

29 December 2015

KGL announces \$3 million capital raising

Underwriting by KGL Chairman, Denis Leslie Wood

KGL Resources Limited (**KGL** or **Company**) is pleased to announce a capital raising to raise up to \$3 million by way of a two for nine pro rata non-renounceable entitlement offer, fully underwritten by Denis Leslie Wood (**Entitlement Offer**).

Eligible shareholders will be able to apply for additional shares through a top-up offer.

The offer price for the Entitlement Offer is \$0.095 per share.

Funds raised through the capital raising will be used for the exploration and development of KGL's Jervois Copper-Silver Project in the Northern Territory as well as being applied to corporate overheads, working capital and offer costs.

The principal terms of the non-renounceable rights issue are as follows:

- Two (2) new fully paid ordinary shares for every nine (9) shares held
- 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.¹

Use of funds

| Source of funds | \$3m raising |
|---|---------------|
| 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 |

¹ The Theoretical Ex-Rights Price (**TERP**) is the theoretical price at which KGL shares should trade immediately following the ex-date for the Entitlement Offer assuming 100% take up of the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which KGL's shares trade immediately following the ex-date for the Entitlement Offer will depend on many factors and may not approximate TERP.



Key dates

Detailed information regarding the Entitlement Offer will be sent to shareholders in accordance with the timetable below.

| Activity | Date |
|--|-----------------|
| Record date for Entitlement Offer (7:00pm Brisbane time) | 5 January 2016 |
| Information booklet, and entitlement and acceptance form despatched | 8 January 2016 |
| Entitlement Offer opens | 8 January 2016 |
| Closing date for acceptances under Entitlement Offer (5:00pm Brisbane time) | 22 January 2016 |
| Announcement of results of Entitlement Offer and under-subscriptions | 28 January 2016 |
| Settlement of new shares under the Entitlement Offer | 29 January 2016 |
| Allotment of new shares issued under the Entitlement Offer | 1 February 2016 |
| Despatch of holding statements for new shares issued under the Entitlement Offer | 1 February 2016 |
| Normal ASX trading for new shares issued under the Entitlement Offer commences | 2 February 2016 |

For further information contact:

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About KGL Resources

KGL Resources Limited is an Australian mineral exploration company focussed on increasing the high grade Resource at the Jervois Copper-Silver-Gold Project in the Northern Territory and developing it into a multi-metal mine.