

Not for distribution or release in the United States

16 July 2024

Dear shareholder

PRO-RATA NON-RENOUCEABLE ENTITLEMENT OFFER – NOTIFICATION TO INELIGIBLE SHAREHOLDERS

On Monday, 8 July 2024, KGL Resources Limited (ACN 082 658 080) (ASX: KGL) (**Company**) announced that it was conducting a 4 for 15 pro-rata non-renounceable entitlement offer of new fully paid ordinary shares in the Company (**New Shares**) at an offer price of \$0.10 per New Share to raise up to approximately \$15.1 million (**Offer**).

This letter is to inform you about the Offer and to explain why you will not be able to subscribe for New Shares under the Offer. This letter is not an offer to issue New Shares to you, nor an invitation to you to apply for New Shares. **You are not required to do anything in response to this letter.**

Details of the Offer

The Offer is being made by the Company in accordance with section 708AA of the *Corporations Act 2001* (Cth) (**Corporations Act**) (as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73), meaning that no prospectus or other disclosure document under the Corporations Act needs to be prepared.

An offer booklet in relation to the Offer was lodged with ASX and will be dispatched to Eligible Shareholders (as defined below) today) (**Offer Booklet**).

The Offer is being made to Eligible Shareholders (as defined below) on the basis of 4 New Shares for every 15 existing fully paid ordinary shares in the Company (**Shares**) held at 7.00pm (Sydney time) on Thursday, 11 July 2024 (**Record Date**).

Eligibility criteria

Shareholders who are eligible to participate in the Offer (**Eligible Shareholders**) are those persons who:

are registered as a holder of Shares as at 7.00pm (Sydney time) on the Record Date;

as at the Record Date, have a registered address on the Company's share register that is in Australia or New Zealand, or are a shareholder of the Company that the Company has otherwise determined is eligible to participate;

are not in the United States and are not a person (including a nominee or custodian) acting for the account or benefit of a person in the United States (to the extent such person holds Shares for the account or benefit of such person in the United States) unless allowed under the applicable security law; and

are eligible under all applicable securities laws to receive an offer under the Offer.

The Company has determined, pursuant to section 9A(3) of the Corporations Act and ASX Listing Rule 7.7.1(a), and having regard to a range of factors, that it would be unreasonable on this occasion to make offers to shareholders under the Offer in certain countries outside Australia or New Zealand.

This is due to the legal and regulatory requirements in certain countries other than Australia or New Zealand and the potential costs to the Company of complying with these requirements, compared with the relatively small number of shareholders in those countries, the relatively small number of Shares they hold and the relatively low value of New Shares for which those shareholders would otherwise be entitled to subscribe.

Unfortunately, according to our records, you do not satisfy the eligibility criteria for an Eligible Shareholder as stated above. Accordingly, in compliance with section 9A(3) of the Corporations Act and ASX Listing Rule 7.7.1(b), the Company wishes to advise you that it will not be extending the Offer to you and you will not be able to subscribe for New Shares under the Offer. You will not be sent the documents relating to the Offer or be able to subscribe for New Shares under the Offer.

As the Offer is non-renounceable, entitlements in respect of any New Shares that would have been offered to you if you were an Eligible Shareholder will lapse and you will not receive any payment or value for those entitlements. Entitlements are not tradeable on ASX or otherwise transferrable. If you have any questions in relation to any of the above matters, please contact the Company's share registry, Link Market Services Limited, on 1300 853 781 (within Australia) or +61 1300 853 781 (outside Australia) from 8.30am to 5.30pm (Sydney time), Monday to Friday. For other questions, you should consult your broker, solicitor, accountant, financial adviser or other professional adviser.

On behalf of the Company, we regret that you are not eligible to participate in the Offer and thank you for your continued support.

Yours sincerely

Kylie Anderson
Company Secretary
KGL Resources Limited

IMPORTANT INFORMATION

This letter is issued by the Company. This letter is not a prospectus or offering document under Australian law or under any other law. It is for information purposes only and does not constitute an offer, invitation, solicitation, advice or recommendation to subscribe for, retain or purchase any entitlements or securities in the Company in any jurisdiction. This letter does not constitute financial product advice and does not and will not form any part of any contract for the acquisition of entitlements or fully paid ordinary shares in the Company. Nothing contained in this document constitutes investment, legal, tax or other advice. The information in this letter is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. If you are unsure of your position, please contact your accountant, tax advisor, stockbroker or other professional advisor.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This letter does not constitute an invitation or offer to sell, or the solicitation of an offer to buy, any securities in the United States. Neither this letter nor the Offer Booklet, the accompanying Entitlement or the Acceptance Form may be distributed or released in the United States. None of the Entitlements or the New Shares offered under the Offer have been, or will be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Entitlements may not be issued to, or taken up or exercised by, and the New Shares may not be offered or sold directly or indirectly to, persons in the United States or persons who are acting for the account or benefit of a person in the United States (to the extent such person is acting for the account or benefit of such a person in the United States) unless they have been registered under the US Securities Act (which the Company has no obligation to do or to procure) or are offered or sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws of any state or other jurisdiction of the United States.

The New Shares to be offered and sold in the Offer may only be offered and sold outside the United States in 'offshore transactions' (as defined in Rule 902(h) under the US Securities Act) in reliance on Regulation S under the US Securities Act.

Any non-compliance with these restrictions may contravene applicable securities laws.

IMPORTANT NOTICE TO NOMINEES

Nominees and custodians may not send copies of this letter, the Offer Booklet, the accompanying Entitlement and Acceptance Form, or the accompanying ASX Announcements (including the Company's Investor Presentation included as part of the Offer Booklet), or any other material relating to the Offer, to persons in the United States or to any person acting for the account or benefit of a person in the United States (to the extent such person holds Shares and is acting for the account or benefit of a person in the United States) or in any other jurisdiction outside Australia or New Zealand (unless allowed for under the applicable securities law).