

## **ASX Announcement**

24 April 2020

### **BUSINESS CONTINUITY PROGRAM UNDER COVID-19 IMPACT**

Kaili Resources Limited (“Company”) advises that its exploration activities have been put on hold since the government imposed confinement in NSW and the border closure in WA to contain the spread of COVID-19 while all office staff currently operate remotely online from home. Normal activities will resume soon after the lifting of those restrictions.

As described in the March 2020 Quarter Activities Report released on 22 April 2020 the RAB drilling program that was planned for March 2020 in WA at Canegrass (EL31/113) and Holy Dam (EL27/550) has been deferred until access restrictions are eased and our geologist can travel to WA. That drilling program follows from the shallow vacuum drilling carried out in July and August 2019 with the results identifying areas that warrants further RAB drilling (ASX release of 12 and 17 September 2019). The proposed field activities at Halls Creek (E 08/5112, 5113, 5114 and 5115) fall within the Western Australian Kimberley Biosecurity Area and those activities have been deferred until access restrictions have been lifted to the Kimberley Biosecurity Area.

The Australian Securities Exchange (“ASX”), following their review of the March 2020 Quarter Activities Report and Appendix 5B lodged on 22 April 2020, has advised the Company of the following:

Quote:

*“ASX Listing Rule 12.1 provides that the level of an entity’s operations must, in ASX’s opinion, be sufficient to warrant the continued quotation of the entity’s securities and its continued listing. It is ASX’s opinion that the KLR’s operations are not sufficient to warrant the continued quotation of its securities.*

*ASX will afford KLR a period of 6 months from the date of this letter to demonstrate to ASX that it is compliant with Listing Rule 12.1. If KLR does not demonstrate compliance with this rule to ASX’s satisfaction by 23 October 2020, ASX may suspend KLR’s securities from official quotation.”*

Unquote.



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The Company believes that the implementation, subject to access restrictions being lifted by the Governments of NSW and WA and Federal Government as applicable, of the proposed field exploration work program within its 9 mineral tenements at Canegrass and Holy Dam in the Yilgarn Craton and at Halls Creek should demonstrate that its activities are sufficient to satisfy the ASX's concern.

A release will soon be made detailing the extent of the work program. Funds for the program will be provided under the financial support facility extended by Yitai Group (Hongkong) Co., Ltd, a related company of Inner Mongolia Yitai Investment Co., Limited, the ultimate parent company of the Group.

Authorised by:

**Long Zhao**  
**Executive Director/Company Secretary**