

KGL Resources Provides Supplemental Information for Proposed Debt Settlement

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Toronto, May 9, 2025 - [KGL Resources Ltd.](#) (TSXV: KGL.H) ("KGL" or the "Company") is providing supplemental information to assist shareholders in their consideration of the proposed debt settlement with [Loncor Gold Inc.](#) ("Loncor") announced in the Company's press release of March 25, 2025 (the "Debt Settlement") and for which additional details are provided in the Company's management information circular dated April 16, 2025 (the "Circular"), which has been filed by the Company on SEDAR+ (www.sedarplus.ca) and made available to shareholders. The matter will be considered at the Company's annual and special shareholders' meeting to be held in Toronto, Canada on Friday, May 30, 2025 (the "Meeting"). Under the Debt Settlement, the Company is proposing to settle \$620,000 of indebtedness owing to Loncor for cash loans and advances and interest thereon (the "Loncor Debt") by the issuance of 8,857,142 post-consolidated common shares at a deemed price of \$0.07 per share ("Debt Settlement Price") following a proposed 1 for 2 share consolidation (the "Share Consolidation"). The Debt Settlement is subject to completion of the Share Consolidation and all required shareholder and regulatory approvals, including the NEX Board of the TSX Venture Exchange ("NEX"). The Debt Settlement Shares will be subject to a 4-month hold period.

The directors of the Company have been searching for suitable assets or companies to acquire with a view to the re-activation of the Company. It has become evident in this search process that the Loncor Debt must be converted into equity to make the Company more attractive to transaction counterparties. The CEO's of the Company and Loncor undertook discussions regarding the settlement of the Loncor Debt between March 10 and March 23, 2025. The CEO of the Company is an officer of Loncor and therefore the negotiations and discussions were not conducted on an arm's length basis. The parties ultimately agreed on the Debt Settlement Price of \$0.07 per share based on the last trading price of the shares on the NEX on March 14, 2025 of \$0.035 per share and adjusted for the proposed 1 for 2 Share Consolidation ratio, which Share Consolidation is a condition of the Debt Settlement.

All three of the directors of the Company and all Company officers are directors, officers and/or employees of Loncor and were conflicted in their consideration of the proposed transaction. The directors of the Company approved the proposed Debt Settlement by written consent resolutions dated March 24, 2025 in which their conflicts of interest are disclosed, and subject to required shareholder and regulatory approvals. A debt settlement agreement was entered into by the parties on March 24, 2025 and the proposed transaction was announced by the Company by press release on March 25, 2025.

As all directors and officers of the Company are directors, officers and/or employees of Loncor, Loncor may be considered to be a person that manages or directs, to any substantial degree, the affairs or operations of the Company under an agreement, arrangement or understanding and therefore a "related party" and the Debt Settlement a "related party transaction" as those terms are defined in Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101") and TSX Venture Exchange Policy 5.9 ("Policy 5.9"). The Debt Settlement is therefore being carried out in accordance with the requirements of MI 61-101 and Policy 5.9. The Debt Settlement will be exempt from the valuation requirement of MI 61-101 and Policy 5.9 by virtue of the exemption set out in section 5.5(1)(b), as the Company's securities are not listed on certain specified markets. The Debt Settlement will however, not be exempt from the minority shareholder approval requirements of MI 61-101 and Policy 5.9 and this approval is being sought at the Meeting.

The Company is not aware of any prior valuation made within the 24 month period prior to April 16, 2025 in respect of the Company that relates to the subject matter of or is otherwise relevant to the Debt Settlement.

Shareholders who have already cast a vote on this matter by proxy or provided voting instructions in a Voting Information Form (VIF) and wish to change their vote, should refer to the instructions in the Circular under the heading "Revocation of Proxies".

For additional information please contact:

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