

ASX Announcement



Entitlement Offer – Letter to Ineligible Shareholders

Level 5, 167 Eagle Street
Brisbane QLD 4000
Australia
kgresources.com.au

17 March 2025

Not for distribution or release in the United States

Dear shareholder

PRO-RATA TRADITIONAL NON-RENOUNCEABLE ENTITLEMENT OFFER – NOTIFICATION TO INELIGIBLE SHAREHOLDERS

On Thursday, 6 March 2025, KGL Resources Limited (ACN 082 658 080) (ASX: KGL) (**Company**) announced that it was conducting a 1 for 8 pro-rata traditional non-renounceable entitlement offer of new fully paid ordinary shares in the Company (**New Shares**) at an offer price of \$0.095 per New Share (**Offer Price**) to raise up to approximately \$7.7 million (**Offer**).

The proceeds of the Offer will be applied principally to progressing the Jervois Project towards production as follows:¹

1. Corporate financial advisor(s) to deliver Project Funding required for construction.
2. Project Execution, planning and Independent Technical Review.
3. Corporate and Site overheads.

The Offer is not underwritten, and is subject to a minimum raise condition of \$3 million. Funding received from the minimum raise will primarily be used to progress the funding arrangements for the Jervois Project and corporate and site overheads. Any funds in excess of the minimum raise will be applied towards project execution, planning and finalisation of the independent technical review, and initial siteworks enabling critical path activities.

Substantial Shareholder, KMP Investments Pte. Ltd. which has an interest in the Company of approximately 35.14%, has committed to take up its Entitlement in full.

This letter is to inform you about the Offer and to explain why you will not be able to subscribe for New Shares under the Offer. This letter is not an offer to issue New Shares to you, nor an invitation to you to apply for New Shares. **You are not required to do anything in response to this letter.**

Details of the Offer

The Offer is being made by the Company in accordance with section 708AA of the *Corporations Act 2001* (Cth) (**Corporations Act**), meaning that no prospectus or other disclosure document under the Corporations Act needs to be prepared.

An offer booklet in relation to the Offer will be lodged with ASX today and will be dispatched to Eligible Shareholders (as defined below) today.

The Offer is being made to Eligible Shareholders (as defined below) on the basis of 1 New Share for every 8 existing fully paid ordinary shares in the Company (**Shares**) held at 7.00pm (Sydney time) on Wednesday, 12 March 2025 (**Record Date**).

¹ An exact breakdown of the use of funds is detailed on slide 8 of the Company's Investor Presentation lodged with ASX on 6 March 2025 (and included in the Offer booklet in Section 5).

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Eligibility criteria

Shareholders of the Company who are eligible to participate in the Offer (**Eligible Shareholders**) are those persons who:

are registered as a holder of Shares as at 7.00pm (Sydney time) on the Record Date;

as at the Record Date, have a registered address on the Company's share register that is in Australia or New Zealand, or are a shareholder of the Company that the Company has otherwise determined is eligible to participate;

are not in the United States and are not a person (including a nominee or custodian) acting for the account or benefit of a person in the United States (to the extent such person holds Shares for the account or benefit of such person in the United States) unless allowed under the applicable security laws; and

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

The Company has determined, pursuant to section 9A(3) of the Corporations Act and ASX Listing Rule 7.7.1(a), and having regard to a range of factors, that it would be unreasonable on this occasion to make offers to shareholders of the Company under the Offer in certain countries outside Australia or New Zealand. This is due to the legal and regulatory requirements in these jurisdictions, and the potential costs to the Company of complying with these requirements, compared with the relatively small number of shareholders of the Company in those countries, the relatively small number of Shares they hold and the relatively low value of New Shares for which those shareholders of the Company would otherwise be entitled to subscribe.

Unfortunately, according to our records, you do not satisfy the eligibility criteria for an Eligible Shareholder as stated above. Accordingly, in compliance with ASX Listing Rule 7.7.1(b) and section 9A(3) of the Corporations Act, the Company wishes to advise you that it will not be extending the Offer to you and you will not be able to subscribe for New Shares under the Offer. You will not be sent the documents relating to the Offer or be able to subscribe for New Shares under the Offer.

As the Offer is non-renounceable, entitlements in respect of any New Shares that would have been offered to you if you were an Eligible Shareholder will lapse and you will not receive any payment or value for those entitlements. Entitlements are not tradeable on ASX or otherwise transferrable. If you have any questions in relation to any of the above matters, please contact the Company's shareholder information line on 1800 881 526 from 8.30am to 5.30pm (Sydney time), Monday to Friday.

On behalf of the Company, we regret that you are not eligible to participate in the Offer and thank you for your continued support.

Yours sincerely

Kylie Anderson
Company Secretary
KGL Resources Limited

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IMPORTANT INFORMATION

This letter is issued by the Company. This letter is not a prospectus or offering document under Australian law or under any other law. It is for information purposes only and does not constitute an offer, invitation, solicitation, advice or recommendation to subscribe for, retain or purchase any entitlements or securities in the Company in any jurisdiction. This letter does not constitute financial product advice and does not and will not form any part of any contract for the acquisition of entitlements or Shares. Nothing contained in this document constitutes investment, legal, tax or other advice. The information in this letter is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. If you are unsure of your position, please contact your accountant, tax advisor, stockbroker or other professional advisor.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This letter does not constitute an invitation or offer to sell, or a solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any person in the United States or in any other jurisdiction in which such an offer would be illegal. No action has been or will be taken to register, qualify or otherwise permit a public offering of the entitlements and the New Shares under the Offer in any jurisdiction outside Australia. In particular, neither the entitlements nor the New Shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended (US Securities Act) or under the securities laws of any state or other jurisdiction of the United States. Accordingly, the entitlements may not be issued to, or taken up or exercised by, and the New Shares may not be offered or sold directly or indirectly to, any person in the United States or any person acting for the account or benefit of a person in the United States (to the extent such person holds Shares for the account or benefit of such person in the United States) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws of any state or other jurisdiction of the United States. The New Shares to be offered and sold in the Offer may only be offered and sold to persons that are not in the United States and are not acting for the account or benefit of a person in the United States, in each case in “offshore transactions” (as defined in Rule 902(h) under the US Securities Act) in reliance on Regulation S under the US Securities Act.

IMPORTANT NOTICE TO NOMINEES

Because of legal restrictions, you must not send copies of this letter nor any material relating to the Offer to any of your clients (or any other person) acting for the account or benefit of any person in the United States or to any person in any other jurisdiction outside of Australia and New Zealand, unless otherwise permitted under the Offer booklet in relation to the Offer.