Lodestone Iron Ore Project, WA

Killi Commences Maiden Drilling Campaign to Grow Premium Quality Resource

Drilling will target a 25km-long corridor with known mineralisation beyond the 110Mt Resource; Lodestone's high purity product is expected to attract a substantial price premium to the benchmark index

HIGHLIGHTS

- **Drilling has commenced on schedule** at the Lodestone Iron Ore Project, with a **proposed 20,000m** reverse circulation (RC) and diamond (DD) program underway
- **Lodestone is ideally positioned to supply the** high-purity, high-value, direct reduction-grade iron ore sought by the new generation of electric arc steel furnaces; This is due to its **unique, recrystallized, coarse-grained characteristics**
- This extremely rare product is expected to attract a substantial price premium to 62% Index
- Drilling is designed to grow and upgrade the existing 110Mt JORC Inferred Mineral Resource within the substantial 25km-long Lodestone system
- Strong news anticipated, comprising assays and resource updates

"We already know that we have a very rare and extremely valuable form of iron ore on our hands at Lodestone.

"By simply increasing the size of the resource, we stand to create substantial value for Killi shareholders - and that's what this drilling program aims to do.

"The existing 110Mt Resourced sits within a 5km stretch. We know the host geology continues for another 20km and that there is extensive mineralisation along this extension. The goal is to start bringing this into the resource.

"We have the product that the global steel industry wants and by growing the size of the resource, we can materially re-rate the project".

— Killi Chairman Nev Power

Killi Resources Limited (ASX: KLI) ("Killi" or "the Company") is pleased to announce that drilling has commenced at the Lodestone Iron Ore Project in Western Australia's Mid-West region.

Killi recently announced an agreement to acquire Lodestone (ASX announcement 11 June 2026), a magnetite iron-ore project with distinct competitive metallurgical advantages, located just ~200km from the Port of Geraldton and surrounded by high-quality infrastructure including sealed roads, rail and grid power.

The initial phase of drilling has commenced and includes a proposed 20,000m RC and diamond core program, designed to:

- Significantly grow the resource base and upgrade the confidence category of the existing 110Mt JORC Inferred Mineral Resource Estimate ("MRE" – ASX announcement 11 June 2026).

- Infill and extend drilling coverage across approximately 15km of the 25km-long Lodestone recrystalised magnetite system
- Provide metallurgical samples to support ongoing testwork targeting a premium, high-purity DR grade concentrate
- Support the delivery of a resource of sufficient confidence to underpin a future economic study

Drilling is being carried out alongside the Company's ongoing geological mapping and surface sampling programs, which are targeting additional mineralised horizons and parallel zones for future drill testing, and the drone-based magnetic survey covering the full recrystallised magnetite system, which remains on track for completion by the end of the month.

Figure 1: Photo of drill rig at Killi Resources' Lodestone Iron Ore Project

Assay results will be progressively received and interpreted as drilling advances, with the Company anticipating multiple resource updates over coming quarters as the program matures.

Further updates on drilling progress, including assay results and any subsequent resource estimates, will be provided to the market in due course.

About Killi Resources Limited

Killi Resources Ltd ('Killi" (ASX: KLI) is an Australia-based and focused explorer employing a methodical and disciplined approach to exploring for valuable mineral deposits across Australia (Figure 2).

The Company has agreed to acquire the Lodestone Iron Ore Project in the heart of the Midwest Iron Ore District in Western Australia. The Lodestone Iron Ore Project hosts an Inferred Mineral Resource Estimate of approximately 110Mt at 33% mass recovery for a 69% Fe concentrate.

The Company's other projects include the 100% ownership of the West Tanami Gold Project in Western Australia, and two gold-copper exploration projects in Queensland - the Mt Rawdon West Project near Bundaberg and the Ravenswood Project in the Charters Towers region, both well-endowed mineral provinces that are significantly underexplored and amenable to new large-scale discoveries. The Company also retains copper rights to the Balfour Project in the Pilbara of Western Australia (tenure held by Black Canyon (ASX: BCA)).

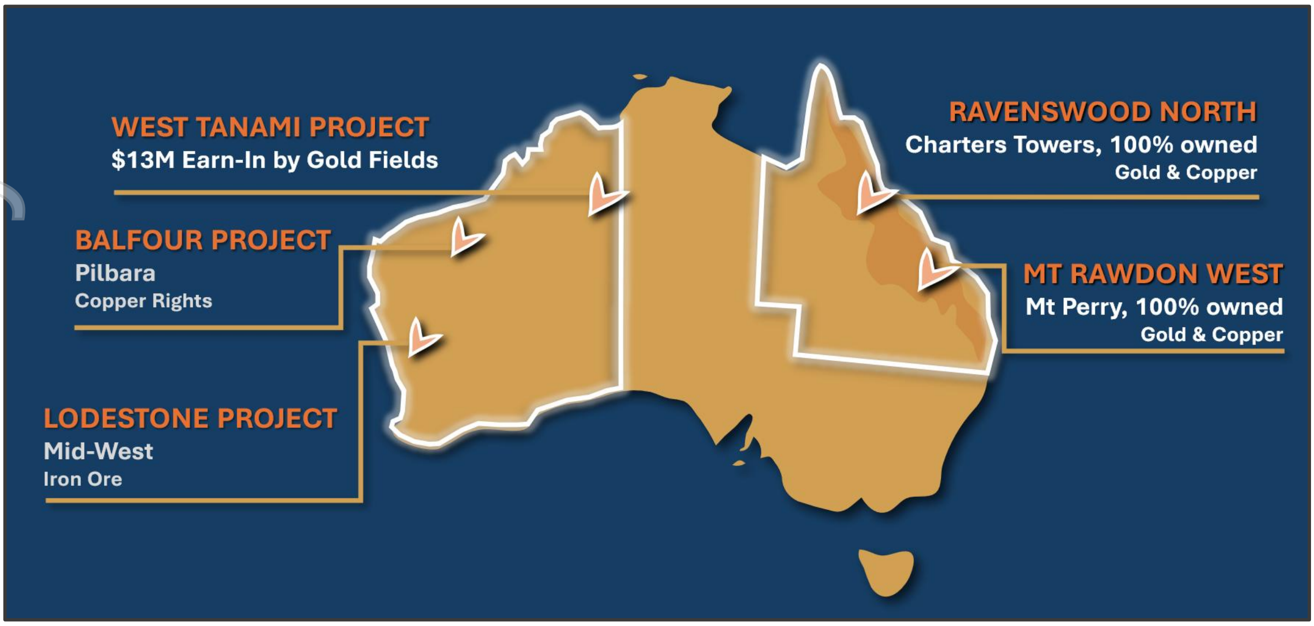

Figure 2: Location of all Killi Resources Projects in Australia

Compliance Statement

The information in this announcement that relates to the Lodestone Iron Project Mineral Resource Estimate has been prepared and reported in accordance with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). The supporting technical information is based on material provided within the ASX announcement dated 11 June 2026.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the Lodestone Iron Project Mineral Resource Estimate and that all material assumptions and technical parameters underpinning the estimate continue to apply and have not materially changed. The form and context in which the Competent Persons' findings are presented have not been materially modified.

Competent Person's Statement

The information in this announcement that relates to the mineral resource estimate for the Lodestone Iron Ore Project, geology, exploration results and other technical matters is based on, and fairly represents, information compiled by Dr Stuart Owen, Principal Geologist, Matakitaki Minerals Pty Ltd, who is a Member of the Australian Institute of Geoscientists. Dr Owen has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activities undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code, and consents to the inclusion in this announcement of the matters based on his information in the form and context in which they appear. Dr Owen does not hold any securities in the Company and does not currently receive any incentive payment dependent on the results of the Mineral Resource Estimate.

Forward Looking Statements

This ASX announcement contains certain statements that may constitute "forward looking statement". Such statements are only predictions and are subject to inherent risks and uncertainties, which could cause actual values, results, performance achievements to differ materially from those expressed, implied or projected in any forward looking statements.

Forward looking statements are statements that are not historical facts. Words such as "expect(s)", "feel(s)", "believe(s)", "will", "may", "anticipate(s)" and similar expressions are intended to identify forward-looking statements. These statements include, but are not limited to statements regarding future production, resources or reserves and exploration results. All such statements are subject to certain risks and uncertainties, many of which are difficult to predict and generally beyond the control of the Company, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements.

These risks and uncertainties include, but are not limited to: (i) those relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations, (ii) risks relating to possible variations in reserves, grade, planned mining dilution and ore loss, or recovery rates and changes in project parameters as plans continue to be refined, (iii) the potential for delays in exploration or development activities or the completion of feasibility studies, (iv) risks related to commodity price and foreign exchange rate fluctuations, (v) risks related to failure to obtain adequate financing on a timely basis and on acceptable terms or delays in obtaining governmental approvals or in the completion of development or construction activities, and (vi) other risks and uncertainties related to the Company's prospects, properties and business strategy. Our audience is cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof, and we do not undertake any obligation to revise and disseminate forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of or non-occurrence of any events.

The Company believes that it has a reasonable basis for making the forward-looking Statements in the announcement based on the information contained in this and previous ASX announcements.

This announcement has been authorised for release by the Board of Killi Resources Limited.

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