ASX Announcement

Company Update
Project Optimisations and Financing Updates

KGL RESOURCES

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24 September 2025

KGL Resources Limited (ASX:KGL) ("KGL Resources" or the "Company") is pleased to provide the following update as it progresses finance and project optimisation workstreams for its 100% owned high-grade Jervois Copper Project (the "Project").

The Company would also like to welcome **Resource Capital Fund (RCF)** to the share register noting the off-market share purchase, giving them an 8.32% shareholding in KGL. RCF has invested in KGL Resources via Resource Capital Fund VIII AIV-A. RCF has an extensive history of partnering with investors, innovators, and operators to mobilise capital into critical minerals, metals, and mining.

Key points:

- **Higher metal prices** have prompted the Company to undertake further optimisation works for the Project;
- Ongoing improvements include developing **incremental open cut** resources within the current mine life and **capital improvements,**
- The Company's advisors, **amicaa** and **Cutfield Freeman & Co**, continue to advance financing for the Project;
- The Company is reviewing options for its resource of **Bismuth** in concentrate, a metal that is included on the Australian Critical Minerals list.

A. Feasibility Study Update – ongoing improvements

Following the release of the Feasibility Study Update ("FSU") for the Project in February 2025, KGL Resources has focussed on, commencing and advancing discussions with potential project construction financiers and partners, refining Project economics, advancing planning for enabling works and commencing procurement processes for major work packages.

The outcomes of the FSU are summarised as follows:

- Net Present Value (NPV8) A$405M (post-tax), NPV8 of A$601M (pre-tax) • at a copper price of US$4.58/lb, Gold US$2,668/oz and Silver US$32.62/oz
- Internal Rate of Return (IRR) of 24%.
- C1 cost US$1.95/lb (by-product basis, during 7 years of steady state).
- Simple payback 3.4 years based on peak cash drawdown of A$497m (from 1st concentrate).
- Average operating cashflow A$208 million per annum (steady state).
- Construction Capital Cost estimate of A$362 million

The Company notes the continuing strength in precious metal prices through 2025, providing further support for the Project. Gold and silver prices have increased by more than 35% and 29% respectively during 2025, since announcing the FSU.

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B. Project Update

Current optimisation activities are focussed on the open-cut mine plan which has potential expansion opportunities in the areas covered by existing resources. An updated open-pit mine plan is currently being worked on which could see an incremental increase in the copper contained in the ore feed which can be processed though the plant during the midpoint of the current processing schedule, using under-utilised plant capacity.

Ongoing work to reduce project capital and working capital costs is focusing on civil works, open cut prestrip, crusher and mills and selected support infrastructure.

A tender process for the open cut mining, has shortlisted a number of parties targeting firm offers that can result in awarding an operating contract that supports the Financial Investment Decision process.

C. Project Development Pathway

Reviews continue on the opportunities available to the company in terms of the project structure and execution. In addition, the Jervois Copper Project remains on track for enabling works targeted to commence in late 2025/early 2026, that prepares the site for construction. Early works design for the process plant and TSF are ready to proceed once funding is secured.

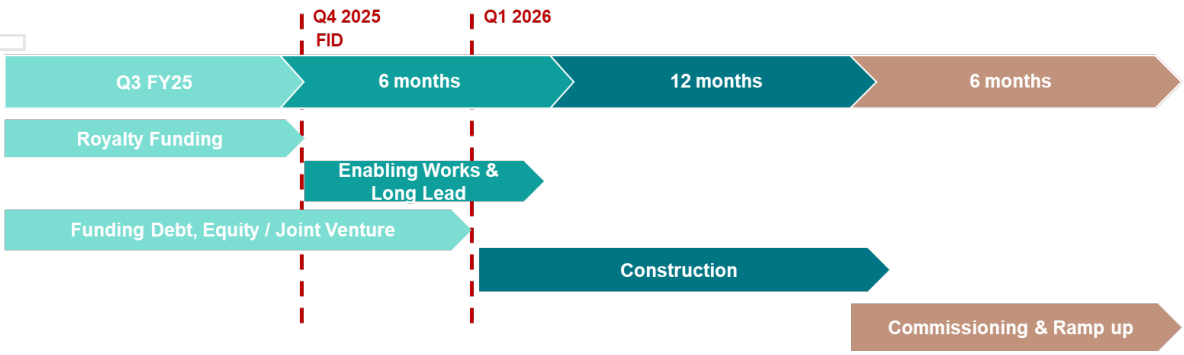
Risk reviews confirm no critical risks with safety, community and logistics remaining key focus areas. Procurement and approvals are aligned to the milestone plan, with timing linked to funding release.

D. Project Construction Financing

KGL Resources, together with financial advisors amicaa and Cutfield Freeman & Co, continue to advance a comprehensive project construction financing process.

The Company has received several non-binding finance term sheets and other proposals and is working with its advisors to refine the optimal funding package and terms for a Financial Investment Decision in due course.

The following figure summarises the overall project delivery timetable which is subject to securing acceptable terms on the funding stack to support a Financial Investment Decision (FID), construction and into operations.



*Funding structure in this diagram is indicative only and may not reflect the final board approved structure.

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E. Investigation of Bismuth (Bi^{83})

The Company has also been monitoring the recent surge in market pricing for Bismuth throughout 2025, following regulatory announcements and export controls in China.

Bismuth is listed on the Australian Critical Minerals List. The element has a wide range of uses including defence and the Company notes that the U.S. Defence Logistics Agency (DLA) maintains strategic stockpiles of the metal to reduce the risk of supply chain disruptions for its applications in defence equipment and other military uses [1].

The Company is investigating opportunities to monetise this Critical Mineral as a by-product in its Copper concentrate together with gold and silver.

This announcement has been approved by the board of KGL Resources Limited.

Further Information

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Competent Person Statement

The information in this announcement that relates to a Production Target and the forecast financial information derived from the production was first released to the market on 10 February 2025. KGL Resources Limited confirms that all the material assumptions underpinning the production target and forecast financial information derived from the production target continue to apply and have not materially changed.

1. https://masanhightechmaterials.com/product_category/bismuth/

https://www.ga.gov.au/scientific-topics/minerals/critical-minerals#:~:text=Overview%20of%20Critical%20Minerals,and%20are%20subject%20to%20change.

https://www.ga.gov.au/scientific-topics/minerals/critical-minerals/critical-minerals-and-their-uses#:~:text=Bismuth%20is%20often%20used%20in,Extraction

https://www.reuters.com/world/china/china-expands-critical-mineral-export-controls-after-us-imposes-tariffs-2025-02-04/

https://www.reuters.com/markets/commodities/what-are-five-new-critical-metal-exports-restricted-by-china-2025-02-04/