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Investor Presentation

9 July 2020

www.kglresources.com.au



KGL Resources - Corporate Snapshot



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CAPITAL STRUCTURE

Australian Stock Exchange (ASX) code	KGL
ASX Share price (close 08-July-2020)	17.5 cents
52 week low / high	A\$0.277 / A\$0.094
Shares on issue	311.8M
Options on Issue	Nil
Market capitalisation	A\$54.6M
Cash (30 June 2020)	A\$3.5M
Debt	Nil
Enterprise value	A\$51.1M

DIRECTORS

Denis Wood - Executive Chairman
Appointed 28 July 2015

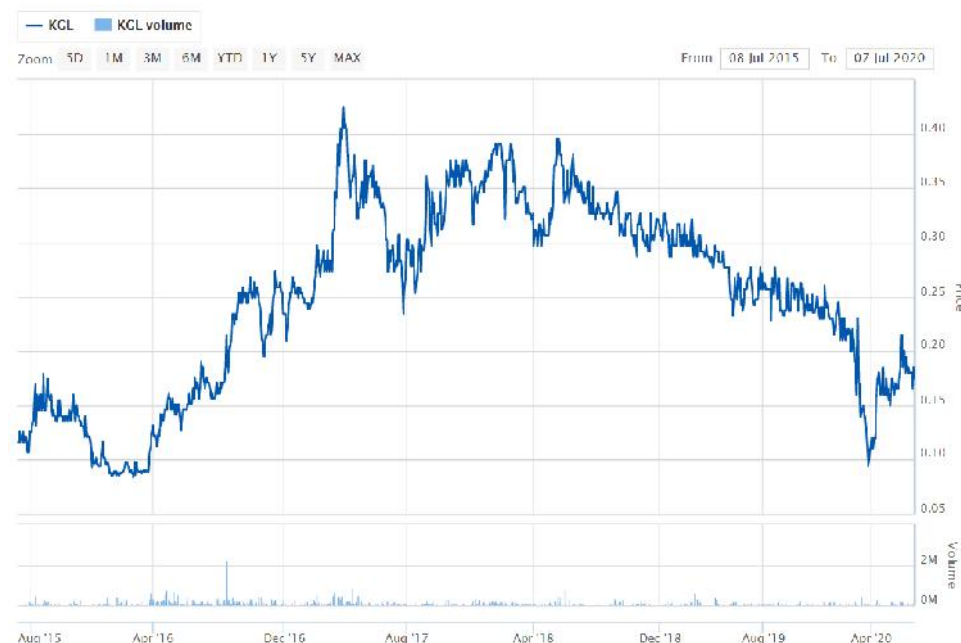
Ferdian Purnamasidi - Non-Executive Director
Appointed 26 April 2016

Peter Hay - Non-Executive Director
Appointed 2 November 2017

John Gooding - Non-Executive Director
Appointed 12 June 2018

Fiona Murdoch - Non-Executive Director
Appointed 12 June 2018

60 MONTH SHARE PRICE PERFORMANCE



MAJOR SHAREHOLDERS

KMP Investments Pte Ltd	26.5%
Denis Wood	9.8%
Marshall Plenty Investments LLC	9.1%
Pegasus CP One	5.8%

Top 20 Shareholders hold 76.0% of shares on issue at 8 July 2020.

Offer Size and Structure

To Raise approximately **\$4 million**.

2 new ordinary share for every **25** existing ordinary share held.

Offer Price

\$0.16 per share.

8.6% discount to the closing price of \$0.175 on 8 July 2020

Use of Funds

Proceeds raised from the Entitlement Offer will be used to complete all the necessary pre-development modelling and costings for the Jervois Project based on information already obtained prior to the onset of the CoVid-19 pandemic, and to sustain the Company through to the project financing stage, in preparation for when favourable market conditions return.

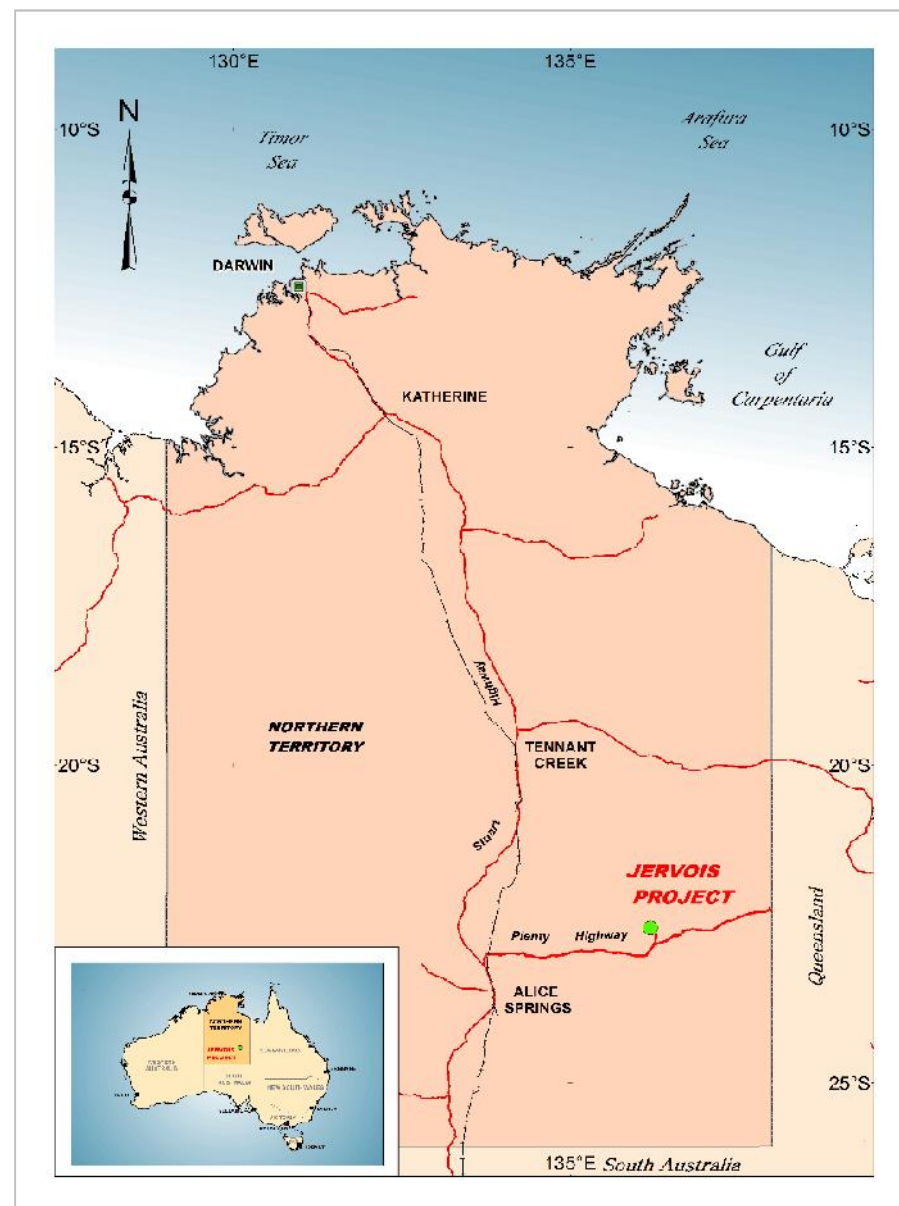
KGL Resources - Capital Raising Timetable

Event	Date
Announcement of Entitlement Offer	Thursday, 9 July 2020
Shares traded on an 'ex' entitlement basis	Monday, 13 July 2020
Record date for eligibility to participate in the Entitlement Offer	7.00pm AEST, Tuesday, 14 July 2020
Despatch of information booklet and personalised Entitlement and acceptance forms to Eligible Shareholders	Friday, 17 July 2020
Entitlement Offer opens	Friday, 17 July 2020
Last date to extend the closing date for the Entitlement Offer	Tuesday, 28 July 2020
Entitlement Offer closes	5.00pm AEST, Friday, 31 July 2020
Announcement of results of Entitlement Offer and under-subscriptions	Wednesday, 5 August 2020
Allotment of New Shares issued under the Entitlement Offer	Friday, 7 August 2020
Dispatch of holding statements for New Shares issued under the Entitlement Offer	Friday, 7 August 2020
Normal ASX trading for New Shares issued under the Entitlement Offer commence	Monday, 10 August 2020

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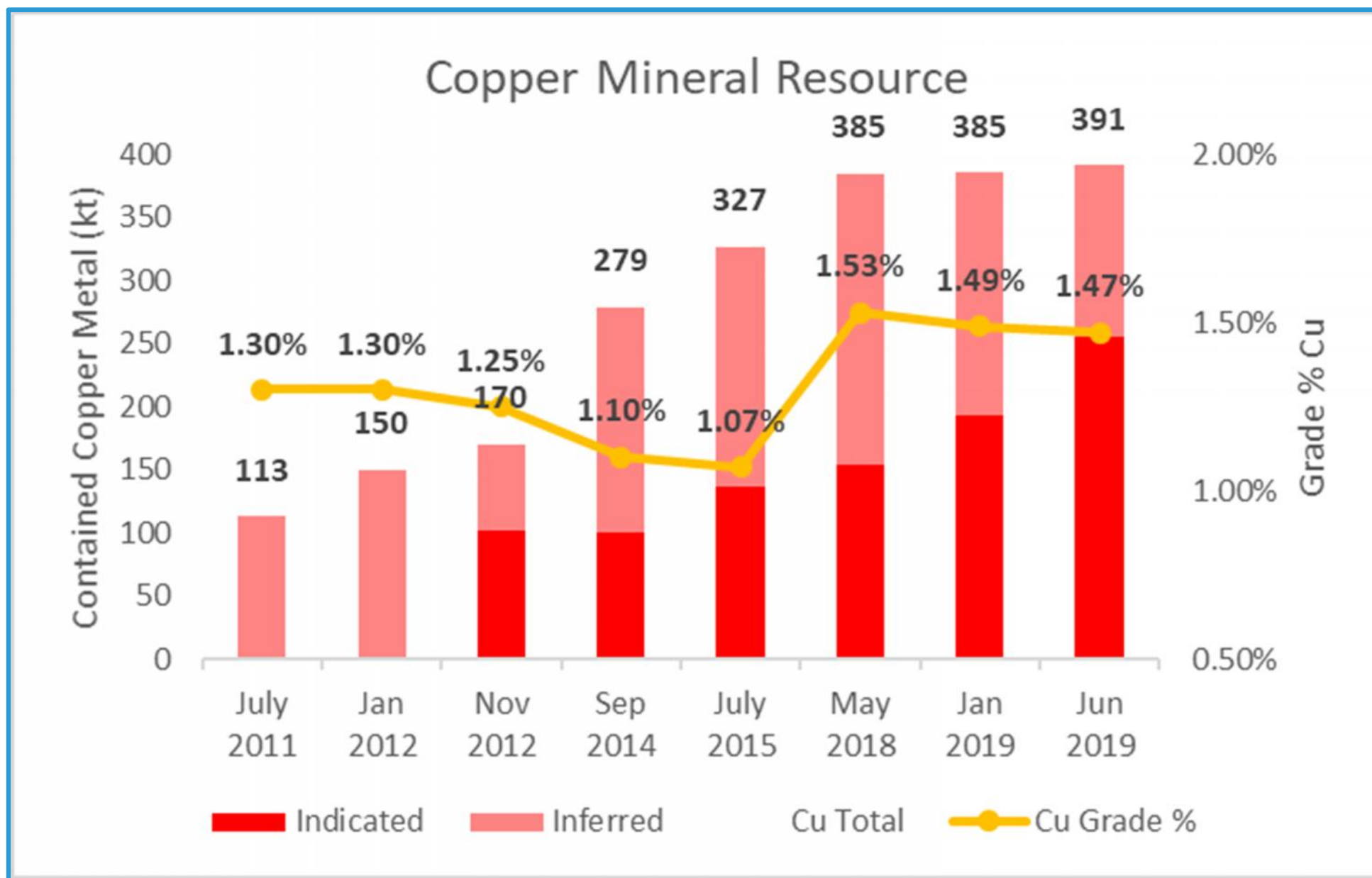
Jervois Project - Overview

- 100% owned.
- Located 380km ENE of Alice Springs with access via Stuart and Plenty Highway.
- Mineral Resource:
 - **26.6 million tonnes at 1.47% copper and 24.7 g/t silver,**
 - containing **390,600 tonnes copper** and **21.1 million ounces silver,**
 - including Indicated Resources of **255,000 tonnes contained copper** and **12.7 million ounces contained silver** (approx. 65% of the Resource).
- Recent drilling results in Reward and Reward South identified the potential to expand Jervois beyond the initial project with further drilling.



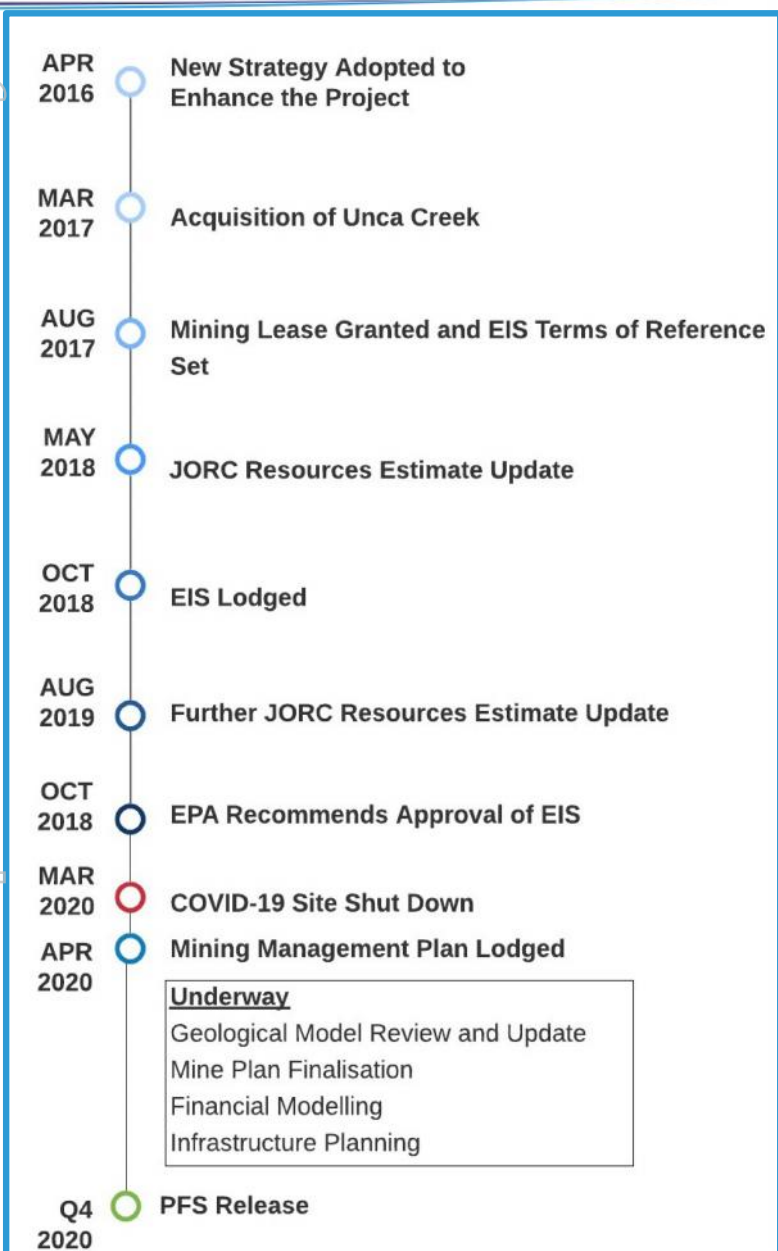
Jervois Project - Resource

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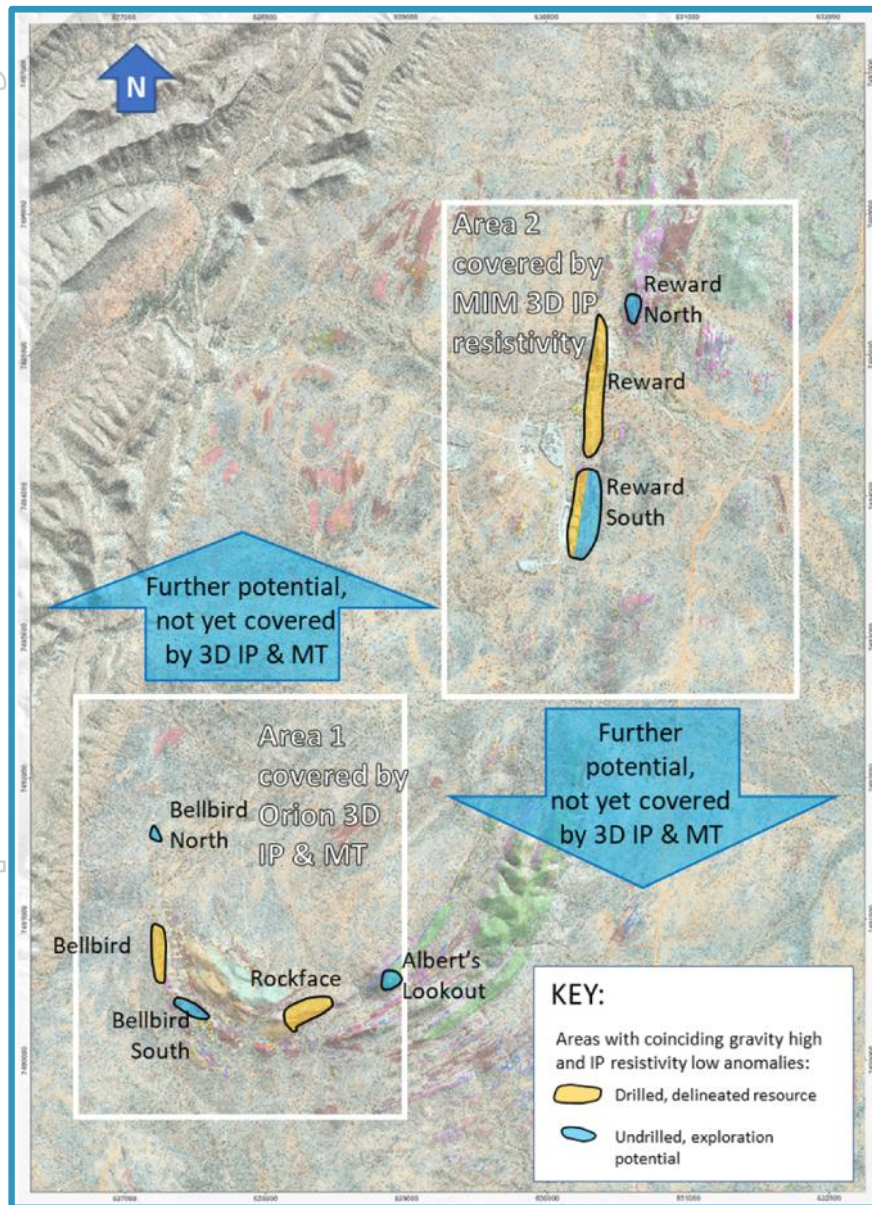
Jervois Copper Project – Progress

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- COVID-19 shutdown has provided time to review and improve upon the geological model, incorporate recent drill results, complete mine geotechnical studies and other planning work.
- Other works underway and planned include:-
 - Updating the Life of Mine mining schedule based on improved geological knowledge at Reward;
 - Optimisation of mine designs and equipment;
 - Updating the construction and operation costs; and,
 - Detailed infrastructure planning.
- Completion of the works above will be incorporated into a PFS - release expected Q4 2020.

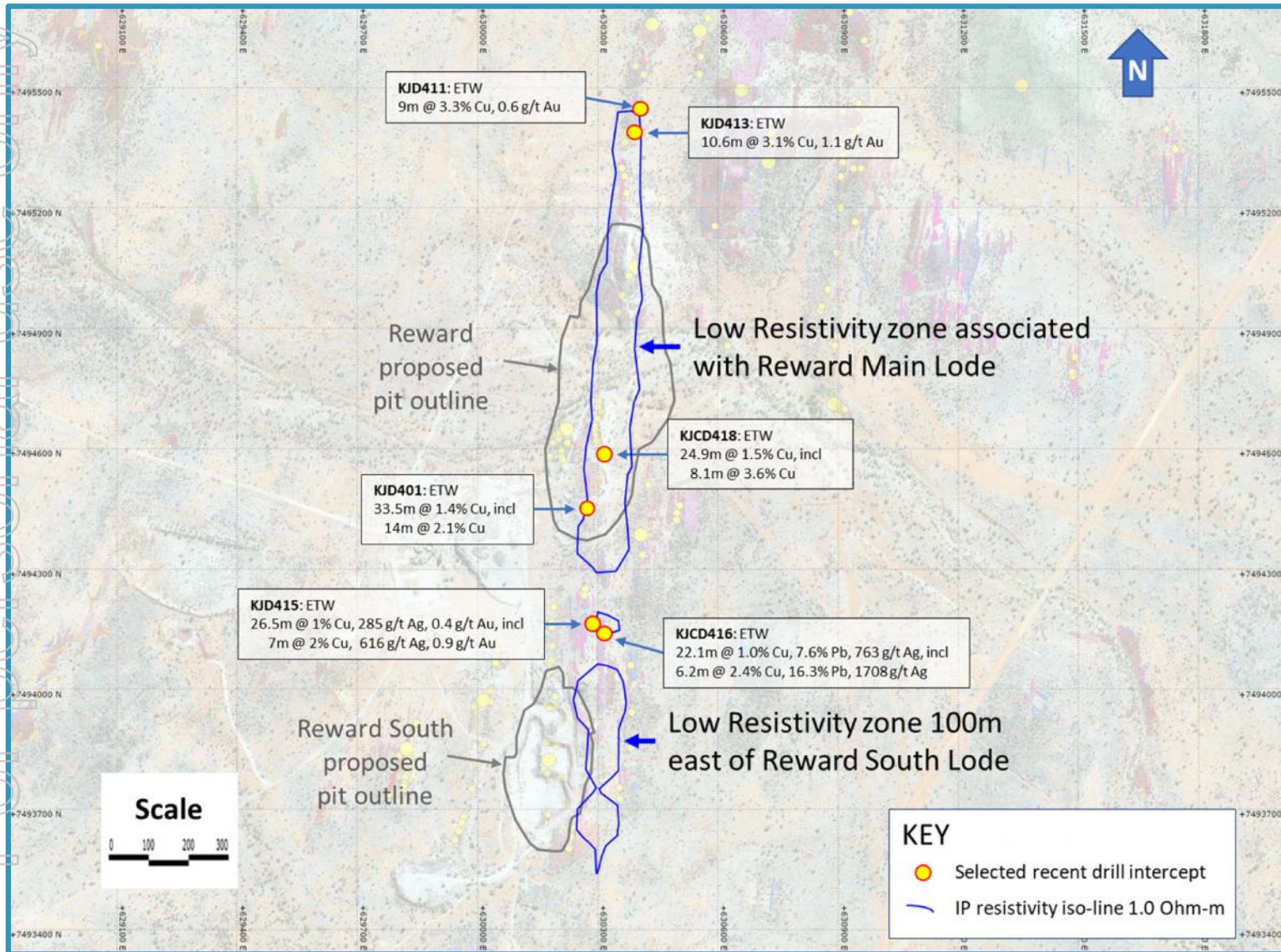
Jervois Project – Mineralised Zones



- This map shows selected exploration targets based on 3D IP & MT (magnetotelluric) resistivity and gravity around Reward, Rockface and Bellbird.
- These ready drill targets were outlined within the company's strategy to establish a mine plan.
- Recent advances in exploration and geological understanding and modelling have shown ample opportunity to expand exploration focus on both extensions of existing resources and the possible blind deposits that fit new geological model.

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Jervois Project – Reward Exploration Potential

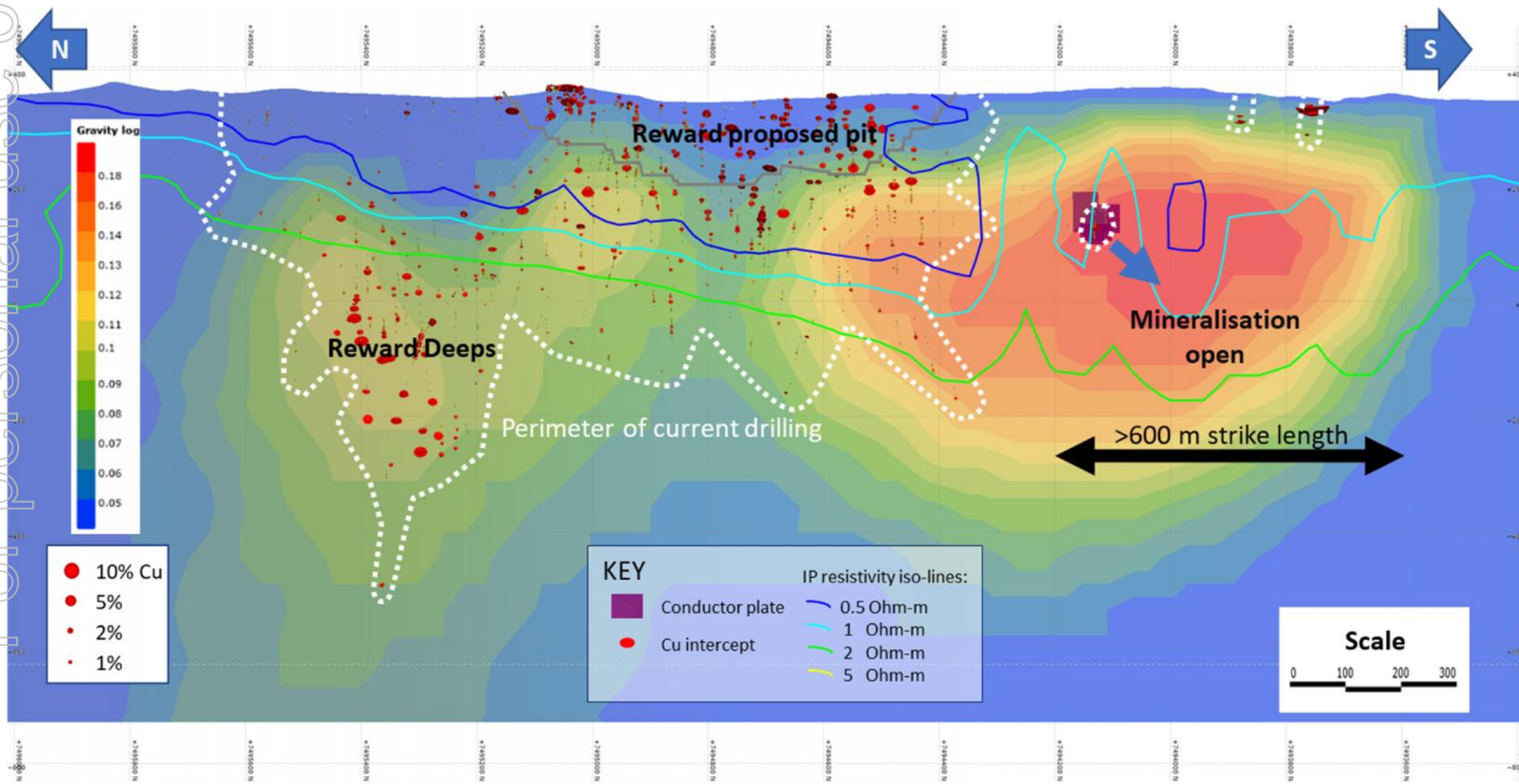


Surface map of Reward with selected recent drill intercepts and IP resistivity 0.5 Ohm-m iso-lines projected onto the surface.

Reward Deposit - Geophysics

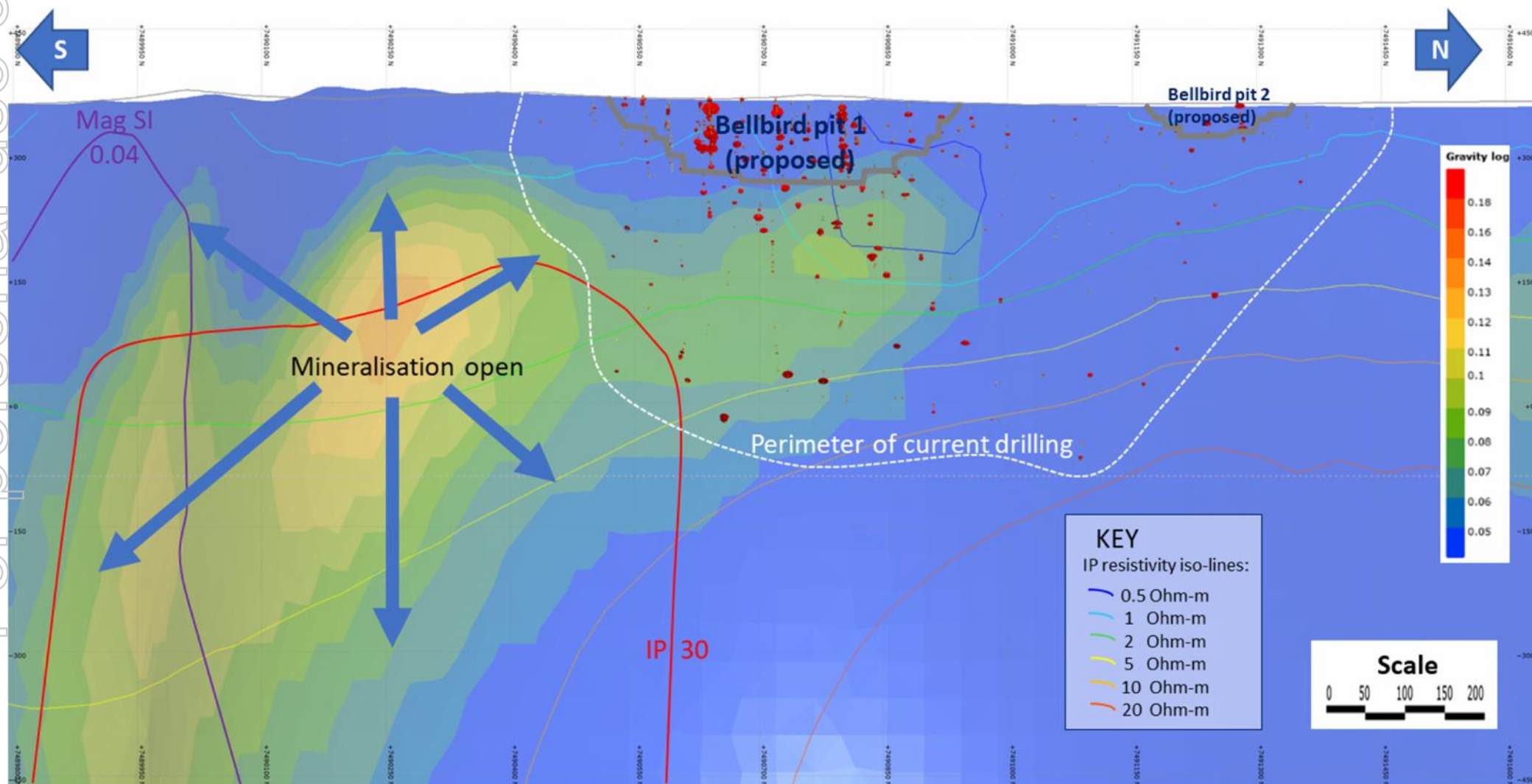
Longitudinal section of all drill intercepts depicted as discs with disc size reflecting the Cu grade. Also showing recent interpreted conductor plates, IP resistivity iso-lines and gravity image of Reward. The white sashed line marks the perimeter of the drilling at Reward to date.

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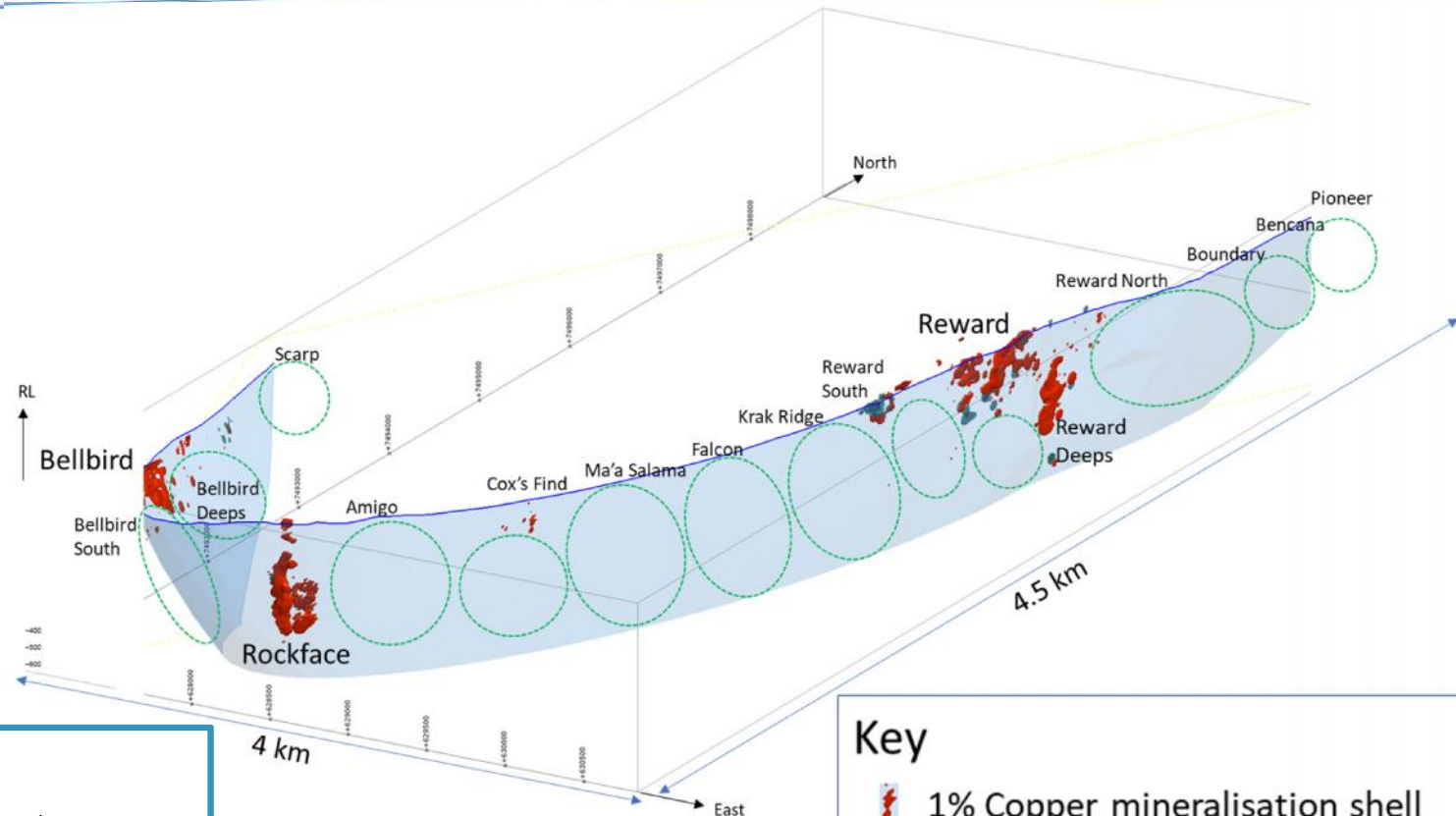
Bellbird Deposit - Geophysics

Longitudinal section of all drill intercepts depicted as discs with disc size reflecting the Cu grade. Also showing recent interpreted conductor plates, IP resistivity iso-lines and gravity image of Reward. The white dashed line marks the perimeter of the drilling at Bellbird to date.





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Jervois Project – High Potential Exploration Areas



Key

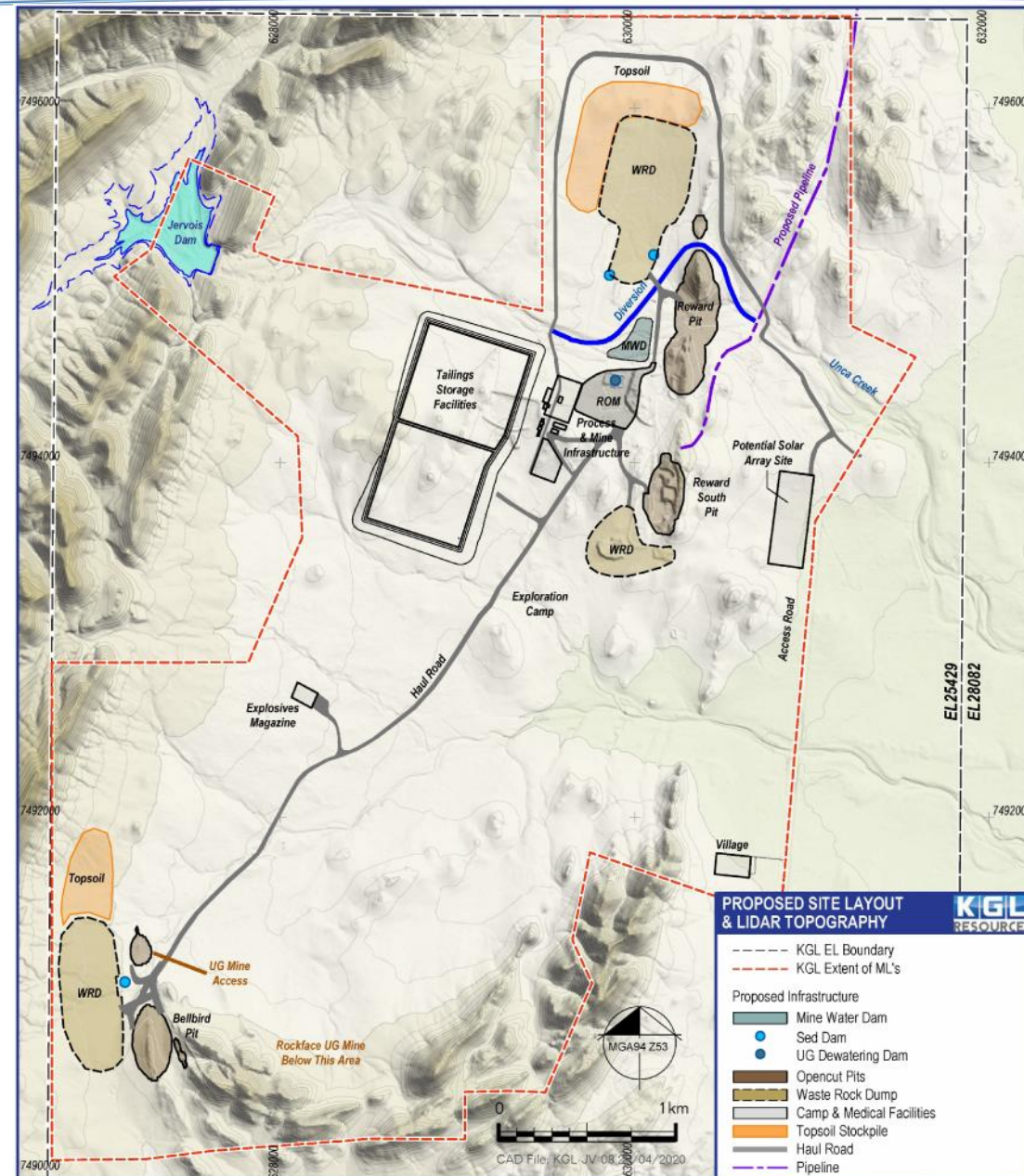
-  1% Copper mineralisation shell
-  Undrilled or sparsely drilled area

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- Prospects and exploration opportunities within the target horizon along the J-fold.
- Only a fraction of the target horizon has been drilled. Numerous areas have been highlighted for their favourable geology, structures and geophysical signatures.

Jervois Project – Site Planning

- Detailed planning underway for site layout and infrastructure.
- Review of power supply tenders and civil design proposal in progress.
- Lease and licence applications underway for water bore field supply.
- Mining Management Plan lodged with Northern Territory Government in early April 2020, with approval expected in Sep 2020 Qtr.

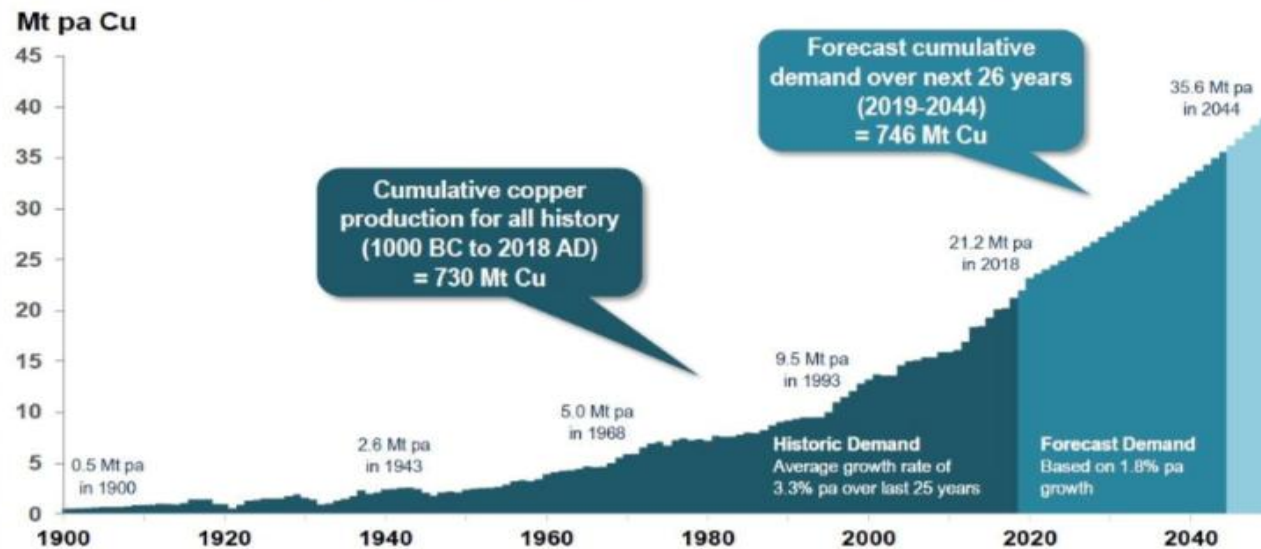


- Growing expectations of a strengthening international copper market.
- Supply side – COVID-19 has forced mine operations to halt and delayed further developments.
- Demand Side – Government incentives for copper intensive projects (renewables and electric vehicles).
- Trafigura forecasting 3.4% annual increase in demand for copper over the next 10 years.

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Copper Big Picture

World's demand for metals doubles every 20-30 years
 Primary copper production for World: 1900-2050



Over the next 26 years the world is going to mine more copper than what has been mined in all history

Sources: Historical data from USGS and Office of the Chief Economist Sept 2018

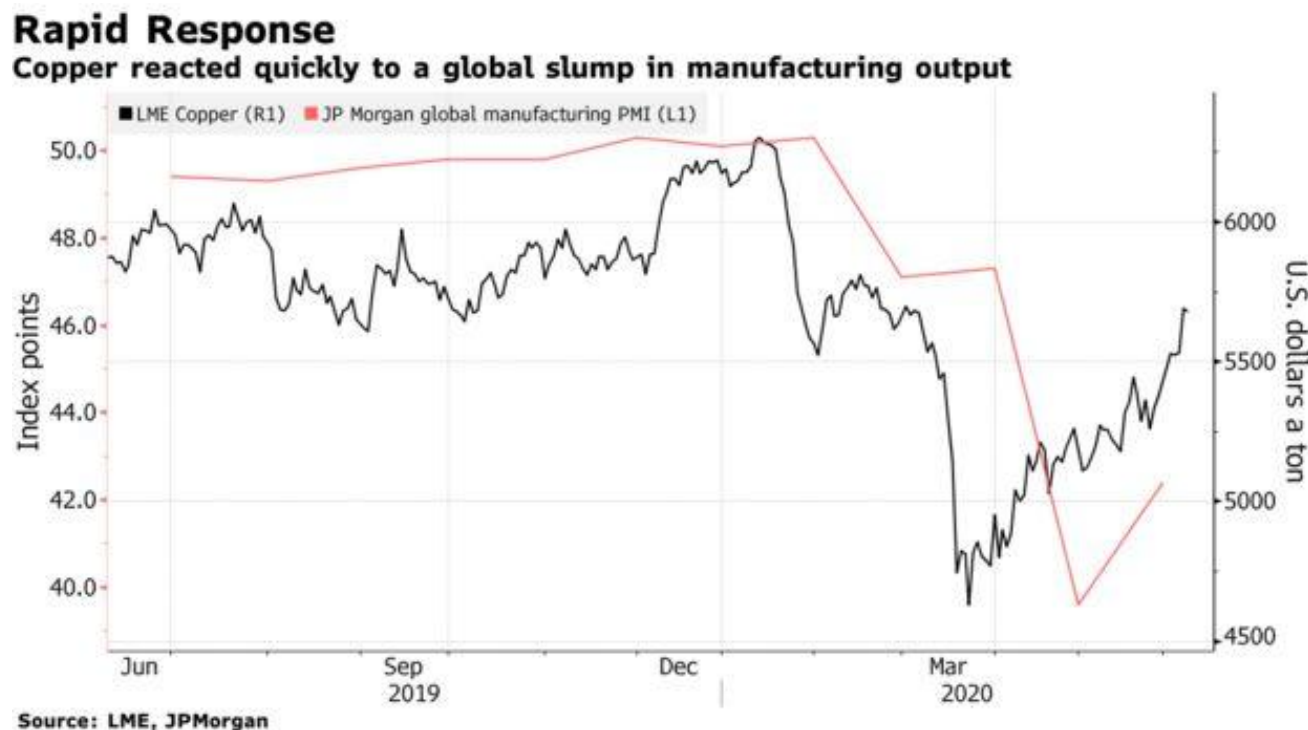
Over the next 26 years the world is going to mine more copper than what has been mined in all history.

• Kirill Klip GEM Royalty TNR Gold
 Copper November 2019

• 57

Copper Price

- Price began to increase late 2019 to peak at US\$6327/tonne on 14/01/2020.
- Price fell with the onset of COVID-19 to US\$4630 on 23 March
- Price on 8 July was US\$6,082/tonne
- Market has been influenced by the prospect of government stimulus measures.



KGL Resources Board at Jervois Site



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- Activities in KGL Resources and its controlled entities, as in any business, are subject to risks which may impact on KGL Resources' future performance. There are a number of factors, both specific to KGL Resources and of a general nature, which may affect the future operating and financial performance and position of KGL Resources and the outcome of an investment in KGL Resources. Some of these risks can be adequately mitigated by the use of safeguards and appropriate systems but many are beyond the control of KGL Resources and its Directors and cannot be mitigated.
- Prior to deciding whether to take up their Entitlement, Shareholders should read the entire Information Booklet and review announcements made by KGL Resources to ASX (at www.asx.com.au, ASX: KGL) in order to gain an appreciation of KGL Resources, 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 KGL Resources and deciding whether to increase their shareholding in KGL Resources. The risk factors set out below are not intended to be an exhaustive list of all of the risk factors to which KGL Resources 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 KGL Resources.
- An investment in KGL Resources should be considered speculative. There can be no certainty that KGL Resources will be able to successfully implement its business strategy. No representation is or can be made as to the future performance of KGL Resources and there can be no assurance that KGL Resources will achieve its objectives.

Material Business Risks

Future Capital Raisings

KGL's ongoing activities may require substantial further financing in the future, in addition to amounts raised pursuant to the Entitlement Offer. KGL will require additional funding to bring the Jervois Copper Project into commercial production. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the current market price and debt financing, if available, may involve restrictive covenants which limit KGL's operations and business strategy. Although the Directors believe that additional capital can be obtained, no assurances can be made, especially given the impact of the COVID-19 pandemic, that appropriate capital or funding, if and when needed, will be available on terms favourable to KGL or at all. If KGL 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 KGL's activities and could affect KGL's ability to continue as a going concern.

Exploration Risk

The success of KGL 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 KGL's exploration and mining tenements and obtaining all consents and approvals necessary for the conduct of its exploration activities. Exploration on KGL's existing tenements may be unsuccessful, resulting in a reduction of the value of those tenements, diminution in the cash reserves of KGL and possible relinquishment of the tenements. The exploration costs of KGL 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 KGL's viability. If the level of operating expenditure required is higher than expected, the financial position of KGL may be adversely affected. KGL 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 KGL to exploit successful discoveries which may be made in areas in which KGL 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 KGL's. There is a complex, multidisciplinary process underway 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.

Regulatory Risk

KGL'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 KGL 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, KGL may be curtailed or prohibited from continuing or proceeding with production and exploration. KGL'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 KGL'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 KGL. It is also possible that, in relation to tenements which KGL has an interest in or will in the future acquire such an interest, there may be areas over which

Material Business Risks (cont.)

legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of KGL 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. KGL 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. Of particular concern will be operating and managing health and safety in an environment where COVID-19 remains a major concern.

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, KGL 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 KGL. One or more of these key employees could leave their employment, and this may adversely affect the ability of KGL to conduct its business and, accordingly, affect the financial performance of KGL and its Share price. Recruiting and retaining qualified personnel are important to KGL'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 KGL'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 KGL are subject to the environmental laws and regulations of Australia. As with most exploration projects and mining operations, KGL's operations and activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. KGL attempts to conduct its operations and activities to the highest standard of environmental obligation, including compliance with all environmental laws and regulations. KGL 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 KGL'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 KGL to incur significant expenses and undertake significant investments which could have a material adverse effect on KGL's business, financial condition and performance.

Material Business Risks (cont.)

Availability of equipment and contractors

Prior to the COVID19 pandemic, the availability of appropriate equipment, including drill rigs, was in short supply. There was also high demand for contractors providing other services to the mining industry. The extent to which COVID-19 will impact on the availability of equipment and contractors in the future is uncertain at this stage but there will be an effect. 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 and Australian Dollar Exchange Rate

The copper mining industry is competitive. There can be no assurance that copper and gold prices will be such that KGL 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. These fluctuations were exacerbated by the world wide spread of the COVID-19 virus and at this stage, forecast recoveries from the impact of the virus are speculative. 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.

Climate Change Risk

The operations and activities of KGL are subject to changes to local or international compliance regulations related to climate change mitigation efforts, specific taxation or penalties for carbon emissions or environmental damage, and other possible restraints on industry that may further impact KGL and its profitability. While KGL will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that KGL will not be impacted by these occurrences. Climate change may also cause certain physical and environmental risks that cannot be predicted by KGL, including events such as increased severity of weather patterns, incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which KGL operates.

COVID-19 Pandemic

On 11 March 2020, the World Health Organisation Director-General declared the outbreak of the novel coronavirus (2019-nCoV) a pandemic. Although in Australia the pandemic has largely been suppressed, there are still significant restrictions imposed at a federal, state and territory level. There also exists the possibility that the virus could re-emerge resulting in restrictions being strengthened. KGL has withdrawn all staff and contractors from the Jervois site. Regular site security checks are made ensuring that no contact is made with the local community. Resumption of site activities will be discussed with the NT government and will be impacted by state border restrictions.

General Risk Factors

Mineral exploration and mining may be hampered by circumstances beyond the control of KGL Resources 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 KGL Resources. 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 Resources 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 Resources Shares may also be affected by a wide variety of events and factors, including variations in KGL Resources' 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 Resources. Some of these factors could affect KGL Resources' share price regardless of KGL Resources' underlying operating performance.

Taxation risk: Any change in KGL Resources' 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 KGL Resources, affect KGL Resources' 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 Resources' interpretation may lead to an increase in KGL Resources' tax liabilities and a reduction in Shareholder returns. Personal tax liabilities are the responsibility of each individual investor. KGL Resources 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 Entitlement 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 KGL Resources' performance. The past performance of KGL Resources is not necessarily an indication as to future performance of KGL Resources as the trading price of Shares can go up or down. Neither KGL Resources nor the Directors warrant the future performance of KGL Resources or any return on an investment in KGL Resources.

Economic factors: The operating and financial performance of KGL Resources 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 KGL Resources' operating and financial performance and financial position. KGL Resources' future possible revenues and Share price can be affected by these factors, which are beyond the control of KGL Resources.

Accounting standards: Australian accounting standards are set by the Australian Accounting Standards Board (AASB) and are outside KGL Resources' control. Changes to accounting standards issued by AASB could materially adversely affect the financial performance and position reported in KGL Resources' financial statements.

JORC Compliance Statement

- The Jervois Resources information was first released to the market on 22 August 2019 as “Significant upgrade of copper resources at KGL’s Jervois Copper Project and complies with JORC 2012 and can be found on the Company website www.kglresources.com.au. 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 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
KJD	401	17/03/2020	2012
KJCD	418	14/04/2020	2012
KJCD	416	14/04/2020	2012
KJD	413	17/03/2020	2012
KJD	415	17/03/2020	2012
KJD	411	17/03/2020	2012

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.

Statements regarding plans with respect to the Company’s mineral properties may contain forward looking statements. Statements in relation to future matters can only be made where the Company has a reasonable basis for making those statements.

More Information



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For more information, please contact us



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