ASX ANNOUNCEMENT

Binding MOU Over Southern Lachlan Fold Belt Project

Highlights

- Kali Metals Ltd and JX Advanced Metals Corporation, have entered into a binding MOU in relation to Kali's Southern Lachlan Project ("Project") in Victoria and New South Wales.
- The MOU provides for an initial exploration and due diligence phase, during which JX Advanced Metals will fund exploration activities on the Project.
- JX Advanced Metals will provide exploration funding of up to $700,000 during the initial exploration phase, which will run until 31 March 2027.
- Kali will remain operator of the Project during the initial exploration phase and will manage the agreed exploration activities.
- Following completion of the initial exploration phase, JX Advanced Metals will have the option to negotiate with Kali the terms of a formal Farm-in or Joint Venture Agreement in relation to the Project.

Paul Adams, Managing Director of Kali Metals, commented:

"We are very pleased to have executed this binding MOU with JX Advanced Metals over our Southern Lachlan Fold Belt tenements. The JX Advanced Metals' funding will allow Kali to advance exploration across our large and prospective project area, which hosts numerous opportunities for the discovery of non-ferrous metals used in high technology industries. The support from JX Advanced Metals as a potential long-term partner is an exciting opportunity for Kali and its shareholders.

We look forward to working closely with JX Advanced Metals during this initial exploration and due diligence phase across our Eastern States project area, with a view to progressing towards a more formal Farm-in or Joint Venture arrangement at the completion of this phase".

Binding MOU with JX Advanced Metals

Kali Metals Limited (**ASX: KM1**) (**"Kali"** or **"the Company"**) is pleased announce that it has executed a Binding Memorandum of Understanding ("**MOU**") with Japanese metals and refining company, JX Advanced Metals Corporation, in relation to Kali's exploration assets in New South Wales and Victoria.

The Project, located east of Albury-Wodonga in northern Victoria and southern New South Wales, comprises approximately 1,413 km^2 of Palaeozoic granitoid and sedimentary units of the Southern Lachlan Fold Belt. The Project is prospective for lithium-caesium-tantalum ("LCT") pegmatites, as well as tin and tungsten mineralisation.

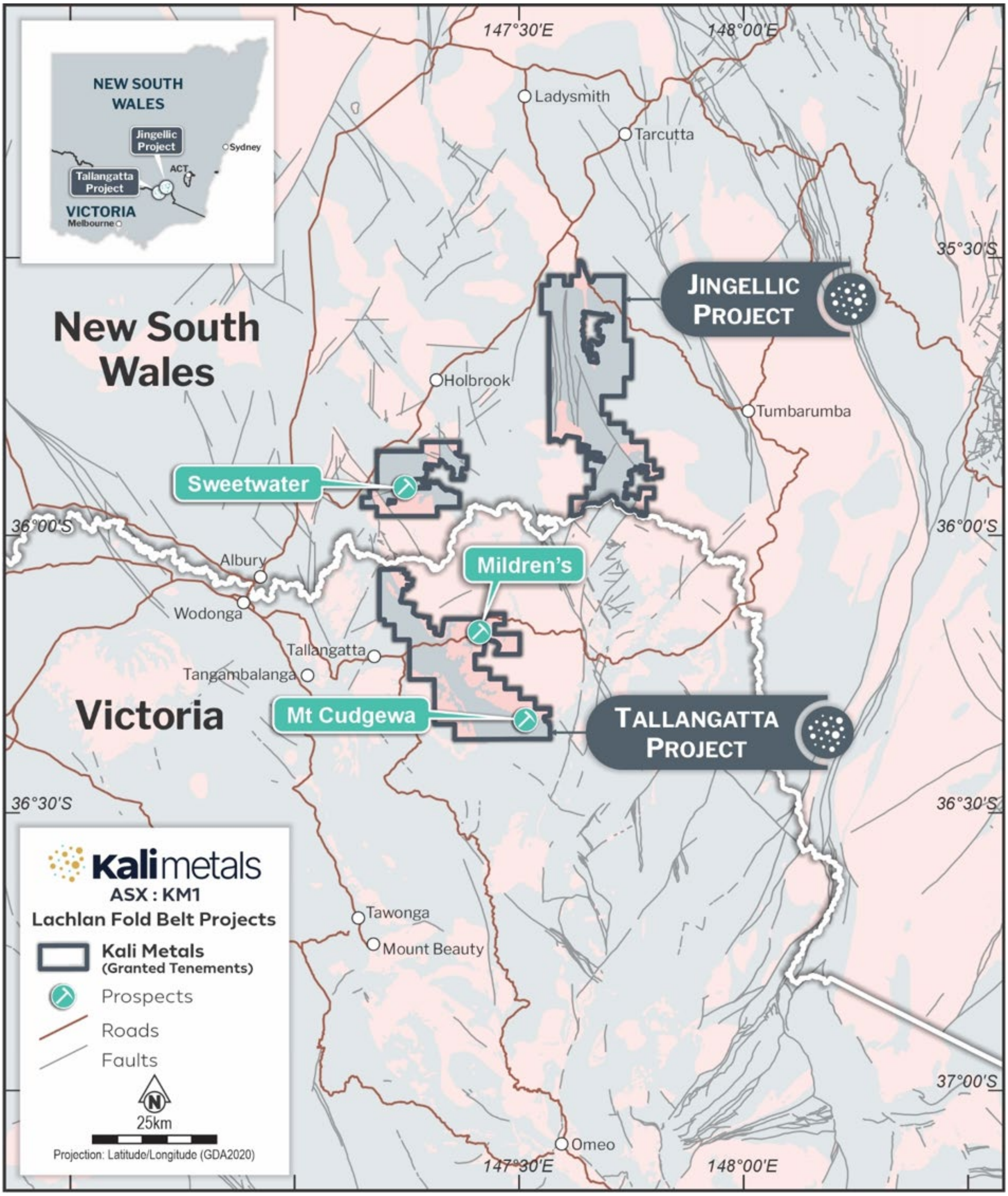

Figure 1. Southern Lachlan Fold Belt – Kali's Tallangatta (VIC) and Jingellic (NSW) Projects

Binding MOU Terms

The MOU covers the period from execution to 31 March 2027 ("Due Diligence Period"), during which Kali and JX Advanced Metals Corporation (together "the Parties") will collaborate on an initial exploration program across the Project. The exploration program will be funded by JX Advanced Metals and managed by Kali Metals.

Following completion of the Due Diligence Period, JX Advanced Metals will have the option to negotiate the terms of a formal Farm-in or Joint Venture Agreement with Kali Metals, with such negotiations to be completed by 30 June 2027.

The key terms of the binding MOU include:

1. JX Advanced Metals to fund exploration expenditure of up $700,000 during the Due Diligence period.
2. Kali will be appointed as Exploration Manager for the Project and will manage the exploration activities undertaken during the Due Diligence Period.
3. Kali will be entitled to charge JX Advanced Metals a management fee for managing the exploration program.
4. The Parties will establish a joint Exploration Committee to oversee the initial exploration program.
5. Following completion of the Due Diligence Period, JX Advanced Metals will have an option to negotiate the terms of a formal Farm-in or Join venture Agreement with Kali by 30 June 2027.

About JX Advanced Metals Corporation

JX Advanced Metals Corporation is a listed Japanese company engaged in advanced materials, tantalum and niobium products, functional materials, metals and recycling, and mineral resources. The company operates globally across the value chain, from mineral resource development and metal production to advanced materials manufacturing and recycling. An important part of its business is supplying materials used in semiconductor manufacturing. To support a stable supply of critical raw materials, JX Advanced Metals continuously evaluates opportunities relating to copper and minor metals, including tantalum.

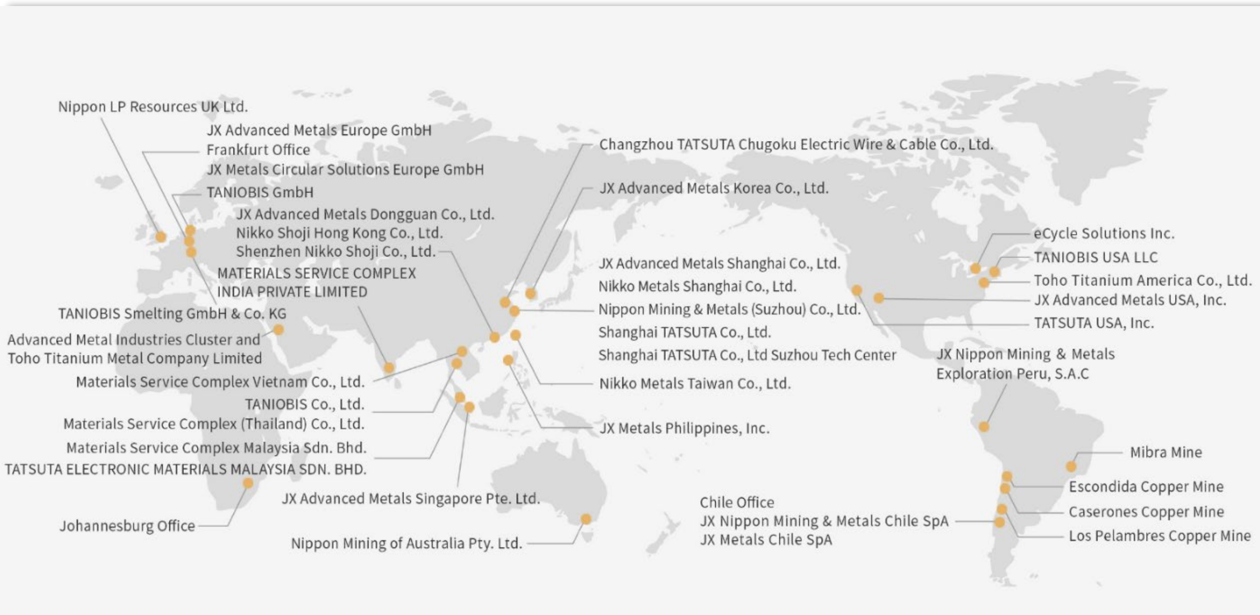

Figure 2. Global operations of JX Advanced Metals (Source: www.jx-nmm.com)

Authorised for release by the Board of Kali Metals Limited.

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Annexure A – Southern Lachlan Fold Belt Tenements

Tenement	Project	Registered holder
EL007786	Tallangatta Project	Kali Metals Limited
EL007787	Tallangatta Project	Kali Metals Limited
EL008573	Tallangatta Project	Kali Metals Limited
EL9403	Jingellic Project	Kali Metals Limited
EL9507	Jingellic Project	Kali Metals Limited
EL8958	Jingellic Project	Mining And Energy Group Pty Ltd

About Kali Metals Limited

Kali Metals' (ASX: KM1) portfolio of assets cover 4,029km^2 of exploration tenure prospective for gold, lithium and critical minerals, located in WA (including the Pilbara and Eastern Yilgarn) and the Southern Lachlan Fold Belt (in NSW and Victoria).

Kali Metals has a team of well credentialed professionals who are focused on exploring and developing commercial resources and identifying new strategic assets to add to the portfolio. Kali Metals has a number of prospective gold, lithium and tin-tungsten Projects within its existing tenure and is committed to generate shareholder value through exploration and development of these assets.

Forward Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Kali's 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 Kali 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.