

20th November 2023

ASX Market Announcements

**DRILLING INTERSECTS ENCOURAGING RARE EARTHS ASSAYS AT HOLEY DAM
GINDALBIE PROJECT, YILGARN CRATON – WESTERN AUSTRALIA**

HIGHLIGHT

Elevated Total Rare Earth Oxide (TREO) results from single meter re-sampling of the original 4m composite samples¹ of the saprolite zone above variably altered and quartz veined basaltic igneous rocks.*

New results from single metre re-sampling

HDRC001

- 4m @ 546ppm TREO from 24-28m and 6m @ 641ppm TREO from 52-58m including 1m @ 866ppm from 54-55m

HDRC002

- 1m @ 586ppm TREO from 20-21m and 5m 628ppm TREO from 48-54m including 1m @ 709ppm TREO from 50-51m and 1m @ 850ppm TREO from 53-54m.

High value Battery Metal Elements Pr (Praseodymium), Nd (Neodymium), Dy (Dysprosium) and Tb (Terbium) constitute between 20% and 30% of the individual sample assays.

Planned additional sampling to follow

PXRF scan all historic drill holes across the Holey Dam tenement for REE Ce (Cerium), La (Lanthanum), Y (Yttrium), Nd and Pr to select samples for laboratory assay of full REE suite.

Kaili Resources Limited (“KLR”) is pleased to announce the results of single meter re-sampling of the original 4 metre composite samples (see KLR ASX Announcement of 12 October 2023) from the RC drilling at the Holey Dam EL 27/550 tenement (**Figures 1 to 3**) for a total of 59 samples. The single meter REE focussed re-sampling follows up previous RC drilling and Aircore Drilling programs (**Figures 4 to 6 and Table 1**) at Holey Dam.

The initial focus of the Holey Dam exploration programs was gold with staged exploration involving geological mapping, soil sampling, Vacuum and Aircore drilling culminating with two RC holes in August 2023. While the gold results from the RC drilling have not been encouraging elevated TREO results were noted from the saprolite zone* overlying altered and veined mafic intrusive/extrusive rocks.

**The WA Geological Survey in a recent report (Record 2022/3) entitled “Extreme rare earth element enrichment in altered basaltic rocks of the Eastern Goldfields” concluded that accumulations of the weathering products (saprolite) from a range of REE-enriched rock types have the potential to form economically important regolith-hosted ion-adsorption deposits.*

The initial REE sampling within the saprolite zone involved 4m composites, with assays > 200ppm TREO being sub sampled at 1m intervals by ALS laboratory. The results indicate a zone of TREO enrichment at the base of the saprolite clays above partially weathered mafic rocks, this location is termed BOCO (Base of Complete Oxidation) and is just above the partially altered basalt or “saprock” as shown in **Figure 7**. Interestingly as can be seen in **Figure 7** the BOCO horizon shallows to the west and it is these more shallow horizons that will be the focus of a follow up Aircore drilling program.

KLR’s Chief Geologist Mark Derriman said:

“Our focus at Holey Dam has now shifted from gold to REE following the highly encouraging results of the single meter re-sampling of the original 4m composites with intervals of 6m @ 641ppm TREO and 5m @ 628ppm TREO in conjunction with single meter results of 850ppm and 866ppm TREO.

In addition, the elevated TREO intervals contain 20% - 30% of the valuable Magnetic Rare Earth Oxides (MREO) that are critical in the manufacture of permanent magnets.

We plan to scan all the Aircore drill intervals from Holey Dam Area E for the REE – Pr, Nd, Ce, Y and La with the Vanta pXRF with intervals > 200ppm and select samples for laboratory analysis of full set of REE.

We are encouraged by the WA Geological survey report that altered Archean basalts with distinctive REE enrichment patterns upon weathering can result in accumulations of REE mineralisation in the saprolite zone above fresh basalt.”

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REE SAMPLING FROM HOLEY DAM RC DRILLING IN AUGUST 2023

- Two holes were drilled at the Holey Dam Prospect to test for extensions of gold mineralisation and tourmaline alteration identified from prior drilling.
- **HDRC001** intersected four zones of elevated Total Rare Earth Oxides (TREO) hosted within mottled clays and saprolite, formed on dolerite. The rare earth mineralisation was possibly developed from supergene enrichment processes of the below rock units.
 - 4m Composite interval 24-28m returned 591.4ppm TREO
 - 12m Composite interval 52-64m returned 477.34ppm incl 1m @ 609.38ppm
- **HDRC002**
 - 4m Composite interval 48-52m returned 451.6ppm TREO
 - 52m-56m returned 453.7ppm TREO
 - 53m-54m returned 757.3ppm TREO
- Re-sampling of the individual metre intervals from these zones has been carried out to further delineate and identify potentially higher-grade rare earth mineralisation.

(see ASX announcements on 4th April 2022, 8th March 2023 3rd May 2023 and 12th October 2023 for background description of the previous exploration work and results).

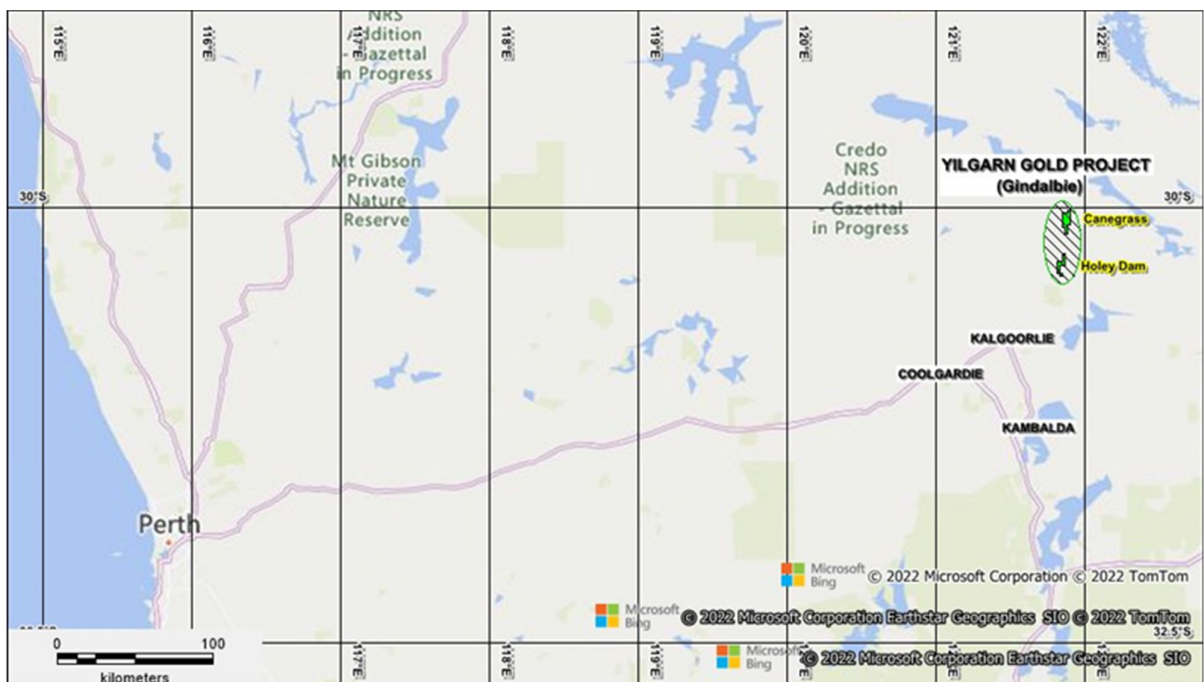


Figure 1: Yilgarn Tenements location of Kaili Resources Group

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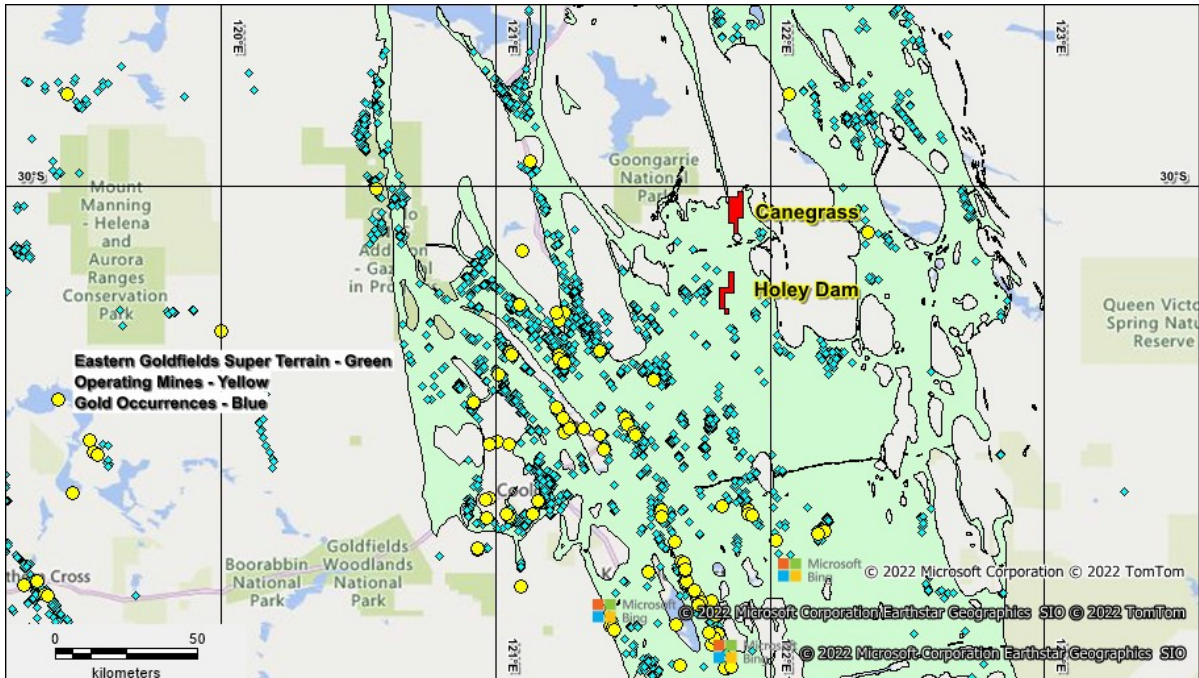


Figure 2: Eastern Goldfields Super Terrain and third parties Operating Mines

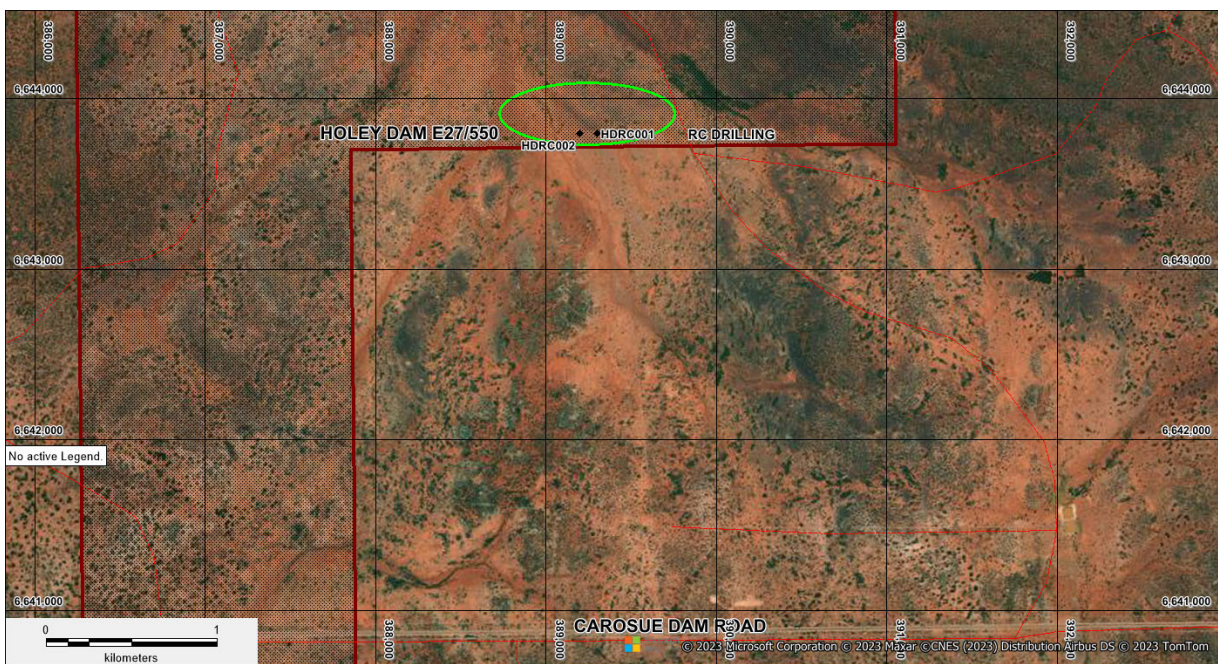


Figure 3: Holey Dam Drill Area in green

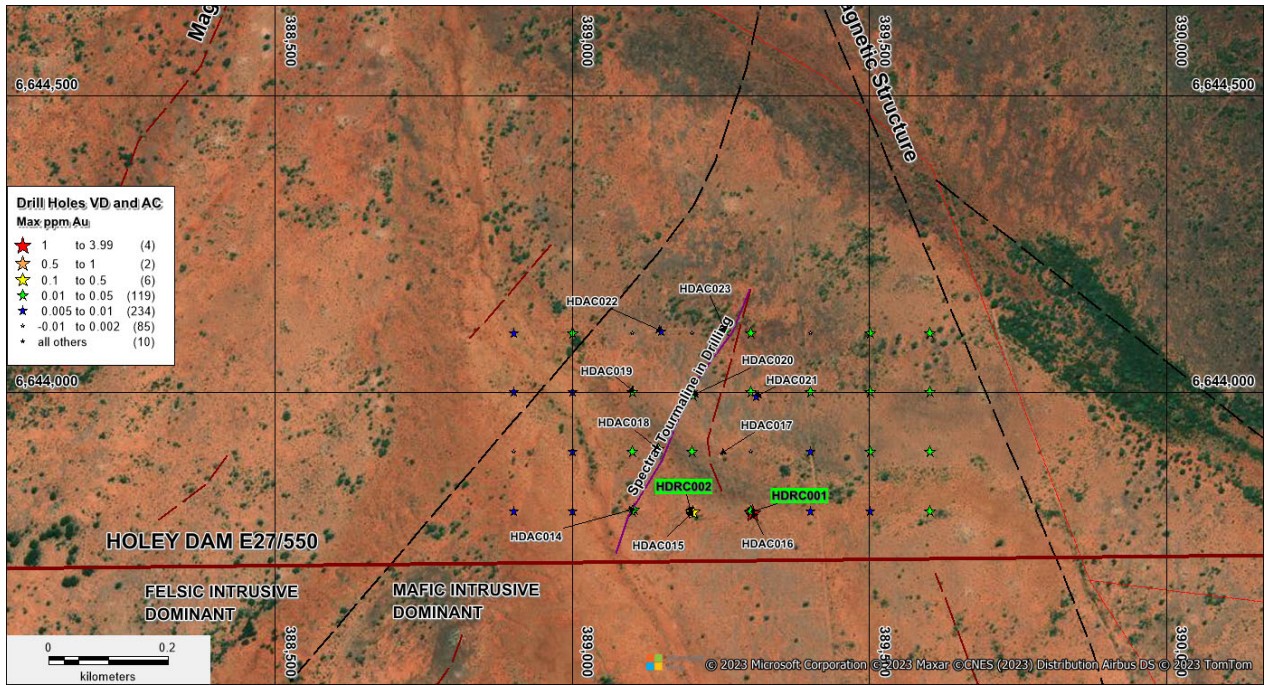


Figure 4: Hole Dam All Drilling Collars – Area E

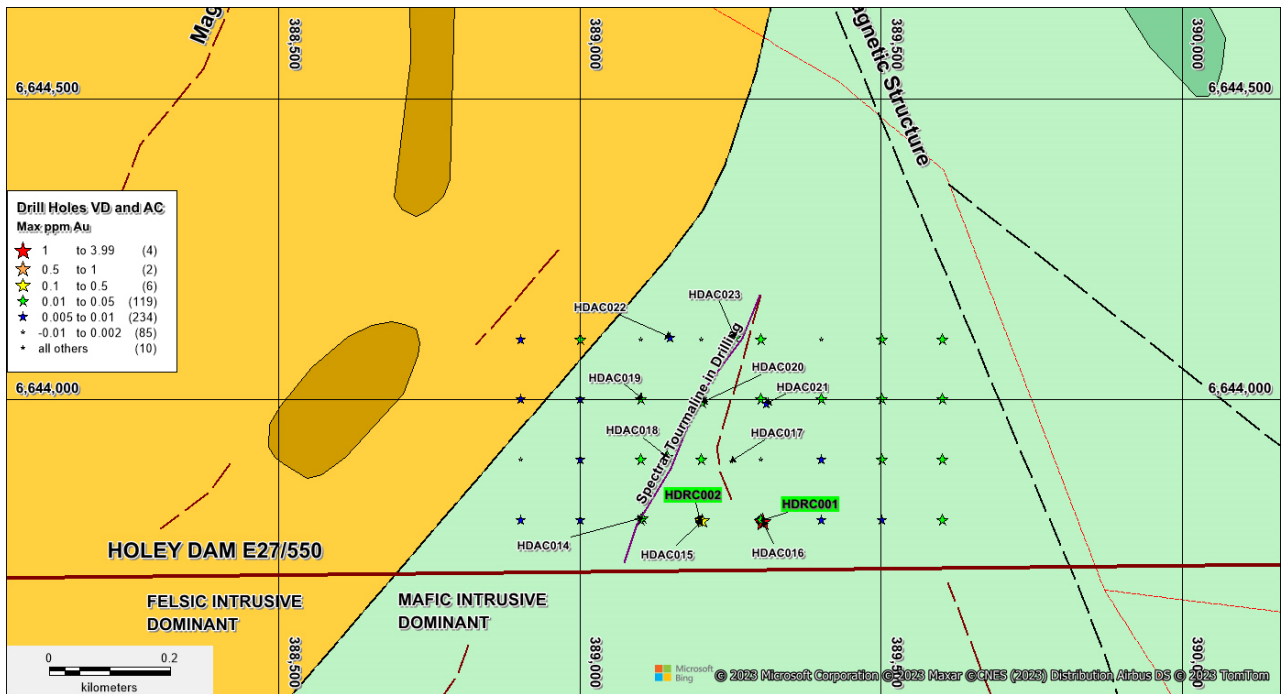


Figure 5: Hole Dam Area E Interpreted Geology and Structure with Aircore and RC Collars

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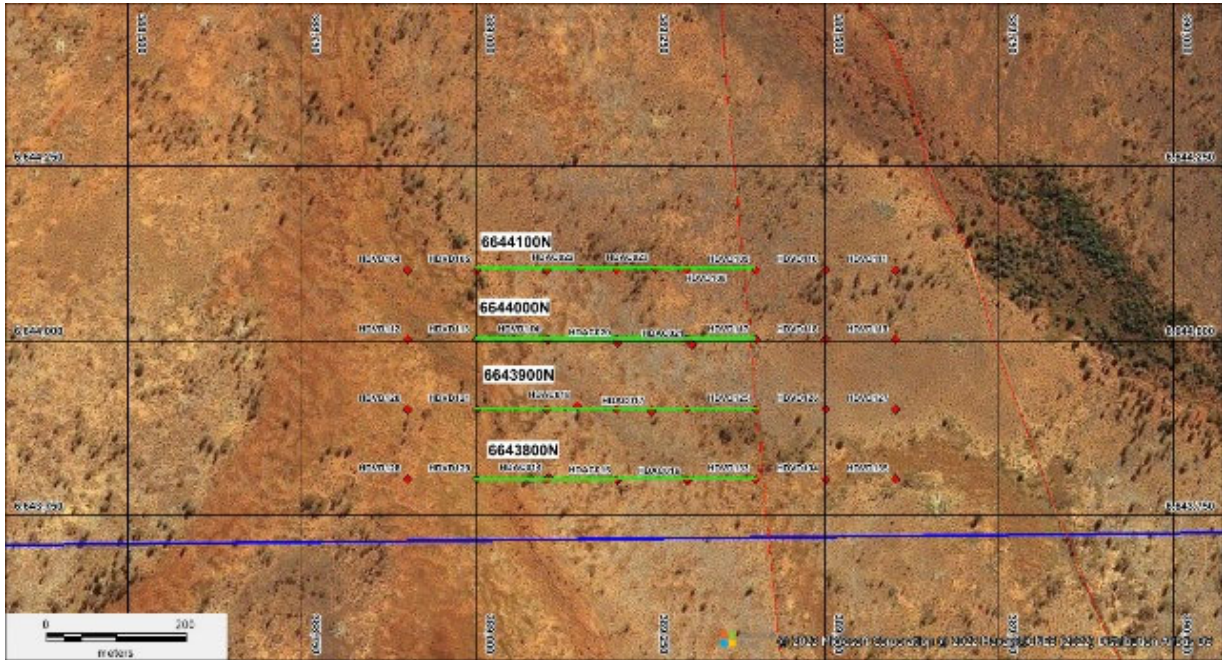


Figure 6: Holey Dam Area E Drill Collars and Section Lines – RC Holes HDRC001 and 002 were completed on Section Line 6643800N

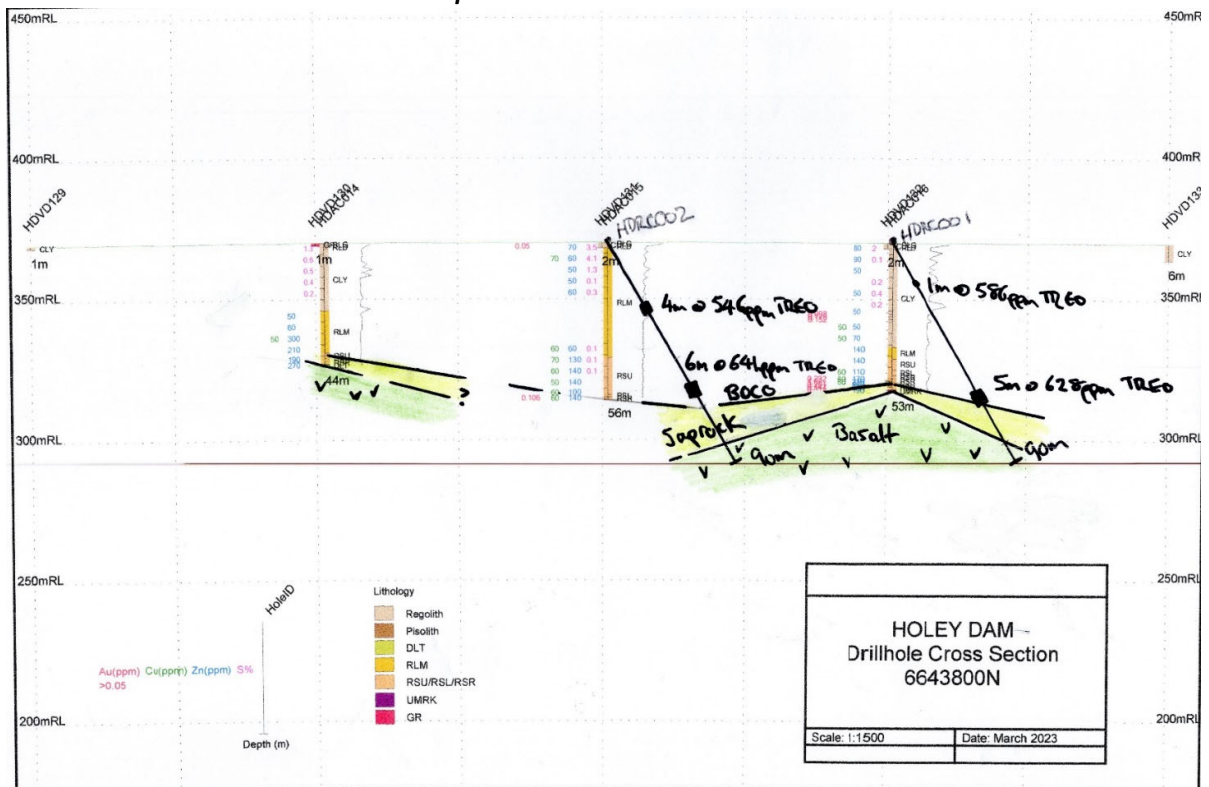


Figure 7: Holey Dam Area E Section 6643800N showing the elevated TREC ppm intervals in HDRC001 and 002

Prospect	Tenement	Hole ID	Easting_MGA94_Z51	Northing_MGA94_Z51	Dip (°)	Azimuth (°)	Planned Depth (m)	EOH (m)
Holey Dam	E27/550	HDRC001	389300	6643800	60	90	90	90
Holey Dam	E27/550	HDRC002	389200	6643800	60	90	90	90
Canegrass	E31/1133	CGRC008	389830	6672612	60	270	200	180
Canegrass	E31/1133	CGRC009	389809	6672503	60	270	200	200
Canegrass	E31/1133	CGRC010	389540	6672500	60	270	150	150
Canegrass	E31/1133	CGRC011	389720	6672373	60	270	150	150
Canegrass	E31/1133	CGRC012	555555	6672083	60	90	90	108
Canegrass	E31/1133	CGRC013	389897	6672083	60	90	90	90
Canegrass	E31/1133	CGRC014	389846	6672083	60	90	90	90
								1148

Table 1 Completed Gindalbie RC Drill Holes

Previous Related ASX Announcements:

- 3rd December 2020 – Drilling Results at Gindalbie Gold Project Yilgarn Craton WA*
- 17th February 2022 – Drilling Completed at Gindalbie WA*
- 4th April 2022 – RC Drilling Results at Canegrass, Gindalbie Project*
- 15th November 2022 – IP Survey Commences at Canegrass Yilgarn Gold Project WA*
- 9th December 2022 – IP Survey Completed at Canegrass WA*
- 30th January 2023 Quarterly Activities report*
- 27th February 2023 – Surface Exploration Commences at Canegrass WA*
- 8th March 2023 – Surface Exploration of IP Targets at Canegrass Completed*
- 5th April 2023 – Results of Surface Sampling at Canegrass WA*
- 27th April 2023 – Quarterly Activities Report*
- 3rd May 2023 - Soil Results from Surface Sampling at Canegrass WA*
- 10th July 2023 – RC Drilling Commences at Canegrass and Holey Dam WA*
- 3rd August 2023 RC Drilling Completed at Gindalbie Project (Canegrass/Holey Dam) WA*
- 12th October 2023 Gindalbie RC Drilling Results*

The Company reports that it is not aware of any new information or data that materially affects the information included in those announcements.

Competent Person Statement

The information in the report above that relates to Exploration Results, Exploration Targets and Mineral Resources is based on information compiled by Mr Mark Derriman, who is the Company’s Consultant Geologist and a member of The Australian Institute of Geoscientists (1566). Mr Mark Derriman has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activities which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves. Mr Mark Derriman consents to the inclusion in this report of matters based on his information in the form and context in which it appears.

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Forward-Looking Statement

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning planned exploration program and other statements that are not historical facts. When used in this document, the words such as “could”, “plan”, “estimate”, “expect”, “intend”, “may”, “potential”, “should” and similar expressions are forward-looking statements. Although Kaili Resources Limited believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

Authorised by.

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JORC Code, 2012 Edition – Table 1 Gindalbie Project_ (Holey Dam EL 27/550REE)

Results Received for Holey Dam RC Drilling– November 2023

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (e.g., cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g., 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g., submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> Reverse Circulation (RC) drilling was used to obtain 1m individual samples and 4m composites from the entire hole with the samples collected in pre numbered calico sample bags. Following the receipt of geochemical results 1m sub sampling will be completed on selected 4m composites The sampling technique was to obtain geochemical samples from the entire hole. Representative samples were collected from every meter and stored in plastic chip trays' Selective samples from the above 4m composites samples from the above drilling program in the saprolite zone were re sampled at 1m intervals where the Total Rare Earth Element values was > 200ppm and the results are reported in this announcement
Drilling techniques	<ul style="list-style-type: none"> Drill type (e.g., core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g., core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> Drilling was by Reverse Circulation Method The target zone is the Saprolite Zone above the Base of Oxidation Base of Oxidation (BOCO)
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> RC chips were collected every meter and a representative portion of each 4-meter sample was composited into a single sample for assay purposes and geological logging. Original results > 200ppm TREE were resamples as 1m intervals and submitted to ALS in Kalgoorlie
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies, metallurgical 	<ul style="list-style-type: none"> All RC drill chips were geologically logged. Every meter was stored in plastic chip trays and calico bags

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality, and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the <i>in-situ</i> material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> The original 4m composites collected comprised a speared sample of 4 individual 1m samples. For the sampling in this announcement selected 1m samples that comprised the original 4m composites were submitted to ALS separately. Duplicate and OREAS standards were inserted every 25th sample in the sequence Duplicate/OREAS standard/Duplicate/OREAS Standard etc. for the entire sampling of the 9 RC drill holes
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (e.g., standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e., lack of bias) and precision have been established. 	<p>Each sample was submitted to ALS in Kalgoorlie determination by method Au AA23 -30g with AAS finish</p> <p>Rare Earth Elements by MS81 method for Ba Ce Cr Cs Dy ErEu Ga Gd Hf Ho La Lu Nb Nd Pr Rb Sc Sm Sn Sr Ta Tb Th Ti Tm U V W Y Yb Zr with conversion factors use to convert element results to oxide results as below:</p> <p>Ce(1.1713), Dy(1,1477), Er(1.1435), Eu(1.1579), Gd(1,1526), Ho(1.1455), La(1.1728), Lu(1.1371), Nd(1.1664), Pr(1.1703), Sc(1.5338), Sm(1.1596), Tb(1.1510), Y(1.2699) and Yb(1.1387)</p> <p>MREO = Magnetic Rare Earth Oxides – Dy+ Pr+ Nd+ Tb</p> <p>LREO = Light Rare Earth Oxides – Dy+ Ce+ Eu+ Gd+ Las+ Nd+ Pr+ Sm</p> <p>HREO = Dy + Er + Ho + Lu + Sc + Tb + Y + Yb</p>

<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none">• <i>The verification of significant intersections by either independent or alternative company personnel.</i>• <i>The use of twinned holes.</i>• <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>• <i>Discuss any adjustment to assay data.</i>	<ul style="list-style-type: none">• <i>Geochemical data generated by the sampling was checked by the Site Project Geologist and the Database Manager Earth SQL</i>
<i>Location of data points</i>	<ul style="list-style-type: none">• <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>• <i>Specification of the grid system used.</i>• <i>Quality and adequacy of topographic control.</i>	<ul style="list-style-type: none">• <i>All drill holes have been initially surveyed using a hand-held GPS accurate to 3 meters.</i>• <i>The grid system used in MGA 94, Zone 51.</i>

Criteria	JORC Code explanation	Commentary
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>Whether the data spacing, and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> • <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> • Data spacing is appropriate for this stage of Exploration. • The drill spacing was designed to allow geochemical testing over broad areas • Two RC holes were drilled at Holey Dam
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit types.</i> • <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<ul style="list-style-type: none"> • The drillholes were inclined at -60 degrees and appropriate to test the base of saprolite/fresh rock interface
<i>Sample security</i>	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> • All samples were secured by field geologist and delivered to the laboratory after the drill program was completed.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> • The sampling techniques were reviewed by the principal of geological consulting company Rocktiger who supervised the work program

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> Drilling was completed in E27/550 The tenements are owned by Kaili Gold Ltd, a subsidiary of Kaili Resources Ltd. The tenements are located in Western Australia approximately 70 km south north of Kalgoorlie. The locality of Kookynie within the Shire of Menzies is the nearest locality. There are no JVs and Royalties There is a current native title claim lodged by the Maduwongga People. A Heritage survey was completed across all drill areas before drilling commenced. All sites were cleared to be drilled
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Previous exploration has been completed within the region and tenement footprint of EL 27/550 Rubicon drilled 1 line of (Rotary Air Blast Method) line in the

Criteria	JORC Code explanation	Commentary
Geology	<ul style="list-style-type: none"> • <i>Deposit type, geological setting, and style of mineralisation.</i> 	<ul style="list-style-type: none"> • The exploration target is Archaean mafic and felsic volcanics
Drill hole Information	<ul style="list-style-type: none"> • <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> ○ <i>easting and northing of the drill hole collar</i> ○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> ○ <i>dip and azimuth of the hole</i> ○ <i>down hole length and interception depth</i> ○ <i>hole length.</i> • <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i> 	<ul style="list-style-type: none"> • Hole collar information is detailed in the text of the announcement. • Hole collar survey has been completed using a handheld GPS and accurate to 3m.
Data aggregation methods	<ul style="list-style-type: none"> • <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g., cutting of high grades) and cut-off grades are usually Material and should be stated.</i> • <i>Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low-grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i> • <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> • N/A
Relationship between mineralisation widths and	<ul style="list-style-type: none"> • <i>These relationships are particularly important in the reporting of Exploration Results.</i> • <i>If the geometry of the mineralisation with respect to the drill hole widths and angle is known, its nature should be reported.</i> 	<ul style="list-style-type: none"> • All drill holes completed drilled at -60 degrees to the horizontal to test the lower saprolite/fresh rock interface

Criteria	JORC Code explanation	Commentary
<i>Intercept lengths</i>	<ul style="list-style-type: none"> If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g., 'down hole length, true width not known'). 	
<i>Diagrams</i>	<ul style="list-style-type: none"> Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> A map showing the drill collars in relation to E27/550 is included in the announcement.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced avoiding misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> Exploration results are included with this announcement.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<ul style="list-style-type: none"> All geological data collected as part of the drilling is included in this announcement.
<i>Further work</i>	<ul style="list-style-type: none"> The nature and scale of planned further work (e.g., tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> The next phase of exploration is a full review of the drilling data and planning for deeper drill testing down dip and along strike Previous aircore drilling in the saprolite clay zone will be scanned for Rare Earth Elements Y, Ce, Nd, Pr and La using the Companies m Series Vanta pXRF with samples containing > 200ppm Y + Ce + Pr + Nd + La being sent to ALS in Kalgoorlie for the full REE suite.

