



22 February 2021

Entitlement Offer cleansing notice under section 708AA(2)(f) Corporations Act – KGL Resources Limited (ASX Code: KGL)

KGL Resources Limited (**KGL**) announced on Monday, 22 February 2021 that it will undertake a 1 for 13 pro rata non-renounceable entitlement offer of fully paid ordinary shares in KGL at an issue price of \$0.42 (**New Shares**) to raise approximately \$11,770,321 (**Entitlement Offer**).

The offer price for the Entitlement Offer will be \$0.42 per share (**Offer Price**).

Under the Entitlement Offer, eligible shareholders will be able to subscribe for 1 new ordinary share in KGL for every 13 existing shares held at 7.00pm (AEDT) on Thursday, 25 February 2021 (**Record Date**) at the Offer Price (**Entitlements**).

KGL will offer the New Shares for issue without disclosure to investors under section 708AA(2)(f) *Corporations Act 2001* (Cth) (**Corporations Act**) as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 (**Instrument 2016/84**).

Further details of the Entitlement Offer are set out in the Information Booklet and Investor Presentation lodged with ASX today. The Information Booklet will be dispatched to eligible shareholders on or about Monday, 1 March 2021.

Details of the securities issued

Class of securities:	Fully paid ordinary shares
ASX Code of the securities:	KGL
Date of the issue or expected issue of the securities under the Entitlement Offer:	Tuesday, 23 March 2021
Total number of securities expected to be issued (subject to rounding of fractional entitlements):	28,024,573 New Shares

For the purposes of section 708AA(7) Corporations Act, KGL advises:

1. the New Shares will be issued without disclosure under part 6D.2 Corporations Act as notionally modified by Instrument 2016/84;
2. this notice is given under section 708AA(2)(f) Corporations Act as notionally modified by Instrument 2016/84;
3. as at the date of this notice, KGL has complied with:
 - a. the provisions of chapter 2M Corporations Act as they apply to KGL; and
 - b. section 674 Corporations Act;

4. as at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) Corporations Act as notionally modified by Instrument 2016/84;
5. the following table sets out the impact on the voting power of KMP Investments Pte Ltd. (**KMP Investments**), entities associated with the KGL chairman, Denis Wood (specifically, Coal Industry Services Pty Ltd and the Wood Investment Trust) (**Denis Wood Entities**), KGL's directors (excluding the Denis Wood Entities), and investors introduced under the Institutional Placement announced with the Entitlement Offer, based on different levels of shareholder participation under the Entitlement Offer:

Participation level	42%*	50%	75%	100%**
KMP Investments	25.60%	25.44%	24.98%	24.53%
Denis Wood Entities	9.46%	9.41%	9.24%	9.07%
Other KGL Directors	0.89%	0.89%	0.87%	0.86%
Placement investors***	8.18%	8.13%	7.98%	7.84%

* Assumes participation by only the Shareholders named in the table.

** Assumes full subscription under the Entitlement Offer or placement of any shortfall.

*** Each placement investor holds its shares separately, and are included in this table as a combined holding for the purpose of demonstrating the impact of the Institutional Placement on the voting power in KGL.

Signed for and on behalf of KGL Resources Limited:

Kylie Anderson
Company Secretary
KGL Resources Limited