

25th October, 2025

ASX Limited
ASX Compliance

Your Reference: 114018

By email to: ListingsComplianceSydney@asx.com.au

Attention: Alan Zhao – Senior Adviser

Dear Alan,

Kaili Resources Limited (“KLR”): ASX Aware Letter

We refer to your letter dated 22nd October, 2025 and provide information to the questions as numbered in the letter.

- 1.1 Yes. To the extent that the pXRF results of scanned samples confirm the existence or otherwise of Rare Earth Elements (“REEs”) in the samples collected although the indicative results from pXRF which may not be final, should be considered as a preliminary indication only and subject to confirmation by laboratory assay and is a partial analysis. Results from pXRF analysis can vary from laboratory assay and confirmatory laboratory assays are required. There is no certainty that the pXRF indicative results will equate to the final laboratory assays.

The Vanta pXRF equipment can only determine the existence of 5 of the REEs out of a total of 14 REEs which make up the Total Rare Earth Elements (“TREEs”). The individual REEs laboratory assays are then converted to oxides by the use of a conversion factor to determine Total Rare Earth Oxides (“TREO”). The competent person determines which samples that have been scanned by the pXRF are to be sent to the laboratory. For KLR the pXRF results help in reducing the number of samples being sent to the laboratory and therefore reducing laboratory costs.

- 1.2 No. it is only to inform investors that the pXRF readings while indicative, partial in nature and only able to measure 5 of the 14 REEs require confirmation by laboratory assays for use in future exploration activities, e.g. grid based drilling. In KLR’s view the timing for the announcement of final assay results is not critical and the statement on expectation of “mid-November” is an indication only as KLR has no control on the laboratory work schedule for completion of the assays and there is no certainty on the timing.

- 1.3 No. Such delay is not unusual to occur for exploration activities over which KLR has no control and is dependent on external service providers work schedule. The announcement on 15 September 2025 is a “may be expected” indication on timing of the final assay results based on the assumption that the geological firm conducting the pXRF reading may take 1 week to scan all the samples and that the scanning exercise is started immediately and the laboratory may take 2-3 weeks to conduct the assay. The actual pXRF reading commenced about 2 weeks after KLR’s completion of the drilling because of the service provider’s other work commitments. KLR was not aware of that delay occurring at the time and does not believe that small procedural delays on an initial drilling program can have material effect on its share price, having regards to past experience. The actual reading of the 972 samples took in excess of 1 week to complete. As explained in item 1.2 above the timing of announcement of results cannot be assumed to be on a firm date. A reasonable person investing in exploration entities should wait for the announcement when results have been received and recognise that delays do occur during exploration activities which can be impacted by a variety of factors.
2. The results of the pXRF readings are market sensitive as marked on the ASX announcement, however KLR does not consider the delay in completing the conduct of the pXRF readings to be market sensitive unless one is speculating on the timing of an announcement. KLR has not encouraged speculation in providing an indicative time for announcement of results. See the explanations under items 1.1, 1.2 and 1.3 above. KLR does not believe that the change in the share price during the period from 16 to 21 October 2025 to be due the delay in timing of announcement of results but may be due to general market conditions and, perceptions and nature of results.
3. The initial incomplete information in question 1.1 was provided to the management of KLR by an email from the consultant geologist after close of business on 15 October 2025. The information was further developed by the consultant geologist on 16 October 2025 with a first draft of an announcement for review by the directors. One director to review the announcement was on a plane going overseas on 15 October 2025 and accessed the information from Friday 17 October 2025 which was subsequently released on Monday 20 October 2025. The different time zones between Sydney and the overseas location of the director were partly responsible for the longer time taken to finalise a release to be approved by the competent person on Monday 20 October 2025.

Regarding item 1.2, KLR had at the completion of the drilling program already planned for samples indicating high grade mineralisation to be tested at the laboratory as stated in the ASX Release of 15 September 2025.

With respect to item 1.3, KLR did not consider a delay in completing the pXRF reading to be market sensitive that requires progressive announcements because delays in completing such activities is quite common during exploration programs and of dependence on service providers who have to schedule their work program. KLR being a small client with a small drilling program has limited influence on such schedule. KLR became aware of the delay as an awaited last batch of results was received one week before the consultant geologist was able to finalise his analysis to produce a draft announcement of the results for the directors to consider. KLR was also competing for the consultant geologist's time who has other clients to attend to.

4. KLR cannot make an announcement on any drilling results until the consultant geologist, who is the competent person of KLR for the purpose of reports on exploration under the Listing Rules, has completed his analysis and report to his satisfaction. The complete draft report was first received by KLR on Thursday 16 October 2025 and the consultant geologist has not been available on Friday 17 October 2025 due his other clients' commitments. He completed his review on Monday 20 October 2025 after comments were provided to him on Sunday 19 October 2025. The announcement was made on Monday 20 October 2025 the same day as the competent person has approved the contents of the release to ASX.
5. KLR confirms it is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
6. The responses to the questions put by ASX have been authorised and approved by the Board of Directors.

Competent Person Statement

The information above that relates to Exploration Results, Exploration Targets and Mineral Resources is based on information compiled by Mr Mark Derriman, who is KLR'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.

On behalf of the Board of Directors



Patrick Sam Yue
Company Secretary

22 October 2025

Reference: 114018

Mr Patrick Sam Yue
Company Secretary & Director
Kaili Resources Limited
Suite 1312, 87-89 Liverpool Street
Sydney, NSW 2000

By email only.

Dear Mr Sam Yue

Kaili Resources Limited ('KLR'): ASX Aware Letter

ASX refers to the following:

- A. KLR's announcement titled "Aircore Drilling Completed at Lameroo, Coddalya, and Karte, Limestone Coast, South Australia" released on the ASX Market Announcements Platform ('MAP') on 15 September 2025, which disclosed [emphasis added]:

*"54 holes (Figure 2) each of up to 18 metres deep have been drilled for a total of 973 metres. 973 samples have been collected for pXRF scan in the next few days to identify the presence of REEs. The samples presenting indicative high grade of mineralisation will be sent to ALS Laboratory in Adelaide for assay to confirm the grade of Total Rare Earth Oxide. **Final assay results may be expected in mid-October 2025 and will be announced when received.**"*

- B. KLR's announcement titled "Aircore Drilling Results at Lameroo, Coodalya, and Karte in South Australia" (the 'Announcement') released on the ASX Market Announcements Platform at 7:19 PM on 20 October 2025 and marked as "market-sensitive" disclosing the following:
- 1.1 KLR has identified 4 significant total rare earth element results from 972 samples collected from 54 holes, each of up to 18 metres deep, being 25 CDAC019 7-9m, 25 CDAC005 16-17m, 25 KTAC022 1-2m and 25KTAC013 13-14m.
 - 1.2 The samples presenting indicative high grade of mineralisation will be sent to ALS Laboratory in Adelaide for assay to confirm the grade of total rare earth oxide with final assay results expected in mid-November 2025.
 - 1.3 That there was a delay experienced in the pXRF scanning process of the samples.
- C. The change in the price of KLR's securities from \$0.29 at market open on 16 October 2025 to a low of \$0.17 following the release of the Announcement, representing a 41.4% reduction in share price.
- D. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- E. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:
- "an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity."*
- F. Section 4.4 in *Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B* titled "When does an entity become aware of information?"

- G. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure as follows.

“3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following 5 situations applies:

- It would be a breach of a law to disclose the information;*
- The information concerns an incomplete proposal or negotiation;*
- The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- The information is generated for the internal management purposes of the entity; or*
- The information is a trade secret; and*

3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and

3.1A.3 A reasonable person would not expect the information to be disclosed.”

- H. The concept of “confidentiality” detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular, the Guidance Note states that:

“Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it is no longer a secret and it ceases to be confidential information for the purposes of this rule.”

Request for information

Having regard to the above, ASX asks KLR to respond separately to each of the following questions:

1. Does KLR consider the following information, or any part thereof, to be information that a reasonable person would expect to have a material effect on the price or value of its securities?

1.1 KLR has identified 4 significant total rare earth element results from 972 samples collected from 54 holes, each of up to 18 metres deep, being 25 CDAC019 7-9m, 25 CDAC005 16-17m, 25 KTAC022 1-2m and 25KTAC013 13-14m.

1.2 The samples presenting indicative high grade of mineralisation will be sent to ALS Laboratory in Adelaide for assay to confirm the grade of total rare earth oxide with final assay results expected in mid-November 2025.

1.3 That there was a delay experienced in the pXRF scanning process of the samples.

Please answer separately for each of the above.

2. If the answer to any part of question 1 is “no”, please advise the basis for that view, noting that the Announcement was marked as “market-sensitive” and the change in share price (referred to in paragraph C).

Please answer separately for each of the items in question 1 above.

3. When did KLR first become aware of the information referred to in question 1 above?

Please answer separately for each of the items in question 1 above.

4. If KLR first became aware of the information referred to in question 1 before the date of the Announcement, did KLR make any announcement prior to that date which disclosed the information? If not, please explain why the information was not released to the market at an earlier time, commenting specifically on when you believe KLR was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps KLR took to ensure that the information was released promptly and without delay.

Please answer separately for each of the items in question 1 above and provide details of the prior announcement if applicable.

5. Please confirm that KLR is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that KLR's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of KLR with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **11:00 AM AEDT Monday, 27 October 2025**.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, KLR's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out above and may require KLR to request a trading halt immediately if trading in KLR's securities is not already halted or suspended.

Your response should be sent by e-mail to **ListingsComplianceSydney@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow us to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in KLR's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to KLR's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that KLR's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A. The usual course is for the correspondence to be released to the market.

Yours sincerely

ASX Compliance