

ASX Announcement

Entitlement Offer to raise approx. \$24.2 million



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

13 April 2022

KGL Resources Ltd (KGL) is pleased to announce a proposed 1 for 6 non-renounceable entitlement offer of fully paid ordinary shares in KGL (New Shares) to raise up to \$24.2 million.

The Offer is not underwritten and is subject to a minimum raise condition of \$9.9 million however two of KGL's major shareholders, KMP Investments and Mr Denis Wood have advised KGL of their intention to take up their full entitlement, which would provide funding of \$8.1 million. Proceeds from the Entitlement Offer will advance the project as we work through the Front End Engineering design (FEED) and the final stages of the Feasibility Study. It will also add to working capital, to strengthen the balance sheet as the company moves toward a final investment decision in respect of the development of the Jervois Copper Project.

KGL's Executive MD, Mr Simon Finnis, said,

"The Feasibility Study (FS) is nearing completion, and while it has taken longer than initially expected it has allowed us to use an updated and improved Resource as the basis of the mine plan and also incorporate into our plant design the requirements of the Glencore agreement. It is considered likely that this will improve the feasibility outcomes.

Now the Feasibility is in its final stages we need to maintain momentum on the project by completing this raise. If we achieve a good take up on this issue, we will be in a strong position to place orders for long-lead items, commence early site works and de-risk the construction by locking in prices and timing of key equipment, based on the outcomes of the Feasibility Study.

We think it is appropriate at this time to give the first opportunity to our ever-supportive shareholder base. Hence we offer our shareholders the chance to participate in the anticipated upside that completion of the FS and development of the project will deliver."

Ratio	1 New Share for every 6 existing Shares held
Offer Price for New Shares	\$0.37 per New Share
Size	Up to approximately 65.39 million New Shares
Gross proceeds (minimum)	\$9.9 million
Gross proceeds (maximum)	Up to approximately \$24.2 million

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

ASX Announcement

Entitlement Offer to raise approx. \$24.2 million



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

Key dates¹

Event	Date
Announcement of the Offer	Wednesday, 13 April 2022
"Ex" date	Tuesday, 19 April 2022
Record date for Offer (7.00pm (Sydney time)) (Record Date)	Wednesday, 20 April 2022
Offer Booklet and personalised Entitlement and Acceptance Forms despatched, and announcement of despatch	Tuesday, 26 April 2022
Offer opens	Tuesday, 26 April 2022
Last day to extend the Closing Date for the Offer	Monday, 2 May 2022
Closing Date for the Offer (5.00pm (Sydney time)) ²	Thursday, 5 May 2022
Securities quoted on a deferred settlement basis (from market open)	Friday, 6 May 2022
Announcement of results of the Offer	Tuesday, 10 May 2022
Settlement of the Offer	Wednesday, 11 May 2022
Allotment of New Shares issued under the Offer	Thursday, 12 May 2022
Normal trading on ASX for New Shares issued under the Offer commences	Friday, 13 May 2022
Despatch of holding statements for New Shares issued under the Offer	Monday, 16 May 2022

Further information

If you have any queries, please call Link Market Services on 1300 730 659 (inside Australia) between 8.30am and 5.30pm (AEDT) Monday to Friday during the offer period or, alternatively, consult your professional adviser.

Approved for release by KGL Board of Directors.

¹ All times are in Australian Eastern Daylight Time (**AEDT**), unless otherwise stated. This timetable is indicative only and subject to change. The Directors may vary these dates subject to the ASX Listing Rules. An extension of the Closing Date will delay the anticipated date for issue of the New Shares. The Directors also reserve the right not to proceed with the whole or part of the Entitlement Offer any time before the allotment and issue of the New Shares. In that event, the relevant Application Monies (without interest) will be returned in full to applicants.

² Eligible Shareholders who wish to take up all or a part of their Entitlement must complete and return their personalised Entitlement and Acceptance Form with the requisite Application Monies or pay their Application Monies via BPAY[®] by following the instructions set out on the personalised Entitlement and Acceptance Form so that they are received by the Company's Share Registry by no later than 5.00pm (Sydney time) on 5 May 2022.

ASX Announcement

Entitlement Offer to raise approx. \$24.2 million



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

Important information

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

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