

25th March 2024

ASX Market Announcements

**AIRCORE DRILLING RESULTS FOR RARE EARTH ELEMENTS EXPLORATION
AT LAMEROO, EL 6856, LIMESTONE COAST, SOUTH AUSTRALIA**

SUMMARY OF TREO PPM DRILLING INTERSECTIONS

1m @ 356 ppm from 18 m - 19 m LMAC046

1m @ 271 ppm from 2 m - 3 m LMAC032

1m @ 228 ppm from 19 m - 20 m LMAC047

Magnetic (Battery) Rare Earth Oxides - MREO (Tb+ Dy+ Pr+ Nd) comprise on average 17% of the Total Rare Earth Oxides - TREO

(Oxide conversion factors for each element are included in the JORC Table)

Kaili Resources Limited (the “Company”) has received the results from the initial air core drilling program conducted in February 2024 at the Lameroo EL 6856 Project in South Australia (**Figure 1**).

The drilling sites were selected based on studies carried out to date by the Company and the information obtained from pXRF scans and laboratory assays for Rare Earth Elements (“REEs”) of a selection of core and drill chips from historic drilling that were available at the SA Mines Department.

In this initial program that aims to identify areas of potential with minimum disruptions on private land, the holes were drilled along roadside verges with local council approvals and purposely widely spaced to cover a significantly large area across the target Loxton/Parilla Sands stratigraphy (**Figure 2**). A total of 40 holes to an average depth of 17 m (maximum depth 20 m) for 800 m of drilling were completed.

Principal Geologist commented:

*“This low cost initial drilling program for REEs has provided additional information for review in conjunction with the detailed geological logging that have been completed to direct our focus for subsequent drilling programs. The Lameroo Project is one of three granted tenements (**Figure 1**) that include Karte and Coodalya targeting the REE enriched Loxton/Parilla Sands within the Murray Darling Basin”.*

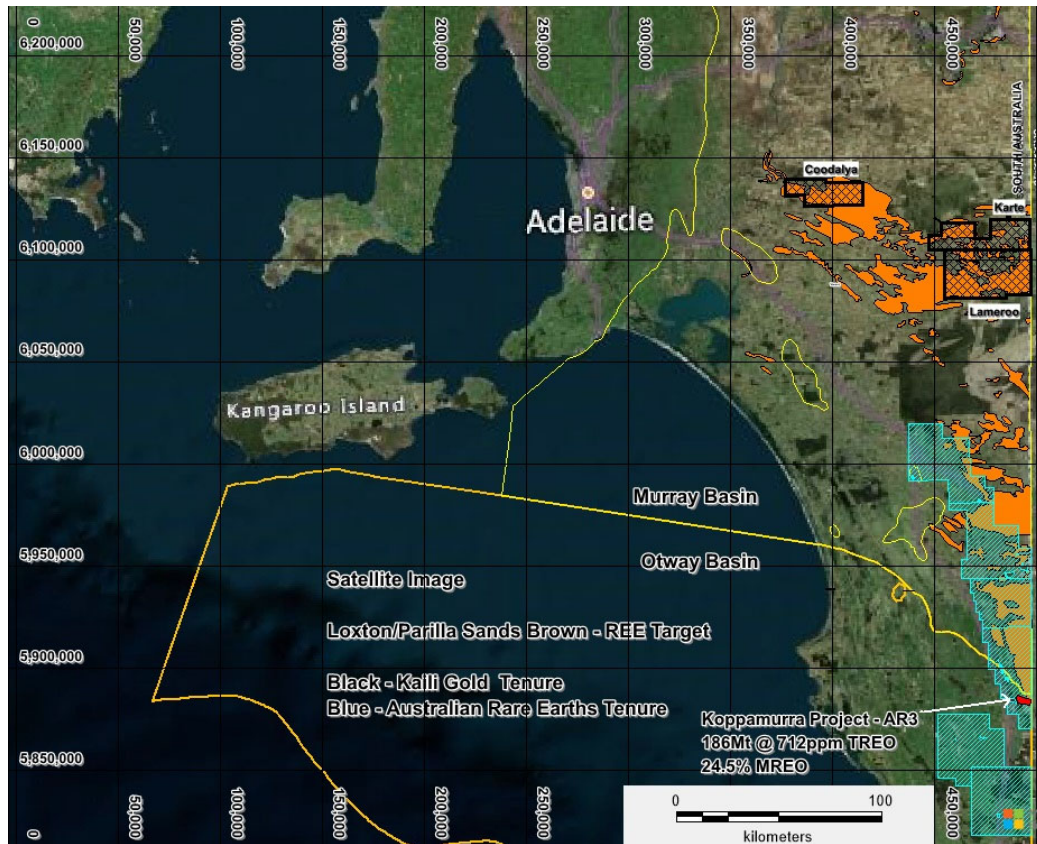


Figure 1: Location of Granted Lameroo, Karte and Coodalya Rare Earth Exploration Tenements in Murray Basin South Australia

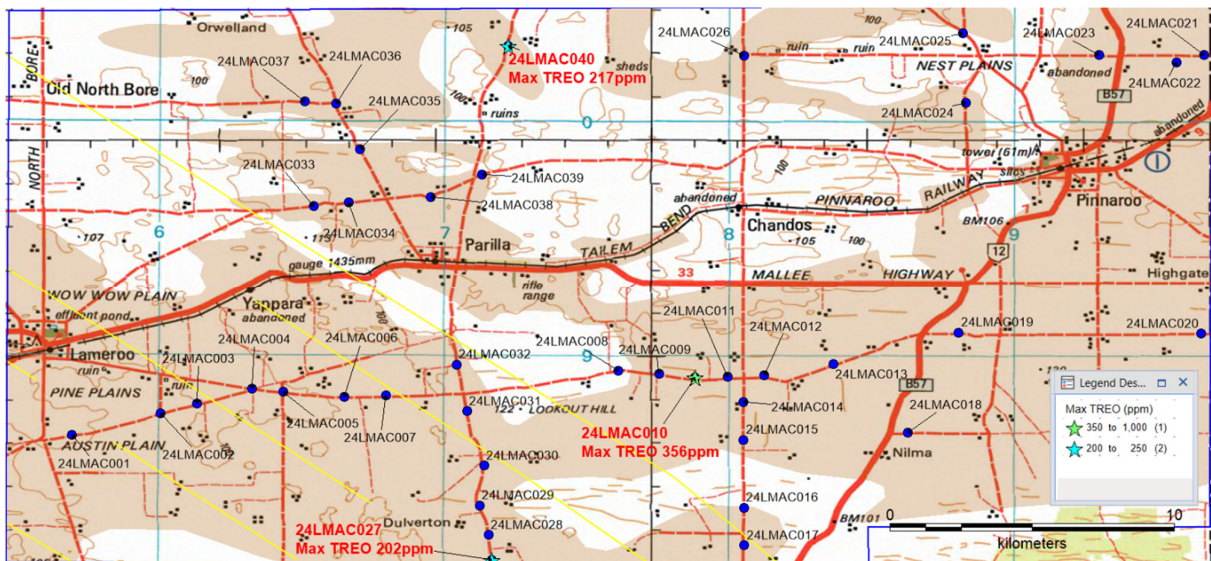


Figure 2: Location of Lameroo Aircore Drill Holes (LM series) within the target Loxton/Parilla Sands (brown) and showing maximum ppm TREO in the hole

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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.

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.

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JORC Code, 2012 Edition – Table 1 Lameroo (EL 6856) Drilling Results Received

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg 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 (eg '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 (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> 3kg samples were collected in prenumbered calico bags for every meter. The drilling was completed on the 6th February 2024 The samples were sent to the ALS Geochemical Laboratory in Adelaide A hand-held Garmin GPS unit was used to record the drill collars as MGA 2020 Zone 54 OREAS standard 465 and a blank were inserted into the sample sequence every 30th sample. Duplicate samples were also collected every 50th sample
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg 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"> Forty(40) vertical aircore holes were completed for 800m. Drilled by GPS Drilling Drilling along district council verges Holes were not oriented
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"> A 3kg split was collected for every meter in a pre-numbered calico bag, the remainder of the meter interval was put back down the hole as part of the rehabilitation. There was little contamination, and the holes were dry The visual estimation was that the recovery was very good. Every effort was made by the drillers to maximise recovery. A representative sample of every meter was collected in pre numbered plastic chip trays All chip trays and rehabilitation were photographed

Criteria	JORC Code explanation	Commentary
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 and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> The drill holes were logged by an experienced geological contractor employed by Perth Based Consultancy Speccy Science(SS) The detail of the logging is appropriate for the early stage of exploration. Every meter was logged individually
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 in-situ 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"> All of the sample was collected and placed in prenumbered calico bags. The meter samples were scanned initially with the Companies Evident Vanta pXRF and based on the pXRF readings and detailed logging 148 samples (each sample being a meter of drilling) were selected to be sent to ALS for full multi element geochemical analyses This is appropriate for the early level of exploration and appropriate for the material being sampled.
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 (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	<ul style="list-style-type: none"> All samples were placed into pre numbered polywoven bags and sent to ALS in Adelaide for method ME-MS81 using a 0.1g sample The analyses were by a lithium borate fusion and IPP-MS analyses that provides the most quantitative analytical approach for a broad suite of trace elements. 2kg of the sample was split and dry crushed < 75 microns (Prep 2,3) Drill Samples (Lower Limit of Detection/Upper Limit of Detection) – Ba(0.5/10000),, Ce(0.1/10000), Cr(5/10000), Cs(0.01/10000),Dy(0.05/1000), Er(0.02/1000),EU(0.02/1000 Ga(0.1/1000), Gd(0.05/1000), Hf(0.05/1000), Ho(0.01/1000), La(0.1/10000), Lu(0.01/1000), Nb(0.1/2500), Nd(0.1/10000), Pr(0.02/1000), Rb(0.2/10000), Sc(0.5/500), Sm(0.03/1000), Sn(0.5/10000), Sr(0.1/10000), Ta(0.01/1000), Tb(0.01/1000), Th(0.05/1000), Ti(0.01/10%), Tm(0.01/1000), U(0.05/1000), V(5/10000), W(0.5/10000), Y(0.1/10000), Yb(0.03/1000) and Zr(1/10000)(A table is included in the announcement showing all geochemical results). The detection limits are in brackets are ppm unless indicated

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> • Evident Vanta • Soil – the following elements were analysed Cu, Pb, Zn, As, Sb, Bi, Hg, P, S, Cl, K, Ca, Ti, V, Cr, Mn, Fe, Co, Ni, Rb, Sr, Y, Zr, Mo, Cd, Sn, W, Th, U, Te, Nb, Sc, Pr, Nd, Ce, La. (These results are not included in the report. <ul style="list-style-type: none"> • Oxide Conversion Factors for REE's: Ce2O3(1.1713), Dy2O3(1.1477), Er2O3(1.1435), Gd2O3(1.1526), Ho2O3(1.1455), La2O3(1.1728), Lu2O3(1.1371), Nd3O3(1.1664), Pr6O11(1.2082), Sc2O3(1.5338), Sm2O3(1.1596), Tb4O7(1.1762), Y2O3(1.2669) and Yb2O3(1.1387
Verification of sampling and assaying	<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"> • Sample sites were chosen by the Speccy Science Principal Geologist and verified by the site geologist. • All primary data, data entry procedures, data verification and electronic data storage is per Kaili procedures. • All drill collars was based on hand-held GPS sample locations. • Appropriate sampling techniques were used based on discussions with ALS laboratory
Location of data points	<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"> • All drill collars were initially surveyed using a hand-held GPS accurate to 3 meters. • The grid system used in MGA 2020 Zone 54.with the drill collars located in the field with a hand-held GPS using the MGA 2020 Zone 54datum. • There is little height variation across the area of drilling
Data spacing and distribution	<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"> • Drill spacing is appropriate for this stage of Exploration. • Sample spacing was designed to allow appropriate anomaly definition for this early stage of exploration.
Orientation of data in relation to	<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 type.</i> • <i>If the relationship between the drilling orientation and the orientation</i> 	<ul style="list-style-type: none"> • Drill traverses were designed along road verges with available sites for an aircore drilling operation targeting the flat lying Loxton Parilla Sands to an average depth of 17m and maximum depth of 20m.

Criteria	JORC Code explanation	Commentary
<i>geological structure</i>	<i>of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	
<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 sampling program was completed by the Speccy Science Senior Geologist
<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 technique was reviewed onsite by Speccy Science and the site geologist.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> <i>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.</i> <i>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.</i> 	<ul style="list-style-type: none"> Drilling completed in EL 6856 (Lameroo), in South Australia, Australia The tenements are owned by Kaili Gold, a subsidiary of Kaili Resources Limited. The tenements are located in South Australia approximately 300km east of Adelaide Lameroo and Pinaroo are the nearest town There are no JVs and Royalties There are no Native Title claimants The tenements are located in the Limestone Coast Inspectorate
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> Churchill explored for diatomite bearing siltstone in the top of the Parilla sand in the central portion of the licence. Agricola Minerals for diatomite deposits near the town of Germanium bearing siltstone in the top of the Parilla sand in the central portion of the licence following the work of Churchill who didn't measure absorbencies – no diatomite indicated.. Iluka Resources explored for heavy minerals across the tenement with rutile and zircon not being abundant.
<i>Geology</i>	<ul style="list-style-type: none"> <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> Loxton/Parilla Sands of the Murray Basin, ionic clay hosted REE mineralisation.

Criteria	JORC Code explanation	Commentary
<i>Drill hole Information</i>	<ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> ○ easting and northing of the drill hole collar ○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar ○ dip and azimuth of the hole ○ down hole length and interception depth ○ hole length. • 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. 	<ul style="list-style-type: none"> • All drill collar information is included in a Table in the announcement
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> • In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. • 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. • The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> • The sample results were reported a single meter assays and there was no sample aggregation
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> • These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). 	<ul style="list-style-type: none"> • The mineralisation is located in the Murray Basin and the target is the flat or near flat lying Loxton/Perilla sands. • the sampling is appropriate for this level of exploration
<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 table showing the drill collar locations in relation to EL 6856, 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 to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> • All exploration results for the multi elements are included a tables in the announcement
<i>Other substantive</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 	<ul style="list-style-type: none"> • There is no other relevant information to add

Criteria	JORC Code explanation	Commentary
<i>exploration data</i>	<i>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.</i>	
<i>Further work</i>	<ul style="list-style-type: none"> • <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> • <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> • Infill and extension drilling along the road verges ahead of more closely spaced drilling within freehold land parcels adjacent to the road drilling sited within EL 6856.

Client	Tenement	Project	HoleID	E_MGA20_Z54H	N_MGA20_Z54H	Dip (°)	Azimuth (°)	Depth (m)	Date Drilled
KLR	EL6856	Lameroo	24LMAC001	456937	6086525	0	360	20	3/02/2024
KLR	EL6856	Lameroo	24LMAC002	460050	6087466	0	360	20	3/02/2024
KLR	EL6856	Lameroo	24LMAC003	461338	6087889	0	360	20	3/02/2024
KLR	EL6856	Lameroo	24LMAC004	463269	6088529	0	360	20	3/02/2024
KLR	EL6856	Lameroo	24LMAC005	464366	6088419	0	360	20	3/02/2024
KLR	EL6856	Lameroo	24LMAC006	466500	6088208	0	360	20	3/02/2024
KLR	EL6856	Lameroo	24LMAC007	467960	6088260	0	360	20	3/02/2024
KLR	EL6856	Lameroo	24LMAC008	476113	6089338	0	360	20	3/02/2024
KLR	EL6856	Lameroo	24LMAC009	477542	6089239	0	360	20	3/02/2024
KLR	EL6856	Lameroo	24LMAC010	478801	6089077	0	360	20	3/02/2024
KLR	EL6856	Lameroo	24LMAC011	479962	6089092	0	360	20	3/02/2024
KLR	EL6856	Lameroo	24LMAC012	481224	6089153	0	360	20	4/02/2024
KLR	EL6856	Lameroo	24LMAC013	483656	6089636	0	360	20	4/02/2024
KLR	EL6856	Lameroo	24LMAC014	480513	6088030	0	360	20	4/02/2024
KLR	EL6856	Lameroo	24LMAC015	480519	6086402	0	360	20	4/02/2024
KLR	EL6856	Lameroo	24LMAC016	480545	6083497	0	360	20	4/02/2024
KLR	EL6856	Lameroo	24LMAC017	480551	6081902	0	360	20	4/02/2024
KLR	EL6856	Lameroo	24LMAC018	486271	6086710	0	360	20	4/02/2024
KLR	EL6856	Lameroo	24LMAC019	488059	6091013	0	360	20	4/02/2024
KLR	EL6856	Lameroo	24LMAC020	496575	6090970	0	360	20	4/02/2024
KLR	EL6856	Lameroo	24LMAC021	496675	6102893	0	360	20	4/02/2024
KLR	EL6856	Lameroo	24LMAC022	495709	6102591	0	360	20	4/02/2024
KLR	EL6856	Lameroo	24LMAC023	492974	6102889	0	360	20	4/02/2024
KLR	EL6856	Lameroo	24LMAC024	488288	6100859	0	360	20	5/02/2024
KLR	EL6856	Lameroo	24LMAC025	488199	6103813	0	360	20	5/02/2024
KLR	EL6856	Lameroo	24LMAC026	480493	6102859	0	360	20	5/02/2024
KLR	EL6856	Lameroo	24LMAC027	471702	6081245	0	360	20	5/02/2024
KLR	EL6856	Lameroo	24LMAC028	471583	6082304	0	360	20	5/02/2024
KLR	EL6856	Lameroo	24LMAC029	471268	6083571	0	360	20	5/02/2024
KLR	EL6856	Lameroo	24LMAC030	471415	6085269	0	360	20	5/02/2024
KLR	EL6856	Lameroo	24LMAC031	470814	6087611	0	360	20	5/02/2024
KLR	EL6856	Lameroo	24LMAC032	470444	6089595	0	360	20	5/02/2024
KLR	EL6856	Lameroo	24LMAC033	465388	6096387	0	360	20	5/02/2024
KLR	EL6856	Lameroo	24LMAC034	466621	6096553	0	360	20	6/02/2024
KLR	EL6856	Lameroo	24LMAC035	467006	6098834	0	360	20	6/02/2024
KLR	EL6856	Lameroo	24LMAC036	466159	6100774	0	360	20	6/02/2024
KLR	EL6856	Lameroo	24LMAC037	465081	6100846	0	360	20	6/02/2024
KLR	EL6856	Lameroo	24LMAC038	469508	6096801	0	360	20	6/02/2024
KLR	EL6856	Lameroo	24LMAC039	471312	6097755	0	360	20	6/02/2024
KLR	EL6856	Lameroo	24LMAC040	472192	6103233	0	360	20	6/02/2024

Table with columns: Raw Lab Assays, HoleID, SampleID, DepthFrom, DepthTo, Ce_ppm, Cs_ppm, Dy_ppm, Er_ppm, Eu_ppm, Gd_ppm, Ho_ppm, Hf_ppm, La_ppm, Lu_ppm, Nd_ppm, Pr_ppm, Sc_ppm, Sm_ppm, Tb_ppm, Tm_ppm, Y_ppm, Yb_ppm, TReO_ppm, TLReO_ppm, THREO_ppm, MREO_ppm, TREE_Lab_ppm. The table contains data for 24LMAC020 through 24LMAC040, with 20 rows per hole ID.

Table with 27 columns: Raw Lab Assays, HoleID, SampleID, DepthFrom, DepthTo, Ce_ppm, Cs_ppm, Dy_ppm, Er_ppm, Eu_ppm, Gd_ppm, Ho_ppm, Hf_ppm, La_ppm, Lu_ppm, Nd_ppm, Pr_ppm, Sc_ppm, Sm_ppm, Tb_ppm, Tm_ppm, Y_ppm, Yb_ppm, TReO_ppm, TLReO_ppm, THREO_ppm, MREO_ppm, TReE_La_ppm. Rows include assay IDs like 24LMAC001 and data points for various elements.