ASX Announcement
Quarterly Activities Report
Period Ended 31 December 2025

RESOURCES

30 January 2026

Highlights

The quarter marked a significant inflection point for KGL, with the successful completion of an A$11 million capital raising to progress project-enabling works, advancement of project optimisation activities and funding discussions, and the appointment of a highly experienced independent non-executive director and CEO to lead the company. Strengthening copper, silver and gold prices provided clear tailwinds during the period, reinforcing the strategic value, timing, and financing appeal of the Jervois Copper-Silver-Gold Project.

Project Development and Construction Readiness

- KGL is advancing enabling works prior to full construction activities at Jervois. Full construction will commence subject to funding and FID.

Project Optimisation

- KGL is progressing optimisation efforts in response to higher metal prices. Focus areas include incremental open cut resource development within the current mine life/plan and process plant and metal recovery improvements.

Funding Progress

- An **A$11 million placement was completed** to support priority enabling works and procurement activities, with the balance applied to general working capital. This placement introduced new institutional investors to the share register, including an increased stake by **RCF** to approximately **9.9%**, held via Resource Capital Fund VIII AIV-A.
- KGL is engaging with a short list of potential funding partners and potential off-takers.
- The revised baseline economic model will be released to provide the technical and economic framework for engagement with strategic partners, funding providers and project delivery.

Commodity Market Update

- Structural shifts in demand across copper, silver and gold continues to support a bull market outlook. Commodity prices have strengthened materially above the price assumptions used in the FSU25, reaching all-time highs in January 2026. This represents increases of circa **31% for copper** (from US$4.58/lb to ~US$6/lb), circa **270% for silver** (from US$32.62/oz to ~US$120/oz), and circa **110% for gold** (from US$2,668/oz to ~US$5,600/oz).

Corporate

- Cash & cash equivalent as at 31 December 2025 was $10.8 million.
- KGL announced the appointment of Ms Lindi Deguara as a **Non-executive Independent Director**. Ms Deguara is a highly credentialed director and executive with over 20 years' experience in non-executive and executive leadership roles including senior commercial and legal roles in the energy, infrastructure, and resources industries.
- KGL also announced the appointment of Sam Strohmayr MAusIMM FIEAust MAICD as **Chief Executive Officer** with a commencement date of 27 January 2026. Sam brings three decades of global mining and metallurgical leadership experience across Australia, South America, and Europe. He has held senior executive roles within Glencore Zinc, including Chief Operating Officer for Australia and Director of Operations in South America, where he oversaw complex mining portfolios, major operational ramp-ups, and strategic divestments.

Engage with KGL on this or other reports at https://kglresources.com.au/link/rD1klP

Project Development & Construction Readiness

Against a backdrop of a strong outlook for copper, silver and gold, encouraging interest from potential funding partners and successful completion of the recent capital raising, KGL is actively advancing enabling works including progressing significant contracts, procurement activities, and the integration of experienced execution partners to optimise project delivery schedule. Full construction will commence subject to completion of project funding and a financial investment decision by the KGL Board.

Key activities are summarised below:

- The **Camp and Village** enabling works is a combination of initial upgrade of the existing Camp to house people required for the early works on site as well as providing a deposit for stage 1 of the operations village.
- The **Civil & Infrastructure works** consists of deconstruction, aggregate crushing, building area, airstrip & roads construction and raw water storage tank.
- **Borefield & Water Supply (Stage 1)** is the design, supply and installation of groundwater reticulation to the process area for the commencement of earthworks.
- The **Process Plant** front end engineering & design for Long Lead Items (LLI), is proposed by the contractor, to facilitate vendor engagement and early procurement activities to maintain the focus on the project delivery schedule.
- **Personnel & flights** is the provision transport and charter flights to deliver the site-based activities associated with the enabling works program.

The funding for the enabling works is a component of the overall Project Capex. Procurement and approvals are aligned to the milestone plan, with timing linked to funding release.

Other critical path packages in preparation for tendering and evaluation during the enabling works period includes.

- Contracting for the Process plant construction and delivery workflow
- Open pit mining contract
- Civil works
- Communications infrastructure and
- Fuel supply.

Project Optimisation

In response to higher metal prices, KGL has initiated further optimisation efforts.

Current activities are focussed on the open-cut mine plan which has potential expansion opportunities in the areas covered by existing mineral resource. An updated open-pit mine plan is currently being finalised and expected to deliver an incremental increase in the contained metal in the ore feed which can be processed through the plant during the midpoint of the current processing schedule. This together with improved metal recovery will increase the plant utilisation and capital efficiency of the project.

Ongoing work to refine project capital and working capital costs is focusing on civil works, open cut pre-strip, crusher and mills and selected support infrastructure.

A tender process for the open cut mining, has shortlisted several parties targeting firm offers that supports the financial investment decision process.

Funding Progress

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

The Company has received non-binding indicative term sheets and is progressing discussions and negotiations with short listed parties to assess and refine the funding structure and terms, in support of the KGL Board's Financial Investment Decision (FID).

Commercial off-take of concentrate is progressing with a number of experienced and capable parties.

The revised baseline economic model will be released to provide technical and economic framework for engagement with strategic partners, funding providers and project delivery.

Market

Market interest in mining and metals has been strengthening alongside record commodity prices, with precious metals funds and mining equities attracting heightened investor engagement, and institutional and strategic investors actively deploying capital into mining and critical minerals assets. This broader investor focus—evident through ETF inflows, sovereign and institutional investment, and increased sector consolidation—provides supportive context for ongoing financing discussions.

Recent M&A activity highlighting this trend includes:

- On 9 September 2025, Anglo American and Teck Resources announced an agreement to combine in a merger of equals to form *Anglo Teck*, creating a global critical minerals group and top five global copper producer, headquartered in Canada and expected to offer investors significant exposure to copper.
- On 8 January 2026, Rio Tinto confirmed it had engaged in preliminary discussions with Glencore regarding a potential combination of some or all of their businesses, which—if progressed—could result in the world's largest mining company and copper producer.

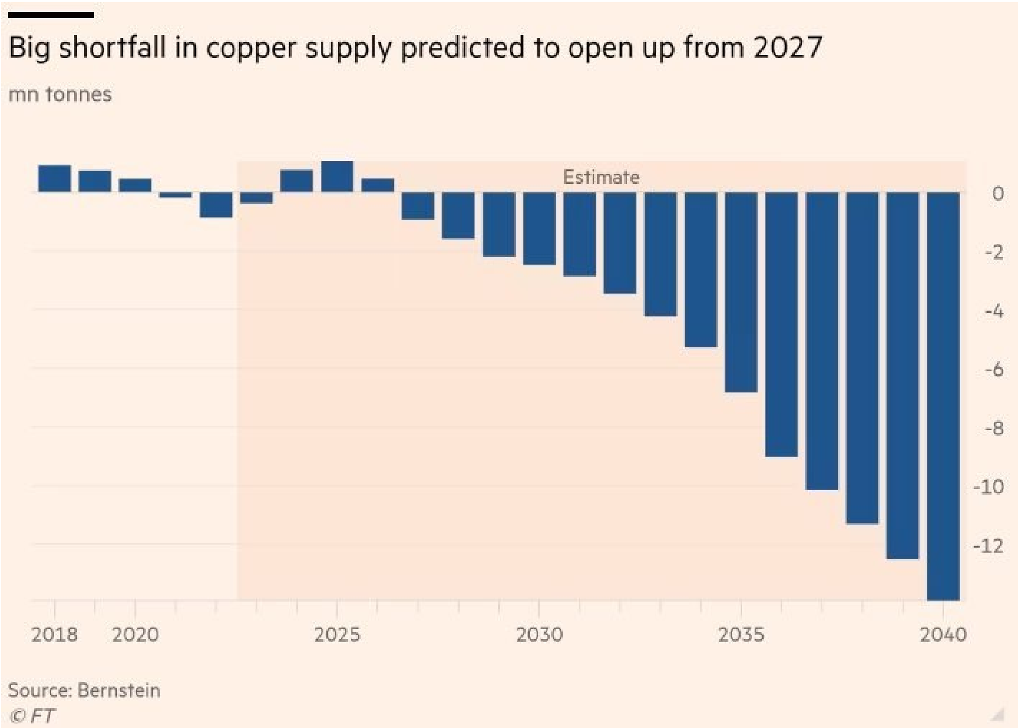
Market Commentary & Commodity Exposure

Structural Tailwinds for KGL's Metals Complex

Global commodity markets continue to demonstrate a sustained structural shift, with copper, silver and gold demand accelerating against increasingly constrained supply. Developments during the quarter reinforce the structural themes identified in prior periods and provide increasing visibility on their impact.

Independent analyst assessments highlight the emerging scale of imbalance in the global copper market. Bernstein analysts project a structural global copper supply deficit emerging from around 2027, widening thereafter and expected to exceed 10 Mt by 2040.

Total Copper Market Balance (2020-2040 MMt Cu)



Supply Constraints and Market Signals

Industry commentary points to an even larger cumulative supply gap over the longer term. Glencore has estimated that a copper supply deficit of approximately 300,000 tonnes in the near term could expand to a cumulative shortfall of around 27 Mt by 2050, driven by multiple demand vectors including electrification, grid infrastructure expansion, artificial intelligence, data centres and defence-related demand. These demand vectors are reinforced by forecasts that global electricity demand will increase by approximately 50% by 2040, necessitating large-scale investment in power generation, transmission and grid infrastructure.

Industry commentary and analyst forecasts consistently highlight that supply-side constraints—including declining ore grades, increasing technical complexity, long development timelines, ESG-related challenges, rising costs and prolonged underinvestment—are limiting the industry's ability to respond quickly to rising demand. Recent forecasts from major investment banks and industry consultants indicate that copper supply deficits are expected to emerge later this decade and widen thereafter, reinforcing the need for sustained higher prices to stimulate new development.

Recent market signals indicate that these structural pressures are now translating into price and capital-market outcomes. Copper prices have moved materially higher toward levels increasingly associated with new-supply incentive pricing, while institutional and strategic capital engagement across the mining and critical minerals sector has continued to strengthen.

As structural deficits begin to accelerate, the Jervois Project is expected to be among a limited group of advanced and approved copper projects positioned to progress into production within this period.

Strategic Positioning of the Jervois Project

Against a backdrop of strengthening commodity markets and increasing structural supply constraints across copper, silver and gold, the Jervois Project is strategically positioned to benefit from favourable pricing dynamics and growing capital focus on high-quality, development-ready assets.

- Since release of the Feasibility Study Update 2025 (FSU25), commodity prices have strengthened materially above the price assumptions used in that study, reaching all-time highs in January 2026.
- This represents increases of circa 31% for copper (from US$4.58/lb to ~US$6/lb), 270% for silver (from US$32.62/oz to ~US$120/oz), and circa 110% for gold (from US$2,668/oz to ~US$5,600/oz).

The following table is reproduced from the FSU25 that shows the sensitivity of the asset value against a strengthening copper price. This table does not include sensitivity to gold or silver prices.

		FSU 25	Incentive price assumption	"Bullish price forecast"
Copper Price	US$/lb US$/t	4.58[1] 10,094	5.90 13,000	6.80 15,000
Exchange Rate	A$:US$	0.64	0.70	0.70
NPV 8% (real, before tax)	A$M	601	992	1,413
NPV 8% (real, after tax)	A$M	405	682	978
IRR (before tax)	%	30%	41%	52%
IRR (post tax)	%	24%	33%	42%
Simple Payback Period (1st Conc.)[2]	Years	3.4	2.7	2.1

1. *Bloomberg Brokers Consensus (avg.) and London Metals Exchange Forecast to 2027 - US$4.58/lb / US$10,100/t*

Recent analyst commentary supports continued strength across the metals complex. Citigroup has indicated that copper prices could approach US$15,000/t in 2026 if supply shortages and low inventories persist.

Citigroup has also increased its price targets for silver over the coming weeks to US$150/oz. Silver markets remain structurally tight, with ongoing supply deficits estimated at 150–200 million ounces per annum. Copper and silver's inclusion on the United States Critical Minerals List continues to drive capital allocation toward supply-chain security and strategic stockpiling.

Gold forecasts have also moved higher, with analysts projecting prices of up to ~US$6,000/oz by end of 2026, supported by sustained central-bank accumulation and strong investment demand

As Chile's cost competitiveness erodes—historically a key anchor for global copper incentive pricing—the incentive price required to bring new supply to market is structurally resetting higher. In this environment, high-grade, capital-efficient projects such as Jervois, supported by material silver and gold by-product credits and emerging district-scale exploration potential, gain increasing strategic and financing relevance.

Corporate

Current cash & cash equivalent as at 31st December 2025 was $10.8 million.

In November 2025, KGL appointed Lindi Deguara as a non-executive director. Lindi holds a Bachelor of Laws (Hons) and a Bachelor of Creative Industries (Media Comms), is a Solicitor of the Supreme Court of Queensland and the High Court of Australia. Lindi is also a Fellow of the Governance Institute of Australia and a Graduate of the Australian Institute of Company Directors.

Ms Deguara's expertise and experience will be invaluable as KGL progresses through financing, development and construction contracts. As well, with Lindi's assistance we are elevating our focus on governance, audit, and remuneration oversight and Board capability and performance reviews.

In December 2025, KGL announced the appointment of Sam Strohmayr MAusIMM FIEAust MAICD as Chief Executive Officer, of the Company. Sam brings three decades of global mining and metallurgical leadership experience across Australia, South America, and Europe. He has held senior executive roles within Glencore Zinc, including Chief Operating Officer for Australia and Director of Operations in South America, where he oversaw complex mining portfolios, major operational ramp-ups, and strategic divestments.

Most recently, Sam served as Chief Operating Officer for Glencore Zinc Australia (Feb 2023 – Apr 2025), where he was responsible for the Mount Isa Complex, McArthur River Mine, Townsville Port and Refinery, and multiple underground and open-cut operations.

Sam holds a Bachelor of Minerals Processing Engineering (Hons) from the University of Queensland and is a Fellow of Engineers Australia, a Member of the Australasian Institute of Mining and Metallurgy, and a Member of the Australian Institute of Company Directors. With his proven track record in operational excellence, safety leadership, and stakeholder engagement, Sam will play a pivotal role in guiding the Jervois Project through development and construction and into operations and sustainability. Sam is based in Darwin and commenced employment on 27 January 2026. KGL will be opening an operations office in Darwin in early 2026 to facilitate stronger government and stakeholder relations.

This announcement has been approved by the Board of KGL Resources Limited

Use this QR code to sign into KGL's Investor Hub.

Tenements

Tenement Number	Location	Beneficial Holding
ML 30180	Jervois Project, Northern Territory	100%
ML 30182	Jervois Project, Northern Territory	100%
ML 30829	Jervois Project, Northern Territory	100%
EL 25429	Jervois Project, Northern Territory	100%
EL 30242	Mt Cornish, Northern Territory	100%
EL 28340	Yambah, Northern Territory	100%
EL 28082	Unca Creek, Northern Territory	100%
ML 32277	Lucy Creek Borefield, Northern Territory	100%

Mining Tenements Acquired/Granted and Disposed during the quarter*	Location	Beneficial Holding
Nil		

Tenements subject to farm-in or farm-out agreements	Location	Beneficial Holding
Nil		

Tenements subject to farm-in or farm-out agreements acquired or disposed of during the quarter	Location	Beneficial Holding
Nil		

Related Party Payments
As reported in the quarterly cash flow report part 6.1, amounts paid to related parties of $31k consist of directors' fees and expenses for the quarter.

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.

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.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity	
KGL Resources Limited	

ABN	Quarter ended ("current quarter")
52 082 658 080	31 December 2025

	Consolidated statement of cash flows	Current quarter $A'000	Year to date (6 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers – GST receipts	-	120
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(196)	(380)
	(e) administration and corporate costs	(360)	(1,644)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	38	109
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other	-	-
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(517)**	**(1,795)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	21	21
	(d) exploration & evaluation	(1,604)	(2,694)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other – payment of security deposits	-	-
2.6	**Net cash from / (used in) investing activities**	**(1,583)**	**(2,672)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	10,445	10,445
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	150	150
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(106)	(269)
3.7	Transaction costs related to loans and borrowings – lease interest	(3)	(8)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**10,186**	**10,018**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	2,729	5,265
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(517)	(1,795)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,583)	(2,672)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	10,186	10,018

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**10,815**	**10,815**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	1,166	1,166
5.2	Call deposits	9,500	9,500
5.3	Bank overdrafts	-	-
5.4	Other (security deposit)	149	149
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**10,815**	10,815

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	31
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-
7.5	**Unused financing facilities available at quarter end**		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	N/A		

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(517)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,604)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(2,121)
8.4	Cash and cash equivalents at quarter end (item 4.6)	10,815
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	10,815
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	5.10

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: NA

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: NA

8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
	Answer: NA
	Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 30th January 2026..

Authorised by: Kylie Anderson on behalf of the Board

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its Managing Director and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.