www.kglresources.com.au

3 September 2018

Share purchase plan – despatch of documents to shareholders

KGL Resources Limited (ASX: KGL) (**KGL**) announced a share purchase plan (**SPP**) to the market on 30 August 2018. The record date to be registered as a shareholder for participation in the SPP is 29 August 2018.

KGL is now in the process of mailing the SPP documents to its shareholders and, as required by the ASX Listing Rules, is releasing these documents to the market.

The offer letter and terms and conditions for the SPP are being mailed to shareholders, along with an application form.

Copies of these documents are **attached** to this release.

Yours faithfully

Kylie Anderson
Company Secretary
KGL Resources Limited

www.kglresources.com.au

3 September 2018

Dear Shareholder

Share purchase plan

On behalf of the board of KGL Resources Limited ACN 082 658 080 (ASX: KGL) (**KGL** or **Company**), we are pleased to offer you the opportunity to purchase up to $15,000 in additional fully paid ordinary shares (**Shares**) in KGL under this share purchase plan (**SPP**).

KGL intends to raise up to $2 million (before costs) from the SPP to fund further exploration of the Jervois project as well as for general working capital purposes.

The SPP will be available to eligible shareholders who are on the Company register at 7.00pm (Brisbane time) on 29 August 2018 (**Record Date**).

The SPP gives Eligible Shareholders the opportunity to purchase additional Shares in KGL at $0.33 per Share, which represents a discount of 2% to the closing price of KGL's Shares on 29 August 2018 (being the last price before Record Date for the SPP). There are no transaction costs or brokerage costs to participating shareholders.

The SPP will close on 1**9 September 2018** at **5.00pm** (Brisbane time). If you wish to participate in the SPP your application must be received by the closing date. KGL reserves its right to close the SPP early.

This letter and the accompanying material sets out the terms and conditions of the SPP. Additional information about KGL, including all ASX announcements, is available at www.kglresources.com.au.

The board encourages you to consider this opportunity and thanks you for your continued support.

Yours faithfully

Denis Wood
Chairman
KGL Resources Limited

TERMS AND CONDITIONS

OFFER DETAILS

Issue Price	$0.33 per Share
Application Amount	Any one of the following: $1,000 $2,000 $7,500 $15,000
Record Date	7.00pm (Brisbane time) on 29 August 2018
Open date	3 September 2018
Closing Date	5.00pm (Brisbane time) on 19 September 2018
Allotment Date	25 September 2018
Holding Statement Dispatch Date	26 September 2018
Quotation Date	26 September 2018

HOW DO I ACCEPT?

To participate, you should either:

(a) return your Application Form, together with a cheque, by **5.00pm (Brisbane time) on 19 September 2018**; or

(b) pay the Application Amount via BPAY so that payment is received by **5.00pm (Brisbane time) on 19 September 2018**.

BPAY instructions are set out on the Application Form. If you use BPAY, you do not need to return your Application Form. Please make sure you use the specific biller code and unique reference number on your personalised Application Form. Your financial institution may implement earlier cut-off times for electronic payment. You should take this into consideration when making payment.

If paying by cheque, use the reply paid envelope or deliver it to the address on the Application Form. Applications received after the Closing Date will not be accepted.

Funds received for applications by cheque or BPAY will be regarded as applications for the maximum number of shares that those funds will pay for in full.

Importantly, while participation in the SPP is optional, once applications are submitted, they cannot be withdrawn.

KGL's market price may vary at any time during the offer period and the Company's Shares may trade at a price that is lower than the Issue Price.

By accepting the SPP offer, you accept the risk that the market price of the Company's Shares may fall below the Issue Price between the date of this offer and the Allotment Date, in which case you may have been able to buy the Shares at a lower price than the Issue Price.

By making an application, you represent to the Company the matters set out under the heading 'Your representations' in these terms and in the Application Form.

HOW MANY SHARES

Eligible Shareholders receive the number of Shares equal to the Application Amount (subject to any scale-back) divided by the Issue Price. Fractions will be rounded down, and the difference (being any amount less than the Issue Price) may be retained by KGL.

Application Amount	Shares issued (subject to scale-back if necessary)
$1,000	3,030 Shares
$2,000	6,061 Shares
$7,500	22,727 Shares
$15,000	45,455 Shares

The Issue Price does not exceed the limit prescribed by the ASX Listing Rules and ASIC Class Order 09/425.

Shares issued under the SPP may be sold or transferred on ASX at any time after the Quotation Date.

ELIGIBILITY TO PARTICIPATE

Participation in the SPP is optional. The offer is open to all shareholders with a registered address in Australia or New Zealand, or whose registered address is otherwise in a place where it is lawful and practical (in the reasonable opinion of KGL) for KGL to offer shares under the SPP.

Multiple holdings

If you are the only registered holder of KGL Shares, but you receive more than one offer under the SPP (for example, due to multiple registered holdings), you may only apply in total for a maximum of $15,000 worth of Shares.

Joint holders

If you are a joint holder of KGL Shares, that holding is considered to be a single registered holding for the purpose of the SPP. You are entitled to participate in the SPP for that single holding only. If you are a joint holder and you receive more than one offer under the SPP, you may only apply in total for a maximum of $15,000 worth of Shares.

Trustee or nominee

If you are expressly noted on KGL's share register as a trustee or nominee for a named beneficiary, you may only apply for one maximum parcel of Shares for each named beneficiary. If KGL's Share Registry does not record a named beneficiary in respect of your trustee or nominee holding, the rules for multiple single holdings apply.

Custodians

If you are a custodian within the definition of 'custodian' in ASIC Class Order 09/425 (as varied) and hold KGL Shares for one or more persons (each a **Participating Beneficiary**), or on behalf of another custodian of KGL Shares, you may apply for up to a maximum of $15,000 worth of Shares for each Participating Beneficiary, subject to providing KGL a 'custodian certificate' in addition to the Application Form, which certifies matters required by ASIC Class Order 09/425 (as varied). Please contact the Share Registry to obtain the form of the custodian certificate.

DIRECTORS

Directors of KGL who are Eligible Shareholders may participate in the SPP.

SCALE-BACK

KGL may, in its absolute discretion, scale-back applications under the SPP to the extent and in the manner that it sees fit.

Factors that KGL may take into account in determining any scale-back include:

(a) compliance with regulatory requirements;

(b) the amount applied for by each shareholder under the SPP;

(c) the number of Shares held at the Record Date; and

(d) the close of the SPP offer period.

If a scale-back occurs, the difference between the value of the Shares allotted and the Application Amount paid to KGL (only where the amount is greater than the Issue Price) will be refunded to you as soon as practicable following the Allotment Date. Any scale-back will be announced on the Allotment Date. No interest will be paid on any Application Amount paid or refunded. Scale-back decisions are made by the board and are final.

ASX QUOTATION

After Shares are issued and allotted under the SPP, KGL will apply to ASX for quotation of the Shares on the Official List and send an allotment notice to each Eligible Shareholder's registered address.

COSTS

Eligible Shareholders may subscribe without incurring brokerage costs, commission or other transaction costs.

A stamping fee of 1.5% (+GST) of the value of new Shares issued under the SPP will be paid by the Company to stockbrokers who submit a valid claim for a broker stamping fee on successful applications. If the Company undertakes a scale-back or otherwise issues a lesser number of new Shares than applied for, the Broker Stamping Fee will only be payable on the value of new Shares issued.

KGL'S RIGHTS

KGL retains absolute discretion to increase the total amount raised under the SPP offer.

KGL may reject any application for Shares under the SPP, which it believes does not comply with these terms and conditions, including where it appears that you are not an Eligible Shareholder, if a cheque is returned unpaid, the Application Form has not been properly completed or where there are grounds for believing that the applicant is not acting in good faith.

KGL may modify, suspend or cancel the SPP at any time. If KGL does this it will notify ASX. If the SPP is cancelled the Application Amount will be refunded without interest. Neither KGL nor the board accepts or assumes any liability to shareholders because of the variation, suspension or termination of SPP.

KGL may settle, at its discretion in any manner it deems fit, any anomalies or disputes in connection with the SPP and that decision is conclusive and binding on all applicants. KGL reserves the right to waive strict compliance with these terms and conditions.

YOUR REPRESENTATIONS

By completing and returning the Application Form or by making a BPAY payment, you:

(a) certify to KGL that you are an Eligible Shareholder;

(b) authorise KGL (and its officers and agents) to correct any error in, or omission from, your Application Form and complete an incomplete Application Form;

(c) accept the risks associated with any refund that may be sent to your address or to your nominated bank account as shown on KGL's Share Register;

(d) acknowledge that KGL may at its discretion determine that your Application Form is valid, even if the Application Form is invalid;

(e) irrevocably and unconditionally agree to these terms and conditions; and

(f) acknowledge that KGL is not liable for any exercise of its discretions referred to in these terms.

OTHER INFORMATION

The Offer is non renounceable, which means that you cannot transfer your right to purchase Shares under the SPP to anyone else. Shares issued under the SPP will rank equally in all respects with existing fully paid shares.

This document is not an offer of securities in any place outside Australia or New Zealand and does not take into account your individual investment objectives, financial situation or particular needs. An investment in KGL is speculative. Therefore, you should obtain independent financial and taxation advice before making an investment decision.

FURTHER INFORMATION

For further information, telephone 1300 970 086 (within Australia) and +61 1300 970 086 (outside Australia) between 8.30am and 5.00pm (AEST). Alternatively, contact your stockbroker, solicitor, accountant or other professional adviser.

If you have lost your SPP Application Form and would like a replacement form, you should contact the Share Registry on 1300 970 086 (within Australia) or +61 1300 970 086 (outside Australia).

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KGL RESOURCES
ABN 52 082 658 080

All Registry communications to:
Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

Telephone: 1300 970 086
From outside Australia: +61 1300 970 086

ASX Code: KGL

Website: www.linkmarketservices.com.au

SRN/HIN:

Entitlement Number:

Record Date: **Wednesday, 29 August 2018**

Offer Opens: **Monday, 3 September 2018**

Issue Price per Share: **A$0.33**

Offer Closes
7.00pm (Brisbane time): **19 September 2018**

SHARE PURCHASE PLAN ("SPP") APPLICATION FORM

How do I apply for Shares under this offer?

- Carefully read the SPP Terms and Conditions accompanying this form.
- Decide on the amount you wish to apply for.
- Pay for the Shares in accordance with the instructions outlined in the Terms and Conditions Booklet and further important instructions on the reverse of this form.
  - Option 1: Paying by BPAY®.
  - Option 2: Paying by Cheque, Bank Draft or Money Order.
- Payments must be in Australian dollars.

PAYMENT OPTIONS

Option 1: Paying by BPAY®

If paying by BPAY®, you do **NOT** need to complete or return the Acceptance Slip attached to this Application Form below. Payment must be received by the Registry by BPAY® by 7.00pm (Brisbane time) on 19 September 2018. By paying by BPAY®, you will be deemed to have completed an Application Form for the number of Shares the subject of your Application Payment.

If you make a payment by BPAY® and KGL Resources Limited receives an amount which is not equal to either A$1,000, A$2,000, A$7,500, or A$15,000, KGL Resources Limited may round down the number of Shares that you are applying for to the next lowest parcel at their discretion. Your payment must be for a minimum of A$1,000.

BPAY

Biller Code: 989558
Ref:

Telephone & Internet Banking – BPAY®
Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. More info: www.bpay.com.au
® Registered to BPAY Pty Ltd ABN 69 079 137 518

Option 2: Paying by Cheque, Bank Draft or Money Order

If paying by cheque, bank draft or money order, complete and return the Acceptance Slip attached to this Application Form with your Application Payment.

A. Tick the box beside the amount you wish to apply for, either A$1,000, A$2,000, A$7,500, or A$15,000.

B. Enter your cheque, bank draft or money order details. The amount of your Application Payment should be equal to the amount applied for in section A of the Acceptance Slip. Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "KGL Resources SPP Offer" and crossed "Not Negotiable". Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. If you provide a cheque, bank draft or money order for an amount that is not equal to either A$1,000, A$2,000, A$7,500, or A$15,000, KGL Resources Limited may round down the number of Shares that you are applying for to the next lowest parcel at their discretion. Your payment must be for a minimum of A$1,000.

C. Enter your contact telephone number at which we may contact you regarding your application for Shares, if necessary.

THIS IS A PERSONALISED FORM FOR THE SOLE USE OF THE SHAREHOLDER AND HOLDING RECORDED ABOVE.

KGL RESOURCES
ABN 52 082 658 080

Please detach and enclose with payment

SRN/HIN:

Entitlement Number:

A **I/we wish to purchase a parcel of Shares to the dollar amount of** (tick one box only):

☐ 3,030 Shares A$1,000.00 **OR** ☐ 6,061 Shares A$2,000.00 **OR** ☐ 22,727 Shares A$7,500.00 **OR** ☐ 45,455 Shares A$15,000.00

B **Make your cheque, bank draft or money order payable to "KGL Resources SPP Offer" and crossed "Not Negotiable"**

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
				A$ .00

C

Telephone Number – Business Hours	Telephone Number – After Hours	Contact Name
( )	( )	

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IMPORTANT INFORMATION

1. This is an important document which requires your immediate attention. If you are in any doubt as to how to deal with this Application Form, please consult a professional adviser.
2. If you do not wish to purchase additional Shares under this SPP, there is no need to take action.
3. Please ensure you have read and understood the SPP Terms and Conditions and this Important Information, before you make the Application Payment by BPAY® or you submit your Acceptance Slip with your Application Payment.
4. This SPP is non-renounceable. Applications can only be accepted in the name printed on the Application Form.
5. If you are a custodian, trustee or nominee within the definition of "custodian" in ASIC Class Order [CO 09/425] you must complete and submit an additional Schedule that contains additional certifications and details that must be provided ("the Schedule") before your Application will be received. The Schedule can be obtained by contacting the KGL Resources Limited SPP Offer Information Line. Applications received by custodians that are not accompanied by the Schedule will be rejected.
6. For applicants that are not required to complete the Schedule, by submitting the Acceptance Slip (with a cheque, bank draft or money order) or making payment by BPAY®, you certify that the aggregate of the Application Payment paid by you for:
   - the parcel of New Shares indicated on this Application Form or BPAY® payment; and
   - any other Shares applied for by you, or which you have instructed a Custodian to acquire on your behalf under the SPP or any other similar arrangement in the 12 months prior to the date of submission of the Acceptance Slip or payment by BPAY® does not exceed A$15,000.
7. KGL Resources Limited reserves the right to make amendments to this Application Form where appropriate.
8. Applicants are not assured of receiving the Shares for which they have applied as KGL Resources Limited may scaleback applications in its discretion.

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How to Lodge your Acceptance Slip and Application Payment

A reply paid envelope is enclosed for you to return your Acceptance Slip and Application Payment. No postage stamp is required if it is posted in Australia.

Acceptance Slip and the payment for New Shares must be received by the Registry no later than the closing date shown overleaf. If paying by BPAY® you do not need to complete or return the Application Form. You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry by the close of the offer.

Mailing Address	**or**	**Hand Delivery**
KGL Resources Limited		KGL Resources Limited
C/- Link Market Services Limited		C/- Link Market Services Limited
GPO Box 3560		1A Homebush Bay Drive
Sydney NSW 2001		Rhodes NSW 2138 ***(Please do not use this address for mailing purposes)***

Make sure you send your Acceptance Slip and Application Payment allowing enough time for mail delivery, so Link Market Services Limited receives them no later than 7.00pm (Brisbane time) on 19 September 2018. Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. KGL Resources Limited reserves the right not to process any Acceptance Slips and Application Payments received after the Closing Date.

If you require information on how to complete this Acceptance Slip please contact the KGL Resources Limited SPP Offer Information Line on 1300 970 086 if calling within Australia or +61 1300 970 086 if calling from outside of Australia.