

KGL RESOURCES LTD.

FORM 51-102F3

MATERIAL CHANGE REPORT

1. Name and Address of Company

KGL Resources Ltd.
4120 Yonge Street, Suite 304,
Toronto, Ontario M2P 2B8

2. Date(s) of Material Change(s)

June 18, 2025

3. News Release

Press release attached as Schedule A hereto was released through the facilities of the Newsfile disclosure network on June 18, 2025.

4. Summary of Material Change

On June 18, 2025, KGL Resources Ltd. (the “Corporation”) completed a debt settlement transaction (the “Debt Settlement”) with Loncor Gold Inc. (“Loncor”), pursuant to which the Corporation issued 8,857,142 common shares at a deemed price of \$0.07 per share to Loncor to extinguish indebtedness owing to Loncor of \$620,000.

5. Full Description of the Material Changes

See press release attached as Schedule A hereto.

Under the Debt Settlement, the Corporation settled \$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 common shares at a deemed price of \$0.07 per share (“Debt Settlement Price”). The Debt Settlement Shares are subject to a 4-month hold period.

The directors of the Corporation have been searching for suitable assets or companies to acquire with a view to the re-activation of the Corporation. It became evident in this search process that it would be desirable for the Loncor Debt to be converted into equity to make the Corporation more attractive to transaction counterparties. The CEO’s of the Corporation and Loncor undertook discussions regarding the settlement of the Loncor Debt between March 10 and March 23, 2025. The CEO of the Corporation 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 Corporation's common shares on the NEX Board of the TSX Venture Exchange on March 14, 2025 of \$0.035 per share and adjusted for the then proposed 1 for 2 share consolidation, which was recently completed.

All three of the directors of the Corporation and all Corporation officers are directors, officers and/or employees of Loncor and were conflicted in their consideration of the proposed transaction. The directors of the Corporation 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 Corporation by press release on March 25, 2025. The debt settlement agreement contained customary terms and conditions for a transaction of this nature. The directors determined that the Debt Settlement was in the best interests of the Corporation as it allowed the Corporation to clean up its balance sheet without the outlay of any cash and makes the Corporation more attractive to potential reactivation transaction counterparties.

As all directors and officers of the Corporation 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 Corporation 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 was therefore carried out in accordance with the requirements of MI 61-101 and Policy 5.9. The Debt Settlement was 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 Corporation's securities are not listed on certain specified markets. The Debt Settlement was not exempt from the minority shareholder approval requirements of MI 61-101 and Policy 5.9 and minority shareholder approval was obtained at the Corporation's annual and special meeting of shareholders held on May 30, 2025 (the "Meeting").

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

This report is being filed subsequent to the closing of the Debt Settlement. It was reasonable to file this material change report less than 21 days prior to the closing of the transaction as all relevant information contained in this report was previously included in the

Corporation's information circular dated April 16, 2025 provided to shareholders in connection with the Meeting and in the Corporation's press release dated May 9, 2025 providing supplemental information for the Debt Settlement, both of which were disseminated and filed more than 21 days prior to the completion of the Debt Settlement.

6. Reliance on Confidentiality Provisions of Subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

7. Omitted Information

Not applicable.

8. Executive Officers

The following executive officer of KGL Resources Ltd. may be contacted for additional information:

Donat Madilo
Chief Executive Officer
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Toronto, Ontario M2P 2B8

Tel: (416) 360-3406

9. Date of Report

June 18, 2025

SCHEDULE "A"

FOR IMMEDIATE RELEASE

KGL Resources Announces Completion of Debt Settlement

TORONTO, June 18, 2025 – KGL Resources Ltd. (“**KGL**” or the “**Company**”) (NEX: KGL.H) announced today that it has completed its previously announced debt settlement (the “**Transaction**”) with Loncor Gold Inc. (“**Loncor**”) issuing 8,857,142 common shares (the “**Debt Settlement Shares**”) at a deemed issue price of \$0.07 per share to settle indebtedness of C\$620,000 owing to Loncor for cash loans and advances and interest thereon. The Debt Settlement Shares issued are subject to a 4-month holding period.

The Transaction was considered to be a “related party transaction” as that term is 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 Transaction was 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. Minority shareholder approval in accordance with the requirements of MI 61-101 and Policy 5.9 was obtained at the Company’s Annual and Special Meeting held on May 30, 2025.

TSX-listed Loncor of Toronto, Canada acquired direct ownership of 8,857,142 common shares of the Company pursuant to the Transaction. Loncor has advised the Company that it did not beneficially own or exercise control or direction over, directly or indirectly, any common shares of the Company prior to the Transaction. Following completion of the Transaction, Loncor has direct ownership of 8,857,142 common shares of the Company, representing approximately 60.23% of the number of issued and outstanding common shares of the Company on a non-diluted basis.

Loncor has advised that it has acquired the Debt Settlement Shares for investment purposes and does not have any present intention to acquire additional securities of the Company but may, depending on the market and other conditions, increase or decrease its beneficial ownership of securities of the Company, whether in the open market, by privately negotiated agreements or otherwise, subject to general market conditions and other available investment and business opportunities.

As a result of the Transaction, the ownership of shares of the Company by Arlington Group Asset Management Limited (“**Arlington**”) of London, England has been diluted to below 10%. Arlington has advised that following the Transaction it retains direct ownership of 897,000 common shares of the Company, representing approximately 6.1% of the number of issued and outstanding common shares of the Company on a non-diluted basis.

This early warning disclosure above is issued pursuant to National Instrument 62-103 – *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues*, which also requires a report to be filed with regulatory authorities in each of the jurisdictions in which the Company is a reporting issuer containing information with respect to the foregoing matters (the “**Early Warning Report**”). Each of Loncor and Arlington have confirmed that their Early Warning Report containing additional information with respect to the foregoing matters will be filed and made available under the SEDAR+ profile of KGL at www.sedarplus.ca.

For additional information or, in the case of Loncor and Arlington, to obtain a copy of its Early Warning Report, please contact:

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