



# KGL

## RESOURCES

### Equity Raising – Investor Presentation

Pro-rata traditional non-renounceable entitlement offer

13 April 2022

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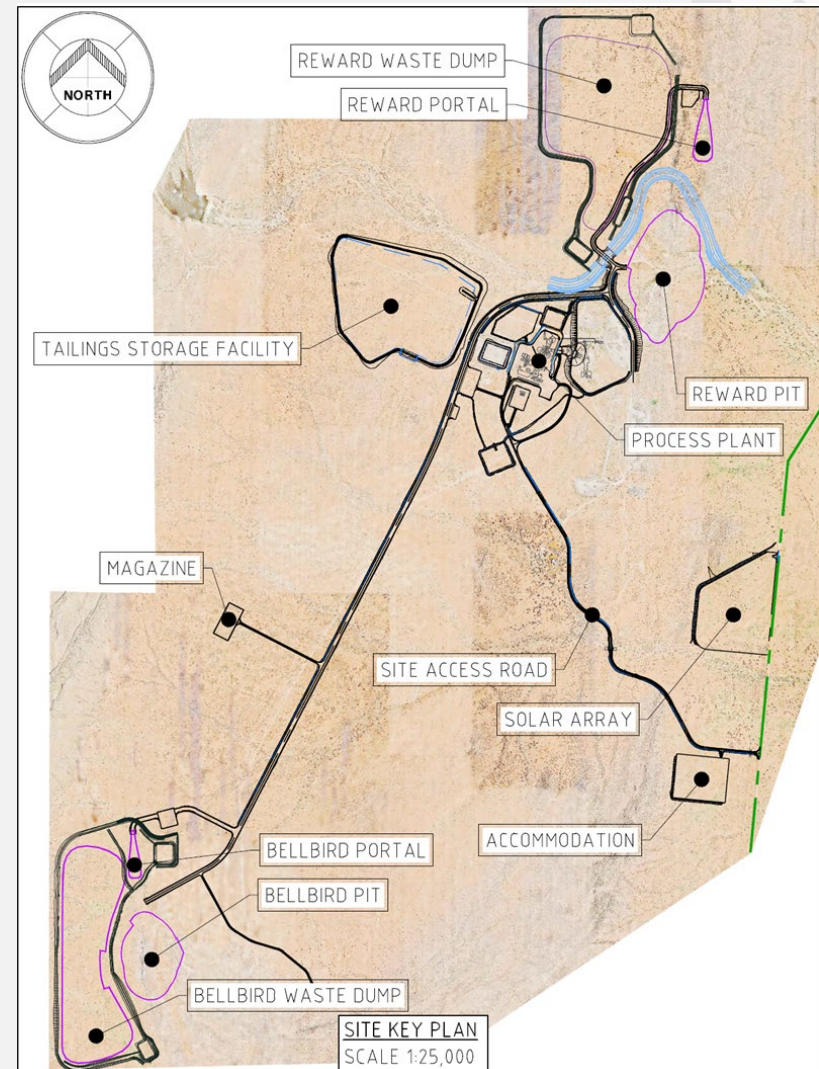
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# Jervois Project Development

## Feasibility Study expected mid year

## Mining method and mineral processing

- ✓ Mining method and mineral processing - settled
- ✓ Two open pit mines and three underground mines, using conventional earthmoving equipment and long hole stoping mining methods, respectively
- ✓ Based on Reward, Bellbird and Rockface deposits (Reward South not included)
- ✓ Processing plant with nominal throughput of 180 tonnes per hour (1.6 Mtpa)
- ✓ Single-stage crushing circuit with a conventional SAG and ball mill (SAB) grinding circuit
- ✓ Flotation circuit will consist of roughing, cleaning, and re-cleaning stages
- ✓ Concentrate (copper with silver and gold) by road to Mt Isa





# Jervois Project Development (cont.)

## Significant progress on a number of fronts

- ✓ **Project fully permitted**
- ✓ **Updated Resource of 22.87MT at 2.04% Cu, containing 465.6kt of Cu metal**
- ✓ **Binding offtake agreement with Glencore supports development funding:**
  - ✓ Evergreen with minimum 5 year term
  - ✓ Covers 100% of copper concentrate from Jervois mine
  - ✓ Delivered by road to Mt Isa
  - ✓ Benchmark pricing for payables – Copper, Silver and Gold
- ✓ **Final designs of infrastructure complete:**
  - ✓ Accommodation Camp
  - ✓ Pipeline from bore farm to plant site
  - ✓ Communications
  - ✓ Haul and light vehicle roads
- ✓ **Quote for FEED of Hybrid Solar/Diesel Power station received and under review**
- ✓ **Near-term growth opportunities for Resource and Mine Life extension**
- ✓ **Civils design final and camp supplier agreed**
- ✓ **Front-end Engineering & Design (FEED) for processing plant well progressed**
- ✓ **Team to construct and operate project being recruited**
- ✓ **Financing strategy being developed. Discussions with banks commenced.**

# Jervois Project Development (cont.)

## Growing certainty on key economic inputs

- ✓ **Mine plan based on updated Jervois Resource now complete**
- ✓ **Capital Estimate nearing completion:**
  - ✓ Modifications to load out area to suit Glencore Agreement underway
  - ✓ Contingency allocation also now underway
- ✓ **Mine Plan being costed for Feasibility Study**
- ✓ **Mill process feed schedule similarly being costed**
- ✓ **Financial Model update underway**
- ✓ **Tender for civil contracts received and review is progressing**
- ✓ **Tenders for equipment as part of FEED well underway**
- ✓ **Feasibility Study to be finalised mid-year 2022**



# Feasibility Study released in short term (cont.)

## Key developments since Pre-Feasibility Study - completed Dec 2020

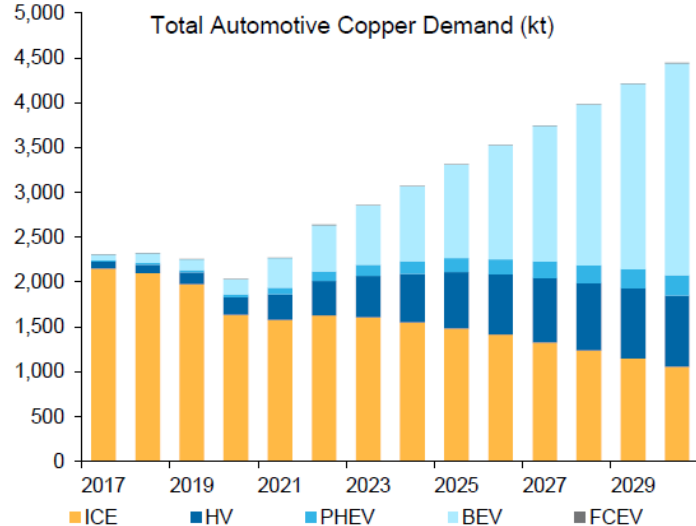
- ✓ **Capital Cost increases due to industry wide inflation and some scope changes at Jervois**
- ✓ **Operations simplified and transportation costs reduced in line with Glencore Agreement**
  - ✓ Emissions will reduce due to shortened logistics chain to market
- ✓ **Mining costs to increase:**
  - ✓ COVID induced labour cost increases
  - ✓ Demand for high quality contractors in resources industry very strong
  - ✓ Short-term fuel price increase also relevant
- ✓ **Higher commodity pricing will significantly increase USD Revenue with some benefits offset due to recent AUD strength**
- ✓ **Improved resource expected to extend mine life**
- ✓ **Mining Leases to 2032 (ML30829 and ML32277) and 2034 (ML30180 and ML30182)**

# Development timeline

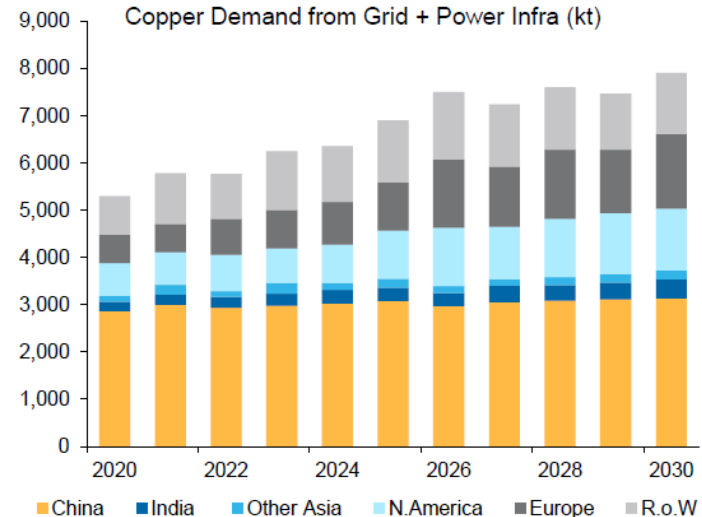
	2020	2021				2022			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
<b>Drilling and exploration</b>									
Resource Definition		✓	✓	✓					
Resource Enhancement				✓	✓	✓			
Exploration			✓	✓	✓	✓			
<b>Development activities</b>									
PFS	✓								
ILUA	✓								
Permitting	✓	✓	✓			✓			
Updated Resource					✓	✓			
Capital Raise									
Reserve									
Feasibility Study		✓	✓	✓	✓	✓			
FEED & Early Works						✓			
FID									



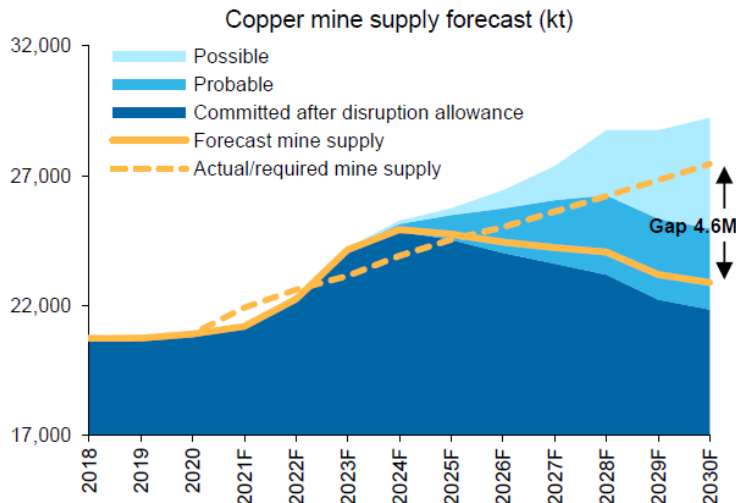
# Favourable Macro Tailwinds



Source: LMCA, Rho Motion, CRU, Company Reports, Macquarie Strategy, March 2022



Source: Bloomberg NEF, CRU, WoodMac, Company Reports, Macquarie Strategy, March 2022



Source: Company Reports, WoodMac, CRU, ICSG, Macquarie Strategy, March 2022



# Jervois Copper Project

- ✓ KGL Resources is creating the next Australian copper hub in the Northern Territory
- ✓ Consolidating the proximate & prospective Reward, Rockface and Bellbird deposits
- ✓ Robust PFS led to Feasibility Study – planned delivery of mid 2022
- ✓ Direct access to key infrastructure – c.530km road access from mine to Glencore's Mt Isa complex. Plenty Highway to be sealed as part of Outback Way#
- ✓ Supported by long-term/extensive mining and exploration leases

## Jervois Resource

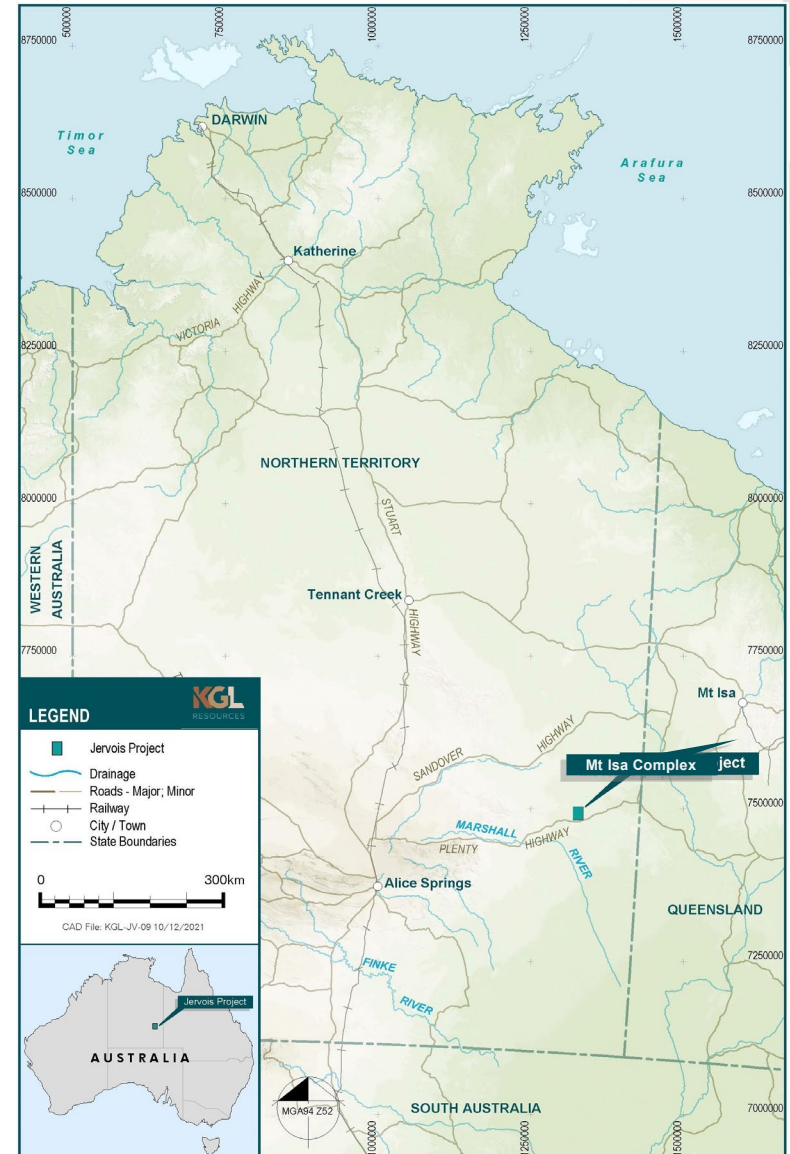
Resources	(Mt)	Copper (%)	Silver (g/t)	Gold (g/t)	Copper (kt)	Silver (Moz)	Gold (koz)
Indicated	13.83	2.31	32.4	0.32	319.4	14.41	140.7
Inferred	9.06	1.61	15.6	0.16	146.2	4.53	46.4
<b>Total</b>	<b>22.87</b>	<b>2.04</b>	<b>25.7</b>	<b>0.25</b>	<b>465.6</b>	<b>18.93</b>	<b>187.1</b>

## Jervois Tenements

- Jervois Exploration Licence – 37.9 km<sup>2</sup>
- Jervois Mining Leases – 19.5 km<sup>2</sup>
- Unca Creek Exploration Licence – 72.7 km<sup>2</sup>

# Funding announced but timeline not finalised

<https://www.pm.gov.au/media/678-million-further-seal-and-upgrade-outback-way>





# Binding Offtake Agreement with Glencore

## Terms

- Evergreen with minimum 5–year term from commercial production
- Covers 100% of copper concentrate from Jervois mine
- Material delivered by KGL to Glencore's Mt Isa's Copper Smelter
- Benchmarked pricing for payables – Copper, silver and gold

## Key benefits

- ✓ Certainty of concentrate sales for the project – supporting the funding strategy
- ✓ Strong project support from a leading mining, processing & commodities trading firm
- ✓ Benchmarked pricing in a strong commodity environment
- ✓ Simplified transport solution minimises emissions
- ✓ Significantly reduces haulage / transport costs
- ✓ Sales within Australia supporting local and broader economies
- ✓ Significant working capital benefits
- ✓ De-risks investment decision for Jervois

# Corporate Structure and Shareholders

## Capital Structure

Australian Stock Exchange (ASX) code	<b>KGL</b>
ASX Share price (close 12 April 2022)	\$0.415
Shares outstanding	392 M
Options on Issue	1 M
<b>Market capitalisation</b>	<b>A\$162.8M</b>
Cash (31 March 2022)	A\$7.47M
Debt	Nil
<b>Enterprise value</b>	<b>A\$155.3M</b>

## No debt

- Cash \$7.47m (31 March 2022)
- No debt

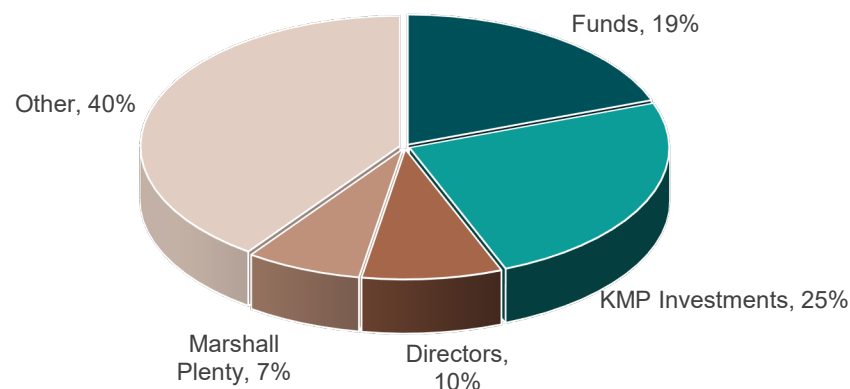
## Supportive shareholder base

- 19% institutional funds, including substantial holder Paradise (7.5%)
- 10% owned by directors
- KMP Investments, part of the Salim Group

## Major Shareholders

KMP Investments Pte Ltd	24.5%
Denis Wood	9.1%
Marshall Plenty Investments LLC	7.2%
Paradise Investment Management	7.5%
Pegasus CP One	5.6%

## Shareholder breakdown





# Equity Raising

# Equity Raising Summary

## Non-renounceable entitlement offer

Offer Structure & Size	<ul style="list-style-type: none"> <li>Equity raising to raise up to AUD \$24.2 million, comprising:                     <ul style="list-style-type: none"> <li>a 1 for 6 pro-rata traditional non-renounceable entitlement offer (<b>Entitlement Offer</b>)</li> <li>Not underwritten</li> </ul> </li> <li>Minimum raising of AUD \$9.9 million (before costs) under the Offer</li> <li>Up to approximately 65.4 million new KGL shares (<b>New Shares</b>) will be issued</li> <li>Uncapped top-up facility for shareholders</li> <li>Commitments by shareholders representing 33.6%, being Denis Wood and KMP Investments, to take up their entitlements in full.</li> </ul>
Offer Price	<ul style="list-style-type: none"> <li>Offer price of AUD 0.37 per New Share, which as of close of trading on 12 April 2022 represents:                     <ul style="list-style-type: none"> <li>a 9.4% discount to TERP of AUD \$0.409 (assuming a full take up of Entitlement Offer) <sup>1</sup></li> <li>a 10.8% discount to the last closing price of KGL shares on 12 April 2022 of AUD \$0.415</li> <li>a 13.4% discount to the 30 day VWAP of KGL shares on ASX of AUD \$0.427 <sup>2</sup></li> </ul> </li> </ul>
Use of Proceeds	<ul style="list-style-type: none"> <li>Minimum raise of AUD 9.9 million <sup>3</sup> to advance the project 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.</li> <li>Funding in excess of minimum raise to be used to place orders for long-lead items, commence early site works and lock in pricing and timing of key equipment, based on the outcomes of the Feasibility Study. It will also provide additional working capital and, to the extent not spent, will defray equity requirements as part of the final funding package for capital development of the Jervois Copper Project.</li> </ul>
Shareholder Support	<ul style="list-style-type: none"> <li>KGL's largest shareholders, KMP Investments (24.53%) and Denis Wood (9.07%), are supportive and have committed to take up their entitlements under the Entitlement Offer in full.</li> <li>All directors have indicated they will take up their entitlements in full.</li> <li>KMP Investments has indicated an interest in participating in the top-up facility (subject to shareholder approval)</li> </ul>

1. The theoretical ex-rights price (**TERP**) including shares issued under the Entitlement Offer (on the assumption that it is fully subscribed)

2. The average of the volume-weighted average prices of the ordinary shares in KGL on ASX for the last 30 trading days ending on 12 April 2022

3. The 'minimum raise condition' is satisfied if the Company receives commitments under the Offer for no less than AUD 9.9 million (before costs)

# Equity Raising Summary

## Non-renounceable entitlement offer

No underwriting	<ul style="list-style-type: none"><li>■ The Equity Raising is not underwritten (and is subject to a minimum raise of AUD 9.9 million) <sup>1</sup></li></ul>
Substantial shareholder support (and control implications)	<ul style="list-style-type: none"><li>■ KGL's two largest shareholders, KMP Investments (24.53%) and Denis Wood (9.07%), are supportive and have committed to take up their entitlements under the Entitlement Offer (totalling AUD 8.1 million)</li><li>■ The voting power of those substantial shareholders will increase if the Entitlement Offer is not fully subscribed (or if the shortfall is not placed) – in particular, assuming that only the minimum raising is achieved, the voting power of those substantial holders will increase as follows:<ul style="list-style-type: none"><li>▶ KMP Investments' voting power will increase to approx. 26.8%</li></ul></li><li>■ If the Entitlement Offer is taken up in full, or any shortfall is placed, then the voting power of each of those shareholders will not change. <sup>2</sup></li></ul>
Dispersion strategy	<ul style="list-style-type: none"><li>■ KGL's board has implemented various measures to limit the control effect of KMP Investments' participation in the Equity Raising, including:<ul style="list-style-type: none"><li>▶ making shortfall shares available under the Entitlement Offer via an uncapped top-up facility;</li><li>▶ limiting KMP Investments' and Denis Wood's participation in the Entitlement Offer to its pro-rata entitlement unless there is shortfall after the allocation of shares to existing holders under the top-up facility, and then only after the issue has been approved at a meeting of shareholders.</li></ul></li></ul>

1. The Company reserves the right to appoint an underwriter and/or allocate shortfall to investors or eligible shareholders, at the Directors' discretion.

2. KMP Investments have indicated an interest in participating in the top-up facility; (subject to shareholder approval).

# Funding & Pro-Forma Capital Structure

## Sources & Uses

Sources of Funds	\$ (Min)	\$ (Max)
Existing Cash Position <sup>1</sup>	A\$7.5m	A\$7.5m
Entitlement Offer <sup>2</sup>	A\$9.9m	A\$24.2m
<b>Total</b>	<b>A\$17.4m</b>	<b>A\$31.7m</b>

Use of Funds <sup>2</sup>	\$ (Min)	\$ (Max)
Exploration, Feasibility Study and Engineering and Design	A\$10.8m	A\$19.1m
Site, Corporate and Working Capital	A\$6.4m	A\$12.4m
Expenses relating to the Offer	A\$0.2m	A\$0.2m
<b>Total</b>	<b>A\$17.4m</b>	<b>A\$31.7m</b>

1. As at 31 March 2022 based on KGL's management balance sheet, which is not audited or reviewed
2. Assuming A\$9.9 million minimum raise, funds raised in excess of the A\$9.9 million minimum raising (up to an additional A\$14.3 million in the event that the Entitlement Offer is fully subscribed) will be used to place orders for long-lead items, commence early site works and lock in pricing and timing of key equipment. It will also provide additional working capital to defray equity requirements as part of the final funding package for capital mine development of at the Jervois Copper Project.

## Pro-Forma Capital Structure

Key Information	Current 12-Apr-22	Post Equity Raising	
		(min)	(max)
Share Price <sup>3</sup>	A\$0.415	A\$0.412	A\$0.409
Ordinary Shares On Issue	392.3m	419.1m	457.7m
<b>Market Capitalisation</b>	<b>A\$162.8</b>	<b>A\$172.7m</b>	<b>A\$187.2m</b>
Cash <sup>1</sup>	A\$7.5m	A\$17.4m	A\$31.7m
Debt <sup>1, 2</sup>	A\$0m	A\$0m	A\$0m
<b>Enterprise Value</b>	<b>A\$155.3m</b>	<b>A\$155.3m</b>	<b>A\$155.5m</b>

1. As at 31 March 2022 (based on KGL's management balance sheet, which is not audited or reviewed); post equity raising position reflects proceeds after costs
2. Excludes lease liabilities & April creditors.
3. Post equity raise price is TERP calculated based on minimum (A\$9.9 million) and maximum (A\$24.2 million) Equity Raising. TERP is a theoretical calculation only; the actual price at which KGL shares trade immediately after the ex-date may differ.



# Driving the Jervois Copper Project

## Many years' experience in project evaluation, feasibility and development

### Executive management team

#### Simon Finnis

Managing Director / CEO

**Over 30 years of global mining experience** across a range of roles; including CEO of Grande Cote Operations during its development and early operations in Senegal and MD of KGL Mining Limited during development and operational phases of the Bauxite Hills Mine.

#### Amy Treble

Chief Financial Officer

**A Senior Finance Professional with over 21 years' experience** delivering financial services and providing advice to Managers, Executives, Committees and Board of both ASX listed and non-listed companies. This includes 16 years in the mining sector and 5 years within Big4 professional accounting firms internationally and within Australia.

#### Allan Reid

Project Director

**Over 30 years' experience in project development**, having advised on a vast range of mining projects. Allan's skillset includes risk management, commercial, technical and project management advisory services to mining, power and mineral processing sector clients

#### John Levings

Chief Geologist

**A highly experienced geologist with over 40 years' experience.** John worked for several years as a field geologist and geophysicist for Anglo American Ltd. In 1985, as Chief Geologist for Normandy Gold Ltd, John was responsible for the discovery of the high-grade White Devil gold deposit in Tennant Creek

### Board of Directors

#### Peter Hay

Independent Non-Executive Chair

**Over 30 years' mining experience**, including GM of Pan Australian Mining Ltd, MD of Sedgman Limited and Joint MD of Macarthur Coal Ltd.

#### Ferdian Purnamasidi

Non-Executive Director

**Over 20 years' mining experience** and an Executive at the Salim Group and in charge of Corporate Development and Strategic Acquisitions within the resources sector.

#### Denis Wood

Non-Executive Director

**Over 45 years' mining experience**, as a qualified metallurgist and geologist including 13 years with BHP, Managing Director at Australian Premium Coal and discovering, funding and construction of the Coppabella and More Vale mines.

#### Denis Gately

Independent Non-Executive Director

**Over 30 years' Natural Resources experience**, including Managing Partner at Minter Ellison and numerous previous resource industry directorships and Chair positions.

# Equity Raising Timetable

## Pro-rata traditional non-renounceable entitlement offer

Event	Date
Announcement of Offer	Wednesday, 13 April 2022
“Ex” date	Tuesday, 19 April 2022
Record date for Offer	Wednesday, 20 April 2022 (at 7.00pm (Sydney time))
Offer information booklet released to ASX and despatched to eligible shareholders, and letter despatched to ineligible shareholders	Tuesday, 26 April 2022
Offer opens	Tuesday, 26 April 2022
Last day to extend the Offer closing date	Monday, 2 May 2022
Offer closes	Thursday, 5 May 2022 (at 5.00pm (Sydney time))
Securities quoted on a deferred settlement basis	Friday, 6 May 2022 (from market open)
<b>Announcement of results of Offer</b>	<b>Tuesday, 10 May 2022</b>
Settlement of Offer	Wednesday, 11 May 2022
<b>Allotment of New Shares under Offer</b>	<b>Thursday, 12 May 2022</b>
<b>Quotation of New Shares issued under Offer</b>	<b>Friday, 13 May 2022</b>
Holding statements despatched	Monday, 16 May 2022

# Appendix A

## Key Risk Factors

# Key Risk Factors

Activities in KGL and its controlled entities, as in any business, are subject to risks which may impact on KGL's future performance. There are a number of factors, both specific to KGL and of a general nature, which may affect the future operating and financial performance and position of KGL and the outcome of an investment in KGL. Some of these risks can be adequately mitigated by the use of safeguards and appropriate systems but many are beyond the control of KGL and its directors and cannot be mitigated.

Prior to deciding whether to take up their entitlement, eligible shareholders should read the entire Offer information booklet and review announcements made by KGL to ASX (at [www.asx.com.au](http://www.asx.com.au), ASX: KGL) in order to gain an appreciation of KGL and its activities, operations, financial position and prospects.

Shareholders should also consider the summary of key risk factors set out below which the directors believe represent some of the specific and general risks that shareholders should be aware of when evaluating KGL, and deciding whether to increase their shareholding in KGL. The key risk factors set out below are not intended to be an exhaustive list of all of the risk factors to which KGL is exposed, and they are not intended to be presented in any assumed order of priority. Additional risks and uncertainties not presently known to the directors, or which they currently believe to be immaterial, may also have an adverse effect on KGL.

An investment in KGL should be considered speculative. There can be no certainty that KGL will be able to successfully implement its business strategy. No representation is or can be made as to the future performance of KGL and there can be no assurance that KGL will achieve its objectives.

## MATERIAL BUSINESS RISKS

### *Future Capital Raisings*

KGL's ongoing activities are expected to require substantial further financing in the future, in addition to amounts raised pursuant to the Offer. KGL will require additional funding to bring the Jervois Copper 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 KGL's operations and business strategy. Although the directors of KGL believe that additional capital can be obtained, no assurances can be made, especially given the impact of the COVID-19 pandemic, that appropriate capital or funding will, if and when needed, be available on terms favourable to KGL, or at all. If KGL 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 KGL's activities and could affect KGL's ability to continue as a going concern.



# Key Risk Factors

## MATERIAL BUSINESS RISKS

### ***Exploration Risk***

The success of KGL 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 KGL's exploration and mining tenements, and obtaining all consents and approvals necessary for the conduct of its exploration activities. Exploration on KGL's existing tenements may be unsuccessful, resulting in a reduction in the value of those tenements, diminution in the cash reserves of KGL, and possible relinquishment of the tenements. The exploration costs of KGL 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 adversely affect KGL's viability. If the level of operating expenditure required is higher than expected, the financial position of KGL may be adversely affected. KGL 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 KGL to exploit successful discoveries which may be made in areas in which KGL 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. Further, the decision to proceed to further exploitation may require participation of other companies whose interests and objectives may not be the same as KGL's. KGL continues to assess the economic viability of a potential mine through the completion of a feasibility study – there is a complex, multidisciplinary process underway to complete such a feasibility study to support any development proposal, with works undertaken in 2021 and 2022 advancing the technical aspects of the project. There is a risk, however, that the feasibility study and associated technical works will not achieve the results expected. There is also a risk that, even if a positive feasibility study is produced, the project may not be successfully developed for commercial or financial reasons.

### ***Regulatory Risk***

KGL'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 KGL 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, licences and permits are required and not retained or obtained in a timely manner or at all, KGL may be curtailed or prohibited from continuing or proceeding with production and exploration. KGL's business and results of operations could be adversely affected if applications lodged for exploration licences are not granted.

# Key Risk Factors

## MATERIAL BUSINESS RISKS

### ***Regulatory Risk (cont...)***

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 KGL'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 KGL. It is also possible that, in relation to tenements which KGL 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 KGL 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. KGL has a registered Indigenous Land Use Agreement with the traditional owners for its Jervois Copper Project.

### ***Occupational Health and Safety***

Given KGL'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 KGL can be hazardous. KGL 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. Of particular concern will be operating and managing health and safety in an environment where COVID-19 remains a major concern.

### ***Limited Operating History of KGL***

KGL has limited operating history on which it can base an evaluation of its future prospects. If KGL's business model does not prove to be profitable, investors may lose their investment. KGL's historical financial information is of limited value because of KGL's lack of operating history and the emerging nature of its business. The prospects of KGL 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, KGL relies to a significant extent upon the experience and expertise of the directors of KGL and its management. A number of key personnel are important to attaining the business goals of KGL. One or more of these key employees could leave their employment, and this may adversely affect the ability of KGL to conduct its business and, accordingly, affect the financial performance of KGL and its share price. Recruiting and retaining qualified personnel are important to KGL's success. The number of persons skilled in the exploration and development of mining properties is limited, and competition for such persons is strong.

# Key Risk Factors

## MATERIAL BUSINESS RISKS

### ***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 estimates could affect KGL'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 estimations.

### ***Environmental Risk***

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

### ***Availability of Equipment and Contractors***

Prior to the COVID-19 pandemic, appropriate equipment, including drill rigs, was in short supply. There was also high demand for contractors providing other services to the mining industry. The COVID-19 pandemic has only served to exacerbate these issues. Consequently, there is a risk that KGL 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 KGL's activities.

# Key Risk Factors

## MATERIAL BUSINESS RISKS

### ***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 KGL can mine its deposits at a profit. Copper 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. These fluctuations were exacerbated by the worldwide spread of the COVID-19 virus and at this stage, forecast recoveries from the impact of COVID-19 are speculative. 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 KGL 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 KGL and its profitability. While KGL will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that KGL will not be impacted by these occurrences. Climate change may also cause certain physical and environmental risks that cannot be predicted by KGL, 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 KGL operates.

### ***Macro-Economic Risks***

In 2022, the world continues to remain in a pandemic phase of COVID-19, with global supply chains, labour and equipment shortages still being materially affected, though this is being slowly abated by re-opening of world economies. Inflationary pressures for appropriately skilled labour, oil and capital items are being seen across many industries, including the mining industry. Australia is continuing to open its interstate and international borders for fully vaccinated persons, however further disruptions may be experienced as the pandemic moves into the endemic phase, with waning vaccine effectiveness and possible new COVID-19 variants, which could cause subsequent disruptions to businesses nationwide. In particular, if the COVID-19 virus re-emerges through different variants that are, for example, more serious or contagious, it could result in restrictions being strengthened, which would impact significantly on KGL's planned activities. The recent conflict between Ukraine and Russia may also continue to adversely affect capital markets and cause spikes in materials prices, particularly diesel prices, in the short term.



# Key Risk Factors

## GENERAL RISK FACTORS

Mineral exploration and mining may be hampered by circumstances beyond the control of KGL and are speculative operations which by their nature are subject to a number of inherent risks. These include general risk factors such as the following.

### ***Market Risk***

As with all stock market investments, there are risks associated with an investment in KGL. Share prices may rise or fall and the price of Shares might trade below or above the issue price for the New Shares. The price at which KGL shares trade on ASX may be determined by a range of factors including movements in local and international equity and bond markets, general investor sentiment in those markets, inflation, interest rates, general economic conditions and outlook and changes in the supply of, and demand for, exploration and mining industry securities, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates. The market for KGL shares may also be affected by a wide variety of events and factors, including variations in KGL's operating results, recommendations by securities analysts, and the operating and trading price performance of other listed exploration and mining industry entities that investors consider to be comparable to KGL. Some of these factors could affect KGL's share price regardless of KGL's underlying operating performance.

### ***Taxation Risk***

Any change in KGL's tax status or the tax applicable to holding KGL shares or in taxation legislation or its interpretation, could affect the value of the investments held by KGL, affect KGL's ability to provide returns to shareholders, and/or alter the post-tax returns to shareholders. In addition, an interpretation of Australian tax laws by the Australian Taxation Office that differs to KGL's interpretation may lead to an increase in KGL's tax liabilities and a reduction in shareholder returns. Personal tax liabilities are the responsibility of each individual investor. KGL is not responsible either for tax or tax penalties incurred by investors.

### ***Liquidity Risk***

There can be no guarantee that there will continue to be an active market for KGL shares or that the price of KGL shares will increase. There may be relatively few buyers or sellers of KGL shares on ASX at any given time. This may affect the volatility of the market price of KGL shares. It may also affect the prevailing market price at which shareholders are able to sell their KGL shares. This may result in shareholders receiving a market price for their KGL shares that is less or more than the price paid under the Offer.

# Key Risk Factors

## GENERAL RISK FACTORS

### ***Securities Investment Risk***

Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock market, and in particular securities of mining and exploration companies, have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. These factors may materially affect the market price of the securities regardless of KGL's performance. The past performance of KGL is not necessarily an indication as to future performance of KGL as the trading price of KGL shares can go up or down. Neither KGL, nor its directors, warrant the future performance of KGL or any return on an investment in KGL.

### ***Economic Factors***

The operating and financial performance of KGL is influenced by a variety of general economic and business conditions, including levels of consumer spending, oil prices, inflation, interest rates and exchange rates, supply and demand, industrial disruption, access to debt and capital markets and government fiscal, monetary and regulatory policies. Changes in general economic conditions may result from many factors including government policy, international economic conditions, significant acts of terrorism, hostilities or war or natural disasters. A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could be expected to have an adverse impact on KGL's operating and financial performance and financial position. KGL's future possible revenues and the KGL share price can be affected by these factors, which are beyond the control of KGL.

### ***Accounting Standards***

Australian accounting standards are set by the Australian Accounting Standards Board (**AASB**) and are outside KGL's control. Changes to accounting standards issued by AASB could materially adversely affect the financial performance and position reported in KGL's financial statements.

# Appendix B

Additional KGL Information

# Investment highlights

## Australia's next copper producer



**High >2.0% copper grade Resource<sup>1</sup>** – unique vs. global Cu projects



**Feasibility advanced - project fully permitted**  
Updated FS expected mid 2022



**Near-term growth opportunities**  
for Resource and Mine Life extension



**Funding plan** being finalised



**Offtake signed** with Glencore on favourable terms



**Independent pure-play copper exposure**  
leveraged to strong market fundamentals



**Experienced management team and Board** with development expertise



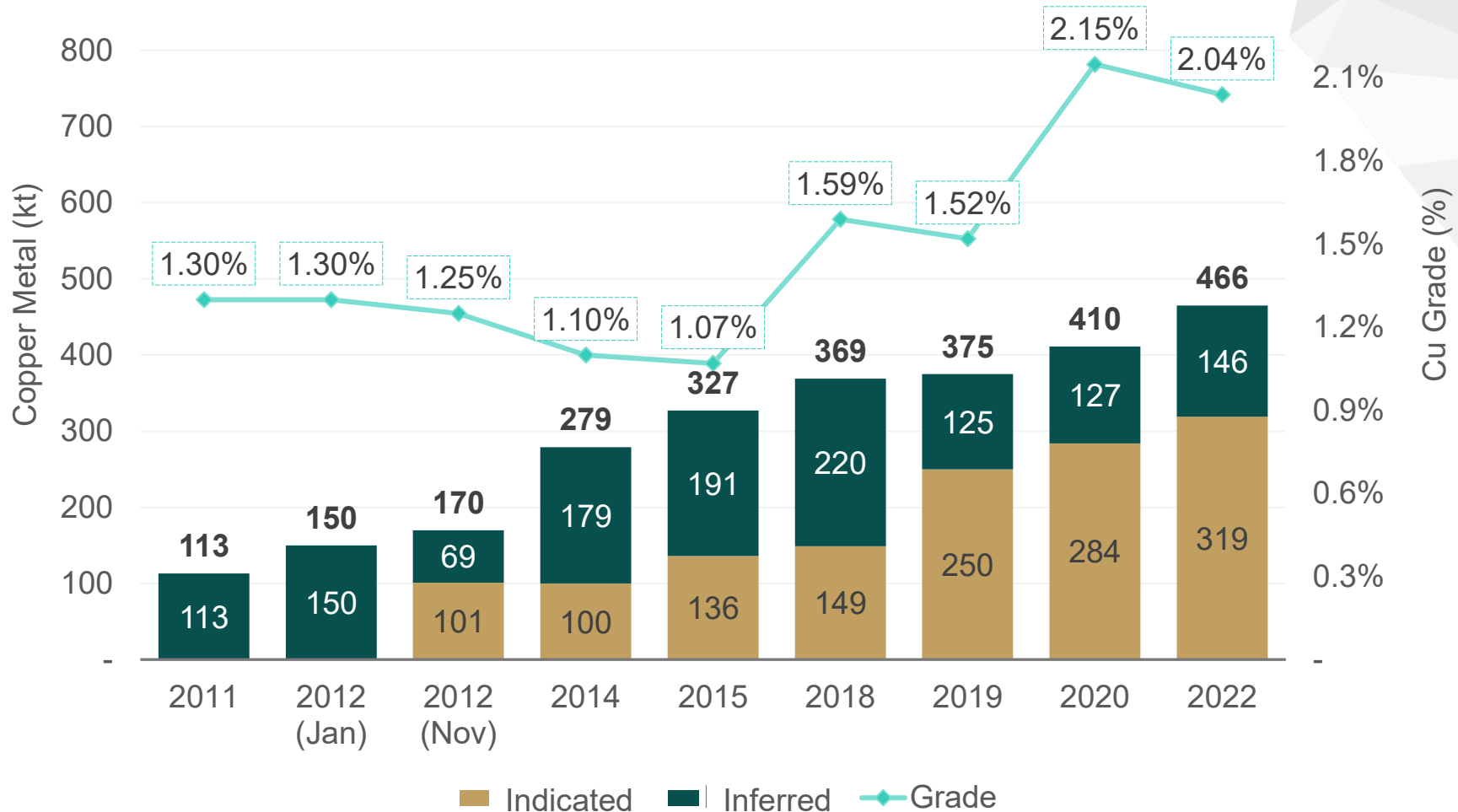
**Safe jurisdiction**  
Project located in promising Northern Territory

1. KGL Resources ASX announcement 23 March 2022



# Resource update

## Exceptional growth in Resource



Note: Resource estimate 2018 – 2022 are for Reward, Bellbird & Rockface deposit only

# Project Resources

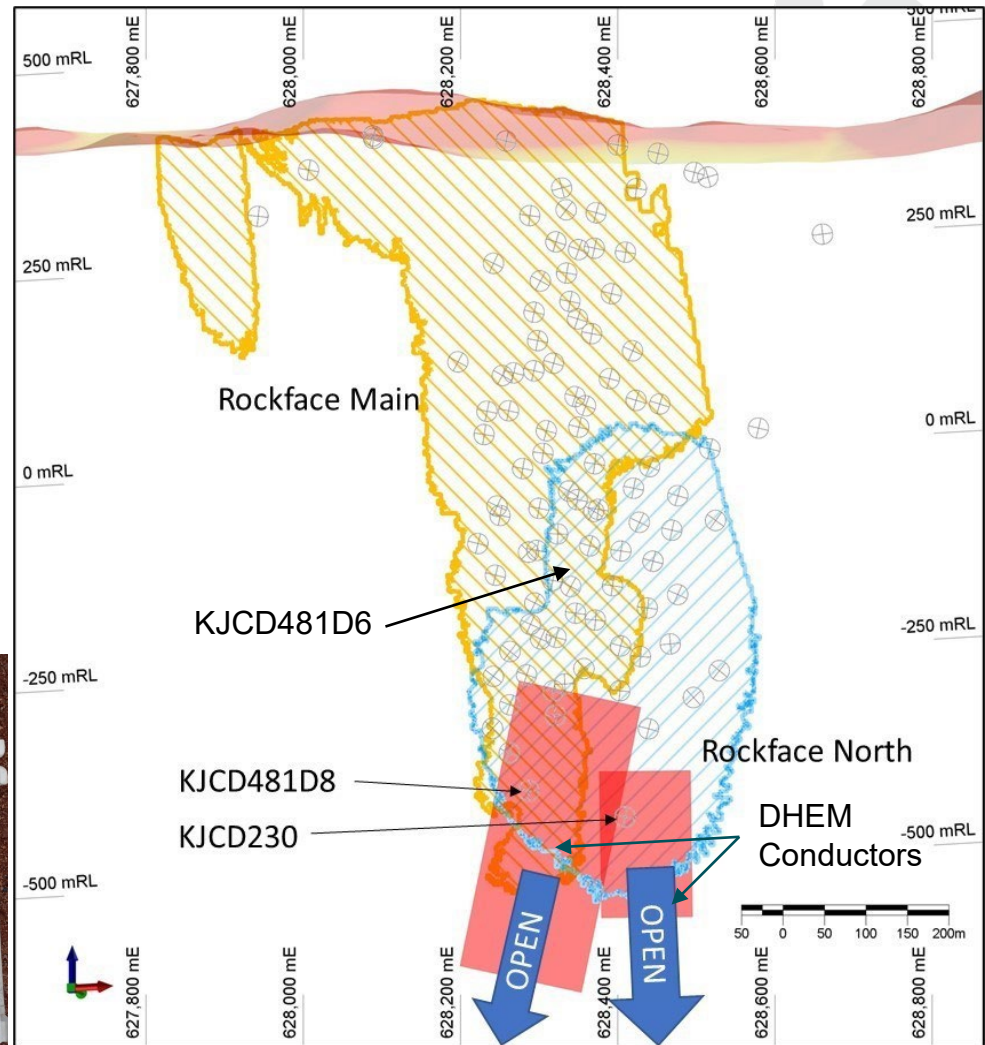
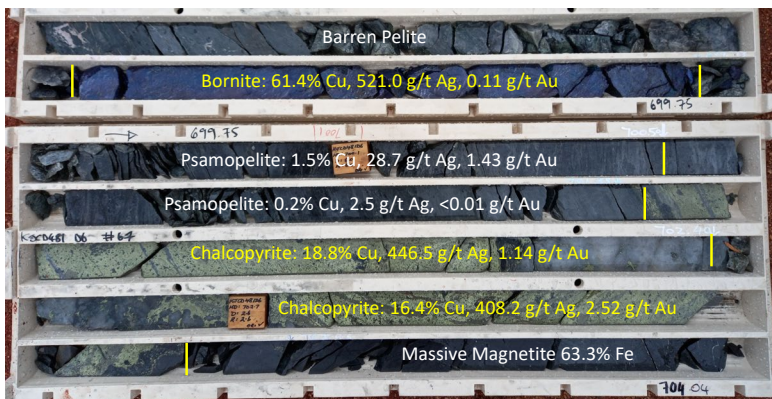
Resource			Mineralised Mass	Grade			Metal		
	Area	Category	(Mt)	Copper (%)	Silver (g/t)	Gold (g/t)	Copper (kt)	Silver (Moz)	Gold (koz)
Open Cut Potential > 0.5 % Cu	Reward	Indicated	3.84	1.80	39.4	0.31	69.06	4.86	38.2
		Inferred	0.65	0.92	9.2	0.07	5.91	0.19	1.5
	Bellbird	Indicated	2.03	2.20	13.1	0.16	44.55	0.85	10.5
		Inferred	1.44	1.36	9.3	0.15	19.50	0.43	6.9
	<b>Sub Total</b>		<b>7.95</b>	<b>1.75</b>	<b>24.8</b>	<b>0.22</b>	<b>139.06</b>	<b>6.33</b>	<b>57.1</b>
Underground Potential > 1 % Cu	Reward	Indicated	4.78	2.12	42.6	0.45	101.64	6.55	69.2
		Inferred	4.32	1.56	19.6	0.20	67.29	2.72	27.8
	Bellbird	Indicated	0.38	2.62	17.7	0.14	9.90	0.22	1.7
		Inferred	1.92	2.06	12.0	0.10	39.49	0.74	6.0
	Rockface	Indicated	2.80	3.37	21.4	0.23	94.31	1.93	21.1
		Inferred	0.73	1.92	19.0	0.18	13.97	0.45	4.2
	<b>Sub Total</b>		<b>14.93</b>	<b>2.19</b>	<b>26.3</b>	<b>0.27</b>	<b>326.57</b>	<b>12.60</b>	<b>130.0</b>
Sub Totals		Indicated	13.83	2.31	32.4	0.32	319.46	14.41	140.7
		Inferred	9.06	1.61	15.6	0.16	146.16	4.53	46.4
<b>Total</b>			<b>22.87</b>	<b>2.04</b>	<b>25.7</b>	<b>0.25</b>	<b>465.62</b>	<b>18.93</b>	<b>187.1</b>

# Rockface Depth Potential

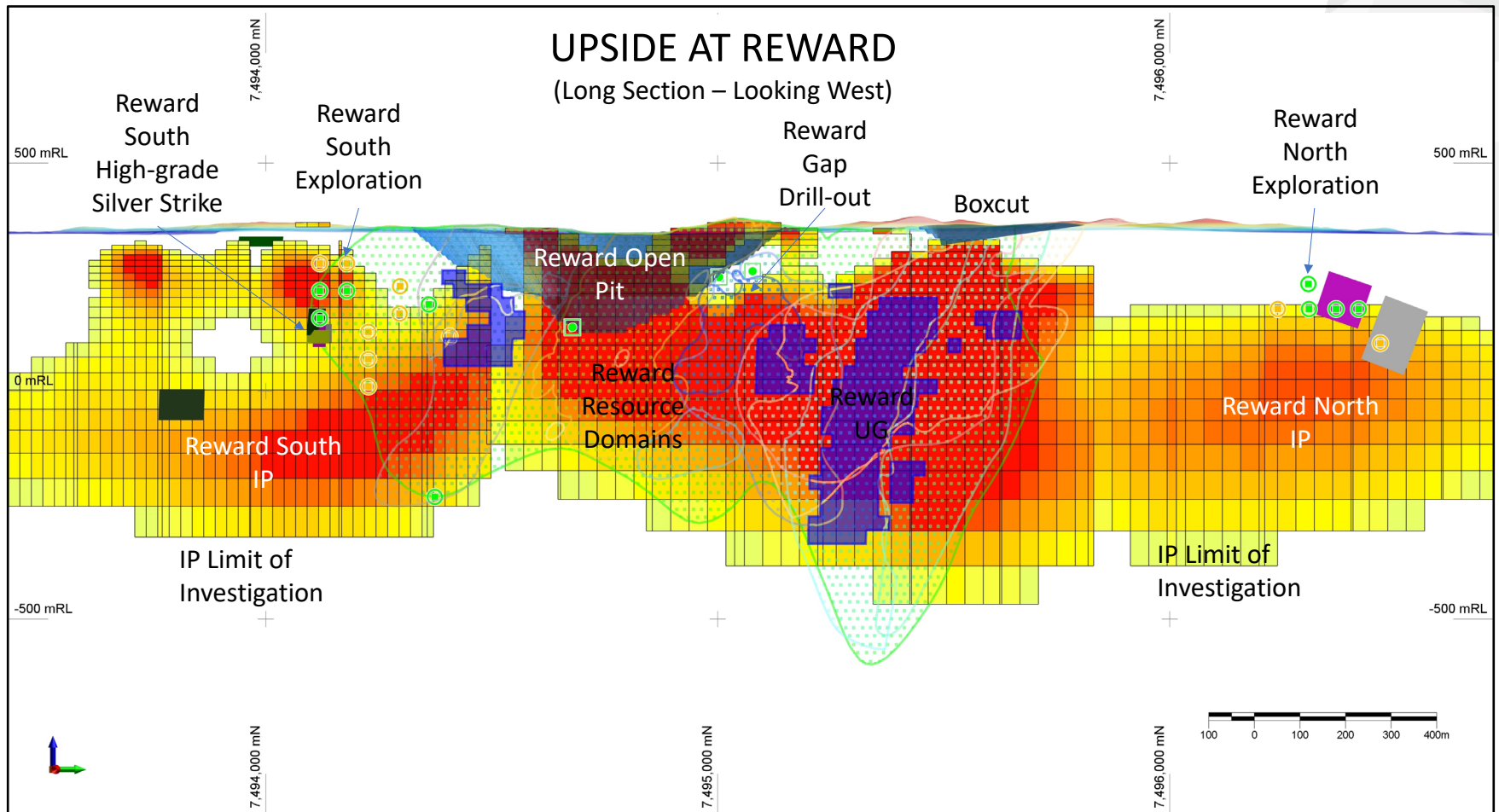
## Copper assays up to 61.4% Cu

- ✓ Rockface Deposit 3.53Mt @3.07% Cu (indicated & inferred)
- ✓ Recent drilling into the north lens produced record copper assay of 61.4% over true width 0.74m
- ✓ True width intersections include:
  - KJCD481 – 6.28m @ 2.39%Cu
  - KJCD481D3 – 4.45m @18.88% Cu
  - KJCD481D6 – 4.00m @19.80% Cu
  - KJCD481D7 – 2.17m @12.81% Cu
- ✓ DHEM models indicates Rockface mineralisation open at depth

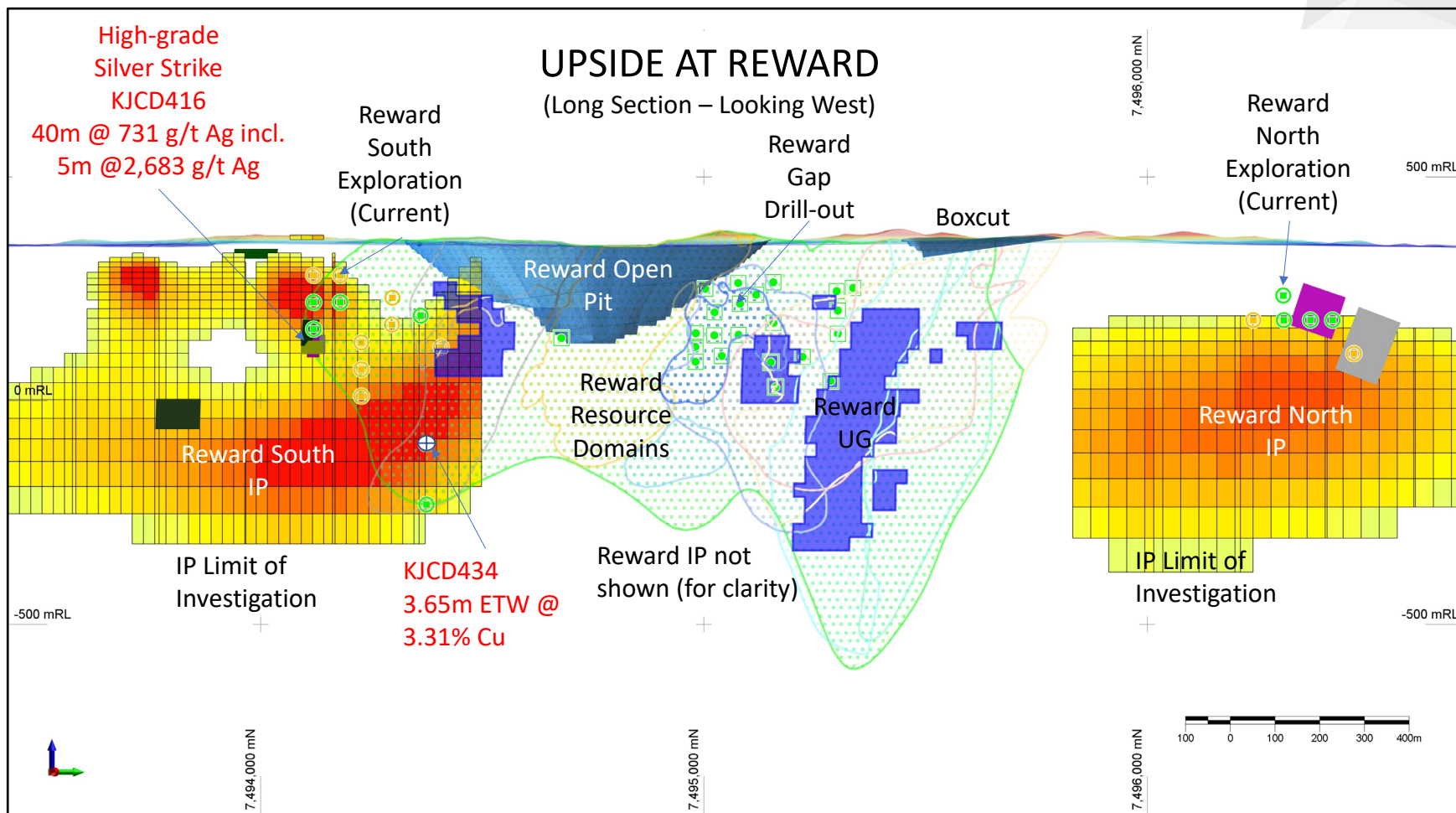
### KJCD481D6 core results



# Upside at Reward



# Upside at Reward

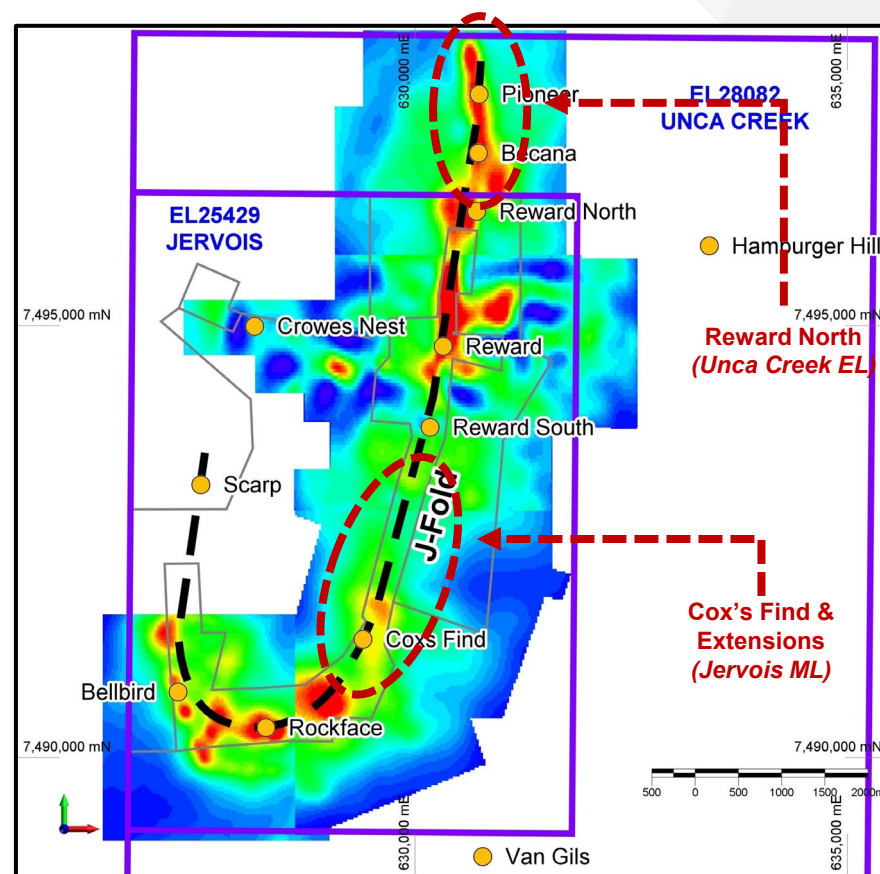




# Exploration Strategy

## Unlocking the potential of the Jervois copper hub

- ✓ Significant Resource increase reported
- ✓ Drilling Ongoing around Reward – late 2021 assay results imminent
- ✓ Rockface depth potential
  - Accessible extension with strong potential
  - Drill core from KJCD481D6 produced a record copper assay of 61.4% copper
- ✓ Reward North
  - Reward IP anomaly plunges deeper to the north
- ✓ Reward South
  - High grade silver intercepted
- ✓ Cox's Find South
  - Intersection in first IP targeted drillhole
  - Large, low-conductivity plate modelled





# Environment, Social and Governance

## KGL is focussed on implementing industry leading ESG practices

### Environment

- ✓ Authorisation granted and Mining Management Plan approved by the Northern Territory Government
- ✓ Water extraction licences and Unca Creek diversion permit granted
- ✓ Prioritising sustainable use of land and water resources; protecting the flora, fauna and communities that are dependent on these resources
- ✓ KGL will engage with stakeholders to ensure their environmental considerations are integrated into all planning and operational decisions
- ✓ Sustainability objectives, targets and performance measures have been established

### Social

- ✓ Employees sourced locally where possible, reducing travel costs and environmental impact of FIFO
- ✓ Promoting diversity in the workplace; recognising, valuing and utilising the diverse skills and knowledge of staff and contractors
- ✓ Positive work culture that supports mental health and values teamwork and respect
- ✓ KGL prioritises community consultation, stakeholder engagement, and proactive and open communication
- ✓ KGL's goal is to avoid adverse impacts on the social values of local and regional communities

### Governance

- ✓ KGL has developed a set of guiding principles that define what type of company KGL aspires to be
- ✓ KGL's Values of Integrity, Accountability, Respect and Sustainability are at the core of everything we do
- ✓ KGL has strong representation of experienced, Independent Non-Executives on its Board
- ✓ Policies and procedures have been developed to provide our ethical framework for addressing ESG
- ✓ KGL has identified Sustainable Development Goals that are closely aligned to our values, strategic objectives and operational activities



# Summary and Outlook

- ✓ Globally significant high-grade greenfield copper project poised for development
- ✓ Approvals complete
- ✓ Clear pathway to production with offtake signed
- ✓ Substantial upside potential through infill drilling and further exploration
- ✓ Experienced team to deliver the project
- ✓ Pure-play ASX copper exposure leveraged to strong market fundamentals

## Key workstreams for 2022

- Finalise funding strategy
- Complete Reserve
- Finalise Feasibility Study
- Final Investment Decision
- Early works - mobilise to site
- Operational readiness

# Disclosures

## Competent Person Statement

The Jervois resources information were first released to the ASX on 23/03/2022 and complies with JORC 2012. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement

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

Hole		Date originally Reported	JORC Reported Under
KJCD	481D3	11/10/2021	2012
KJCD	481D6	10/11/2021	2012
KJCD	481D7	14/02/2022	2012
KJCD	416	14/04/2020	2012
KJCD	434	13/05/2021	2012

## Forward Looking statements

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

# Appendix C

## Foreign Selling Restrictions

# Foreign Selling Restrictions

**This presentation does not constitute an offer of New Shares in any jurisdiction in which it would be unlawful. In particular, this presentation may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.**

## Australia

The information in this presentation has been prepared on the basis that all offers of New Shares will be made to Australian resident investors to whom an offer of shares may lawfully be made without disclosure under Part 6D.2 of the Corporations Act. This presentation is not a prospectus, product disclosure statement or any other form of disclosure document regulated by the Corporations Act and has not been, and will not be, lodged with the Australian Securities and Investments Commission (**ASIC**). Neither ASIC nor ASX takes any responsibility for the contents of this presentation. Accordingly, this presentation may not contain all information which a prospective investor may require to make a decision about whether to subscribe for New Shares and it does not contain all of the information which would otherwise be required by Australian law to be disclosed in a prospectus, product disclosure statement or any other form of disclosure document regulated by the Corporations Act. This presentation does not take into account the investment objectives, financial situation or needs of any particular person. Accordingly, before making any investment decision in relation to the offer of New Shares or any other transaction in relation to KGL shares, you should assess whether that transaction is appropriate in light of your own financial circumstances or seek professional advice.

## New Zealand

This presentation has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013* (**FMC Act**). The New Shares are not being offered to the public within New Zealand other than to existing shareholders of KGL with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the FMC Act and the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2021*. Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.



# Foreign Selling Restrictions

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## Singapore

This presentation and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this presentation and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) of Division 1, Part XIII of the *Securities and Futures Act, Chapter 289 of Singapore (SFA)*, or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This presentation has been given to you on the basis that you are:

- an existing holder of KGL shares;
- an 'institutional investor' (as defined in the SFA); or
- an 'accredited investor' (as defined in the SFA).

In the event that you are not an investor falling within any of the categories set out above, please return this presentation immediately. You may not forward or circulate this presentation to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

## British Virgin Islands

The New Shares may not be offered in the British Virgin Islands unless KGL or the person offering the New Shares on its behalf is licensed to carry on business in the British Virgin Islands. KGL is not licensed to carry on business in the British Virgin Islands. The New Shares may be offered to existing shareholders of KGL in the British Virgin Islands from outside the British Virgin Islands without restriction.



# Foreign Selling Restrictions

**This presentation does not constitute an offer of New Shares in any jurisdiction in which it would be unlawful. In particular, this presentation may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.**

## **United States**

This presentation may not be distributed or released in the United States. This presentation does not constitute any offer to sell, or the solicitation of an offer to buy, any securities in the United States or in any other jurisdiction in which such an offer would be illegal or impermissible. Neither the entitlements nor the New Shares have been, or will be, registered under the US Securities Act of 1933, as amended (**US Securities Act**) or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, to any person in the United States or any person that is acting for the account or benefit of a person in the United States unless they have been registered under the US Securities Act (which KGL has no intention to do or to procure) or are offered or sold in a transaction exempt from, or in a transaction not subject to, the registration requirements of the US Securities Act and any applicable US state securities laws. The entitlements and the New Shares to be offered and sold in the Offer may only be offered and sold outside the United States to persons that are not acting for the account or benefit of persons in the United States in 'offshore transactions' (as defined in Rule 902(h) under the US Securities Act) in reliance on Regulation S under the US Securities Act.

## Contact us:

Level 5, 167 Eagle Street,  
Brisbane QLD 4000, Australia

T: +61 7 3071 9003

[info@kglresources.com.au](mailto:info@kglresources.com.au)

[kglresources.com.au](http://kglresources.com.au)