

ASX Announcement



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Entitlement Offer opens and despatch of offer Booklet

04 May 2023

Not for distribution or release in the United States

On 26 April 2023, KGL Resources Limited (ASX:KGL) (**KGL** or **Company**) announced 10 for 27 pro-rata traditional non-renounceable entitlement offer of fully paid ordinary shares in KGL (**New Shares**) to raise up to approximately \$20.2 million (**Offer**).

The Offer opens today, Thursday 4 May 2023 and is expected to close on Thursday, 18 May 2023.

Attached is a copy of the Offer Booklet which will be made available to eligible shareholders. Also attached is a sample of a letter that will be despatched to eligible shareholders today notifying them of the Entitlement Offer.

Enquiries

If you have any questions, please contact the Offer information line on 1800 653 805 (within Australia) or +61 1800 653 805 (outside Australia) from 8.30am to 5.30pm (Sydney time), Monday to Friday. If you have any further questions, you should contact your stockbroker, solicitor, accountant, financial adviser or other professional adviser.

Approved for release by KGL's Board of Directors.

Important information

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

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



KGL Resources Limited

(ACN 082 658 080)

Offer Booklet

10 for 27 pro-rata traditional non-renounceable entitlement offer of fully paid ordinary shares in the Company at an Offer Price of \$0.12 per New Share.

The Offer closes at 5.00pm (Sydney time) on 18 May 2023.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

If you are an Eligible Shareholder, this Offer Booklet requires your immediate attention. It is an important document which is accompanied by a personalised Entitlement and Acceptance Form and both should be read in their entirety. This Offer Booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC. Please call your stockbroker, solicitor, accountant, financial adviser or other professional adviser or the Offer information line on 1800 653 805 (within Australia) or +61 1800 653 805 (outside Australia) from 8.30am to 5.30pm (Sydney time) Monday to Friday.

IMPORTANT NOTICES

Defined terms and abbreviations used in this Offer Booklet are set out in the glossary in Section 7.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES.

This Offer Booklet has been prepared and issued by KGL Resources Limited (ACN 082 658 080) (**Company**) and is dated 4 May 2023. This Offer Booklet relates to the entitlement offer by the Company of New Shares to raise gross proceeds of up to approximately \$20.2 million.

The Offer is being made in Australia pursuant to section 708AA of the Corporations Act (as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73), which allows entitlement offers to be made to investors without a prospectus. This Offer Booklet does not contain all of the information which an investor may require to make an informed investment decision, nor does it contain all the information which would be required to be disclosed in a prospectus, product disclosure statement or other disclosure document under the Corporations Act. The information in this Offer Booklet does not constitute financial product advice and does not take into account your investment objectives, financial situation or particular needs.

This Offer Booklet should be read in its entirety before you decide to participate in the Offer. This Offer Booklet is not a prospectus, product disclosure statement or other disclosure document under the Corporations Act and has not been lodged with ASIC.

As this offer is not being made under a prospectus, investment statement or product disclosure statement, it is important for Eligible Shareholders to read carefully and understand this Offer Booklet and the information about the Company and the Offer that is made publicly available. In particular, please refer to the materials in this Offer Booklet (including the ASX Announcements in Section 5), the Company's annual reports and other ASX announcements made available at www.kglresources.com.au (including the Company's 2022 annual report which was released to ASX on 28 September 2022), and other ASX announcements which may be made by the Company after publication of this Offer Booklet.

By paying for your New Shares through BPAY® in accordance with the instruments on your personalised Entitlement and Acceptance Form, you acknowledge that you have read this Offer Booklet and you have acted in accordance with and agree to the terms of the Offer detailed in this Offer Booklet.

No overseas offering

This Offer Booklet, the accompanying Entitlement and Acceptance Form, and the accompanying ASX Announcements (including the Company's Investor Presentation included as part of this Offer Booklet) may not be distributed or released in the United States and do not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. In particular, this Offer 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.

This Offer Booklet is not to be distributed in, and no offer of New Shares is to be made, in countries other than Australia and New Zealand unless the Company, in its discretion, is satisfied that the Offer may be made in compliance with all applicable laws.

No action has been taken to register or qualify the Offer, the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia and New Zealand.

The distribution of this Offer Booklet (including an electronic copy) outside Australia and New Zealand, is restricted by law. If you come into possession of the information in this booklet, you should observe such restrictions and should

seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

Foreign exchange control restrictions or restrictions on remitting funds from your country to Australia may apply. Your Application for New Shares is subject to all requisite authorities and clearances being obtained for the Company to lawfully receive your Application Monies.

New Zealand

The New Shares are not being offered or sold to the public in New Zealand other than to existing Shareholders with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2021* (New Zealand).

This Offer Booklet has not been registered, filed with, or approved by, any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013* (New Zealand). This Offer 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.

United States disclaimer

This Offer Booklet, the accompanying Entitlement and Acceptance Form, and the accompanying ASX Announcements (including the Company's Investor Presentation included as part of this Offer Booklet) do not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States.

Neither this Offer Booklet nor the accompanying Entitlement and Acceptance Form may be distributed or released in the United States. Neither the Entitlements nor the New Shares offered in the Offer have been, or will be, registered under the U.S. Securities Act of 1933 (**US Securities Act**) or the securities laws of any state or other jurisdiction of the United States.

Accordingly, the Entitlements may not be issued to, or taken up or exercised by, and the New Shares may not be offered or sold directly or indirectly to, persons in the United States or persons who are acting for the account or benefit of a person in the United States (to the extent such persons hold such securities and are acting for the account or benefit of a person in the United States), unless they have been registered under the US Securities Act or offered or sold in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and any other applicable securities laws of any state or other jurisdiction of the United States. The New Shares to be offered and sold in the Offer pursuant to this Offer Booklet may only be offered and sold outside the United States in 'offshore transactions' (as defined in Rule 902(h) under the US Securities Act) in reliance on Regulation S under the US Securities Act.

References to "you" and "your Entitlement"

In this Offer Booklet, references to "you" are references to Eligible Shareholders (as defined in Section 1.2) and references to "your Entitlement" (or "your Entitlement and Acceptance Form") are references to the Entitlement (or Entitlement and Acceptance Form) of Eligible Shareholders.

Times and dates

Times and dates in this Offer Booklet are indicative only and may be subject to change. All times and dates refer to Sydney time. Refer to the "Key Dates" section of this Offer Booklet for more details.

Currency

Unless otherwise stated, all dollar values in this Offer Booklet are in Australian dollars (AUD).

Privacy

The Company 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 holding in the Company.

By paying for your New Shares, you will be providing personal information to the Company (directly or through the Company's Share Registry). The Company collects, holds and will use that information to assess your application. The Company collects your personal information to process and administer your shareholding in the Company and to provide related services to you. The Company may disclose your personal information for purposes related to your shareholding in the Company, including to the Company's Share Registry, the Company'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 the Company holds about you. To make a request for access to your personal information held by (or on behalf of) the Company, please contact the Company through the Company's Share Registry.

Governing law

This Offer Booklet, the Offer, and the contracts formed on acceptance of the Entitlement and Acceptance Forms are governed by the laws applicable in Queensland, Australia. Each applicant submits to the non-exclusive jurisdiction of the courts of Queensland, Australia and courts competent to hear appeals from those courts.

Forward-looking statements

This Offer Booklet includes forward-looking statements. Forward-looking statements can generally be identified by the use of forward-looking words such as "expect", "forecast", "estimate", "like", "anticipate", "project", "opinion", "outlook", "guidance", "should", "could", "may", "target", "believe", "intend", "plan" and other similar expressions within the meaning of securities laws of applicable jurisdictions. Forward-looking statements include statements about the Company's plans and expectations regarding the development of the Jervois Copper Project, statements regarding the conduct and outcome of the Offer, and sources and uses of funds. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements.

To the maximum extent permitted by law, the Company and its related bodies corporate, and their respective directors, officers, employees, advisors and agents (together, the **Relevant Parties**) disclaim any responsibility for any errors or omissions in such information, including the financial calculations, projections and forecasts and indications of, and guidance on, future earnings and performance and financial position. Such forward-looking statements relate to future events and expectations and are not guarantees of future performance. Such forward-looking statements involve known and unknown risks, uncertainties and other factors and are subject to significant business, economic and competitive uncertainties and contingencies associated with exploration and/or production, many of which are beyond the Company's control, that may cause actual results to differ materially from those predicted or implied by any forward-looking statements. No representation or warranty is made by or on behalf of the Company or the Relevant Parties that any projection, forecast, calculation, forward-looking statement, assumption or estimate contained in this Offer Booklet should or will be achieved or that actual outcomes will not differ materially from any forward-looking statements. Graphs used in this Offer Booklet (including data used in the graphs) are sourced from third parties and the Company has not independently verified the information. Although reasonable care has been taken to ensure that the information in this Offer Booklet is accurate and that the opinions expressed are fair and reasonable, they are based on assumptions and contingencies which are subject to change without notice and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Company and the Relevant Parties, and no reliance can be placed for any purpose whatsoever on the information contained in this Offer Booklet or on its completeness. Actual results

and developments may differ materially from those expressed or implied by these forward-looking statements, depending on a variety of factors.

Recipients of this Offer Booklet are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the significant volatility, uncertainty and disruption caused by the current economic climate, the ongoing impacts of the COVID-19 pandemic, and the geopolitical tensions across a number of areas worldwide. Refer to the "Key Risk Factors" section of the Company's Investor Presentation included in Section 5 for a summary of certain general and specific risk factors that may affect the Company.

Except as required by law or regulation (including the ASX Listing Rules), the Company undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

Past performance

Investors should note that past performance, including the past share price performance of the Company and the pro forma historical information in the Company's Investor Presentation included in Section 5, is given for illustrative purposes only and cannot be relied upon as an indicator of (and provides no guidance as to) future Company performance including future share price performance. The pro forma historical information is not represented as being indicative of the Company's views on its future financial condition and/or performance.

Risks

Refer to the "Key Risk Factors" section of the Company's Investor Presentation included in Section 5 for a summary of certain general and specific risk factors that may affect the Company.

Trading in New Shares

The Company and its affiliates and related bodies corporate have no responsibility and disclaim all liability (to the maximum extent permitted by law) to persons who trade New Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by the Company or the Company's Share Registry or failure to maintain your updated details with the Company's Share Registry or otherwise, or who otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to.

If you are in any doubt as to these matters you should first consult with your stockbroker, solicitor, accountant, financial adviser or other professional adviser.

Refer to Section 6 for details.

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LETTER FROM THE CHAIR

4 May 2023

Dear Shareholder

As a valued Shareholder, I am pleased to invite you to participate in a 10 for 27 pro-rata traditional non-renounceable entitlement offer of new fully paid ordinary shares in the Company (**New Shares**) at an offer price of \$0.12 per New Share (**Offer Price**) to raise gross proceeds of up to approximately \$20.2 million (**Offer**).

In November 2022, the Company completed and released a robust and financially viable feasibility study. The Offer will fund the activities following on from the feasibility study, being the project development and ongoing expansion of the resource. In particular, the proceeds of the Offer will be applied principally to advance the Jervois Copper Project and to grow the high-grade resource. The proceeds of the Offer will also add to working capital to strengthen the Company's balance sheet as it moves along the development pathway for the Jervois Copper Project. The background to the Offer and the key risks facing the Company in the next 12 to 24 months are described in more detail in the Company's Investor Presentation lodged with ASX on 26 April 2023 (and included in this Offer Booklet in Section 5). The Offer is not underwritten, and is subject to a minimum raise condition of \$9 million. Funding in excess of the minimum raise will primarily be used to continue exploration activities with the possibility of adding a third drilling rig to accelerate growing the high-grade resource, and as additional project working capital for project readiness.

This Offer Booklet relates to the Offer. Under the Offer, Eligible Shareholders are entitled to acquire 10 New Shares for every 27 Shares held at 7.00pm (Sydney time) on 1 May 2023 (**Record Date**) (**Entitlement**). Your Entitlement is set out in your personalised Entitlement and Acceptance Form which accompanies this Offer Booklet. It is important that you determine whether to take up in whole or part, or do nothing, in respect of your Entitlement (see Section 2).

Eligible Shareholders have the opportunity to invest at the price of \$0.12 per New Share. The issue price of \$0.12 per New Share represents a 10% discount to the closing price of Shares on 24 April 2023 (being the last trading day before announcement of the Offer), and a 7.3% discount to the TERP of \$0.129.¹

New Shares issued through the Offer will rank equally with existing Shares on issue.

Substantial Shareholders, KMP Investments Pte. Ltd., which has an interest in the Company of approximately 26.13%, entities associated with Denis Wood, which have a joint interest in the Company of approximately 9.24%, and Marshall Plenty Investments, LLC, which has an interest in the Company of approximately 7.27%, have committed to take up their respective Entitlements in full.²

Entitlements under the Offer are non-renounceable and will not be tradeable on ASX or otherwise transferable. If you do not take up your Entitlement in full, you will not receive any value in respect of that part of the Entitlement that you do not take up.

The Offer closes at 5.00pm (Sydney time) on 18 May 2023.

¹ The TERP is the theoretical price at which Shares should trade immediately following the ex-date for the Offer assuming 100% take up of the Offer. The TERP is a theoretical calculation only and the actual price at which Shares trade immediately following the ex-date for the Offer will depend on many factors and may not be equal to the TERP. The TERP is calculated by reference to the Company's closing price of \$0.132 per Share on 24 April 2023, being the last trading day prior to the announcement of the Offer.

² In respect of KMP Investments Pte. Ltd., subject to compliance with Chapter 6 of the *Corporations Act 2001* (Cth). If to take up its Entitlement in full would result in KMP Investments Pte. Ltd. breaching Chapter 6 of the *Corporations Act 2001* (Cth), it will take up the maximum number of New Shares which it is legally permitted to acquire.

If you would like to exercise your Entitlement to increase your shareholding in the Company, you will need to complete and return your personalised Entitlement and Acceptance Form together with the requisite Application Monies, or alternatively pay your Application Monies using BPAY®, so that they are received by the Company's Share Registry by 5.00pm (Sydney time) on 18 May 2023.

Please carefully read this Offer Booklet in its entirety and consult your stockbroker, solicitor, accountant, financial adviser or other professional adviser before making your investment decision. In particular, you should read and consider the "Key Risk Factors" section of the Company's Investor Presentation included in Section 5 which contains a summary of some of the key risks associated with an investment in the Company.

If you have any questions in respect of the Offer, please call the Offer information line on 1800 653 805 (within Australia) or +61 1800 653 805 (outside Australia) from 8.30am to 5.30pm (Sydney time) Monday to Friday.

On behalf of the Board and management team of the Company, I invite you to consider this investment opportunity and thank you for your ongoing support.

Yours faithfully

Denis Wood

Chair

KGL Resources Limited

SUMMARY OF THE OFFER

Ratio	10 New Shares for every 27 existing Shares held
Offer Price for New Shares	\$0.12 per New Share
Size	Up to approximately 168.37 million New Shares
Gross proceeds (minimum)	\$9 million
Gross proceeds (maximum)	Up to approximately \$20.2 million

KEY DATES

Event	Date
Announcement of the Offer	Wednesday, 26 April 2023
"Ex" date	Friday, 28 April 2023
Record date for Offer (7.00pm (Sydney time)) (Record Date)	Monday, 1 May 2023
Offer Booklet and personalised Entitlement and Acceptance Forms despatched, and announcement of despatch	Thursday, 4 May 2023
Offer opens	Thursday, 4 May 2023
Last day to extend the Closing Date for the Offer	Monday, 15 May 2023
Closing Date for the Offer (5.00pm (Sydney time)) ³	Thursday, 18 May 2023
Securities quoted on a deferred settlement basis (from market open)	Friday, 19 May 2023
Announcement of results of the Offer	Tuesday, 23 May 2023
Settlement of the Offer	Wednesday, 24 May 2023
Allotment of New Shares issued under the Offer	Thursday, 25 May 2023
Normal trading on ASX for New Shares issued under the Offer commences	Friday, 26 May 2023
Despatch of holding statements for New Shares issued under the Offer	Monday, 29 May 2023

³ Eligible Shareholders who wish to take up all or a part of their Entitlement must complete and return their personalised Entitlement and Acceptance Form with the requisite Application Monies or pay their Application Monies via BPAY® by following the instructions set out on the personalised Entitlement and Acceptance Form so that they are received by the Company's Share Registry by no later than 5.00pm (Sydney time) on 18 May 2023. Eligible Shareholders should refer to Section 2 for options available to them to deal with their Entitlement.

The timetable above is indicative only and may change. The Company may amend any of these dates and times without notice, subject to the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, the Company reserves the right to extend the Closing Date, to accept late applications under the Offer (either generally or in particular cases) and to withdraw the Offer without prior notice. Any extension of the Closing Date will have a consequential effect on the issue date of New Shares.

The commencement of quotation of New Shares is subject to confirmation from ASX. Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has been accepted. Eligible Shareholders wishing to participate in the Offer are encouraged to submit their Entitlement and Acceptance Form as soon as possible after the Offer opens to ensure their application is received by the Company's Share Registry in time.

Enquiries

If you have any questions, please contact the Offer information line on 1800 653 805 (within Australia) or +61 1800 653 805 (outside Australia) from 8.30am to 5.30pm (Sydney time), Monday to Friday. If you have any further questions, you should contact your stockbroker, solicitor, accountant, financial adviser or other professional adviser.

1. OVERVIEW OF THE OFFER

1.1 Offer

The Offer is an offer of up to approximately 168.37 million New Shares at the Offer Price of \$0.12 per New Share, to raise up to approximately \$20.2 million. All Eligible Shareholders are entitled to subscribe for 10 New Shares for every 27 Shares held at the Record Date, being 7.00pm (Sydney time) on 1 May 2023.

Eligible Shareholders who take up their full Entitlement may also participate in the top-up facility (**Top-Up Facility**) by applying for additional New Shares in excess of their Entitlement at the Offer Price. Applications under the Top-Up Facility will (subject to the Company ensuring that no issue of New Shares occurs that is contrary to law) be capped in the following manner:

- an Eligible Shareholder:
 - who takes up their full Entitlement; and
 - who holds less than \$500 worth of Shares on the Record Date (calculated based on the Offer Price per Share),

(**\$500 Parcel Holder**), may apply for up to such number of additional New Shares under the Top-Up Facility as is necessary to ensure that immediately following completion of the Offer, the Eligible Shareholder holds \$2,000 worth of Shares (calculated based on the Offer Price per Share);
- an Eligible Shareholder who takes up their full Entitlement, who holds less than 100,000 Shares on the Record Date, and who is not a \$500 Parcel Holder (**Sub 100,000 Holder**), may apply for up to such number of additional New Shares under the Top-Up Facility as is equal to 100% of their Entitlement; and
- an Eligible Shareholder who takes up their full Entitlement, and who holds equal to or greater than 100,000 Shares on the Record Date (**100,000 Holder**), may apply for up to such number of additional New Shares under the Top-Up Facility as is equal to 20% of their Entitlement.

In particular, an Eligible Shareholder will not be issued any additional New Shares under the Top-Up Facility if the issue of such additional New Shares would cause the Company or that Eligible Shareholder to breach any applicable law, including but not limited to section 606 of the Corporations Act.

In November 2022, the Company completed and released a robust and financially viable feasibility study. The Offer will fund the activities following on from the feasibility study, being the project development and ongoing expansion of the resource. In particular, the proceeds of the Offer will be applied principally to advance the Jervois Copper Project and to grow the high-grade resource. The proceeds of the Offer will also add to working capital to strengthen the Company's balance sheet as it moves along the development pathway for the Jervois Copper Project. The Offer is not underwritten, and is subject to a minimum raise condition of \$9 million. Funding in excess of the minimum raise will primarily be used to continue exploration activities with the possibility of adding a third drilling rig to accelerate growing the high-grade resource, and as additional project working capital for project readiness.

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

Substantial Shareholders, KMP Investments Pte. Ltd. (**KMP**), which has an interest in the Company of approximately 26.13%, entities associated with Denis Wood (**Wood**), which have a joint interest in the

Company of approximately 9.24%, and Marshall Plenty Investments, LLC (**Marshall Plenty**), which has an interest in the Company of approximately 7.27%, have committed to take up their respective Entitlements in full.⁴

The Offer opens on 4 May 2023. The Offer Booklet will be despatched on that same date, along with a personalised Entitlement and Acceptance Form, to Eligible Shareholders. The Offer is expected to close at 5.00pm (Sydney time) on 18 May 2023.

The Offer is being made pursuant to section 708AA of the Corporations Act (as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73), which allows the Offer to be offered without a prospectus, provided certain conditions are satisfied.

As a result, the Offer is not being made under a prospectus and it is important for Eligible Shareholders to read and understand the information on the Company and the Offer made publicly available by the Company, prior to taking up all or part of their Entitlement. In particular, please refer to the materials enclosed in Section 5, the Company's interim and annual reports, other announcements made available at www2.asx.com.au (including the Company's 2022 annual report which was released to ASX on 28 September 2022) and all other parts of this Offer Booklet carefully before making any decisions in relation to your Entitlement.

1.2 Eligible Shareholders

The Offer constitutes an offer to **Eligible Shareholders** only, being Shareholders who:

- are registered as a holder of Shares as at the Record Date, being 7.00pm (Sydney time) on 1 May 2023;
- as at the Record Date, have a registered address on the Company's Share register that is in Australia or New Zealand, or are a Shareholder that the Company has otherwise determined is eligible to participate;
- are not in the United States and are not a person (including a nominee or custodian) acting for the account or benefit of a person in the United States (to the extent such person holds Shares for the account or benefit of such person in the United States); and
- are eligible under all applicable securities laws to receive an offer under the Offer.

All Shareholders who are not Eligible Shareholders are Ineligible Shareholders. Ineligible Shareholders will not be entitled to participate in the Offer.

The Company has determined that it would be unreasonable on this occasion to extend the Offer to Ineligible Shareholders, having regard to the number of Shares held by Ineligible Shareholders, the number and value of New Shares that they would be offered, and the costs of complying with the legal and regulatory requirements which would apply to an offer of Shares.

The Company, in its absolute discretion, reserves the right to determine whether a Shareholder is an Eligible Shareholder and therefore able to participate in the Offer, or an Ineligible Shareholder and therefore unable to participate in the Offer. To the maximum extent permitted by law, the Company disclaims all liability in respect of such determination.

⁴ In respect of KMP, subject to compliance with Chapter 6 of the Corporations Act. If to take up its Entitlement in full would result in KMP breaching Chapter 6 of the Corporations Act, it will take up the maximum number of New Shares which it is legally permitted to acquire.

1.3 Capital structure

On the basis that the Company completes the Offer, the Company's indicative capital structure immediately following completion of the Offer will be as follows:

	Number of Shares (if full amount is raised under the Offer)	Number of Shares (if only minimum raise amount is raised under the Offer)	Number of unquoted performance options
Number on issue as at the date of this Offer Booklet	454,588,974	454,588,974	938,000
Number to be issued under the Offer ⁽¹⁾	168,366,287	75,000,000	Nil
Total on issue following the Offer	622,955,261	529,588,974	938,000

Notes:

- (1) This is subject to reconciliation of Entitlements, and assumes that no Shares are issued pursuant to the exercise / vesting of unquoted performance options.

1.4 Effect of the Offer on control

Information in relation to the effect of the Offer on the control of the Company is set out in the Offer cleansing notice released to ASX on 26 April 2023.

The effect and consequence of the issue of New Shares under the Offer on the control of the Company is dependent on a number of factors, including investor demand.

Given the structure of the Offer as a pro-rata offer, if all Eligible Shareholders take up their Entitlements, the ownership interest (and voting power) in the Company of each Eligible Shareholder will remain largely unchanged and the effect on the control of the Company will be negligible. In these circumstances, the voting power of KMP, the Company's largest shareholder (with an interest in the Company prior to the Offer of approximately 26.13%), will remain at approximately 26.13%.

To the extent that any Eligible Shareholder fails to take up their Entitlement, the percentage holding in the Company of that Eligible Shareholder will be diluted by those other Eligible Shareholders who take up some, all or more than their Entitlements. Depending on the percentage of Entitlements taken up (**Take-Up**), KMP's voting power in the Company may also increase. This is shown in the following table, which sets out KMP's voting power in the Company immediately following completion of the Offer in various Take-Up scenarios. Even in these circumstances, however, the Board considers that the Offer will not affect the control of the Company.

KMP's current voting power in the Company ¹	KMP's voting power in the Company immediately following completion of the Offer ²			
	100% Take-Up	75% Take-Up	50% Take-Up	44.55% Take-Up (\$9 million minimum raise)
26.13% ³	26.13% ⁴	28.03% ⁴	29.13% ⁵	29.13% ⁶

1 On the basis that there are 454,588,974 Shares on issue as at the date of this Offer Booklet.

2 Assumes that in a 100% Take-Up scenario, 168,366,287 New Shares are issued under the Offer.

3 KMP holds 118,794,907 Shares as at the date of this Offer Booklet.

4 Assumes that KMP takes up its Entitlement in full.

5 Assumes that KMP does not take up its Entitlement in full in order to comply with Chapter 6 of the Corporations Act.

6 Assumes that KMP does not take up its Entitlement in full in order to comply with Chapter 6 of the Corporations Act.

If no Eligible Shareholders (other than KMP, Wood and Marshall Plenty, who have committed to take up their respective Entitlements in full)⁵ take up their Entitlements (which the Board considers unlikely), then the Offer will not proceed because the minimum raise of \$9 million would not have been achieved.

The voting power in the Company of Ineligible Shareholders will be diluted.

⁵ In respect of KMP, subject to compliance with Chapter 6 of the Corporations Act. If to take up its Entitlement in full would result in KMP breaching Chapter 6 of the Corporations Act, it will take up the maximum number of New Shares which it is legally permitted to acquire.

2. SUMMARY OF OPTIONS AVAILABLE TO YOU

If you are an Eligible Shareholder you may take any of the following actions:

- take up all of your Entitlement and also apply for additional New Shares under the Top-Up Facility;
- take up all of your Entitlement;
- take up part of your Entitlement and allow the balance to lapse, in which case you will receive no value for the lapsed part of your Entitlement; or
- do nothing and let all of your Entitlement lapse and you will receive no value for the lapsed Entitlement.

If you are a Shareholder that is not an Eligible Shareholder you are an Ineligible Shareholder. Refer to Section 3.8 for more detail on Ineligible Shareholders.

Options available to you	Key considerations
1. Take up all of your Entitlement and participate in the Top-Up Facility	<p>If you wish to take up all of your Entitlement, you may elect to purchase all of the New Shares at the Offer Price specified in your personalised Entitlement and Acceptance Form (see Section 3.4 for instructions on how to take up your Entitlement).</p> <p>The New Shares will rank equally in all respects with existing Shares. The Offer closes at 5.00pm (Sydney time) on 18 May 2023.</p> <p>Eligible Shareholders who take up their Entitlement in full can also apply for additional New Shares under the Top-Up Facility.</p>
2. Take up all of your Entitlement	<p>If you wish to take up all of your Entitlement, you may elect to purchase all of the New Shares at the Offer Price specified in your personalised Entitlement and Acceptance Form (see Section 3.4 for instructions on how to take up your Entitlement).</p> <p>The New Shares will rank equally in all respects with existing Shares. The Offer closes at 5.00pm (Sydney time) on 18 May 2023.</p>
3. Take up part of your Entitlement	<p>If you wish to take up only part of your Entitlement, you may elect to purchase a lesser number of New Shares at the Offer Price than the number of New Shares specified in your personalised Entitlement and Acceptance Form (see Section 3.4 for instructions on how to take up your Entitlement).</p> <p>The New Shares will rank equally in all respects with existing Shares. If you only take up part of your Entitlement, the relevant portion of your Entitlement will lapse and you will receive no benefit. Lapsed Entitlements may be subscribed for under the Top-Up Facility.</p> <p>The Offer closes at 5.00pm (Sydney time) on 18 May 2023.</p>

Options available to you	Key considerations
4. Do nothing and let all of your Entitlement lapse	<p>If you do nothing with respect to all of your Entitlement, your Entitlement will lapse and you will receive no benefit. These Entitlements may be subscribed for under the Top-Up Facility.</p> <p>By allowing your Entitlement to lapse, you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up your Entitlement and you will not receive any value for your Entitlement. Although you will continue to own the same number of Shares, your percentage shareholding in the Company will be diluted.</p>

3. HOW TO APPLY

3.1 Overview of the Offer

Eligible Shareholders are being offered the opportunity to purchase 10 New Shares for every 27 existing Shares held as at the Record Date of 7.00pm (Sydney time) on 1 May 2023, at the Offer Price of \$0.12 per New Share.

You have a number of decisions to make in respect of your Entitlement. You should read this Offer Booklet carefully before making any decisions in relation to your Entitlement.

The Offer is not underwritten, with the Offer subject to a minimum raise condition of \$9 million. Substantial Shareholders, KMP, which has an interest in the Company of approximately 26.13%, Wood, which has an interest in the Company of approximately 9.24%, and Marshall Plenty, which has an interest in the Company of approximately 7.27%, have committed to take up their respective Entitlements in full.⁶ Further details on the Offer are set out below.

The Offer opens on 4 May 2023 and will close at 5.00pm (Sydney time) on 18 May 2023.

3.2 Your Entitlement

Your Entitlement is set out on the accompanying personalised Entitlement and Acceptance Form and has been calculated as 10 New Shares for every 27 existing Shares you held as at the Record Date. If the result is not a whole number, your Entitlement will be rounded up to the nearest whole number of New Shares.

If you have more than one registered holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have a separate Entitlement for each separate holding.

New Shares issued under the Offer will be fully paid ordinary shares in the Company and will rank equally in all respects with existing Shares on issue.

See Sections 6.1 and 6.12 for information on restrictions on participation.

3.3 Consider the Offer carefully in light of your particular investment objectives and circumstances

The Offer is being made pursuant to provisions of the Corporations Act which allow entitlement offers to be made without a prospectus. This Offer Booklet does not contain all of the information which may be required in order to make an informed decision regarding an application for New Shares offered under the Offer. As a result, it is important for you to read carefully and understand the information on the Company and the Offer made publicly available, prior to deciding whether to take up all or part of your Entitlement or do nothing in respect of your Entitlement. In particular, please refer to this Offer Booklet, your personalised Entitlement and Acceptance Form, the Company's 2022 annual report which was released to ASX on 28 September 2022, and other ASX announcements made available at www.kglresources.com.au (including announcements which may be made by the Company after publication of this Offer Booklet).

Please consult with your stockbroker, solicitor, accountant, financial adviser or other professional adviser if you have any queries or are uncertain about any aspect of the Offer. You should also refer to the "Key Risk Factors" section of the Company's Investor Presentation included in Section 5.

⁶ In respect of KMP, subject to compliance with Chapter 6 of the Corporations Act. If to take up its Entitlement in full would result in KMP breaching Chapter 6 of the Corporations Act, it will take up the maximum number of New Shares which it is legally permitted to acquire.

3.4 Options available to you

If you are an Eligible Shareholder, you may take any of the following actions:

- take up all of your Entitlement and participate in the Top-Up Facility;
- take up all of your Entitlement;
- take up part of your Entitlement and let the remainder lapse; or
- do nothing and let all of your Entitlement lapse.

Eligible Shareholders who do not participate fully in the Offer will have their percentage holding in the Company reduced.

If you wish to take up all of your Entitlement and participate in the Top-Up Facility

If you wish to take up all of your Entitlement, please either:

- complete and return the personalised Entitlement and Acceptance Form with the requisite Application Monies for all of the New Shares in your Entitlement; or
- pay your Application Monies for all of the New Shares in your Entitlement via BPAY® by following the instructions set out on the personalised Entitlement and Acceptance Form,

so that they are received by the Company's Share Registry by no later than 5.00pm (Sydney time) on 18 May 2023.

If you take up and pay for all your Entitlement before the Closing Date, it is expected that you will be issued New Shares on 25 May 2023. The Company's decision on the number of New Shares to be issued to you will be final.

The Company also reserves the right (in its absolute discretion) to reduce the number of New Shares issued to Eligible Shareholders, or persons claiming to be Eligible Shareholders, if the Company believes their claimed Entitlements to be overstated or if they or their nominees fail to provide information to substantiate their claims to the Company's satisfaction (see Section 6.4).

Eligible Shareholders who take up their Entitlement in full can also apply for additional New Shares under the Top-Up Facility.

If you wish to take up all of your Entitlement

If you wish to take up all of your Entitlement, please either:

- complete and return the personalised Entitlement and Acceptance Form with the requisite Application Monies for all of the New Shares in your Entitlement; or
- pay your Application Monies for all of the New Shares in your Entitlement via BPAY® by following the instructions set out on the personalised Entitlement and Acceptance Form,

so that they are received by the Company's Share Registry by no later than 5.00pm (Sydney time) on 18 May 2023.

If you take up and pay for all your Entitlement before the Closing Date, it is expected that you will be issued New Shares on 25 May 2023. The Company's decision on the number of New Shares to be issued to you will be final.

The Company also reserves the right (in its absolute discretion) to reduce the number of New Shares issued to Eligible Shareholders, or persons claiming to be Eligible Shareholders, if the Company

believes their claimed Entitlements to be overstated or if they or their nominees fail to provide information to substantiate their claims to the Company's satisfaction (see Section 6.4).

If you wish to take up part of your Entitlement

If you wish to take up only part of your Entitlement, please either:

- complete and return the personalised Entitlement and Acceptance Form with the requisite Application Monies for the number of New Shares in your Entitlement that you wish to subscribe for; or
- pay your Application Monies for the relevant number of New Shares via BPAY® by following the instructions set out on the personalised Entitlement and Acceptance Form,

so that they are received by the Company's Share Registry by no later than 5.00pm (Sydney time) on 18 May 2023.

If you take up and pay part of your Entitlement before the Closing Date, it is expected that you will be issued New Shares on 25 May 2023. The Company's decision on the number of New Shares to be issued to you will be final.

If you do not take up all of your Entitlement, the relevant part of your Entitlement will lapse and you will receive no benefit. Lapsed Entitlements may be subscribed for under the Top-Up Facility.

The Company also reserves the right (in its absolute discretion) to reduce the number of New Shares issued to Eligible Shareholders, or persons claiming to be Eligible Shareholders, if the Company believes their claimed Entitlements to be overstated or if they or their nominees fail to provide information to substantiate their claims to the Company's satisfaction (see Section 6.4).

If you wish to let all of your Entitlement lapse

If you do nothing with respect to your Entitlement, your Entitlement will lapse and you will receive no benefit. Lapsed Entitlements may be subscribed for under the Top-Up Facility.

By allowing your Entitlement to lapse, you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up your Entitlement. Although you will continue to own the same number of Shares, your percentage shareholding in the Company will be diluted.

3.5 Payment

You can pay in the following way:

- by BPAY®; or

Cash payments will not be accepted. Receipts for payment will not be issued.

The Company will treat you as applying for as many New Shares as your payment will pay for in full.

Any Application Monies (greater than \$2.00) received for more than your final allocation of New Shares will be refunded as soon as practicable after the Closing Date. No interest will be paid to applicants on any Application Monies received or refunded.

Payment by BPAY®

For payment by BPAY®, please follow the instructions on the personalised Entitlement and Acceptance Form. You can only make payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

If you are paying by BPAY®, please make sure you use the specific biller code and your unique reference number on your personalised Entitlement and Acceptance Form. If you have multiple holdings and consequently receive more than one personalised Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those holdings only use the reference number specific to that holding. If you do not use the correct reference number specific to that holding your application will not be recognised as valid.

Please note that should you choose to pay by BPAY®:

- you do not need to submit your personalised Entitlement and Acceptance Form but are taken to make the declarations, representations and warranties on that Entitlement and Acceptance Form and in Section 3.7; and
- if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies.

It is your responsibility to ensure that your BPAY® payment is received by the Company's Share Registry by no later than 5.00pm (Sydney time) on 18 May 2023. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration in the timing of when you make your payment.

3.6 Mail

To participate in the Offer, your payment must be received no later than the Closing Date, being 5.00pm (Sydney time) on 18 May 2023.

Personalised Entitlement and Acceptance Forms and Application Monies will not be accepted at the Company's registered or corporate offices or other offices of the Company's Share Registry.

3.7 Representations by acceptance

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY®, you will be deemed to have represented to the Company that you:

- are not an Ineligible Shareholder and are otherwise eligible to participate in the Offer;
- acknowledge that you have read and understand this Offer Booklet and your personalised Entitlement and Acceptance Form in their entirety;
- agree to be bound by the terms of the Offer, the provisions of this Offer Booklet, and the Company's constitution;
- authorise the Company to register you as the holder(s) of New Shares allotted to you;
- declare that all details and statements in the personalised Entitlement and Acceptance Form are complete and accurate;
- declare you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the personalised Entitlement and Acceptance Form;
- acknowledge that once the Company receives your personalised Entitlement and Acceptance Form or any payment of Application Monies via BPAY®, you may not withdraw your application or funds provided, except as allowed by law;
- agree to apply for and be issued up to the number of New Shares specified in the personalised Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies via BPAY® at the Offer Price per New Share;

- authorise the Company, the Company's Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares to be issued to you, including to act on instructions of the Company's Share Registry upon using the contact details set out in your personalised Entitlement and Acceptance Form;
- acknowledge and agree that:
 - determination of eligibility of investors for the purposes of the Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of the Company; and
 - the Company and its affiliates disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law;
- declare that you were the registered holder(s) at the Record Date of the Shares indicated on your personalised Entitlement and Acceptance form as being held by you on the Record Date;
- acknowledge that the information contained in this Offer Booklet and your personalised Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- acknowledge that this Offer Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in the Company and is given in the context of the Company's past and ongoing continuous disclosure announcements to ASX;
- acknowledge the statement of risks in the "Key Risk Factors" section of the Company's Investor Presentation included in Section 5 and that investments in the Company are subject to risk;
- acknowledge that none of the Company or its related bodies corporate and affiliates, and their respective directors, officers, partners, employees, representatives, agents, contractors, consultants or advisers, guarantees the performance of the Company, nor do they guarantee the repayment of capital;
- agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Offer and of your holding of Shares on the Record Date;
- authorise the Company to correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you;
- are (or the person on whose account you are acting is) an Eligible Shareholder and that the law of any place does not prohibit you from being given this Offer Booklet and the personalised Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Shares and that you are otherwise eligible to participate in the Offer;
- are not in the United States and you are not a person (including a nominee, trustee or custodian) acting for the account or benefit of a person in the United States in connection with the subscription for Entitlements or the purchase of New Shares in the Offer, and are not otherwise a person to whom it would be illegal to make an offer or issue of New Shares under the Offer;
- understand and acknowledge that neither the Entitlements nor New Shares have been, or will be, registered under the US Securities Act or the securities laws of any state or other

jurisdiction in the United States. Accordingly, you understand and acknowledge that the Entitlements may not be issued to, or taken up or exercised by, and the New Shares may not be offered or sold directly or indirectly to, persons in the United States or persons who are acting for the account or benefit of a person in the United States (to the extent such persons hold such securities and are acting for the account or benefit of a person in the United States), except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and any other applicable securities laws of any state or other jurisdiction of the United States;

- understand and acknowledge that the Entitlements and the New Shares to be offered and sold in the Offer may only be offered or sold outside the United States in 'offshore transactions' (as defined in Rule 902(h) under the Securities Act) in reliance on Regulation S under the US Securities Act;
- are subscribing for or purchasing an Entitlement or New Shares in an 'offshore transaction' (as defined in Rule 902(h) under the US Securities Act);
- have not and will not send this Offer Booklet, the Entitlement and Acceptance Form, or any other materials relating to the Offer to any person in the United States or to any person (including a nominee, trustee or custodian) acting for the account or benefit of a person in the United States or any other country outside Australia or New Zealand;
- if in the future you decide to sell or otherwise transfer the New Shares you will only do so in "regular way" transactions on 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;
- if acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form (i) is resident in Australia or New Zealand and (ii) is not in the United States and is not acting for the account or benefit of a person in the United States (to the extent such person holds Shares and is acting for the account or benefit of a person in the United States), and you have not sent this Offer Booklet, the Entitlement and Acceptance Form or any information relating to the Offer to any person in the United States or to any person (including a nominee, trustee or custodian) acting for the account or benefit of a person in the United States; and
- you make all other representation and warranties set out in this Offer Booklet.

3.8 Entitlements of Ineligible Shareholders

In compliance with ASX Listing Rule 7.7.1(a) and section 708AA (including section 9A(3)(a)) of the Corporations Act, the Company has determined that it is unreasonable to extend the Offer to Ineligible Shareholders because of the small number of such Shareholders, the number and value of Shares that they hold, and the cost of complying with the applicable regulations in jurisdictions outside of Australia and New Zealand, but it reserves its right to do so (subject to compliance with relevant laws).

The Company, in its absolute discretion, may extend the Offer to any Shareholder if it is satisfied that the Offer may be made to the Shareholder in compliance with all applicable laws. The Company, in its absolute discretion, reserves the right to determine whether a Shareholder is an Eligible Shareholder and therefore able to participate in the Offer, or an Ineligible Shareholder and therefore unable to participate in the Offer. To the maximum extent permitted by law, the Company disclaims all liability in respect of such determination.

Ineligible Shareholders will not receive any payment or value as a result of the issue of any of those New Shares they would have been entitled to subscribe for had they been eligible to participate in the Offer. Entitlements of Ineligible Shareholders may be subscribed for under the Top-Up Facility.

3.9 Issue of additional New Shares under the Top-Up Facility

Any New Shares not taken up by the Closing Date may be made available to those Eligible Shareholders who took up their full Entitlement and applied for additional New Shares under the Top-Up Facility at the same Offer Price (**Eligible Top-Up Facility Participants**). An Eligible Top-Up Facility Participant can apply for additional New Shares under the Top-Up Facility in excess of their Entitlement at the Offer Price. Applications under the Top-Up Facility will (subject to the Company ensuring that no issue of New Shares occurs that is contrary to law) be capped in the following manner:

- an Eligible Top-Up Facility Participant who is a \$500 Parcel Holder may apply for up to such number of additional New Shares under the Top-Up Facility as is necessary to ensure that immediately following completion of the Offer, the Eligible Top-Up Facility Participant holds \$2,000 worth of Shares (calculated based on the Offer Price per Share);
- an Eligible Top-Up Facility Participant who is a Sub 100,000 Holder may apply for up to such number of additional New Shares under the Top-Up Facility as is equal to 100% of their Entitlement; and
- an Eligible Top-Up Facility Participant who is a 100,000 Holder may apply for up to such number of additional New Shares under the Top-Up Facility as is equal to 20% of their Entitlement.

In particular, an Eligible Top-Up Facility Participant will not be issued any additional New Shares under the Top-Up Facility if the issue of such additional New Shares would cause the Company or that Eligible Top-Up Facility Participant to breach any applicable law, including but not limited to section 606 of the Corporations Act.

There is no guarantee that those Eligible Top-Up Facility Participants will receive the number of New Shares applied for under the Top-Up Facility, or any. If Eligible Top-Up Facility Participants apply for more New Shares than are available under the Top-Up Facility, the Directors will give Eligible Top-Up Facility Participants that are \$500 Parcel Holders priority in respect of allocation of New Shares available under the Top-Up Facility, followed by Eligible Top-Up Facility Participants that are Sub 100,000 Holders, followed by Eligible Top-Up Facility Participants that are 100,000 Holders.

If you apply for additional New Shares under the Top-Up Facility and your application is successful (in whole or in part) your New Shares will be issued at the same time that other New Shares are issued under the Offer, subject to compliance with the Corporations Act and the ASX Listing Rules. There is no guarantee you will receive any New Shares under the Top-Up Facility.

To the extent that a shortfall of New Shares remains after the allocation of New Shares under the Top-Up Facility (**Shortfall Shares**), the Directors reserve the right to, at their discretion, invite investors to apply for those Shortfall Shares within three months of the Closing Date. The Board does not presently intend to issue a party Shortfall Shares if the effect would be to increase that party's voting power in the Company to an amount greater than 20%, or to any existing Shareholder that already has voting power in the Company greater than 20%, given the likely cost involved in seeking Shareholder approval under item 7 of section 611 of the Corporations Act, unless another exception under section 611 of the Corporations Act applies to such person or existing Shareholder.

Refund amounts (greater than \$2.00), 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. If you wish to advise or change your banking instructions with the Company's Share Registry you may do so by going to www.linkmarketservices.com.au and following the instructions.

3.10 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 Offer.

3.11 Enquiries

If you have not received or you have lost your personalised Entitlement and Acceptance Form, or have any questions, please contact the Offer information line on 1800 653 805 (within Australia) or +61 1800 653 805 (outside Australia) between 8.30am and 5.30pm (Sydney time), Monday to Friday. If you have any further questions, you should contact your stockbroker, solicitor, accountant, financial adviser or other professional adviser.

4. AUSTRALIAN TAX CONSIDERATIONS

4.1 Introduction

This is a general summary of the Australian taxation consequences of the Offer for Eligible Shareholders that hold their shares on capital account for Australian income tax purposes. The category of Shareholders considered in this summary are limited to individuals, complying superannuation entities and certain companies, trusts or partnerships. This summary does not consider the consequences for Shareholders who:

- hold existing Shares, New Shares or Entitlements in a business of share trading or dealing in securities, or otherwise hold their existing Shares, New Shares or Entitlements on revenue account or as trading stock;
- acquired existing Shares in respect of which the Entitlements are issued under an employee share scheme;
- are subject to the 'Taxation of Financial Arrangements' provisions in Division 230 of the *Income Tax Assessment Act 1997* (Cth) in relation to their holding of Shares, New Shares or Entitlements; or
- are tax residents of any jurisdiction other than Australia.

The information contained in this summary is of a general nature and is not intended to address the circumstances of any particular individual or entity.

This summary is based upon the legislation and established interpretation of legislation as at the date of this Offer Booklet, but is not intended to be an authoritative or complete statement of the law as relevant to the circumstances of each Shareholder.

As the taxation implications of the Offer will depend upon a Shareholder's particular circumstances, Shareholders should seek and rely upon their own professional taxation advice before concluding on the particular taxation treatment that will apply to them.

Shareholders that are subject to tax in a jurisdiction outside Australia may be subject to tax consequences in that jurisdiction in respect of the Offer that are not covered by this summary. Such Shareholders should seek and rely upon their own professional taxation advice in relation to the taxation implications of the Offer in any jurisdictions that are relevant to them.

Neither the Company, nor any of its officers or employees, nor its taxation or other advisers, accepts any liability or responsibility in respect of any statement concerning taxation consequences of the Offer.

4.2 Income tax consequences of Entitlements

a) *Issue of Entitlements*

The issue of Entitlements to Australian resident Shareholders should not, of itself, give rise to any amount of assessable income or capital gain for Shareholders.

b) Exercise of Entitlements

The exercise of Entitlements should not, of itself, result in any amount being included in a Shareholder's assessable income and should not give rise to any capital gain under the CGT provisions.

Eligible Shareholders that exercise their Entitlements will receive New Shares. New Shares will be taken to have been acquired on the day on which the Entitlements were exercised for CGT purposes.

The CGT cost base of each New Share acquired will be the sum of the amount paid to exercise the corresponding Entitlement (i.e. the Offer Price) and any incidental costs in acquiring the New Shares.

c) Lapse of Entitlement

If an Eligible Shareholder does not accept all or part of their Entitlement in accordance with the instructions set out above, then that Entitlement will lapse. There should be no adverse taxation implications for an Eligible Shareholder from the lapse of the Entitlement.

4.3 Income tax consequences of New Shares

The New Shares should constitute CGT assets for CGT purposes.

Dividends paid to Eligible Shareholders in relation to their New Shares should generally be subject to the same income tax treatment as dividends in relation to existing Shares held in the same circumstances.

As outlined above, the CGT cost base of a New Share should generally be equal to the sum of the amount paid to exercise the corresponding Entitlement (i.e. the Offer Price) and any incidental costs in acquiring the New Share. Any future sale of New Shares will constitute a disposal for CGT purposes. A capital gain will arise if the capital proceeds on disposal exceed the CGT cost base of a New Share. A capital loss will arise if the capital proceeds on disposal are less than the reduced CGT cost base of a New Share.

Shareholders may be able to apply carried forward or current year losses to reduce their capital gain on disposal. The ability to utilise losses is dependent on meeting the relevant tests.

Non-corporate Shareholders may be entitled to a concession which discounts the amount of capital gain that is assessed. Broadly, the concession is available where the New Shares have been held for more than 12 months or more prior to disposal. The concession results in a 50% reduction in the assessable amount of a capital gain for an individual Shareholder and a one-third reduction of a capital gain for an Australian tax resident complying superannuation entity Shareholder (including generally where a flow through trust or partnership distributes to such Shareholders), after offsetting any current or carried forward losses.

In relation to trusts or partnerships including limited partnerships, the rules surrounding capital gains and the CGT discount are complex, but the benefit of the CGT discount may flow through to relevant beneficiaries or partners, subject to certain requirements being satisfied.

Australian tax resident Shareholders who hold New Shares on revenue account, as trading stock or are subject to the rules in Division 230 of the *Income Tax Assessment Act 1997* (Cth) concerning the taxation of financial arrangements should seek separate independent professional advice.

4.4 Non-resident CGT withholding

Specific rules can apply to the disposal of certain taxable Australian property under contracts entered into on or after 1 July 2016, whereby a 12.5% non-final withholding tax may be applied. However, the new rules should not apply to the disposal of a New Share on ASX (in accordance with a specific exemption).

4.5 Provision of TFN or ABN

Australian tax legislation imposes withholding tax at the highest marginal rate (currently 45% plus a Medicare levy of 2%) on the payment of distributions on certain types of investments, such as the unfranked part of any dividend, where no TFN or ABN (if applicable) has been provided and no exemption applies. Australian tax resident Shareholders may be able to claim a tax credit/refund (as applicable) in respect of any tax withheld on dividends in their income tax returns.

Shareholders that have not previously provided their TFN or ABN (if applicable) to the Company's Share Registry may wish to do so prior to the Closing Date to ensure that withholding tax is not deducted from any future distribution payable to them.

A Shareholder is not obliged to provide their TFN, or where relevant, ABN, to the Company.

4.6 Other Australian taxes

GST and stamp duty should not generally be payable in relation to the issue or exercise of Entitlements, nor in relation to the acquisition of New Shares.

Eligible Shareholders may, however, be restricted in their ability to claim input tax credits in relation to costs incurred in relation to their acquisition of the New Shares (such as costs relating to professional advice obtained by Shareholders regarding the Entitlement). This will depend on each Eligible Shareholder's particular circumstances and, as such, this should be reviewed by Shareholders prior to making any claim.

5. ASX ANNOUNCEMENTS (INCLUDING INVESTOR PRESENTATION)

Refer to the attachments.



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Important Notices and Disclaimer

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While KGL's reserve and resource estimates comply with the JORC Code, they may not comply with the relevant guidelines in other countries (other than NI 43-101 in Canada), and do not comply with Subpart 1300 of Regulation S-K. Therefore, the estimates of reserves, and resources included in this presentation and in the information that KGL is required to file under the ASX Listing Rules may not be comparable to similar information made public by companies subject to the reporting and disclosure requirements of United States securities laws or any other reporting regime. You should not assume that any part of quantities reported as "resources" will be converted to reserves under the JORC Code or under Subpart 1300 of Regulation S-K or any other reporting regime or that these amounts can be economically exploited, particularly material classified as "inferred", and you are cautioned not to place undue reliance on those estimates.

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Except as required by law or regulation (including the ASX Listing Rules), KGL undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

Disclaimer: You acknowledge and agree that determination of eligibility of investors for the purposes of the offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of KGL and its related bodies corporate, affiliates, officers, directors, employees, representatives, agents, consultants or advisers (collectively, the "Eligibility Determination Parties"). KGL and its related bodies corporate, affiliates, officers, directors, employees, representatives, agents, consultants or advisers disclaim any duty or liability (including for negligence) in respect of the exercise or otherwise of that discretion, to the maximum extent permitted by law.

Project Overview

Summary and Outlook

- ✓ High-grade greenfield copper project poised for development
- ✓ Key approvals complete
- ✓ Pathway to production with offtake signed
- ✓ Feasibility Study completed showing A\$241 million NPV & Reserve Statement released
- ✓ Upside potential through infill drilling and further exploration
- ✓ Pure-play ASX copper exposure leveraged to strong market fundamentals

Key workstreams for 2023¹

- Targeted exploration program with goal of expanding reserves and extending mine life
- Preparation for EPC and operational contract packages
- Finalise funding strategy
- Final Investment Decision
- Early works & long lead items
- Construction readiness

1. These key workstreams are subject to the Offer being fully subscribed. If only the minimum raise amount of A\$9 million is raised under the Offer, KGL's ability to undertake these key workstreams will be impeded and it will not be able to undertake them as it currently intends. In those circumstances, KGL will also require further funding (debt and/or equity) during 2023/24.

Investment Highlights

Becoming an Australian Copper Producer



Feasibility delivered
11.75 year mine life
A\$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 with 2 diamond drilling rigs contracted for 2023



Targeting contracts with experienced service providers to support **project funding and delivery**



Offtake signed with Glencore



Safe jurisdiction Project located in pro-mining Northern Territory



Building experienced team with development expertise



Independent pure-play copper exposure with key 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 24 April 2023)	A\$0.132
Shares outstanding	455 M
Options on Issue	1 M
Market capitalisation	A\$60M
Cash (31 Mar 2023)	A\$13.2M
Debt	Nil
Enterprise value	A\$46.8M

No debt

- Cash A\$13.2 million (31 Mar 2023)

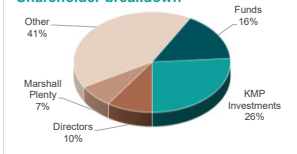
Shareholder base

- 16% Australian and international institutional funds, including substantial holder Paradise (5.2%)
- ~10% owned by directors/management
- KMP Investments, part of the Salim Group

Major Shareholders

KMP Investments Pte Ltd	26.1%
Entities associated with Denis Wood	9.2%
Marshall Plenty Investments LLC	7.3%
Paradise Investment Management	5.2%
Pegasus CP One	4.8%

Shareholder breakdown

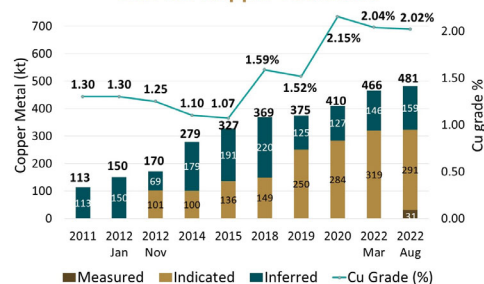


Resource Update

The total resource estimate now stands at:

- 23.8 million tonnes at 2.02% copper, 25.3 g/t silver and 0.25 g/t gold
- containing 481,200 tonnes copper, 19.3 million ounces silver and 189,600 ounces of gold.

Jervois Copper Resource



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

Dual Track Pathways for Value Creation



Project Development Focus

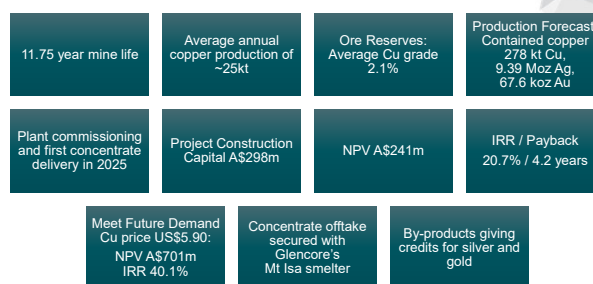
- Robust and financially viable FS delivered Nov 2022.
- Current work streams include mine plan optimisation and preparation of tenders for contracts with experienced contractors for construction, mining and operations.
- The Company is implementing a risk management plan which is critical to being able to meet delivery timelines and desired outcomes.
- Project commencement subject to market conditions.
- Anticipated copper deficits and higher incentive prices for copper likely to improve development options and returns for shareholders.



Resource Expansion Focus

- The opportunity to focus on growing the high-grade resource at Jervois given outlook for chronic shortfalls in copper over the next decade.
- Recent drilling success at Marshall Deepes and Rockface demonstrate potential to expand the high-grade resource with the potential extend mine life to drive capital efficiencies, cashflow and IRR improvements.

Feasibility Study: Summary Highlights



	Feasibility Study	"Meet future demand"	"Bullish price forecast" ³
Copper Price (US\$)	4.23/lb ¹ 9,326/t	5.90/lb ² 13,000/t	6.80/lb ³ 15,000/t
Silver Price (US\$)	\$22.70/oz ¹	\$22.70/oz	\$22.70/oz
Gold Price (US\$)	\$1,735/oz ¹	\$1,735/oz	\$1,735/oz
Exchange Rate (US\$:A\$)	0.700	0.700	0.700
NPV - 8% real, after tax	AS\$241 M	AS\$701 M	AS\$947 M
IRR	20.7%	40.1%	49.1%

KOL Resources Limited

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Binding Offtake Agreement with Glencore

Terms

- Evergreen with minimum 5-year term from commercial production
- Covers 100% of copper concentrate from Jervois mine
- Material delivered by KGL to Glencore's Mt Isa's Copper Smelter
- Benchmarked pricing for payables – Copper, silver and gold

Key benefits

- ✓ Certainty of concentrate sales for the project – supporting the funding strategy
- ✓ Strong project support from a leading mining, processing and commodities trading firm
- ✓ Benchmarked pricing in a strong commodity environment
- ✓ Significantly reduces haulage / transport costs
- ✓ Simplified transport solution minimises emissions
- ✓ Sales within Australia supporting local and broader economies
- ✓ Significant working capital benefits
- ✓ De-risks investment decision for Jervois

Development Pathway

Implementation plan to manage development risks and uncertainties

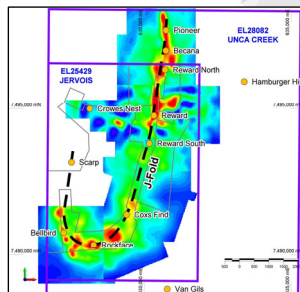
- Key development risks: uncertainties around input pricing, supply chain disruptions and labour shortages.
- Key project approvals in place.
- Mine plan optimisation ongoing.
- Working with experienced contractors on construction, mining and operation of process plant and power station.
- Front-end Engineering & Design (FEED) for modular processing plant progressing.
- Final designs of early works infrastructure:
 - Haul and light vehicle roads,
 - Pipeline from bore farm to plant site,
 - Accommodation Camp.
- FID subject to market conditions.
- Near-term resource growth opportunities.



Growing the current resource

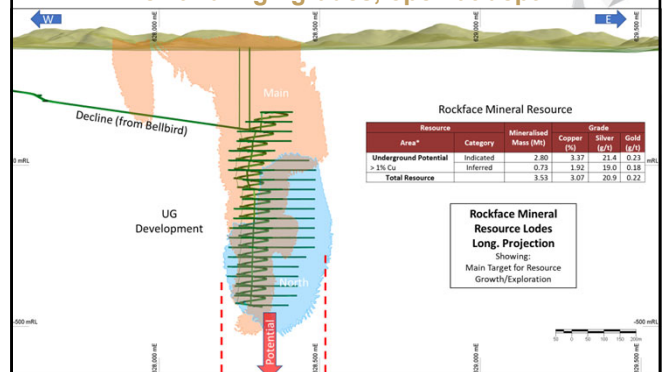
Unlocking the potential of the Jervois copper hub

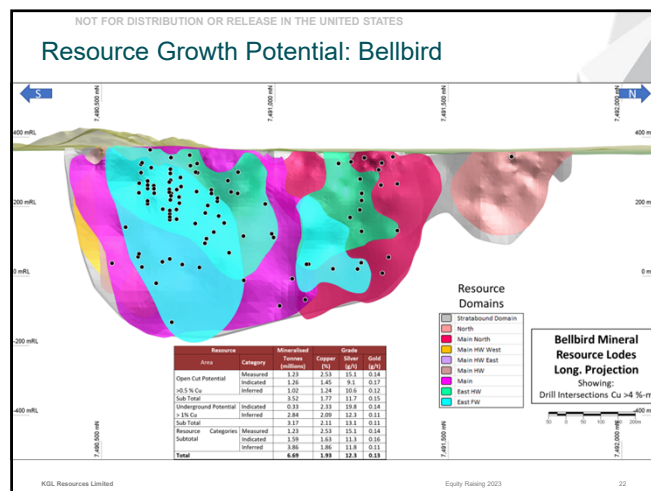
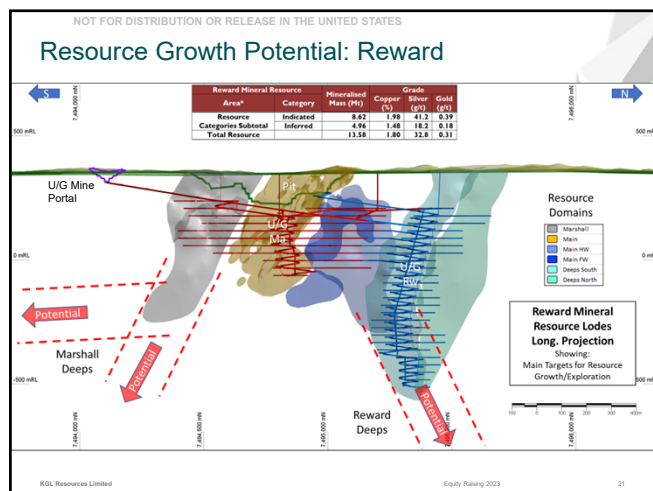
- Definition drilling continues to support upgrading resources to Measured and Indicated status.
- Focus in 2023 will be on an accelerated drilling program to expand the resource and extend the potential mine life around known deposits
 - Ongoing drilling at Reward (Marshall Deep):
 - intersected high-grade zone >200 metres in a southerly direction from previous drill holes
 - Ongoing drilling at Rockface:
 - intersected high-grade, thick Cu 120 metres below previous drilling confirming depth potential



Resource Growth Potential: Rockface

Thick and high grades, open at depth





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Environment, Social and Governance

KGL is focused on implementing industry ESG practices

Environment	Social	Governance
<ul style="list-style-type: none"> ✓ Authorisation granted and Mining Management Plan approved by the Northern Territory Government ✓ Water extraction licences and Unca Creek diversion permit granted ✓ Prioritising sustainable use of land and water resources; protecting the flora, fauna and communities that are dependent on these resources ✓ KGL will engage with stakeholders to ensure their environmental considerations are integrated into planning and operational decisions ✓ Sustainability objectives have been established; targets and performance measures to be developed in conjunction with successful project contractors 	<ul style="list-style-type: none"> ✓ KGL's goal is to avoid adverse impacts on the social values of local and regional communities ✓ Promoting diversity in the workplace; recognising, valuing and utilising the diverse skills and knowledge of staff and contractors ✓ Employees sourced locally where possible, reducing travel costs and environmental impact of FIFO ✓ Positive work culture that supports mental health and values teamwork and respect ✓ KGL prioritises community consultation, stakeholder engagement, and proactive and open communication 	<ul style="list-style-type: none"> ✓ KGL's Values of Integrity, Accountability, Respect and Sustainability are at the core of everything we do ✓ KGL has strong representation of experienced, Independent Non-Executives on its Board ✓ KGL has identified Sustainable Development Goals that are closely aligned to our values, strategic objectives and operational activities ✓ Policies and procedures have been developed to provide our ethical framework for addressing ESG

KGL Resources Limited
Equity Raising 2023
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Equity Raising

KGL RESOURCES

Equity Raising Summary

Non-renounceable entitlement offer

Offer Structure & Size	<ul style="list-style-type: none"> Equity raising to raise up to A\$20.2 million, comprising: <ul style="list-style-type: none"> a 10 for 27 pro-rata traditional non-renounceable entitlement offer (Offer) Commitments for A\$8.6 million¹ Minimum raising of A\$9 million (before costs) under the Offer Up to approximately 168.4 million new KGL shares (New Shares) will be issued Top-up facility for shareholders
Top-up Facility	<p>A tiered approach to allocation:</p> <ul style="list-style-type: none"> Shareholders with >Marketable Parcel (A\$500 worth of shares) can participate in the Top-up Facility to the extent that it takes their shareholding to A\$2,000 (based on the Offer price) Shareholders with >=Marketable Parcel and <100,000 shares, can participate in the Top-up Facility to 100% of their Entitlement Shareholders with <=100,000 shares, can participate in the Top-up Facility to 20% of their Entitlement
Offer Price	<ul style="list-style-type: none"> Offer price of A\$0.12 per New Share, which as of close of trading on 24 April 2023 represents: <ul style="list-style-type: none"> a 18.7% discount to the 30 day VWAP of KGL shares on ASX of A\$0.142³ a 10% discount to the last closing price of KGL shares on 24 April 2023 of A\$0.132 a 7.3% discount to TERP of A\$0.129 (assuming a full take up of Offer)²
Use of Proceeds	<ul style="list-style-type: none"> Minimum raise of A\$9 million¹ for advancing the project and to grow the high-grade resource. It will also add to working capital, to strengthen the balance sheet as the company moves along the development pathway for the Jervis Copper Project Funding in excess of minimum will primarily be used to continue exploration activities with the possibility of adding a third drilling rig to accelerate growing the high-grade resource and to provide additional project working capital for project readiness
Shareholder Support	<ul style="list-style-type: none"> KGL's largest shareholders, KMP Investments (26.1%), entities associated with Denis Wood (9.2%), and Marshall Plenty (7.3%) are supportive and have committed to take up their entitlements under the Offer in full.¹

1. In respect of KMP Investments Pty. Ltd., subject to compliance with Chapter 6 of the Corporations Act 2001 (CA), if it takes up its entitlement under the Offer in full would result in KMP Investments Pty. Ltd. breaching Chapter 6 of the Corporations Act 2001 (CA). It will take up its entitlement under the Offer in full to the extent that it is legally permitted to acquire.

2. The theoretical ex-rights price (TERP) including shares issued under the Offer on the assumption that it is fully subscribed.

3. The weighted average price of the ordinary shares of KGL on ASX for the last 30 trading days ending on 24 April 2023.

4. The minimum raise condition is satisfied if the Company receives commitments under the Offer for no less than A\$9 million (before costs).

Equity Raising Summary

Non-renounceable entitlement offer

Substantial shareholder support (and control implications)	<ul style="list-style-type: none">■ KGL's three largest shareholders, KMP Investments (26.1%), entities associated with Denis Wood (9.2%) and Marshall Plenty Investments (7.3%), are supportive and have committed to take up their full entitlements under the Offer (totaling A\$8.6 million)¹■ The table below details changes to shareholdings under varying shareholder participation levels																																			
	<table><tr><th>% Entitlement Taken Up</th><th>44.55%</th><th>50%</th><th>75%</th><th>100%</th></tr><tr><th></th><th>(\$9 million Min raise)</th><th></th><th></th><th>(\$20.2 million Max raise)</th></tr><tr><td>Shares from Rights</td><td>75,000,000</td><td>84,183,143</td><td>126,274,715</td><td>168,366,287</td></tr><tr><td>Total Funds Received</td><td>9,000,000</td><td>10,101,977</td><td>15,152,966</td><td>20,203,954</td></tr><tr><td>%KMP Shareholding</td><td>29.13%</td><td>29.13%</td><td>28.03%</td><td>26.13%</td></tr><tr><td>% Wood Shareholding</td><td>10.87%</td><td>10.69%</td><td>9.91%</td><td>9.24%</td></tr><tr><td>% Marshall Plenty Shareholding</td><td>8.55%</td><td>8.41%</td><td>7.80%</td><td>7.27%</td></tr></table>	% Entitlement Taken Up	44.55%	50%	75%	100%		(\$9 million Min raise)			(\$20.2 million Max raise)	Shares from Rights	75,000,000	84,183,143	126,274,715	168,366,287	Total Funds Received	9,000,000	10,101,977	15,152,966	20,203,954	%KMP Shareholding	29.13%	29.13%	28.03%	26.13%	% Wood Shareholding	10.87%	10.69%	9.91%	9.24%	% Marshall Plenty Shareholding	8.55%	8.41%	7.80%	7.27%
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Dispersion strategy	<ul style="list-style-type: none">■ KGL has offered a top-up facility to limit the control effect of KMP Investments' participation in the Offer, and KMP Investments and entities associated with Denis Wood will only participate in the Offer to the extent of their pro-rata entitlements¹																																			

1. In respect of KMP Investments Pty. Ltd., subject to compliance with Chapter 6 of the Corporations Act 2001 (CA), if it takes up its entitlement under the Offer in full would result in KMP Investments Pty. Ltd. breaching Chapter 6 of the Corporations Act 2001 (CA). It will take up the maximum number of New Shares which it is legally permitted to acquire.

Funding and Pro-Forma Capital Structure

Sources & Uses

Sources of Funds	\$ (Min)	\$ (Max)
Existing Cash Position ¹	A\$13.2m	A\$13.2m
Entitlement Offer ²	A\$9.0m	A\$20.2m
Total	A\$22.2m	A\$33.4m

Use of Funds ³	\$ (Min)	\$ (Max)
Exploration, Drilling, Site Admin	A\$11.2m	A\$14.0m
Project Development, Engineering and design, Execution Readiness	A\$4.0m	A\$10.3m
Site Overheads, Corporate Overheads and Working Capital	A\$6.7m	A\$8.7m
Expenses relating to the Offer	A\$0.3m	A\$0.4m
Total	A\$22.2m	A\$33.4m

1. As at 31 March 2023 based on KGL's management balance sheet, which is not audited or reviewed.

2. Assuming A\$9.0 million minimum raise; funds raised in excess of the A\$9.0 million minimum raising (up to an additional A\$11.2 million) in the event that the Offer is fully subscribed will be used to continue exploration activities with the possibility of adding a third drilling rig to accelerate growing the high-grade resource, to provide additional project development working capital and to fund front end engineering design. The Board reserves the right to change the allocation of funds where there are changes in market conditions, exploration priorities or strategic objectives.

3. Excludes lease liabilities & April 2023 creditors.

Pro-Forma Capital Structure

Key Information	Current 31 April 23	Post Equity Raising
		Min Raise: Max Raise (A\$9m) (A\$20.2m)
Share Price ¹	A\$0.132	A\$0.130 A\$0.129
Ordinary Shares On Issue	454.6m	529.6m 623.0m
Market Capitalisation	A\$60.0m	A\$69.8m A\$80.2m
Cash ¹	A\$13.2m	A\$22.2m A\$33.4m
Debt ^{1, 2}	A\$0m	A\$0m A\$0m
Enterprise Value	A\$46.8m	A\$46.8m A\$46.8m

1. As at 31 March 2023 based on KGL's management balance sheet, which is not audited or reviewed. Post equity raising position reflects proceeds before costs.

2. Excludes lease liabilities & April 2023 creditors.

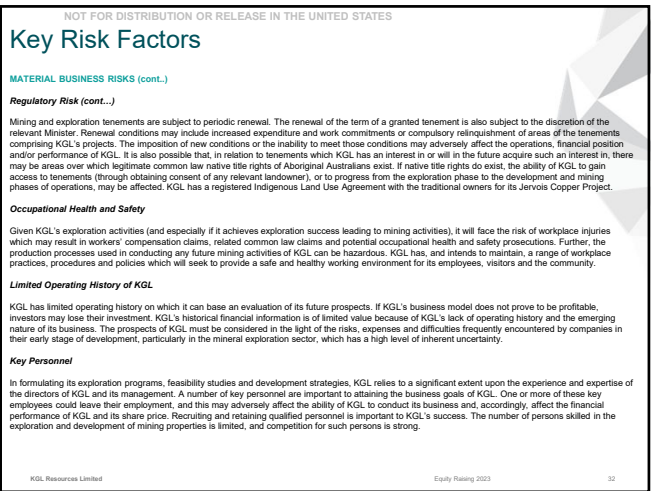
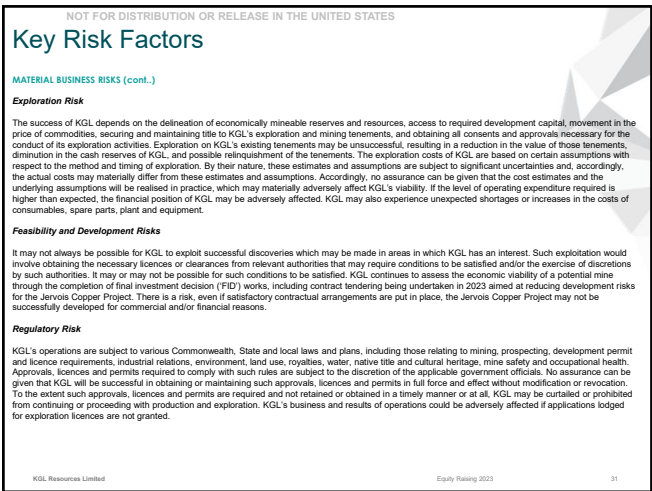
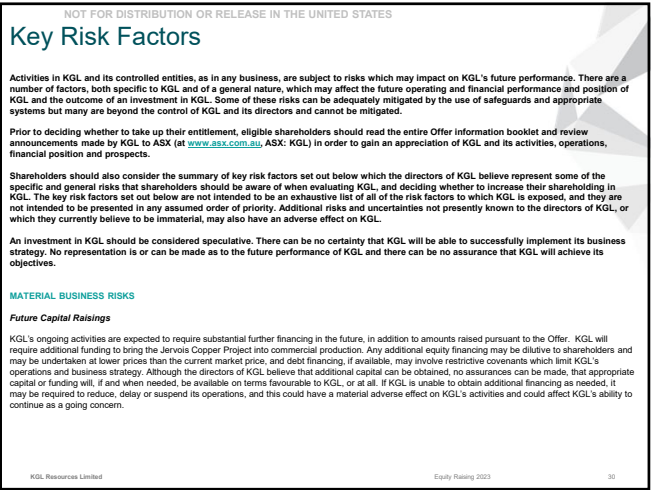
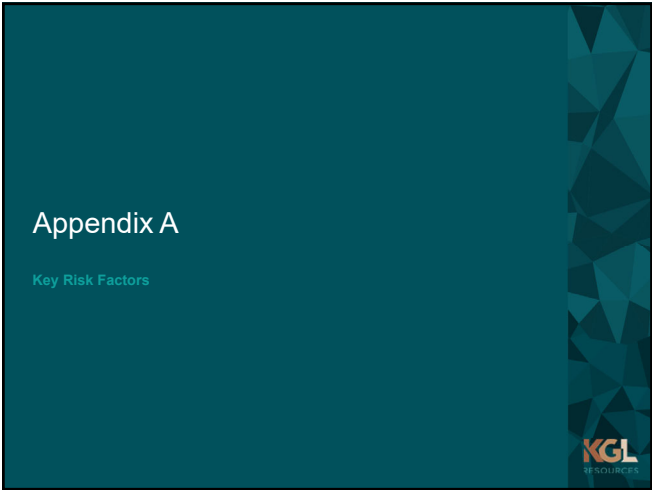
3. Post equity raising price is TERP calculated based on A\$9 million and A\$20.2 million Equity Raising. TERP is a theoretical calculation only; the actual price at which KGL shares trade immediately after the ex-date may differ.

Theoretical Ex-Rights Price = $\frac{\text{Market Value of Shares Already Issued} + \text{Proceeds of New Rights Issue}}{\text{The Total number of Shares After Rights Issue}}$

Equity Raising Timetable

Non-renounceable entitlement offer

Event	Date
Announcement of the Offer	Wednesday, 26 April 2023
Ex date	Friday, 28 April 2023
Record date for Offer (7.00pm (Sydney time)) (Record Date)	Monday, 1 May 2023
Offer Booklet and personalised Entitlement and Acceptance Forms despatched, and announcement of despatch	Thursday, 4 May 2023
Offer opens	Thursday, 4 May 2023
Last day to extend the Closing Date for the Offer	Monday, 15 May 2023
Closing Date for the Offer (5.00pm (Sydney time))	Thursday, 18 May 2023
Securities quoted on a deferred settlement basis (from market open)	Friday, 19 May 2023
Announcement of results of the Offer	Tuesday, 23 May 2023
Settlement of the Offer	Wednesday, 24 May 2023
Allotment of New Shares issued under the Offer	Thursday, 25 May 2023
Normal trading on ASX for New Shares issued under the Offer commences	Friday, 26 May 2023
Despatch of holding statements for New Shares issued under the Offer	Monday, 29 May 2023



Key Risk Factors

MATERIAL BUSINESS RISKS (cont.)

Resource and Reserve Estimate Risk

Resource and reserve estimates are expressions of judgement 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 and reserve estimates are necessarily imprecise and depend to some extent on interpretations, which may ultimately prove to be inaccurate and require adjustment. Adjustments to resource and reserve estimates could affect KGL's future plans and ultimately its financial performance and value. Copper, silver 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 adversely affect resource and reserve estimations.

Environmental Risk

The operations and activities of KGL are subject to the environmental laws and regulations of Australia. As with most exploration projects and mining operations, KGL's operations and activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. KGL attempts to conduct its operations and activities to the highest standard of environmental obligation, including compliance with all environmental laws and regulations. KGL is unable to predict the effect of additional environmental laws and regulations which may come into effect 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, appropriate equipment, including drill rigs, was in short supply. There was also high demand for contractors providing other services to the mining industry. Current economic conditions, global and domestic, and the COVID-19 pandemic have only served to exacerbate these issues. Consequently, there is a risk that KGL may not be able to source all the equipment and contractors required to fulfil its proposed 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 activities. The availability of equipment, material and contractors is also a key consideration of KGL's board of directors in relation to the timing of the final investment decision (FID).

Key Risk Factors

MATERIAL BUSINESS RISKS (cont.)

Fluctuations in Copper Price and Australian Dollar Exchange Rate

The copper mining industry is competitive. There can be no assurance that copper, silver and gold prices will be such that KGL can mine its deposits at a profit. Copper, silver 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 worldwide spread of the COVID-19 virus and at this stage, forecast recoveries from the impact of COVID-19 are speculative. Similarly, demand and supply of capital and currencies, forward trading activities, relative interest rates and exchange rates and relative economic conditions can impact exchange rates.

Climate Change Risk

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

Macro-Economic Risks

In 2023, the world continues to be impacted by COVID-19, with global supply chains, labour and equipment shortages still being materially affected. Although world economies have largely re-opened, the economic impact of COVID-19 is still being felt. The COVID-19 pandemic also highlighted the severe impact that such a pandemic, epidemic or any other form of health crisis (whether COVID-19 related or otherwise) can have, including on capital markets, and if such a pandemic, epidemic or other form of health crisis were to occur in the future, it may have an adverse impact on KGL's operating and financial performance and financial position.

Inflationary pressures for appropriately skilled labour, oil and capital items are being seen across many industries, including the mining industry, and the recent geopolitical tensions across a number of areas worldwide (including the ongoing conflict between Ukraine and Russia) may also continue to adversely affect capital markets and cause spikes in materials prices, including diesel prices.

Key Risk Factors

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 the following.

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 KGL shares might trade below or above the issue price for the New Shares. The price at which KGL shares trade on 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 KGL 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 after 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 KGL shares or that the price of KGL shares will increase. There may be relatively few buyers or sellers of KGL shares on ASX at any given time. This may affect the volatility of the market price of KGL shares. It may also affect the prevailing market price at which shareholders are able to sell their KGL shares. This may result in shareholders receiving a market price for their KGL shares that is less or more than the price paid under the Offer.

Key Risk Factors

GENERAL RISK FACTORS (cont.)

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 KGL shares can go up or down. Neither KGL, nor its 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 as a result of an increase in interest rates, rising geopolitical tensions, or a decrease in consumer and business demand, may have an adverse impact on KGL's operating and financial performance and financial position. This risk is heightened in the current uncertain economic environment. Examples of events that have affected (and may continue to affect) global geopolitical conditions include the ongoing conflict in Ukraine, the tensions between China and Taiwan, the United Kingdom ceasing to be a member of the European Union and the European Economic Area on 31 January 2020 (commonly referred to as "Brexit"), the bank failures in 2023 including the collapse of Silicon Valley Bank, Signature Bank and Silvergate Bank, and global trade developments relating to, among other things, the imposition or threatened imposition of trade tariffs and levies by major countries, including the United States and China. KGL's future possible revenues and the KGL 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.

Appendix B

Copper Market

KGL
RESOURCES

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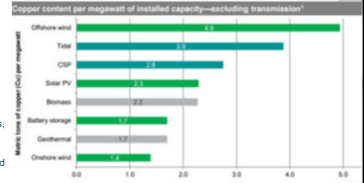
Copper Intensity Increasing

- EVs: Aggressive projections suggest that sales could hit 13-18 million in 2025 and 26-43 million in 2030 (Avevedo et al., 2018; International Energy agency, 2019) representing some 30% of the global passenger vehicle fleet electrification could rapidly spread to medium and heavy commercial vehicles starting in the 2020s (Bloomberg New Energy Finance, 2019)
- As EVs utilise material differently to conventional vehicles, their growth faces potential material supply challenges. Copper (Cu) is used in EV batteries, motors, wiring, busbars and charging infrastructure. As such, it is deemed the electrical metal essential for almost all energy applications. While a conventional car contains 23kg of Cu on average, hybrid, plug-in and battery EVs require 40kg, 60kg and 83 kg of Cu per vehicle respectively (International Copper Study Group, 2018)

Copper demand is expected to grow 600%

The need for copper will see demand increasing nearly 600% by 2030, according to Goldman Sachs forecasts, equivalent to 5.4 million tonnes. With North America's EV market set to grow from \$2.7bn in 2021 to \$18.6bn by 2030, the amount of Cu required for EV production alone is estimated to reach 3.7m tonnes by 2040

- <https://www.barclaycard.com.au/blog/how-electricvehicles-are-driving-the-copper-boom> (Sept 2021)



In 2022, Bloomberg NEF estimated that Europe's net-zero transition strategy would cost a staggering \$5.3 trillion. Each major channel of renewable energy is highly copper-intensive. Wind energy, for instance, consumes 1.4 tons of copper per MW. Solar PV installations require 65% more, while offshore wind facilities use more than thrice that volume.

Moreover, Anderson believes that due to the intermittent nature of renewable power, replacement with traditional energy generation is not on a 1-to-1 basis. According to his estimates, it is over 3 MW of power and related storage that you need to build to replace one MW of base load.

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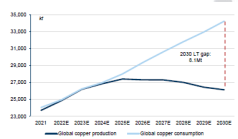
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Robust Long-Term Outlook for Copper

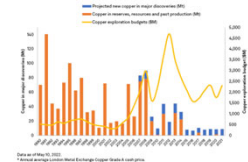
- S&P Global¹ forecasts refined copper demand doubling by 2035 from 25 Mt to almost 50 Mt driven by growing demand for renewable energy and EVs under the clean energy transition.
- Wood Mackenzie² note that, given the substantial growth in new mine supply needed to meet zero-carbon targets, the industry 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



Source: Woodmac, 2022; World Bank; Bloomberg Copper Stocks & Cash Price; Reuters (S&P Global) New Discoveries

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Appendix C

Competent Persons and Disclosures and Additional Information

KGL
RESOURCES

Disclosures

Competent Person 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.

Resource	Area	Category	Material	Grade			Metal		
			Mt	Copper (%)	Silver (g/t)	Gold (g/t)	Copper (Mt)	Silver (Moz)	Gold (kcs)
Open Pit Potential ≥ 0.6 % Cu	Reeward	Indicated	3.84	1.90	39.4	0.21	69.06	4.86	38.2
		Inferred	0.65	0.92	9.2	0.07	5.95	0.19	1.5
		Measured	1.23	2.53	15.1	0.14	31.18	0.60	5.6
Underground Potential ≥ 1 % Cu	Bulbird	Indicated	1.26	1.45	9.1	0.17	18.23	0.37	8.8
		Inferred	1.02	1.24	19.6	0.12	12.67	0.35	4.0
		Sub Total	8.00	1.71	24.8	0.22	137.09	6.37	56.1
Underground Potential ≥ 1 % Cu	Reeward	Indicated	4.73	2.12	42.6	0.45	101.61	6.55	69.2
		Inferred	4.32	1.56	19.6	0.20	67.29	2.72	27.8
		Sub Total	9.05	3.68	62.2	0.65	168.90	9.27	97.0
Underground Potential ≥ 1 % Cu	Rockface	Indicated	0.33	2.33	19.8	0.14	7.76	0.21	1.5
		Inferred	2.84	2.09	12.3	0.11	59.15	1.12	9.7
		Sub Total	3.17	4.42	32.1	0.25	66.91	1.33	11.2
Underground Potential ≥ 1 % Cu	Sub Total	Indicated	0.73	1.92	19.0	0.18	13.97	0.45	4.2
		Inferred	15.80	2.18	25.5	0.25	344.11	12.88	123.5
		Sub Total	16.53	4.10	44.5	0.43	358.08	13.33	127.7

* Due to rounding to appropriate significant figures, minor discrepancies may occur, tonnages are dry metric tonnes

Disclosures

The Jervois Reserves information were 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.

Open Pit And Underground	Ore Tonnage (Mt)	Copper Grade (%)	Copper Metal (Moz)	Gold Grade (g/t)	Gold Metal (kcs)	Silver Grade (g/t)	Silver Metal (Moz)
Reeward Open Pit	14	1.90	40.8	0.21	69.06	4.86	38.2
Indicated Reserve	2.34	1.73	40.8	0.34	28.7	38.5	2.9
Subtotal Reserve	2.34	1.73	40.8	0.34	28.7	38.5	2.9
Proven Reserve	1.40	2.07	29.1	0.12	5.2	19.3	0.6
Probable Reserve	0.94	1.12	5.9	0.08	5.9	5.9	0.1
Total Reserve*	1.84	1.84	34.8	0.10	6.1	10.8	0.6
Rockface Underground	0.33	2.33	19.8	0.14	7.76	0.21	1.5
Indicated Reserve	0.33	2.33	19.8	0.14	7.76	0.21	1.5
Subtotal Reserve	0.33	2.33	19.8	0.14	7.76	0.21	1.5
Proven Reserve	0.20	2.80	12.3	0.11	59.15	1.12	9.7
Probable Reserve	0.13	1.53	6.5	0.03	6.5	6.5	0.2
Total Reserve*	0.46	0.46	26.3	0.04	6.6	16.2	0.7
Marshall Underground	1.82	2.30	41.9	0.64	37.6	30.2	1.8
Indicated Reserve	1.82	2.30	41.9	0.64	37.6	30.2	1.8
Subtotal Reserve	1.82	2.30	41.9	0.64	37.6	30.2	1.8
Proven Reserve	0.98	1.57	46.7	0.23	21.6	43.2	4.1
Probable Reserve	0.84	1.77	37.2	0.09	1.2	14.2	0.9
Total Reserve	11.73	2.10	248.2	0.29	109.2	29.8	11.2

* Bulbird open pit design includes on Inferred tonnage (0.01 Mt) which is included in the Life of Mine schedule. Metal tonnage and grade, but any associated metal content (1.28% Cu, 0.02 g/t Au and 11.1 g/t Ag) associated with the Inferred portion of the orebody has been removed from the stated Ore Reserves for the Bulbird open pit.

Appendix D

Foreign Selling Restrictions



Foreign Selling Restrictions

This presentation does not constitute an offer of New Shares in any jurisdiction in which it would be unlawful. In particular, this presentation may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

Australia

The information in this presentation has been prepared on the basis that all offers of New Shares will be made to Australian resident investors to whom an offer of shares may lawfully be made without disclosure under Part 6D.2 of the Corporations Act. This presentation is not a prospectus, product disclosure statement or any other form of disclosure document regulated by the Corporations Act and has not been, and will not be, lodged with the Australian Securities and Investments Commission (ASIC). Neither ASIC nor ASX takes any responsibility for the contents of this presentation. Accordingly, this presentation may not contain all of the information which a prospective investor may require to make a decision about whether to subscribe for New Shares and it does not contain all of the information which would otherwise be required by Australian law to be disclosed in a prospectus, product disclosure statement or any other form of disclosure document regulated by the Corporations Act. This presentation does not take into account the investment objectives, financial situation or needs of any particular person. Accordingly, before making any investment decision in relation to the offer of New Shares or any other transaction in relation to KGL shares, you should assess whether that transaction is appropriate in light of your own financial circumstances or seek professional advice.

New Zealand

The New Shares are not being offered or sold to the public in New Zealand other than to existing shareholders of KGL with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 (New Zealand). This presentation has not been registered, filed with, or approved by, any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (New Zealand). This presentation 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.

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Singapore

This presentation 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 presentation 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 the New Shares 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) of Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (SFA), or as otherwise pursuant to, and in accordance with, the conditions of any other applicable provisions of the SFA.

This presentation has been given to you on the basis that you are:

- an existing holder of KGL shares,
- an 'institutional investor' (as defined in Section 4A(1)(c) of the SFA); or
- an 'accredited investor' (as defined in Section 4A(1)(a) of the SFA).

In the event that you are not an investor falling within any of the categories set out above, please return this presentation immediately. You may not forward or circulate this presentation 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.

Hong Kong

WARNING: This presentation has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (SFO). No action has been taken in Hong Kong to authorise or register this presentation or to permit the distribution of this presentation or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted New Shares may sell, or offer to sell, such New Shares in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such New Shares.

The contents of this presentation have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Offer. If you are in doubt about any of the contents of this presentation, you should obtain independent professional advice.

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British Virgin Islands

The New Shares may not be offered in the British Virgin Islands unless KGL or the person offering the New Shares on its behalf is licensed to carry on business in the British Virgin Islands. KGL is not licensed to carry on business in the British Virgin Islands. The New Shares may be offered to existing shareholders of KGL in the British Virgin Islands from outside the British Virgin Islands without restriction.

United States

This presentation may not be distributed or released in the United States. This presentation does not constitute any offer to sell, or the solicitation of an offer to buy, any securities in the United States or in any other jurisdiction in which such an offer would be illegal or impermissible. Neither the entitlements nor the New Shares have been, or will be, registered under the U.S. Securities Act of 1933 (**US Securities Act**) or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, to any person in the United States or any person that is acting for the account or benefit of a person in the United States (to the extent such person is acting for the account or benefit of such a person in the United States) unless they have been registered under the US Securities Act (which KGL has no obligation to do or to procure) or are offered or sold in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and any other applicable securities laws of any state or other jurisdiction of the United States. The New Shares to be offered and sold in the Offer may only be offered and sold outside the United States to persons that are not acting for the account or benefit of persons in the United States in 'offshore transactions' (as defined in Rule 902(h) under the US Securities Act) in reliance on Regulation S under the US Securities Act.

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ASX Announcement

Entitlement offer to raise up to approximately \$20.2 million



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kgresources.com.au

26 April 2023

KGL Resources Limited (ASX:KGL) (**KGL** or **Company**) is pleased to announce a proposed 10 for 27 pro-rata traditional non-renounceable entitlement offer of fully paid ordinary shares in KGL (**New Shares**) to raise up to approximately \$20.2 million (**Offer**).

The Offer is not underwritten and is subject to a minimum raise condition of \$9 million. Three of KGL's major shareholders, KMP Investments Pte. Ltd., entities associated with Denis Wood, and Marshall Plenty Investments, LLC, have committed to take up their respective entitlements in full, which would provide funding of \$8.6 million.¹

In November 2022, the Company completed and released a robust and financially viable feasibility study. The Offer will fund the activities following on from the feasibility study – (1) the project development and (2) ongoing expansion of the resource.

Executive Chairman, Denis Wood, commented:

"We completed the Feasibility Study in November 2022 and since that time have been working on de-risking and preparing for the project. We also recommenced drilling in March 2023 with some exciting targets to explore. Proceeds from the Offer, if fully subscribed, will allow the Company to continue with these activities well into 2024. My opinion is that the current share price is well below the intrinsic value of the Company, especially considering the forthcoming copper shortages the world faces. We have sought to structure the Offer in such a way that is fair to all shareholders, which has meant some limitations on the top-up facility under the Offer but priority has been given to smaller shareholders. I encourage you to review the Offer information booklet, when released, and look forward to your ongoing support."

Project Development

The current work streams include mine plan optimisation and tenders for contracts with experienced contractors for construction, mining and operations. The Company is also implementing a risk management plan which is critical to being able to meet delivery timelines and desired outcomes. Project commencement will be subject to market conditions but anticipated copper deficits and higher incentive prices for copper are likely to improve development options and returns for shareholders.

Resource Expansion

The opportunity exists to focus on growing the high-grade resource at Jervois given the outlook for chronic shortfalls in copper over the next decade.

Recent drilling success at Marshall Deepes and Rockface demonstrate potential to expand the high-grade resource with the potential to extend mine life to drive capital efficiencies, cashflow and IRR improvements.

Offer

Ratio	10 New Shares for every 27 existing fully paid ordinary shares in KGL held
Offer Price for New Shares	\$0.12 per New Share
Size	Up to approximately 168.4 million New Shares
Gross proceeds (minimum)	\$9 million
Gross proceeds (maximum)	Up to approximately \$20.2 million

¹ In respect of KMP Investments Pte. Ltd., subject to compliance with Chapter 6 of the *Corporations Act 2001* (Cth). If to take up its entitlement under the Offer in full would result in KMP Investments Pte. Ltd. breaching Chapter 6 of the *Corporations Act 2001* (Cth), it will take up the maximum number of New Shares which it is legally permitted to acquire.

ASX Announcement

Entitlement offer to raise up to approximately \$20.2 million



Level 5, 167 Eagle Street
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kgresources.com.au

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

Key dates

Event	Date
Announcement of the Offer	Wednesday, 26 April 2023
"Ex" date	Friday, 28 April 2023
Record date for Offer (7.00pm (Sydney time))	Monday, 1 May 2023
Offer information booklet and personalised entitlement and acceptance forms despatched, and announcement of despatch	Thursday, 4 May 2023
Offer opens	Thursday, 4 May 2023
Last day to extend the closing date for the Offer	Monday, 15 May 2023
Closing date for the Offer (5.00pm (Sydney time)) ²	Thursday, 18 May 2023
Securities quoted on a deferred settlement basis (from market open)	Friday, 19 May 2023
Announcement of results of the Offer	Tuesday, 23 May 2023
Settlement of the Offer	Wednesday, 24 May 2023
Allotment of New Shares issued under the Offer	Thursday, 25 May 2023
Normal trading on ASX for New Shares issued under the Offer commences	Friday, 26 May 2023
Despatch of holding statements for New Shares issued under the Offer	Monday, 29 May 2023

Further information

The timetable above is indicative only and may change. The Company may amend any of these dates and times without notice, subject to the *Corporations Act 2001* (Cth), the ASX Listing Rules and other applicable laws. In particular, the Company reserves the right to extend the closing date for the Offer, to accept late applications under the Offer (either generally or in particular cases) and to withdraw the Offer without prior notice. Any extension of the closing date for the Offer will have a consequential effect on the issue date of New Shares.

² Eligible shareholders who wish to take up all or a part of their entitlement must complete and return their personalised entitlement and acceptance form with the requisite application monies or pay their application monies via BPAY[®] by following the instructions set out on the personalised entitlement and acceptance form so that they are received by the Company's share registry by no later than 5.00pm (Sydney time) on 18 May 2023. Eligible shareholders should refer to Section 2 of the Offer information booklet for options available to them to deal with their entitlement.

ASX Announcement

Entitlement offer to raise up to approximately \$20.2 million



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Brisbane QLD 4000
Australia
kgresources.com.au

The commencement of quotation of New Shares is subject to confirmation from ASX. Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has been accepted. Eligible shareholders wishing to participate in the Offer are encouraged to submit their entitlement and acceptance form as soon as possible after the Offer opens to ensure their application is received by the Company's share registry in time.

Enquiries

If you have any questions, please contact the Offer information line on 1800 653 805 (within Australia) or +61 1800 653 805 (outside Australia) from 8.30am to 5.30pm (Sydney time), Monday to Friday. If you have any further questions, you should contact your stockbroker, solicitor, accountant, financial adviser or other professional adviser.

Approved for release by KGL's Board of Directors.

Important information

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

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

6. ADDITIONAL INFORMATION

This Offer Booklet (including the ASX Announcements in Section 5) and enclosed personalised Entitlement and Acceptance Form have been prepared by the Company.

This Offer Booklet is dated 4 May 2023 (other than the ASX Announcements, which were released to ASX on 26 April 2023) and are also available at www.kglresources.com.au. The information in this Offer Booklet remains subject to change without notice and the Company is not responsible for updating such information.

There may be additional announcements made by the Company after the date of this Offer Booklet and throughout the period that the Offer is open that may be relevant to your consideration of whether to take up, or do nothing in respect of, your Entitlement. Therefore, it is prudent that you check whether any further announcements have been made by the Company (by visiting ASX's website at www.asx.com.au, or the Company's website at www.kglresources.com.au) before submitting your application to take up your Entitlement.

No party other than the Company has authorised or caused the issue of the information in this Offer Booklet, or takes any responsibility for, or makes, any statements, representations or undertakings in respect of, such information.

No person is authorised to give any information, or to make any representation, in connection with the Offer that is not contained in this Offer Booklet. Any information or representation that is not in this Offer Booklet may not be relied on as having been authorised by the Company or its related bodies corporate in connection with the Offer.

The information in this Offer Booklet is important and requires your immediate attention.

You should read the information in this Offer Booklet carefully and in its entirety before deciding how to deal with your Entitlement. In particular, you should consider the risk factors outlined in the "Key Risk Factors" section of the Company's Investor Presentation included in Section 5, any of which could affect the operating and financial performance of the Company or the value of an investment in the Company.

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

6.1 Ineligible Shareholders

This Offer Booklet contains an offer of New Shares to Eligible Shareholders in Australia and New Zealand and has been prepared in accordance with section 708AA of the Corporations Act (as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73).

As set out in Section 1.2, Eligible Shareholders are those persons who:

- are registered as a holder of Shares as at the Record Date, being 7.00pm (Sydney time) on 1 May 2023;
- as at the Record Date, have a registered address on the Company's Share register that is in Australia or New Zealand, or are a Shareholder that the Company has otherwise determined is entitled to participate;
- are not in the United States and are not a person (including a nominee or custodian) acting for the account or benefit of a person in the United States (to the extent such person holds Shares and is acting for the account or benefit of a person in the United States); and

- are eligible under all applicable securities laws to receive an offer under the Offer.

All Shareholders who do not satisfy the criteria to be Eligible Shareholders are Ineligible Shareholders. Ineligible Shareholders are not entitled to participate in the Offer, unless the Company otherwise determines.

The restrictions upon eligibility to participate in the Offer arise because the Company has determined, pursuant to ASX Listing Rule 7.7.1(a) and section 708AA (including section 9A(3)(a)) of the Corporations Act, that it would be unreasonable to extend the Offer to Ineligible Shareholders. This decision has been made after taking into account the number of non-residents in Australia and New Zealand on the Company's Share register, the relatively small number and value of New Shares to which those Shareholders would otherwise be entitled, and the potential costs of complying with legal and regulatory requirements in the jurisdictions in which the Ineligible Shareholders are located in relation to the Offer.

The Company, in its absolute discretion, may extend the Offer to any Shareholder if it is satisfied that the Offer may be made to the Shareholder in compliance with all applicable laws. The Company, in its absolute discretion, reserves the right to determine whether a Shareholder is an Eligible Shareholder or an Ineligible Shareholder. To the maximum extent permitted by law, the Company disclaims all liability in respect of such determination.

Ineligible Shareholders will not receive any payment or value as a result of the issue of any of those New Shares they would have been entitled to subscribe for had they been eligible to participate in the Offer.

By returning a completed personalised Entitlement and Acceptance Form or making a payment by BPAY®, you will be taken to have represented and warranted that you satisfy each of the criteria listed above to be an Eligible Shareholder. Nominees, trustees or custodians are therefore advised to seek independent professional advice as to how to proceed.

6.2 Ranking of New Shares

New Shares issued under the Offer will be fully paid and rank equally in all respects with existing Shares on issue from their time of issue. The rights and liabilities attaching to the New Shares are set out in the Company's constitution, a copy of which is available at www.kglresources.com.au.

6.3 Risks

The Company's Investor Presentation details important factors and risks that could affect the financial and operating performance of the Company. You should refer to the "Key Risk Factors" section of the Company's Investor Presentation released to ASX on 26 April 2023 which is included in Section 5. You should consider these factors in light of your personal circumstances, including financial and taxation issues, before making a decision in relation to your Entitlement.

6.4 Reconciliation, and the rights of the Company

The Offer and the calculation of Entitlements is a complex process. There may be a need to undertake a reconciliation of Entitlements. If reconciliation is required, it is possible that the Company may need to issue additional New Shares to ensure that the relevant investors receive their appropriate allocation of New Shares.

The Company also reserves the right to reduce the size of an Entitlement or number of New Shares allocated to Eligible Shareholders, or persons claiming to be Eligible Shareholders or other applicable investors, if the Company believes in its complete discretion that their claims are overstated or if they or their nominees fail to provide information requested to substantiate their claims. In that case, the Company may, in its discretion, require the relevant Shareholder to transfer excess New Shares at its

direction at the Offer Price per New Share. If necessary, the relevant Shareholder may need to transfer existing Shares held by them or to purchase additional Shares on-market to meet this obligation. The relevant Shareholder will bear any and all losses caused by subscribing for New Shares in excess of their Entitlement and any actions they are required to take in this regard.

By applying under the Offer, those doing so irrevocably acknowledge and agree to do the above as required by the Company in its absolute discretion. Those applying acknowledge that there is no time limit on the ability of the Company to require any of the actions set out above.

6.5 No cooling off rights

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has been accepted.

6.6 Rounding of Entitlements

Where fractions arise in the calculation of an Entitlement, they will be rounded up to the nearest whole number of New Shares.

6.7 Trading of Entitlements

Your Entitlement is personal and cannot be traded on ASX, transferred, assigned or otherwise dealt with. If you do not take up your Entitlement by the Closing Date, being 5.00pm (Sydney time) on 18 May 2023, your Entitlement will lapse.

6.8 Quotation and trading of New Shares

The Company will apply for quotation of the New Shares on ASX in accordance with the ASX Listing Rule requirements. Trading of New Shares will, subject to ASX approval, occur shortly after allotment. If ASX does not grant quotation of the New Shares, the Company will repay all Application Monies (without interest). It is expected that trading on ASX of New Shares to be issued under the Offer will commence at 10.00am (Sydney time) on 26 May 2023 on a normal settlement basis. Application Monies will be held by the Company 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 prior to trading in the New Shares. The Company will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade New Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by the Company or failure to maintain their updated details with the Company's Share Registry or otherwise, or who otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to.

If you are in any doubt as to these matters, you should first consult with your stockbroker, solicitor, accountant, financial adviser or other professional adviser.

6.9 Notice to nominees and custodian

If the Company believes you hold Shares as a nominee or custodian you will have received, or will shortly receive, a letter in respect of the Offer. Nominees and custodians should consider carefully the contents of that letter.

Persons acting as nominees for other persons must not take up Entitlements on behalf of, or send any documents related to the Offer to, any person in the United States or any person that is acting for the account or benefit of a person in the United States. Persons in the United States and persons acting for the account or benefit of persons in the United States will not be able to take up or exercise Entitlements and may receive no value for any such Entitlements held.

The Company is not required to determine whether or not any registered holder or investor is acting as a nominee or custodian or the identity or residence of any beneficial owners of Shares or Entitlements. Where any person is acting as a nominee or custodian for a foreign person, that person, in dealing with its beneficiary, will need to assess whether indirect participation in the Offer by the beneficiary complies with applicable foreign laws. The Company is not able to advise on foreign laws.

Nominees and custodians may not send copies of this Offer Booklet, the accompanying Entitlement and Acceptance Form, or the accompanying ASX Announcements (including the Company's Investor Presentation included as part of this Offer Booklet), or any other material relating to the Offer, to persons in the United States or to any person acting for the account or benefit of a person in the United States (to the extent such person holds Shares and is acting for the account or benefit of a person in the United States) or in any other jurisdiction outside Australia or New Zealand.

Nominees and custodians may not submit an application or otherwise accept the Offer on behalf of a person in the United States or any other country outside Australia and New Zealand.

6.10 Not investment advice

This Offer Booklet is not a prospectus, product disclosure statement or other form of disclosure document under the Corporations Act and has not been lodged with ASIC. It is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. The Company is not licensed to provide financial product advice in respect of the New Shares. This Offer Booklet does not purport to contain all the information that you may require to evaluate a possible application for New Shares, nor does it purport to contain all the information which would be required in a prospectus prepared in accordance with the requirements of the Corporations Act. It should be read in conjunction with the Company's other periodic statements and continuous disclosure announcements lodged with ASX, which are available at www.kglresources.com.au.

Before deciding whether to apply for New Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If, after reading the information in this Offer Booklet, you have any questions about the Offer, you should contact your stockbroker, solicitor, accountant, financial adviser or other professional adviser or call the Offer information line on 1800 653 805 (within Australia) or +61 1800 653 805 (outside Australia) between 8.30am and 5.30pm (Sydney time), Monday to Friday.

Nominees and custodians may not distribute any part of this Offer Booklet in the United States or in any other country outside Australia except:

- that Australian nominees may send this Offer Booklet and related offer documents to beneficial Shareholders who are professional or institutional Shareholders in other countries (other than the United States) listed in, and to the extent permitted under, the "Foreign Selling Jurisdictions" set out in the Company's Investor Presentation included in Section 5; and
- to beneficial Shareholders in other countries (other than the United States) where the Company may determine it is lawful and practical to make the Offer.

6.11 Information availability

If you are in Australia you can obtain a copy of this Offer Booklet during the period of the Offer by calling the Offer information line on 1800 653 805 (within Australia) or +61 1800 653 805 (outside Australia) between 8.30am and 5.30pm (Sydney time), Monday to Friday.

A replacement personalised Entitlement and Acceptance Form can also be requested by calling the Offer information line, or by downloading an electronic version from the Company's website.

If you access the electronic version of this Offer Booklet, you should ensure that you download and read the entire Offer Booklet.

6.12 Foreign jurisdictions

The information in this Offer Booklet has been prepared to comply with the requirements of the securities laws of Australia. To the extent that you hold Shares or Entitlements on behalf of another person resident outside Australia, it is your responsibility to ensure that any participation (including for your own account or when you hold Shares or Entitlements beneficially for another person) complies with all applicable foreign laws and that each beneficial owner on whose behalf you are submitting the personalised Entitlement and Acceptance Form is not in the United States and not acting for the account or benefit of a person in the United States.

This Offer Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Offer, the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia and New Zealand.

New Zealand

The New Shares are not being offered or sold to the public in New Zealand other than to existing Shareholders with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2021* (New Zealand).

This Offer Booklet has not been registered, filed with, or approved by, any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013* (New Zealand). This Offer 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 Offer 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 Offer 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 the New Shares 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) of Division 1, Part 13 of the *Securities and Futures Act 2001 of Singapore (SFA)*, or as otherwise pursuant to, and in accordance with, the conditions of any other applicable provisions of the SFA.

This Offer Booklet has been given to you on the basis that you are:

- an existing Shareholder;
- an 'institutional investor' (as defined in Section 4A(1)(c) of the SFA); or
- an 'accredited investor' (as defined in Section 4A(1)(a) of the SFA).

In the event that you are not an investor falling within any of the categories set out above, please return this Offer Booklet immediately. You may not forward or circulate this Offer 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.

If you (or any person for whom you are acquiring the New Shares) are in Singapore, you (and any such person) represent that you (and any such person):

- are an existing Shareholder, an 'institutional investor' or an 'accredited investor' (as such terms are defined in the SFA);
- will acquire the New Shares in accordance with applicable provisions of the SFA; and
- acknowledge that the offer of the New Shares is subject to the restrictions (including resale restrictions) set out in the SFA.

Hong Kong

WARNING: This Offer Booklet has not been, and will not be, registered as a prospectus under the *Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong*, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the *Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (SFO)*. No action has been taken in Hong Kong to authorise or register this Offer Booklet or to permit the distribution of this Offer Booklet or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted New Shares may sell, or offer to sell, such New Shares in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such New Shares.

The contents of this Offer Booklet have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Offer. If you are in doubt about any of the contents of this Offer Booklet, you should obtain independent professional advice.

If you (or any person for whom you are acquiring the New Shares) are in Hong Kong, you (and any such person) represent that you (and any such person) are a 'professional investor' (as defined under the SFO and any rules made thereunder).

British Virgin Islands

The New Shares may not be offered in the British Virgin Islands unless the Company or the person offering the New Shares on its behalf is licensed to carry on business in the British Virgin Islands. The Company is not licensed to carry on business in the British Virgin Islands. The New Shares may

be offered to existing Shareholders in the British Virgin Islands from outside the British Virgin Islands without restriction.

United States

This Offer Booklet, the accompanying Entitlement and Acceptance Form, and the accompanying ASX Announcements (including the Company's Investor Presentation included as part of this Offer Booklet) do not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. Neither this Offer Booklet nor the accompanying Entitlement and Acceptance Form may be distributed or released in the United States. None of the Entitlements or the New Shares offered under the Offer have been, or will be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Entitlements may not be issued to, or taken up or exercised by, and the New Shares may not be offered or sold directly or indirectly to, persons in the United States or persons who are acting for the account or benefit of a person in the United States (to the extent such person is acting for the account or benefit of such a person in the United States) unless they have been registered under the US Securities Act (which the Company has no obligation to do or to procure) or are offered or sold in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and any other applicable securities laws of any state or other jurisdiction of the United States.

The New Shares to be offered and sold in the Offer may only be offered and sold outside the United States in 'offshore transactions' (as defined in Rule 902(h) under the US Securities Act) in reliance on Regulation S under the US Securities Act.

Any non-compliance with these restrictions may contravene applicable securities laws.

6.13 Governing law

This Offer Booklet, the Offer and the contracts formed on acceptance of the Entitlement and Acceptance Forms are governed by the laws applicable in Queensland, Australia. Each applicant for New Shares submits to the non-exclusive jurisdiction of the courts of Queensland, Australia and courts competent to hear appeals from those courts.

6.14 Disclaimer or representations

No person is authorised to give any information, or to make any representation, in connection with the Offer that is not contained in this Offer Booklet.

Any information or representation that is not in this Offer Booklet may not be relied on as having been authorised by the Company, or its related bodies corporate, in connection with the Offer. Except as required by law, and only to the extent so required, none of the Company, nor any other person, warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Offer Booklet or its contents.

6.15 Withdrawal of the Offer

The Company reserves the right to withdraw all or part of the Offer at any time, subject to applicable laws, in which case the Company will refund Application Monies in relation to New Shares not already issued in accordance with the Corporations Act and without payment of interest.

To the fullest extent permitted by law, you agree that any Application Monies paid by you to the Company will not entitle you to receive any interest and that any interest earned in respect of Application Monies will belong to the Company.

6.16 Privacy

As a Shareholder, the Company and the Company's Share Registry have already collected certain personal information from you. If you apply for New Shares, the Company and the Company's Share Registry may update that personal information or collect additional personal information. Such information may be used to assess your acceptance of the New Shares, service your needs as a Shareholder, provide facilities and services that you request, and carry out appropriate administration.

To do that, the Company and the Company's Share Registry may disclose your personal information for purposes related to your shareholdings to their agents, contractors or third party service providers to whom they outsource services, in order to assess your application for New Shares, the Company's Share Registry for ongoing administration of the register, or to printers and mailing houses for the purposes of preparation of the distribution of Shareholder information and for handling of mail, or as otherwise permitted under the *Privacy Act 1988* (Cth).

If you do not provide us with your personal information, we may not be able to process your application. In most cases you can gain access to your personal information held by (or on behalf of) the Company or the Company's Share Registry. We aim to ensure that the personal information we retain about you is accurate, complete and up to date. To assist us with this, please contact us if any of the details you have provided change. If you have concerns about the completeness or accuracy of the information we have about you, we will take steps to correct it. You can request access to your personal information by telephoning or writing to the Company through the Company's Share Registry as follows:

Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
privacy.officer@linkgroup.com
Ph: +61 1800 502 355 (free call within Australia)

7. GLOSSARY

In this Offer Booklet, unless the context otherwise requires:

\$	means Australian dollars.
\$500 Parcel Holder	has the meaning given to that term in Section 1.1.
100,000 Holder	has the meaning given to that term in Section 1.1.
ABN	means Australian business number.
Application Monies	means application monies for New Shares received from an applicant.
ASIC	means the Australian Securities and Investments Commission.
ASX	means ASX Limited (ACN 008 624 691) and where the context permits, the market operated by it.
ASX Announcements	means the Company's ASX announcements included in Section 5, being the Company's announcement to ASX on 26 April 2023 and the Investor Presentation.
Board	means the board of Directors of the Company.
Company	means KGL Resources Limited (ACN 082 658 080).
CGT	means capital gains tax.
Closing Date	means the day the Offer closes, expected to be 5.00pm (Sydney time) on 18 May 2023.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Director	means a director of the Company.
Eligible Shareholder	has the meaning given to that term in Section 1.2.
Entitlement	means an Eligible Shareholder's entitlement to subscribe for New Shares.
Entitlement and Acceptance Form	means the personalised form that accompanies this Offer Booklet when despatched to Eligible Shareholders.
Ineligible Shareholder	means a Shareholder who is not an Eligible Shareholder.
Investor Presentation	means the Company's investor presentation released to ASX on 26 April 2023 and included in Section 5.
KMP	has the meaning given to that term in Section 1.1.
Marshall Plenty	has the meaning given to that term in Section 1.1.
New Share	means a Share to be allotted and issued under the Offer, including any shortfall from the Offer issued under the Top-Up Facility and any Shortfall Shares.
Offer	means the pro-rata traditional non-renounceable entitlement offer of 10 New Shares for every 27 Shares held at the Record Date at an Offer Price of \$0.12 per New Share.
Offer Booklet	means this document.
Offer Price	means \$0.12 per New Share.
Record Date	means 7.00pm (Sydney time) on 1 May 2023.
Section	means a section of this Offer Booklet.
Share	means a fully paid ordinary share in the capital of the Company.

Shareholder	means a registered holder of Shares.
Share Registry	means Link Market Services Limited (ACN 083 214 537).
Shortfall Shares	has the meaning given to that term in Section 3.9.
Sub 100,000 Holder	has the meaning given to that term in Section 1.1.
Take-Up	has the meaning given to that term in Section 1.4.
TERP	means theoretical ex-rights price.
TFN	means tax file number.
Top-Up Facility	has the meaning given to that term in Section 1.1.
US Securities Act	means the U.S. Securities Act of 1933.
Wood	has the meaning given to that term in Section 1.1.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

4 May 2023

Dear Shareholder,

10 for 27 pro-rata traditional non-renounceable entitlement offer of fully paid ordinary shares in the Company at an Offer Price of \$0.12 per New Share to raise gross proceeds of up to approximately \$20.2 million.

The Offer closes at 5.00pm (Sydney time) on 18 May 2023.

As announced on 26 April 2023 KGL Resources Limited (ASX: KGL) (“KGL” or “Company”) is undertaking a non-renounceable pro-rata offer of ten (10) new shares (“New Shares”) for every 27 (twenty-seven) shares held by a shareholder at 7.00pm (AEST) on the Record Date of 1 May 2023. New Shares will be calculated on the basis of an issue price of \$0.12 with the objective of raising \$20.2million (“Offer”). Eligible Shareholders will have the ability to apply for their entitlement plus an participate in the top-up facility rounded up to the nearest share.

A shareholder who has a registered address outside of Australia, New Zealand, Hong Kong and Singapore (“Ineligible Shareholder”) will not be able to participate in the offer.

Eligible shareholders can participate in the Top-Up Facility. Please refer to the Offer Booklet for Terms and Conditions.

If you are an Eligible Shareholder, to apply for your entitlement please visit the offer website at <https://events.miraqle.com/KGL-offer/> where you will find the Offer Booklet, application forms and further information.

KGL Resources Limited

ABN 52 082 658 080 / ACN 082 658 080

Level 5 167 Eagle Street,
Brisbane QLD 4000
Australia

T: +61 (0) 7 3071 9003
F: +61 (0) 7 3071 9008
info@kglresources.com.au

Offer Contact Information

Telephone: 1800 653 805
Email:
registrars@linkmarketservices.com.au
Website:
<https://events.miraqle.com/kgl-offer/>

[kglresources.com.au](https://events.miraqle.com/kgl-offer/)

If you have any queries concerning the Offer please contact your financial advisor or Link Market services at: registrars@linkmarketservices.com.au or telephone 1800 653 805.

Yours sincerely

Denis Wood
Executive Chairman

IMPORTANT NOTICE

Neither this communication, nor the Offer Booklet nor any other document relating to the Offer constitutes an offer to sell, or the solicitation of an offer to buy, any securities in the United States, and none of these documents may be distributed or released in the United States.

The Entitlements and the New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the **U.S. Securities Act**) or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be taken up by, and the New Shares may not be offered or sold, directly or indirectly, to, persons in the United States or to persons acting for the account or benefit of persons in the United States (to the extent such persons are acting for the account or benefit of persons in the United States), and may only be offered and sold outside the United States in “offshore transactions” (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act.

KGL Resources Limited

ABN 52 082 658 080 / ACN 082 658 080

Level 5 167 Eagle Street,
Brisbane QLD 4000
Australia

T: +61 (0) 7 3071 9003
F: +61 (0) 7 3071 9008
info@kglresources.com.au

Offer Contact Information

Telephone: 1800 653 805
Email:
registrars@linkmarketservices.com.au
Website:
<https://events.miraqle.com/kgl-offer/>

kglresources.com.au

IID:

SRN/HIN:

Entitlement Number:

**Number of Shares held as
at the Record Date, 7:00pm (AEST)
on 1 May 2023:**

**Entitlement to New Shares
(on a 10 New Shares for 27 basis):**

**Amount payable on full acceptance
at A\$0.12 per Share:**

Offer Closes 5:00pm (Sydney time):	18 May 2023
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ENTITLEMENT AND ACCEPTANCE FORM

You are entitled to acquire 10 New Shares for every 27 Existing Shares that you hold on the Record Date at an offer price of A\$0.12 per New Share and may also apply for additional New Shares above your entitlement at the same price per Share.

IMPORTANT: The Offer is being made under the Offer Booklet dated 4 May 2023. The Offer Booklet contains information about investing in the New Shares. Before applying for New Shares you should carefully read the Offer Booklet. The offer is not being made to investors located or resident outside of Australia or New Zealand.

HOW TO ACCEPT THE OFFER

STEP 1. Decide the number of New Shares you wish to apply for.

A Entitlement (all or part of your Entitlement shown above)	B Additional Shares applied for above your Entitlement	C Total number of New Shares applied for
<input type="text"/>	<input type="text"/>	<input type="text"/>

STEP 2. Calculate your Application Amount.

D Total number of Shares applied for (see C above)	E Issue Price	F Application Amount
<input type="text"/>	<input type="text" value="A\$0.12"/>	<input type="text"/>

For example: 250,000 Shares x A\$0.12 = A\$30,000.00

STEP 3. Pay your Application Amount **F** by BPAY®

Payment must be received via BPAY® before 5:00pm (Sydney time) on 18 May 2023. You should check the processing cut-off time for BPAY® transactions with your bank or financial institution to ensure your payment will be received by the Registry in time. By paying you will be deemed to have completed an application for as many Shares as the Application Amount received will pay for in full.



Biller Code: 395442
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
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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. To make payment using BPAY® you must contact your bank or financial institution to make payment from your Australian bank account.

If you are unable to make payment via BPAY® or you require further information on how to apply for Shares, then please call the KGL Resources Limited Offer Information Line on 1800 653 805 (within Australia) or +61 1800 653 805 (outside Australia) at any time between 8.30am and 5.30pm (AEST) Monday to Friday during the offer period.

