

## Quarterly Activities Report Period Ended 30 September 2024

### Highlights

#### Drilling Program

- Growing the high-grade copper resource and mine life at Jervois continues to be a key value driver for KGL, and a total of 22 diamond drill holes for 8,546m were completed during the September quarter.
- The Company has completed its program of deep drilling and is now moving on to a program of shallow RC drilling along the 12km Jervois J-fold strike length.

#### Mineral Resource Estimate (MRE) and Feasibility Study Update

- An update to the MRE for Reward, Bellbird and Rockface open cut and underground resources is being calculated alongside an update in the economic cutoff grades.
- The Feasibility Study Update continued to collate practical and commercial aspects of mine design and related support infrastructure.

#### Corporate

- During the quarter, KGL announced the appointment of senior mining executive, Mr. Philip Condon, as Chief Executive Officer. Mr Condon has extensive experience in the industry spanning more than 35 years across a wide range of commodities and countries.
- An Entitlement Offer raised a total of approximately \$8.08 million before costs. The applications include participation by KGL's major shareholder, KMP Investments Pte. Ltd, which contributed \$4.79 million
- Current cash & cash equivalent as at 30th September 2024 was \$9.99 million.

# ASX Announcement Quarterly Activities Report Period Ended 30 September 2024

## Drilling Program

Growing the high-grade copper resource and mine life at Jervois continues to be a key value driver for KGL, and a total of 22 diamond drill holes for 8,546m were completed during the September quarter.

This activity primarily focused on the Reward main underground and Reward Deeps lodes, with infill drilling aimed at upgrading the underground resource classification from Inferred to Indicated, and as part of an effort to extend resources. This campaign completed 12 full holes (Fig 1). An additional incomplete hole (KJD641) was also drilled (designated as a parent hole only).

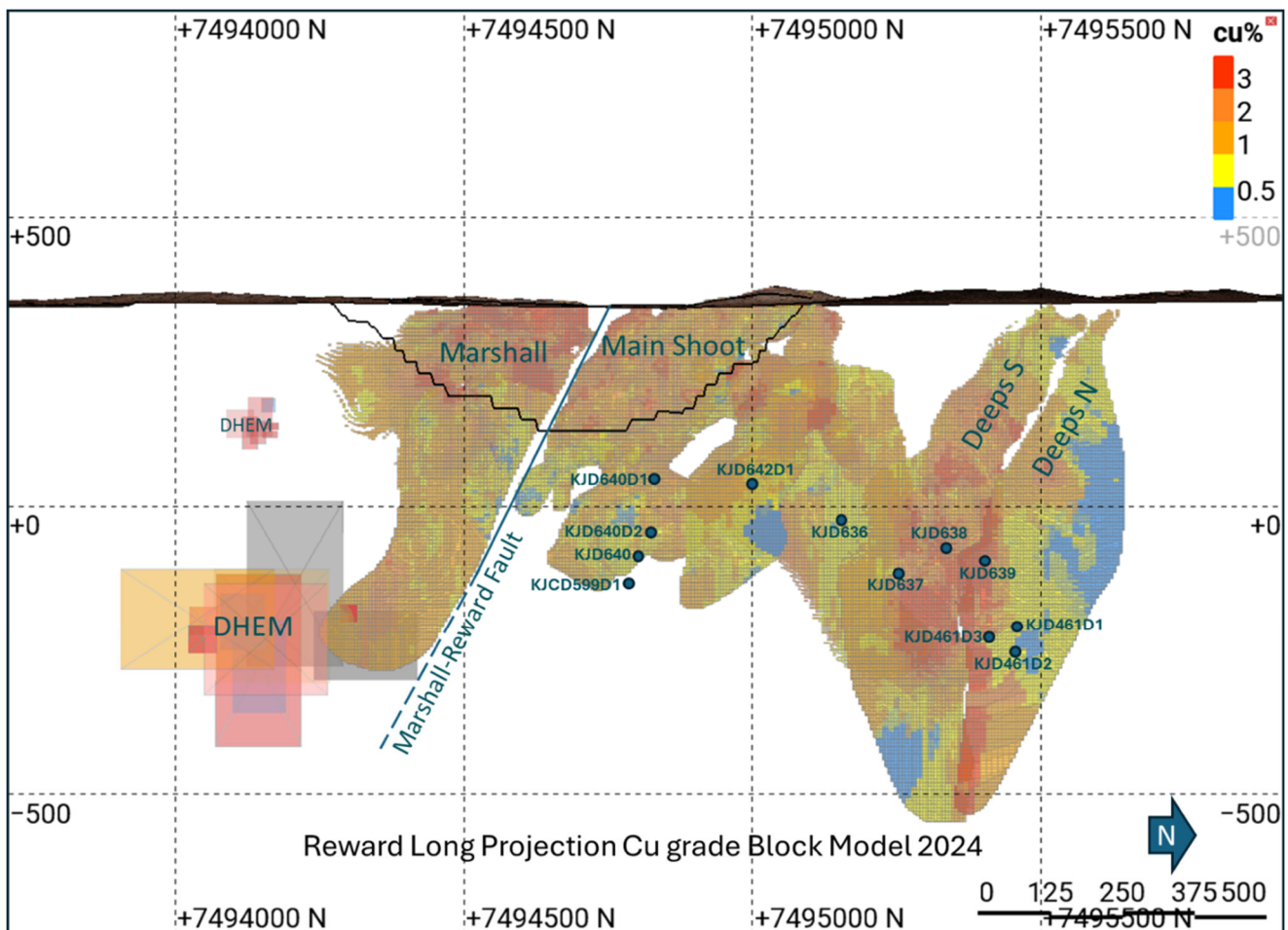


Figure 1: Copper grade block model for Reward showing recent drilling activity

In addition, at Rockface a deep hole KJD627D2 was completed 45 metres below the previously deepest hole, and 70 meters below the lower boundary of the current resource.

Simultaneously, shallow drilling continued along the J-Fold strike, exploring for further open-pit options. As part of this effort, 8 shallow holes were completed during the September quarter, including 3 holes at Reward East, 3 at Cox's Find, and 2 at George's Hill.

# ASX Announcement Quarterly Activities Report Period Ended 30 September 2024

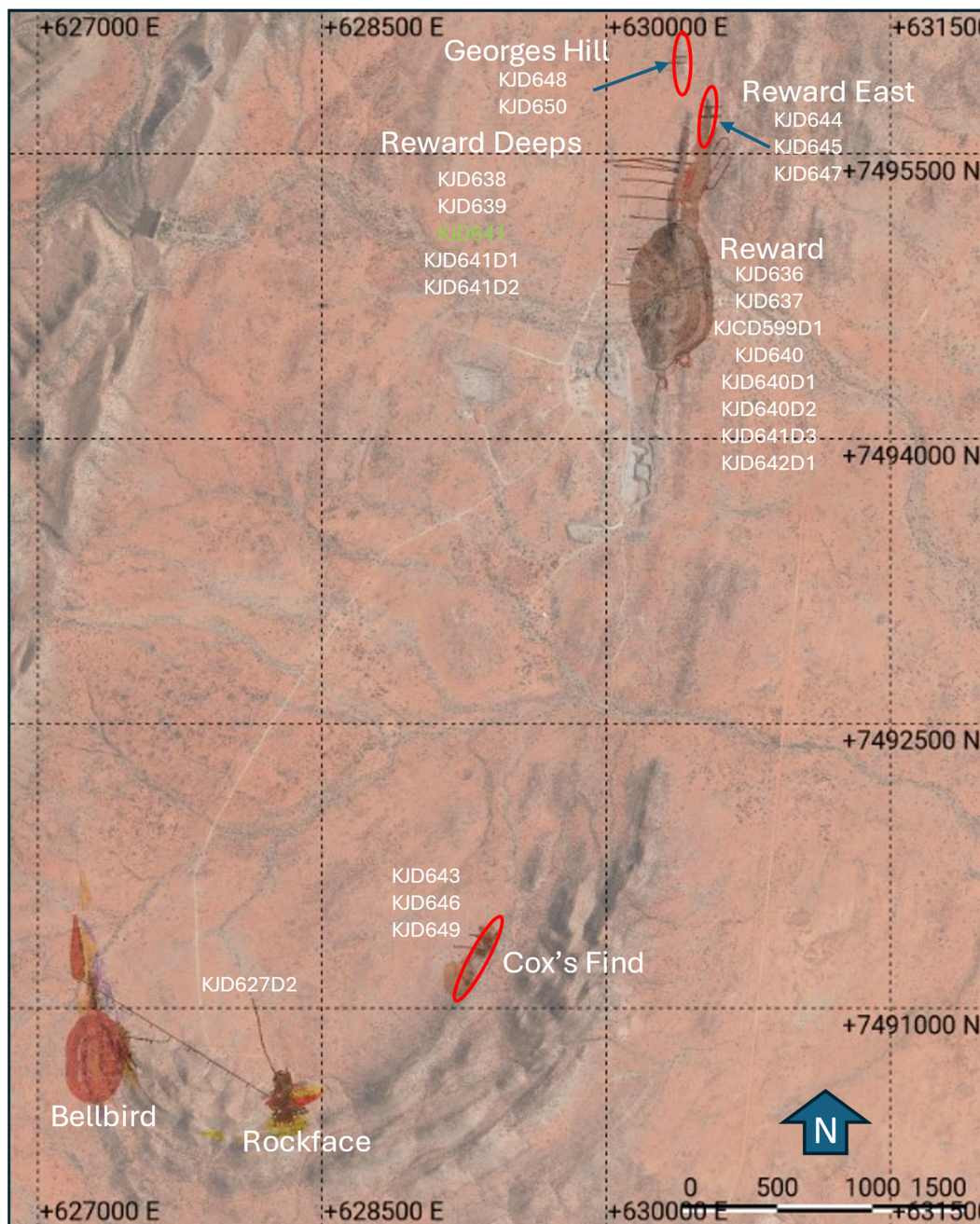


Figure 2: Summary of September quarter drilling, including near-surface targets on the J-Fold strike

Assay results are still pending for these holes and will be released when complete. The results will then be incorporated into the upcoming resource update for both the Rockface and Reward deposits. KGL's drilling program will continue to target near-mine extensions near surface, and along strike for Reward and Rockface, which hold the potential to add substantial value for shareholders.

A review of the exploration program for the remainder of 2024 and into 2025 is currently underway and due for release in November 2024.

The company announced further high-grade assays on the 3<sup>rd</sup> July, 6<sup>th</sup> July and 29<sup>th</sup> July, which were reported in the June 2024 quarterly activities report.

# ASX Announcement

## Quarterly Activities Report

### Period Ended 30 September 2024

#### Updated Reward MRE / Increase in JORC Measured Resource

It is expected that an updated Resource will be released in November 2024 for Reward, Bellbird and Rockface open cut and underground resources, which will incorporate drilling results received since the current MRE, as well as a review of the economic cutoff grades given updated commodity price projections.

The cutoff grade assessment includes an equivalent copper value, accounting for silver and gold credits, attributable for modelled resource blocks.

#### Feasibility Study Update

The Feasibility Study Update continued to collate practical and commercial aspects of mine design and related support infrastructure based on an updated MRE. Aspects of previous designs were made current and previous cost estimates continued to be brought up to date.

Open pit and underground mine designs were completed based on the latest MRE. A costed mining schedule was provided by an independent contractor based on these designs via completion of several iterations targeting the best value for the project, utilizing larger mining equipment, mining better ore grades early, maintaining fleet efficiencies between Reward Open Pit and Bellbird Open Pit, and optimizing mill feed for the 2.0Mtpa plant.

Underground mine designs for Rockface, Bellbird, Marshall and Reward were also costed by an independent contractor, and underground dewatering and mine ventilation system designs were completed based on the mine design and work schedules.

Civil works designs, including an airstrip and a more mature tailings dam design, were provided to several contractors to base construction cost estimates upon. Contractors also validated personnel requirements, water, and fuel use estimates. Costs provided contribute to the project capital estimate.

Power station provisional design was completed, maintaining a hybrid format including a large solar array, wind turbines, battery energy storage, as well as thermal base load capacity. Power station capacity is based on the project ramp up including increased capacity of the processing facility and the latest mine designs.

Support infrastructure designs were rationalized against updated personnel estimates, mining fleet unit size and the mining schedule. A specialist contractor was engaged to provide a cost estimate for the supply and installation of the groundwater supply system.

Cost estimates received for the groundwater supply, accommodation facility, camp services, power and water reticulation all contribute to capital and operations cost estimate.

A comprehensive construction master schedule was developed based around individual scope schedules provided by contractors and other providers. The master schedule critical path centers on supply, installation, and commissioning of the processing facility comminution circuit.

Concentrate haulage strategy between site and Mt Isa was re-examined by specialist logistical contractors. Haulage requirements resulting from the larger processing facility will contribute to the operating cost estimate.

The exact timing of the finalisation of the feasibility study update release will be determined on review of the updated Resource Report. When it is practically complete, an ITE will be engaged to review the overall project plan and life of mine development.

# ASX Announcement

## Quarterly Activities Report

### Period Ended 30 September 2024

#### Corporate

During the quarter, KGL announced the appointment of senior mining executive, Mr. Philip Condon, as Chief Executive Officer. Mr Condon has extensive experience in the industry spanning more than 35 years across a wide range of commodities and countries.

Specifically, Phil has a deep knowledge of the copper industry having worked at the CSA Cobar mine, Freeport's Grasberg copper mine in West Papua and Mawarid Mining company's copper project in Oman where he led completion of construction, commissioning of concentrator, production ramp up, consolidation of overall operations, the exploration program and the 50% mill capacity upgrade project.

Mr Condon holds a Bachelor of Engineering (Mech) (Hons), a master's in business administration and is a member of both Australian Institute of Mining and Metallurgy and the Australian Institute of Company Directors. As a Managing Director, a CEO and non-executive director, Phil has managed publicly listed corporations on the ASX and the TSX-V as well as a number of privately held companies at various stages of development from foundation, listing through to operations. Phil is known for his underground operational knowledge, something that will be invaluable in the development of Jervois.

Additionally, the Board is seeking another non-executive director, which, along with Phil's appointment, will underpin and strengthen delivery of the Company's future plans.

On 8 July 2024, KGL Resources Limited (KGL or the Company) announced a 4 for 15 pro-rata traditional non-renounceable entitlement offer of new fully paid ordinary shares in KGL (New Shares) at an offer price of \$0.10 per New Share to raise up to approximately \$15.1 million (Entitlement Offer).

The Entitlement Offer raised a total of approximately \$8.08 million before costs, including New Shares applied for under the top-up facility, representing a total take-up rate of approximately 54%. KGL received valid applications under the Entitlement Offer for approximately 80,821,185 (New Shares). The applications include participation by KGL's major shareholder, KMP Investments Pte. Ltd which contributed \$4.79 million.

Current cash and cash equivalent as at 30 September 2024 was \$9.99 million.

#### Copper Market Commentary

Independent analysts continue to forecast growing supply deficits which are predicted to widen over the next decade as a result of the lack of new discoveries, falling grades at existing mines and new mines approvals continuing to be challenging and slow.

As the clean energy transition accelerates, copper will continue to be in strong demand. Most nations have committed to Net-Zero Emissions targets. CO<sub>2</sub> emissions need to fall by about 45% from 2010 levels by 2030 to reach net zero by 2050 requiring significant investments in renewables, grid upgrades and electric vehicles.

New technologies will also drive demand. Major Tech Companies are expected to invest \$1 trillion in data centres over the next 5 years. AI data centre racks could require 7x more power than traditional data centre racks. Cumulative new copper demand is forecasted at 5 MT from data centres, equivalent to 3% of 2030 forecasted global demand.<sup>1</sup>

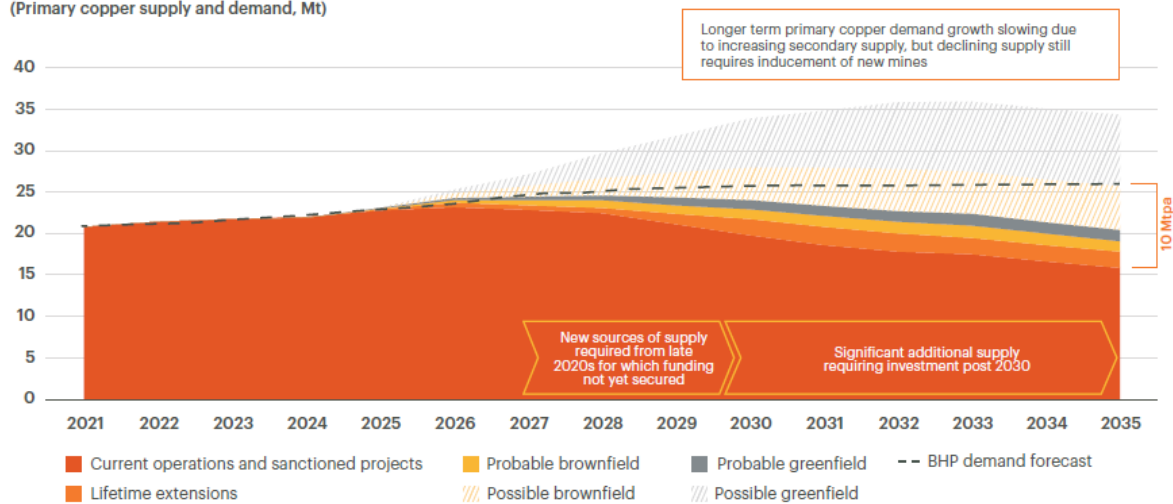
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<sup>1</sup> <https://sprottets.com/media/6112/setm-investor-presentation.pdf>

# ASX Announcement Quarterly Activities Report Period Ended 30 September 2024

## Significant investment required

(Primary copper supply and demand, Mt)



Source: Supply—Wood Mackenzie (Q2 2024); Demand—BHP analysis.

Note: Wood Mackenzie mine volumes adjusted for forecast disruption and smelting/refining losses. Lifetime extensions are BHP's assessment of current supply that will require significant "expansion capex" to maintain production levels (normally counted in Wood Mackenzie's Current Operations). Probable projects are those that are not considered sufficiently imminent and advanced to include in the base case. Possible projects have more significant risks associated with their development, resulting in longer lead times.

*Figure 3: Significant copper deficits forecast for the coming decade*

Although demand for renewables, grid upgrades and electric cars continues to rise, new mines are becoming ever harder to build. BHP expects global copper demand to grow by around 70% from 30.4 Mtpa (2021) to over 50 Mtpa by 2050. BHP expects global copper demand to grow by 2.6% per annum to 2035 or 1M metric tons per year as supply faces complex challenges with a primary copper production supply gap of 10 Mt by 2035.

BHP concludes that, despite technological advancements and increased copper recycling, it will be difficult for supply to meet the strong demand signals, potentially leading to further copper price increases and supply shortages.

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

# ASX Announcement

## Quarterly Activities Report

### Period Ended 30 June 2024

## Tenements

| Tenement Number | Location                                 | Beneficial Holding |
|-----------------|--|--------------------|
| <b>ML 30180</b> | Jervois Project, Northern Territory      | 100%               |
| <b>ML 30182</b> | Jervois Project, Northern Territory      | 100%               |
| <b>ML 30829</b> | Jervois Project, Northern Territory      | 100%               |
| <b>EL 25429</b> | Jervois Project, Northern Territory      | 100%               |
| <b>EL 30242</b> | Mt Cornish, Northern Territory           | 100%               |
| <b>EL 28340</b> | Yambah, Northern Territory               | 100%               |
| <b>EL 28271</b> | Yambah, Northern Territory               | 100%               |
| <b>EL 28082</b> | Unca Creek, Northern Territory           | 100%               |
| <b>ML 32277</b> | Lucy Creek Borefield, Northern Territory | 100%               |

| Mining Tenements Acquired/Granted and Disposed during the quarter* | Location | Beneficial Holding |
|--|----------|--------------------|
| <b>Nil</b>   |          |                    |

| Tenements subject to farm-in or farm-out agreements | Location | Beneficial Holding |
|---|----------|--------------------|
| <b>Nil</b>  |          |                    |

| Tenements subject to farm-in or farm-out agreements acquired or disposed of during the quarter | Location | Beneficial Holding |
|--|----------|--------------------|
| <b>Nil</b>   |          |                    |

## Related Party Payments

**As reported in the quarterly cash flow report part 6.1, amounts paid to related parties of \$36k consist of directors' fees and expenses for the quarter.**

# ASX Announcement Quarterly Activities Report Period Ended 30 June 2024



## Forward Looking statements

- This presentation includes certain forward-looking statements. The words “forecast”, “estimate”, “like”, “anticipate”, “project”, “opinion”, “should”, “could”, “may”, “target” and other similar expressions are intended to identify forward looking statements. All statements, other than statements of historical fact, included herein, including without limitation, statements regarding forecast cash flows and potential mineralisation, resources and reserves, exploration results and future expansion plans and development objectives of KGL are forward-looking statements that involve various risks and uncertainties. Although every effort has been made to verify such forward-looking statements, there can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. You should therefore not place undue reliance on such forward-looking statements.
- Statements regarding plans with respect to the Company’s mineral properties may contain forward looking statements. Statements in relation to future matters can only be made where the Company **has a reasonable** basis for making those statements.

## Competent Person Statement

The Reward Resource information was first released to the market on 23/05/2024 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.



## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

KGL Resources Limited

ABN

52 082 658 080

Quarter ended ("current quarter")

30 September 2024

| <b>Consolidated statement of cash flows</b>               | <b>Current quarter<br/>\$A'000</b> | <b>Year to date<br/>(3 months)<br/>\$A'000</b> |
|---|------------------------------------|--|
| <b>1. Cash flows from operating activities</b>            |                                    |  |
| 1.1 Receipts from customers – GST receipts                | 357                                | 357  |
| 1.2 Payments for  |                                    |  |
| (a) exploration & evaluation                              | -                                  | -  |
| (b) development   | -                                  | -  |
| (c) production  | -                                  | -  |
| (d) staff costs   | (329)                              | (329)  |
| (e) administration and corporate costs                    | (711)                              | (711)  |
| 1.3 Dividends received (see note 3)                       | -                                  | -  |
| 1.4 Interest received                                     | 81                                 | 81   |
| 1.5 Interest and other costs of finance paid              | -                                  | -  |
| 1.6 Income taxes paid                                     | -                                  | -  |
| 1.7 Other   | -                                  | -  |
| 1.8 Other (provide details if material)                   | -                                  | -  |
| <b>1.9 Net cash from / (used in) operating activities</b> | <b>(602)</b>                       | <b>(602)</b>                                   |
| <b>2. Cash flows from investing activities</b>            |                                    |  |
| 2.1 Payments to acquire or for:                           |                                    |  |
| (a) entities  | -                                  | -  |
| (b) tenements   | -                                  | -  |
| (c) property, plant and equipment                         | (17)                               | (17)   |
| (d) exploration & evaluation                              | (3,644)                            | (3,644)  |
| (e) investments   | -                                  | -  |
| (f) other non-current assets                              | -                                  | -  |

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| Consolidated statement of cash flows |   | Current quarter<br>\$A'000 | Year to date<br>(3 months)<br>\$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| 2.2                                  | Proceeds from the disposal of:                        |                            |                                       |
|                                      | (a) entities  | -                          | -                                     |
|                                      | (b) tenements   | -                          | -                                     |
|                                      | (c) property, plant and equipment                     | -                          | -                                     |
|                                      | (d) investments                                       | -                          | -                                     |
|                                      | (e) other non-current assets                          | -                          | -                                     |
| 2.3                                  | Cash flows from loans to other entities               | -                          | -                                     |
| 2.4                                  | Dividends received (see note 3)                       | -                          | -                                     |
| 2.5                                  | Other – payment of security deposits                  | -                          | -                                     |
| <b>2.6</b>                           | <b>Net cash from / (used in) investing activities</b> | <b>(3,661)</b>             | <b>(3,661)</b>                        |

|             |   |              |              |
|-------------|---|--------------|--------------|
| <b>3.</b>   | <b>Cash flows from financing activities</b>   |              |              |
| 3.1         | Proceeds from issues of equity securities (excluding convertible debt securities)       | 8,082        | 8,082        |
| 3.2         | Proceeds from issue of convertible debt securities                                      | -            | -            |
| 3.3         | Proceeds from exercise of options   | -            | -            |
| 3.4         | Transaction costs related to issues of equity securities or convertible debt securities | (100)        | (100)        |
| 3.5         | Proceeds from borrowings  | -            | -            |
| 3.6         | Repayment of borrowings   | (198)        | (198)        |
| 3.7         | Transaction costs related to loans and borrowings – lease interest                      | (7)          | (7)          |
| 3.8         | Dividends paid  | -            | -            |
| 3.9         | Other (provide details if material)   | -            | -            |
| <b>3.10</b> | <b>Net cash from / (used in) financing activities</b>                                   | <b>7,777</b> | <b>7,777</b> |

|           |  |         |         |
|-----------|--|---------|---------|
| <b>4.</b> | <b>Net increase / (decrease) in cash and cash equivalents for the period</b> |         |         |
| 4.1       | Cash and cash equivalents at beginning of period                             | 6,479   | 6,479   |
| 4.2       | Net cash from / (used in) operating activities (item 1.9 above)              | (602)   | (602)   |
| 4.3       | Net cash from / (used in) investing activities (item 2.6 above)              | (3,661) | (3,661) |
| 4.4       | Net cash from / (used in) financing activities (item 3.10 above)             | 7,777   | 7,777   |

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| <b>Consolidated statement of cash flows</b> |   | <b>Current quarter<br/>\$A'000</b> | <b>Year to date<br/>(3 months)<br/>\$A'000</b> |
|---|---|------------------------------------|--|
| 4.5   | Effect of movement in exchange rates on cash held | -                                  | -  |
| <b>4.6</b>                                  | <b>Cash and cash equivalents at end of period</b> | <b>9,993</b>                       | <b>9,993</b>                                   |

| <b>5.</b>  | <b>Reconciliation of cash and cash equivalents</b><br>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | <b>Current quarter<br/>\$A'000</b> | <b>Previous quarter<br/>\$A'000</b> |
|------------|---|------------------------------------|-------------------------------------|
| 5.1        | Bank balances   | 3,343                              | 2,329                               |
| 5.2        | Call deposits   | 6,501                              | 4,001                               |
| 5.3        | Bank overdrafts   | -                                  | -                                   |
| 5.4        | Other (security deposit)  | 149                                | 149                                 |
| <b>5.5</b> | <b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>  | <b>9,993</b>                       | <b>6,479</b>                        |

| <b>6.</b> | <b>Payments to related parties of the entity and their associates</b>                   | <b>Current quarter<br/>\$A'000</b> |
|-----------|---|------------------------------------|
| 6.1       | Aggregate amount of payments to related parties and their associates included in item 1 | 36                                 |
| 6.2       | Aggregate amount of payments to related parties and their associates included in item 2 | -                                  |

*Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.*

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| <b>7. Financing facilities</b>  | <b>Total facility amount at quarter end \$A'000</b> | <b>Amount drawn at quarter end \$A'000</b> |
|---|---|--|
| <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>  |   |  |
| <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>   |   |  |
| 7.1 Loan facilities   | -   | -  |
| 7.2 Credit standby arrangements   | -   | -  |
| 7.3 Other (please specify)  | -   | -  |
| <b>7.4 Total financing facilities</b>   | -   | -  |
| <b>7.5 Unused financing facilities available at quarter end</b>   |   | -  |
| 7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. |   |  |
| N/A   |   |  |

| <b>8. Estimated cash available for future operating activities</b>  | <b>\$A'000</b> |
|---|----------------|
| 8.1 Net cash from / (used in) operating activities (item 1.9)   | (602)          |
| 8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))  | (3,644)        |
| 8.3 Total relevant outgoings (item 8.1 + item 8.2)  | (4,246)        |
| 8.4 Cash and cash equivalents at quarter end (item 4.6)   | 9,993          |
| 8.5 Unused finance facilities available at quarter end (item 7.5)   | -              |
| 8.6 Total available funding (item 8.4 + item 8.5)   | 9,993          |
| <b>8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>   | <b>2.35</b>    |
| <i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i> |                |
| 8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:   |                |
| 8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?   |                |
| Answer:   |                |
| 8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?              |                |
| Answer:   |                |
| 8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?   |                |
| Answer:   |                |
| <i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>  |                |

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30<sup>th</sup> October 2024.....

Authorised by: Kylie Anderson on behalf of the Board

(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg *Audit and Risk Committee*]. If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its Managing Director and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.