Lodestone Iron Ore Project, WA

Killi Targets Rapid Resource Growth with Aggressive Exploration Campaign

Multi-pronged progam underway to expand the 110Mt resource along the 25km-long mineralised corridor and identify parallel zones; Multiple resource updates expected over coming quarters

HIGHLIGHTS

- Killi has embarked on a multi-pronged **exploration program** aimed at driving rapid and substantial growth in the resource **(110Mt JORC Inferred)** at the Lodestone Iron Ore Project
- **An initial 20,000m drilling program** is being planned with the goal of extending the resource, which sits within a 5km stretch of the 25km-long system
- Following recent government approvals for the large drilling program, Killi is now **finalising contracts with its preferred drilling company, with the aim of starting drilling by the end of this month**.
- The ongoing drilling program, including RC and diamond core, aims to deliver **multiple resource updates over coming quarters**
- At the same time, geologists have started geological mapping and surface **sampling to define the potential for parallel zones which could** add further scale to the already-significant 25km-long system
- **Geophysial contractors have been engaged** to complete a detailed, drone based, magnetic survey covering the entire recrystallized magnetite system
- Lodestone's unique, recrystallized, coarse-grained characteristics offers Killi the opportunity to target the high purity, high value, DR grade iron ore market, which attracts a substantial price premium to 62% Index
- Killi's strong **cash position (~$18.5m) and highly experienced management team** is focussed on unlocking the Projects full potential and taking advantage of the **incredible location and access to existing, high-quality infrastructure**

"Our technical team has hit the ground running with geologists already on site, geophysical surveys locked in and drilling contracts being finalised. We expect to be drilling by the end of this month.

"Our goal is to deliver a pathway to development which takes advantage of the unique ore characteristics of the Lodestone deposit as well as its tier-one location and unmatched access to high quality infrastructure.

"Killi has an exceptional opportunity to create substantial value through resource growth and the potential to realise a significant price premium for our product due to its high-purity, high-value, DR grade magnetite concentrate.

"This product will be in strong demand, and hence attract premium prices, from electric arc furnace steel producers".

— Killi Chairman Nev Power

Killi Resources Limited (ASX: **KLI**) is pleased to provide an update on exploration activities at the Lodestone Iron Project in WA's Mid-West region of Western Australian.

Killi recently announced an agreement to acquire Lodestone (ASX announcement 11 June 2026), a magnetite iron-ore project with an initial JORC Inferred Mineral Resource (MRE) of 110Mt (Table 1) 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 (Figure 2).

Associated with the acquistion, the Company also announced a $15m share placement, with $10.8m raised under Tranche 1 and Tranche 2 subject to shareholder approval, giving it a strong cash position of ~$18.5m

Killi believes Lodestone represents an exceptional opportunity to create substantial shareholder value through a combination of resource growth, premium product potential, and its strategic location within a well-established infrastructure corridor in Western Australia's Mid-West region.

Figure 1: Photo of outcropping Lodestone BIF with recrystallised magnetite – looking north

Current Work Programs

Killi has commenced a multi-pronged exploration campaign designed to substantially expand current Inferred MRE of 110Mt at 33 % Davis Tube Recovery ("DTR") Mass Recovery ("MR"), grading 69% Fe in concentrate (Table 1) (ASX announcement 11 June 2026) and evaluate the broader potential of the 25km-long Lodestone system.

Drilling

Government approvals have been received for a major drilling program (ASX announcement 23 June 2026) and the Company is currently finalising contracts with its preferred drilling contractor with the objective of commencing drilling before the end of the month.

The 20,000m of reverse circulation (RC) and diamond core (DD) drilling program has been designed with the following primary objectives:

- To significantly grow the resource base and to upgrade the category of existing resources
- Test proximal and parallel zones of mineralisation potentially exploitable by an open-pit mining operation on the main horizon of mineralisation (adding meaningful additional tonnages)
- Infill and extensional drilling to test approximately 15 km of the 25 km Lodestone magnetite system
- Provide metallurgical samples and geological information for future processing and engineering studies
- Deliver a resource of sufficient confidence to underpin an economic study and future development pathway

Additional Targets Defined

In parallel, Killi's geological team has commenced mapping and surface sampling programs across the project area to identify and assess additional mineralised horizons and parallel zones for drill testing. The main Lodestone BIF is up to ~80m in true thickness (a reference cross-section is provided in Figure 3) and flanked by narrower BIF lenses (typically ~10 m thickness) in both the hangingwall (west) and footwall (east) positions. The subordinate BIF's are poorly defined due to being largely unexposed and sparsely drilled. The best drilling intersection retuned to date from these subordinate BIF's includes 45m @ 20% MR for a 66% Fe concentrate (KKRC032 – ASX announcement 11 June 2026) (Figure 4). These subordinate BIF's have the potential to add substantially to the resource foundation at Lodestone.

Geophysical contractors have also been engaged to undertake a detailed drone-based magnetic survey across the entire recrystallised magnetite system, with the aim of better defining covered BIF extensions and generating new drill targets along the full 25km strike length. This work should be completed by the end of this month.

Metallurgical Testwork to Provide a Lodestone Product

The upcoming drilling program will also provide samples for advanced metallurgical testwork. Lodestone's unique recrystallised, coarse-grained magnetite mineralisation has demonstrated the potential to produce a premium, high-purity direct-reduction (DR) grade concentrate in the range of 68 – 70% Fe (ASX announcement 11 June 2026).

These characteristics position the project to target the growing electric arc furnace steelmaking market, where high-quality iron ore products can attract substantial premiums to benchmark 62% Fe pricing and support enhanced project economics.

A key objective of the metallurgical program will be the production of Lodestone concentrate and pellet samples for evaluation by potential smelter and steelmaking customers.

Overview of the Lodestone Iron Ore Project

The Lodestone Iron Project is located in the Mid-West region of Western Australia, east of the wheatbelt town of Morawa, between the Karara (Ansteel - active) and Koolanooka (Baowu - inactive) iron ore mines (Figures 2).

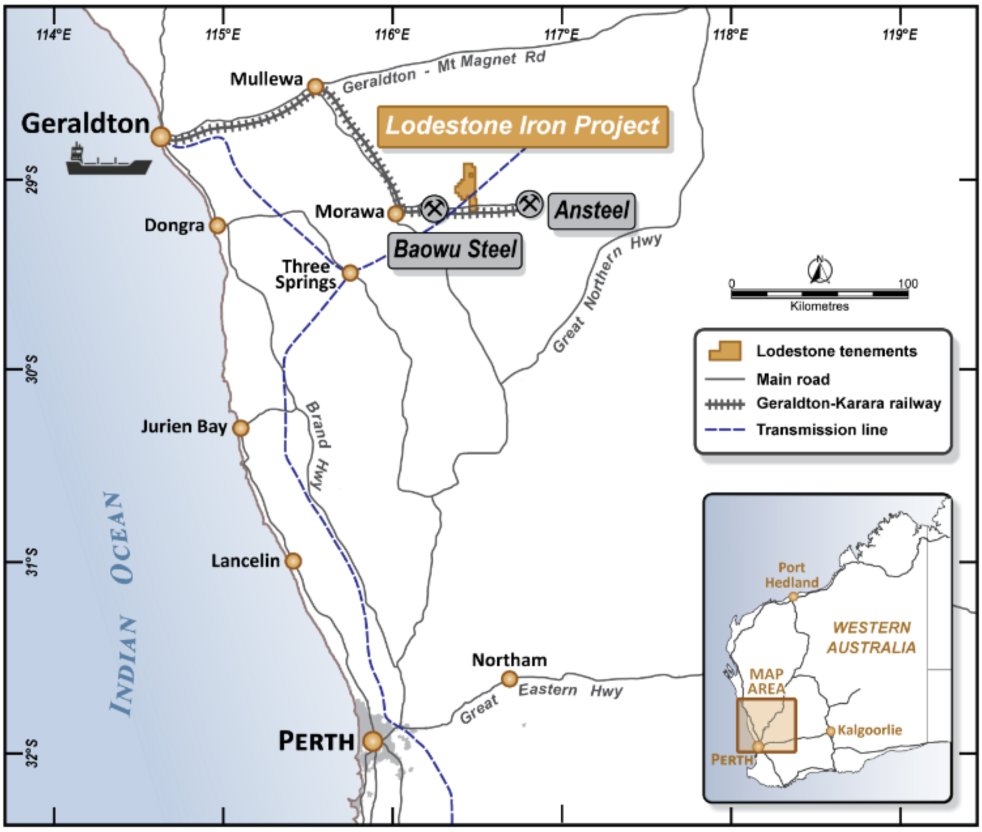

Figure 2: Lodestone Iron Project – **Located in the heart of the Mid-West Iron Ore District**

Technical information regarding the Lodestone Project has been provided in the ASX announcement dated 11 June 2026.

Lodestone's standout ore characteristics can potentially deliver a high-purity, high-quality magnetite concentrate in the range of 68 – 70% Fe achievable at very coarse grind sizes of up to 250 microns. These unique ore characteristics, combined with the high-quality existing infrastructure, point to relatively low capital costs. 68-70%

Fe product typically attracts a substantial premium over the 62% Fe price index which can drive much higher operational margins.

The current Inferred Resource stands at **110Mt at 33 % MR, grading 69% Fe in concentrate**, at a 0% DTR MR lower cut-off.

Table 1: Lodestone Iron Project Inferred Resources (Fresh Zone) for key elements by DTR Mass Recovery cut-offs. For more complete tabulation refer to ASX announcement 11 June 2026.

Class	Lower cut-off DTR Mass Recovery %	Million Tonnes	DTR Mass Recovery %	DTR Concentrate Fe %	SiO$_2$ %	Al$_2$O$_3$ %
Inferred	0	110	33	69	3.9	0.08
	10	110	33	69	3.9	0.08
	20	98	35	69	3.9	0.07
	30	77	38	69	3.4	0.05
Grades and tonnages have been rounded						

The initial MRE relates to approximately 5 km strike section of the eastern magnetite body that is largely covered by drilling along 400 metre-spaced section lines, underpinned by 25 RC holes totalling 3,112 metres (Figures 3 and 4).

The MRE accounts for ~20% of the total defined strike of the main magnetite-rich BIF mineralisation. Approximately 12 km of the Lodestone magnetite body is exposed and regional aeromagnetic imagery indicates an essentially continuous 25 km of magnetite horizon extending the length of the Project.

The Lodestone Deposit is conspicuously coarsely metamorphically recrystallised, especially in the central and southern part of the tenure, comprising laminated to banded medium to coarse grained (1-5 mm) grained magnetite and quartz, with minor amphibole. At surface the magnetite is partly to largely oxidised to haematite, limonite and goethite, and wall rocks are variably weathered to clay saprolite.

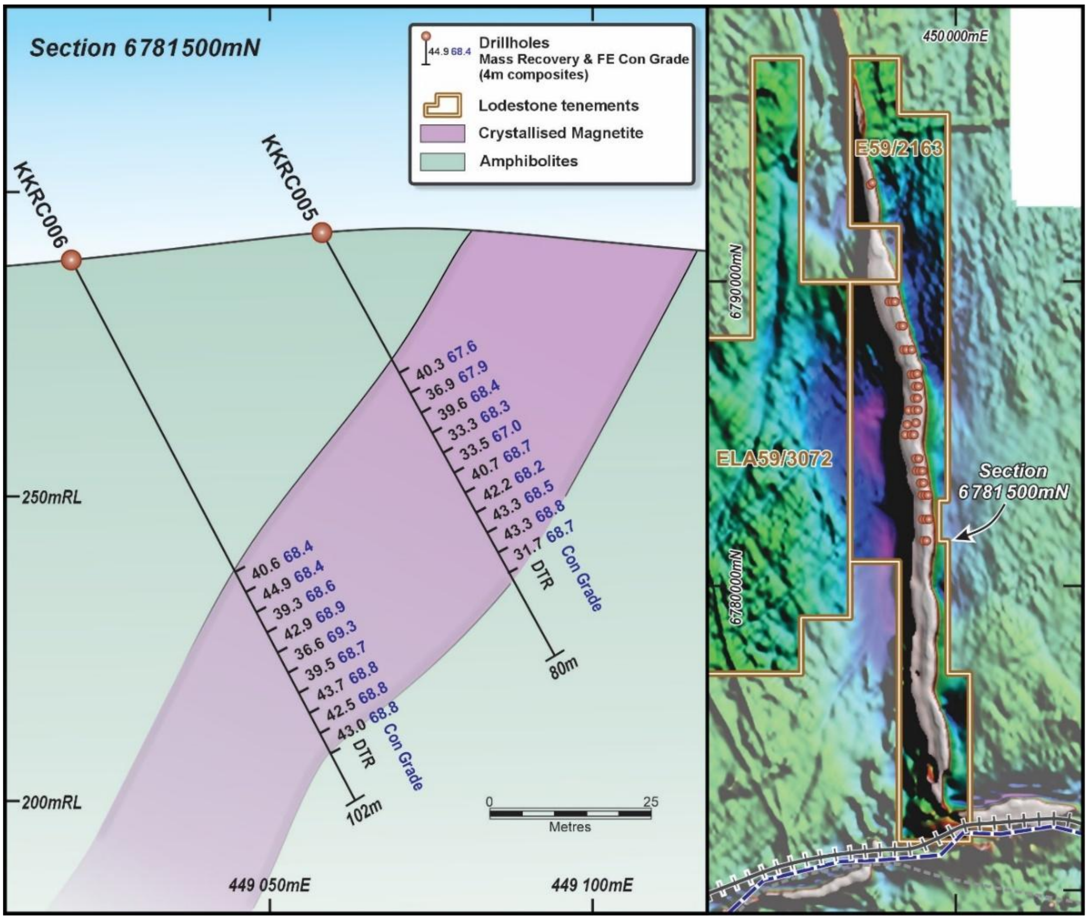

Figure 3: Representative Drill Hole Cross Section- annotated with DTR Mass Recovery and Fe % concentrate grade, from (4m composites samples. Image on the right is an aeromagnetic image annotated with tenements and drill hole collar locations

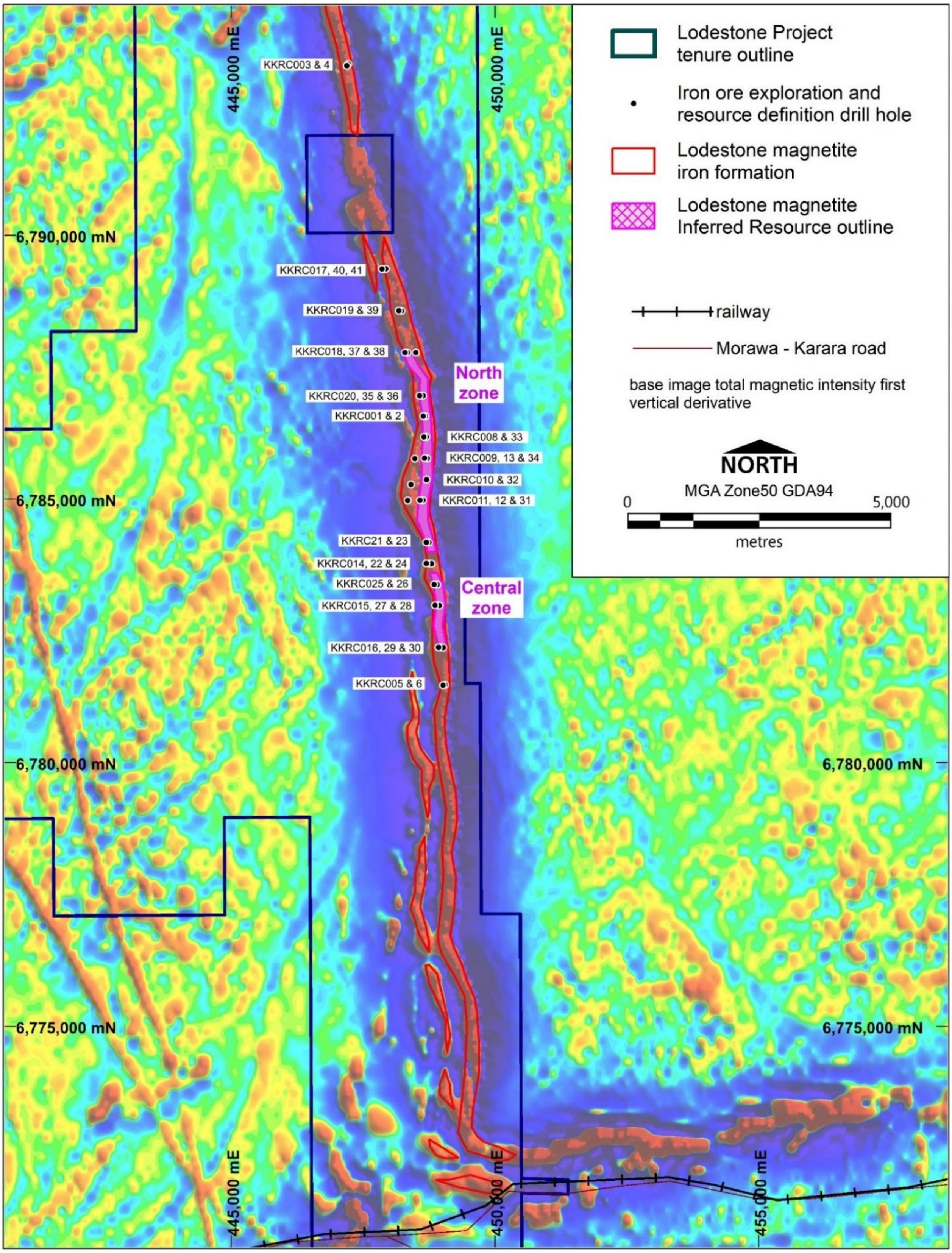

Figure 4: Lodestone Project drill hole collars, Mineral Resource Estimate outline and defined magnetite mineralisation trend, over Reduced to Pole, Total Magnetic Intensity image.

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 5).

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)).

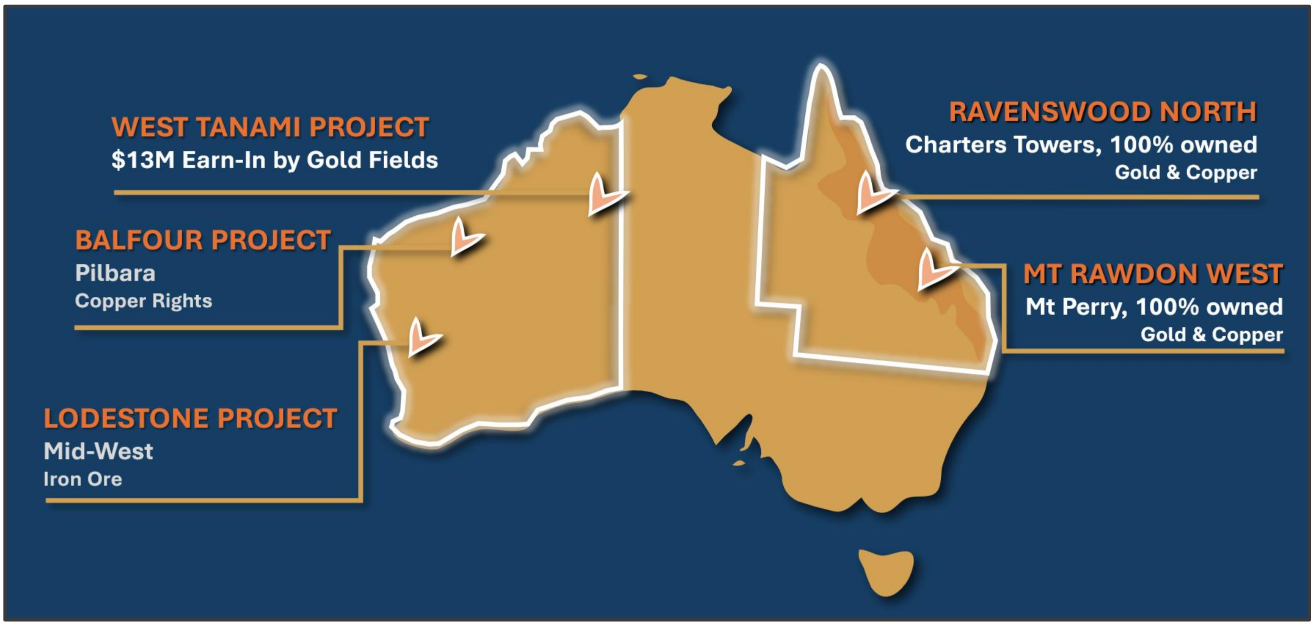

Figure 5: Location of all Killi Resources Projects in Australia

Compliance Statement

The information in this announcement that relates to the Lodestone Iron Project maiden 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 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 maiden 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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