

**KGL RESOURCES LIMITED**

**ACN 082 658 080**

# **Entitlement Offer information booklet**

**1 for 11 pro rata non-renounceable entitlement offer at \$0.30 per Share.**

**Last date for acceptance and payment: 5.00pm (AEDST) on 16 October 2017**

**If you are an Eligible Shareholder, this is an important document that requires your immediate attention. It should be read in its entirety. If, after reading this document you have any questions about the securities being offered for issue under it or any other matter, you should contact your stockbroker, solicitor, accountant or other professional adviser.**

**NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES**

**Financial adviser**



**Lead Manager**



**Legal adviser**



# Table of contents

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<b>IMPORTANT NOTICES</b>	<b>1</b>
<b>Chairman’s letter</b>	<b>3</b>
<b>Summary of the Entitlement Offer</b>	<b>5</b>
<b>Key dates</b>	<b>5</b>
<b>Enquiries</b>	<b>5</b>
<b>1 Description and effect of the Offer</b>	<b>6</b>
1.1 Overview	6
1.2 Issue of additional Shares under the Top Up Facility	6
1.3 Management	7
1.4 Shortfall facility	7
1.5 Eligibility of Shareholders	7
1.6 Ranking of New Shares	7
1.7 Allotment	7
1.8 Capital structure	8
1.9 Effect on KGL’s financial position	8
1.10 Information Availability	8
<b>2 ASX announcements and investor presentation</b>	<b>9</b>
<b>3 How to apply</b>	<b>10</b>
3.1 Shareholder’s choices	10
3.2 Taking up all of your Entitlement and participating in the Top Up Facility	10
3.3 Taking up part of your Entitlement and allowing the balance to lapse	11
3.4 Allow your Entitlement to lapse	11
3.5 Consequences of not accepting your Entitlement	11
3.6 Payment	11
3.7 Entitlement and Acceptance Form is binding	11
3.8 Brokerage and Stamp Duty	12
3.9 Notice to Nominees and Custodians	12
<b>4 Definitions</b>	<b>13</b>
<b>5 Corporate information</b>	<b>15</b>

## IMPORTANT NOTICES

This Information Booklet is dated 13 September 2017. Capitalised terms in this section have the meaning given to them in this Information Booklet.

The Entitlement Offer is being made without a prospectus under section 708AA Corporations Act (as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84). This Information Booklet does not contain all of the information which a prospective investor may require to make an informed investment decision. The information in this Information Booklet does not constitute financial product advice and does not take into account your investment objectives, financial situation or particular needs.

This Information Booklet is important and should be read in its entirety before deciding to participate in the Entitlement Offer. This Information Booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC.

KGL may make additional announcements after the date of this Information Booklet and throughout the period that the Entitlement Offer is open that may be relevant to your consideration about whether you should participate in the Entitlement Offer.

No party other than KGL has authorised or caused the issue of this Information Booklet, or takes any responsibility for, or makes, any statements, representations or undertakings in this Information Booklet.

By returning an Entitlement and Acceptance Form or otherwise paying for your New Shares or Top Up Shares through BPAY in accordance with the instructions on the Entitlement and Acceptance Form, you acknowledge that you have read this Information Booklet and you have acted in accordance with and agree to the terms of the Entitlement Offer detailed in this Information Booklet.

### No overseas offering

This Information Booklet and the accompanying Entitlement and Acceptance Form do not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make that offer or invitation. In particular, this Information Booklet does not constitute an offer to Ineligible Shareholders and may not be distributed in the United States and the New Shares may not be offered or sold, directly or indirectly, to persons in the United States.

This Information Booklet is not to be distributed in, and no offer of New Shares or Top Up Shares is to be made in countries other than Australia and New Zealand, except to certain categories of investor in Singapore. For details of selling restrictions that apply to Shares in Singapore please refer to the section below under the heading 'Singapore' and to the Investor Presentation at section 2. The distribution of this Information Booklet (including an electronic copy) in other jurisdictions may be restricted by law and therefore persons who come into possession of this Information Booklet should seek advice on and observe these restrictions. Any failure to comply with these restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Entitlement Offer, the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction outside Australia or New Zealand.

Foreign exchange control restrictions or restrictions on remitting funds from your country to Australia may apply. Your Application for New Shares is subject to all requisite authorities and clearances being obtained for KGL to lawfully receive your Application Monies.

### New Zealand

The New Shares are not being offered or sold to the public within New Zealand other than to existing KGL shareholders with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016* (New Zealand).

This document has not been registered, filed with or approved by a New Zealand regulatory authority under the *Financial Markets Conduct Act 2013* (New Zealand). This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

### Singapore

This document 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 document 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) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document 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.

### Definitions, currency and time

Defined terms used in this Information Booklet are contained in section 4. All references to currency are to Australian dollars and all references to time are to Australian Eastern Daylight Savings Time (AEDT), unless otherwise indicated.

### Taxation

There will be tax implications associated with participating in the Entitlement Offer and receiving New Shares. KGL considers that it is not appropriate to give advice regarding the tax consequences of subscribing for New Shares under this Information Booklet or the subsequent disposal of any New Shares. KGL recommends that you consult your professional tax adviser in connection with the Entitlement Offer.

### Privacy

KGL collects information about each Applicant provided on an Entitlement and Acceptance Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's shareholding in KGL.

By submitting an Entitlement and Acceptance Form, you will be providing personal information to KGL (directly or through the Share Registry). KGL collects, holds and will use that information to assess your Application. KGL collects your personal information to process and administer your shareholding in KGL and to provide related services to you. KGL may disclose your personal information for purposes related to your shareholding in KGL, including to the Share Registry, KGL's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory bodies. You can obtain access to personal information that KGL holds about you. To make a request for access to your personal information held by (or on behalf of) KGL, please contact KGL through the Share Registry.

### Governing law

This Information Booklet, the Entitlement Offer and the contracts formed on acceptance of the Applications are governed by the law applicable in Queensland, Australia. Each Applicant submits to the exclusive jurisdiction of the Queensland courts and courts competent to hear appeals from those courts.

### No representations

No person is authorised to give any information or to make any representation in connection with the Entitlement Offer which is not contained in this Information Booklet. Any information or representation in connection with the Entitlement Offer not contained in the Information Booklet may not be relied upon as having been authorised by KGL or any of its officers.

**Past performance**

Investors should note that KGL's past performance, including past share price performance, cannot be relied upon as an indicator of (and provides no guidance as to) KGL's future performance including KGL's future financial position or share price performance.

**Future performance**

This Information Booklet contains certain forward-looking statements with respect to the financial condition, results of operations, projects and business of KGL and certain plans and objectives of the management of KGL. These forward-looking statements involve known and unknown risks, uncertainties and other factors which are subject to change without notice, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct.

Forward-looking statements are provided as a general guide only and there can be no assurance that actual outcomes will not differ materially from these statements. Neither KGL, nor any other person, gives any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statement will actually occur. In particular, those forward-looking statements are subject to significant uncertainties and contingencies, many of which are outside the control of KGL. A number of important factors could cause actual results or performance to differ materially from the forward looking statements. Investors should consider the forward looking statements contained in this Information Booklet in light of those disclosures.

**Risks**

Refer to the 'Risk factors' section of the Investor Presentation included in section 2 of this Information Booklet for a summary of general and specific risk factors that may affect KGL.

# Chairman's letter

13 September 2017

Dear Shareholder

On 13 September 2017, KGL announced a capital raising via a placement and a pro rata non-renounceable rights issue to raise up to approximately \$12.4 million before costs.

KGL 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 approximately \$6.9 million (**Placement**). The Placement participants are a small group of institutional and sophisticated investors, including RCF Opportunities Fund L. P., a fund in the global resource private equity firm Resource Capital Funds, and existing KGL majority shareholder, KMP Investments Pte Ltd. Myself and Ferdian Purnamasidi, Non-Executive Director, have made binding commitments to subscribe for \$1.20 million and \$0.1 million of Placement Shares respectively, subject to shareholder approval (**Director Placement**) at a shareholder meeting, expected to be held in late October 2017.

I am pleased to write to you, as a valued shareholder of KGL, and offer you the opportunity to participate in KGL's exciting future, by subscribing for shares in a 1 for 11 non-renounceable entitlement issue of new ordinary shares in KGL (**New Shares**) at an issue price of \$0.30 per New Share (**Entitlement Offer**) to raise approximately \$5.5 million.

The New Shares to be issued under the Entitlement Offer will be issued at the same price as the Placement, giving all KGL shareholders the right to participate in the capital raising.

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 holes 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.

The Board is very appreciative of the strong support shown from current shareholders, and is pleased to welcome RCF Opportunities as a new investor in KGL through its participation in the Placement and commitment to the Entitlement Offer.

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, securing the expansion of the mining lease and finalising the Terms of Reference for the Environmental Impact Statement for the Jervois project.

Under the Entitlement Offer, eligible shareholders have the opportunity to invest at the price of \$0.30 per New Share, which is the same price as the institutional investors who participated in the Placement. The issue price of \$0.30 per New Share represents an 11.8% discount to the closing price of KGL shares on 8 September 2017 (being the last trading day before announcement of the Equity Raising) and a 9.8% discount to the Theoretical Ex-Rights Price (**TERP**).

The number of New Shares you are entitled to subscribe for under the Entitlement Offer (**Entitlement**) is set out in your personalised Entitlement and Acceptance Form that is enclosed in this Information Booklet. If you take up your entitlement, you can also apply for additional shares under a 'top-up' facility (refer to section 3.2 of this Information Booklet for more information).

The Entitlement Offer is non-renounceable and therefore your entitlements will not be tradeable on ASX or otherwise transferable.

## **Other information**

This Information Booklet contains important information, including:

- the investor presentation referred to above, which was released to ASX on 13 September 2017, and provides information on KGL, the Entitlement Offer and key risks for you to consider;
- instructions on how to apply, detailing how to participate in the Entitlement Offer if you choose to do so, and a timetable of key dates;
- a personalised Entitlement and Acceptance Form which details your Entitlement, to be completed in accordance with the instructions; and
- instructions on how to take up all or part of your Entitlement via BPAY.

The Entitlement Offer closes at **5.00pm (AEDST) on 16 October 2017**.

Please read in full the details on how to submit your application, which are set out in this Information Booklet. For further information regarding the Entitlement Offer, please call +61 1300 975 518, or visit our website at <https://www.kglresources.com.au/investors>.

You should also consult your stockbroker, solicitor, accountant or other professional adviser to evaluate whether or not to participate in the Entitlement Offer.

On behalf of the Board of KGL, I encourage you to consider this investment opportunity and thank you for your ongoing support.

Yours sincerely

**Denis Leslie Wood**  
Chairman  
KGL Resources Limited

## Summary of the Entitlement Offer

Entitlement Offer	
<b>Ratio</b>	1 New Share for every 11 existing KGL ordinary shares
<b>Issue Price</b>	\$0.30 per New Share
<b>Size</b>	18,489,247 New Shares <sup>#</sup>
<b>Gross proceeds</b>	\$5.5 million <sup>##</sup>
<b>Total gross proceeds of the Equity Raising</b>	<b>\$12.4 million<sup>##</sup></b>

<sup>#</sup> Subject to rounding

<sup>#</sup> The Entitlement Offer is not underwritten – this assumes full take of Entitlements by participants

## Key dates

Activity	Date
Announcement of the Entitlement Offer and completion of the Placement	13 September 2017
Record Date for Entitlement Offer (5.00pm)	19 September 2017
Information Booklet and Entitlement and Acceptance Form despatched	21 September 2017
Entitlement Offer opens	21 September 2017
Closing date for acceptances under Entitlement Offer (5.00pm)	16 October 2017
Announcement of results of Entitlement Offer and under-subscriptions	19 October 2017
Settlement of New Shares under the Entitlement Offer	20 October 2017
Allotment of New Shares issued under the Entitlement Offer	23 October 2017
Despatch of holding statements for New Shares issued under the Entitlement Offer	23 October 2017
Normal ASX trading for New Shares issued under the Entitlement Offer commences	24 October 2017

**Notes:** All times are in Australian Eastern Daylight Saving Time (**AEDST**). This timetable is indicative only and subject to change. The Directors may vary these dates, subject to the 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.

## Enquiries

For further information, telephone 1300 975 518 (inside Australia) and +61 1300 975 518 (outside Australia) between 8.30am and 5.00pm (AEDST). Alternatively, contact your stockbroker, solicitor, accountant or other professional adviser.

If you have lost your Entitlement and Acceptance Form and would like a replacement form, you should contact the Share Registry on 1300 975 518 (within Australia) or +61 1300 975 518 (outside Australia).

# 1 Description and effect of the Offer

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## 1.1 Overview

The Entitlement Offer is a 1 for 11 non-renounceable offer (of approximately 18,489,247 New Shares) at \$0.30 per New Share to raise about \$5.5 million.<sup>1</sup>

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. Further information about use of funds can be found in the announcement and investor presentation at section 2.

Eligible Shareholders who are on KGL's share register on the Record Date are entitled to acquire 1 New Share for every 11 Shares held on the Record Date (**Entitlement**).

Fractional Entitlements will be rounded up to the nearest whole number of New Shares.

The issue price of \$0.30 per New Share represents a discount of 11.8% to the closing price of KGL shares on 8 September 2017 (being the last trading day before announcement of the Equity Raising) and a discount of 9.8% to the TERP.

The Entitlement Offer is non-renounceable. Accordingly, Entitlements do not trade on ASX, nor can they be transferred or otherwise disposed of.

An Entitlement and Acceptance Form setting out your Entitlement accompanies this Information Booklet. Eligible Shareholders may subscribe for all or part of their Entitlement.

Eligible Shareholders who do not take up all of their Entitlements will have their percentage shareholding in KGL diluted.

Eligible Shareholders should be aware that an investment in KGL involves risks. The key risks identified by KGL are summarised in the Investor Presentation set out in section 2 of this Information Booklet.

The Entitlement Offer is not underwritten.

## 1.2 Issue of additional Shares under the Top Up Facility

Any New Shares not taken up by the Closing Date may be made available to those Eligible Shareholders who took up their full Entitlement and applied for additional New Shares under the Top Up Facility. The allocation of New Shares under the Top Up Facility will be on a pro-rata basis, capped at 50% of your full Entitlement. The Directors may, at their discretion, elect to increase the 50% cap (on a pro-rata basis) if doing so is required to allocate any shortfall shares available for allocation and is not otherwise inconsistent in a material particular with KGL's disclosure regarding the effect of the Entitlement Offer on the control of KGL.

There is no guarantee that those Shareholders will receive the number of New Shares applied for under the Top Up Facility, or any. The number of New Shares available under the Top Up Facility will not exceed the shortfall from the Entitlement Offer.

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<sup>1</sup> Before offer costs including fees paid to the Lead Manager and advisers and to providers of specific services to cover share registry, printing and postage costs

### **1.3 Management**

Morgans is acting as Lead Manager to the Entitlement Offer.

### **1.4 Shortfall facility**

A shortfall may arise if applications received for New Shares under the Entitlement Offer (including after the completion of the Top Up Facility (if any) and the Entitlements of Ineligible Shareholders) are less than the number of New Shares offered.

The Directors reserve the right, subject to the requirements of the Listing Rules and the Corporations Act, to place Shortfall Shares within three months after the Closing Date to either existing or new Shareholders at their discretion.

If issued, Shortfall Shares will be issued at a price not less than the Issue Price of New Shares under the Entitlement Offer. Shareholders will not receive any payment or value for the Entitlements not taken up under the Entitlement Offer that are subsequently taken up as Shortfall Shares.

### **1.5 Eligibility of Shareholders**

The Entitlement Offer is being offered to all Eligible Shareholders.

An Eligible Shareholder is a Shareholder on the Record Date who:

- (a) has a registered address on the KGL share register in Australia or New Zealand or is a Shareholder that KGL has otherwise determined is eligible to participate;
- (b) is not in the United States and is not a person (including nominee or custodian) acting for the account or benefit of a person in the United States; and
- (c) is eligible under all applicable securities laws to receive an offer under the Entitlement Offer without any requirement for a prospectus to be lodged or registered.

In relation to paragraph (a), the Directors have determined that certain investors with a registered address in Singapore are able to participate (see the 'important notices' section in this document for more information on eligibility).

The Entitlement Offer is not being extended to the Ineligible Shareholders because of the small number of those Shareholders, the number and value of the Shares they hold and the cost of complying with applicable regulations in jurisdictions outside Australia and New Zealand.

### **1.6 Ranking of New Shares**

The New Shares issued under the Entitlement Offer will be fully paid and rank equally with Existing Shares.

### **1.7 Allotment**

KGL has applied for quotation of the New Shares on ASX. It is expected that allotment of the New Shares under the Entitlement Offer will take place no more than six Business Days after the close of the Entitlement Offer.

Application Monies will be held by KGL on trust for Applicants until the New Shares are allotted. No interest will be paid on Application Monies.

It is the responsibility of Applicants to determine the number of New Shares allotted and issued to them before trading the New Shares. The sale by an Applicant of New Shares before receiving their holding statement is at the Applicant's own risk.

## 1.8 Capital structure

Subject to the rounding up of fractional Entitlements and depending on the number of KGL options (if any) that are exercised before the Record Date, the capital structure of KGL following the issue of New Shares is expected to be as follows:

<b>Existing Shares on issue as at 13 September 2017 (announcement of the Entitlement Offer)</b>	<b>184,881,721</b>
<b>Issue of Placement Shares (excluding Directors' placement shares)</b>	<b>18,500,000</b>
<b>Issue of Placement Shares to Directors</b>	<b>4,333,333</b>
<b>Approximate new Shares issued under the Entitlement Offer</b>	<b>18,489,247</b>
<b>Approximate total number of Shares after the Entitlement Offer</b>	<b>226,204,301</b>

## 1.9 Effect on KGL's financial position

A pro forma balance sheet as of 30 June 2017, adjusted to show the effect of the Placement and the Entitlement Offer is set out in the Investor Presentation.

## 1.10 Information Availability

Eligible Shareholders can obtain a copy of this Information Booklet from the KGL website at <https://www.kglresources.com.au/> or by calling the Share Registry on 1300 975 518 (within Australia) or +61 1300 975 518 (outside Australia) at any time from 8.30am to 5.00pm (AEDST) during the Entitlement Offer period. Persons who access the electronic version of this Information Booklet should ensure that they download and read the entire Information Booklet. The electronic version of this Information Booklet will not include an Entitlement and Acceptance Form. A replacement Entitlement and Acceptance Form can be requested by calling the Share Registry.

**2 ASX announcements and investor presentation**

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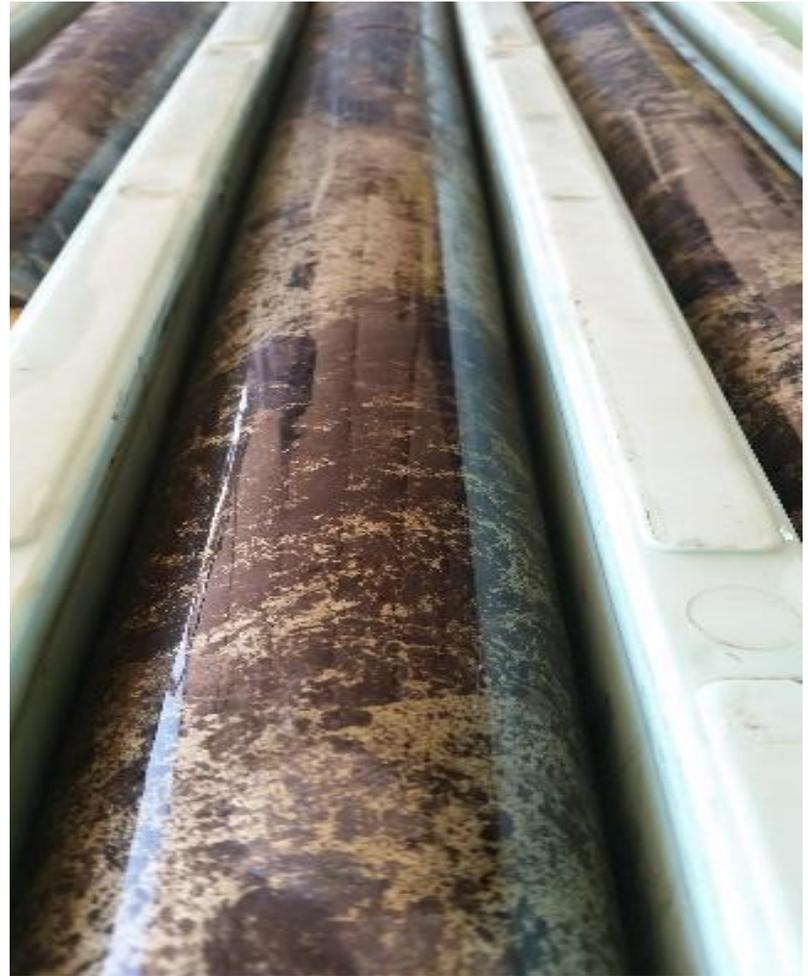
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# Capital Raising – Investor Presentation

*ASX Code: KGL*

*13 September 2017*

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# Important Notices and Disclaimers

## No reliance:

- This capital raising presentation is a document that has been prepared by KGL Resources Limited (KGL) for the purpose of providing a company and technical overview to interested investors. None of KGL, nor any of its related bodies corporate, their respective directors, partners, employees or advisers or any other person (Relevant Parties) makes any representations or warranty to, or takes responsibility for, the accuracy, reliability or completeness of the information contained in this document, to the recipient of this document (Recipient), and nothing contained in it is, or may be relied upon as, a promise or representation, whether as to the past or future. Recipients of the document must make their own independent investigations, consideration and evaluation. By accepting this document, the Recipient agrees that if it proceeds further with its investigations, consideration or evaluation of investing in KGL, it will make and rely solely upon its own investigations and inquiries, and not upon this document.

## Limited disclosure:

- The information in this document does not purport to be complete, nor does it contain all the information that would be required in a disclosure statement or prospectus prepared in accordance with the *Corporations Act 2001* (Cth). It should be read in conjunction with KGL's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange, which are available at [www.asx.com.au](http://www.asx.com.au).

## Seek your own advice:

- This document is not a recommendation to acquire KGL shares and has been prepared without taking into account the individual objectives, financial situation or needs of interested individuals. Before making an investment decision prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek appropriate financial, legal, taxation and other appropriate advice. Except to the extent prohibited by law, the Relevant Parties disclaim all liability that may otherwise arise due to any of this information being inaccurate or incomplete. By obtaining this document, the Recipient releases the Relevant Parties from liability to the Recipient for any loss or damage that it may suffer or incur arising directly or indirectly out of or in connection with any use of or reliance on any of this information, whether such liability arises in contract, tort (including negligence) or otherwise.

## No offer to acquire KGL shares:

- This document is not, and should not be considered, an invitation to acquire KGL shares or any other financial products, and neither this document nor any of its contents will form the basis of any contract or commitment. In particular, this document does not constitute any part of any offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of any 'US person' as defined in Regulation S under the U.S. Securities Act of 1993 (Securities Act). KGL shares have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States or to any US person without being so registered or pursuant to an exemption from registration.

## Financial data:

- All dollar values are in Australian dollars (A\$) unless otherwise stated.

## Forward-looking statements:

- This presentation 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.

# Capital Raising Overview

<b>Capital Raising</b>	<ul style="list-style-type: none"><li>• KGL to raise approximately \$12.4m at 30 cents per share<ul style="list-style-type: none"><li>• \$6.9m placement – completed (<b>Placement</b>)</li><li>• \$5.5m - 1 for 11 pro rata non-renounceable entitlement offer (<b>Entitlement Offer</b>)</li></ul></li></ul>
<b>Placement</b> <i>(Completed)</i>	<ul style="list-style-type: none"><li>• RCF Opportunities Fund L.P. subscribed for \$3.0m</li><li>• Existing major shareholder KMP Investments subscribed for \$1.7m</li><li>• Executive Chairman – Denis Wood and Non-Executive Director – Ferdian Purnamasidi have provided binding commitments for \$1.2m and \$0.1m respectively, subject to shareholder approval (<b>Director Placement</b>)</li><li>• Balance placed with sophisticated investors</li></ul>
<b>Entitlement Offer</b>	<ul style="list-style-type: none"><li>• Entitlement offer price of 30 cents per new share, representing:<ul style="list-style-type: none"><li>• 11.8% discount to last close</li><li>• 1.5% discount to 10 day VWAP</li><li>• 9.8% discount to theoretical ex-rights issue price (<b>TERP</b>)</li></ul></li><li>• Top Up Facility available, under which Eligible Shareholders may apply for additional New Shares, subject to a cap based on their pro-rata entitlements</li><li>• Institutional participants in the Placement and Mr Wood have committed to take up their full entitlements but will abstain from participating in the Top Up Facility (<b>Committed Portion</b>)</li></ul>
<b>Use of Proceeds</b>	<ul style="list-style-type: none"><li>• Funds raised will place KGL in a strong financial position for continued exploration at Jervois Copper Project</li><li>• Pro-forma cash balance and current term deposits of \$17.1m – assuming 100% participation under entitlement offer</li></ul>

# Capital Raising – Source and Use of Funds

Source of Funds	Placement	Entitlement Offer (Committed Portion)	Entitlement Offer (Assumes 100% Participation)
Cash on Hand (30 June 2017) <sup>1</sup>	\$4.2m	\$4.2m	\$4.2m
Financial Assets held to Maturity (Term Deposits) <sup>1</sup>	\$0.5m	\$0.5m	\$0.5m
<b>Funds Raised – Placement (before costs<sup>2</sup>)</b>	<b>\$6.9m</b>	<b>\$6.9m</b>	<b>\$6.9m</b>
<b>Funds Raised – Entitlement Offer (before costs<sup>2</sup>)</b>	<b>-</b>	<b>\$2.3m</b>	<b>\$5.5m</b>
<b>Total Funds Available</b>	<b>\$11.5m</b>	<b>\$13.8m</b>	<b>\$17.1m</b>

Use of Funds			
Exploration	\$8.8m	\$8.8m	\$8.8m
Project Development (EIS Phase 3)	\$1.8m	\$1.8m	\$1.8m
Preliminary Mine and Process Design	\$0.3m	\$0.3m	\$0.3m
Working Capital (including costs <sup>2</sup> )	\$0.6m	\$2.9m	\$6.2m
<b>Total Uses</b>	<b>\$11.5m</b>	<b>\$13.8m</b>	<b>\$17.1m</b>

<sup>1</sup> KGL's Cash plus Current Financial Assets held to Maturity (Term Deposits) at 30 June 2017 per the Half Yearly Report and Accounts totalled \$4.7m. Since that time KGL has spent ~\$1.8m on exploration and working capital.

<sup>2</sup> Expenses for the Placement and Entitlement Offer are ~\$0.2m

# Impact on Capital Structure

Shares on Issue (m)	Placement	Entitlement Offer (Committed Portion)	Entitlement Offer (Assumes 100% Participation)
<b>Current shares on issue</b>	184.9	184.9	184.9
<b>Placement Shares (excluding Director Placement)</b>	18.5	18.5	18.5
<b>Director Placement Shares (subject to shareholder approval)</b>	4.3 *	4.3 *	4.3 *
<b>Entitlement Offer</b>	-	7.6	18.5
<b>Shares on issue post Placement and Entitlement Issue</b>	<b>207.7</b>	<b>215.4</b>	<b>226.2</b>



\* 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.

# Pro-forma Balance Sheet at 30 June 2017 (unaudited)

Pro-forma Balance Sheet (unaudited)	30 June 2017	Placement Shares	Entitlement Offer (Committed Portion)	Entitlement Offer (Assumes 100% Participation)
Cash at 30 June 2017	\$4.2m	\$4.2m	\$4.2m	\$4.2m
Financial Assets held to Maturity	\$0.5m	\$0.5m	\$0.5m	\$0.5m
<b>Cash – Placement</b>	-	<b>\$6.9m</b>	<b>\$6.9m</b>	<b>\$6.9m</b>
<b>Cash – Entitlement Offer</b>	-	-	<b>\$2.3m</b>	<b>\$5.5m</b>
<b>Total Cash &amp; Term Deposits</b>	<b>\$4.7m</b>	<b>\$11.5m</b>	<b>\$13.8m</b>	<b>\$17.1m</b>
Trade and Other Receivables	\$0.2m	\$0.2m	\$0.2m	\$0.2m
Property Plant and Equipment	\$0.1m	\$0.1m	\$0.1m	\$0.1m
Exploration and Evaluation	\$28.6m	\$28.6m	\$28.6m	\$28.6m
<b>Total Assets</b>	<b>\$33.6m</b>	<b>\$40.4m</b>	<b>\$42.7m</b>	<b>\$46.0m</b>
Payables	\$0.8m	\$0.8m	\$0.8m	\$0.8m
<b>Total Liabilities</b>	<b>\$0.8m</b>	<b>\$0.8m</b>	<b>\$0.8m</b>	<b>\$0.8m</b>
<b>Total Equity</b>	<b>\$32.8m</b>	<b>\$39.6m</b>	<b>\$41.9m</b>	<b>\$45.2m</b>

- Based on the Statement of Financial Position for the Half Year ended 30 June 2017
- Raise up to A\$12.4m in new equity capital
  - Placement of \$6.9m
  - Entitlement Offer up to \$5.5m
- Capital raising expenses are ~\$0.2m
- KGL has spent ~\$1.8m on exploration and working capital since 30 June 2017
- No material balance sheet events since 30 June 2017

# Entitlement Offer Timetable

Event	Date
Announcement Date – date on which the Offer is announced	Wednesday, 13 September 2017
Record Date – record date for the Offer	5pm AEDST, Tuesday, 19 September 2017
Opening Date – first date on which acceptances of the Offer may be received	Thursday, 21 September 2017
Despatch Date – date on which Offer Materials are despatched to Eligible Shareholders	Thursday, 21 September 2017
Closing Date – last date on which acceptances of the Offer may be received	5pm AEDST, Monday, 16 October 2017
Shortfall Notification Date – date on which the Shortfall Notice must be given	Thursday, 19 October 2017
Settlement Date – date for payment for the Offer Shares	Friday, 20 October 2017
Allotment Date – date of issue of the Offer Shares	Monday, 23 October 2017
Trading Date – Offer Shares commence trading	Tuesday, 24 October 2017

*Note: All dates and times are references to dates and times in Sydney, Australia. KGL reserves the right to vary the dates and times for the Offer. The commencement of quotation of new securities is subject to confirmation from ASX.*

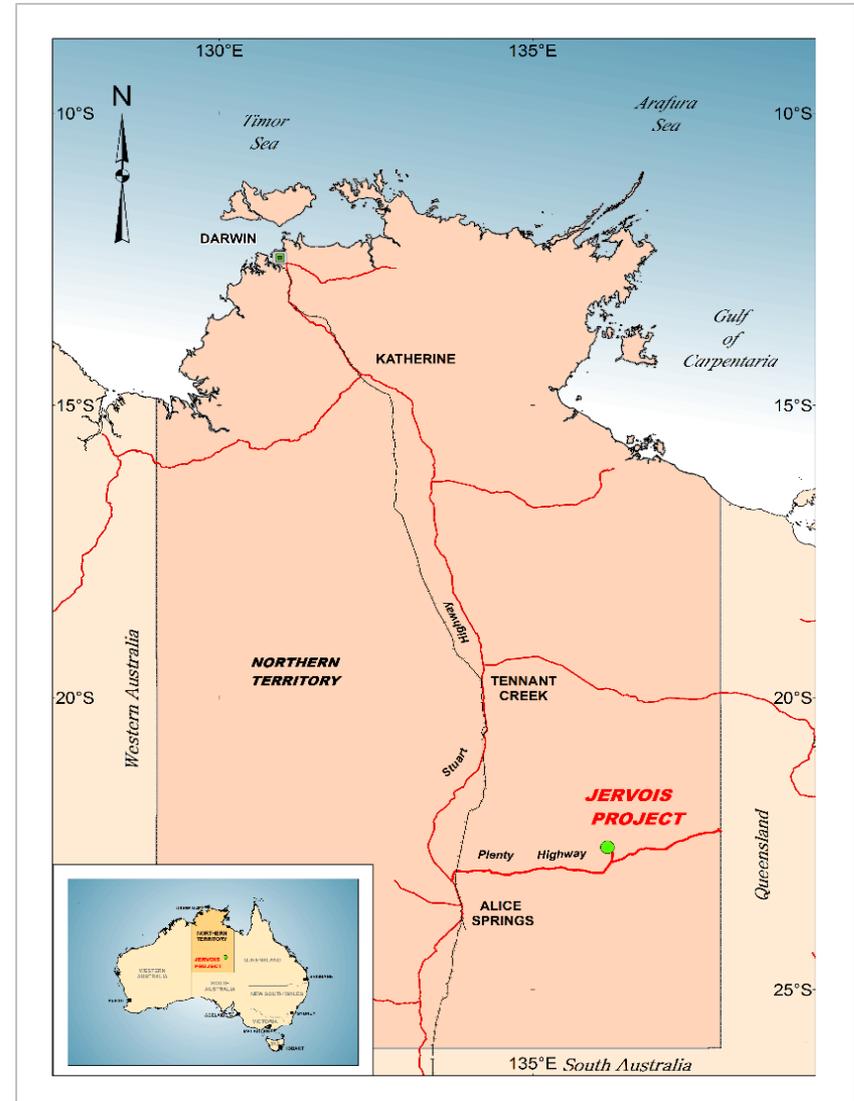
# Building a Quality Australian Copper Company

## Jervois Copper Project – 100% Owned

- Located 380km ENE of Alice Springs with access via Stuart and Plenty Highway
- Jervois Project Area 111km<sup>2</sup> – located on Pastoral Lease
- Mining Lease Approved
- Bonya Community 17km SW of project
- Mineral Resource (July 2015) – refer Appendix 2
  - 327,000 tonnes of copper
  - 22.6 million ounces of silver
  - 143,000 tonnes of lead
  - 47,000 tonnes of zinc
  - 113,000 ounces of gold



Hole KJCD215 - Zone of semi-massive and breccia of magnetite + chalcopyrite (Conductor 3) circa 592.36 – 593.05 m.

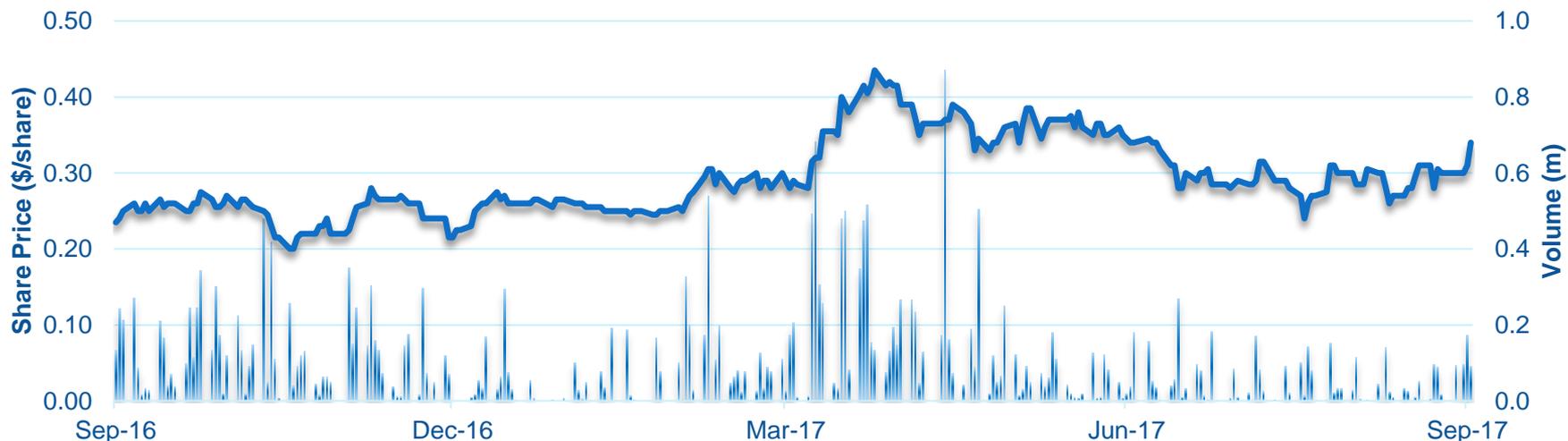


# Corporate Information

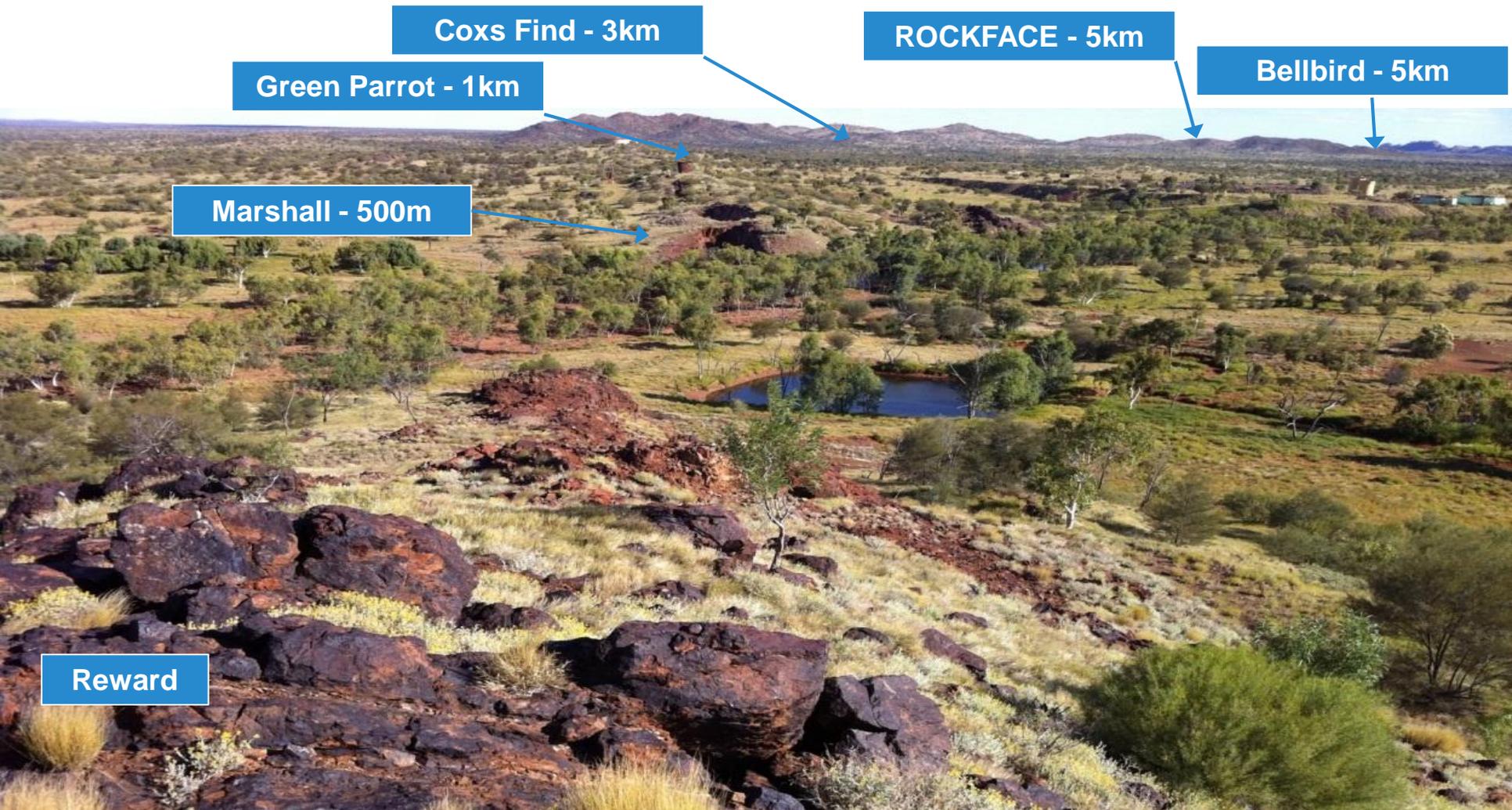
<b>Shares Price (8 Sept)</b>	<b>34 cents</b>
<b>Shares on Issue</b>	<b>184.9m</b>
<b>Market Capitalisation</b>	<b>~\$63m</b>
<b>Cash (30 June)</b>	<b>~\$4.2m</b>

<b>Major Shareholders (Current)</b>	<b>KMP Investments - 25.8%</b>
	<b>Denis Wood - 9.1%</b>
	<b>Pegasus CP One - 8.0%</b>

<b>Directors</b>	<b>Denis Wood</b> - Executive Chairman <i>Appointed 28 July 2015</i>
	<b>Christopher Bain</b> - Non-Executive Director <i>Appointed 5 September 2013</i>
	<b>Ferdian Purnamasidi</b> - Non-Executive Director <i>Appointed 26 April 2016</i>
<b>Company Secretary</b>	<b>Kylie Anderson</b>

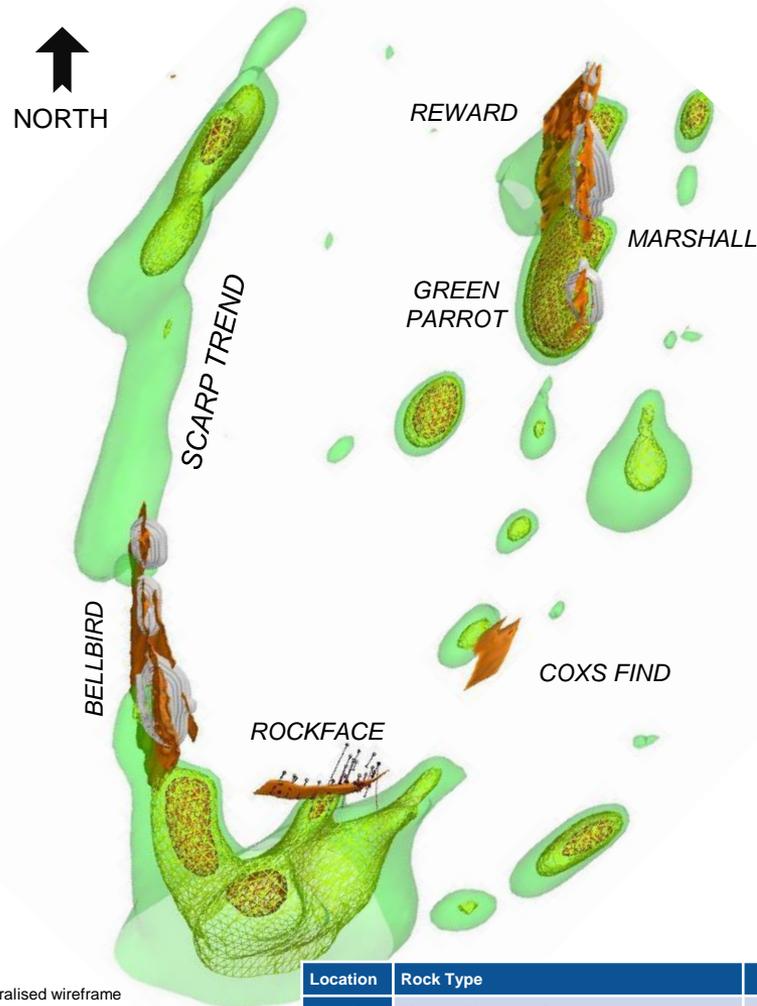
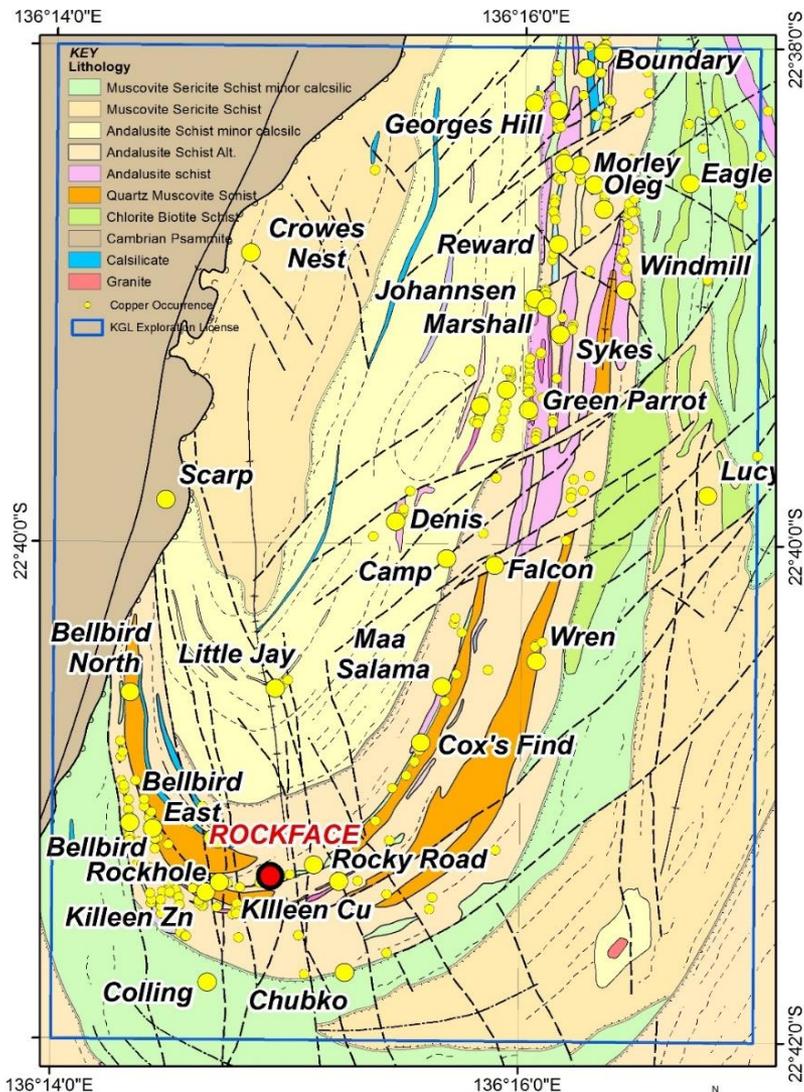


# Jervois – Establishing a Mining District



**Outcropping Copper Mineralisation**

# Geological Setting and Gravity Inversion

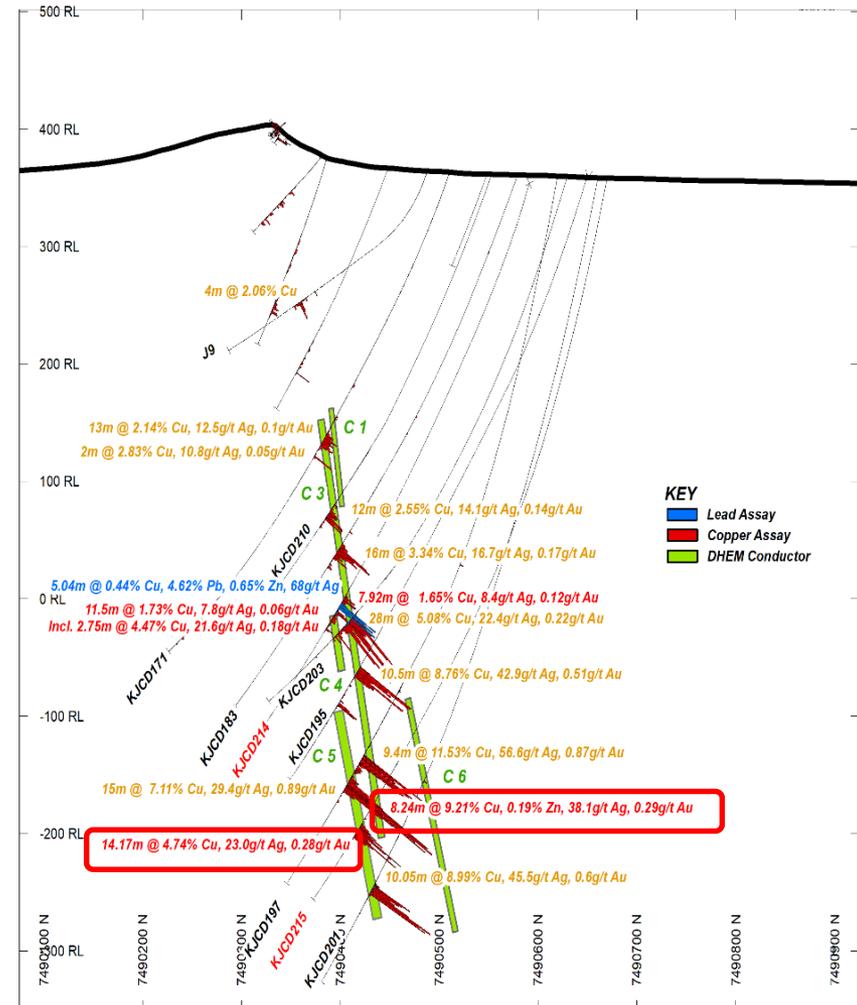


Location	Rock Type	SG
Rockface	Massive Magnetite/Chalcopyrite	4.3
Bellbird	Disseminated Chalcopyrite	3.1
Reward	High-grade Chalcopyrite/ Garnet Magnetite	3.4
Jervois	Metasediments	2.8 - 2.9

# Rockface Prospect

- Latest assays confirm continuity of high-grade copper at Rockface<sup>1</sup>
- Multiple parallel lenses, dipping north at -80 degrees
- Strike for Conductor 6,7 and 8 swinging to the north
- Recent drilling confirmed good continuity of the high-grade copper mineralisation across large previously undrilled spaces at Rockface - *Refer Appendix 1 for further information*
- Results include hole KJCD215:
  - **8.24m @ 9.21% Cu**, 0.19% Zn, 38.1g/t Ag, 0.29g/t Au from 587.5m including **4.57m @ 14.00% Cu**, 53.6g/t Ag, 0.34g/t Au from 588.48m
  - **14.17m @ 4.74% Cu**, 23.0g/t Ag, 0.28g/t Au from 610.09m
- Confirms grade increasing with depth
- Down hole electromagnetic (DHEM) surveying has consistently identified new drilling targets

Rockface cross-section 628305E



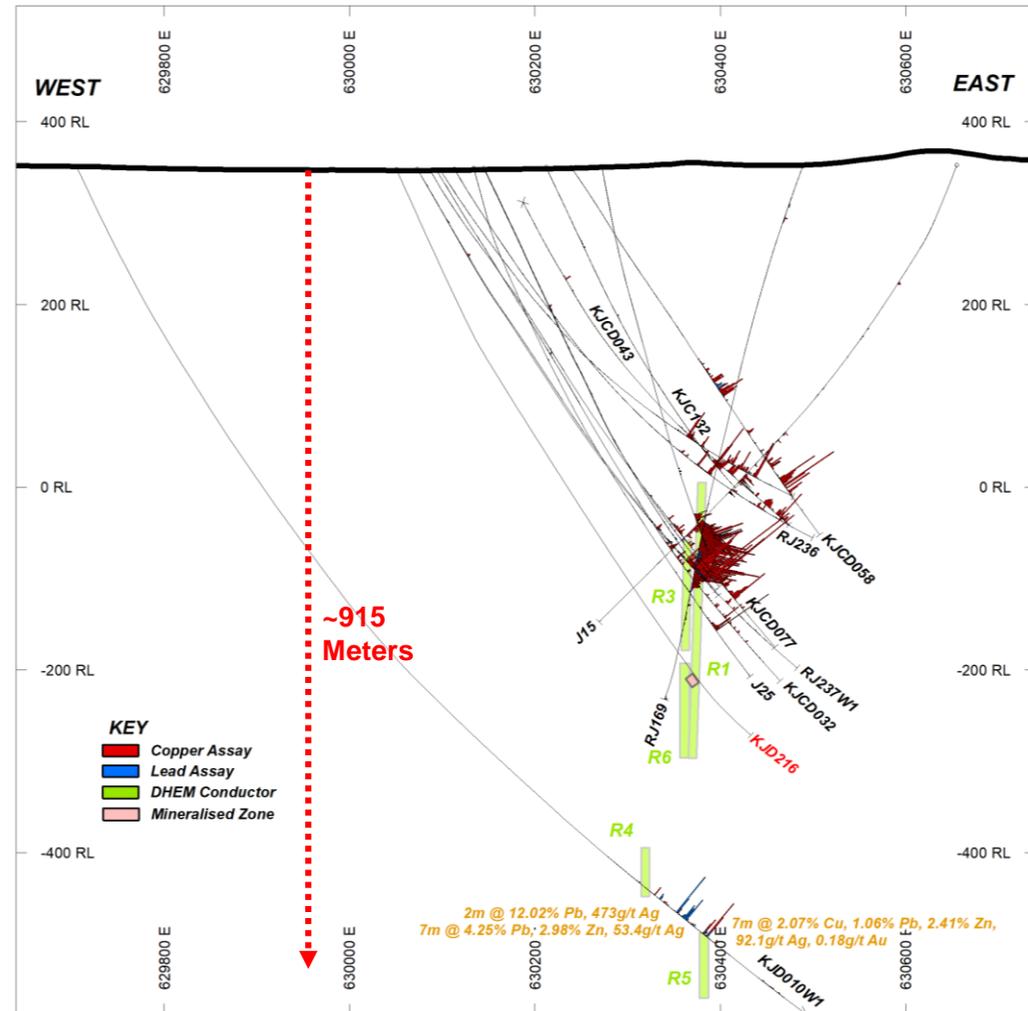
<sup>1</sup> Refer ASX Announcement "Further High-Grade Copper Discovered at Rockface" released on 4 September 2017



# Reward Prospect

- Recent drilling confirms significant discovery at Reward<sup>1</sup>
- Significant extension of mineralisation at Reward
  - Conductor R1 intersected 95m below the previous deepest intercept
  - Visible chalcopyrite plus pyrite mineralisation – similar to Rockface
  - Conductor R1 extends to -300mRL
- KJD216 was designed to intersect an off-hole electromagnetic response identified from previous Down Hole Electromagnetic (DHEM) surveys.
- Drilling success validates KGL's DHEM targeting methodology
- Drill core sent for priority assaying, with results expected in the coming weeks
- Copper intersection in KJD010W1 is -488mRL (188m below bottom edge of R1)
  - 7m @ 2.07% Cu, 1.06% Pb, 2.41% Zn, 92.1g/t Ag, 0.18g/t Au from 1100m
- Several DHEM conductors remain untested to the north of this deeper drilling

Reward Cross-Section 7495275N

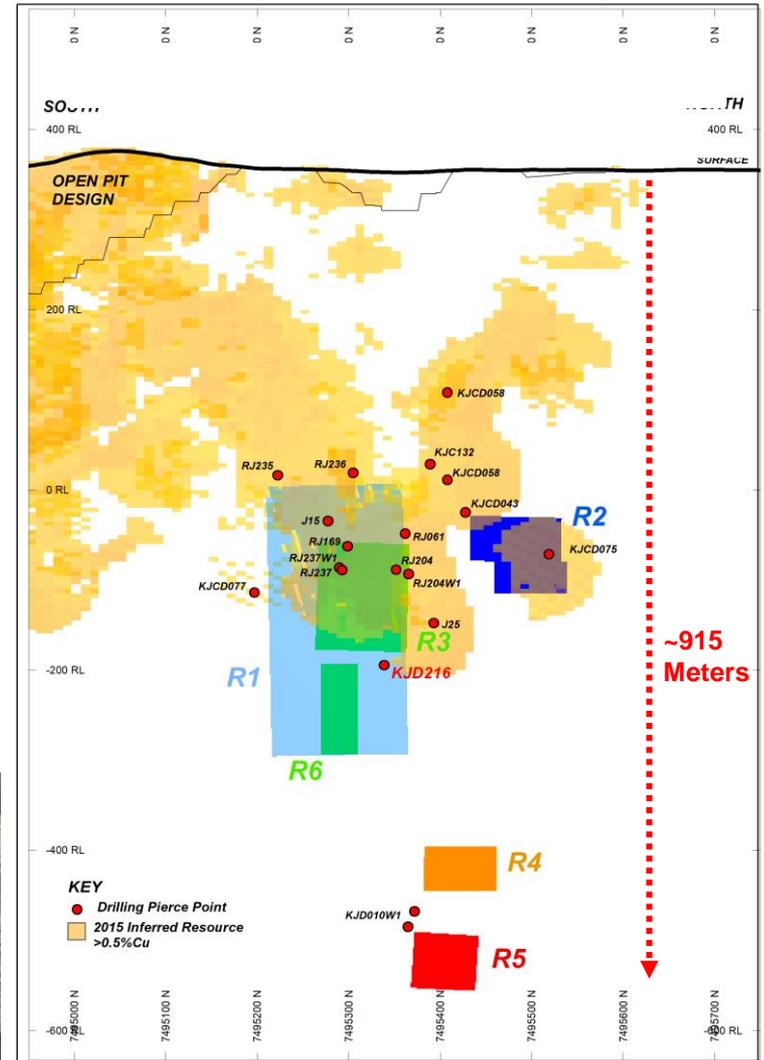


<sup>1</sup> Refer ASX Announcement "Jervois Drilling Confirms Significant Discovery at Reward" released on 30 August 2017  
Refer Appendix 1 for further information

# Reward Prospect - DHEM

- DHEM surveying of KJD216 has confirmed that the hole intersected Conductor R1 ~25m inside the northern edge and ~90m above the bottom edge<sup>1</sup>
- Updated modelling, positions the bottom edge of Conductor R3 approximately 20m above hole KJD216
- The DHEM survey also identified a strong conductor R6, modelled in the hanging wall of Conductor R1
- Further drilling will be required to determine whether this represents a larger zone of conductivity rather than two discrete conductors
- The northern end of Reward includes several other conductors that were identified in DHEM surveys undertaken in late 2014<sup>2</sup>
- Further drilling will be required to evaluate these conductors

Reward Longitudinal Section – Looking West



<sup>1</sup> Refer ASX Announcement "Jervois Copper Project - DHEM & Gravity Surveys continue to validate exploration model" released on 12 September 2017

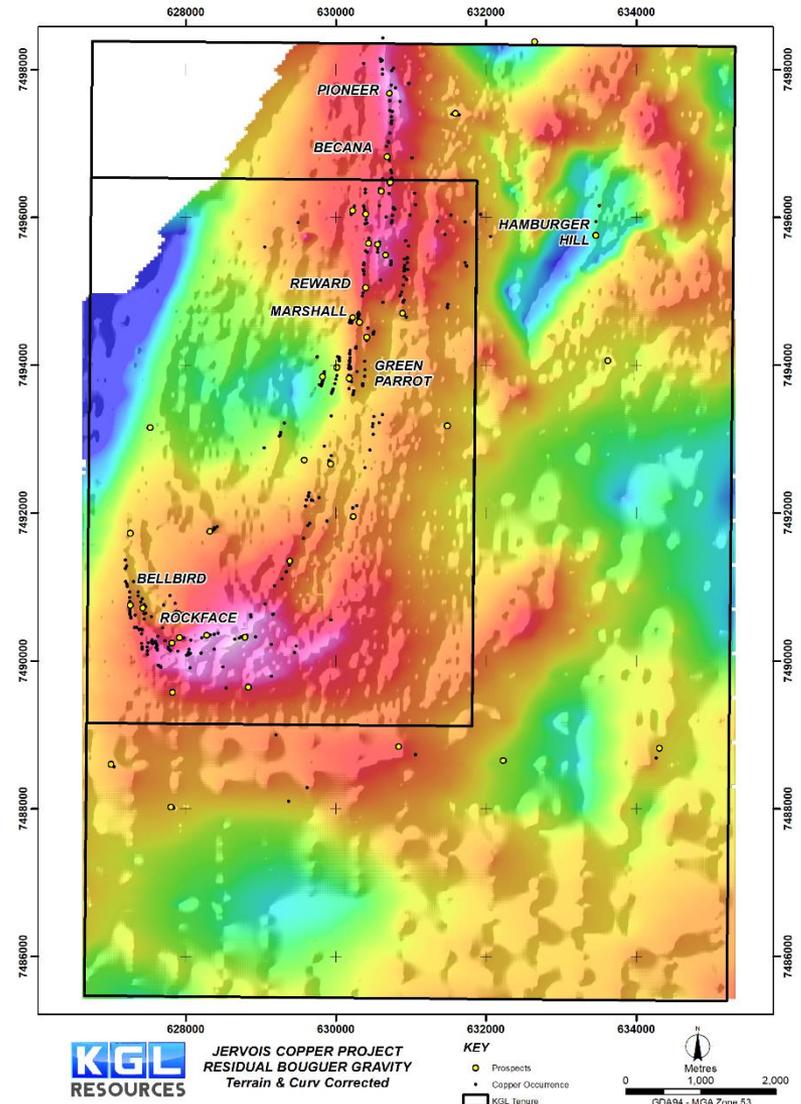
<sup>2</sup> Refer ASX Announcements "Geophysics Identifies New Targets at Jervois" released on 21 November 2014 and "High Grade Zones Intersected in Deep Drilling at Jervois" released on 15 January 2015.

Photos are from hole KJD216 – refer ASX announcement "Jervois Drilling Confirms Significant Discovery at Reward" released on 30 August 2017

# Greater Jervois Project

- KGL considers the acquisition of exploration tenement EL28082, known as the Unca Creek Exploration Project, to have considerable strategic value\*
- Jervois Project Area expanded to 111km<sup>2</sup>
- Within the Bonya Metamorphics
- Already surveyed with SAM
- Soils geochemistry survey completed
- Multiple walk-up drill targets
- Marshall-Reward-Morley trend
  - Becana
  - Pioneer
- North-east of Reward
  - Hamburger Hill

*Residual Bouguer Gravity highlighting deeper gravity anomalies  
(Gravity high- White/Red, Gravity low – Blue/Green)*



\*Refer ASX Announcement "KGL expands Jervois Project" released on 27 March 2017

# Summary and Outlook

- KGL to raise up to A\$12.4m in new equity capital
  - Placement of \$6.9m
  - Entitlement Offer up to \$5.5m
- Jervois Copper Project, one of Australia's most promising new copper mineral discoveries
- KGL is well funded for exploration and development activities
  - Environmental and project approvals process proceeding
  - Mining Lease approved
  - Metallurgical test work underway
  - Preliminary mine planning and geotechnical work progressing
  - Update to Mineral Resource for both Reward and Rockface planned
  - Update development studies
- KGL is on track to building a quality Australian copper company with strong and supportive major shareholders



## Risk Factors

- Activities in the Company and its controlled entities, as in any business, are subject to risks which may impact on the Company's future performance. There are a number of factors, both specific to the Company and of a general nature, which may affect the future operating and financial performance and position of the Company and the outcome of an investment in the Company. Some of these risks can be adequately mitigated by the use of safeguards and appropriate systems but many are beyond the control of the Company and its Directors and cannot be mitigated.
- Prior to deciding whether to take up their Entitlement, Shareholders should read this entire Investor Presentation and review announcements made by the Company to ASX (at [www.asx.com.au](http://www.asx.com.au), ASX: KGL) in order to gain an appreciation of the Company, its activities, operations, financial position and prospects.
- Shareholders should also consider the summary risk factors set out below which the Directors believe represent some of the general and specific risks that Shareholders should be aware of when evaluating the Company and deciding whether to increase their shareholding in the Company. The risk factors set out below are not intended to be an exhaustive list of all of the risk factors to which the Company 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 the Company.
- An investment in the Company is only suitable for financially sophisticated investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses which may arise therefrom (which may be equal to the whole amount invested). There can be no certainty that the Company will be able to implement successfully the strategy set out in this document. No representation is or can be made as to the future performance of the Company and there can be no assurance that the Company will achieve its objectives.

## Specific Risk Factors

The Company's exploration and mining operations will be subject to the normal risks of mining, and any revenues will be subject to numerous factors beyond the Company's control. Certain of these risk factors are as follows:

- **Future capital requirements:** The Company's ongoing activities may require substantial further financing in the future, in addition to amounts raised pursuant to the Entitlement Offer and Placement. For instance, the Company will require additional funding to bring the Jervois Copper Project into commercial production, and will require funding to advance project evaluation and exploration. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the current market price (or Entitlement Offer and Placement price) and debt financing, if available, may involve restrictive covenants which limit the Company's operations and business strategy. Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company 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 the Company's activities and could affect the Company's ability to continue as a going concern.
- **Exploration risk:** The success of the Company 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 the Company's exploration and mining tenements and obtaining all consents and approvals necessary for the conduct of its exploration activities. Exploration on the Company's existing tenements may be unsuccessful, resulting in a reduction of the value of those tenements, diminution in the cash reserves of the Company and possible relinquishment of the tenements. The exploration costs of the Company 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 and adversely affect the Company's viability. If the level of operating expenditure required is higher than expected, the financial position of KGL may be adversely affected. The Company 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 the Company to exploit successful discoveries which may be made in areas in which the Company 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 the Company's. Given the early stage of the Company's projects, there will be a complex, multidisciplinary process to be undertaken to complete a feasibility study to support any development proposal. There is a risk 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.

# Key Risks (continued)

## Specific Risk Factors (continued)

- **Regulatory risk:** The Company's operations are subject to various Federal, 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 the Company will be successful in obtaining any or all of the various approvals, licences and permits or maintaining such authorisations in full force and effect without modification or revocation. To the extent such approvals are required and not retained or obtained in a timely manner or at all, the Company may be curtailed or prohibited from continuing or proceeding with production and exploration. The Company's business and results of operations could be adversely affected if applications lodged for exploration licences are not granted. 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 the Company'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 the Company. It is also possible that, in relation to tenements which the Company has an interest in or will in the future acquire such an interest, 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 the Company 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. The Company 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 dangerous. 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
- **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, the Company relies to a significant extent upon the experience and expertise of the Directors and management. A number of key personnel are important to attaining the business goals of the Company. One or more of these key employees could leave their employment, and this may adversely affect the ability of the Company to conduct its business and, accordingly, affect the financial performance of the Company and its Share price. Recruiting and retaining qualified personnel are important to the Company's success. The number of persons skilled in the exploration and development of mining properties is limited and competition for such persons is strong
- **Resource estimate risk:** Resource estimates are expressions of judgement based on knowledge, experience and industry practice. These estimates are expressions of judgment 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 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 the Company's future plans and ultimately its financial performance and value. Copper 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 affect resource estimations.
- **Environmental risk:** The operations and activities of the Company are subject to the environmental laws and regulations of Australia. As with most exploration projects and mining operations, the Company's operations and activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. The Company attempts to conduct its operations and activities to the highest standard of environmental obligation, including compliance with all environmental laws and regulations. The Company is unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase the Company'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 the Company to incur significant expenses and undertake significant investments which could have a material adverse effect on the Company's business, financial condition and performance

# Key Risks (continued)

## Specific Risk Factors (continued)

- **Availability of equipment and contractors:** Given the current level of activity across the Australian mining industry, including drill rigs, are in short supply. There is also high demand for contractors providing other services to the mining industry. Consequently there is a risk that KGL may not be able to source all the equipment and contractors required to fulfil its proposed exploration 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 exploration activities
- **Fluctuations in copper price:** The copper mining industry is competitive. There can be no assurance that copper and gold prices will be such that the Company 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. 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

## General Risk Factors

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

- **Market Risk:** As with all stock market investments, there are risks associated with an investment in the Company. 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 the 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 the Company's tax status or the tax applicable to holding Shares or in taxation legislation or its interpretation, could affect the value of the investments held by the Company, affect the Company'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 Shares or that the price of Shares will increase. There may be relatively few buyers or sellers of Shares on ASX at any given time. This may affect the volatility of the market price of Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is less or more than the price paid under the Offer
- **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 the Company's performance. The past performance of the Company is not necessarily an indication as to future performance of the Company as the trading price of Shares can go up or down. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company
- **Economic factors:** The operating and financial performance of the Company 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 the Company's operating and financial performance and financial position. The Company's future possible revenues and Share prices can be affected by these factors, which are beyond the control of the Company

# Foreign Jurisdiction Disclaimer

## Singapore

- This document 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 document 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) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.
- This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document 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.

# Appendix 1 - Western Zone

HoleID	Interval	C	ETW (m)	RL (m)	SG (t/m <sup>3</sup> )
KJCD171	13m @ 2.14% Cu, 12.5g/t Ag, 0.10g/t Au from 255m	3	10.0	140.6	4.33
	2m @ 2.83% Cu, 10.8g/t Ag, 0.05g/t Au from 278 m	3	1.5	121.5	2.95
KJCD182	9m @ 2.91% Cu, 17.6g/t Ag, 0.2g/t Au from 284m	3	6.6	118.3	3.65
	6m @ 1.6% Cu, 9.3g/t Ag, 0.16g/t Au from 296 m	3	4.4	108.7	4.46
KJCD210	2m @ 0.71% Cu, 3.7g/t Ag, 0.03g/t Au from 325m	1	1.5	80	3.64
	12m @ 2.55% Cu, 14.1g/t Ag, 0.14g/t Au from 329m	3	9.0	76	4.22
KJCD183	16m @ 3.34% Cu, 16.7g/t Ag, 0.17g/t Au from 362m	3	11.7	46.6	3.84
KJCD214	7.92m @ 1.65% Cu, 8.4g/t Ag, 0.12g/t Au from 405.54 m	3	5.7	2.0	3.93
	11.5m @ 1.73% Cu, 7.8g/t Ag, 0.06g/t Au from 420.5 m	4	8.3	-10.3	3.80
KJCD203	28m @ 5.08% Cu, 22.4g/t Ag, 0.22g/t Au from 435m	3	23.2	-13.5	4.02
	Incl. 14m @ 8.89% Cu, 38.5g/t Ag, 0.38g/t Au from 436m		11.6	-14.2	4.28
KJCD195	10.5m @ 8.76% Cu, 42.9g/t Ag, 0.51g/t Au from 478.4m	3	7.5	-58.6	4.42
	5.1m @ 2.66% Cu, 13.8g/t Ag, 0.27g/t Au from 513.6 m	(5)	3.7	-87.0	3.38
KJCD197	9.4m @ 11.53% Cu, 56.6g/t Ag, 0.87g/t Au from 535.4m	3	6.6	-133.2	4.03
	8.9m @ 1.00% Cu, 7.3g/t Ag, 0.09g/t Au from 544.8 m	5	6.2	-141.3	3.94
	15m @ 7.11% Cu, 29.4g/t Ag, 0.89g/t Au from 558 m	5	10.5	-152.2	3.59
KJCD215	8.24m @ 9.21% Cu, 0.19% Zn, 38.1g/t Ag, 0.29g/t Au from 587.5 m	3	6	-174.0	3.73
	14.17m @ 4.74% Cu, 23.0g/t Ag, 0.28g/t Au from 610.09 m	5	10.2	-192.3	3.45
KJCD201	10.05m @ 8.99% Cu, 45.5g/t Ag, 0.6g/t Au from 645.65m	5	7.5	-243	3.90

ETW – Estimated True Width RL – Height above MSL at the start of the interval  
SG – Specific Gravity (density)

# Appendix 1 - Eastern Zone

HoleID	Interval	C	ETW (m)	RL (m)	SG (t/m <sup>3</sup> )
KJCD198	5.95m @ 4.94% Cu, 25.9g/t Ag, 0.45g/t Au from 449.85m	6	4.0	-61.4	3.90
KJCD205	5.55m @ 4.11% Cu, 0.59% Zn, 37.4g/t Ag, 0.65g/t Au from 511.11m	6	3.9	-104.8	3.56
	5.5m @ 3.54% Cu, 18.5g/t Ag, 0.25g/t Au from 619m	(5)	3.9	-193.8	2.82
	12.65m @ 1.03% Cu, 5.2g/t Ag, 0.05g/t Au from 629 m	-	8.9	-201.8	2.61
KJCD211	5.67m @ 5.2% Cu, 0.2% Zn, 30g/t Ag, 0.45g/t Au from 517.38 m	6	4.1	-105.2	4.45
	7.35m @ 0.92% Cu, 5.9g/t Ag, 0.06g/t Au from 611.6 m	-	5.7	-179.4	3.14
	4.4m @ 1.93% Cu, 0.12% Zn, 10.9g/t Ag, 0.16g/t Au from 618.95 m	5	3.4	-185.1	3.66
KJCD208	3.25m @ 3.98% Cu, 0.88% Zn, 21.5g/t Ag, 0.16g/t Au from 608.75m	6	2.5	-186	3.24
	10.7m @ 1.18% Cu, 4.9g/t Ag, 0.21g/t Au from 662m	-	7.25	-224	2.73
KJCD212	9.62m @ 3.18% Cu, 26g/t Ag, 0.40g/t Au, from 678.98m	6,8	7.4	244.6	3.86

ETW – Estimated True Width RL – Height above MSL at the start of the interval  
 SG – Specific Gravity (density)

# Appendix 1 - Reward North

HoleID	Interval	C	ETW (m)	RL (m)	SG (t/m <sup>3</sup> )
J15	11m @ 4.73% Cu, 1.84g/t Au from 512	R1	8.7	-35.5	-
RJ236	3.7m @ 4.68% Cu, 54g/t Ag, 1.96g/t Au from 433 m	-	3.0	15.6	3.29
KJCD043	7m @ 1.36% Cu, 25g/t Ag, 0.5g/t Au from 413	-	5.6	17.2	2.96
	7m @ 1.28%Cu, 20.1g/t Ag, 0.06g/t Au from 483m	-	5.6	-29	3.04
RJ061	22.4m @ 2.84% Cu from 408 m	R1	7.7	-43.3	-
KJCD075	7m @ 5.07% Pb, 0.29% Zn, 106.6g/t Ag from 498m	R2	5.2	-73.6	3.54
RJ169	72m @ 3.27% Cu, 51.3g/t Ag, 1.16g/t Au from 414m	R1 R3	16	-40.6	3.33
RJ237	23.6m @ 1.82% Cu, 23.9g/t Ag, 0.27g/t Au from 521.7	R1 R3	16.1	-81.8	-
RJ237W1	25m @ 1.74%Cu, 35.9g/t Ag, 0.82g/t Au from 518m	R1 R3	17	-79.9	3.29
RJ204	8m @ 4.8% Cu, 62.1g/t Ag, 0.35g/t Au from 502m	R1 R3	5.0	-94	3.30
RJ204W1	9.05m @ 4.9%Cu, 66.2g/t Ag, 1.22g/t Au from 509m	R1 R3	5.8	-95.8	3.20
J25	3.64m @ 2.79% Cu from 570.4 m	-	2.2	-154	-
KJCD216	11.6m of mineralisation from 636.1m	R1	7.5	-200	-
KJD010W1	2m @ 12.02% Pb, 473g/t Ag from 1062m	R4	1.6	-465.3	3.87
	7m @ 4.25% Pb, 2.98% Zn, 53.4g/t Ag from 1070m	R4	5.6	-470.2	3.11
	7m @ 2.07% Cu, 1.06% Pb, 2.41% Zn, 92g/t Ag, 0.18g/t Au from 1100m	R5	5.6	-488.7	3.17

ETW – Estimated True Width RL – Height above MSL at the start of the interval  
 SG – Specific Gravity (density)

# Appendix 2: Jervois – Mineral Resource

Copper Resources	Category	Mt	Cu %	Ag g/t	Pb %	Zn %	Copper kt	Silver Moz	Lead kt	Zinc kt	Cut-off Cu%
<b>Marshall Copper</b>	Indicated	1.4	1.45	35.6	-	-	20.1	1.6	-	-	0.5
	Inferred	0.3	0.90	20.2	-	-	2.5	0.2	-	-	0.5
<b>Reward Copper</b>	Indicated	5.0	1.14	25.3	-	-	57.1	4.1	-	-	0.5
	Inferred	7.6	1.02	22.2	-	-	78.0	5.4	-	-	0.5
<b>East Reward</b>	Inferred	2.6	0.92	8.2	-	-	24.1	0.7	-	-	0.5
<b>Bellbird</b>	Indicated	4.1	1.22	7.7	-	-	49.9	1.0	-	-	0.5
	Inferred	4.3	1.29	8.5	-	-	55.9	1.2	-	-	0.5
<b>Cox's Find</b>	Inferred	0.7	0.87	2.8	-	-	6.0	0.1	-	-	0.5
<b>Rock Face</b>	Inferred	0.7	0.82	3.1	-	-	6.0	0.1	-	-	0.5
<b>TOTAL</b>	Indicated	10.5	1.21	19.8	-	-	127.0	6.7	-	-	-
	Inferred	16.2	1.06	14.6	-	-	172.1	7.6	-	-	-
	<b>TOTAL</b>	<b>26.7</b>	<b>1.12</b>	<b>16.6</b>	<b>-</b>	<b>-</b>	<b>299.1</b>	<b>14.3</b>	<b>-</b>	<b>-</b>	<b>-</b>

Lead/Zinc Resources	Category	Mt	Cu %	Ag g/t	Pb %	Zn %	Copper kt	Silver Moz	Lead kt	Zinc kt	Cut-off Cu%
<b>Reward Lead/Zinc</b>	Indicated	0.5	0.74	70.7	6.8	0.9	3.6	1.1	33.6	4.4	None
	Inferred	0.8	0.51	90.9	8.6	1.2	4.1	2.3	69.4	9.4	None
<b>Green Parrot Lead/Zinc</b>	Indicated	0.5	0.99	64.0	0.9	0.6	5.1	1.1	4.7	3.2	0.3
	Inferred	1.4	0.81	78.0	1.8	0.9	11.1	3.4	24.4	12.8	0.3
<b>Bellbird North</b>	Inferred	0.7	0.57	17.9	1.7	2.5	3.8	0.4	11.3	16.7	0.2
<b>TOTAL</b>	Indicated	1.0	0.87	67.3	3.8	0.8	8.7	2.2	38.3	7.6	-
	Inferred	2.8	0.67	67.6	3.7	1.4	19.0	6.2	105.1	38.9	-
	<b>TOTAL</b>	<b>3.8</b>	<b>0.72</b>	<b>67.5</b>	<b>3.7</b>	<b>1.2</b>	<b>27.7</b>	<b>8.4</b>	<b>143.4</b>	<b>46.5</b>	<b>-</b>

<b>2015 Combined</b>	<b>TOTAL</b>	<b>30.5</b>					<b>327.0</b>	<b>22.6</b>	<b>143</b>	<b>47</b>	
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Gold Resources	Category	Mt	Au g/t	Au Koz	Cut-off Cu%
<b>Marshall-Reward</b>	Inferred	13.9	0.19	85	0.5
<b>Bellbird</b>	Inferred	7.5	0.12	28	0.5
<b>2014 Combined</b>	Inferred	<b>21.4</b>	<b>0.16</b>	<b>113</b>	

# Appendix 2: Jervois – Mineral Resource

## Competent Person Statement

- The data in this report that relates to Mineral Resource Estimates is based on information evaluated by Mr Simon Tear who is a Member of The Australasian Institute of Mining and Metallurgy (MAusIMM) and who has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the “JORC Code”). Mr Tear is a Director of H&S Consultants Pty Ltd and he consents to the inclusion in the report of the Mineral Resource in the form and context in which they appear.
- The following drill holes were originally reported on the date indicated and using the JORC code specified in the table. Results reported under JORC 2004 have not been updated to comply with JORC 2012 on the basis that the information has not materially changed since it was last reported.

Hole	Date originally Reported	JORC Reported Under
J15	17/05/2011	2004
RJ236	02/10/2012	2004
KJCD043	20/03/2014	2004
RJ061	17/05/2011	2004
KJCD075	21/07/2014	2012
RJ169	22/10/2015	2012
RJ237	02/10/2012	2004
RJ237W1	29/05/2014	2012
RJ204	24/10/2014	2012
RJ204W1	24/10/2014	2012
J25	17/05/2011	2004
KJCD216	17/11/2014	2012
KJD010W1	15/01/2015	2012

- See ASX announcement dated 29 July 2015
- See ASX announcement dated 15 September 2014 in relation to gold Mineral Resource

## Competent Person Statement

- The Jervois Exploration data in this report is based on information compiled by Adriaan van Herk, a member of the Australian Institute of Geoscientists, Chief Geologist and a full-time employee of KGL Resources Limited.
- Mr. van Herk has sufficient experience which is relevant to the style of the mineralisation and the type of deposit under consideration and to the activity to which he is undertaking, to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. van Herk has consented to the inclusion of this information in the form and context in which it appears in this report.



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**

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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 costs<sup>1</sup>.

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.

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<sup>1</sup> 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)
<b>Current shares on issue</b>	184,881,721	184,881,721	184,881,721
<b>Placement Shares (excluding Director Placement)</b>	18,500,000	18,500,000	18,500,000
<b>Director Placement Shares (subject to shareholder approval)</b>	4,333,333	4,333,333	4,333,333
<b>Entitlement Offer</b>	-	7,640,875	18,489,247
<b>Shares on issue post Placement and Entitlement Issue</b>	<b>207,715,054</b>	<b>215,355,929</b>	<b>226,204,301</b>

# 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.

## 3 How to apply

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### 3.1 Shareholder's choices

The number of New Shares to which Eligible Shareholders are entitled under the Entitlement Offer (i.e. their Entitlement) is shown on the accompanying Entitlement and Acceptance Form. Eligible Shareholders may:

- (a) take up their Entitlement in full and, if they do so, they may apply for additional New Shares under the Top Up Facility (refer to section 3.2);
- (b) take up part of their Entitlement, in which case the balance of the Entitlement lapses (refer to section 3.3); or
- (c) allow their Entitlement to lapse (refer to section 3.4).

Ineligible Shareholders may not take up any of their Entitlements.

KGL reserves the right to reject any Entitlement and Acceptance Form that is not correctly completed or that is received after the Closing Date.

The Closing Date for acceptance of the Entitlement Offer is **5.00pm (AEDST time) on 16 October 2017** (however, that date may be varied by KGL, in accordance with the Listing Rules).

### 3.2 Taking up all of your Entitlement and participating in the Top Up Facility

If you wish to take up your Entitlement in full, follow the instructions set out in the Entitlement and Acceptance Form.

If you have applied to take up all of your Entitlement, you may also apply for additional New Shares under the Top Up Facility.

Please return your completed Entitlement and Acceptance Form together with your Application Monies in accordance with section 3.6 for the amount shown on the Entitlement and Acceptance Form to the Share Registry so that it is received no later than **5.00pm (AEDST time) on 16 October 2017** at the address set out below:

KGL Resources Limited  
C/- Link Market Services Limited  
Reply Paid 3560  
SYDNEY NSW 2001

You may also take up all of your Entitlement by payment of the Application Monies through BPAY in accordance with the instructions on the Entitlement and Acceptance Form. If payment is being made through BPAY, you do not need to return the Entitlement and Acceptance Form. Your payment must be received by no later than **5.00pm (AEDST time) on 16 October 2017**.

If you do not return the Entitlement and Acceptance Form, amounts received by KGL in excess of the Issue Price multiplied by your Entitlement (**Excess Amount**) may be treated as an application to apply for as many additional New Shares under the Top Up Facility as your Excess Amount will pay for in full.

If you apply for additional New Shares under the Top Up Facility and your application is successful (in whole or in part) your New Shares will be issued at the same time that other New Shares are issued under the Entitlement Offer. There is no guarantee you will receive any New Shares under the Top Up Facility. The allocation policy under the Top Up Facility is described in section 1.2.

Refund amounts, if any, will be paid in Australian dollars. You will be paid either by cheque sent by ordinary post to your address as recorded on the share register (the registered address of the first-named in the case of joint holders), or by direct credit to the nominated bank account as noted on the share register as at the closing date of the offer. If you wish to advise or change your banking instructions with the Share Registry you may do so by going to [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) and following the instructions.

### **3.3 Taking up part of your Entitlement and allowing the balance to lapse**

If you wish to take up part of your Entitlement, complete the Entitlement and Acceptance Form for the number of New Shares you wish to take up and follow the other steps required under section 3.2.

You may arrange for payment through BPAY in accordance with the instructions on the Entitlement and Acceptance Form. If payment is made through BPAY and KGL receives an amount that is less than the Issue Price multiplied by your Entitlement (**Reduced Amount**), your payment may be treated as an application for as many New Shares as your Reduced Amount will pay for in full.

### **3.4 Allow your Entitlement to lapse**

If you do not wish to accept all or any part of your Entitlement, do not take any further action and that part of your Entitlement will lapse.

### **3.5 Consequences of not accepting your Entitlement**

If you do not accept all of your Entitlement in accordance with the instructions set out above, any New Shares that you would have otherwise been entitled to under the Entitlement Offer (or New Shares that relate to the portion of your Entitlement that has not been accepted) may be acquired under the Top Up Facility.

### **3.6 Payment**

The consideration for the New Shares (including under the Top Up Facility) is payable in full on application by a payment of \$0.30 per New Share. The Entitlement and Acceptance Form must be accompanied by a cheque for the Application Monies. Cheques must be drawn in Australian currency on an Australian bank and made payable to '**KGL Resources Limited – Entitlement Offer**' and crossed 'Not Negotiable'.

Alternatively, you may arrange for payment of the Application Monies through BPAY in accordance with the instructions on the Entitlement and Acceptance Form.

Eligible Shareholders must not forward cash by mail. Receipts for payment will not be issued.

### **3.7 Entitlement and Acceptance Form is binding**

A completed and lodged Entitlement and Acceptance Form, or a payment made through BPAY, constitutes a binding offer to acquire New Shares on the terms of this Information Booklet and, once lodged or paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid Application for New Shares. The Directors'

(or their delegates') decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Monies or making a payment by BPAY, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:

- (a) you are an Eligible Shareholder and are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares under the Entitlement Offer;
- (b) you acknowledge that the New Shares have not been, and will not be, registered under the US Securities Act of 1933, as amended, or under the laws of any other jurisdiction outside Australia or New Zealand; and
- (c) you have not and will not send any materials relating to the Entitlement Offer to any person in the United States or to any person (including nominees or custodians) acting for the account or benefit of a person in the United States.

### **3.8 Brokerage and Stamp Duty**

No brokerage fee is payable by Eligible Shareholders who accept their Entitlement. No stamp duty is payable for subscribing for New Shares under the Entitlement Offer.

### **3.9 Notice to Nominees and Custodians**

Nominees and custodians may not distribute any part of this Information Booklet or any Entitlement and Acceptance Form in any country outside Australia, except to beneficial holders of Shares in New Zealand as well as any other country to the extent KGL may determine it is lawful and practical to make the Entitlement Offer.

## 4 Definitions

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These definitions are provided to assist the understanding some of the expressions used in this Information Booklet.

<b>Term</b>	<b>Definition</b>
<b>KGL</b>	means KGL Resources Limited ACN 082 658 080.
<b>\$</b>	means Australian dollars.
<b>AEDST</b>	means Australian Eastern Daylight Saving Time.
<b>Applicant</b>	means an Eligible Shareholder who has applied to subscribe for New Shares by submitting an Entitlement and Acceptance Form or has arranged for payment through BPAY in accordance with the instructions on the Entitlement and Acceptance Form.
<b>Application</b>	means the submission of an Entitlement and Acceptance Form accompanied by the relevant Application Monies or arranging for payment of the relevant Application Monies through BPAY in accordance with the instructions on the Entitlement and Acceptance Form.
<b>Application Monies</b>	means the aggregate amount of money payable for the New Shares applied for in a duly completed Entitlement and Acceptance Form or through BPAY.
<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>ASX</b>	means ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).
<b>Business Day</b>	means a business day as defined in the Listing Rules.
<b>Closing Date</b>	means 16 October 2017, the day the Entitlement Offer closes, or any other date that the Directors in their absolute discretion determine, subject to the Listing Rules.
<b>Corporations Act</b>	means <i>Corporations Act 2001</i> (Cth).
<b>Directors</b>	means the directors of KGL.
<b>Eligible Shareholder</b>	means a Shareholder as at the Record Date who is not an Ineligible Shareholder.
<b>Entitlement</b>	means the right to subscribe for New Shares under the Entitlement Offer.
<b>Entitlement and Acceptance Form</b>	means the Entitlement and Acceptance Form accompanying this Information Booklet.
<b>Entitlement Offer</b>	means the non-renounceable entitlement offer to Eligible Shareholders to subscribe for 1 New Share for every 11 Shares of which the Shareholder is the registered holder on the Record Date, at the Issue Price pursuant to this Information Booklet.

<b>Term</b>	<b>Definition</b>
<b>Equity Raising</b>	means the Entitlement Offer and the Placement.
<b>Existing Shares</b>	means the Shares already on issue in KGL as at the Record Date.
<b>Ineligible Shareholder</b>	means a Shareholder as at the Record Date whose registered address is not located in Australia or New Zealand or such other person that the Directors have determined is able to participate, including a person with a registered address in Singapore, who is able to rely on the statutory exemptions set out in the 'important notices' section of this document.
<b>Information Booklet</b>	means this document.
<b>Investor Presentation</b>	means the presentation to investors, in section 2 of this Information Booklet.
<b>Issue Price</b>	means \$0.30 per New Share.
<b>Listing Rules</b>	means the official listing rules of ASX.
<b>New Shares</b>	means Shares to be allotted and issued under the Entitlement Offer, including (as the context requires) the shortfall from the Entitlement Offer issued under the Top Up Facility.
<b>Placement</b>	means the offer of New Shares to institutional investors announced on 13 September 2017 and completed on or about 18 September 2017, subject to the Shares to be issued to Mr Wood and Mr Purnamasidi which are subject to shareholder approval.
<b>Record Date</b>	means 5.00pm AEDST time on 19 September 2017.
<b>Shareholders</b>	mean holders of Shares.
<b>Shares</b>	means fully paid ordinary shares in the capital of KGL.
<b>Share Registry</b>	means Link Market Services Limited ACN 083 214 537.
<b>Shortfall Shares</b>	means those New Shares not taken up by Eligible Shareholders under the Entitlement Offer, together with those New Shares to which any Ineligible Shareholders would otherwise have been entitled.
<b>TERP</b>	means the theoretical price at which the Shares should trade immediately after the ex-date of the Entitlement Offer assuming 100% take up of the Entitlement Offer.
<b>Top Up Facility</b>	means the facility described in section 1.2 under which certain Eligible Shareholders may apply for New Shares in excess of their Entitlement.
<b>Top Up Shares</b>	means extra Shares a Shareholder may apply for in excess of their Entitlement under the Top Up Facility.

## 5 Corporate information

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### Company

KGL Resources Limited  
Level 7, 167 Eagle Street  
Brisbane QLD 4000  
Tel: 61 7 3071 9003  
[www.kglresources.com.au](http://www.kglresources.com.au)

### Directors

Denis Leslie Wood      Chairman  
Christopher Bain      Non Executive Director  
Ferdian Purnamasidi   Non Executive Director

### Company Secretary

Kylie Therese Anderson

### Principal Share Register

Link Market Services Limited  
Level 1, 333 Collins Street  
Melbourne VIC 3000  
Tel Within Australia: 1300 975 518 (toll free)  
Tel Outside Australia: +61 1300 975 518  
[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

### Financial Adviser

Longreach Capital  
<https://www.longreachcapital.com/>  
Mobile +61 412 144 719

### Lead Manager

Morgans Corporate Limited  
ACN 010 539 607  
Level 29 Riverside Centre  
123 Eagle Street, Brisbane QLD 4000  
Tel: (07) 3334 4888  
<https://www.morgans.com.au/>

### Lawyers

McCullough Robertson Lawyers  
Level 11, 66 Eagle Street  
BRISBANE QLD 4000  
Tel: 07 34233 8888  
[www.mccullough.com.au](http://www.mccullough.com.au)



ACN 082 658 080

All Registry communications to:
Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia
Telephone: 1300 975 518
From outside Australia: +61 1300 975 518
ASX Code: KGL
Website: www.linkmarketservices.com.au

SRN/HIN:

Entitlement Number:

Number of Eligible Shares held as
at the Record Date, 7:00pm (AEST)
on 19 September 2017:

Entitlement to New Shares
(on a 1 New Share for 11 basis):

Amount payable on full acceptance
at A\$0.30 per Share:

Offer Closes
5:00pm (Sydney time): Monday, 16 October 2017

ENTITLEMENT AND ACCEPTANCE FORM

As an Eligible Shareholder you are entitled to acquire 1 New Share for every 11 Existing Shares that you hold on the Record Date, at an Offer Price of A\$0.30 per New Share. You may also apply for New Shares in excess of your Entitlement, at the Offer Price. This is an important document and requires your immediate attention. If you do not understand it or you are in doubt as how to deal with it, you should contact your accountant, stockbroker, solicitor or other professional adviser.

IMPORTANT: The Offer is being made under the Entitlement Offer information booklet dated 13 September 2017. The Entitlement Offer information booklet contains information about investing in the New Shares. Before applying for New Shares, you should carefully read the Entitlement Offer information booklet. This Entitlement and Acceptance Form should be read in conjunction with the Entitlement Offer information booklet.

If you do not have a paper copy of the Entitlement Offer information booklet, you can obtain a paper copy at no charge, by calling the KGL Resources Limited Offer Information Line on 1300 975 518 (within Australia) or +61 1300 975 518 (from outside Australia).

PAYMENT OPTIONS

If you wish to take up all or part of your Entitlement (as shown above), or take up all of your Entitlement and apply for additional New Shares, you have two payment options detailed below.

OPTION 1: PAYING BY BPAY®

If paying by BPAY®, refer to the instructions overleaf. You do NOT need to return the acceptance slip below if you elect to make payment by BPAY®. Payment must be received via BPAY® before 5:00pm (Sydney time) on Monday, 16 October 2017. You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry in time. By paying by BPAY® you will be deemed to have completed an Application Form for the number of Shares subject of your application payment.

OPTION 2: PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

If paying by cheque, bank draft or money order, complete and return the acceptance slip below with your Application Monies. No signature is required on the acceptance slip. The acceptance slip with your Application Monies must be received by the Registry before 5:00pm (Sydney time) on Monday, 16 October 2017.



Billers Code:
Ref:

Telephone & Internet Banking – BPAY®

Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. More info: www.bpay.com.au
® Registered to BPAY Pty Ltd ABN 69 079 137 518

See overleaf for details and further instructions on how to complete and lodge this Entitlement and Acceptance Form.

THIS IS A PERSONALISED FORM FOR THE SOLE USE OF THE SHAREHOLDER AND HOLDING RECORDED ABOVE.



ACN 082 658 080

Please detach and enclose with payment



SRN/HIN:

Entitlement Number:

A Number of New Shares accepted (being not more than your Entitlement shown above)

B Number of additional New Shares

C Total number of New Shares accepted (add Boxes A and B)

Form with input boxes for A, B, and C, and a plus sign and equals sign.

D PLEASE INSERT CHEQUE, BANK DRAFT OR MONEY ORDER DETAILS – Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to “KGL Resources Limited – Entitlement Offer” and crossed “Not Negotiable”.

Form with input boxes for Drawer, Cheque Number, BSB Number, Account Number, and Amount of Cheque (A\$).

E CONTACT DETAILS – Telephone Number

Telephone Number – After Hours

Contact Name

Form with input boxes for telephone numbers and contact name.

# KGL RESOURCES LIMITED

The Entitlement Offer to which this Entitlement and Acceptance Form relates is not being made to investors located or resident outside of Australia and New Zealand except to institutional investors in Singapore or to shareholders who KGL Resources Limited has otherwise determined are eligible to participate.

## ACCEPTANCE OF ENTITLEMENT OFFER

By either returning the Entitlement and Acceptance Form with payment to the Registry, or making payment received by BPAY®:

- you represent and warrant that you have read and understood the Entitlement Offer information booklet and that you acknowledge the matters, and make the warranties and representations;
- you provide authorisation to be registered as the holder of New Shares acquired by you and agree to be bound by the Constitution of KGL Resources Limited.

## HOW TO APPLY FOR NEW SHARES

### 1. IF PAYING BY BPAY® (AVAILABLE TO SHAREHOLDERS WITH AN AUSTRALIAN BANK ACCOUNT ONLY)

If you elect to make payment using BPAY® you must contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. For more information on paying by BPAY®: [www.bpay.com.au](http://www.bpay.com.au)

Work out the total amount payable by you. To calculate the total amount, multiply the number of New Shares you wish to apply for by A\$0.30.

Refer overleaf for the Biller Code and Reference Number. The Reference Number is used to identify your holding. If you have multiple holdings you will have multiple Reference Numbers. You must use the Reference Number shown on each personalised Entitlement and Acceptance Form when paying for any New Shares that you wish to apply for in respect of that holding.

### 2. IF PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

Complete all relevant sections of the Entitlement and Acceptance Form USING BLOCK LETTERS. These instructions are cross referenced to each section of the Entitlement and Acceptance Form.

#### A. Acceptance of New Shares

Enter into section A the number of New Shares you wish to apply for. The number of New Shares must be equal to or less than your Entitlement, which is set out overleaf.

#### B. Application for Top Up Facility

You can apply for more New Shares than your Entitlement. Please enter the number of **additional** New Shares above your Entitlement for which you wish to apply into Box B. Your Application for additional New Shares may not be successful (wholly or partially). The decision of KGL Resources Limited on the number of New Shares to be allocated to you will be final. No interest will be paid on any Application Monies received or returned.

#### C. Total Number of New Shares Subscribed for

To calculate total number of New Shares subscribed for, add Box A and Box B and enter this in Box C.

#### D. Cheque, bank draft or money order details

Enter your cheque, bank draft or money order details in section D. Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "KGL Resources Limited – Entitlement Offer" and crossed "Not Negotiable". Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. If you provide a cheque or money order for the incorrect amount, KGL Resources Limited may treat you as applying for as many New Shares and Additional New Shares as your cheque, bank draft or money order will pay for.

#### E. Contact details

Enter your contact telephone number where we may contact you regarding your acceptance of New Shares, if necessary.

## 3. HOW TO LODGE YOUR ENTITLEMENT AND ACCEPTANCE FORM

A reply paid envelope is enclosed for your use. No postage stamp is required if it is posted in Australia. Alternatively, if you have lost the reply paid envelope, or you have obtained the Entitlement Offer information booklet electronically, your completed Entitlement and Acceptance Form with the payment for New Shares may be mailed to the postal address, or delivered by hand to the delivery address, set out below. **If paying by BPAY® you do not need to complete or return the Entitlement and Acceptance Form.** You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry by the close of the offer.

#### Mailing Address

KGL Resources Limited  
C/- Link Market Services Limited  
GPO Box 3560  
Sydney NSW 2001

#### Hand Delivery

KGL Resources Limited  
C/- Link Market Services Limited  
1A Homebush Bay Drive  
Rhodes NSW 2138 **(Please do not use this address for mailing purposes)**

Make sure you send your Acceptance Slip and application payment allowing enough time for mail delivery, so Link Market Services Limited receives them no later than 5:00pm (Sydney time) on Monday, 16 October 2017. Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. KGL Resources Limited reserves the right not to process any Acceptance Slips and cheques received after the Closing Date.

**If you require further information on how to complete this Entitlement and Acceptance Form, please contact the KGL Resources Limited Offer Information Line on 1300 975 518 (within Australia) or +61 1300 975 518 (from outside Australia) between 8:30am and 5:30pm (AEST) Monday to Friday.**