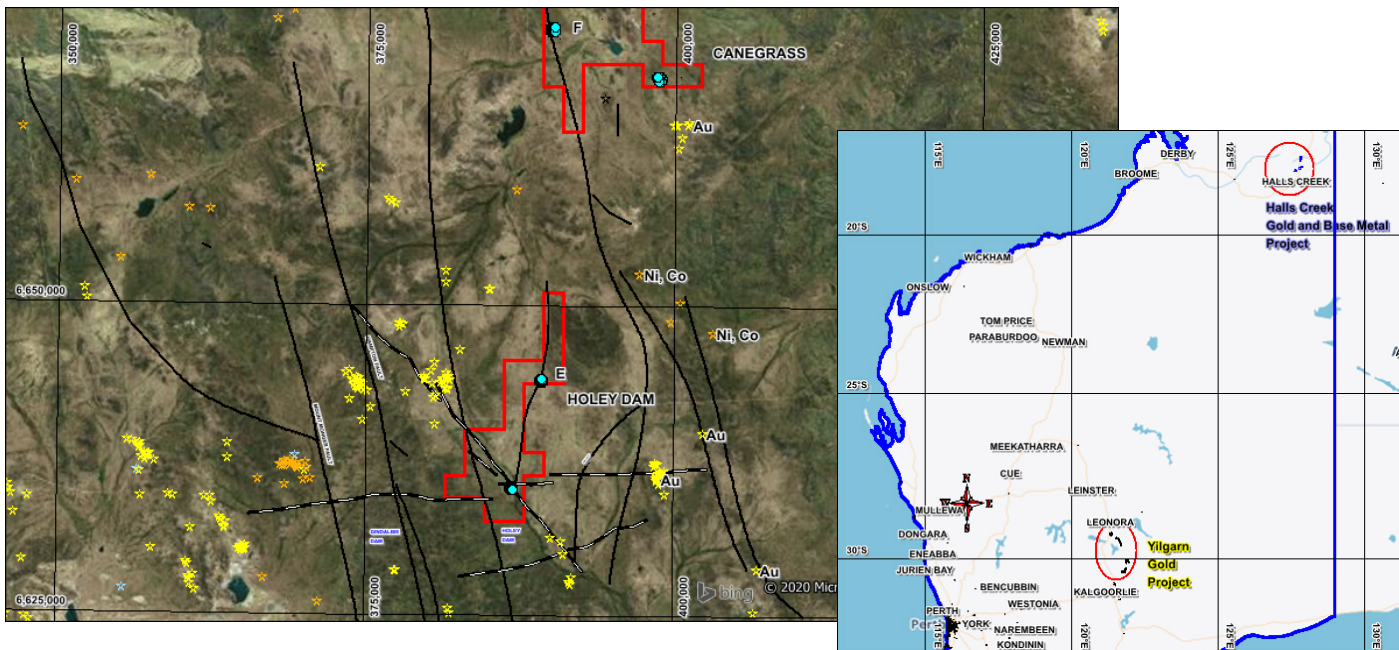


17<sup>th</sup> March 2021

**ASX Market Announcements**

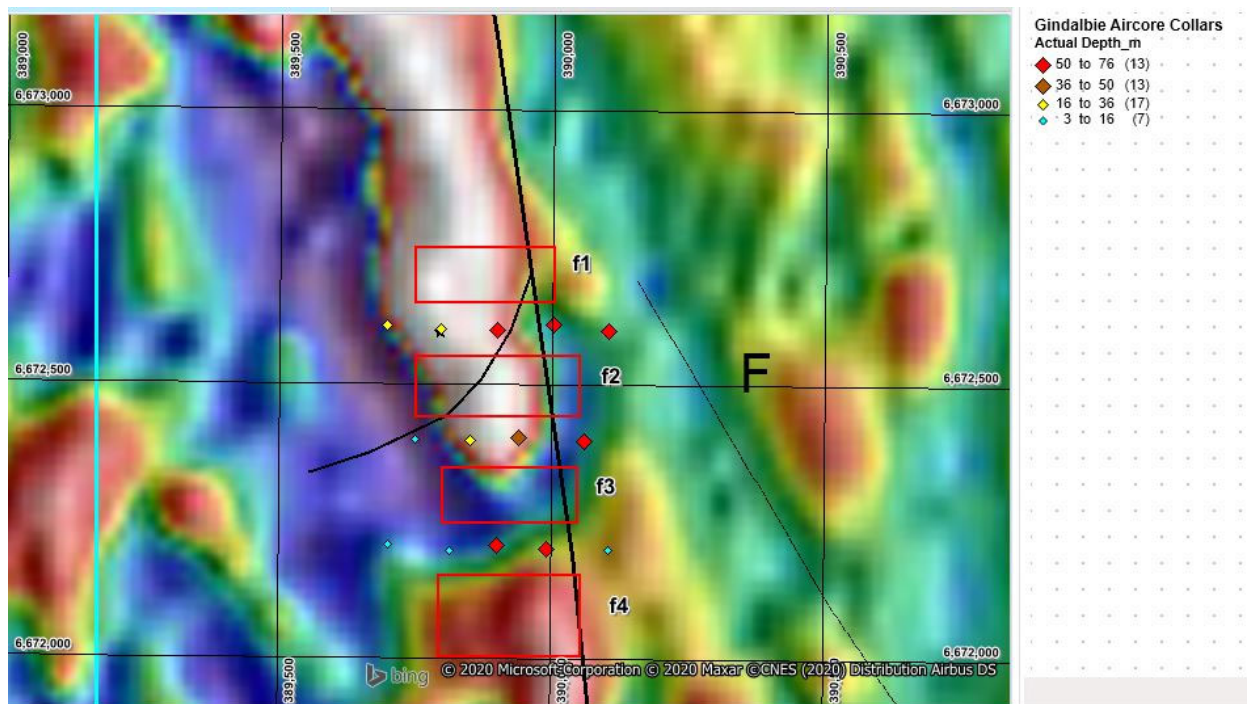
**GINDALBIE (YILGARN CRATON) GOLD PROJECT  
LODGED APPLICATION TO DRILL 20 REVERSE CIRCULATION HOLES  
HOLEY DAM (EL27/550) AND CANEGRASS (EL31/113) IN YILGARN CRATON WA**

Kaili Resources Limited is pleased to announce that it has lodged an application with the WA Department of Mines Industry Regulation and Safety (DMIRS) to drill 20 Reverse Circulation (RC) holes for the planned drilling program within the Holey Dam (Area E) and Canegrass (Area F) tenements. This program follows from the September 2020 Aircore Drilling Program. On receipt of the DMIRS approval a driller and a field crew will be engaged to commence drilling.



**Figure 1: Gindalbie Gold Project with regional structures and gold occurrences**

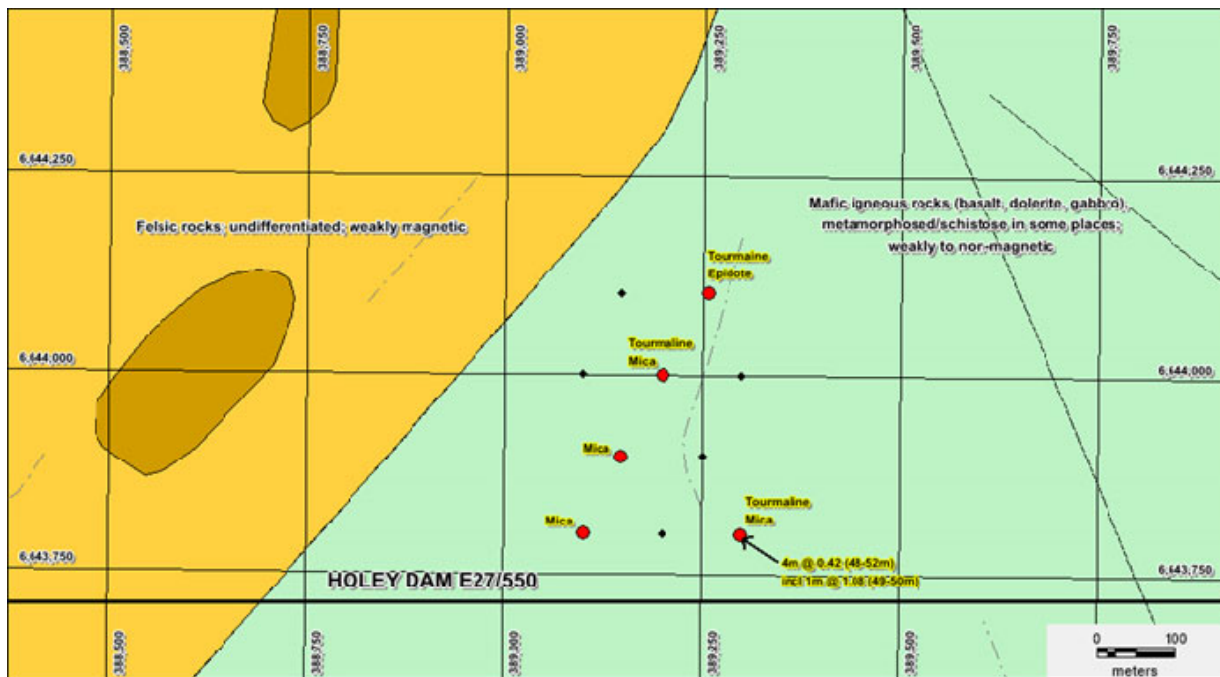
**Figure 1** shows the location of the Holey Dam and Canegrass tenements in relation to regional structures with gold and base metal mineral occurrences in yellow. In the Yilgarn Craton these regional structures are channel ways for gold mineralising fluids that are quite often localised by later cross cutting structures. The aircore drilling program completed in September 2020 highlighted Holey Dam Area E and Canegrass Area F as potential areas where gold mineralising fluids has been localised within mafic (gabbro/dolerite and basalt) lithologies containing vein quartz and pyrite and possible associated white mica, chlorite, tourmaline and epidote alteration. The forthcoming RC drilling will be in and around significant occurrences of alteration, pyrite mineralisation and elevated gold (max of 1 m @ 3.96 ppm Au and 1 m @ 0.88 ppm Au (ASX announcement: 3<sup>rd</sup> December 2020).



**Figure 2: Canegrass Area F showing the proposed drill areas over an aeromagnetic image**

The highest Au encountered in the previous aircore drilling program was encountered between areas f3 and f4 in **Figure 2**. The depth of drilling is shown by the coloured diamonds and the legend in the top left of the figure. Within the four drill areas the E-W drill line will be 40 m apart with drill collars situated every 100 m along the drill lines. In **Figure 2** the Emu Fault is shown as a black N-S linear adjacent to linear magnetic highs.

The most significant gold assay result was 4 m @ 0.42 ppm Au including 1 m @ 1.08 ppm Au (**Figure 3**) (ASX announcement: 3<sup>rd</sup> December 2020). In addition, tourmaline and white mica were noted as part of the spectral mineralogical scanning of the sampling and as these minerals are not part of unaltered mafic lithologies it is interpreted that they were formed as part of alteration of the primary mafic lithologies. This follow up aircore drilling will involve E-W traverses spaced at 50 m intervals in and around the alteration and elevated gold responses.



**Figure 3: Holey Dam Area E showing interpreted geology and possible alteration mineralogy**

**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:

**Long Zhao**

**Executive Director/Company Secretary**