KGL RESOURCES LIMITED
AND ITS CONTROLLED ENTITIES
ABN 52 082 658 080

FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

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DIRECTORS' REPORT

The directors of KGL Resources Limited present their report on the consolidated entity consisting of KGL Resources Limited (**KGL**, **Company**) and the entities it controlled for the half-year ended 31 December 2024 (**Group**).

DIRECTORS

The names of the directors who held office during the half-year and up to the date of this report were:

DIRECTOR	POSITION HELD
Mr J. Gerard	Executive Chairman appointed 21 January 2025
Mr F. Purnamasidi	Non-executive director
Mr B. Gell	Independent non-executive director

PRINCIPAL ACTIVITY

The principal continuing activity of the Group during the half-year period was the exploration and development of the Jervois Project (**Project**) in the Northern Territory.

REVIEW OF OPERATIONS

OVERVIEW

During the half-year to 31 December 2024, the Company continued to progress the Jervois Project (Project) with the primary focus of the Company on completing major work programs to support delivery of the Feasibility Study Update (FSU25). The results of FSU25 were announced subsequent to the half-year end on 10th February 2025.

Major work programs progressed during the period included:

- A successful resource drilling campaign to enhance mineral resource categorisation and to expand the Group's mine plans with a focus on the Reward and Rockface deposits.
- Ongoing work on optimisation studies to improve key value drivers and financing options for the Project.
- Ongoing discussions and negotiations with key contractors and each level of government and the local community to ensure we can deliver a cost competitive project, on time.
- Progress on completing the Feasibility Study Update.
- Preparation for the Independent Technical Review (ITR) of the Project.

DRILLING RESULTS

The goal of the 2024 drilling program was to increase confidence in the Resource Model, extend the project life at Rockface, Reward Deeps and Marshall and support completion of the Feasibility Study Update.

The 2024 drilling program has been centred around five specific target areas:

- Reward-Marshall Lode shallow to intermediate resource infill drilling.
- Reward Main Lode shallow to intermediate resource infill drilling.
- Reward Main underground and Reward Deeps resource infill drilling and depth extensions.
- Rockface depth extensions.
- Rockface shallow to intermediate resource infill drilling.

During the half-year, the company completed the drilling program to support the updated Mineral Resource Estimate and mine plan for the Feasibility Study Update.

REWARD

The purpose of the infill drilling conducted within and around the intended Reward open pit was to increase the confidence in the mineral resource estimate to deliver a more robust mine plan and mineral resource to ore reserve conversion. Infill drilling for the Reward open pit was aimed at improving categorisation from Indicated to Measured resource status as well as facilitating the conversion of inferred resources to indicated categories. The findings from infill drilling at Reward are largely consistent with the current mineral resource model and have been a key driver in the Group's decision to review options for prioritising mining of the Reward deposit and the potential to increase the size of the Reward open pit.

During the first half, KGL announced the results of the drilling program at Reward (ASX Announcement dated 3rd July 2024) which included significant intersections of high-grade copper within the Upper Marshall and Reward Main lodes within the planned open pit.

- KJD628: 4.15 m @ 5.04% Cu, 129.06 g/t Ag, 0.41 g/t Au from 15.38 m
  Including 1.82 m @ 8.16% Cu, 251.14 g/t Ag, 0.56 g/t Au
- KJD625: 4.41 m @ 6.40% Cu, 74.79 g/t Ag, 0.33 g/t Au from 15.00 m
  Including 1.32 m @ 11.06% Cu, 153.37 g/t Ag, 0.52 g/t Au
- KJD629: 1.39 m @ 4.29% Cu, 19.05 g/t Ag, 2.93 g/t Au from 10.20 m
  And 5.33 m @ 2.44% Cu, 17.10 g/t Ag, 0.71 g/t Au from 17.00 m
  Including 1.79 m @ 5.05% Cu, 18.09 g/t Ag, 1.26 g/t Au
- KJD631: 3.55 m @ 3.55% Cu, 36.79 g/t Ag, 0.49 g/t Au from 82.00 m
  Including 0.75 m @ 7.30% Cu, 55.20 g/t Ag, 0.31 g/t Au
  And 3.17 m @ 2.11% Cu, 21.77 g/t Ag, 0.61 g/t Au from 87.63 m
  Including 0.76 m @ 5.79% Cu, 43.70 g/t Ag, 1.04 g/t Au

The five holes reported from Reward were targeted at the gaps in drilling where the 2024 mineral resource estimate classified blocks as Indicated category at the edges of the Measured category zone in the proposed open pit.

Drilling at the Reward Main underground and Reward Deeps lodes was focused on infill drilling with the goal of upgrading the underground resource classification from Inferred to Indicated, and as part of an effort to extend resources.

All 10 holes drilled at Reward Main underground intersected zones of mineralisation consistent with the resource model. Additionally, their extension encountered further mineralisation in line with the Reward East Lodes, significantly extending the Reward East mineralisation further south than previously modelled.

In the ASX Announcement dated 4th November 2024, assay results were announced at Reward Deeps with holes KJD637 and KJD638 intersecting a wide zone of copper mineralisation at Reward Deeps South lode, while hole KJD639 intersected a massive sulphide zone at Reward Deeps North lode:

- KJD637[1]: 18.90 m @ 1.99% Cu[2], 17.43 g/t Ag, 0.32 g/t Au from 527.00 m (Deeps South)
- KJD638: 8.79m @ 2.57% Cu, 36.25 g/t Ag, 0.77 g/t Au from 506.00 m (Deeps South)
- KJD639: 6.28m @ 4.05% Cu, 44.22 g/t Ag, 0.42 g/t Au from 570.55 (Deeps North)

[1] All intervals in this report are estimated true thicknesses unless otherwise specified.
[2] A cutoff grade of 0.8% copper applied to all intersections unless otherwise specified.

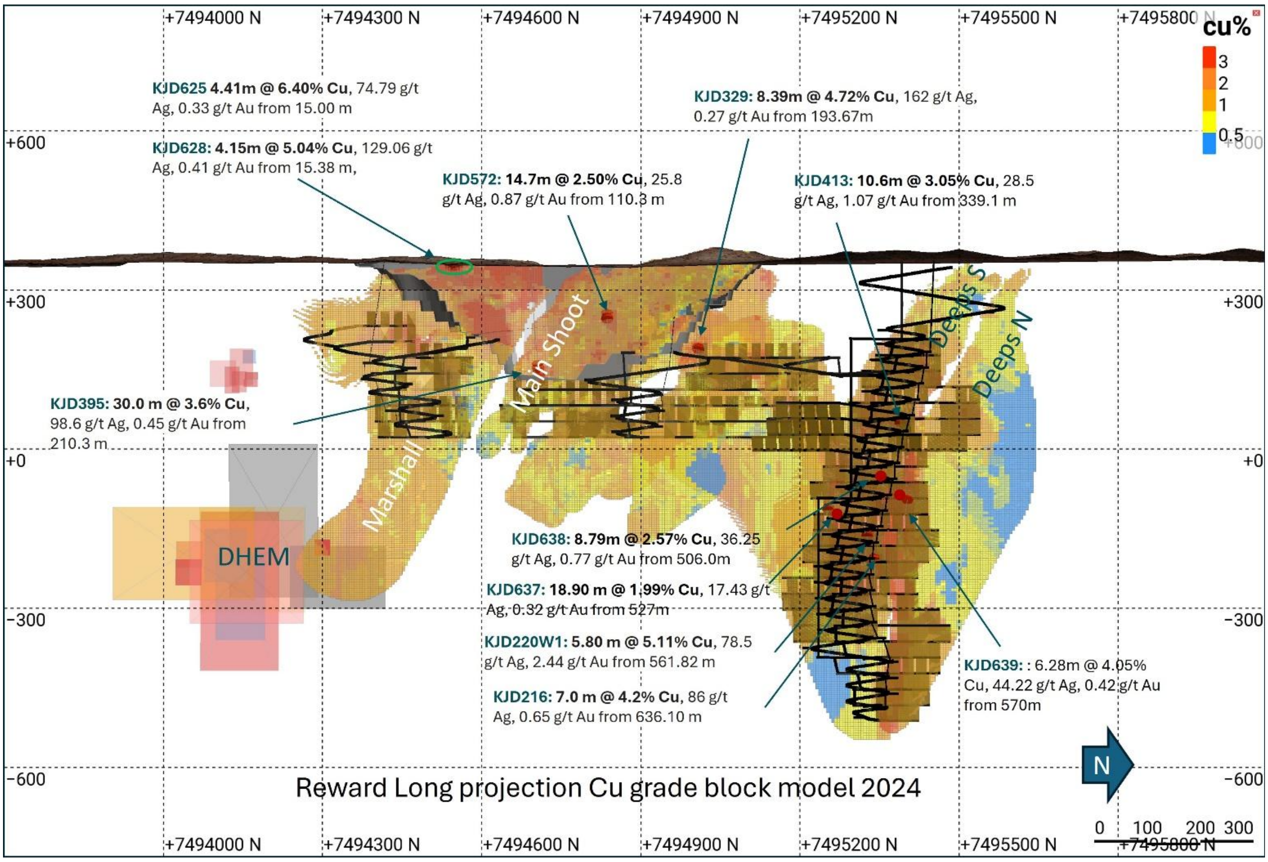


Figure 1. Long projection of Reward deposit showing locations of reported drill hole intersections. 2024 resource block model blocks shown coloured by copper grade. Proposed reward open pit outline 2024. The DHEM conductor plates modelled at Marshall Deeps. Reward East Lodes have been filtered out, which are parallel to Deeps upper part.

At Reward Main underground, strong copper intersections confirm the Reward Main Shoot's extension at depth, with holes KJD640, KJD640D1 and KJD640D2 intersecting a broad zone of copper mineralisation:

- KJD640: 1.76 m @ 1.53% Cu, 7.02 g/t Ag, 0.12 g/t Au from 454.84 m (Main Shoot) and
- 3.17 m @ 2.17% Cu, 10.43 g/t Ag, 0.23 g/t Au from 477.00 m
- KJD640D1: 6.33 m @ 0.89% Cu, 6.15 g/t Ag, 0.14 g/t Au from 362.70 m (Main Shoot)
- KJD640D2: 8.21 m @ 1.68% Cu, 7.47 g/t Ag, 0.18 g/t Au from 443.00 m (Main Shoot)

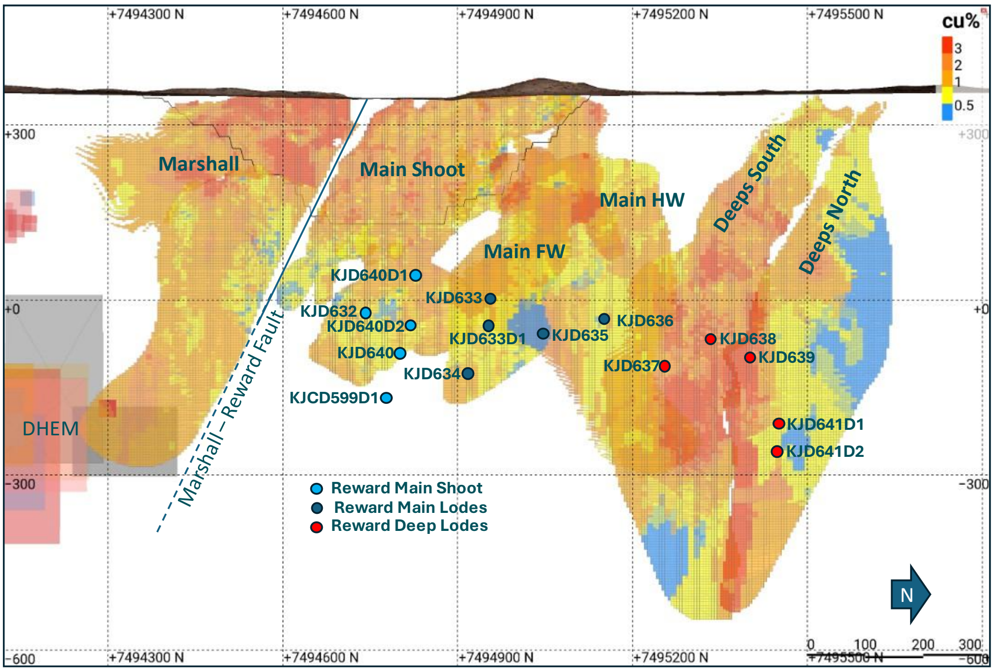


Figure 2. Long projection of Reward deposit showing locations of reported drill hole intersections. 2024 resource block model blocks shown coloured by copper grade. Proposed reward open pit outline 2024. The DHEM conductor plates modelled at Marshall Deeps. Reward East Lodes have been filtered out, which are parallel to Deeps upper part.

ROCKFACE

During the first half, KGL announced strong high-grade copper and gold intersections at Rockface Deeps (North Lode) below the 2022 resource model including some of the highest polymetallic grades achieved at Jervois with a DHEM conductor modelled from the deepest hole at Rockface (KJCD575W1) confirming the deposit is open at depth (ASX Announcements dated 5 July 2024, 29 July 2024 and 4 November 2024).

Holes KJD626 and KJD627 were targeted primarily at gaps in Rockface North Lode to increase geological confidence and fill the gaps in the mineral resource model.

Hole KJD626 was targeted at the centre of North Lode and extended further through to Main Lode. A thick zone of high-grade copper mineralisation was intersected at the North Lode position and three thin zones of mineralisation corresponded to the Main Lode, separated by low grade (<1% Cu). Best results from the hole were:

- 5.42 m @ 1.89% Cu, 17.27 g/t Ag, 0.27 g/t Au from 797.57 m (RF North) Including

  0.72 m @ 3.72% Cu, 33.40 g/t Ag, 0.29 g/t Au
- 0.75 m @ 1.11% Cu, 8.90 g/t Ag, 0.14 g/t Au from 889.12 m (RF Main) and
- 0.64 m @ 3.46% Cu, 19.10 g/t Ag, 0.21 g/t Au from 891.60 m
- 0.75 m @ 1.95% Cu, 10.20 g/t Ag, 0.05 g/t Au from 894.00 m

Hole KJD627 was targeted at a gap in the western margin of North Lode, 64 m below Hole KJCD481D6, and intersected a thin faulted sulphide vein, containing the copper mineral bornite (Cu_5FeS_4). Another thin sulphide vein intersected in the footwall, containing copper mineral chalcopyrite ($CuFeS_2$). The assay results from the two intersections were:

- 1.42 m @ 19.87% Cu, 286.00 g/t Ag, 1.07 g/t Au from 919.27 m
- 0.99 m @ 1.39% Cu, 23.80 g/t Ag, 0.07 g/t Au from 927.5 m

Drill hole KJD627D1 was targeted at the midpoint between previous intersections (KJCD556 & KJCD556D4) to confirm the lateral continuity of high-grade copper mineralisation below the bottom margin of the Rockface north resource model. It intersected a massive sulphide-magnetite brecciated vein, containing significant chalcopyrite, sphalerite and galena. The intersection is located to the north of the current resource model.

The best assay results were:

- 5.08 m @ 6.74% Cu, 330.63 g/t Ag, 5.36 g/t Au, 18.41% Zn, 8.42% Pb From 1013.05 m (HW) including 3.66m @ 8.72% Cu, 454.72 g/t Ag, 0.83 g/t Au, 25.06% Zn, 11.60% Pb
- 0.66 m @1.59% Cu, 11.90 g/t Ag, 0.09 g/t Au From 1020.37m (HW)
- 0.80 m @ 1.21% Cu, 6.50 g/t Ag, 0.08 g/t Au From1028.00 m (FW) and
- 0.80 m @ 1.02% Cu, 5.30 g/t Ag, 0.16 g/t Au From 1033.00 m
- 1.28 m @ 2.67% Cu, 13.04 g/t Ag, 0.40 g/t Au From 1043.53 m (Rockface Main Lode strike).

Infill drilling holes KJD227D1 & KJD227D2 intersected high-grade mineralisation at the center of Rockface North Lodes:

- KJD227D1[3]: 4.16 m @ 2.17% Cu, 23.08 g/t Ag, 0.19 g/t Au from 711.82 m
- KJD227D2: 4.14 m @ 6.14 % Cu, 48.26 g/t Ag, 0.48 g/t Au from 737.30 m

Drill hole KJD627D2, the final hole in the Rockface drilling program, intersected the Rockface North lodes 70 meters below the current resource model, encountering narrow zones of mineralisation. Although the intersection was not substantial, it aligns with the orebody's pinch-and-swell structure, and sulphide hosted in brecciated magnetite and quartz veins, confirming the extension at greater depth. The intersection confirmed the DHEM conductor indicating that the Rockface North Lodes remain open at depth.

- KJD627D2:

  0.75 m @ 1.17% Cu, 10.80 g/t Ag, 0.26g/t Au from 1086.02m and

  1.36 m @ 1.86 % Cu, 7.12 g/t Ag, 0.29 g/t Au from 1096.29m.

[3] All intervals in this report are estimated true thicknesses unless otherwise specified.

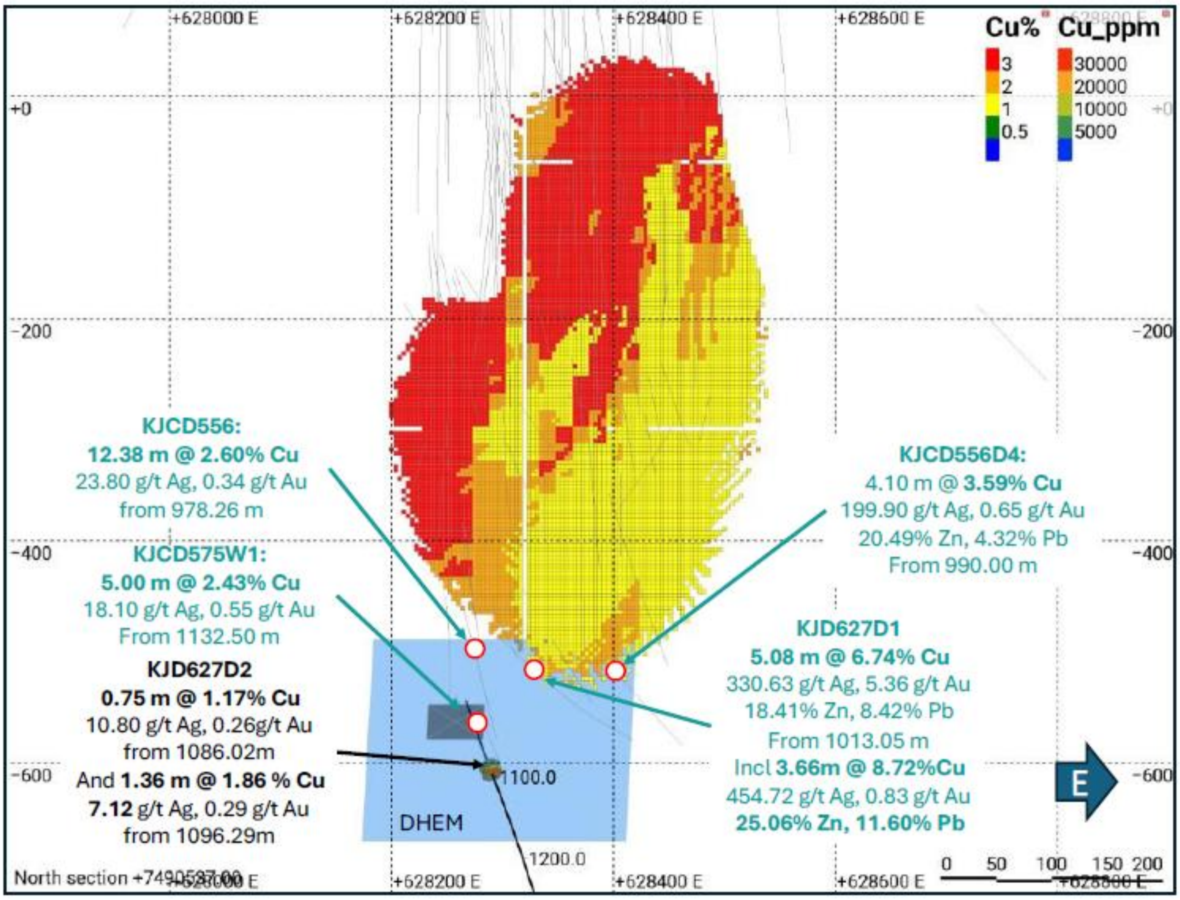


Figure 3. Long section through Rockface North Lodes (7490527.00 mN), copper grade >0.8%. 2024 resource block model blocks shown coloured by copper grade. older drill hole traces shown in grey. Previously reported intersection shown in teal colour.

The successful drilling program at Rockface during 2024 resulted in a significant upgrade in the Rockface resource model which was announced on 25 November 2024.

The completed 2024 drilling program comprised 75 holes for 23,037 meters across the Jervois Project. As at the half year ended 31 December 2024, there were 35 holes which have been drilled but not announced.

MINERAL RESOURCE ESTIMATE INCREASE

On 25th November 2024, the Company updated the previous Mineral Resource Estimate (ASX Release 'Increase in JORC Measured Resource for Jervois Update', 23 May 2024) for the Reward, Bellbird and Rockface open cut and underground resources, following the completion of the 2024 drilling program (totalling 75 holes for 23,037 meters).

This MRE update resulted in an increase in the resource of 17.4%, from 23.37Mt to 27.45Mt, particularly through an increase in underground tonnes, chiefly at Reward and Rockface. Indicated and Inferred Resources increased by 2.18Mt and 1.89Mt respectively for the combined Rockface and Reward areas. This was achieved via a combination of upgrading existing inferred resources to indicated resources, additional inferred resources, and a change to the copper cutoff from 1.0% grade to 0.8% grade for the potential underground areas. The cutoff grade was reviewed for these areas following a reassessment of the financial inputs.

The contained copper has increased across the project by 8.7% from 472Kt to 513Kt. Silver and gold contained metal has also increased to 22.4Moz (+14.7%) and 215Koz (+11.3%) respectively.

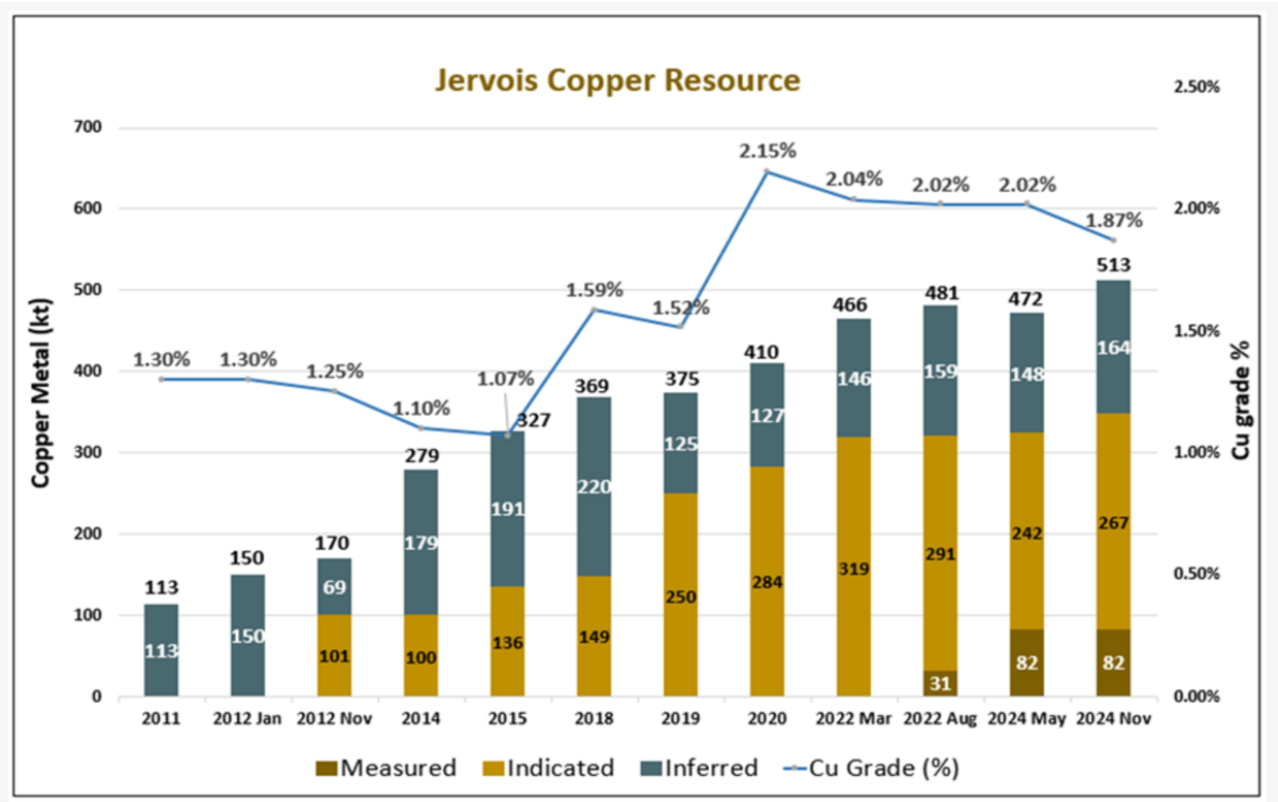
DIRECTORS' REPORT

Jervois Mineral Resource - November 2024

Resource 12/11/2024		Material		Grade			Metal		
	Area	**Category**	**Mt**	**Copper (%)**	**Silver (g/t)**	**Gold (g/t)**	**Copper (kt)**	**Silver (Moz)**	**Gold (koz)**
Open Cut Potential > 0.5 % Cu	Reward	Measured	2.57	1.95	48.2	0.43	50.0	4.0	35.4
		Indicated	1.02	1.39	37.4	0.23	14.3	1.2	7.6
		Inferred	0.61	0.95	10.7	0.08	5.8	0.2	1.5
	Bellbird	Measured	1.23	2.53	15.1	0.14	31.2	0.6	5.6
		Indicated	1.26	1.45	9.1	0.17	18.2	0.4	6.8
		Inferred	1.02	1.24	10.6	0.12	12.7	0.3	4.0
	Sub Total		7.72	1.71	27.2	0.25	132.1	6.7	60.9
Underground Potential > 0.8 % Cu	Reward	Indicated	6.22	1.87	38.4	0.38	116.0	7.67	75.5
		Inferred	4.71	1.35	18.6	0.17	63.6	2.82	25.5
	Bellbird	Indicated	0.35	2.26	19.0	0.14	8.0	0.22	1.6
		Inferred	3.20	1.95	12.1	0.10	62.4	1.24	10.4
	Rockface	Indicated	3.94	2.81	24.5	0.26	110.90	3.10	32.71
		Inferred	1.32	1.55	13.7	0.19	20.42	0.58	8.02
	Sub Total		19.74	1.93	24.6	0.24	381.3	15.63	153.7
Total			27.45	1.87	25.3	0.24	513.4	22.37	214.5

- *Cut-off grades: 0.5% Cu grade above 200 mRL (approximately 150 m below the surface), and 0.80% Cu below 200 mRL.*
- *Due to rounding to appropriate significant figures, minor discrepancies may occur, tonnages are dry metric tonnes.*
- *Inferred Resources have less geological confidence than Measured or Indicated Resources and should not have modifying factors applied to them. It is reasonable to expect that with further exploration most of the Inferred Resources could be upgraded to Indicated Resources.*
- *Mineral Resources are not Ore Reserves and do not have demonstrated economic viability.*

Growth in scale and confidence level of Jervois Copper resource over time.



EXPLORATION PROGRAM

The results of the drilling program in 2024 were pleasing, confirming extensions to mineralisation at Rockface and Reward and providing data to improve confidence in the open pit resource at Reward.

The 2024 exploration program activity targeted exploration in and around the Resource Model to extend the project life at Rockface, Reward Deeps and Marshall and delivered a significant increase in tonnages at depth and some of the highest polymetallic grades achieved at Jervois, which continues to support the growth potential within the Jervois project area. A secondary and important goal was to increase the knowledge and understanding of our geological model at depth, furthering the understanding of the Jervois Project geology and mineralising systems.

The KGL exploration team have completed that 2024 exploration program ahead of schedule. Having achieved its exploration objectives, KGL took the opportunity through to December to delineate additional, near-surface resources that might be recoverable by open cut methods, targeting expansion of the planned boxcut at Reward East and an area identified as Bellbird North (See Figure 4). The results of this additional drilling will be available during early 2025.

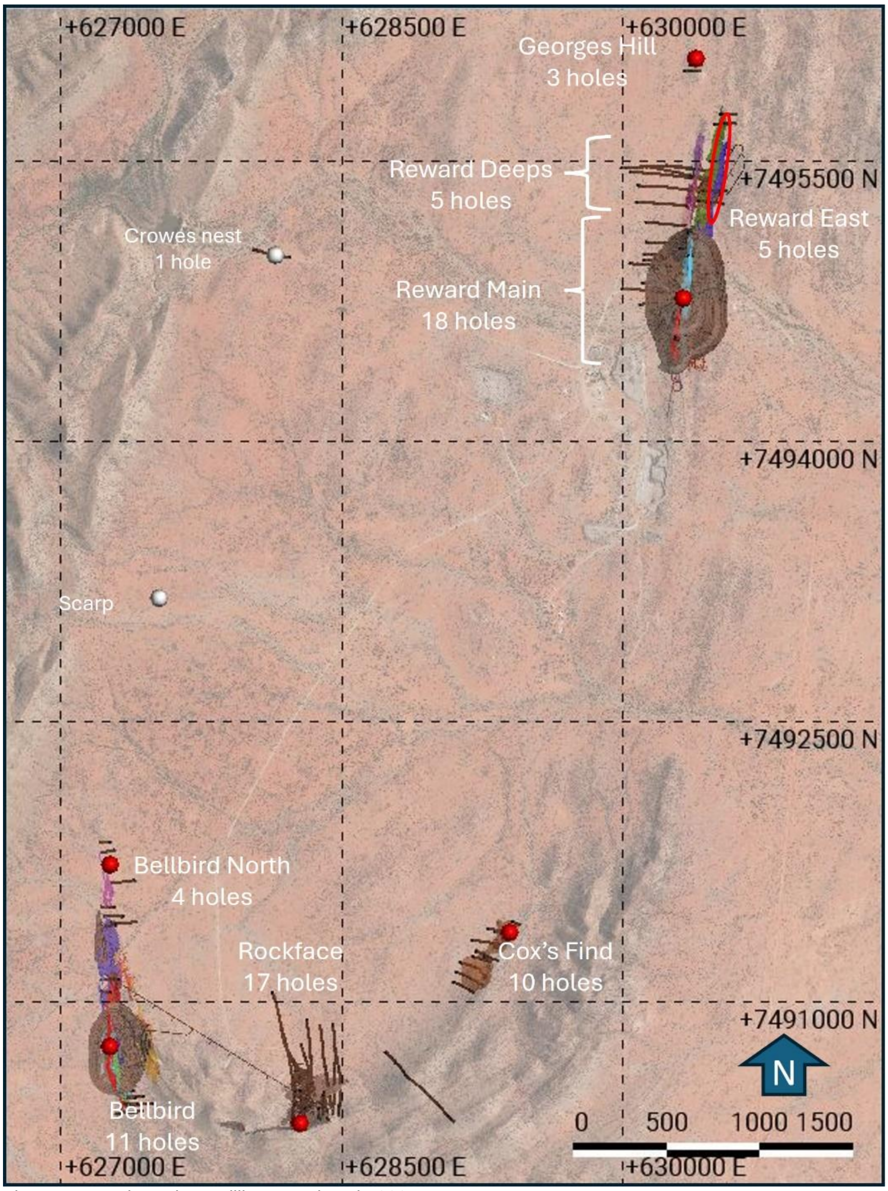


Figure 4. Jervois Project Drilling Locations in 2024

The Jervois project is positioned along the crustal-scale Jervois Fault with a unique mineralisation style blending SEDEX and IOCG characteristics. Exploration results to date demonstrate the rationale for pursuing a systematic approach to unlocking this project's immense value. In this regard, Dr. Warwick Crowe, a globally regarded structural geologist, was commissioned to provide a report on the exploration potential at Jervois and to provide directions for future work as part of the exploration planning process. Dr Crowe completed a site visit and field report, and on the basis of this report, a final exploration hole for 2024 was drilled at Crowes Nest.

An ongoing work program involving geophysics and gravity and magnetic inversion analysis will be progressed in 2025 to confirm additional high potential near mine, brownfield and greenfield exploration targets for future exploration, subject to meeting Project development priorities and the availability of finance.

PROGRESSING PROJECT DEVELOPMENT ACTIVITIES

During the half-year, the Group continued to progress optimisation studies to improve key project value drivers including productivity improvements that will support Project financing.

This ongoing process is geared towards refining the economic, technical, and environmental aspects of the Project. The optimisation efforts are expected to yield an optimised Feasibility Study, providing a detailed, comprehensive, refined and definitive assessment of the Project's viability and potential for long-term success.

A key focus of improvements to the FS2022 included:

- Quantifying the impact of potentially expanding the open pit mine plan and increasing the size of the mining equipment that results in higher and more efficient open pit mining rates. This will effectively delay the capital development of the underground mines whilst, smoothing capital expenditure and peak labour and accommodation requirements.
- Proposed process plant configuration enhancements which will also reduce the amount of labour required on-site for construction and increases the annual processing rate.
- Improving confidence and categorisation of the reserves and growing the resource tonnages available for open pit mining in the first 3-4 years and at depth.

At the end of the half year, the Feasibility Study Update has progressed with a number of study areas including mine design (Open cut and Underground), scheduling and civil works reviewed and updated by separate Tier 1 contractors whilst ongoing operating cost reviews are continuing.

Those areas included Open Cut mining plan, Tailings Storage Facility, airstrip, mine camp, power generation and reticulation, water supply and reticulation, surface civil works, concentrator and associated ancillary plant, equipment and buildings. However, given the positive results of the 2024 drilling campaign and associated uplift to the resource estimate, which includes an additional 4.1Mt of underground resource, an updated underground mining plan was now required. The scale of the additional underground resource tonnes and its potential to have a significant impact on Project economic performance necessitated such a rework.

RPM Advisory Services Pty Ltd was appointed to complete the Independent Technical Engineers (ITE) Report that will support Project financing and have commenced the review.

The Company has also appointed Axiom Project Services to provide KGL with highly experienced project delivery personnel to augment the existing Jervois Project team. Additional resourcing is being targeted as project milestones are achieved.

KGL will continue to work with key contractors and each level of government and the local community to ensure we can deliver a sustainable, cost competitive project, on time.

Once the Feasibility Study Update[4] is completed, KGL will begin discussions with potential equity and debt investors in relation to securing funding for the Project.

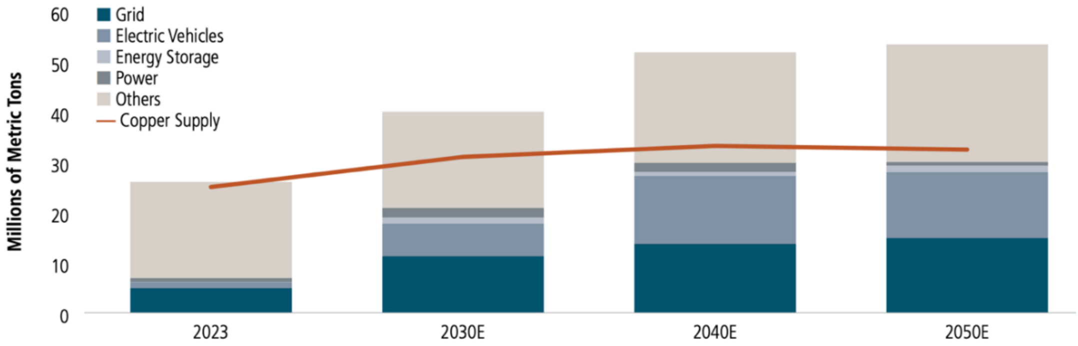
[4] See Subsequent Events.

COPPER MARKET COMMENTARY

The medium to long term outlook for the Copper Market remains strong with industry analysts forecasting growing supply deficits which are predicted to widen over the next decade as a result of expectations for an acceleration of demand from the clean energy transition and electrification of the global economy combined with supply challenges due to a lack of new discoveries, falling grades at existing mines[6] and new mine approvals continuing to be challenging and slow hampering any meaningful supply response.

BHP expects the world to consume an extra 1 million metric tons of copper per year on average until 2035 due to the adoption of copper-intensive technologies, double the annual volume growth in the past 15 years. To meet this rising demand, BHP estimates that approximately 10 million metric tons of new mined copper supply will be required over the next decade.[7]

Copper remains critical to fields ranging from construction to electronics, and demand is growing as increasing demand for electricity, the upgrading and expansion of power grids, and technological advancements such as artificial intelligence (AI) are underway. The transition to clean, low-carbon energy accounts for 26% of copper demand, a figure projected to soar to 57% by 2040.



Source: Bloomberg NEF Transition Metals Outlook 2023

The copper market is forecast to move into a growing deficit through this decade, and to grow quickly to expand to a large deficit of 21 million tonnes per year by 2050. Illustrating this, the orange line in the chart above represents supply, and the shaded area represents demand (and its constituents by use type).

The Company is well-positioned to deliver its high-grade Jervois Project into a copper market at a time of projected chronic supply shortfall and into a market requiring a higher incentive price to incentivise new production. Commentary from industry participants has called for US$6-$8/lb copper as the minimum price range to incentive material investment into new copper projects.[5]

Elevated copper M&A activity continued through to year end with Sumitomo Metal Mining acquiring a 30% stake in Rio Tinto's Winu copper project. Appian Capital advisory also made an unsuccessful bid for Cyprium Metals, owner of the Nifty copper project. Press has emerged regarding Rio Tinto being in early discussions to acquire Glencore, partly motivated by increasing its exposure to copper through its stake in the Collahuasi mine in Chile.

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[5] Nicole Adshead-Bell, Chair, Director Cupel Advisory Corp.
[6] BHP reports that the average grade of copper mines has decreased by approximately 40% since 1991.
[7] BHP Insights: how copper will shape our future, 30 September 2024

CHANGES TO THE SENIOR MANAGEMENT TEAM

Subsequent to the end of the year, Mr Philip Condon tendered his resignation as Chief Executive Offer to pursue other opportunities and KGL and Mr Condon agreed that Mr Condon's employment would end on 21 January 2025.

As an interim measure, the Chairman, Mr Jeff Gerard, will assume the executive functions, becoming Executive Chairman, whilst a search for a dedicated CEO is underway.

The Board has resumed its executive search for a CEO.

FEDERAL GOVERNMENT: COPPER IS A STRATEGIC MINERAL

Copper is currently facing additional challenges due to the threat of tariffs and ongoing global trade tensions, which are contributing to supply chain disruptions and increased market volatility.[8]

Governments are increasingly recognising that dependence on foreign sources of critical materials creates a strategic vulnerability for their economy and military in the face of adverse foreign government actions, natural disasters, and other events that could disrupt supplies.

With chronic shortfalls in copper forecast over the next decade and challenges in SUPPLY from the traditional low-cost markets of Chile and Peru, Australia has the opportunity to grow its critical minerals wealth and become an important player in developing secure, reliable and sustainable global supply chains for copper that are internationally competitive.

Many states in Australia, including the Northern Territory, have recognised copper as a critical mineral. In December 2023, the Australian federal government announced that copper is to be included on the newly created Strategic Materials List.

FINANCIAL REVIEW

For the six-month period ended 31 December 2024:

- The Group recorded a loss after taxation of $1,343,565 (31 December 2023: loss of $1,097,841),
- $7,483,076 (31 December 2023: $7,572,292) was capitalised to exploration and evaluation assets; and

The Group cash reserve as at 31 December 2024 was $5,212,176.

MATERIAL BUSINESS RISKS

The Group's exploration and mining operations will be subject to the normal risks of mining and any revenues will be subject to numerous factors beyond the Group's control. The material business risks that may affect the Group are summarised below.

FUTURE CAPITAL RAISINGS

The Group's ongoing activities are expected to require substantial further financing, in addition to amounts raised pursuant to the entitlement offer completed in August 2024. The Group will require additional funding to bring the Jervois Project into commercial production. Any additional equity financing may be dilutive to shareholders and may be undertaken at lower prices than the current market price, and debt financing, if available, may involve restrictive covenants which limit the Group's operations and business strategy.

Although the directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding will, if and when needed, be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce, delay or suspend its operations and this could have a material adverse effect on the Group's activities and could affect the Group's ability to continue as a going concern.

[8] "The price of copper in the United States rocketed on Monday after U.S. President Donald Trump pushed forward his plans to slap tariffs on industrial metals. Last week Trump said he also planned to impose tariffs on copper, without giving details." (Reuters: US copper price premium soars to record after Trump tariff moves, 11 February 2025)

MATERIAL BUSINESS RISKS (CONTINUED)

EXPLORATION RISK

The success of the Group depends on the delineation of economically mineable reserves and resources, access to required development capital, movement in the price of commodities, securing and maintaining title to the Group's exploration and mining tenements and obtaining all consents and approvals necessary for the conduct of its exploration activities. Exploration on the Group's existing tenements may be unsuccessful, resulting in a reduction in the value of those tenements, diminution in the cash reserves of the Group and possible relinquishment of the tenements. The exploration costs of the Group are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions.

Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Group's viability. If the level of operating expenditure required is higher than expected, the financial position of the Group may be adversely affected. The Group may also experience unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

FEASIBILITY AND DEVELOPMENT RISKS

It may not always be possible for the Group to exploit successful discoveries which may be made in areas in which the Group has an interest. Such exploitation would involve obtaining the necessary licences or clearances from relevant authorities that may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. The Group continues to assess the economic viability of a potential mine through completion of final investment decision (**FID**) works, including contract negotiations being undertaken aimed at reducing development risks for the Jervois Project. There is a risk, even if satisfactory contractual arrangements are put in place, the Jervois Project may not be successfully developed for commercial and/or financial reasons.

REGULATORY RISK

The Group's operations are subject to various Commonwealth, State and local laws and plans, including those relating to mining, prospecting, development permit and licence requirements, industrial relations, environment, land use, royalties, water, native title and cultural heritage, mine safety and occupational health. Approvals, licences and permits required to comply with such rules are subject to the discretion of the applicable government officials. No assurance can be given that the Group will be successful in obtaining or maintaining such approvals, licences and permits in full force and effect without modification or revocation. To the extent such approvals are required and not retained or obtained in a timely manner or at all, the Group may be curtailed or prohibited from continuing or proceeding with production and exploration. The Group's business and results of operations could be adversely affected if applications lodged for exploration licences are not granted.

Mining and exploration tenements are subject to periodic renewal. The renewal of the term of a granted tenement is also subject to the discretion of the relevant Minister. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the Group's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Group. It is also possible that, in relation to tenements which the Group has an interest in or will in the future acquire such an interest in, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Group to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be affected. The Group has a registered Indigenous Land Use Agreement with the traditional owners for its Jervois Project.

MATERIAL BUSINESS RISKS (CONTINUED)

OCCUPATIONAL HEALTH AND SAFETY

Given the Group's exploration activities (and especially if it achieves exploration success leading to mining activities), it will face the risk of workplace injuries which may result in workers' compensation claims, related common law claims and potential occupational health and safety prosecutions. Further, the production processes used in conducting any future mining activities of the Group can be dangerous. The Group has, and intends to maintain, a range of workplace practices, procedures and policies which will seek to provide a safe and healthy working environment for its employees, visitors and the community.

LIMITED OPERATING HISTORY OF THE GROUP

The Group has limited operating history on which it can base an evaluation of its future prospects. If the Group's business model does not prove to be profitable, investors may lose their investment. The Group's historical financial information is of limited value because of the Group's lack of operating history and the emerging nature of its business. The prospects of the Group must be considered in the light of the risks, expenses and difficulties frequently encountered by companies in their early stage of development, particularly in the mineral exploration sector, which has a high level of inherent uncertainty.

KEY PERSONNEL

In formulating its exploration programs, feasibility studies and development strategies, the Group relies to a significant extent upon the experience and expertise of the directors and management. A number of key personnel are important to attaining the business goals of the Group. One or more of these key employees could leave their employment, and this may adversely affect the ability of the Group to conduct its business and, accordingly, affect the financial performance of the Group and its share price. Recruiting and retaining qualified personnel is important to the Group's success. The number of persons skilled in the exploration and development of mining properties is limited and competition for such persons is strong.

RESOURCE 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 the Group'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 the Group are subject to the environmental laws and regulations of Australia. As with most exploration projects and mining operations, the Group's operations and activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. The Group attempts to conduct its operations and activities to the highest standard of environmental obligation, including compliance with all environmental laws and regulations. The Group 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 the Group'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 the Group to incur significant expenses and undertake significant investments which could have a material adverse effect on the Group's business, financial condition and performance.

MATERIAL BUSINESS RISKS (CONTINUED)

AVAILABILITY OF EQUIPMENT AND CONTRACTORS

Appropriate equipment, including drill rigs, are in short supply. There is also high demand for skilled contractors providing other services to the mining industry. Current economic conditions, global and domestic, have only served to exacerbate these issues. Consequently, there is a risk that the Group 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 the Group's activities. The availability of equipment, material and contractors is also a key consideration of the Company's board of directors in relation to the timing of the final investment decision.

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 the Group 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. 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 the Group 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 the Group and its profitability. While the Group will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Group will not be impacted by these occurrences. Climate change may also cause certain physical and environmental risks that cannot be predicted by the Group, 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 the Group operates. The Company is working proactively to increase the level of renewal energy penetration at its Jervois Project, and is considering a range of technologies that could be applied to the Jervois Project for the benefit of all stakeholders.

The proposed water supply for the Jervois Project will be extracted from a series of wells in a borefield complex approximately 20km north of the Project and pumped via a buried pipeline to the mine site raw water tank. Water is distributed from this water tank to various off-take nodes including the ore processing facility. The groundwater will be pumped directly from the vast reserves of the Georgina basin which is estimated to have 1,320,000 GL water capacity from which the Project has water licences to draw on 1,595.4 ML per annum. Climate change may impact the flows of water into the Georgina basin over the long-term, however given the Project life, and the planned water draw being a small overall proportion of the current basin capacity, ongoing water supply is not considered high risk. While the Group will endeavour to monitor and manage this risk and limit any consequential impacts, there can be no guarantee that the Group will not be impacted by changing rainfall and waterflow patterns over the long term.

MACRO-ECONOMIC RISKS

In 2024, the world continues to experience global supply chain disruptions, and labour and equipment shortages. 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.

FUTURE PROSPECTS

The directors continue to work towards the final investment decision, project financing and development, which will be supplemented with further near mine resource extension exploration work at the Jervois Project.

EVENTS AFTER THE REPORTING DATE

Mr Philip Condon resigned as Chief Executive Officer (**CEO**) and left the Group on 21 January 2025. The Board has resumed its executive search for a CEO.

KGL released its Feasibility Study Update on 10 February 2025 and plans to progress production in 2027. The project NPV is A$405 million with an attractive capital efficiency of ~A$12,000 per tonne of copper per annum, and a payback of c. 3.4 years from first concentrate. The Jervois Project has an initial 10-year life of mine and is based on a high-grade Ore Reserve.

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

AUDITOR’S INDEPENDENCE DECLARATION

A copy of the auditor’s independence declaration as required under section 307C of the *Corporations Act 2001*, is set out on page 18.

This report is made in accordance with a resolution of directors.

Jeff Gerard
Executive Chairman

Brisbane
6 March 2025

COMPETENT PERSON'S STATEMENT

The Jervois Resources information were first released to the market on 25 November 2024 and are compliant with JORC 2012. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The information in this announcement that relates to a Production Target and the forecast financial information derived from the Production Target was first released to the market on 10 February 2025. KGL Resources Limited confirms that all the material assumptions underpinning the Production Target and forecast financial information derived from the Production Target continue to apply and have not materially changed.

The following drill holes were originally reported on the dates indicated and using the JORC code specified in the table. The Company confirms 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.

COMPETENT PERSON'S STATEMENT

Hole		Date Reported	JORC Reported Under
KJCD	481D6	10/11/21 14/02/2022	2012
KJCD	556	27/09/22	2012
KJCD	556D4	08/11/23	2012
KJCD	575W1	08/11/23	2012
KJCD	599D1	04/11/24	2012
KJD	216	25/09/17	2012
KJD	220W1	12/12/17	2012
KJD	227D1	29/07/24	2012
KJD	227D2	29/07/24	2012
KJD	329	12/11/19	2012
KJD	395	04/12/19	2012
KJD	413	17/03/20	2012
KJD	572	28/06/23	2012
KJD	625	03/07/24	2012
KJD	626	05/07/24	2012
KJD	627	05/07/24	2012
KJD	627D1	29/07/24	2012
KJD	627D2	05/07/24	2012
KJD	628	03/07/24	2012
KJD	629	03/07/24	2012
KJD	631	03/07/24	2012
KJD	632	04/11/24	2012
KJD	633	04/11/24	2012
KJD	633D1	04/11/24	2012
KJD	634	04/11/24	2012
KJD	635	04/11/24	2012
KJD	636	04/11/24	2012
KJD	637	04/11/24	2012
KJD	638	04/11/24	2012
KJD	639	04/11/24	2012
KJD	640	04/11/24	2012
KJD	640D1	04/11/24	2012
KJD	640D2	04/11/24	2012
KJD	641D1	04/11/24	2012
KJD	641D2	04/11/24	2012

AUDITOR'S INDEPENDENCE DECLARATION

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Brisbane QLD 4000
GPO Box 457 Brisbane QLD 4001
Australia

DECLARATION OF INDEPENDENCE BY A J WHYTE TO THE DIRECTORS OF KGL RESOURCES LIMITED

As lead auditor for the review of KGL Resources Limited for the half-year ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of KGL Resources Limited and the entities it controlled during the period.

A J Whyte
Director

BDO Audit Pty Ltd

Brisbane, 6 March 2025

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

	6 MONTHS ENDED 31 DEC 2024 $	6 MONTHS ENDED 31 DEC 2023 $
Other income	**164,249**	400,868
Employee benefits expense	**(744,568)**	(784,046)
Administration expenses	**(237,446)**	(254,260)
Professional and consulting fees	**(182,619)**	(163,523)
Insurance	**(149,143)**	(163,601)
Other expenses	**(53,373)**	(17,732)
Tenement expenses	**(78,917)**	(61,833)
Depreciation and amortisation expense	**(50,075)**	(50,281)
Finance expense	**(11,673)**	(3,433)
LOSS BEFORE INCOME TAX	**(1,343,565)**	(1,097,841)
Income tax expense	**-**	-
LOSS FOR THE HALF-YEAR	**(1,343,565)**	(1,097,841)
Other comprehensive income, net of tax	**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE HALF-YEAR	**(1,343,565)**	(1,097,841)
LOSS PER SHARE ATTRIBUTABLE TO THE OWNERS OF THE COMPANY		
Basic loss per share (cents per share)	**(0.21)**	(0.19)
Diluted loss per share (cents per share)	**(0.21)**	(0.19)

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2024

	NOTE	31 DEC 2024 $	30 JUN 2024 $
CURRENT ASSETS			
Cash and cash equivalents		**5,212,176**	6,329,796
Trade and other receivables		**129,470**	183,656
Financial assets		**148,765**	148,765
Prepayments		**518,855**	832,326
TOTAL CURRENT ASSETS		**6,009,266**	7,494,543
NON-CURRENT ASSETS			
Financial assets		**303,312**	303,312
Property, plant, and equipment		**448,804**	484,371
Right-of-use assets		**82,456**	153,414
Exploration and evaluation assets	3	**123,257,275**	115,774,199
Intangible assets		**5,496**	1,682
TOTAL NON-CURRENT ASSETS		**124,097,343**	116,716,978
TOTAL ASSETS		**130,106,609**	124,211,521
CURRENT LIABILITIES			
Trade and other payables	4	**2,077,236**	2,839,647
Borrowings	5	**206,111**	135,179
TOTAL CURRENT LIABILITIES		**2,283,347**	2,974,826
NON-CURRENT LIABILITIES			
Borrowings	5	**-**	24,429
TOTAL NON-CURRENT LIABILITIES		**-**	24,429
TOTAL LIABILITIES		**2,283,347**	2,999,255
NET ASSETS		**127,823,262**	121,212,266
EQUITY			
Contributed equity	6	**258,628,171**	250,645,610
Reserves		**135,800**	163,800
Accumulated losses		**(130,940,709)**	(129,597,144)
TOTAL EQUITY		**127,823,262**	121,212,266

The above condensed consolidated balance sheet should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

	NOTE	6 MONTHS ENDED 31 DEC 2024 $	6 MONTHS ENDED 31 DEC 2023 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts in the course of operations		**749,324**	766,727
Payments to suppliers and employees (including GST)		**(1,893,235)**	(2,617,294)
Interest received		**184,629**	421,390
Interest paid		**(13,058)**	(6,967)
NET CASH USED IN OPERATING ACTIVITIES		**(972,340)**	(1,436,144)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for exploration and evaluation assets		**(7,715,177)**	(7,371,972)
Payment for property, plant and equipment		**(26,734)**	(51,880)
NET CASH USED IN INVESTING ACTIVITIES		**(7,741,911)**	(7,423,852)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	6	**8,082,119**	-
Repayment of Borrowings - Principal		**(274,707)**	-
Payment of share issue costs		**(132,993)**	(58,052)
Principal elements of lease payments		**(77,788)**	(85,998)
NET CASH PROVIDED BY USED IN FINANCING ACTIVITIES		**7,596,631**	(144,050)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		**(1,117,620)**	(9,004,046)
Cash and cash equivalents at the beginning of the period		**6,329,796**	22,513,602
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**5,212,176**	13,509,556

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

	Contributed equity $	Share-based payments reserve $	Accumulated losses $	Total equity $
Balance at 1 July 2024	**250,645,610**	**163,800**	**(129,597,144)**	**121,212,266**
Loss for the half-year	**-**	**-**	**(1,343,565)**	**(1,343,565)**
Other comprehensive income	**-**	**-**	**-**	**-**
Total comprehensive income for the half-year	**-**	**-**	**(1,343,565)**	**(1,343,565)**
Transactions with owners in their capacity as owners				
Issue of share capital (net of costs)	**7,982,561**	**-**	**-**	**7,982,561**
Share-based payments - lapsed	**-**	**(28,000)**	**-**	**(28,000)**
Balance at 31 December 2024	**258,628,171**	**135,800**	**(130,940,709)**	**127,823,262**
Balance at 1 July 2023	250,691,208	183,633	(126,925,734)	123,949,107
Loss for the half-year	-	-	(1,097,841)	(1,097,841)
Other comprehensive income	-	-	-	-
Total comprehensive income for the half-year	-	-	(1,097,841)	(1,097,841)
Transactions with owners in their capacity as owners				
Share issue costs	(12,163)	-	-	(12,163)
Share-based payments - lapsed	-	(89,812)	-	(89,812)
Share-based payments - capitalised	-	21,907	-	21,907
Balance at 31 December 2023	250,679,045	115,728	(128,023,575)	122,771,198

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

NOTE 1. BASIS OF PREPARATION OF THE FINANCIAL REPORT

This condensed consolidated interim financial report for the six-month reporting period ended 31 December 2024 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by KGL Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial period (year ended 30 June 2024) except for the adoption of new and amended standards as set out below.

(a) NEW AND AMENDED STANDARDS AND INTERPRETATIONS ADOPTED BY THE GROUP

A number of amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

(b) IMPACT OF STANDARDS ISSUED BUT NOT YET APPLIED BY THE GROUP

Any new or amended standards or interpretations that are not yet mandatory have not been early adopted by the Group. No new or amended standard or interpretation that is not yet mandatory is expected to have a significant impact on the Group.

GOING CONCERN

The interim financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

As disclosed in the interim financial report, the Group incurred a net loss of $1,343,565, net operating cash outflows of $972,340 and net investing cash outflows of $7,741,911 for the half-year ended 31 December 2024. As at 31 December 2024, the Group has cash and cash equivalents of $5,212,176.

The ability of the Group to continue as a going concern is principally dependent upon one or more of the following:

- The ability of the Company to raise capital as and when necessary, and/or
- The successful exploration and subsequent exploitation of the Group's tenements.

These conditions give rise to material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern.

The directors believe that the going concern basis of preparation is appropriate for the following reasons:

- The directors believe there is sufficient cash available for the Group to continue operating until it can raise further capital to fund its ongoing activities.
- Equity raisings have been successful in the past and, as recently as August 2024, an entitlement offer to existing shareholders at $0.10 per new ordinary share closed with 54% of entitlements taken up.
- The directors can curtail the Group's activities to preserve cash.

NOTE 1. BASIS OF PREPARATION OF THE FINANCIAL REPORT (CONTINUED)

GOING CONCERN (CONTINUED)

Should the Group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the interim financial report.

This interim financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Group be unable to continue as a going concern.

NOTE 2. SEGMENT INFORMATION

In accordance with *AASB 8 Operating Segments*, the Group identifies its operating segments based on the internal reports that are reviewed and used by the Board of Directors (**Board**), the chief operating decision makers, in assessing performance and determining the allocation of resources.

All information provided to the Board is consolidated information. Accordingly, management currently identifies the Group as having only one reportable segment, being exploration at the Jervois Project in the Northern Territory. The financial results from this segment are equivalent to the financial statements of the Group as a whole. All significant operating decisions are based upon analysis of the Group as one segment. There have been no changes in identified reportable segments during the period since the last annual financial statements.

All assets of the Group are located in Australia.

The Group does not yet have any products or services from which it derives an income.

NOTE 3. EXPLORATION AND EVALUATION ASSETS

	6 MONTHS ENDED 31 DEC 2024 $	12 MONTHS ENDED 30 JUN 2024 $
Exploration and evaluation assets	**123,257,275**	115,774,199
MOVEMENT IN EXPLORATION AND EVALUATION ASSETS		
BALANCE AT THE BEGINNING OF THE PERIOD	**115,774,199**	100,947,584
Current period expenditure	**7,483,076**	14,826,615
BALANCE AT THE END OF THE PERIOD	**123,257,275**	115,774,199

The ultimate recovery of the exploration and evaluation assets is dependent upon successful development and commercial exploitation, or alternatively sale, of the respective areas of interest.

NOTE 4. TRADE AND OTHER PAYABLES

	31 DEC 2024 $	30 JUN 2024 $
Trade payables	**974,767**	1,055,413
Other payables	**869,043**	1,628,170
Employee benefits	**233,426**	156,064
TOTAL TRADE AND OTHER PAYABLES	**2,077,236**	2,839,647

Trade payables are non-interest bearing and are usually settled on 30-day terms.

NOTE 5. BORROWINGS

	31 DEC 2024 $	30 JUN 2024 $
Current		
Lease Liability	**88,380**	135,179
Insurance Premium Funding	**117,731**	-
	206,111	135,179
Non-Current		
Lease Liability	**-**	24,429
	-	24,429
TOTAL BORROWINGS	**206,111**	159,608

NOTE 6. CONTRIBUTED EQUITY

	31 DEC 2024 $	30 JUN 2024 $
(A) ISSUED AND PAID-UP CAPITAL		
Ordinary shares fully paid	**258,628,171**	250,645,610

(B) MOVEMENTS IN SHARES ON ISSUE

	6 MONTHS ENDED 31 DEC 2024		12 MONTHS ENDED 30 JUN 2024	
	SHARES ISSUED NO.	ISSUED CAPITAL $	SHARES ISSUED NO.	ISSUED CAPITAL $
BEGINNING OF THE PERIOD	**567,291,863**	**250,645,610**	567,291,863	250,691,208
Entitlement offer – 5 August 2024	**80,821,185**	**8,082,119**	-	-
Share issue costs – 5 August 2024 Raising	**-**	**(99,558)**	-	-
Share issue costs – 25 May 2023 raising	**-**			(12,163)
Share issue costs – 8 July 2024 raising	**-**		-	(33,435)
END OF THE PERIOD	**648,113,048**	**258,628,171**	567,291,863	250,645,610

(C) TERMS AND CONDITIONS OF ISSUED CAPITAL

Ordinary shares

Ordinary shares have the right to receive dividends as declared and, in the event of winding up of the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of, and amounts paid up on, shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

NOTE 6. CONTRIBUTED EQUITY (CONTINUED)

(D) SHARE OPTIONS

At the end of the period, there were 194,000 share options outstanding (30 June 2024: 234,000). No options were granted during the period and no options vested or were converted into ordinary shares.

NOTE 7. SHARE-BASED PAYMENTS

Lapse of zero-priced share options

A member of key management personnel who resigned from the Company during the half-year was the holder of a total of 40,000 zero-priced options (20,000 Tranche 1 options and 20,000 Tranche 2 options). In accordance with the terms and conditions of the issue, these zero-priced options were forfeited on the resignation of the holder. In the current period, a reversal of $28,000 resulting from the forfeiture has been reported in the statement of profit or loss and other comprehensive income.

Option summary

The zero-priced options on issue to members of key management personnel and other employees at 31 December 2024 are summarised as follows. All options are unlisted.

OPTION HOLDER	GRANT DATE	EXERCISE PRICE $	EXPIRY DATE	FAIR VALUE GRANT DATE $	NUMBER OF OPTIONS #
Key management personnel	-	-	-	-	-
Other employees	31 May 2021	-	22 Jun 2026	135,800	194,000
				135,800	194,000

The grant of options to each option holder has been split into two equal tranches with each tranche subject to vesting conditions as outlined below:

TRANCHE	CONDITIONS
1	Vest upon achieving successful final investment decision for the Jervois Project, on time and on budget based on the criteria approved by the Board of the Company. In respect of the Tranche 1 options, unless the Board of KGL Resources Limited determines otherwise, 20% of the total Tranche 1 options granted to the holder will lapse for each month that a successful financial investment decision for the Jervois Project is delayed beyond the time approved and set by the Board of KGL Resources Limited.
2	Vest following the construction of the mine for the Jervois Project and achieving first production of at least 1000t of concentrate under the conditions approved by the Board of the Company. In respect of the Tranche 2 options, unless the Board of KGL Resources Limited determines otherwise, 20% of the total Tranche 2 options granted to the holder will lapse for each month that the construction of the mine for the Jervois Project and first production (1000t) is delayed beyond the time approved and set by the Board of KGL Resources Limited.

NOTE 7. SHARE-BASED PAYMENTS (CONTINUED)

OTHER TERMS AND CONDITIONS OF OPTION ISSUE

Unless the Board of the Company determines otherwise, the options will immediately lapse if a holder ceases to be employed by the Group.

If, in the opinion of the Board of the Company, a significant safety, environmental or social incident occurs, the Board of the Company may determine that the options will lapse.

The options do not confer a right to participate in new issues of shares unless the options have vested and have been exercised on or before the record date for determining entitlements to the issue. Similarly, while they remain unexercised, the options will not give the holder any entitlement to receive any dividends declared and paid by the Company.

Each option entitles the holder to one ordinary fully paid share in the Company. Any shares issued on exercising an option will be issued on the same terms as, and rank in all respects on equal terms with, existing ordinary fully paid shares in the Company.

NOTE 8. FAIR VALUE MEASUREMENT

For all categories of the Group's financial assets and financial liabilities, the carrying amount is considered to be a reasonable approximation of fair value.

No financial assets or financial liabilities are readily traded on organised markets in standardised form.

NOTE 9. CONTINGENCIES

There have been no material changes to contingent liabilities and assets since the 30 June 2024 financial report.

NOTE 10 EVENTS SUBSEQUENT TO REPORTING DATE

Resignation of Chief Executive Officer

Mr Philip Condon resigned as Chief Executive Officer (**CEO**) and left the Group on 21 January 2025. The Board has resumed its executive search for a CEO.

KGL released its Feasibility Study Update on 10 February 2025 and plans to progress production in 2027. The project NPV is A$405 million with an attractive capital efficiency of ~A$12,000 per tonne of copper per annum, and a payback of c. 3.4 years from first concentrate. The Jervois Project has an initial 10-year life of mine plan.

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

DIRECTORS' DECLARATION

In the directors' opinion:

(a) the financial statements and notes set out on pages 19 to 27 are in accordance with the *Corporations Act 2001*, including:

(i) complying with Accounting Standard AASB 134: *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and

(ii) giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date, and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

Jeff Gerard

Executive Chairman

Brisbane
6 March 2025

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of KGL Resources Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of KGL Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated balance sheet as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

i. Giving a true and fair view of the Group's financial position as at 31 December 2024 and of its financial performance for the half-year ended on that date; and

ii. Complying with Accounting Standard AASB *134 Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Material uncertainty relating to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is true and fair and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd

BDO

A J Whyte
Director

Brisbane, 6 March 2025