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ASX Market Announcements

**RC DRILLING COMPLETED AT CANEGRASS (EL31/113)
THE GINDALBIE GOLD PROJECT, YILGARN CRATON, WA**

Kaili Resources Limited (“Company”) is pleased to announce completion of the 7 hole drilling program that commenced on 7 February 2022 within the Canegrass tenement (**Figure 1**) of the Gindalbie Gold Project in the Yilgarn Craton in Western Australia (WA). The planned program was for 90 m per hole for a total of 630 m. However, hole CGRC004 was terminated at 72 m due to a high percentage of clay that could not be drilled. That hole was at an adequate depth to test the target given that all the other drill holes reached their planned depth of 90 m.

The Company has been fortunate in engaging an experienced Kalgoorlie based field crew and drilling team to complete the planned drilling with minimal delays in the current environment of inter-state border closures, restrictions for the Company’s Sydney based personnel to travel to WA and lack of readily available drillers. The drilling program was managed by geological consultancy BMGS using Goldfields Drilling.

Drilling Area F is shown in **Figure 2** within the area situated in Gindalbie Station and E31/113. Every drilled meter was sampled using the Company’s Olympus Delta Pxf. A total of 285 samples have been dispatched to ALS Laboratory for gold and multi element analyses. Given the current high volume of samples being delivered by explorers and miners to the ALS Kalgoorlie facility, anticipated turn around for results is 3-4 weeks. A market announcement will be made when results have been received and analysed.

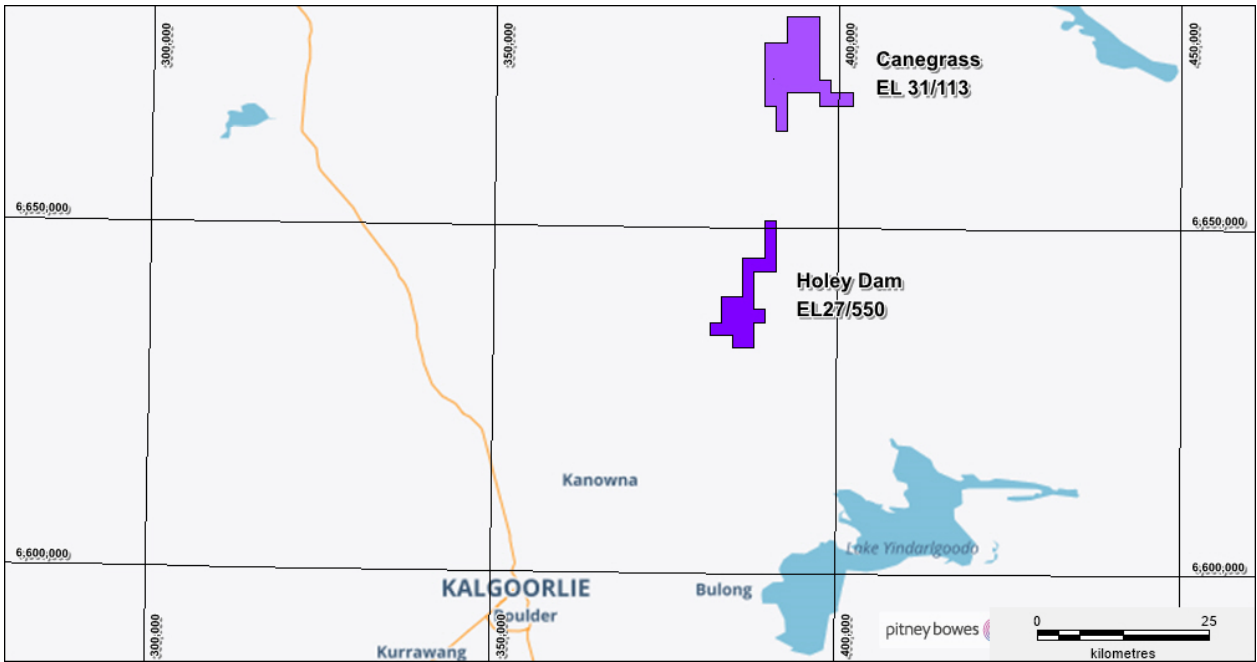


Figure 1: Location of the Gindalbie Gold Project to the NE of Kalgoorlie

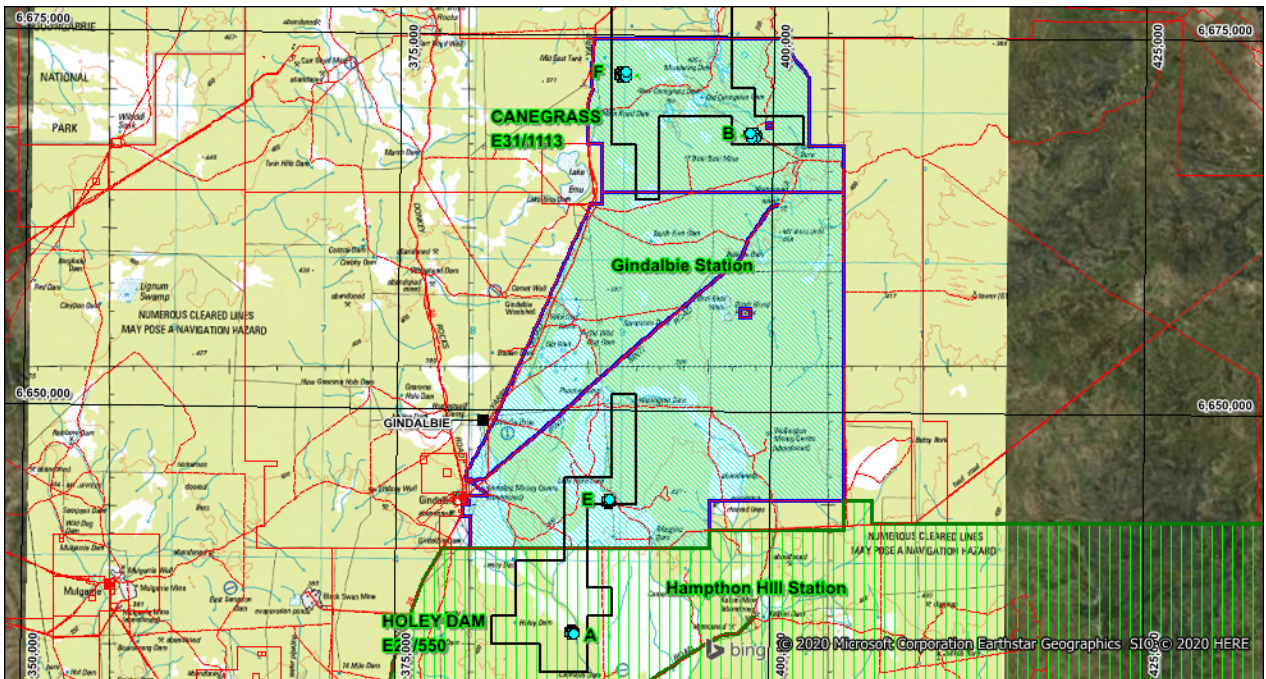


Figure 2: Location of drill area CG_F within the Canegrass Tenement

A shallow (average drilling depth of 7 m) vacuum drilling was completed in 2019 (see **ASX Releases of 12th and 17th September 2019**) across the Holey Dam and Canegrass tenements to look for gold geochemical signatures beneath transported overburden. The program was followed by deeper (average depth of 45 m) Aircore drilling in 2020 (see **ASX Releases of 17th and 21st September 2020 and 3rd December 2020**) at 4 target prospects shown in **Figure 2**. Of these 4 targets Prospect CG_F (Canegrass Area F) has been chosen for the current RC drill testing using 3 drill lines.

Easting_GDA94_Zone51	Prospect	Hole ID	Name	Drill_Type	Planned Depth m	Inclination	Azimuth(magnetic)
389975	CG_F	CGRC001	Canegrass EPM 31 1113	Reverse Circulation	90	-60	270
389925	CG_F	CGRC002	Canegrass EPM 31 1113	Reverse Circulation	90	-60	270
390000	CG_F	CGRC004	Canegrass EPM 31 1113	Reverse Circulation	90	-60	270
389950	CG_F	CGRC005	Canegrass EPM 31 1113	Reverse Circulation	90	-60	270
389900	CG_F	CGRC006	Canegrass EPM 31 1113	Reverse Circulation	90	-60	270
389975	CG_F	CGRC008	Canegrass EPM 31 1113	Reverse Circulation	90	-60	270
389925	CG_F	CGRC009	Canegrass EPM 31 1113	Reverse Circulation	90	-60	270
					630		

Table 1: Canegrass Target F Drill Collars, note CGRC was drilled to 72m

Canegrass Prospect CG_F lies on the Emu Fault shown in **Figure 3** which transgresses the Canegrass tenement from North to South. There is a group of several historical gold workings located to the north and just outside the Canegrass tenement (Gindalbie Workings) and they lie adjacent to the Emu Fault. The key gold mineralised intersections are shown in **Figure 4** on an RTP Aeromagnetic Image. A drill hole in the centre of the southernmost Aircore drilling program within CG_F intersected 4 m @ 0.16 g/t Au from 48-52 m, which included 1m @ 3.96 g/t Au (48-49 m) and 1m @ 0.88g/t (49-50 m) in Aircore Hole CGAC025 which was terminated at 63m down hole. (see **ASX Release of 3rd December 2020**).

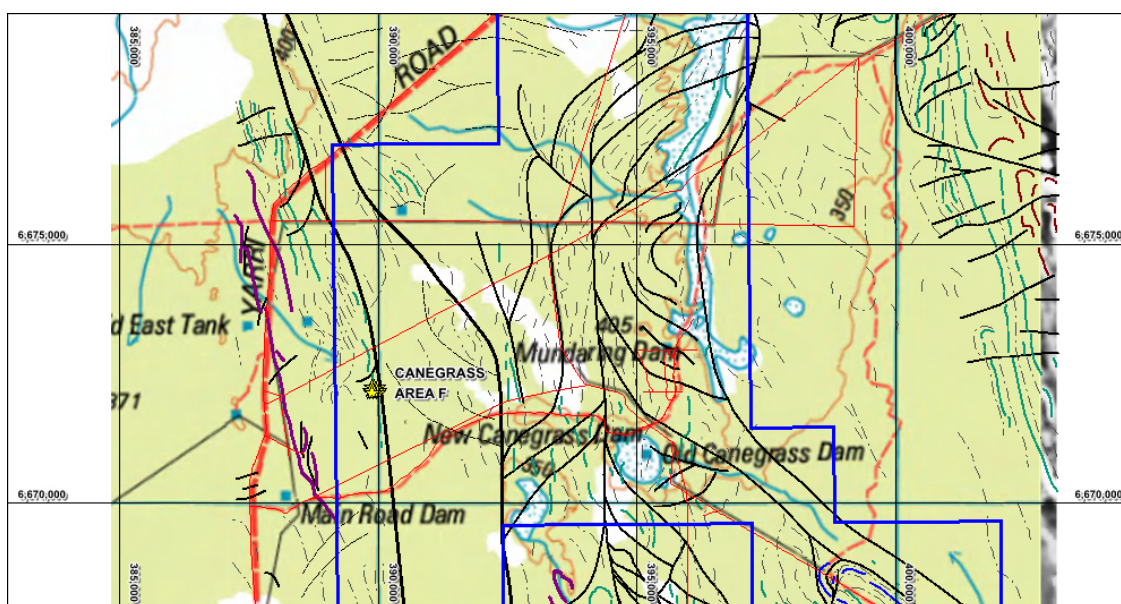


Figure 3: Canegrass CG_F Prospect with structures interpreted from processed aeromagnetics. Note CG_F is located on the regionally significant Emu Fault

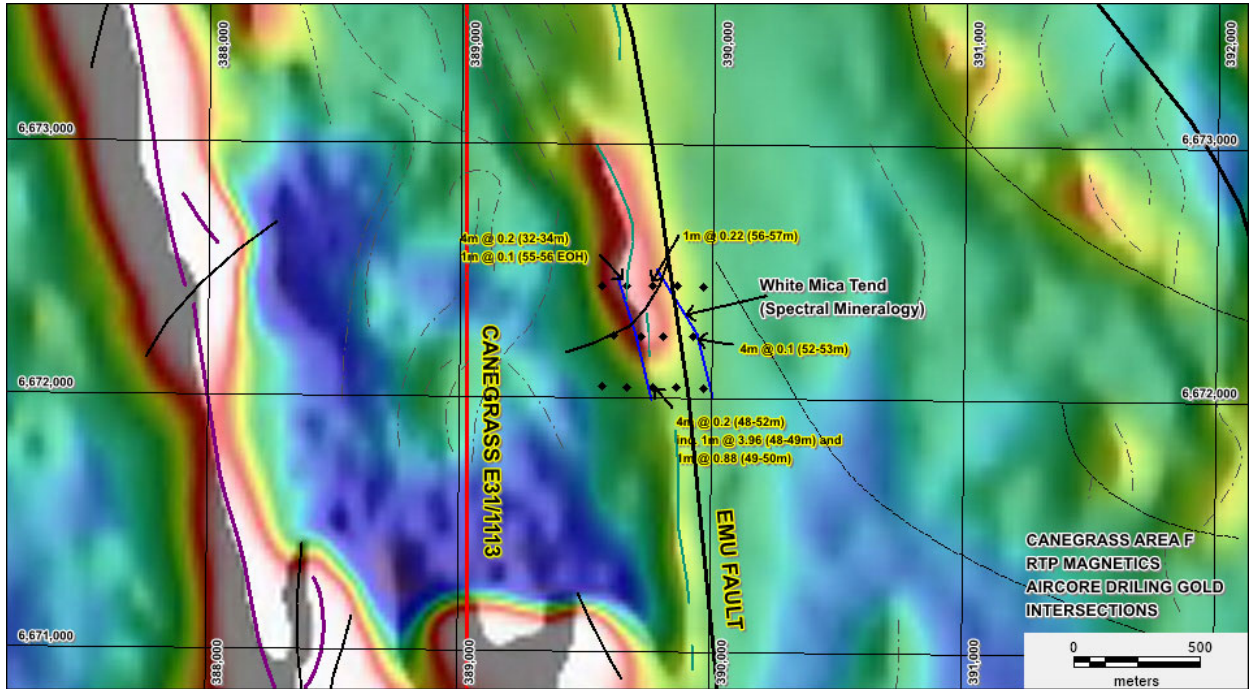


Figure 4: Canegrass CG_F Prospect showing significant Aircore gold drill intersections in yellow

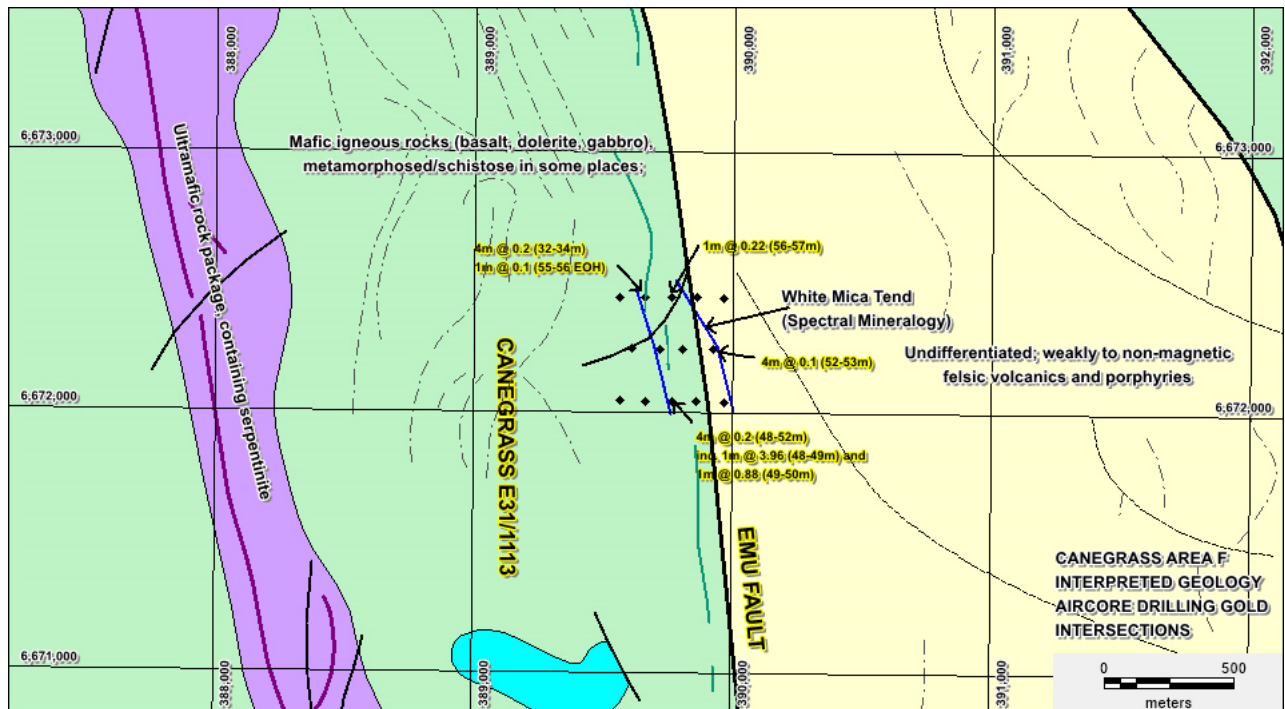


Figure 5: Canegrass CG_F Prospect with structures on interpreted geology

Figure 5 shows the interpreted geology for CG_A showing the Emu Fault located at the boundary of mafic dominant rocks (basalt and dolerite) to the west and felsic dominant (felsic volcanics and intrusives) rocks to the east. The significant gold intersections are located within the mafic dominant rocks where spectral mineralogy carried out on the drill pulps by ALS Laboratory as part of the geochemical analyses highlighted a white mica (sericite) trend adjacent to the Emu Fault. The program comprised of 3 lines of drilling (**Table 1 and Figure 6**) with one line the same as the southern line of the Aircore Program of 2020 (**Figures 4 and 5**) with two further drill lines 50 m to the north and 50 m to the south (**Figure 6**). As indicated, the RC drillholes were angled towards 270 degrees as shown in drill section 6672200N in **Figure 7**.

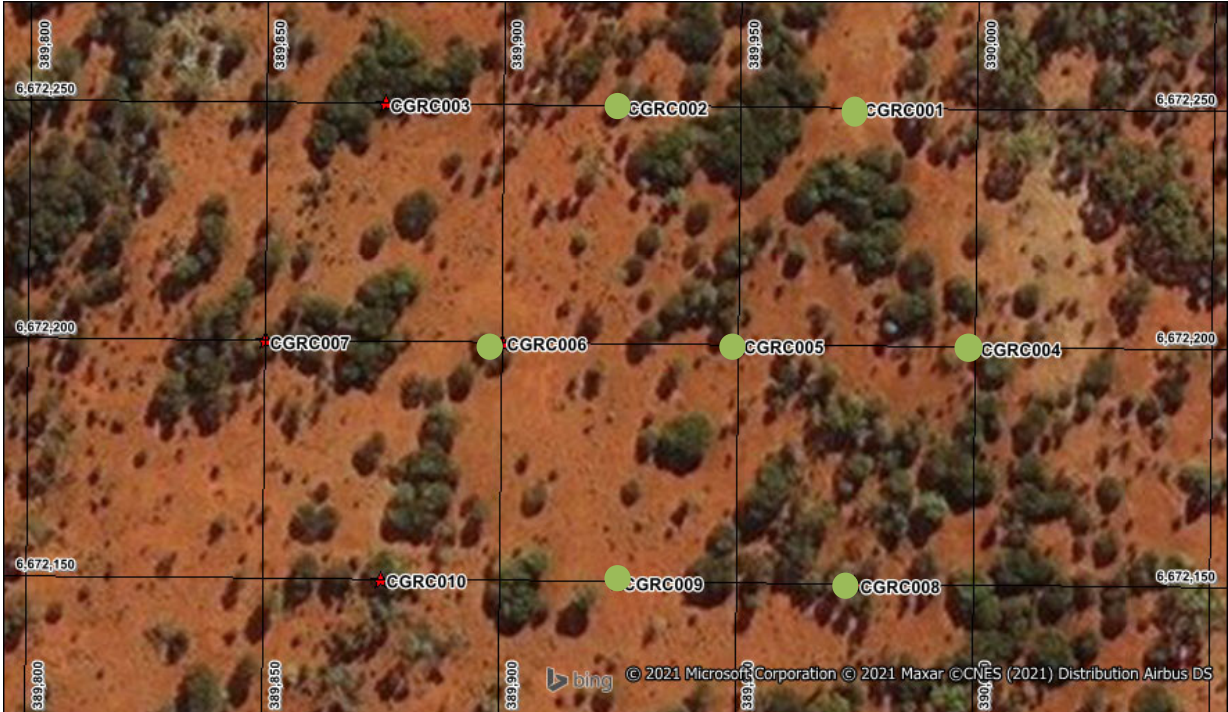


Figure 6: Canegrass CG_F Prospect showing the open nature of the terrain – in this program drill holes. The holes completed are shown in green drilled to 90 m (except for CGRC004 drilled to 72 m) angled towards 270 degrees (North is towards the top)

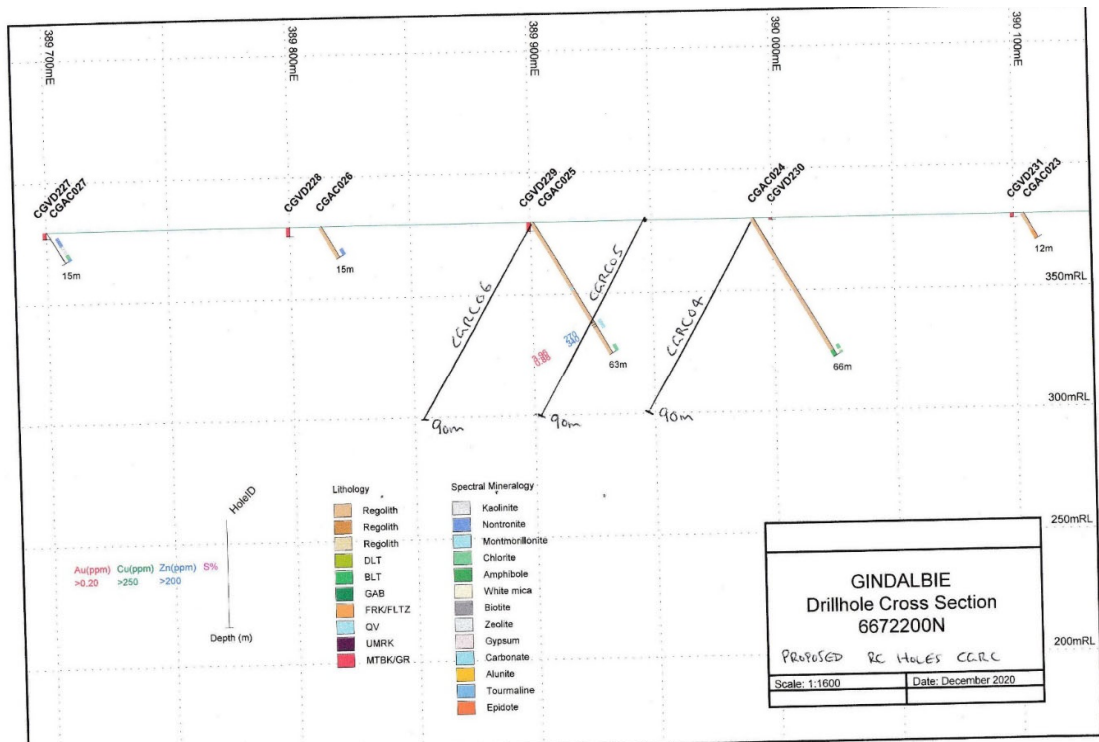


Figure 7: Canegrass CG_F Prospect showing drill section 6672200N with the RC drill holes CGRC005 and CGRC006 drilled to 90 m and CGRC004 drilled to 72 m in relation to the Aircore Drillhole CGAC025.

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
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