

ASX Announcement

AGM Address



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28 November 2022

Attached is the presentation to be given at today's Annual General Meeting.

This announcement has been approved by the directors of KGL Resources Limited.

Welcome to today's Annual General Meeting of KGL Resources. I respectfully acknowledge that we meet today on the lands of Turrbal people and pay my respects to their elders, past, present and emerging. I also acknowledge the traditional custodians of the land in the southern Northern Territory, represented by the Central Land Council, are the past and present Traditional Custodians of the land on which the Jervis Copper Project is located and pay my respects to their elders, past, present and emerging.

KGL has made significant progress along the road to becoming an Australian copper producer. Despite the difficult inflationary environment, global uncertainties and other challenges experienced over the last couple of years, the Feasibility Study delivers an extended mine life of 11.75 years with an average grade of resource of over 2% to achieve a NPV of A\$241 million, assuming a long term copper price of A\$4.23/lb. We are targeting near term growth opportunities based on the most recent exploration drilling results for resource and mine life extensions. Funding options are being considered. We have an offtake with Glencore, an experienced development team and a supportive mining jurisdiction.

And finally, KGL provides investors with exposure to an exciting independent pure-play copper company with all necessary approvals leveraged to strong copper market fundamentals associated with the clean energy transition to Net Zero by 2050.

KGL has 455 million shares outstanding, a market capitalisation of A\$131 million, cash on hand as at 30 September 2022 of \$18 million and a very stable and supportive shareholder base

As previously mentioned, we recently completed the Feasibility Study for the Jervis Copper Project including an updated JORC Resource which is the successful culmination of 7 years of effort to reposition Jervis as a more robust high-grade copper project in order to maximise operational efficiencies and shareholder returns.

The latest JORC Resource update supporting the Feasibility Study reflects a 25% increase in Ore Reserves to 11.7 Mt at 2.1% Cu, 0.29 g/t Au and 29.8% g/t Ag when compared to the Dec 2020 PFS which was a period severely impacted by COVID restrictions.

This chart demonstrates the dramatic transformation of the project doubling the copper grade from ~ 1.0% in 2015 to ~ 2.0% today.

As a result of KGL's efforts to reposition the project as a more robust high grade copper project, this chart shows how well positioned KGL is as one of the highest-grade development projects in Australia with all necessary licenses and approvals and significant exploration potential. In an environment of strong inflationary pressures, high fuel costs and labour shortages, achieving maximum operational efficiency is important to long term sustainability and minimising KGL's carbon footprint.

KGL also benefits from the location of the Jervis Copper project in a tier one mining jurisdiction, in a highly prospective region for critical energy transition metals, in a low sovereign risk country, close to processing facilities and on the doorstep of the major growth markets of Asia.

As noted in our recent company announcement of 10 November, 2022, the Feasibility Study has confirmed the Jervis Copper Project is technically robust and financially viable based on a copper price of US\$4.23/lb and supports a high-grade copper mine with production for 11.25 years. The Project is

forecast to come online in 2025 coinciding with the forecast long-term structural deficit in the copper market.

Key highlights from the Feasibility Study include the following:

- Average annual production of about 25kt pa
- Ore reserves of Cu grade of 2.1%
- Production contained copper of 278kt
- Plant commissioning in 2025
- Project Construction Capital of A\$298 million
- NPV of A\$241 million and an IRR of 20.7%
- The project is leveraged to significant potential upside from expected long term supply deficits to meet decarbonisation goals, based on “price to meet forecast market demand: of US\$5.90/lb (US\$13.000 per metric tonne) which increases the NPV to A\$701 million and 40.1%
- Jervois has the potential for an extension to its mine life based on recent exploration success and has additional potential future revenue streams from lead and zinc .

Leading industry and financial analysts are forecasting a long-term structural deficit in the copper market due to commence in the 2nd half of this decade driven by a coordinated effort to decarbonise the global economy and achieve Net Zero emissions by 2050.

As demand from the energy transition begins to accelerate over the next few years driven strongly by the forecast rapid adoption of electric vehicles and renewable energy, the world is facing significant supply challenges arising from a combination of factors including declining grades and reserves from existing mines, a lack of new discoveries despite increased exploration budgets and an extended approval process of on average 16 years from discovery to production.

Peak mine supply is expected to occur in 2024.

A significant increase in the incentive price for copper is required to attract the required investment in new supply to meet forecast demand. However, this is unlikely to be in time to address the chronic shortages in copper expected to occur from the 2nd half of this decade. And the recent softening in economic growth forecasts has likely further restrained investment in new supply.

KGL plans to commence with open pit operations for approximately three years to commission and ramp up production. This reduces up front mining costs, simplifies operations during commissioning and reduces pre-production capital expenditure. Underground operations are progressively scheduled to commence ore production to sustain a 1.6Mtpa process plant feed once open-cut operations cease. This mine development sequence results in higher grade underground resources being delayed until later in the mine life, but results in reduced Project execution risk. Each of the deposits are potentially open at depth.

Growing the high-grade copper resource and mine life at Jervois is a key potential value driver for KGL shareholders. Drilling during the past 12 months has successfully increased the Jervois mineral resource to 23.8 million tonnes at 2.02% copper, 25.3 g/t silver and 0.25 g/t gold.

The focus in 2023 will be to continue exploration to grow the high-grade resource focusing on resources and reserves within the known mineral deposits and in prospective parts of the Jervois tenements with

the goal of increasing the mine life and upgrading the existing Mineral Resources and Reserves. The potential to add considerable value by extending the mine life justifies a focused exploration program.

The Jervois copper project is well positioned to benefit from the accelerated demand in copper and other critical metals required for the clean energy transition to achieve Net Zero emissions by 2050.

The workstream leading up to the FID includes:

- Competitive tendering of contracts
- Further optimising underground mining
- Scope to reduce offsite transportation costs

Ongoing exploration success can add materially to the value of the project as it drives capital efficiencies, cashflow and IRR improvement.

A robust market for copper may also provide KGL with additional production options in our mine plan.

We've highlighted the key workstreams for 2023. A FID is subject to market conditions at that time including a supportive macroeconomic environment and the availability of labour necessary to complete construction on time.

2022 has been a successful year for KGL despite the challenges.

I want to thank the Jervois stakeholders, in particular the Central Lands Council, Bonya community Lucy Creek and Jervois Station pastoralists and the Northern Territory government for their ongoing support and I know they are looking forward to helping us deliver the Jervois copper project. I also acknowledge the native title holders with whom we negotiated an indigenous land use agreement in 2016.

Sincere thanks to my fellow directors, in particular Jeff and Ian. Jeff has driven the finalisation of the Feasibility Study since he joined the board in June of this year. Ian kindly stepped in to assist as we progressed to our next phase of development and has contributed significantly to legal and governance matters.

I'd also like to thank our employees for their contributions in challenging times and look forward to making significant progress over the next 12 months in accelerating development of the Jervois Copper Project.

And my profound thanks to you, our loyal shareholders, for your patience and confidence in the company.

We are looking forward to making the necessary progress to start construction in 2023, subject to achieving some normalisation in market conditions - more specifically, the availability of labour, pricing of key inputs and supportive macroeconomic conditions. Regardless, KGL will continue to increase the value of the Project by focusing on its exciting exploration campaign for 2023 with the goal of expanding the resource and extending the mine life of this high grade deposit. I'm looking forward to our future and I hope you are too. I am very confident our patience will be rewarded.

A photograph of a geological rock face. The rock is reddish-brown with some greenish-blue mineralization. A geological hammer is placed vertically on the right side of the rock face for scale. The hammer has a blue handle with white text and a metal head. The background is a rocky, uneven surface.

KGL

RESOURCES

Annual General Meeting

28 November 2022

KGL Resources

Becoming an Australian copper producer



Feasibility delivered
11.75 year mine life
\$241 NPV¹
4.2 year payback
20.7% IRR



High >2.0% copper grade Resource²—
unique vs. global Cu projects



Near-term growth opportunities
for Resource and Mine Life extension



Funding plan being finalised



Offtake signed with Glencore



Low sovereign risk
Project located in pro-mining Northern Territory



Experienced team with development expertise



Independent pure-play copper exposure with all necessary approvals leveraged to strong market fundamentals

1. Refer KGL Resources Limited ASX announcements 11 November 2022, and 15 November 2022

2. Refer KGL Resources Limited ASX announcement 14 September 2022

Corporate Structure and Shareholders

Capital Structure

Australian Stock Exchange (ASX) code	KGL
ASX Share price (close 25 Nov 2022)	\$0.29
Shares outstanding	455 M
Options on Issue	1 M
Market capitalisation	A\$131.8M
Cash (30 Sep 2022)	A\$18.1M
Debt	Nil
Enterprise value	A\$113.7M

Major Shareholders

KMP Investments Pte Ltd	26.1%
Denis Wood	7.9%
Marshall Plenty Investments LLC	7.2%
Paradice Investment Management	5.9%
Pegasus CP One	4.8%

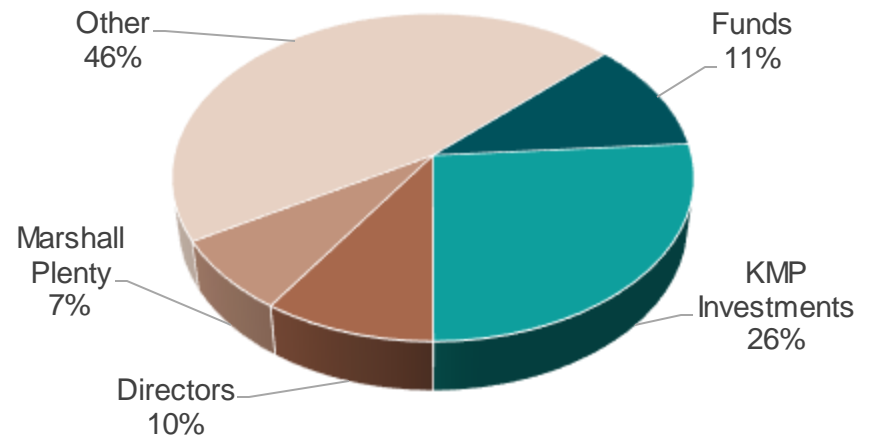
Financial Position

- Cash \$18.1m (30 Sep 2022)
- No debt

Supportive shareholder base

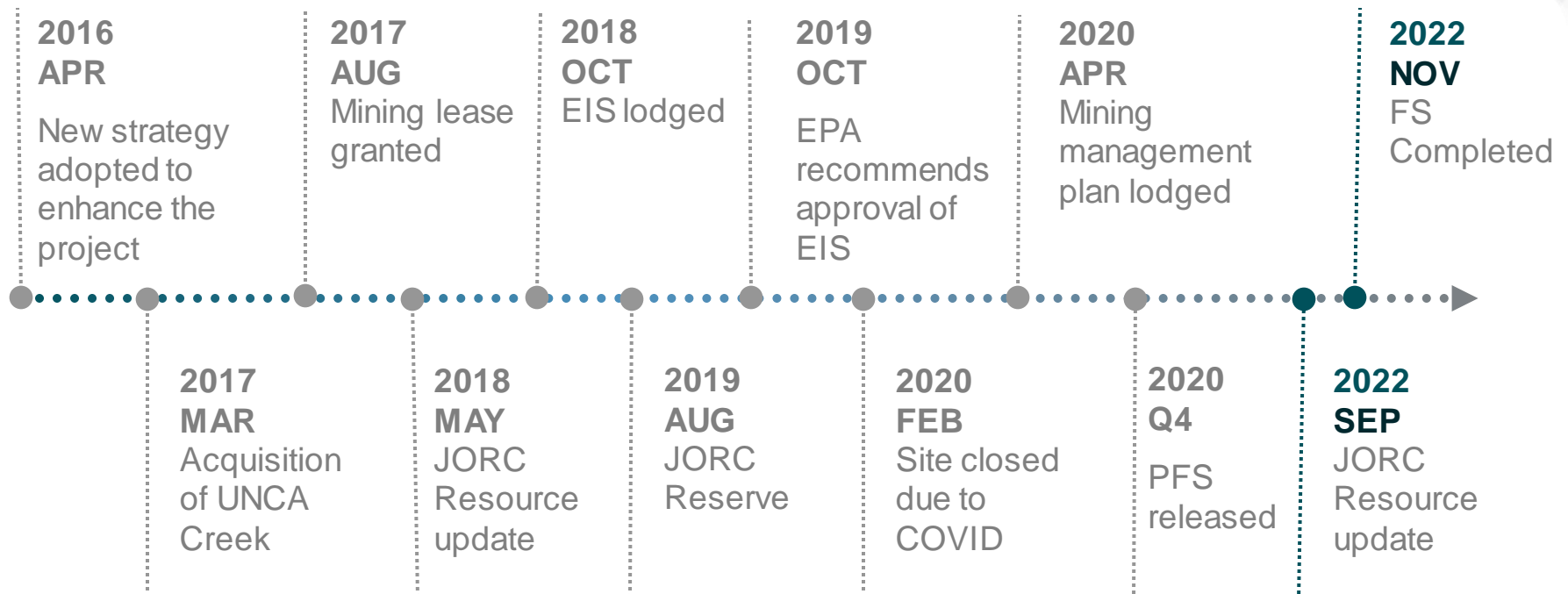
- 11% institutional funds, including substantial holder Paradise (5.9%)
- 10% owned by directors
- KMP investments, part of the Salim Group

Shareholder breakdown



Jervois Copper Project Update

- KGL recently completed a technically robust and financially viable Feasibility Study in a challenging environment of high inflation, ongoing supply chain challenges and increased global uncertainty
- The most recent JORC Resource was updated in September 2022
- Ongoing exploration success demonstrates potential to expand the mine life
- Whilst KGL acquired the Jervois lease in 2011, the project was repositioned in 2016 with the goal of becoming a more robust high-grade copper project to maximize operational efficiencies and shareholder returns.

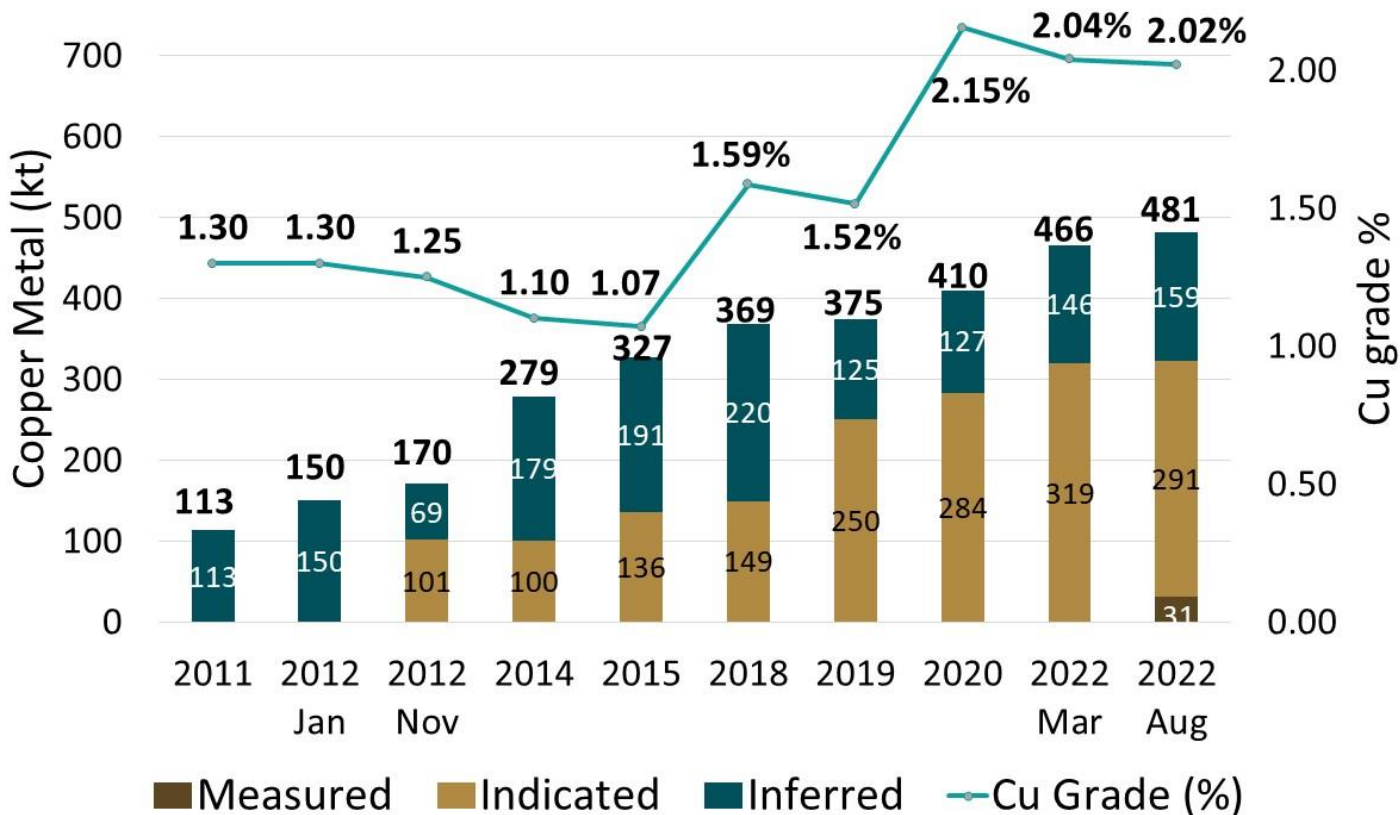


Resource Update

The total resource estimates now stand at:

- 23.80 million tonnes at 2.02% copper, 25.3 g/t silver and 0.25 g/t gold
- containing 481,200 tonnes copper, 19.34 million ounces silver and 189,600 ounces of gold.

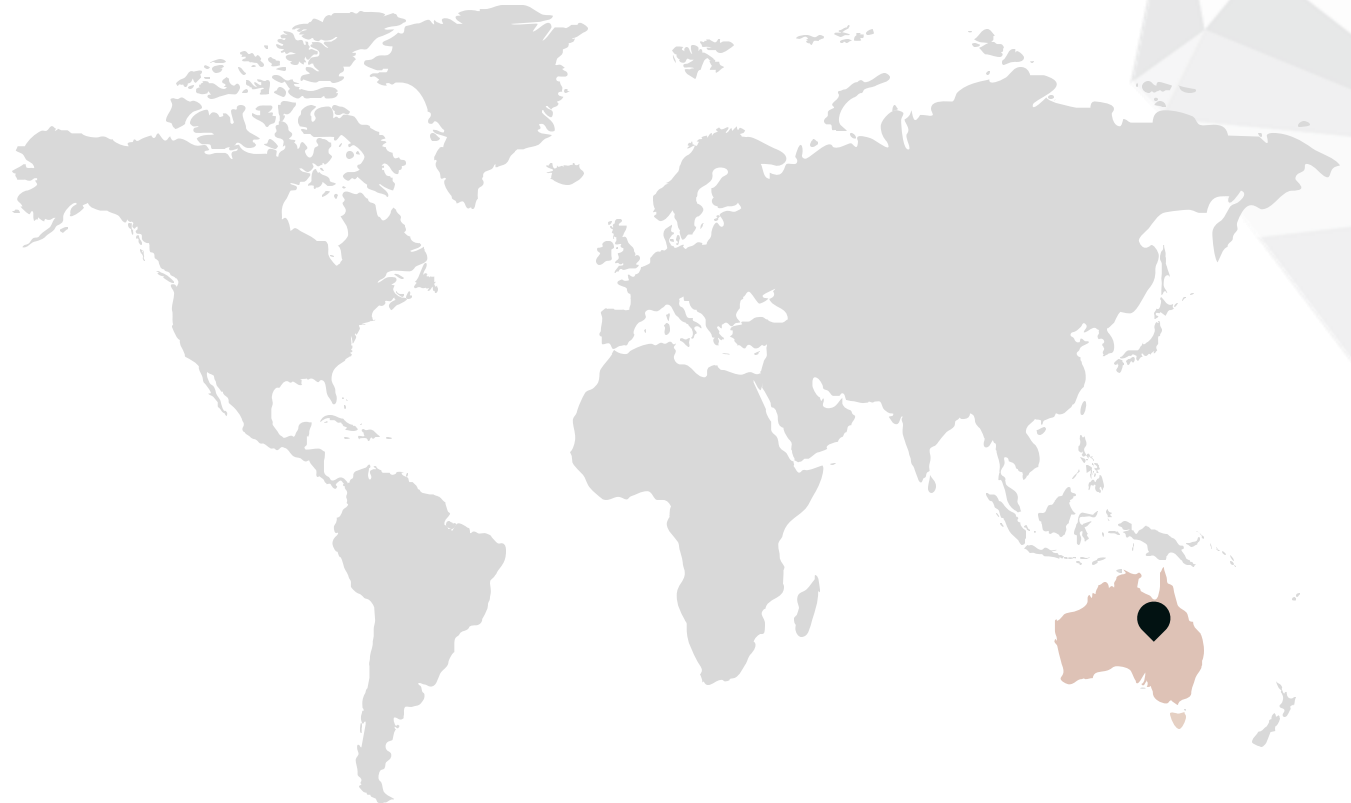
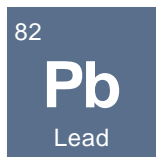
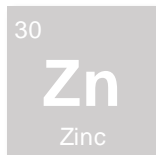
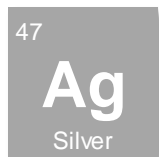
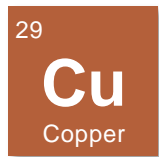
Jervois Copper Resource



Note: Resource estimate 2018 – 2022 are for Rew ard, Bellbird & Rockface deposit only

Located in a Tier One Mining Jurisdiction

Highly prospective for Critical Energy Transition Metals



Feasibility Study: Highlights

The Feasibility Study has confirmed the Jervois Copper Project is technically robust and financially viable with a copper price of US\$4.23/lb and supports a high-grade copper mine with production for 11.25 years. The Project is anticipated to come online in 2025 coinciding with the forecast long-term structural deficit in the copper market.

	Spot Prices 3 Nov 2022	Feasibility Study	“Meet future demand”	“Bullish price forecast” ⁴
Copper Price (US\$)	\$3.49/lb ¹ 7,700/t	4.23/lb ² 9,326/t	5.90/lb ³ 13,000/t	6.80/lb ⁴ 15,000/t
Silver Price (US\$)	\$19.44/oz ¹	\$22.70/oz ²	\$22.70/oz	\$22.70/oz
Gold Price (US\$)	\$1,629/oz ¹	\$1,735/oz ²	\$1,735/oz	\$1,735/oz
Exchange Rate (US\$:A\$)	0.629 ¹	0.700	0.700	0.700
NPV - 8% real, after tax	A\$134 M	A\$241 M	A\$701 M	A\$947 M
IRR	15.4%	20.7%	40.1%	49.1%

1. Spot Prices: LME (Cu), Kitco (Ag, Au) - 3/11/22 close, FX XE.com live – 4/11/22

2. Bloomberg consensus pricing 2025 - Oct 2022.

3. Goldman Sachs “meet forecast market demand” US\$13,000/t

4. Goldman Sachs “bullish market price forecast” US\$15,000/t

Feasibility Study: Summary Highlights

11.75 year mine life

Average annual
copper production of
~25kt

Ore Reserves:
Average Cu grade
2.1%

Production:
Contained copper
278 kt Cu,
9.394 Moz Ag,
67.6 koz Au

Plant commissioning
and first concentrate
delivery in 2025

Project Construction
Capital A\$298 million

NPV A\$241 million

IRR / Payback
20.7% / 4.2 years

Meet Future Demand
US\$5.90:
NPV A\$701 Mn
IRR 40.1%

Concentrate offtake
secured with
Glencore's
Mt Isa smelter

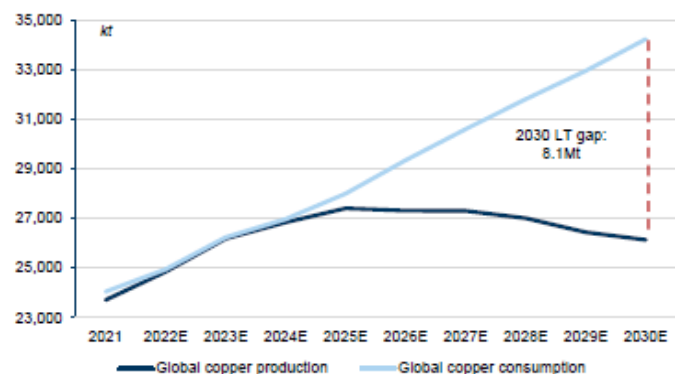
Resource extension
in a highly
prospective region
could support a mine
life extension

Potential additional
resource streams for
Pb and Zn

Robust Long-Term Outlook for Copper

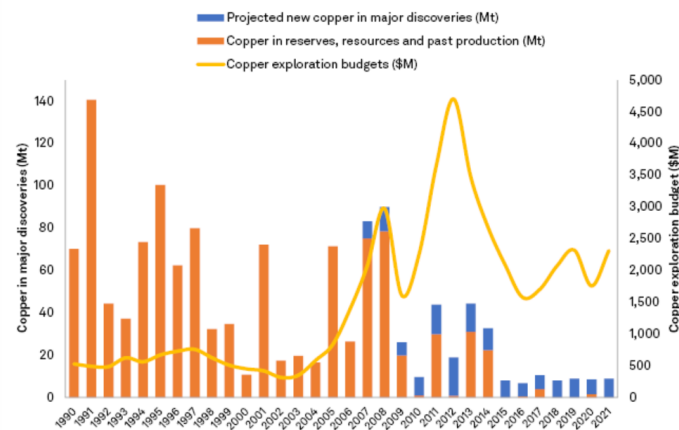
- S&P Global¹ forecasts refined copper demand doubling by 2035 from 25 Mt to almost 50 Mt driven by growing demand for renewable energy and EV's under the clean energy transition.
- Wood Mackenzie note that, given the substantial growth in new mine supply needed to meet zero-carbon targets, the industry will have to deliver new projects at a frequency and consistent level of investment never previously accomplished.
- The additional volume of copper needed means that 9.7 Mt of new mine supply will be required over the next decade from projects that have yet to be sanctioned – equivalent to nearly a third of current refined consumption.
- Investment would need to be more than \$23 billion a year in new projects, which is 64% higher than the average annual spend over the last 30 years.
- Mine supply is expected to peak in 2024.
- A chronic shortfall in copper supply is expected to commence in the later half of this decade driven by robust demand and declining grades and reserves from existing mines, a lack of new discoveries from increased exploration budgets and long lead times from discovery to production of on average 16 years.

Long-term supply gap remains unsolved, with widening mid-term deficits³



Source: Woodmac, Goldman Sachs Global Investment Research

Major copper discovery drought continues⁴



Data as of May 10, 2022.
 * Annual average London Metal Exchange Copper Grade A cash price.
 Source: S&P Global Market Intelligence

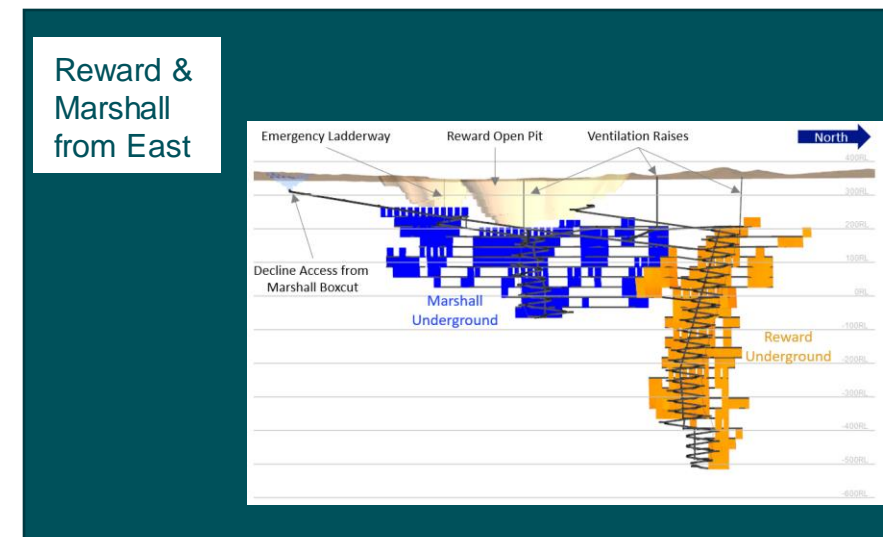
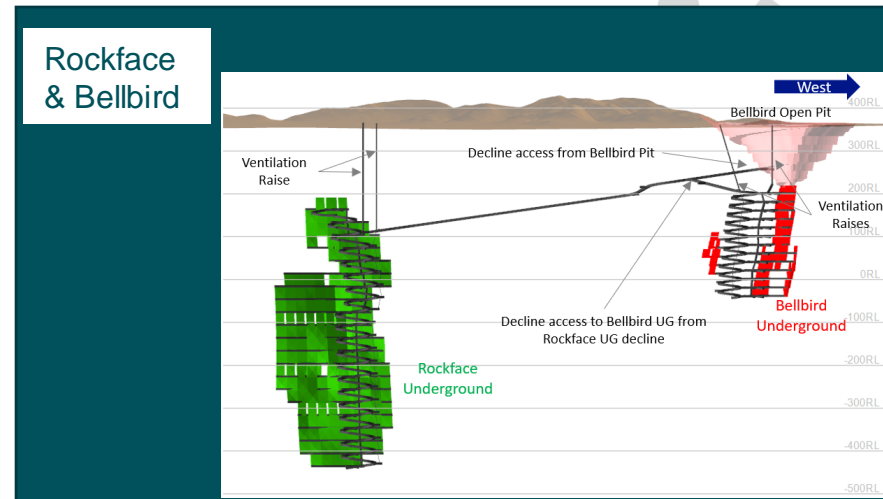
1. S&P Global: *The Future of Copper: Will the looming supply gap short-circuit the energy transition?*
2. Wood Mackenzie. Red metal, green demand. Copper's critical role in achieving net zero. (October 2022)
3. Goldman Sachs: Copper Top Projects. A deficit on the horizon. 1 September 2022
4. S&P Mkt Intelligence. Copper discoveries - Declining trend continues. 1 June 2022

Growing the resource



Current Resource & Mine Plan

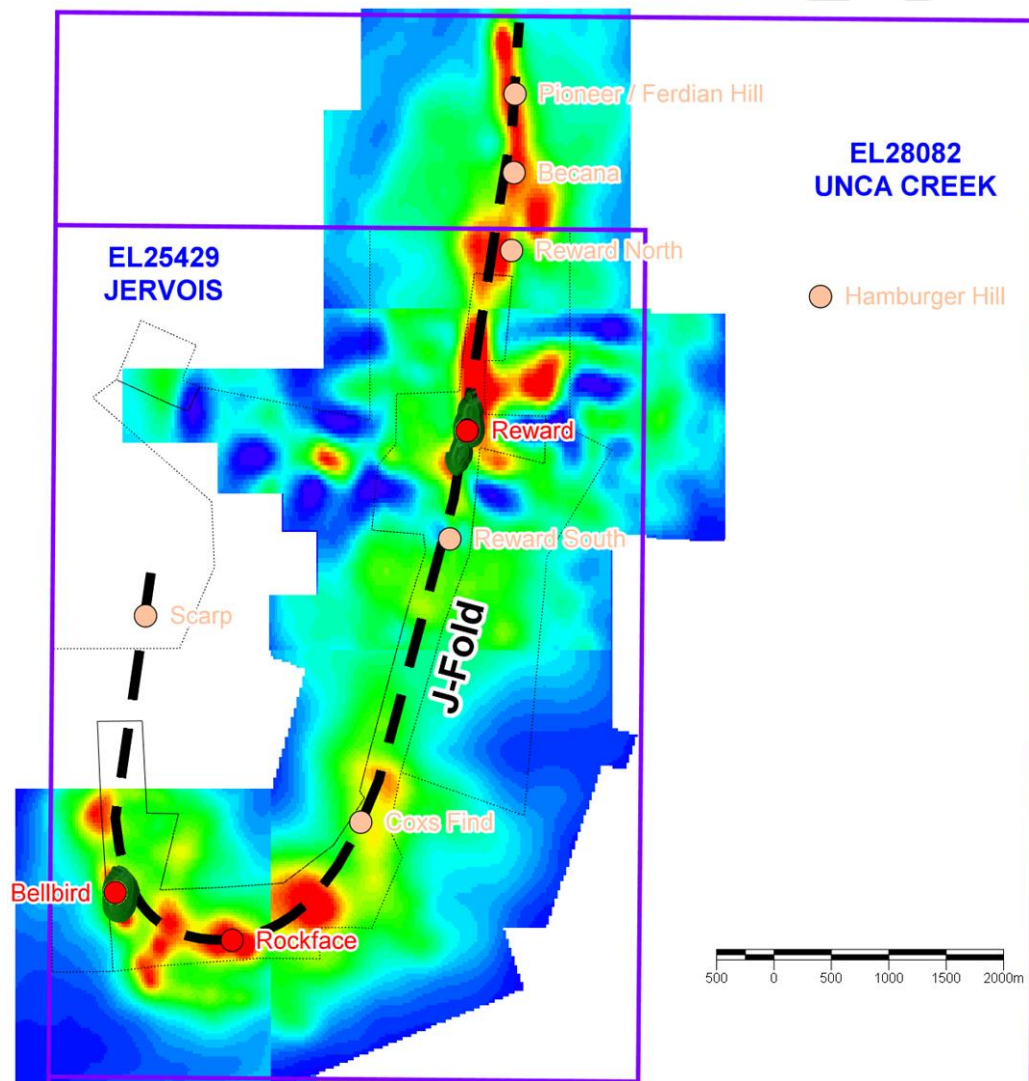
- Current Resource (Sept 2022) is 23.8Mt @2.02% Cu, 0.25g/t Au and 25.3g/t Ag.
- Approximately half of the resource has been converted in Ore Reserve (11.7Mt @2.10% Cu).
- Based on the contained copper of Sep 2022 Resources, Reward/Marshall, Rockface and Bellbird represent 50.7%, 22.5% and 26.8% respectively.
- The mining strategy is to initially mine open-cuts, whilst underground development is initiated at the Reward/Marshall underground.
- Bellbird open-cut is commenced first due to the higher copper grades.
- Development of the Rockface underground mine then commences after Bellbird open-cut concludes in early 2026.
- Total Copper Produced is 278 Kt over an 11.75 year mine life.



Expanding the current resource

Unlocking the potential of the Jervois copper hub

- ✓ Significant Resource increase reported
- ✓ Focus in 2023 will be on infill drilling to expand reserves and exploration drilling to expand the mineral resource and extend mine life around known deposits
- ✓ Ongoing drilling at Reward (Marshall)
- ✓ Ongoing drilling at Rockface: intersected high-grade, thick Cu 120 metres below previous drilling confirming depth potential





Growing the value of Jervois

Growing the value of Jervois

Work stream pre FID to include:

- Competitive Tendering of major contracts
- Unit cost improvement via optimising underground mining
- Offsite transport cost reductions

Opportunities to significantly improve the value of the Project include:.

- Progressing along the development pathway (FID, finance, etc.)
- Ongoing exploration success has the potential to increase mine life and drive capital efficiencies, cash flow and IRR improvement
- Margin improvement via polymetallic recovery of lead and zinc
- The accelerated energy transition driving increased demand for copper will likely require higher incentive pricing to attract investment in new supply which may provide additional mine development opportunities



Summary and Outlook

- ✓ Globally significant high-grade greenfield copper project poised for development
- ✓ Approvals complete
- ✓ Clear pathway to production with offtake signed
- ✓ Feasibility Study Completed showing A\$241 million NPV & Reserve Statement Released
- ✓ Experienced team to deliver the project
- ✓ Pure-play ASX copper exposure leveraged to strong market fundamentals

Key workstreams for 2023

- Finalise funding strategy
- Final Investment Decision
- Early works & long lead items
- Operational readiness
- Focused exploration program with goal of expanding reserves and extending mine life

Disclaimer and Competent Persons' Statement

The Jervois Resources information were first released to the market on 14/09/2022 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 Jervois Ore Reserves Estimates was first released to the market on 10/11/2022 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.

Forward Looking statements

This release 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.



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