Announcement Summary

Entity name

KGL RESOURCES LIMITED

Announcement Type

New announcement

Date of this announcement

Thursday July 9, 2020

The Proposed issue is:

☑ A standard pro rata issue (including non-renounceable or renounceable)

Total number of +securities proposed to be issued for a standard pro rata issue (including non-renounceable or renounceable)

ASX +Security Code	+Security Description	Maximum Number of +securities to be issued
KGL	ORDINARY FULLY PAID	24,945,448

Ex date

Monday July 13, 2020

+Record date

Tuesday July 14, 2020

Offer closing date

Friday July 31, 2020

Issue date

Friday August 7, 2020

Refer to next page for full details of the announcement

Part 1 - Entity and announcement details

1.1 Name of +Entity

KGL RESOURCES LIMITED

We (the entity named above) give ASX the following information about a proposed issue of +securities and, if ASX agrees to +quote any of the +securities (including any rights) on a +deferred settlement basis, we agree to the matters set out in Appendix 3B of the ASX Listing Rules.

1.2 Registered Number Type

ABN

Registration Number

52082658080

1.3 ASX issuer code

KGL

1.4 The announcement is

☑ New announcement

1.5 Date of this announcement

Thursday July 9, 2020

1.6 The Proposed issue is:

☑ A standard +pro rata issue (non-renounceable or renounceable)

1.6a The proposed standard +pro rata issue is:

☑ + Non-renounceable

Part 3 - Details of proposed entitlement offer issue

Part 3A - Conditions

3A.1 - Are any of the following approvals required for the entitlement offer to be unconditional?
- **+Security holder approval**
- **Court approval**
- **Lodgement of court order with +ASIC**
- **ACCC approval**
- **FIRB approval**
- **Another approval/condition external to the entity**

☑ No

Part 3B - Offer details

Class or classes of +securities that will participate in the proposed issue and class or classes of +securities proposed to be issued

ASX +Security Code and Description

KGL : ORDINARY FULLY PAID

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?
☑ Existing class

Will the proposed issue of this +security include an offer of attaching +securities?
☑ No

If the entity has quoted company options, do the terms entitle option holders to participate on exercise?
☑ No

Details of +securities proposed to be issued

ASX +Security Code and Description

KGL : ORDINARY FULLY PAID

ISIN Code (if Issuer is a foreign company and +securities are non CDIs)

Offer ratio (ratio to existing holdings at which the proposed +securities will be issued)

The quantity of additional +securities to be issued	For a given quantity of +securities held
2	25

What will be done with fractional entitlements?	Maximum Number of +securities proposed to be issued
Fractions rounded down to the nearest whole number or fractions disregarded	24,945,448

Purpose of the issue

Proceeds raised will be used to complete all the necessary pre-development work modelling and costings and to sustain the Company through to project financing stage in preparation for when favourable market conditions return.

Offer price details for retail security holders

Issue Currency	Offer Price per +security	Estimated or Actual?
AUD - Australian Dollar	AUD 0.16000	☑ Actual

Oversubscription & Scale back details

Are +security holders allowed to oversubscribe?
☑ Yes

Provide the oversubscription details

Additional shares may be applied for by Shareholders under the Top Up facility if all New Shares are not taken up by the Closing Date.

May a scale back be applied to this event?
☑ Yes

Provide the scale back details

Directors reserve the right to allot and issue shares under the Top Up Facility at their discretion but it is intended that all Eligible Shareholders who apply for Top Up shares will receive their pro-rata entitlement. If there is a scale back there may be a different application of the scale-back policy to each applicant.

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?
☑ Yes

Part 3C - Timetable

3C.1 +Record date

Tuesday July 14, 2020

3C.2 Ex date

Monday July 13, 2020

3C.4 Record date

Tuesday July 14, 2020

3C.5 Date on which offer documents will be sent to +security holders entitled to participate in the +pro rata issue

Friday July 17, 2020

3C.6 Offer closing date

Friday July 31, 2020

3C.7 Last day to extend the offer closing date

Tuesday July 28, 2020

3C.9 Trading in new +securities commences on a deferred settlement basis

Monday August 3, 2020

3C.10 Last day for entity to announce the results of the offer to ASX, including the number and percentage of +securities taken up by existing +security holders and any shortfall taken up by underwriters or other investors

Wednesday August 5, 2020

3C.11 Issue date

Friday August 7, 2020

3C.12 Date trading starts on a normal T+2 basis

Monday August 10, 2020

3C.13 First settlement date of trades conducted on a +deferred settlement basis and on a normal T+2 basis

Wednesday August 12, 2020

Part 3E - Fees and expenses

3E.1 Will there be a lead manager or broker to the proposed offer?
☑ No

3E.2 Is the proposed offer to be underwritten?
☑ No

3E.3 Will brokers who lodge acceptances or renunciations on behalf of eligible +security holders be paid a handling fee or commission?
☑ Yes

3E.3a Will the handling fee or commission be Dollar based or Percentage based?
☑ Percentage based (%)

3E.3b Amount of any handling fee or commission payable to brokers who lodge acceptances or renunciations on behalf of eligible security holders

1.000000 %

3E.3c Please provide any other relevant information about the handling fee or commission method

Handling Fee of 1% of the application amount subject to a maximum of $150.

3E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed offer

Part 3F - Further Information

3F.1 The purposes for which the entity intends to use the cash raised by the proposed issue

Proceeds raised will be used to complete all necessary pre-development modelling and costing and to sustain the company through to the project financing stage.

3F.2 Will holdings on different registers or subregisters be aggregated for the purposes of determining entitlements to the issue?

No

3F.3 Will the entity be changing its dividend/distribution policy if the proposed issue is successful?

No

3F.4 Countries in which the entity has security holders who will not be eligible to participate in the proposed issue

Countries other than Australia, New Zealand and Singapore.

3F.5 Will the offer be made to eligible beneficiaries on whose behalf eligible nominees or custodians hold existing +securities

Yes

3F.5a Please provide further details

Notices will be provided to Custodians and Nominees on 10 July 2020.

3F.6 URL on the entity's website where investors can download information about the proposed issue

www.kglresources.com.au

3F.7 Any other information the entity wishes to provide about the proposed issue