

KFG Resources Ltd.

COMPANY PRESENTATION

January 2018

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This presentation contains forward-looking information relating to capital expenditures, future drilling, economic predictions, drilling costs, production rates, cash flow, investment payouts, valuations and other matters. These statements relate to future events or future performance. Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "budget", "plan", "estimate", "expect", "forecast", "may", "will", "project", "potential", "target", "intend", "could", "might", "should", "believe" and similar expressions. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking statements. Although we believe that the expectations forward reasonable there can be no assurance that reflected in the forward-looking statements are reasonable, such expectations will prove to be correct. We cannot guarantee future results, level of activity, performance or achievements and there is no representation that the actual results achieved will be the same, in whole or in part, as those set out in the forward-looking statements. The forward-looking statements contained in this presentation are expressly qualified by this cautionary statement. We undertake no obligation to update or revise publicly any forward-looking statements except as required by applicable securities legislation. The forward-looking statements made herein relate only to events or information as of the date on which the statements are made. The reader is cautioned not to place undue reliance on forward-looking statements

Some of the risks and other factors that could cause results to differ materially from those expressed in the forward-looking statements include, but are not limited to: general economic conditions in the United States and globally; governmental and environmental regulation of the oil and gas industry; geological, technical and drilling problems; unanticipated operating events; the ability to retain drilling rigs and other services; the availability of capital on acceptable terms; weather conditions, drilling success, resulting reserves production, ability to tie-in production, decline rates, commodity prices, exchange rates, interest rates; the need to obtain required approvals from regulatory authorities; stock market volatility; volatility in market prices for commodities; liabilities inherent in oil and gas exploration operations; and changes in tax laws and incentive programs relating to the oil and gas industry. Readers are cautioned that this list of risk factors should not be construed as exhaustive and the forward-looking statements contained herein speak as of the date of this presentation.

The material assumptions applied are: (i) drilling costs are maintained at expected levels; (ii) drilling results, reserves and production are within expectations; and (iii) oil prices remain at or above their current expected levels.

Financial outlook information contained in this presentation about prospective cash flows and financial position is based on assumptions about future events, including economic conditions and proposed courses of action, based on management's assessment of the relevant information currently available. Readers are cautioned that any such financial outlook information contained herein should not be used for purposes other than for which it is disclosed herein.

Certain disclosure in this presentation may constitute "anticipated results" for the purposes of National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities of the Canadian Securities Administrators because the disclosure in question may, in the opinion of a reasonable person, indicate the potential value or quantities of resources attributable to assets. Without limitation, the anticipated results disclosed in this presentation include certain disclosures with respect to estimated ultimate recoveries and future flow rates. Anticipated results are subject to numerous risks and uncertainties, including various geotechnical, geological, technical, operational, engineering, commercial and technical risks. In addition, the geotechnical analysis and engineering to be conducted in respect of such assets is incomplete. Such risks and uncertainties may render some such assets uneconomic or may cause the anticipated results disclosed herein to be inaccurate. Actual results may vary, perhaps materially.

In general, estimates of resources are based upon a number of factors and assumptions made as of the date on which the estimates were determined, such as geological, technological and engineering estimates and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in forward-looking estimates. These risks and uncertainties include but are not limited to: (1) the fact that there is no certainty that the zones of interest will exist to the extent estimated or that the zones will be found to have oil or gas with characteristics that meet or exceed the minimum criteria in terms of net pay thickness, or that the oil and/or gas will be commercially recoverable to the extent estimated; (2) risks inherent in the oil and gas industry; (3) the lack of additional financing to fund the company's exploration activities and continued operations; (4) fluctuations in foreign exchange and interest rates; (5) the number of competitors in the oil and gas industry with greater technical, financial and operations resources and staff; (6) fluctuations in world prices and markets for oil and gas due to domestic, international, political, social, economic and environmental factors beyond the company's control; (7) changes in government regulations affecting oil and gas operations and the high compliance cost with respect to governmental regulations; (8) potential liabilities for pollution or hazards against which the company cannot adequately insure or which the company may elect not to insure; (9) the company's ability to hire and retain qualified employees and consultants; (10) contingencies affecting the classification as reserves versus resources which relate to the following issues as detailed in the COGE Handbook: ownership considerations, drilling requirements, testing requirements, regulatory considerations, infrastructure and market considerations, timing of production and development, and economic requirements; (11) the fact that there is no certainty that any portion of prospective resources will be discovered and if discovered, there is no certainty that it will be commercially viable to produce any portion of the resources; and (12) other factors beyond the company's control.

Share Structure

Ticker Symbols	KFG – TSX Venture KFGRF – OTCBB
Ticker Price (October 31 st 2017)	\$0.05(CAD) – KFG.V \$0.0225(US) – KFGRF
Common Shares Issued	50,584,144
Options	Nil
Warrants	Nil
Insider Ownership	9,814,742 or 19.4%

Company Overview

Condensed Consolidated Statements of Financial Position At October 31, 2017 (Unaudited)

KFG Resources Ltd. Financial results are expressed in US Dollars. They have been converted into Canadian dollars based on the exchange rate of \$1.2892 on Oct.31, 2017

<u>Assets</u>	(\$US)	(\$CAD)
Cash on hand	\$ 770,771	\$ 993,678
Accounts Receivable	\$ 222,958	\$ 287,436
Prepaid Expenses	\$ 10,494	\$ 13,529
Exploration & Evaluation Assets	\$ 129,941	\$ 167,520
Property & Equipment	\$ 484,691	\$ 624,864
Total Assets	\$ 1,618,855	\$ 2,087,027
<u>Liabilities</u>		
Accounts Payable	\$ 348,182	\$ 448,875
Deposits From Co-Owners	\$ 321,169	\$ 414,051
Decommissioning Liability	\$ 195,736	\$ 252,342
Total Liabilities	\$ 865,087	\$ 1,115,269
Oil Reserves Total (April 30 2015)	128.7	Mbbl
Oil Reserves Total (April 30, 2016)	127	Mbbl
Oil Reserves Total (April 30, 2017)	126.8	Mbbl
Proved (April 30, 2017)	80.3	Mbbl
Probable (April 30, 2017)	46.5	Mbbl
Gas Reserves Total (April 30, 2017)	4.5	MMcf
NPV (- 10% Discount)	\$2.595	\$ 3.24 M

Additional information relating to the Company can be found on SEDAR at www.sedar.com.

Condensed Consolidated Income Statement For Six Months Ended October 31, 2017 (Unaudited)

KFG Resources Ltd. Financial results are expressed in US Dollars. They have been converted into Canadian dollars based on the exchange rate of \$1.2892 on Oct.31, 2017

6 Month Period Ending October 31, 2017

<u>Revenue</u>	(\$US)	(\$CAD)
Oil and gas	\$ 487,747	\$ 628,802
Management Fee's	\$ 163,848	\$ 211,232
Total Revenue	\$ 651,595	\$ 840,035
<u>Expenses</u>		
Automotive	\$ 23,140	\$ 29,832
Depletion & Amortization	\$ 78,621	\$ 101,358
Foreign Exchange Loss	\$ 447	\$ 576
Insurance	\$ 36,867	\$ 47,529
Interest Expense	\$ 1,114	\$ 1,436
Lease Operation Expense	\$ 178,090	\$ 229,594
Office & Misc	\$ 119,412	\$ 153,946
Rent	\$ 7,558	\$ 9,744
Salaries & Benefits	\$ 239,419	\$ 308,659
Total Expenses	\$ 683,774	\$ 881,521
Net Income(Loss) :	(\$ 32,179)	(\$ 41,486)

Average Sales Price For Oil: \$47.69

Average Number of Barrels Per Day: 64.80

Average Sale Price For Gas: 2.18

Cubic Feet Of Gas Per Day: 4.46

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Company Projects

- ▣ Mississippi – 1000 acres with 20 wells in production and 2-3 potential targets to drill

- ▣ Three possible lease payouts (From 6-9% to 18-22%)
 - Craig #3 Lease
 - Barnum Lease
 - Drouet Lease(Timing is undetermined due to fluctuating oil prices)

- ▣ Potential Production Purchases
 - 5.47% WI – Announced July 12th 2017
 - 1% WI – Announced October 19th 2017

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Directors

- ▣ Robert Kadane – 56 Years experience in Oil & Gas
- ▣ Stephen Guido – 36 Years experience in Oil & Gas
- ▣ Kevin Haney – 21 Years experience in Oil & Gas
- ▣ Giacomo Grassi – 13 Years combined experience in Retail, Wholesale, Marketing, and Mineral Exploration

Contact

Corporate Headquarters

150 -A Providence Road
Natchez, Mississippi 39120

T: 601.446.5219

E: kfgpetro@bellsouth.net

Investor Relations

Robert A. Kadane

T: 940.500.0807

E: robertkadane40@gmail.com

WWW.KFGRESOURCES.COM