

27 November 2018

ASX Announcement:

Underwritten 1 for 2 Non-Renounceable Entitlement Offer

Kaili Resources Limited (ASX: KLR) (**Company**) today launched an underwritten 1 for 2 non-renounceable entitlement offer (**Entitlement Offer**) to raise approximately \$1.769 million (before transaction costs).

The net funding will be applied to exploration within the licences that the Company holds, repayment of debt, general working capital and costs related to this Offer.

Overview

Under the Entitlement Offer, eligible shareholders with a registered address in Australia or New Zealand who are on the Company's shares register at 7pm (Sydney time) on 30 November 2018 (**Record Date**) will be entitled to apply for 1 new share for every 2 shares held at the Record Date. The issue price is \$0.036 per new share.

This is equal to the last sale price on the Australian Securities Exchange on 15 October 2018.

All new shares will rank equally with existing shares of the Company from the date of issue.

Indicative Timetable

Event	Date
Notice of Entitlement Offer sent to all Shareholders	28 November 2018
Ex-Date: the date on which Shares commence trading without entitlement to participate in the Entitlement Offer	29 November 2018
Record date (7pm Sydney time)	30 November 2018
Dispatch of offer document and application form to Shareholders	5 December 2018
Entitlement Offer closes	17 December 2018
New shares quoted on deferred settlement basis	18 December 2018
Shortfall shares notified to ASX and underwriter	20 December 2018
Issue and allotment of new Shares	20 December 2018
Normal trading of Shares expected to commence	21 December 2018
Dispatch of holding statements	24 December 2018

Note: dates and times are indicative only and subject to change. Subject to compliance with the ASX Listing Rules, and in consultation with the Underwriter, the Company reserves the right to: (i) not proceed with the Entitlement Offer and return any applications moneys received without interest; or (ii) vary the dates and times above including closing the offer earlier or later.



Kaili Resources Limited
ARBN 077 559 525
World Tower
Suite 1612, Level 16
87-89 Liverpool Street
Sydney NSW 2000, Australia

PO Box 20439
World Square,
Sydney NSW 2002, Australia
T: +61 2 8386 5713
F: +61 2 9283 7166
E: contact@kailigroup.com.au

Underwriting

The Entitlement Offer is fully underwritten by Treasure Unicorn Limited, a company controlled by the Company's largest shareholder Inner Mongolia Yitai Investment Co. Limited, which holds 37.42% of the Company's share capital. Details of the impact of the underwriting on the Company, as well as the underwriting agreement itself, are set out in the offer document.

Offer Documents

Further details about the Entitlement Offer, including how eligible shareholders may apply for their entitlement will be set out in an offer document to be sent to eligible shareholders on or about 5 December 2018.

Copy correspondence to be sent to shareholders in the meantime about the Entitlement Offer will follow this announcement.

Further Information

For further information please contact Mr Long Zhao, the Company Secretary:

Suite 1612, Level 16
World Tower
87-89 Liverpool Street
Sydney NSW 2000

Telephone: +61 2 8386 5713
Fax: +61 2 9283 7166
Email: contact@kailigroup.com.au

Jianzhong Yang
Director
Kaili Resources Limited