



13 September 2017

\$12.4M EQUITY RAISING TO ACCELERATE JERVOIS COPPER PROJECT EXPLORATION PROGRAM

-) Placement to raise approximately \$6.9M at 30 cents per share**
 - RCF Opportunities Fund L.P. (RCF Opportunities) subscribed for \$3.0M**
 - Existing major shareholder KMP Investments subscribed for \$1.7M**
 - Executive Chairman – Denis Wood has provided a binding commitment for \$1.2M, subject to shareholder approval**
-) Pro rata non-renounceable entitlement offer to raise up to \$5.5M**
 - 1 new share for every 11 held on the record date at 30 cents per share**
-) Funds raised will place KGL in a strong financial position to continue its successful exploration program at Jervois Copper Project with a pro-forma cash balance of \$17.1M**

KGL Resources Limited (ASX:KGL) (KGL or the Company) is pleased to announce that it will undertake a capital raising via a placement and a pro rata non-renounceable rights issue to raise up to approximately \$12.4 million before costs¹.

The Company has acceptances and commitments in respect of a placement to issue approximately 22.8 million new shares (**Placement Shares**) at 30 cents each to raise \$6.9 million (**Placement**) from a small group of sophisticated and institutional investors, including RCF Opportunities, a fund in the global resource private equity firm Resource Capital Funds which has committed \$3.0 million, and KGL's existing majority shareholder, KMP Investments Pte Ltd.

As part of the Placement, Mr Denis Wood, KGL's Executive Chairman and Ferdian Purnamasidi - Non-Executive Director - have given binding commitments to subscribe for \$1.2 million and \$0.1 million of Placement Shares respectively, subject to shareholder approval (**Director Placement**).

The Company is also pleased to announce a non-renounceable pro rata entitlement offer of one (1) new share for every eleven (11) shares currently held by eligible shareholders to raise up to \$5.5 million (**Entitlement Offer**).

The new shares to be issued under the Entitlement Offer will be issued at the same price as the Placement.

¹ Expenses for the Placement and Entitlement Offer are ~\$0.2m

Use of Funds

The funds raised from the Placement and the Entitlement Offer will be used for further drilling at the Company's 100% owned Jervois Copper Project in the Northern Territory and working capital.

As announced on 12 September 2017, the Company has completed down hole electromagnetic (DHEM) surveys and is awaiting assay results from recent drilling at the Reward Prospect. Separately the assays announced on 4 September 2017 for recent drilling at Rockface, delivered good continuity of high-grade copper mineralisation, which will assist in future exploration planning. The Company will announce the results of these assays in due course.

KGL Executive Chairman Denis Wood commented,

"The Board is very appreciative of the strong support shown from current shareholders, and is pleased to welcome RCF Opportunities Fund as a new investor in KGL through its participation in the placement and commitment to the entitlement issue.

KGL has made significant advances in the past 18 months both in terms of exploration drilling success but also particularly in the areas of acquiring the strategically valuable Unca Creek tenement, being awarded Major Project status by the Northern Territory Government, registering the Indigenous Land Use Agreement (ILUA), securing the expansion of the mining lease and finalising the Terms of Reference for the Environmental Impact Statement for the Jervois project

Registration with the National Native Title Tribunal of an Indigenous Land Use Agreement (ILUA) with the traditional owners, a requirement for a mining lease, was completed in May this year.

With this capital raising, KGL will be able to continue to advance the technical studies, expedite drilling to extend the copper mineralisation across the Jervois project and progress the necessary permitting through completion and submission of its Environmental Impact Statement."

Details of Placement

Pursuant to the terms of the Placement, the Company has agreed to issue 22.8 million Placement Shares in the Company at an issue price of 30 cents per share to raise \$6.9 million before costs, under the Company's existing 15% placement capacity pursuant to ASX Listing Rule 7.1.

Placement Shares issued will rank pari passu with existing shares on issue.

The Placement Shares, excluding those to be issued under the Director Placement will be entitled to participate in the Entitlement Offer.

The Placement Shares to be issued under the Director Placement, which are subject to shareholder approval under ASX Listing Rule 10.11, will not be entitled to participate in the Entitlement Offer. The Company will send a notice of meeting to shareholders in due course with respect to the approval required for the Director Placement.

Entitlement Offer

The offer price for the Entitlement Offer is 30 cents per new ordinary share (**Offer Price**). Under the Entitlement Offer, eligible shareholders will be able to subscribe for one (1) new

ordinary share for every eleven (11) existing fully paid ordinary shares held as at 5.00 pm (AEST time) on Tuesday, 19 September 2017 (**Record Date**) at the Offer Price.

The institutional participants in the Placement and Mr Wood have separately committed to take up their full entitlements under the Entitlement Offer accounting for approximately \$2.3m of the total of \$5.5m.

KGL will notify shareholders as to whether they are eligible to participate in the Entitlement Offer, in accordance with the timetable below. 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.

Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable. Shareholders who do not take up their entitlements will not receive any value in respect of those entitlements that they do not take up.

The Entitlement Offer will include a top up facility under which eligible shareholders who take up their full entitlement will be invited to apply for additional shares in the Entitlement Offer from a pool of those not taken up by other eligible shareholders (**Top Up Facility**). There is no guarantee that applicants under this Top Up Facility will receive all or any of the shares they apply for under the facility and will be subject to the terms set out in the information booklet to be issued in connection with the Entitlement Offer.

The Placement participants will not participate in the Top Up Facility.

As a result of the requirement for shareholder approval for the Director Placement, the new Placement Shares to be issued under the Director Placement will not be eligible to participate in the Entitlement Offer.

Capital Structure

The capital structure of KGL following the Placement and Entitlement Offer will be as follows:

Shares on Issue #	Placement	Entitlement Offer (Committed Portion)*	Entitlement Offer (Assumes 100% Participation)
Current shares on issue	184,881,721	184,881,721	184,881,721
Placement Shares (excluding Director Placement)	18,500,000	18,500,000	18,500,000
Director Placement Shares (subject to shareholder approval)	4,333,333	4,333,333	4,333,333
Entitlement Offer	-	7,640,875	18,489,247
Shares on issue post Placement and Entitlement Issue	207,715,054	215,355,929	226,204,301

Subject to rounding

* Includes the commitments from each of the participants in the Placement, excluding Mr Purnamasidi

The new shares issued under the Placement and Entitlement Offer will rank pari passu with existing shares on issue.

The Company currently has no options on issue.

Equity Raising Key Dates

Event	Date
Announcement of the capital raising	Wednesday, 13 September 2017
Issue and Allotment of Placement Shares (other than Director Placement)	Monday, 18 September 2017
Shares traded on an "ex" entitlement basis	Monday, 18 September 2017
Record Date for eligibility to participate in the Entitlement Offer (5.00pm AEDST)	Tuesday, 19 September 2017
Despatch of Entitlement Offer Booklet and Entitlement and Acceptance Form to eligible shareholders	Thursday, 21 September 2017
Entitlement Offer opens	Thursday, 21 September 2017
Last date to extend the Closing Date for the Entitlement Offer	Wednesday, 11 October 2017
Entitlement Offer closes (5.00pm AEDST)	Monday, 16 October 2017
New Shares quoted on deferred settlement basis	Tuesday, 17 October 2017
Issue of New Shares under the Entitlement Offer and despatch of Holding Statements	Monday, 23 October 2017
New Shares under Entitlement Offer commence trading on a normal settlement basis	Tuesday, 24 October 2017

All dates are indicative only and subject to change. All times and dates refer to Australian Eastern Daylight Savings Time. KGL reserves the right to amend any or all of these dates and times, subject to the Corporations Act 2001 (Cth), the ASX Listing Rules and other applicable laws and regulations. In particular, KGL reserves the right to extend the closing date of the Entitlement Offer, to accept late applications (either generally or in particular cases) and to withdraw the Entitlement Offer without prior notice. Any extension of the closing date may have a consequential impact on the date that new shares are issued. Applicants are encouraged to submit their acceptance forms as soon as possible after the Entitlement Offer opens.

Eligible shareholders will be sent further details about the Entitlement Offer in an information booklet. Eligible shareholders should read the information booklet carefully before making any investment decision regarding the Entitlement Offer. If you are in any doubt about the Entitlement Offer, you should consult your financial or other professional adviser.

Morgan Corporate Limited is acting as Lead Manager to the Entitlement Offer.

Longreach Capital is acting as financial advisor to KGL.

For further information, contact:

Ms Kylie Anderson
Company Secretary
Phone: 07 3071 9003

About KGL Resources

KGL Resources Limited is an Australian mineral exploration company focussed on increasing the high-grade resource at the Jervois Copper Project in the Northern Territory and developing it into a multi-metal mine.