

ACTIVITIES REPORT – SEPTEMBER 2025 QUARTER

Exploration Investment

The Company continues to focus on rare earths elements (“REEs”) exploration recognising these minerals will be in demand for a multitude of industries. Gold and copper remain attractive for investment and the Company is seeking projects which are more advanced than at greenfield stage.

The Company holds 100% interests in three tenements covering a total area of 1,989 km² within the Limestone Coast in South Australia, namely Lameroo, Karte and Coodalya which are prospective for rare earths elements (“REE”) within ionic clay.

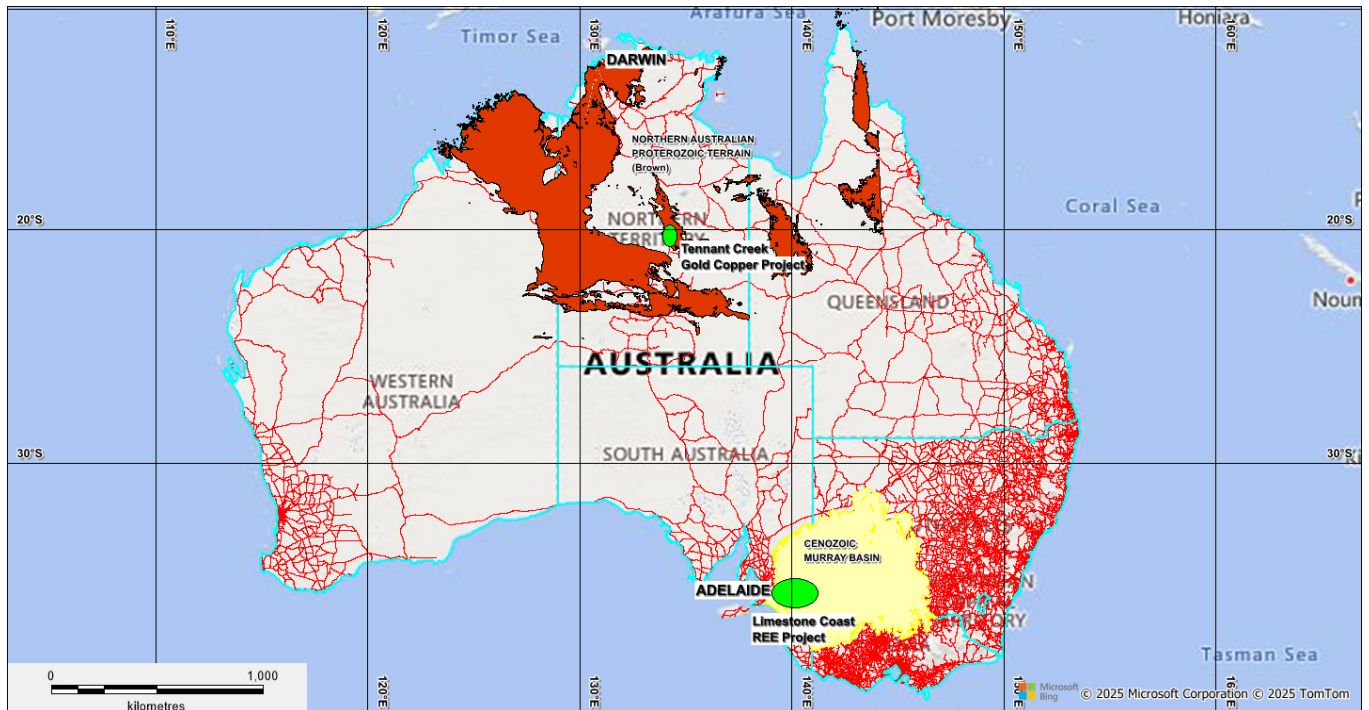


Figure 1: Kaili Resources Projects Locations in green

Limestone Coast – Rare Earth Element Projects – South Australia
Lameroo EL 6856, Karte EL 6977 and Coodalya EL 6978
Held 100% by wholly owned subsidiary Kaili Gold Pty Ltd

The 3 tenements are approximately 200 kms east of Adelaide accessible by highway and close to infrastructure in the Murray Basin in South Australia (**Figure 2**) with deposited Loxton/Parilla Sands where REEs are reportedly contained within the fine clay fraction of Tertiary (65 to 2.5 Million Years Ago) Strandlines (ionic clay style of deposit) in the basin.

Australian Rare Earths (ASX:AR3) has reported exploration success within their tenements in the region with estimated JORC 2012 resource of 236Mt @ 748ppm Total Rare Earth Oxides (TREO) (*see AR3 ASX Release of 30th September 2024*) and is conducting pre-feasibility studies for mining.

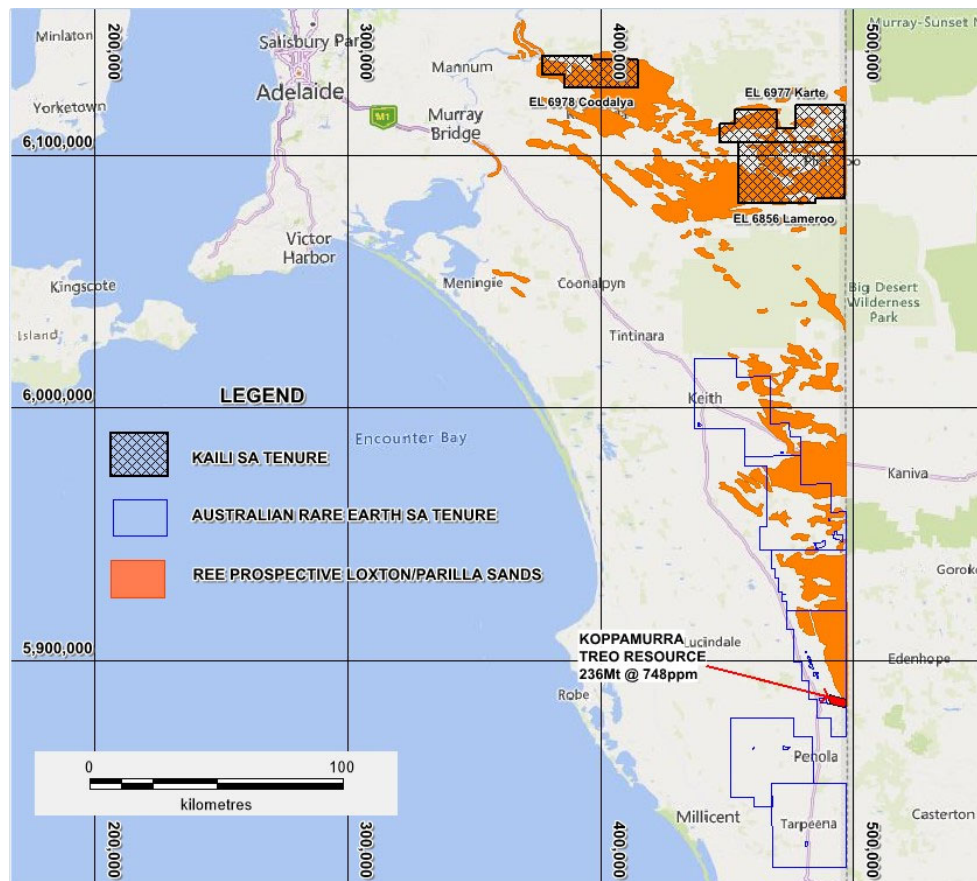


Figure 2: Location of Lameroo, Karte and Coodalya Rare Earth Exploration Tenements in Murray Basin, Limestone Coast, South Australia

The assay results of the initial drilling program in February 2024 were encouraging with the following significant Total Rare Earth Oxides (“TREO”) drilling intersections:

- 1m @ 356 ppm from 18 m - 19 m LMAC046
- 1m @ 271 ppm from 2 m - 3 m LMAC032
- 1m @ 228 ppm from 19 m - 20 m LMAC047

Magnetic (Battery) Rare Earth Oxides - MREO (Tb+ Dy+ Pr+ Nd) comprise on average 17% of the TREO. (See the Company’s ASX Announcement on 25th March 2024 for the JORC table and list of results for each hole.)



Figure 3: Location of Lameroo Aircore Drill Holes (LM series) within the target Loxton/Parill Sands (brown) and showing maximum ppm TREO in the hole of the February 2024 program

Following the selection in prior quarters of drilling locations for a second drilling program and successfully obtaining in August 2025 approval of the Department of Energy and Mining of South Australia (DEM) for EPEPRs (exploration program for environment protection and rehabilitation) for all 3 tenements, Lameroo, Karte and Coodalya, the Company completed the drilling program in September 2025 along roadside traverses across the tenements for REEs (**Figures 4 and 5**).

Drill sites on council road verges have been selected to minimise disruption to the public, private properties and flora.

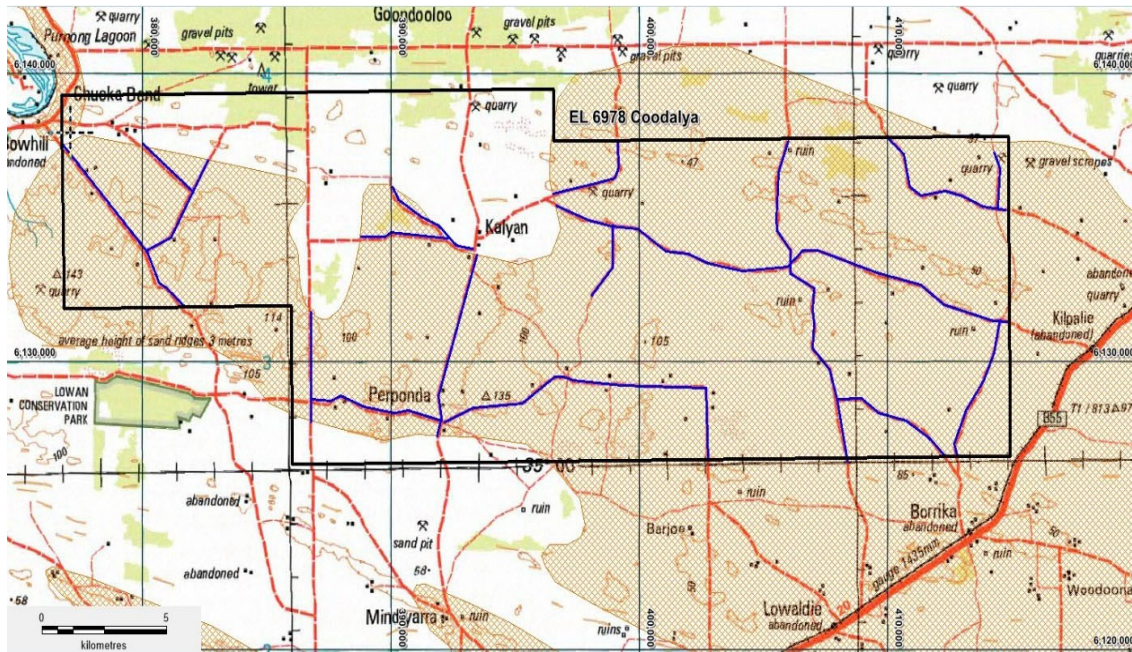


Figure 4: Vehicular traverses in blue targeting the Loxton/Parilla Sands in the Coodalya Tenement

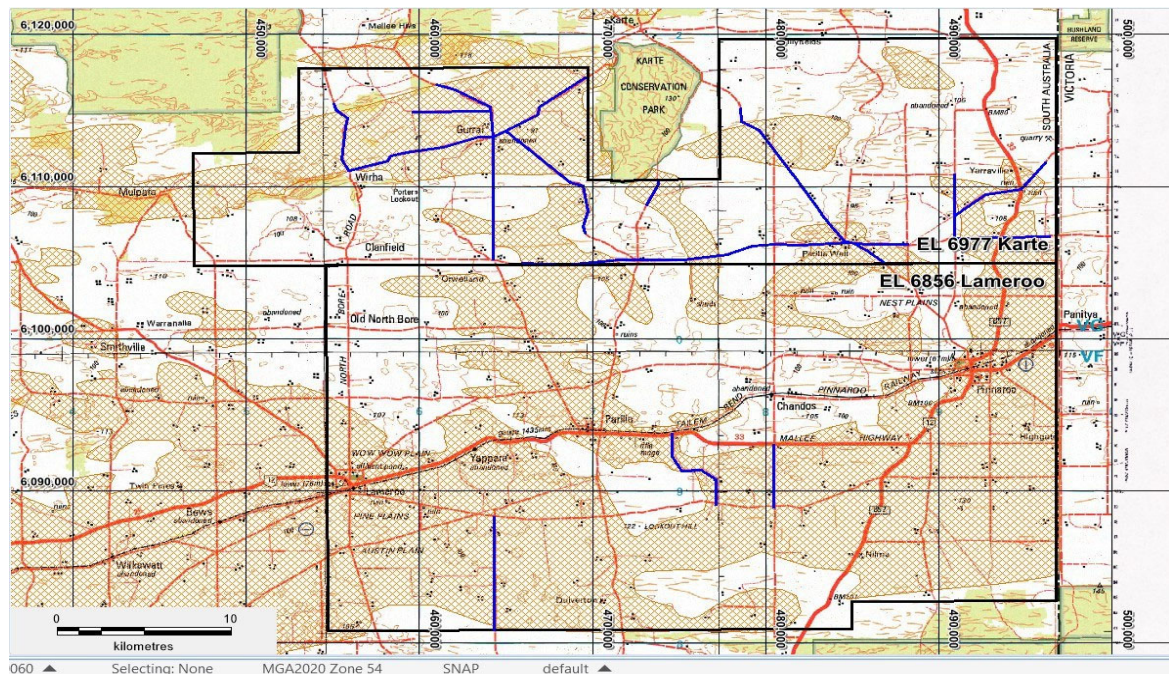


Figure 5: Vehicular traverses in blue targeting the Loxton/Parilla Sands in the Karte and Lamerook Tenements

54 holes (**Figure 6**) each of up to 18 metres deep have been drilled for a total of 972 metres. The drill holes were purposely widely spaced to cover large areas across the 3 tenements at low cost to direct the focus for subsequent infill drilling programs.

The predominantly local based crew who worked with the Company previously completed the program ahead of schedule and without incident.

972 samples have been scanned by Vanta pXRF equipment to identify the presence of REEs.

Significant *Total Rare Earth Elements (TREE) Results ¹:

25 CDAC019 7-9m, 2m@ 279ppm (incl 1m @ 392ppm)
25 CDAC005 16-17m, 1m@ 219ppm and 0-1m @ 148ppm
25 KTAC022 1-2m, 1m @ 266ppm
25KTAC013 13-14m, 1m @ 241ppm

*TREE – pXRF elements (Ce+La+Y+Pr+Nd). Note the pXRF reading is a partial analysis.

¹ See ASX release of 20 October 2025.

The results are indicative only as pXRF method is a partial analysis of 5 of the 14 REEs. Laboratory assay of the samples is required to plan grid based drilling.

The samples presenting indicative high grade of mineralisation have been sent to ALS Laboratory in Adelaide for assay to confirm the grade of Total Rare Earth Oxide and this is awaited to plan further drilling programs.

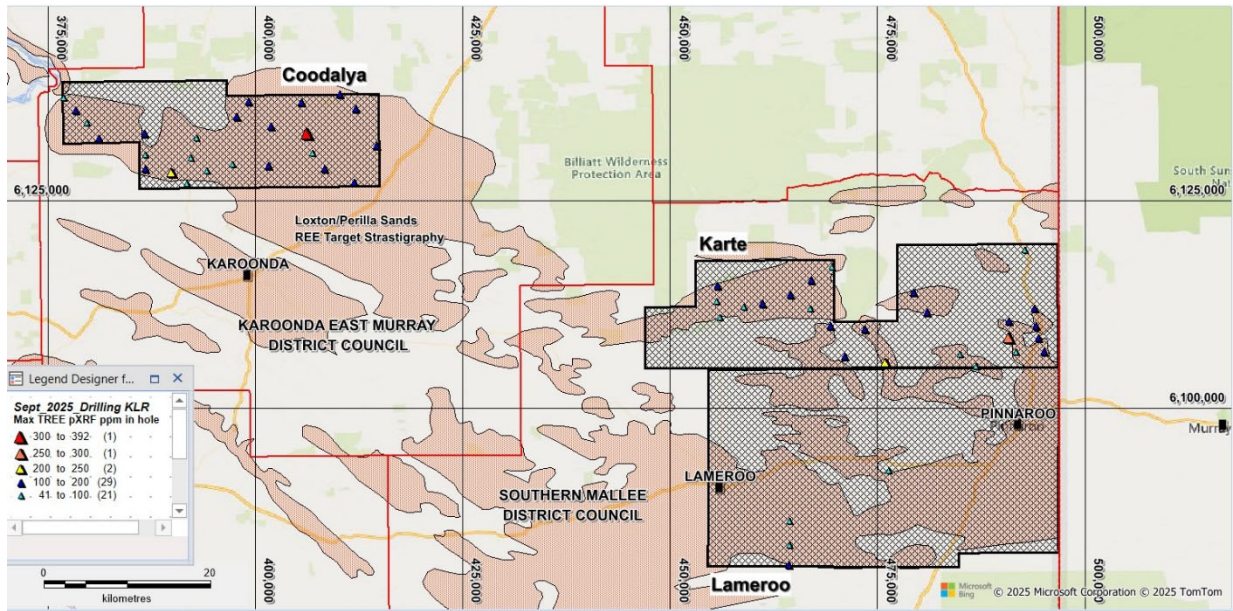


Figure 6: Drill collar location in Lameroo, Karte and Coodaly showing pXRF maximum TREE result per drill hole

Tennant Creek – Gold and Copper Exploration Projects - Northern Territory Kovacs ELA 32666

Held 100% by wholly owned subsidiary Kaili Gold Pty Ltd.

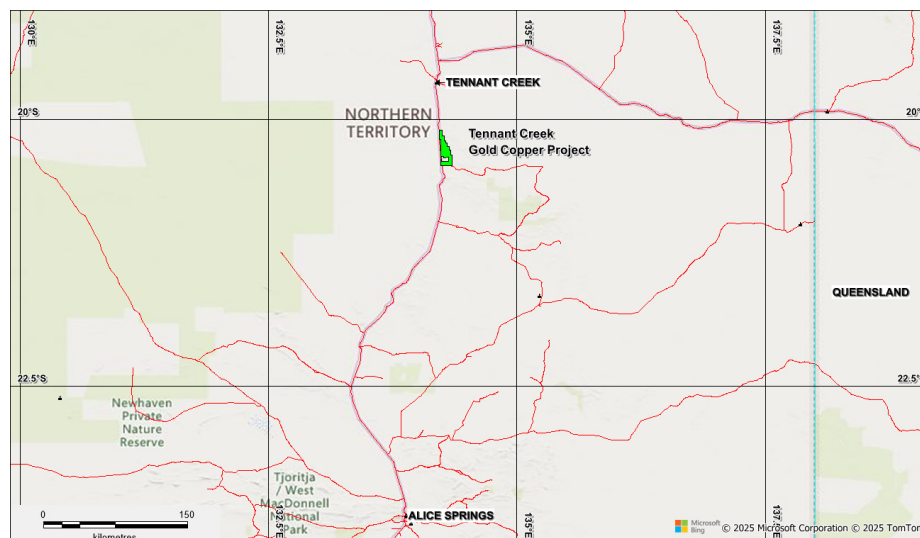


Figure 6: Regional Tenement Location SE of Tennant Creek – Kovacs

There has been no exploration activity during the quarter as the Company awaits the grant of the exploration licence under application ELA 32666 Kovacs south of Tennant Creek lodged in February 2021. Background information on the geology of the region and licence areas is contained in the Activities Report released to ASX on 30 January 2023.

Technical Releases Applicable to the September 2025 Quarter

This Quarterly Activities Report contains information extracted from the Company's ASX market announcements reported in accordance with the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (2012 JORC Code). Further details (including 2012 JORC Code reporting tables where applicable) of exploration results can be found in the following announcements lodged on the ASX:

- 25th March 2024: Drilling Results on REEs at Lameroo SA
- 31st January 2025: Quarterly Activities/Appendix 5B Cashflow Report
- 19th February 2025: Sites Selected for REE Drilling in SA
- 27th March 2025: Annual Report to Shareholders
- 30th April 2025: Quarterly Activities/Appendix 5B Cashflow Report
- 28th July 2025: Quarterly Activities/Appendix 5B Cashflow Report
- 15th August 2025: Received Approval for REE Drilling in SA
- 28th August 2025: Drilling at Limestone Coast to commence on 8 Sep 2025
- 8th September 2025: Drilling Commenced for REEs in South Australia
- 10th September 2025: Half Yearly Report and Accounts
- 15th September 2025: Drilling Completed at Limestone Coast SA
- 20th October 2025: Aircore Drilling Results in South Australia

In accordance with Listing Rule 5.23 the Company reports that it is not aware of any new information or data that materially affects the information included in the above announcements.

LICENCES STATUS

Pursuant to ASX Listing Rule 5.3.3 the Company reports in the Table 2 below in relation to minerals tenements held at the end of the September 2025 quarter and their locations. During the quarter there have been no changes in tenement holdings.

Granted	Tenement	Name	Commodity	Region	Registered Holder	Beneficial Interest	Area	Status
							Km ²	
19/10/2022	EL6856	Lameroo	Rare Earth	SA - Murray Basin	Kaili Gold Pty Ltd	100%	991.0	Expiry on 18/10/2028
15/02/2024	EL 6977	Karte	Rare Earth	SA - Murray Basin	Kaili Gold Pty Ltd	100%	590.0	Expiry on 14/02/2030
15/02/2024	EL 6978	Coodalya	Rare Earth	SA - Murray Basin	Kaili Gold Pty Ltd	100%	408.0	Expiry on 14/02/2030
Under application	ELA32666	Kovacs	Gold/Base Metals	NT-Warramunga Province	Kaili Gold Pty Ltd	100%	271.7	Application submitted 23/02/2021
Total							2,630.2	

Table 1: Tenement schedule

Exploration Expenditure

The expenditure incurred (adjusted for accrual basis of accounting to the cash payment reported in Appendix 5B item 2.1(d)) for exploration in the tenements for the Quarter was as follows:

- Drilling	\$57,000
- Tenement rent	\$16,000
- Project management costs	\$4,000
Total	<u>\$77,000</u>

There were no mining production and development activities during the Quarter.

Payments to Related Parties of the Entity and their Associates

The aggregate amount of payments in the Quarter to related parties and their associates included in item 1 (Cash Flows from Operating Activities) reported in item 6.1 of the Appendix 5B Cash Flow Report was \$12,160 to Loire Energy Pty Ltd an associate of Patrick Sam Yue for consulting services provided in March 2025 quarter prior to his joining the Board of Directors.

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.

31 October 2025

Authorised by:

Long Zhao - Executive Director

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Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

KAILI RESOURCES LIMITED

ABN

39 077 559 525

Quarter ended ("current quarter")

30 SEPTEMBER 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation		
(b) development		
(c) production		
(d) staff costs	-	(7)
(e) administration and corporate costs	(61)	(173)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (GST, projects)	(2)	1
1.9 Net cash from / (used in) operating activities	(63)	(179)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) tenements		
(c) property, plant and equipment		
(d) exploration & evaluation	(58)	(126)
(e) investments		
(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other		
2.6	Net cash from / (used in) investing activities	(58)	(126)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings	130	130
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other	-	(12)
3.10	Net cash from / (used in) financing activities	130	118

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	15	211
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(63)	(179)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(58)	(126)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	130	118

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	24	24

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	24	15
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	24	15

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	12
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
	<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
	<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
	7.1 Loan facilities	5,599	4,729
	7.2 Credit standby arrangements		
	7.3 Other (please specify)		
	7.4 Total financing facilities	5,599	4,729
7.5	Unused financing facilities available at quarter end		870
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. - Yitai Group (Hongkong) Co., Ltd, a related company of the ultimate parent company Inner Mongolia Yitai Investment Co., Limited has provided interest free loan and finance facilities totalling \$4,599,000 which are fully drawn and due to mature on 1 April 2026. During the quarter Yitai Group (Hongkong) Co., Ltd has assigned the amount payable to them of \$4,599,000 to Director Mr. Jianzhong Yang without change to the terms and conditions and Mr. Jianzhong Yang has extended the repayment date of the borrowings from 1 April 2026 to 1 October 2026. - Kaili Holdings Limited, a related company of Director Mr. Jianzhong Yang, confirmed during the quarter to provide interest-free and unsecured financial support of up to \$1 million until 31 March 2026 for working capital. In September 2025 the expiry date of this financial support has been extended to 1 October 2026.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(63)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(58)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(121)
8.4	Cash and cash equivalents at quarter end (item 4.6)	24
8.5	Unused finance facilities available at quarter end (item 7.5)	870
8.6	Total available funding (item 8.4 + item 8.5)	894
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	7.39
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions: 8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not? Answer: N/A	

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 October 2025

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Authorised by: Long Zhao, Executive Director

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(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.