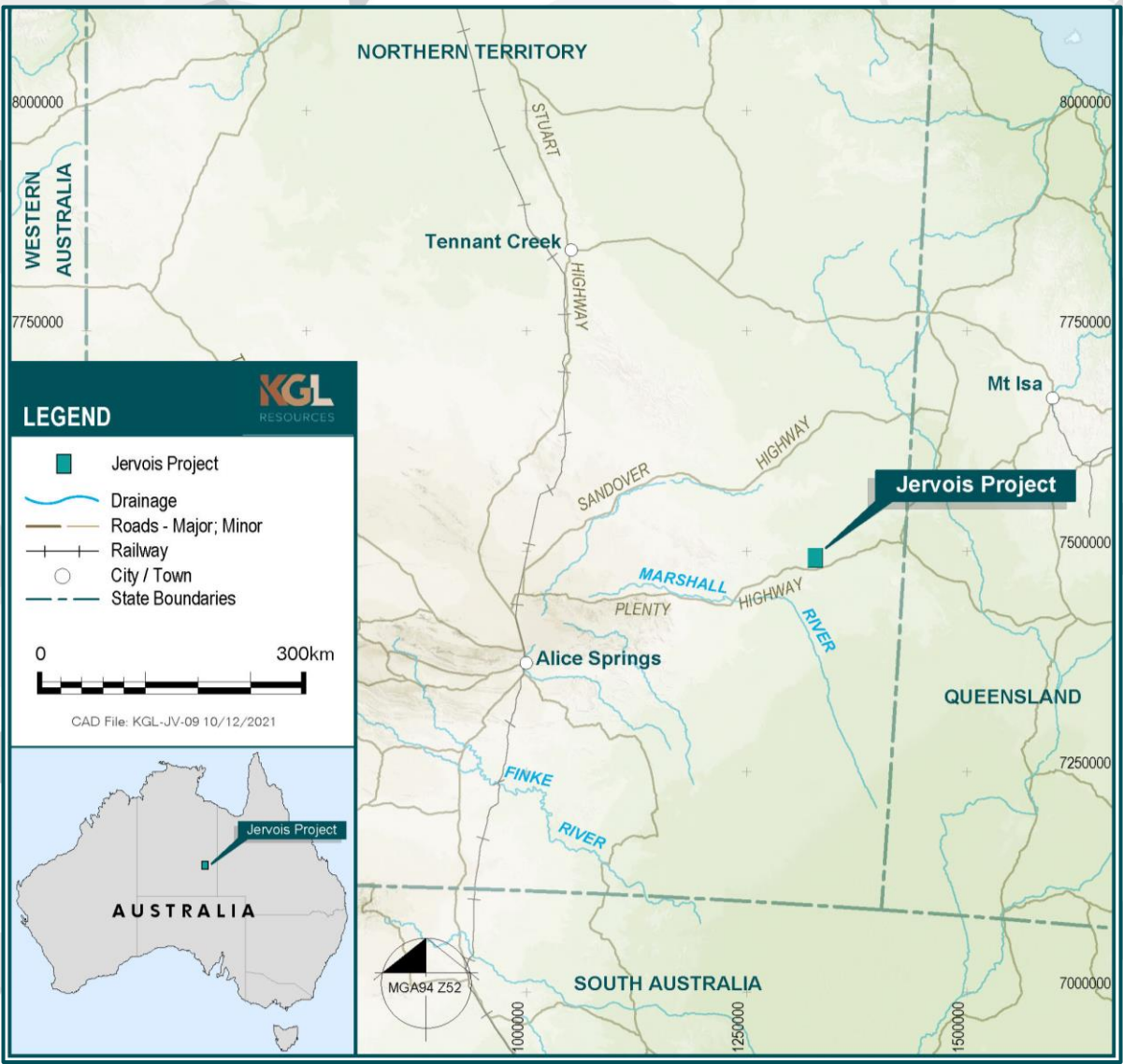
Whilst KGL own numerous tenements, this Sustainability Report primarily focuses on those tenements that directly support the Jervois Project as minimal works were conducted on our other tenures.

Project Setting

The Project lies North-East of the town of Alice Springs and is located in the Plenty River Basin, a sparsely populated area in Central Australia’s Northern Territory. Access to the Project site is via the Plenty Highway and Lucy Creek Road.

The Project is set across four Mineral Leases (MLs) and one Exploration Licence (EL). Mining operations are conducted within EL 25429 which is on Jervois Station. Supporting water infrastructure requirements through a pipeline and borefield are on a separate tenure to the north – ML 32277 being on Lucy Creek Station.

The pre-feasibility study was successfully completed in late 2020 and found that the Jervois Project would sustain a robust initial mining operation delivering an annual 30,000 tonnes of contained copper in concentrate for 7.5 years. This favourable outcome then supported the next stage of the Project being the feasibility study, with the aim of extending mine life and further improving the mine’s economics.



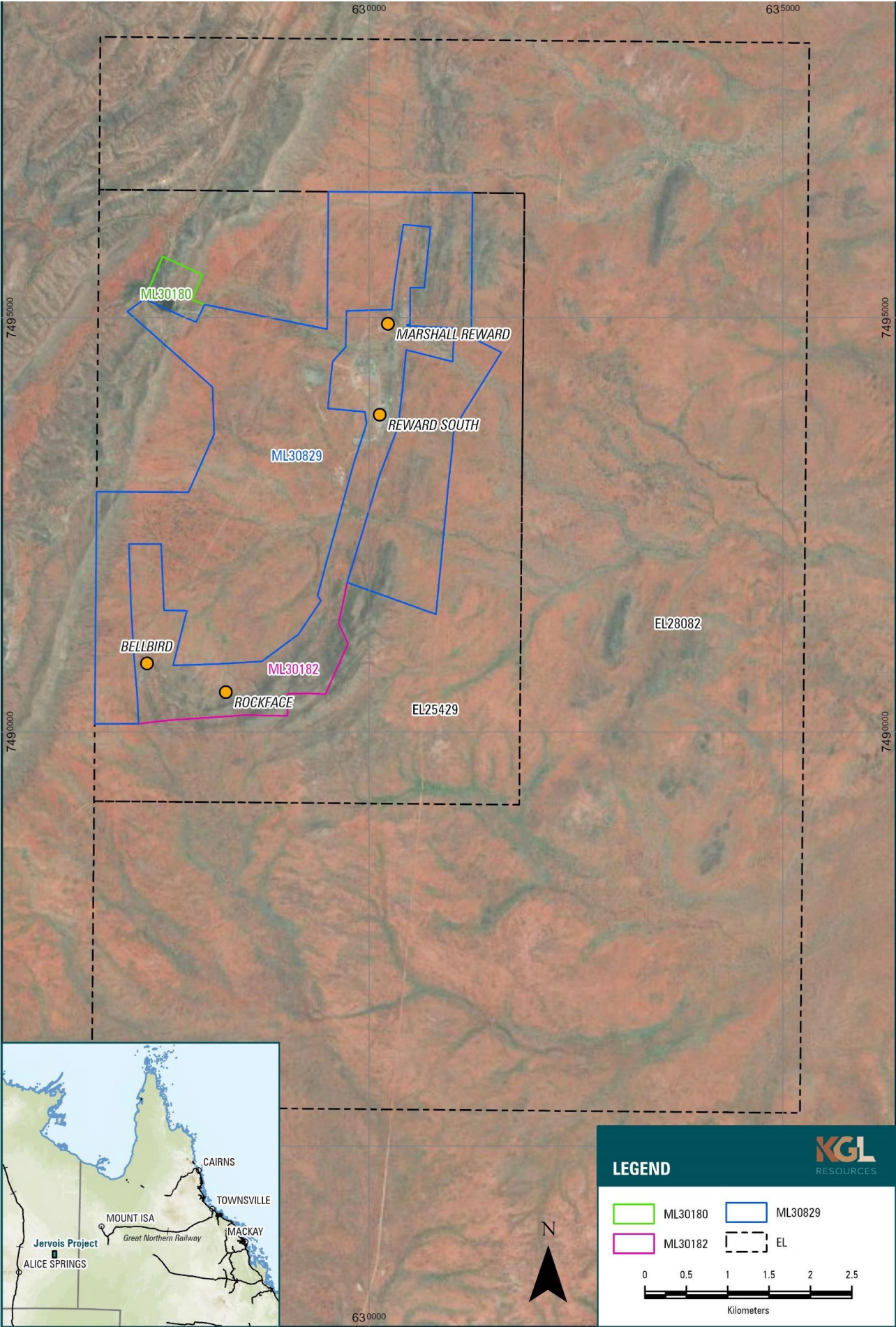


TENEMENT NUMBER	PROJECTS	LOCATION	BENEFICIAL HOLDING
ML 30180	Jervois Project (Focus of this Sustainability Report)	Jervois Project, Northern Territory	100%
ML 30182			100%
ML30829			100%
ML 32277			100%
EL 25429			100%
EL 28340	Other Licences (With minimal activities being undertaken on these Exploration Licences, no coverage has been provided on these through this years Sustainability report)	Yambah, Northern Territory	100%
EL 28271		Yambah, Northern Territory	100%
EL 28082		Unca Creek, Northern Territory	100%
EL 30242			100%

It is estimated that the mining workforce will peak at approximately 360 during construction and reducing to 300 during operations. Some workers will operate on a fly-in-fly-out basis to and from Bonya and some being bussed in and out from Alice Springs, depending on where the workers are sourced. Staff will be housed in on-site accommodation.

We already have a strong record in environmental and community matters through the exploration and planning stages and have reported progressively to our stakeholders.

Our goals now are to ensure ongoing compliance with our operating licence conditions and to maintain our social contract with employees, the community and other stakeholders as we progress to site development and operations.





OUR VALUES

We have established a set of values that are the guiding principles that define the Company we aspire to be. These values outline what we require from our directors, senior executives, and employees to achieve our aspirations.

All our policies and procedures use these values as the basis for development, and more specifically, provide the ethical framework for the company in addressing the areas of Environmental, Social and corporate Governance.



ACCOUNTABLE
We own our actions



RESPECTFUL
We act with dignity



INTEGRITY
We do what we say



SUSTAINABLE
We achieve robust outcomes



OUR APPROACH TO SUSTAINABILITY

Our sustainability framework drives deeper sustainability engagement and outcomes across the company.

Identifying our material topics

In 2021, we performed a materiality assessment to identify our most important ESG topics and prioritised these based on internal and external stakeholder input. Using this materiality assessment, we report on the 14 material Environment, Social and Governance topics that have the potential to impact KGL’s business performance and that reflect the impacts of our operations. These material topics cover both positive and negative impacts and have the potential to influence the decisions and actions of our broad range of stakeholders. As part of this process we:

- Utilised the findings from the Social Impact Assessment that was completed by a specialist third party and supported by extensive desktop research;
- Further assessed the outcomes from the community through detailed stakeholder consultation and dedicated social impact assessment interviews that were carried out as part of the Project’s Social Impact Assessment;
- Incorporated findings from our multi-disciplinary Project risk assessment;
- Conducted industry research and peer benchmarking to define the relevant topics;
- Prioritised our topics based on the importance to KGL and to external stakeholders; and
- Refined the results through a validation workshop with KGL leaders.

The materiality map shows the key positive impacts resulting from the Project are the generation of opportunities for regional and local businesses by enabling the winning of work on the Project, employment, training and community benefits through other means such as the distribution of sponsorship funds.

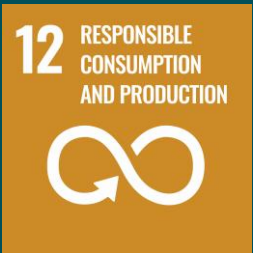
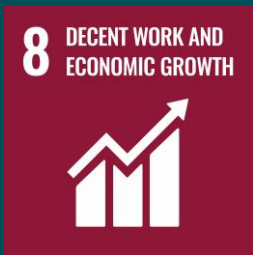
Key ESG risks identified include the impact to surface and groundwater water resources (quality and quantity), site workplace health and safety and road safety for both mine workers and the public.

The overall objective for the Jervois Project is to create a robust copper producer that can sustain its viability during times of fluctuating international base metal markets.

MATERIALITY MAP



Colour code aligned with the Sustainable Development Goals



The United Nations Sustainable Development Goals (SDGs)

The United Nations Sustainable Development Goals (SDGs) and their associated targets provide a universal framework to address the world’s most significant sustainability challenges and opportunities.

We recognise that the SDGs provide a meaningful foundation upon which we can drive our positive impact, reduce our negative impact, and strive towards sustainable development. Informed by our material topics, we have identified those SDGs that most closely align to our values, strategic objectives and operational activities.

By supplying responsibly produced copper, KGL will be a positive contributor to the world well beyond our operational boundaries. Part of responsible production means purposefully and deliberately contributing to relevant SDGs within our host communities and across our value chains, while simultaneously seeking to mitigate any potential impediments to their realisation.

KGL works toward most of the 17 SDGs goals through our day-to-day work at our Jervois Project. For this report and our materiality assessment, we have identified and focused specifically on those goals where we believe we can make the most meaningful contribution.

The Equator Principles

International financial institutions have developed and adopted the Equator Principles to ensure the projects they finance are developed in a manner that is socially responsible and reflects sound environmental management practices. The application of the Equator Principles can contribute to delivering on the objectives and outcomes of the SDGs.

The Equator Principles are intended to serve as a common baseline and framework for financial institutions to identify, assess and manage environmental and social risks when financing projects and apply globally to all industry sectors.

KGL is an advocate of the Equator Principles and is working to ensure our approach to sustainability is in alignment with the requirements of the Equator Principles (EP4 – July 2020).





As a 100% recyclable material, copper can be reused over and over again with no loss to its physical properties.

COPPER AS A CONTRIBUTOR

The Jervois Project is being prepared for development at a time of near record world copper prices that are forecast to remain strong for at least the life of the initial mine. The long-term copper supply constraints being forecast as demand for copper strengthens significantly in an increasingly electric society are only intensified by the current stresses on production. Copper is strategically important to enabling society’s progress.

How the copper industry contributes to the SDGs:



DECARBONIZATION

By 2030, increased use of copper could reduce global carbon emissions by 16%. Copper is a critical component for electric vehicles, charging stations, high-efficiency motors and renewable energy.



INFRASTRUCTURE

Copper is essential for reliable, advanced electrical grids (production and delivery of energy and energy storage), telecommunications (data centers, networks and cell towers) and railways.



TECHNOLOGY

Copper is crucial for connecting and advancing society and smart cities / homes, including artificial intelligence, smart grids, 5G technologies, mobile phones and computers.



PUBLIC HEALTH¹

Copper could play an invaluable role in public health if used more frequently on high-touch surfaces given its substantial antimicrobial properties, which can eliminate bacteria, viruses and other pathogens, reducing the risk of transmission.

¹ copperalloystewardship.com

OUR SUSTAINABILITY FRAMEWORK

We also developed a framework to align our strategic approach to sustainability and to focus our efforts on our key material topics and opportunities. Considering the external and internal environment, KGL has established foundation policies to provide a roadmap for our day-to-day operations, ensure compliance with laws and regulations, give guidance for decision-making and support the achievement of our business goals.

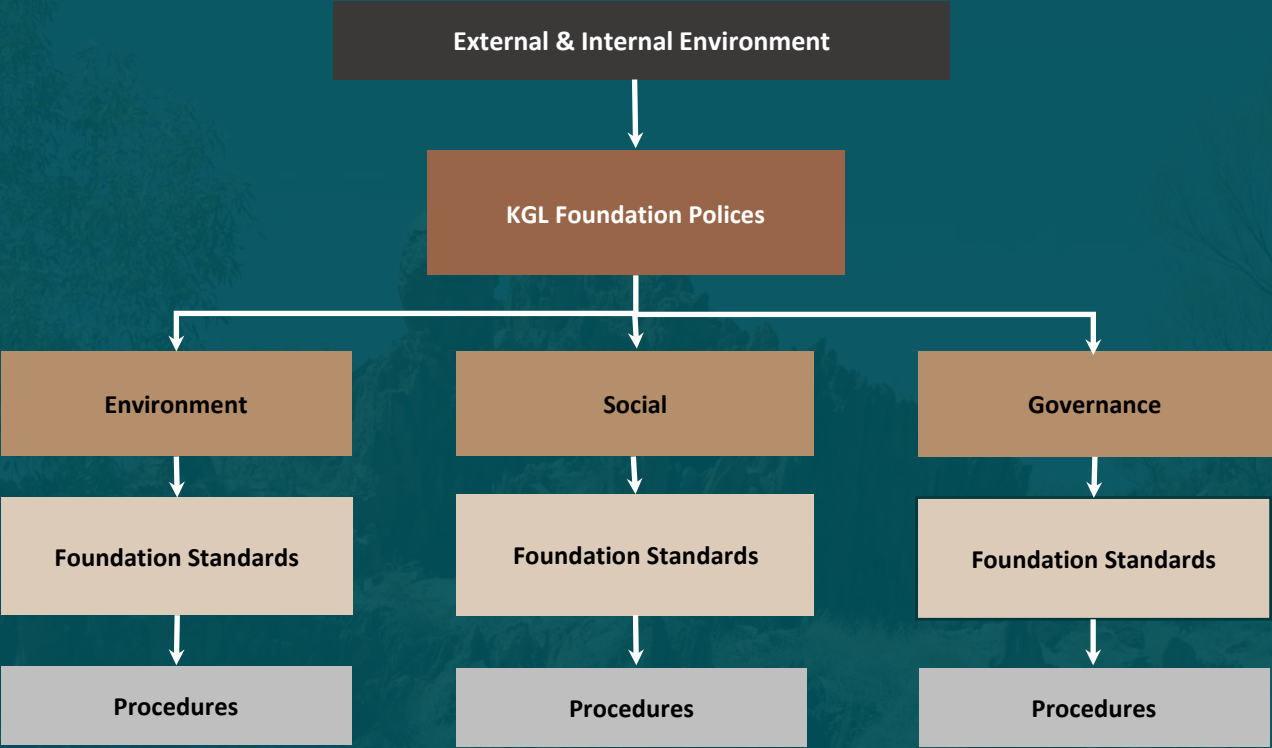
The foundation policies are underpinned by foundation standards and procedures to develop and support the management of all identified ESG risks and opportunities.

The Environmental Management Plan is such an example and is specific to the Jervois Project and

has been designed to ensure that the appropriate environmental management controls are identified and implemented during the construction, operational, decommissioning, closure and post-closure stages of the Project.

Across all of our material topics, management strategies or objectives have been established to guide the business in reaching its sustainability aspirations. Benchmarks and targets provide a measure of how successful we are in delivering against our strategy and determine the required adjustments that need to be made to improve performance and results.

As KGL progresses into construction and operations, more detailed and specific targets and performance indicators will be added.



OUR COMMITMENT

The next step in KGL’s ESG journey will be to further develop our objectives and implement systems and metrics to better track and assess sustainability progress. Additionally, we will audit select metrics internally and are exploring assurance for future reports to fully embed sustainability and transparent disclosure into our culture.

Moving forward and building on this report, KGL is committed to:

- Improving our ESG strategy, including key performance metrics;
- Applying adaptive management techniques when making resource management decisions where data may be incomplete or uncertain;
- Exploring best practice sustainability, ESG frameworks and other reporting approaches to determine how to drive long-term stakeholder value;
- Actively sharing best practices internally and externally;
- Embracing continuous improvement and evaluating program effectiveness; and
- Refining and reporting our progress against our objectives and targets.



ENVIRONMENT

We believe environmental stewardship is an integral part of our business.

We believe environmental stewardship is an integral part of our business and we are committed to minimising potential environmental impacts and risks associated with our activities at every stage of the process; from planning through to exploration, development, production and eventually mine closure.

Underpinning the Mining Management Plan, the Environmental Management Plan has been developed to ensure that the appropriate environmental management controls are identified and implemented during the construction, operational, decommissioning, closure and post-closure stages of the Project.

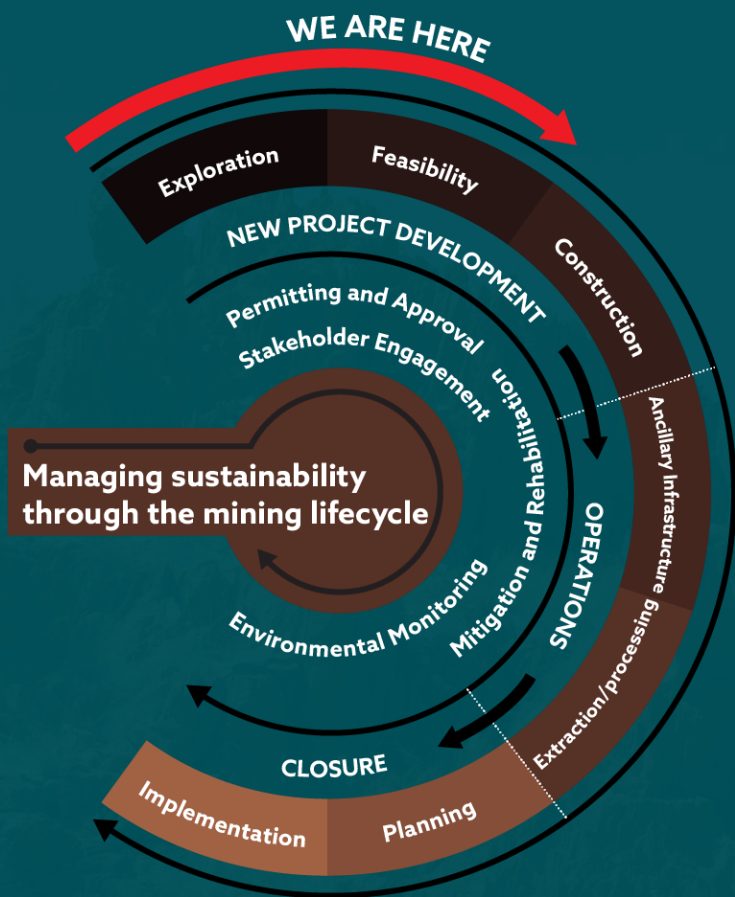
Compliance

KGL’s operations are subject to stringent environmental approvals and licences, and KGL is committed to implementing systems, processes and practices to ensure compliance with the conditions of these approvals and licences and other legislative requirements.

KGL lodged its Environmental Impact Statement (EIS) in October 2018 and completed a supplementary EIS in July 2019 following comments and feedback received through the public notification period. The NT EPA issued their Assessment Report of the Jervois Project to the responsible Minister in September 2019. A Mining Management Plan addressing the NT EPA’s recommendations was lodged with the Northern Territory Government in April 2020, with government approval received in January 2021.

KGL’s focus is on ensuring all commitments made through the EIS process and as contained in the Mining Management Plan and Environmental Management Plan will be achieved.

For the 2021 reporting period, KGL is not aware of any material non-compliance of laws or regulations relating to air or GHG emissions, discharges into water or land, and contamination by hazardous or non-hazardous waste.



WATER STEWARDSHIP

With Unca Creek being the only watercourse of note in the vicinity of the Project and a long-term mean average annual rainfall of approximately 292.4¹ mm, the stewardship of this scarce resource is critical. In addition to mitigating impacts to water resources, poor management of this resource may result in insufficient water supply thus affecting production or even resulting in shutdowns.

Considering the management practices KGL will be implementing, the modelling undertaken has demonstrated that the potential impact of the planned mining operations on water resources will be insignificant. This includes ensuring water from different sources will be managed separately, mine affected water will be collected in specially designed structures and water collected on-site as part of mining operations will be used preferentially to reduce demand on surface water and groundwater sources.

Aside from the design and use of the on-site water management system, KGL’s priority is the implementation of the Environmental Management Plan, including the Surface Water Management Plan and Groundwater Monitoring and Management Plan. Open and transparent communication about hydrological studies and results from the monitoring program will also occur.

¹ Australian Government Bureau of Meteorology, November 2019.

Strategy / Objectives

To protect environmental values of the receiving waters downstream of the Project during the operational period and post-closure.

Ensure no deterioration in water quality in accordance with beneficial use values.

To minimise the risk of impacts to the beneficial uses of groundwater resources and the groundwater dependent environment.

Achieve the water quality objectives.

Ensure that the Project has sufficient water available for operations during dry times.

Targets

Not reducing the water availability to other users from mining activities.

Not adversely affect groundwater quality due to mining activities by reducing the environmental values.

No adverse impacts to surface water quality which can be attributed to Project activities.

Indicators

- Environmental performance against baseline surface and groundwater data.
- Meet water quality objectives for receiving waters downstream.
- Total water (ML) extracted from surface and groundwater sources.
- Total water (ML) used.
- Water use intensity (ML/Tonne produced).

SOCIAL

KGL focuses on community liaison, stakeholder engagement and proactive and open communication.

Community and Stakeholder Engagement

As the Plenty Highway between the Project and the Stuart Highway is mostly unsealed, the significant material community topic identified is the potential of increased road trauma on local roads. To mitigate this risk, our comprehensive Traffic Management Plan outlines road safety initiatives, private vehicle use restrictions, journey management planning and speed limits. KGL has also established strict guidelines and Codes of Conduct for vehicle, bus and truck drivers.

Due to the remote location of the Project, competition for local workers, business and services have the potential to be negatively affected by people favouring to work on the Project. Similarly, local employment targets may not be met due to lack of capacity or skills and subsequent loss of local business opportunities.

KGL’s Local Industry Participation Plan therefore includes consideration of how contracts might be packaged to suit existing capacity and focuses on ensuring good communication about opportunities with the Project. KGL will also work closely with industry groups such as the ICNNT and Chamber of Commerce and the NT Government to prepare businesses.

Considering that the Jervois Project is one amongst several major resource Projects in Central Australia, cumulative impacts which may arise include workforce availability and compounding pressure on services and inflationary pressures. Even though it was anticipated that these Projects would commence in the coming two to five years, there is some uncertainty around this timeframe and the possibility that all Projects will go ahead. As such, the timing of cumulative impacts of these Projects remains uncertain. Potentially, these Projects may create opportunities such as an increase in education, training, job opportunities and economic benefits.

KGL’s approach is therefore to focus on community liaison, stakeholder engagement and proactive and open communication.

KGL have established processes and procedures to provide guidance on avoiding adverse impacts on the social values of the local and regional communities and enhancing stakeholder opportunities.

This includes the Community and Stakeholder Engagement Plan that provides an avenue for stakeholders to provide feedback on the Project, outlines avenues for keeping stakeholders informed and outlines the community complaints process.

Strategy / Objectives

Avoiding adverse impacts on the social values of the local and regional communities and enhancing stakeholder opportunities.

Develop measures for monitoring the effectiveness of social management and mitigation strategies.

Targets

No road trauma incidents involving property damage, death or injury as a result of the Project activities or traffic.

No community complaints.

Meet performance measures for local employment and contracts awarded.

Indicators

- Traffic statistics and incidents.
- Number of consultations held with stakeholders.
- Number and trend of community complaints received.
- Total value (\$) and number of local contracts awarded.
- Total value (\$) and number of regional contracts awarded.
- Value (\$) and in-kind) of sponsorship programs.

3 GOOD HEALTH AND WELL-BEING



8 DECENT WORK AND ECONOMIC GROWTH



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Cultural Heritage

The region is home to Eastern Arrernte People and People of the Alyawarra and Anmatyerre. There are two Aboriginal communities within 20 km of the Project namely, The Bonya Community (also known as Ortippa Thurra) which is approximately 17 km to the south-west and the Maperte Community which is approximately 16 km to the north-east.

We recognise that Indigenous cultural heritage is highly significant to past, present and future generations and our company's approach to interacting with Indigenous topics has the potential to impact cultural heritage, traditions and customs, and KGLs social licence to operate.

KGL has an established and long-standing track record of positive, effective and collaborative working relationships with Indigenous stakeholders at the Jervois Project. KGL is committed to the coexistence of its operations with the cultural heritage of Indigenous stakeholders and will continue to manage cultural heritage topics across all our operations.

We have a Cultural Heritage Management Plan that guides the day-to-day interactions of our operations to protect cultural heritage values. This management plan has been prepared in response to stakeholder feedback and KGL's desire to respect our Indigenous stakeholders and their values.

Key material topics identified include the disturbance of Aboriginal archaeological sites and impacts to local cultural values.

Strategy / Objectives

1. Recognise, respect and maintain the cultural heritage values.
2. Describe how cultural heritage values will be protected.
3. Develop measures for monitoring the effectiveness of cultural heritage management and mitigation strategies.

Targets

Educate workforce on cultural heritage values of the Project including their responsibilities to protect and respect these values.

Protect the Aboriginal archaeological values associated with our operations.

Identify and protect previously unidentified archaeological values.

Continually improve cultural heritage management and mitigation strategies through an adaptive management approach.

Indicators

- Workforce training on identifying and protecting cultural heritage values.
- Number of previously unidentified archaeological values identified and protected.
- Compliance with Commonwealth and NT laws governing the protection of cultural heritage.

3 GOOD HEALTH
AND WELL-BEING



8 DECENT WORK AND
ECONOMIC GROWTH



12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



Health, Safety And Wellbeing

In alignment with our KGL values, we are committed to complying with all workplace health and safety regulations and requirements. Our Environment and Work Health and Safety policies were updated in 2019 and our People Policy in 2021 to emphasise greater alignment with our core values and was launched across KGL in 2021. The People and Work, Health and Safety Policies communicates our commitment to all team members and unites our focus as One Team.

Throughout our process, we strive for zero work-related injuries and illnesses by continuously improving our approach to health, safety and wellbeing. All safety incidents are required to be reported to ensure that we review opportunities to improve performance and prevent incidents from reoccurring. We continue to proactively enhance our safety program with the aim to contribute to a better tomorrow.

With resource development drilling having resumed in early 2021 after an 11-month Covid-19 caused delay, drilling was reduced to one shift per day at times. Exploration activities were additionally impacted by the state border closures restricting staff and contractor movements.

Our two workplace health and safety material topics have been identified as increased road trauma and incidents on local roads due to Project traffic, poor road conditions, road configurations and workplace injuries and illness.

Strategy / Objectives

Regular reviews of the traffic management plan, emergency response plan and occupational health and safety plan.

Develop measures for monitoring the effectiveness of health, safety and wellbeing management and mitigation strategies.

Targets

Zero work-related injuries and illnesses.

Zero workplace fatalities.

Indicators

- Workforce accidents and incidents.
- Lost Time Injury Rate (LTIR).
- Lost Time Injury Frequency Rate (LTIFR).
- Hazards reported and eliminated.
- Engagement in safety initiatives.
- Reporting of near misses.

3 GOOD HEALTH
AND WELL-BEING





SAFETY CASE STUDY

The Jervois Operations site is 390km by road from Alice Springs. As of December 2021, approximately 150km of the road is unsealed highway. Since driving-in, driving-out is the main form of site transport for KGL employees and contractors, a robust journey management system as well as thorough vehicle safety checks must be maintained to ensure the safety of everyone traveling to and from Jervois.

Each vehicle on-site is run through a daily pre-start to maintain a working fleet in the remote environment and to identify any potential maintenance topics with the vehicles. This includes engine checks, full body and tyre checks, and radio communication checks. In 2021, 1,136 vehicle pre-starts were completed.

KGL uses a SPOT tracker system whilst travelling to and from site. The tracker sends a signal every 10 minutes with the vehicle location thus enabling the journey to be monitored from both head office and site office. The SPOT tracker has two different alert buttons – one is an SOS button that will alert emergency response in case of emergency and the other is a non-emergency alert button.

This device proved useful this year when an employee driving a hire vehicle got two flat tyres on the unsealed Plenty Highway but only had one spare tyre. The non-emergency button was used to alert site, and a spare tyre was brought to their exact location.

An improvement was made to this system by ensuring that a satellite phone is used in conjunction with the SPOT tracker. This way, the exact nature of the alert can now be communicated.



GOVERNANCE AND RISK

KGL sets high standards of professional and personal conduct, and monitors compliance with these responsibilities.

Our approach to corporate governance connects to our mission, values, and culture. We integrate responsibility and accountability into our governance structures to maintain oversight of our material topics and incorporate stakeholder interests into our strategy development. Through our comprehensive and effective management of corporate governance, we outline roles and expectations, set high standards of professional and personal conduct, and monitor compliance with these responsibilities.

Our governance, compliance and risk statements, along with our governance commitments and performance reporting is addressed within the KGL Corporate Governance Statement.

A copy of our Corporate Governance Statement can be found within our Annual Report or at:
<https://www.kglresources.com.au/corporate-governance>.



GLOSSARY

ABBREVIATION	MEANING
ASX	Australian Securities Exchange
EL	Exploration Licence
EIS	Environmental Impact Statement
ESG	Environment, Social and Governance
ICNNT	Industry Capability Network Northern Territory
km	Kilometres
LTIFR	Lost Time Injury Frequency Rate
LTIR	Lost Time Injury Rate
ML	Megalitres
ML	Mineral Lease
NT	Northern Territory
NT EPA	Northern Territory Environment Protection Authority
SDGS	Sustainable Development Goals
TSF	Tailings Storage Facility



CONTACT INFORMATION

Name of Company Secretary

Kylie Anderson

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