
CAPITAL RAISING PRESENTATION

December 2015



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Board and management

ASX CODE	KGL
Issued shares	141.5 million
Options	2.475 million
Share price	10.0 cents
Market capitalisation (24 December 2015)	14.1 million
Cash (24 December 2015)	\$1.4 million
Debt	Nil

BOARD OF DIRECTORS & MANAGEMENT

Denis Wood –Non Executive Chairman

Denis is a qualified metallurgist and geologist with over 45 years experience in the mining industry.

Chris Bain – Non Executive Director

Chris is a geologist and mineral economist. He has over 35 years experience in the resources industry.

Brad Ellis – Non Executive Director

Brad has a Bachelor of Applied Science in Extractive Metallurgy and a Graduate Diploma in Applied Finance and Investment, and has over 30 years experience in the mining industry as a metallurgist and process engineer.

Simon Milroy – CEO

Simon is a Mining Engineer with 27 years experience in the resources industry.

Capital raising – Overview

Offer size and structure	• Capital raising to raise up to \$3 million by way of a 2 for 9 non-renounceable entitlement offer • Eligible shareholders will be able to apply for additional shares through a top-up offer • Total shares to be issued under the proposed raising is up to 31.4 million • Underwriting commitment of \$3 million for the entitlement offer, by Chairman of KGL, Denis Leslie Wood
Offer price	• An issue price of 9.5 cents per share, representing a discount of 5% to the closing price of KGL shares on 24 December 2015 of \$0.10 (being the last trading day before announcement of the Entitlement Offer) and a discount of 4.13% to the TERP
Use of proceeds	• Funds raised through the capital raising will focus on the exploration and development of the Jervois Copper Project as well as being applied to corporate overheads, working capital and offer costs

Capital raising – Proposed timetable

Event	Proposed date
Announcement of rights issue	Tuesday, 29 December 2015
Despatch letter to eligible shareholders containing Appendix 3B information, and letter to optionholders	Tuesday, 29 December 2015
“Ex” date for the rights issue	Thursday, 31 December 2015
Record date for the rights issue	Tuesday, 5 January 2016
Despatch of information booklet to eligible shareholders, and letter to ineligible shareholders – rights issue offer opens	Friday, 8 January 2016
Offer closes (5:00pm Brisbane time)	Friday, 22 January 2016
Securities quoted on a deferred settlement basis	Monday, 25 January 2016
Allotment of new shares issued under rights issue and despatch of holding statements – deferred settlement trading ends	Monday, 1 February 2016
Normal ASX trading for new shares issued under the rights offer commences	Tuesday, 2 February 2016

Capital raising – Denis Leslie Wood

Denis Leslie Wood's commitment in the capital raising

- Full underwriting of the entitlement offer
- Total commitment of \$3 million

Denis Leslie Wood's entitlement

- Mr Wood currently holds 2,542,459 KGL shares and, consequently, is an eligible shareholder for the purposes of the entitlement offer

Denis Leslie Wood's relationship to KGL

- Given his position as Chairman of KGL, Mr Wood is a related party of the Company
- Mr Wood will not receive a commission for the underwriting but will be reimbursed for reasonable legal costs on an indemnity basis
- The underwriting agreement with Mr Wood has been deemed by the Company, independent of Mr Wood, to be on arms lengths terms, and the Company considers that the underwriting agreement contains standard commercial terms and conditions in accordance with current market practice

Capital raising – Denis Leslie Wood

Denis Leslie Wood potential shareholding		
	Shares held by Denis Leslie Wood	Denis Leslie Wood ownership
Existing holding (prior to capital raising)	2,542,459	1.8%
Holding after the entitlement offer if Denis Leslie Wood takes up his entitlement and all other eligible holders take up their entitlement in full	3,107,449	1.8%
Holding after the entitlement offer if Denis Leslie Wood takes up his entitlement and all other eligible holders take up 75% of their entitlement	10,829,567	6.26%
Holding after the entitlement offer if Denis Leslie Wood takes up his entitlement and all other eligible holders take up 50% of their entitlement	18,551,684	10.72%
Holding after the entitlement offer if Denis Leslie Wood takes up his entitlement and all other eligible holders take up 25% of their entitlement	26,273,800	15.19%
Holding after the entitlement offer if Denis Leslie Wood takes up his entitlement and no eligible holders take up their entitlement	33,995,917	19.65%

Capital raising – Source and use of funds

Source of funds	
Cash on hand December 2015	\$1.4 million
Funds raised after costs	\$3 million
Total funds available	\$4.4 million
Use of funds	
Exploration	\$2.8 million
Project development (follow up drilling, EIS and other studies)	\$0.3 million
Working capital	\$1.3 million
Total budget	\$4.4 million

Jervois – Location

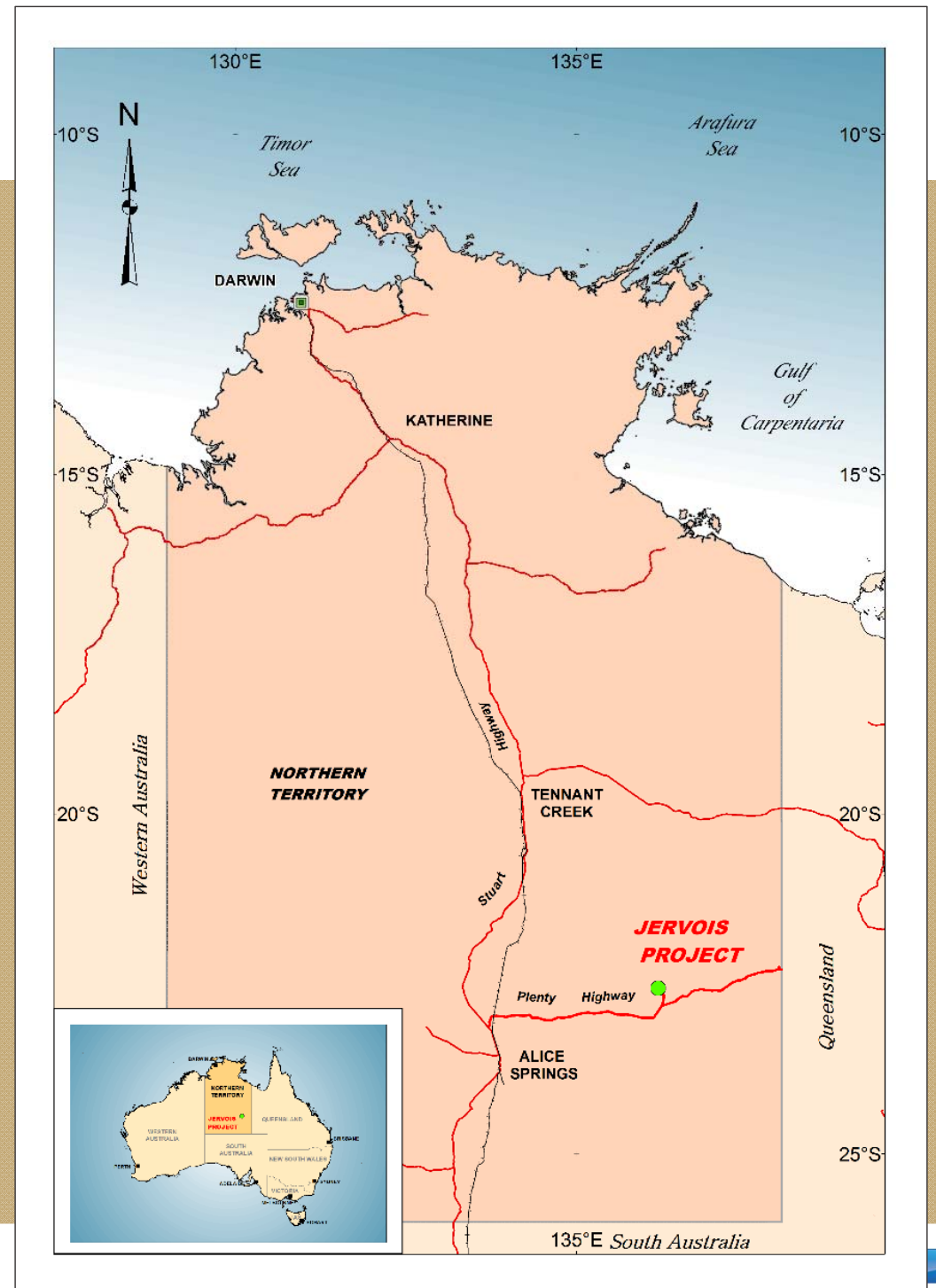
The Jervois Copper Project is located 380km by road from Alice Springs

Copper concentrate will be transported by road to Alice Springs then by rail to Darwin for export

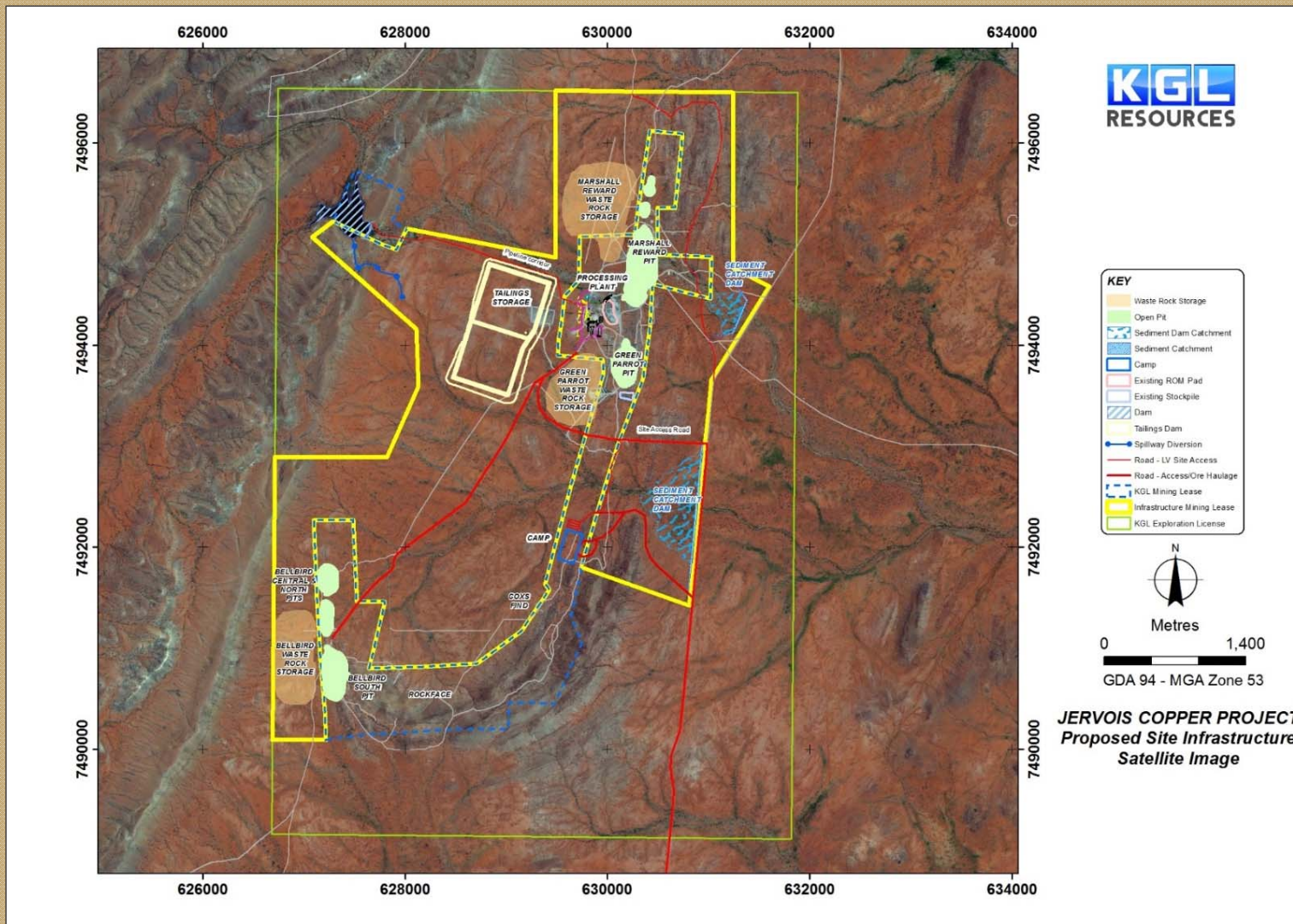
Project located on existing mining licence

Pre-feasibility study completed

Environmental impact assessment commenced



Jervois planned site layout



- 12 km strike length
- Open pit and underground mines to feed a centralised flotation plant
See ASX announcement dated 16 October 2015
- Production of copper concentrate and a separate silver-lead-zinc concentrate

Reward prospect looking south

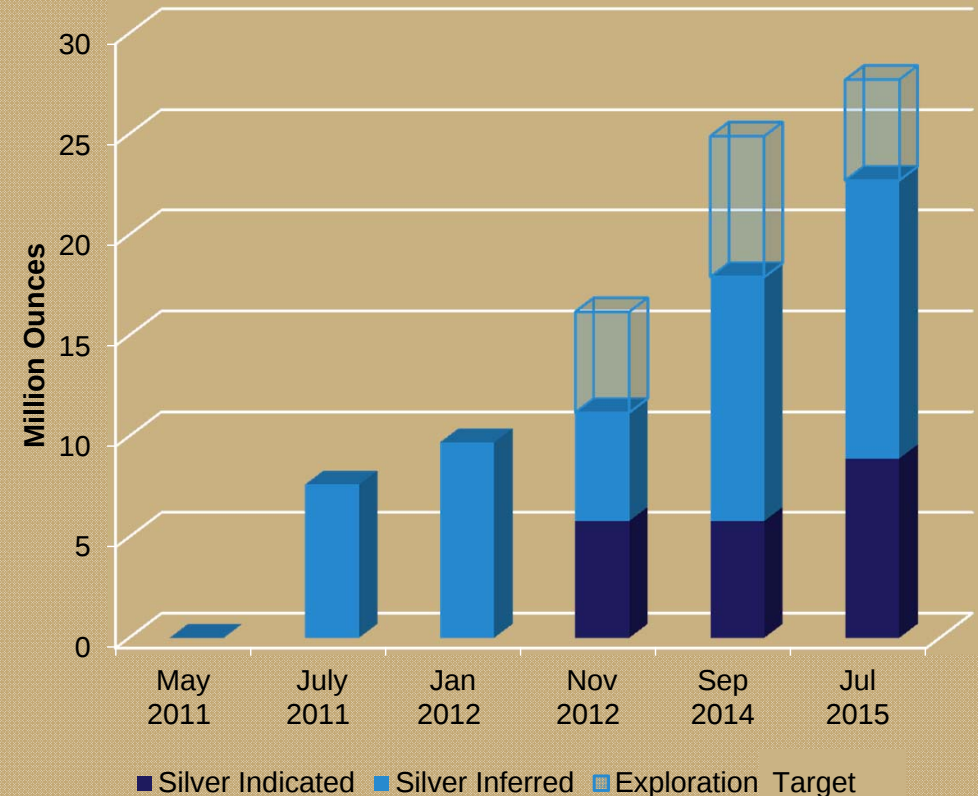
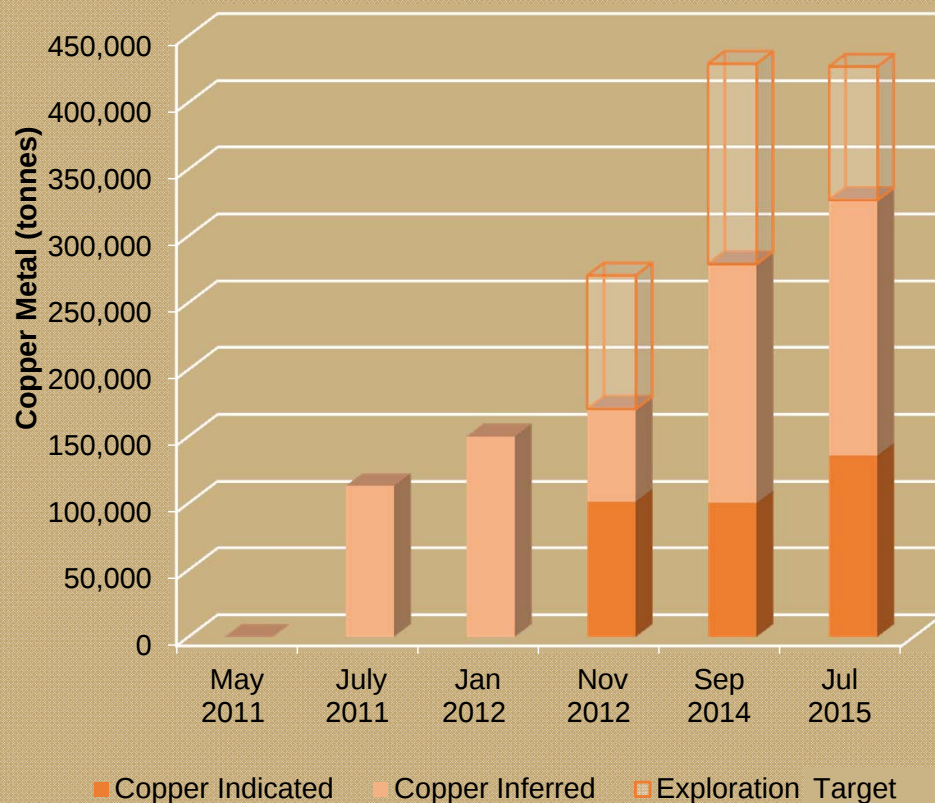


Outcropping copper mineralisation

Jervois – Mineral Resource

30.5 Mt @ 1.1% Cu for 327,000 t Cu

30.5 Mt @ 23 g/t Ag for 23 Moz Ag



See ASX announcement dated 29 July 2015. Exploration Target quantity and grade is conceptual in nature, and there has been insufficient exploration to define a Mineral Resource in these areas.

Jervois – Mineral Resource

- 327,000 tonnes of copper*
- 22.6 million ounces of silver
- 143,000 tonnes of lead
- 47,000 tonnes of zinc

- Resources remain open down dip and along strike
- 12km of prospective strike length to explore

* Full resource statement shown in Appendix 1

* See ASX announcement dated 29 July 2015

Risks – Company specific

Company specific risks:

- **Exploration, development, mining and processing risks**

The business of mineral exploration, project development and mining by its nature contains elements of significant risk. Ultimate and continuous success of these activities is dependent on many factors such as:

- (a) successful conclusions to feasibility studies;
- (b) access to adequate capital for project development;
- (c) design and construction of efficient mining and processing facilities within capital expenditure budgets;
- (d) securing and maintaining title to tenements and compliance with the terms of those tenements;
- (e) obtaining consents and approvals necessary for the conduct of exploration and mining; and
- (f) access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.

Whether or not income will result from projects undergoing exploration and development programs depends on the successful establishment of mining operations. A range of factors including but not limited to costs, actual mineralisation, consistency and reliability of ore grades and commodity prices can affect successful project development and mining operations.

- **Construction and operational cost risk**

The capital expenditure required to develop the Jervois Project may differ from the current expectations of KGL. In addition, actual operational costs may differ from current estimates. Increases in capital or operating expenditure will adversely affect the profitability of the Jervois Project.

Risks – Company specific

Company specific risks:

- **Licences and permits**

KGL must obtain a number of permits issued by various governmental agencies and regulatory bodies to carry out its planned operations. KGL may be unable to obtain and renew permits and licences necessary for its exploration, development or mining. In particular, licenses and permits are required to develop the Jervois Project in to an operating mine. The notice of intent has been lodged with the Northern Territory government and the terms of reference for the environmental impact assessment have been issued by the Environmental Protection Authority. An additional mining license for infrastructure purposes has been applied for to provide areas for the waste dumps, tailings dam and other infrastructure.

- **Resource and production estimates**

Resource estimates are expressions of judgment based on knowledge, experience and resource modelling. As such, resource estimates are inherently imprecise and rely to some extent on interpretations made. Despite employing qualified professionals to prepare resource estimates, such estimates may nevertheless prove to be inaccurate. Furthermore, resource estimates may change over time as new information becomes available. Should KGL encounter mineralisation or geological formations different from those predicted by past drilling, sampling and interpretations, resource estimates may need to be altered in a way that could adversely affect the operations of KGL.

- **Future financing**

There can be no assurance that any future financing required by KGL to support proposed development plans will be available on satisfactory terms or at all. The inability to obtain funding could adversely affect KGL and result in a default in tenement obligations and forfeiture of permits or licences if not remedied.

- **Potential dilution**

The rights issue will result in the issue of new shares. If you do not participate in the rights issue or you do not take up your full entitlement, your percentage holding in KGL (held at the Record Date) will be reduced.

Risks – Company specific

Company specific risks:

- **Key personnel**

The success of KGL depends largely on the core competencies of its directors and management, and their familiarisation with, and ability to operate in the metals and mining industry and the ability of KGL to retain its key executives. KGL may be adversely affected if any of the directors or management leaves KGL. KGL might not be able to replace them with persons of equivalent expertise and experience within a reasonable period of time or at all and KGL may incur additional expenses to recruit, train and retain personnel.

- **Environmental risks**

Despite efforts to conduct its activities in an environmentally responsible manner and in accordance with all applicable laws, there is a risk of an adverse environmental event occurring which could delay the further development of the Jervois Project and may subject KGL to substantial penalties including fines, damages, clean-up costs or other penalties.

- **Capital raising risk**

If a significant number of eligible shareholders do not participate in the rights issue, a shortfall may result that is in excess of the value of the underwritten shares. Should this occur, KGL will revise the use of funds to match the total amount raised through the rights issue. This may result in some of KGL's projects, including but not limited to the Jervois Project, being delayed, or having the extent of its scope reduced.

- **Political and regulatory**

Mining is an industry which has become subject to increasing legislative regulation, including but not limited to environmental responsibility and liability. The potential for liability is an ever present risk. The use and disposal of chemicals in the mining industry is under constant legislative scrutiny and regulation. The introduction of new laws and regulations or changes to underlying policy may adversely impact on the operations of KGL.

Risks – General

General investment risks:

- Interest and exchange rates, and inflation
- General economic conditions and business climate in Australia, and investment sentiment
- Stock market fluctuations
- Commodity price fluctuations
- The nature of competition in the markets in which KGL operates
- The operating and trading price performance of other comparable listed entities
- Inclusion or removal from major market indices
- Liquidity of shares and a lack of an active market
- Variations in KGL's operating results
- Recommendations by securities analysts
- Dilution of shareholdings due to future capital raisings
- Changes in fiscal, monetary, regulatory and other government policies in Australia
- Sovereign risk issues
- Any future changes to tax law or accounting standards
- Geo-political conditions such as acts or threats of terrorism or military conflicts

For more information, contact:

SIMON MILROY

- +61 7 3071 9003
- info@kglresources.com
- www.kglresources.com

Level 7, 167 Eagle Street
Brisbane, QLD 4000
AUSTRALIA



ASX CODE: KGL

Competent Person Statement

The Jervois Exploration data in this report is based on information compiled by Martin Bennett, who is a member of the Australian Institute of Geoscientists and a full time employee of KGL Resources Limited.

Mr. Bennett 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. Bennett has consented to the inclusion of this information in the form and context in which it appears in this report.

The Jervois Resources information and Exploration Potential were first released to the market on 29 July 2015 and complies with JORC 2012. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.'

The Jervois Reserves information was first released to the market on 16 October 2015 and complies with JORC 2012. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The Jervois Pre-feasibility information was first released to the market on 16 October 2015 and complies with JORC 2012. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.'

Appendix 1: Jervois – Mineral Resource

Copper Resources	Category	Mt	Cu %	Ag g/t	Pb %	Zn %	Copper kt	Silver Moz	Lead kt	Zinc kt	Cut-off Cu%
Marshall Copper	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
Reward Copper	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
East Reward	Inferred	2.0	0.82	7.1	-	-	16.9	0.5	-	-	0.5
Bellbird	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
Cox's Find	Inferred	0.7	0.87	2.8	-	-	6.0	0.1	-	-	0.5
Rock Face	Inferred	0.7	0.82	3.1	-	-	6.0	0.1	-	-	0.5
TOTAL	Indicated	10.5	1.21	19.8	-	-	127.0	6.7	-	-	-
	Inferred	16.2	1.06	14.6	-	-	172.1	7.6	-	-	-
	TOTAL	26.7	1.12	16.6	-	-	299.1	14.3	-	-	-

Lead/Zinc Resources	Category	Mt	Cu %	Ag g/t	Pb %	Zn %	Copper kt	Silver Moz	Lead kt	Zinc kt	Cut-off Cu%
Reward Lead/Zinc	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
Green Parrot Lead/Zinc	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
Bellbird North	Inferred	0.7	0.57	17.9	1.7	2.5	3.8	0.4	11.3	16.7	0.2
TOTAL	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	-
	TOTAL	3.8	0.72	67.5	3.7	1.2	27.7	8.4	143.4	46.5	-

2015 Combined	TOTAL	30.5					327.0	22.6	143	47	
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