

16th July 2026

ASX Market Announcements

RARE EARTH ELEMENT DRILLING TO COMMENCE AT COODALYA, MALLEE PROJECT, SOUTH AUSTRALIA

Kaili Resources Limited (“Company” or “KLR”) is pleased to announce that a drilling crew is committed to mobilise next week to the Mallee Project - Coodalya EL 6978 within the Murray Basin in South Australia (**Figure 1**) to commence a drilling program for Rare Earth Elements (“REEs”) subject to weather or unforeseen events.

The tenement is approximately 200 kms east of Adelaide accessible by highway and overlay the Loxton/Parilla Sands (**Figure 1**) of the region. REEs are reportedly contained within the fine clay fraction of Tertiary (65 to 2.5 Million Years Ago) Strandlines (ionic clay style of deposit) in the basin.

Australian Rare Earths (ASX:AR3) has reported exploration success within their tenements in the region and has released the results of a pre-feasibility study of their Koppamurra Rare Earths Project (**Figure 1**) with reportedly compelling economics (see AR3 ASX Release of 25th June 2026).

The current program aims to infill previous exploration drilling completed in 2025 and earlier in 2026 to identify further areas of REEs potential with minimum disruptions on private land by locating the holes along roadside verges with local council approvals across the target Loxton/Parilla Sands stratigraphy (**Figure 2**). A total of 16 holes to an average depth of up to 18 metres for a proposed total of up to 288 metres of drilling is planned for this program focussing in the NE corner of the Coodalya tenement having regards to the results announced on 20th October 2025 and 6th March 2026.

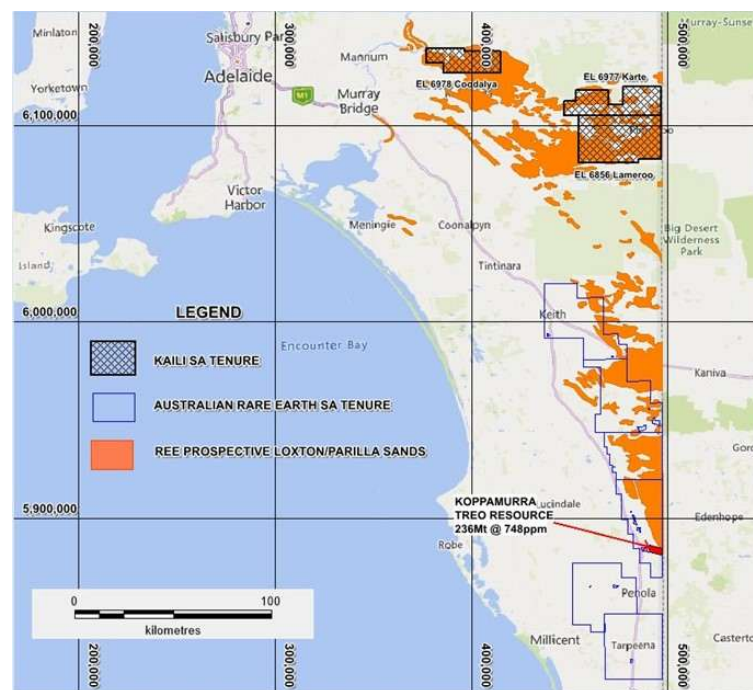


Figure 1: Location of Granted Lamerloo, Karte and Coodalya Rare Earth Exploration Tenements in Murray Basin South Australia

Principal Geologist commented:

“This focussed drilling program will build on previous drilling in 2025 and earlier this year and allow the Company to consider more extensive drilling programs within adjacent private land”.

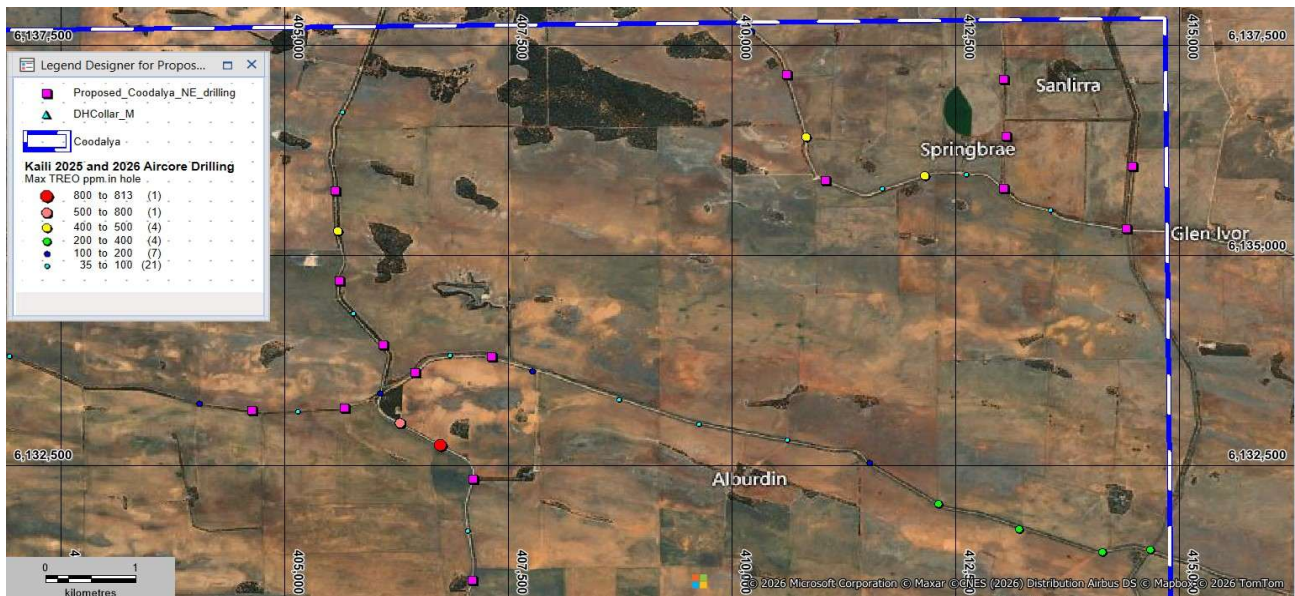


Figure 2: Proposed Aircore drilling in Coodalya. The table on previous drilling results were reported in KLR ASX announcements of 20 October 2025 and 6 March 2026

Planning Hole ID	Tenement	GDA2020 Z54 mE	GDA2020 Z54 mN
1	Coodalya	414418.62	6135313.85
2	Coodalya	404640.49	6133149.93
3	Coodalya	411051.25	6135880.87
4	Coodalya	410623.10	6137142.19
5	Coodalya	413053.15	6135788.29
6	Coodalya	414488.05	6136054.44
7	Coodalya	405624.09	6134688.97
8	Coodalya	406110.11	6133925.24
9	Coodalya	405681.95	6133173.07
10	Coodalya	406468.84	6133601.22
11	Coodalya	407325.14	6133786.38
12	Coodalya	405577.81	6135765.14
13	Coodalya	407105.27	6131124.87
14	Coodalya	407116.85	6132328.33
15	Coodalya	413053.15	6137084.34
16	Coodalya	413076.27	6136413.17

Table 1: Proposed drill collars to be confirmed in the field prior to drilling commencing

Background

In prior periods, the Company had conducted pXRF scan of samples from selected historic drill holes held by the SA Government and collected and assayed samples from fresh outcropping granite at Lameroo. Having regards to the information obtained the Company completed an initial widely spread drilling program along road verges at Lameroo in February 2024 to identify areas for infill drilling. Follow up drilling in 2025 mainly within the Karte and Coodalya tenements in September 2025 delineated elevated TREO within the Coodalya tenement.

(See KLR ASX Announcement on 25th March 2024, 20th October 2025 and 6th March 2026 for the JORC tables and list of results for each hole.)

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.

Authorised by.

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