

29 April 2016

Dear Shareholder,

I am pleased to invite you to attend the Annual General Meeting of KGL Resources Limited ACN 082 658 080 (**Company** or **KGL**) to be held on 31 May 2016 at 9 am (AEST) at:

Christie Conference Centre
320 Adelaide Street
Brisbane QLD 4000

The business to be dealt with at the Annual General Meeting is set out in the attached Notice of Meeting, with the Explanatory Memorandum providing further detail in relation to the proposed resolutions.

If you are able to attend the Annual General Meeting, please bring the enclosed proxy form with you to assist registration.

If you do not plan to attend the Annual General Meeting, you may wish to appoint a proxy to attend and vote on your behalf. To do this, you will need to complete and lodge the enclosed Appointment of Proxy form in accordance with the instructions provided. Proxy forms must be received by no later than 9 am (AEST) on 29 May 2016.

Yours sincerely,

Denis Wood
Chairman

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS GIVEN that the ANNUAL GENERAL MEETING of shareholders of KGL Resources Limited ACN 082 658 080 will be held at Christie Conference Centre, 320 Adelaide Street, Brisbane QLD 4000, on 31 May 2016 at 9 am (AEST).

ORDINARY BUSINESS

Reports

To receive and consider the financial statements of the Company and the directors' and auditors' reports for the year ended 31 December 2015.

Resolution 1 Re-election of Director, Mr. Christopher Bain

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That Mr. Christopher Bain, a director who retires in accordance with rule 13.5(a) of the Constitution and ASX Listing Rule 14.5, and being eligible, offers himself for re-election as a director of the Company, is re-elected as a director of the Company."

Note: Information about this candidate appears in the Explanatory Memorandum.

Resolution 2 Election of Director, Mr. Denis Wood

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That Mr. Denis Wood, a director who was appointed on 28 July 2015 and retires in accordance with rule 13.5(b) of the Constitution, and being eligible, offers himself for election as a director of the Company, is elected as a director of the Company."

Note: Information about this candidate appears in the Explanatory Memorandum.

Resolution 3 Election of Director, Mr. Ferdian Purnamasidi

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That Mr. Ferdian Purnamasidi, a director who was appointed on 26 April 2016 and retires in accordance with rule 13.5(b) of the Constitution, and being eligible, offers himself for election as a director of the Company, is elected as a director of the Company."

Note: Information about this candidate appears in the Explanatory Memorandum.

Resolution 4 Remuneration Report

To consider and, if thought fit, pass the following resolution under section 250R of the *Corporations Act 2001* (Cth) (**Corporations Act**):

"That the Remuneration Report set out in the Company's Annual Report (as part of the directors' report) for the year ended 31 December 2015 be adopted."

Note: This resolution will be decided as if it were an ordinary (majority) resolution, but under section 250R(3) of the Corporations Act the vote is advisory only and does not bind the directors of the Company.

SPECIAL BUSINESS

Resolution 5 Spill Resolution

Subject to 25% or more of the votes that are cast on Resolution 4 being voted against the adoption of the Remuneration Report, to consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That:

- (a) an extraordinary meeting of shareholders (**Spill Meeting**) be held within 90 days of the Company's Annual General Meeting;

- (b) all the Company's directors who were in office when the directors' resolution to adopt the Remuneration Report for the year ended 31 December 2015 was passed, cease to hold office immediately before the end of the Spill Meeting; and
- (c) resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting be put to the vote at the Spill Meeting."

Note: Further information about this resolution appears in the Explanatory Memorandum.

BY ORDER OF THE BOARD



Kylie Anderson
Company Secretary
29 April 2016

Voting exclusion statement

Resolutions 4 and 5

A vote must not be cast (in any capacity) on Resolution 4 or Resolution 5 by or on behalf of a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report, or their closely related parties. However, a vote may be cast by such a person if:

- the vote is cast as a proxy;
- the appointment is in writing and directs the proxy how to vote; and
- the vote is not cast on behalf of a member of the Key Management Personnel or a closely related party of a member of the Key Management Personnel.

A 'closely related party' is defined in the Corporations Act and includes a spouse, dependent and certain other close family members, as well as any companies controlled by the Key Management Personnel.

However, the Company need not disregard a vote if it is cast by:

- a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- the Chairman for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Please note, if you appoint the Chairman of the Annual General Meeting as your proxy and you have not directed him/her how to vote on Resolution 4 or Resolution 5, you are expressly authorising him/her to cast your vote in accordance with his/her stated intentions, even though the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. The Chairman intends to vote all available proxies in favour of this resolution.

However, if you appoint another director or member of the Key Management Personnel as your proxy you **must** direct your proxy how to vote, otherwise your vote will not be counted. Follow the instructions on the proxy form to direct your proxy how to vote.

Notes

1. The Company has determined that for the purpose of determining voting entitlements at the Annual General Meeting, all shares in the Company that are quoted on ASX will be taken to be held by the persons who hold them as registered shareholders at 7 pm (AEST) on 29 May 2016. Accordingly, share transfers registered after this time will be disregarded in determining entitlements to attend and vote at the Annual General Meeting.
2. A shareholder entitled to attend and vote may attend and vote in person or by proxy, or attorney or (where the shareholder is a body corporate) by representative.
3. The proxy of a shareholder does not need to be a shareholder of the Company.
4. A shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of the shareholder's votes each proxy is entitled to exercise. If the appointment does not specify the proportion or number of the shareholder's votes, each proxy may exercise one half of those votes.
5. A proxy form accompanies this Notice of Meeting and, to be effective, must be received by the Company's corporate registry by 9 am (AEST) on 29 May 2016:

Link Market Services Limited

By post or hand delivery:

1A Homebush Bay Drive, Rhodes NSW 2138

By facsimile:

(02) 9287 0309

6. If you have any queries on how to cast your vote, please call Link Market Services on 1300 554 474 (overseas +61 1300 554 474) during business hours.

Explanatory Memorandum

Introduction

This Explanatory Memorandum should be read in conjunction with the Notice of Meeting to which this Explanatory Memorandum is attached and forms part of. Please take the time to read through this document.

Financial reports

Whilst the Corporations Act requires the financial report, directors' report and auditors' report for the year ended 31 December 2015 to be laid before the Annual General Meeting, neither the Corporations Act or the Constitution requires shareholders to vote on, approve or adopt those reports.

Shareholders will, however, have a reasonable opportunity at the Annual General Meeting to raise questions on these reports.

Each shareholder will have had access to a copy of the Annual Report, which contains the financial report, directors' report and auditors' report for the year ended 31 December 2015.

In addition to asking questions at the Annual General Meeting, shareholders may address written questions to the Chairman about the management of the Company or to the Company's auditor, BDO Audit Pty Ltd (**BDO**), if the question is relevant to:

1. the content of the auditor's report; or
2. the conduct of its audit of the annual financial report to be considered at the Annual General Meeting.

Under section 250PA(1) of the Corporations Act, a shareholder must submit the question to the Company no later than the fifth business day before the day on which the Annual General Meeting is held.

Written questions for the auditor must therefore be delivered by 5 pm (AEST) on 24 May 2016. Please send any written questions for BDO to:

The Company Secretary
KGL Resources Limited
Level 7, 167 Eagle Street
BRISBANE QLD 4000

Resolution 1 Re-election of Director, Mr. Christopher Bain

ASX Listing Rule 14.5 states that a public listed company must hold an election of directors each year. Rule 13.5(d) of the Constitution requires that an election of directors occur at each annual general meeting of the Company, whereby one third of the directors (to the nearest whole number) must retire from office. ASX Listing Rule 14.4 and rule 13.5(a) of the Constitution further state that no director may hold office, without re-election, past:

1. the third annual general meeting following that director's appointment; or
 2. three years,
- whichever is longer.

The Board has determined that as Mr. Christopher Bain was appointed on 5 September 2013 and elected at the Company's 2014 annual general meeting, Mr. Bain will retire and, being eligible, stand for re-election.

Mr. Bain retires pursuant to rule 13.5(a) of the Constitution and ASX Listing Rule 14.5, and offers himself for re-election as director of the Company in accordance with the Constitution.

Mr. Bain has 40 years' experience in the resource sector having worked in mining, exploration, investment research, corporate advisory and funds management roles. He graduated as a geologist from RMIT and initially worked as an underground mine geologist before moving to an exploration role. After completing a Graduate Diploma in Mineral Economics at Macquarie University he joined the finance sector in late 1986 at National Mutual Funds Management and has held senior positions in mining research for funds management and stockbroking. As an Executive Director of Investor Resources Limited, he was instrumental in mining project divestitures and acquisitions, evaluations and valuations, capital raisings

including managing several initial public offerings and ASX listings. Currently, Mr. Bain works with companies on both corporate and exploration related assignments and provides investment advice through a Melbourne based stockbroker. Mr. Bain is currently a director of ASX listed company, Metalicity Limited, and in the past three years has also been a director of Dart Mining NL (resigning on 18 February 2014). Mr. Bain is Chair of the Audit and Risk Committee and a member of the Sustainability Committee.

The Board, with Mr. Bain abstaining, recommends that shareholders vote in favour of the resolution for the re-election of Mr. Christopher Bain.

Resolution 2 Election of Director, Mr. Denis Wood

Rule 13.5(b) of the Constitution states that a director appointed to fill a casual vacancy or as an addition to the Board must not hold office (without re-election) past the next annual general meeting of the Company.

Mr. Wood was appointed as a director of the Company on 28 July 2015 and therefore retires pursuant to rule 13.5(b) of the Constitution, and offers himself for election as a director of the Company in accordance with the Constitution.

Mr. Wood is a qualified metallurgist and geologist with over 45 years' experience in the mining industry. Mr. Wood's career has included 13 years with BHP as a metallurgist, eight years with CCI Holding (reaching the position of Managing Director), and multiple previous directorships and shareholdings of Australian based resource companies including QCC, Cumnock Coal, Sedgman, Jupiter Mines and Marathon Resources. Mr. Wood was also the Managing Director and CEO of APC, the management company responsible for all aspects of the development of the Coppabella and Morevale mines in Queensland, and held the position of Director of Resources at Talbot Group for eight years.

The Board recommends, with Mr. Wood abstaining, that shareholders vote in favour of the resolution for the election of Mr. Denis Wood.

Resolution 3 Election of Director, Mr. Ferdian Purnamasidi

Rule 13.5(b) of the Constitution states that a director appointed to fill a casual vacancy or as an addition to the Board must not hold office (without re-election) past the next annual general meeting of the Company.

Mr. Purnamasidi was appointed as a director of the Company on 26 April 2016 and therefore retires pursuant to rule 13.5(b) of the Constitution, and offers himself for election as a director of the Company in accordance with the Constitution.

Ferdian is an Executive at the Salim Group and in charge of Corporate Development and Strategic Acquisitions within the resources sector. The Salim Group is a diversified conglomerate which owns interests in companies involved in the mining business, dairy products, flour milling, instant noodles, cooking oil, automobile assembly, property, insurance and retail.

Ferdian has spent the past four years facilitating resource development opportunities between Indonesian and Australia. His experiences include serving as a Director of a gold & silver exploration company with projects in Indonesia. Ferdian also serves as a Director at Mach Energy Australia which successfully contracted to acquire 100% of the world class Mt Pleasant coal mine in the Hunter Valley region in New South Wales.

The Board recommends, with Mr. Purnamasidi abstaining, that shareholders vote in favour of the resolution for the election of Mr. Ferdian Purnamasidi.

Resolution 4 Remuneration Report

Section 300A of the Corporations Act requires that the directors' report include a separately identified section addressing the remuneration of its Key Management Personnel. Listed entities are further required under section 250R of the Corporations Act to submit the Remuneration Report for adoption at the Company's Annual General Meeting.

The Remuneration Report is set out in KGL's 2015 Annual Report.

The Remuneration Report explains the Board's policies in relation to the nature and level of remuneration paid to directors and specified executives of the Company and sets out remuneration details for each director and specified executive.

As detailed in the Remuneration Report, the Board believes that the remuneration granted to directors and specified executives is in line with the current employment market and a reflection of the current commodity market conditions.

Shareholders will be asked to vote at the Annual General Meeting on the resolution to adopt the Remuneration Report. The Chairman will give shareholders a reasonable opportunity for discussion of the Remuneration Report at the Annual General Meeting.

At the Company's 2015 annual general meeting, more than 25% of votes cast were against the adoption of the Company's 2014 remuneration report. The Board noted and considered the 'no vote' received against the Company's 2014 remuneration report and recognises that, under difficult trading conditions, KGL suffered a decline in its share price over the course of the year ended 31 December 2015. Following this, the Company has reacted, and there has since been a significant restructure of the Company's Board and senior management team, as well as a reduction in the administrative costs of the Company. The Board believes that it has responded to the concerns of shareholders expressed through their voting at the Company's 2015 annual general meeting.

The Board will continue to monitor the progress of the Company's projects and exploration activities in relation to the appropriateness of the remuneration of the Board and members of the Company's Key Management Personnel.

The Directors unanimously recommend that shareholders vote in favour of Resolution 4.

Resolution 5 Spill Resolution

The Corporations Act requires that a 'spill resolution' be included in the Notice of Meeting where:

1. the remuneration report at the previous annual general meeting received a 'no' vote of 25% or more; and
2. at this Annual General Meeting the Remuneration Report received a 'no' vote of 25% or more.

The resolution must require that:

1. a Spill Meeting be held within 90 days of the Annual General Meeting; and
2. all directors cease to hold office immediately before the Spill Meeting and an election to appoint persons to vacated offices occurs at the Spill Meeting.

At the Company's 2015 annual general meeting, more than 25% of the votes were cast against the adoption of the 2014 remuneration report. If, at the 2016 Annual General Meeting, 25% or more of votes cast are against the adoption of the Remuneration Report under Resolution 3, shareholders will be required to vote on Resolution 4 (**Spill Resolution**) and decide whether a Spill Meeting should be held at which all of the directors of the Company must stand for re-election should they wish to continue as directors of the Company.

If the Spill Resolution is passed by an ordinary majority of votes, the Company must hold the Spill Meeting within 90 days of the Spill Resolution being passed.

All members of the Board who were directors of the Company when the directors' resolution to adopt the Remuneration Report for the year ended 31 December 2015 was passed will cease to hold office immediately before the end of the Spill Meeting, and the directors appointed by the Spill Meeting will commence holding office at the end of the Spill Meeting.

Notwithstanding the results of the Spill Meeting, the Company may retain three directors, being the minimum number of directors required for a public company under the Corporations Act. If no candidate receives sufficient votes to be elected as a director by way of the ordinary resolution, then the directors that are retained to maintain the statutory minimum will be those candidates for election with the most votes cast in favour of their election at the Spill Meeting, even if less than half the votes cast on the resolution were in favour of their appointment. If two or more persons have the same percentage of votes in favour of their appointment, the other directors will choose one of those persons as the appointed director.

The Company is required to disregard any votes cast by a member of the Key Management Personnel or a closely related party of a member of the Key Management Personnel, at the Spill Meeting.

The Board unanimously recommends that shareholders vote against the Resolution 5

GLOSSARY OF TERMS

“AEST” means Australian Eastern Standard Time.

“Annual General Meeting” means the Company’s annual general meeting the subject of this Notice of Meeting.

“Annual Report” means the 2015 annual report of the Company.

“ASX” means ASX Limited ACN 008 624 691.

“ASX Listing Rules” means the listing rules of ASX.

“Board” means the board of directors of the Company.

“Company or KGL” means KGL Resources Limited ACN 082 658 080.

“Constitution” means the constitution of the Company adopted on 25 October 2004.

“Corporations Act” means *Corporations Act 2001* (Cth).

“Explanatory Memorandum” means the explanatory statement accompanying the resolutions contained in this Notice of Meeting.

“Key Management Personnel” means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise).

“Notice of Meeting” means this notice of meeting and includes the Explanatory Memorandum.

“Remuneration Report” means the section of the directors’ report for the year ended 31 December 2015 that is included under section 300A(1) of the Corporations Act.

LODGE YOUR VOTE



ONLINE

www.linkmarketservices.com.au



BY MAIL

KGL Resources Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



BY FAX

+61 2 9287 0309



BY HAND

Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138



ALL ENQUIRIES TO

Telephone: +61 1300 554 474

PROXY FORM

I/We being a member(s) of KGL Resources Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY



the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy



or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **9:00am on Tuesday, 31 May 2016 at Christie Conference Centre, 320 Adelaide St, Brisbane Qld 4000** (the Meeting) and at any postponement or adjournment of the Meeting.

Important for Resolutions 4 and 5: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 4 and 5, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

The Chairman of the Meeting intends to vote all available proxies in favour of all items of business except Resolution 5, where he will be voting against.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒

Resolutions

1 Re-election of Director, Mr. Christopher Bain

For Against Abstain*

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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5 Spill Resolution

For Against Abstain*

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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2 Election of Director, Mr. Denis Wood

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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3 Election of Director, Mr. Ferdian Purnamasidi

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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4 Adoption of the Remuneration Report

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **9:00am on Sunday, 29 May 2016**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



BY MAIL

KGL Resources Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138

* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**