Kaili Resources Limited
ARBN 077 559 525
Suite 1312
87-89 Liverpool Street
Sydney NSW 2000, Australia
T: +61 2 9264 6288
E: contact@kailigroup.com.au

ACTIVITIES REPORT – JUNE 2026 QUARTER

Exploration Investment

The Company's current main exploration activities are for rare earths elements ("REEs") in South Australia. REEs currently recognised as critical minerals for its use in semi-conductors, magnets and military are widely supported for production by governments.

The Company holds 100% interests in three tenements covering a total area of 1,989 km^2 within the Limestone Coast in South Australia, namely Lameroo, Karte and Coodalya which are prospective for REEs within ionic clay.

Projects for copper, gold, silver and base metals are being sought to diversify the Company's resources investment portfolio

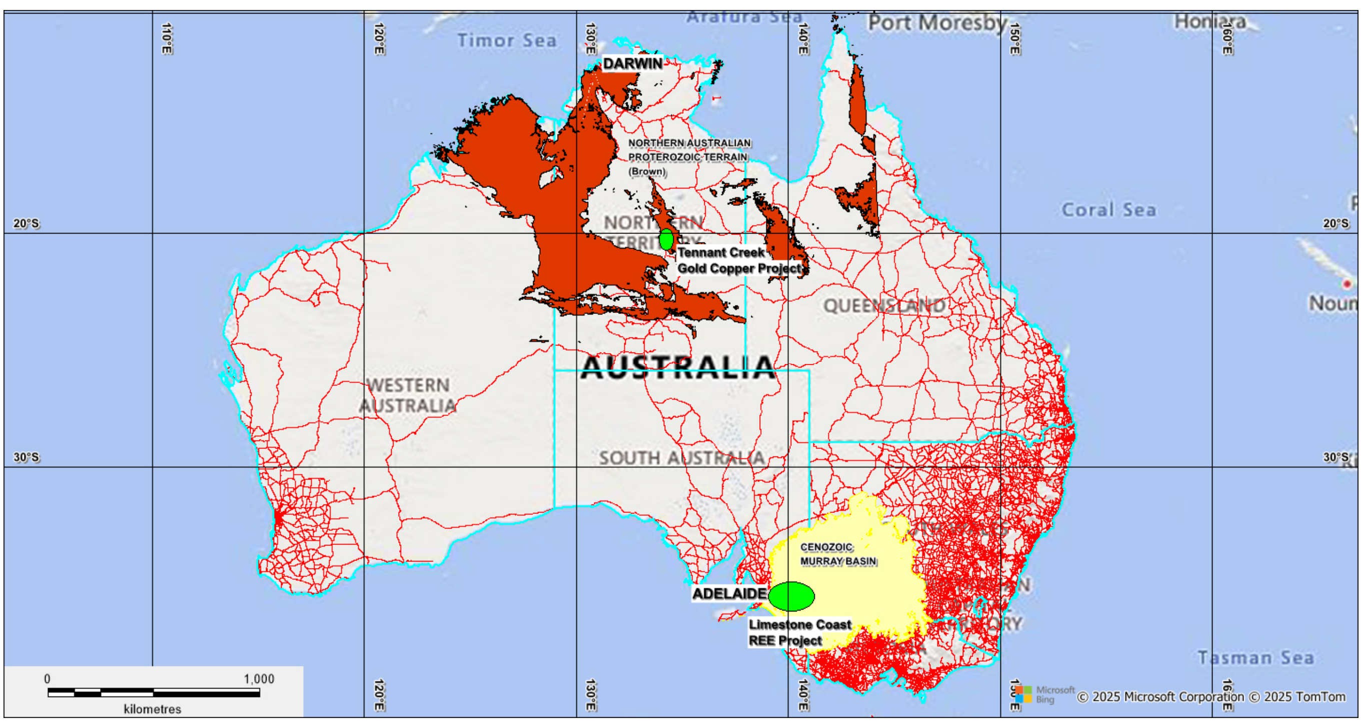

Figure 1: Kaili Resources Projects Locations in green

Kaili Resources Limited
ARBN 077 559 525
Suite 1312
87-89 Liverpool Street
Sydney NSW 2000, Australia
T: +61 2 9264 6288
E: contact@kailigroup.com.au

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.

REEs mineralisation is proven in the region with Australian Rare Earths (AR3:ASX) releasing the results of a pre-feasibility study on their Koppamurra REEs project (**Figure 2**) reporting positive economics (*see AR3 ASX Release of 25th June 2026*).

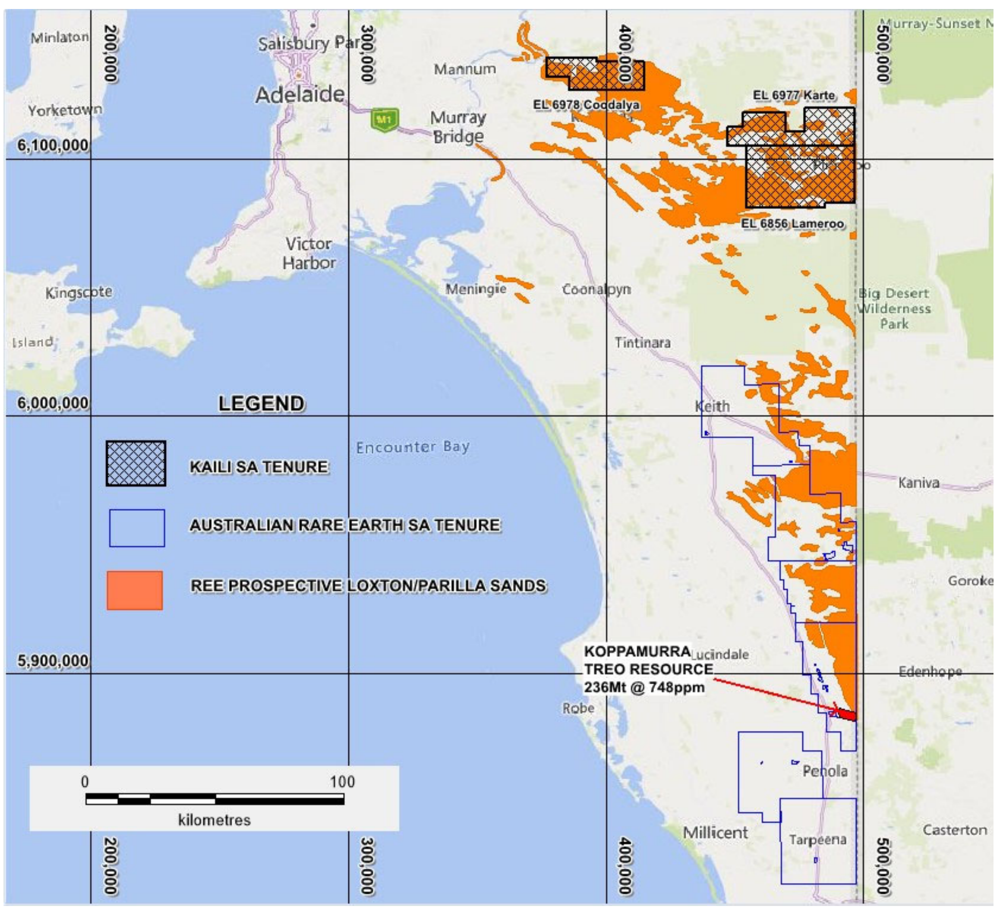

Figure 2: Location of Lameroo, Karte and Coodalya Rare Earth Exploration Tenements in Murray Basin, Limestone Coast, South Australia

Kaili Resources Limited
ARBN 077 559 525
Suite 1312
87-89 Liverpool Street
Sydney NSW 2000, Australia
T: +61 2 9264 6288
E: contact@kailigroup.com.au

Drilling campaigns conducted in 2024, 2025 and early 2026 provided encouraging evidence of REEs in the Loxton/Parilla Sands within the 3 tenements Lameroo EL 6856, Karte EL 6977 and Coodalya EL 6978. For exploration costs management the drill holes were widely spaced along road verges spread over almost the whole area (1,989 km^2) of the 3 tenements to get an overview on likely locations of concentration of REEs before planning closer spaced drill holes then possibly grid based drilling to better assess the resource potential.

The results (*ASX Releases of 20 October 2025, 20 November 2025 and 6 March 2026*) of the drilling program in September 2025 and February 2026 identified an area for further focussed exploration, named the Mallee Project, within the Coodalya EL 6978 tenement (**Figure 3)**.

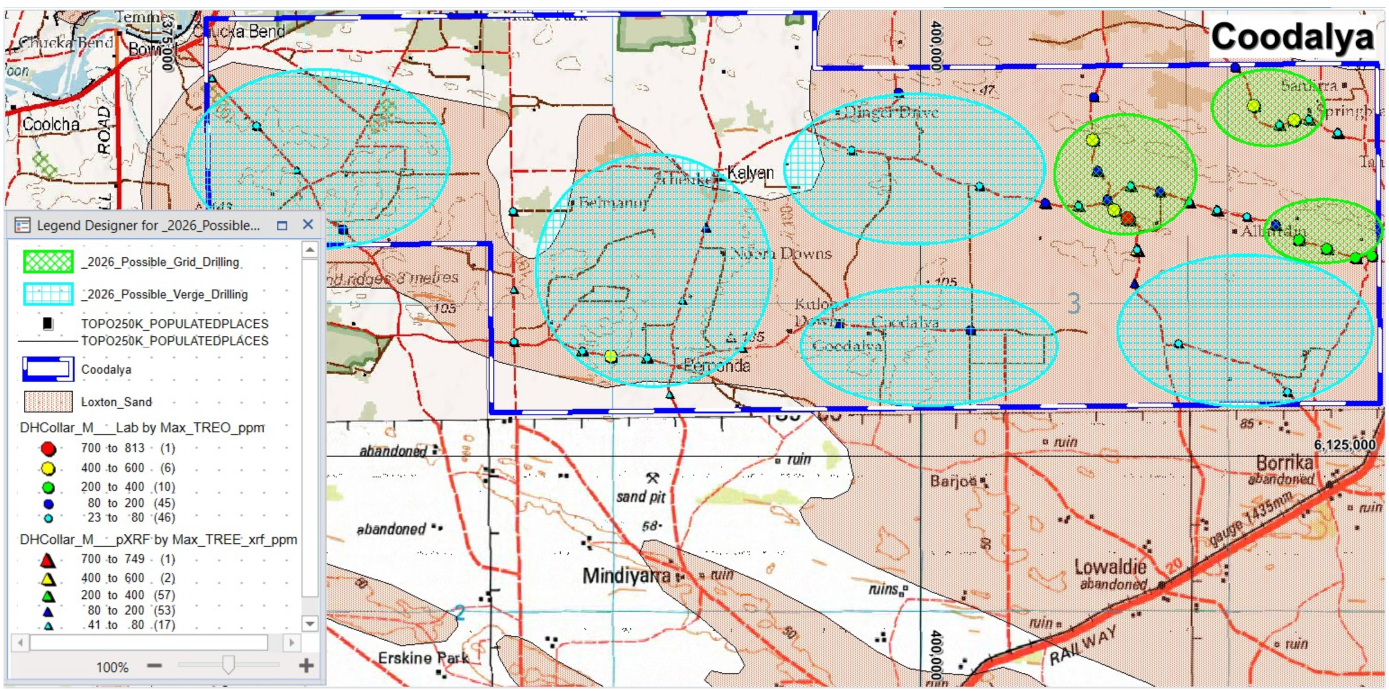

Figure 3: Coodalya Tenement Max TREE and TREO Results to February 2026
Shaded Blue and Green Areas Identified for Future Drilling

Note on the Legend in Figures 3, 4 and 5:

1. *Readers should not completely rely on the p-XRF TREE ppm readings as they do not substitute the quantitative analysis performed and the results produced by the laboratory for reported TREO.*
2. *See KLR ASX releases on 25 March 2024, 20 October 2025, 17 November 2025, 20 November 2025, 7 February 2026 and 6 March 2026 for the results summarised in the Legend and the drill collar table.*
3. *The Total Rare Earth Oxide (TREO) is obtained in multiplying the individual element assay by the conversion factor to obtain an oxide value of individual element then adding all oxide values to get the TREO number.*
4. *TREO – elements converted to oxides with oxides conversions in brackets Ce(1.1713), Dy(1.1477), Er(1.1435), Eu(1.1579), Gd(1.1526), Ho(1.1455), La(1.1728), Lu(1.1371), Pr(1.2082) ,Nd(1.1664), Sc(1.5338),*

Kaili Resources Limited
ARBN 077 559 525
Suite 1312
87-89 Liverpool Street
Sydney NSW 2000, Australia
T: +61 2 9264 6288
E: contact@kailigroup.com.au

Sm(1.1596), Tb(1.1510), Y(1.2699) and Yb(1.1387) from element assays by ALS Laboratory in Adelaide for the full suite of REEs by Method ME MS 81.

The Company has reviewed all drilling results to date and has identified areas for future drilling within Coodalya. Additional verge drilling has been planned during the quarter but due to availability of crew the drilling program has been conducted in July 2026 and the results are awaited.

Other areas have also been identified for future verge drilling within the blue shaded area at Karte and Lameroo to achieve smaller hole intervals which are presently approximately 500 metres to 1,000 metres in order to find areas for focus drilling. See **Figures 4 and 5.**

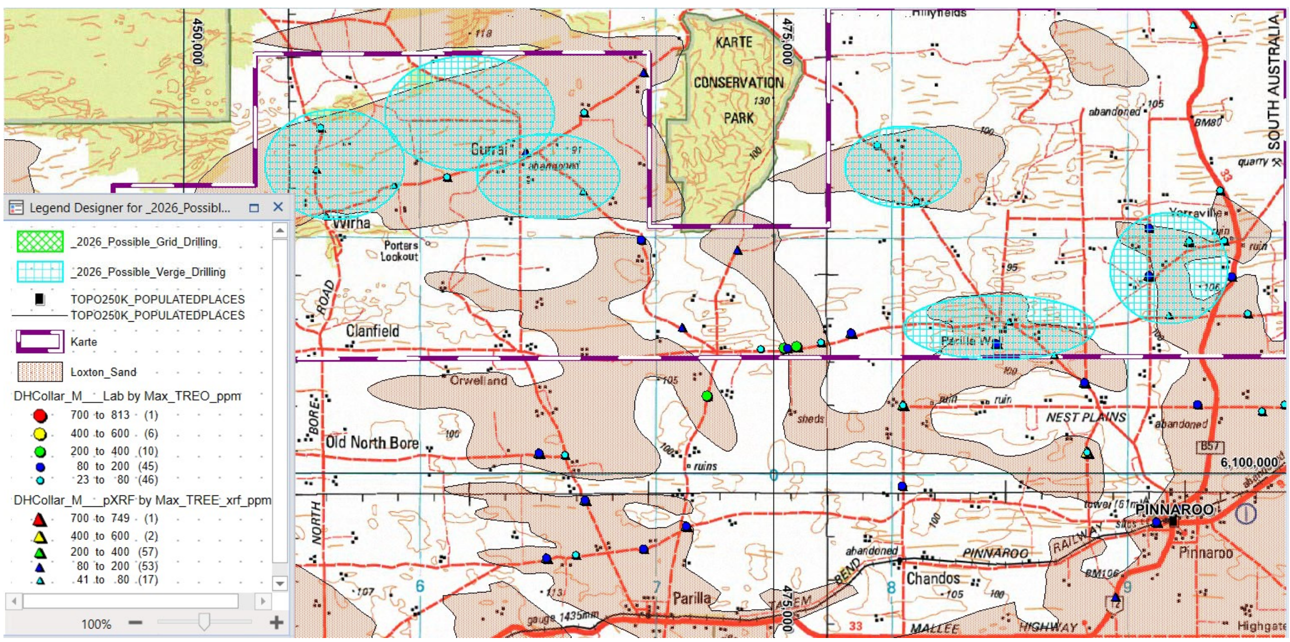

Figure 4: Karte Tenement Max TREE and TREO Results to February 2026
Shaded Blue Areas Identified for Future Drilling

Kaili Resources Limited
ARBN 077 559 525
Suite 1312
87-89 Liverpool Street
Sydney NSW 2000, Australia
T: +61 2 9264 6288
E: contact@kailigroup.com.au

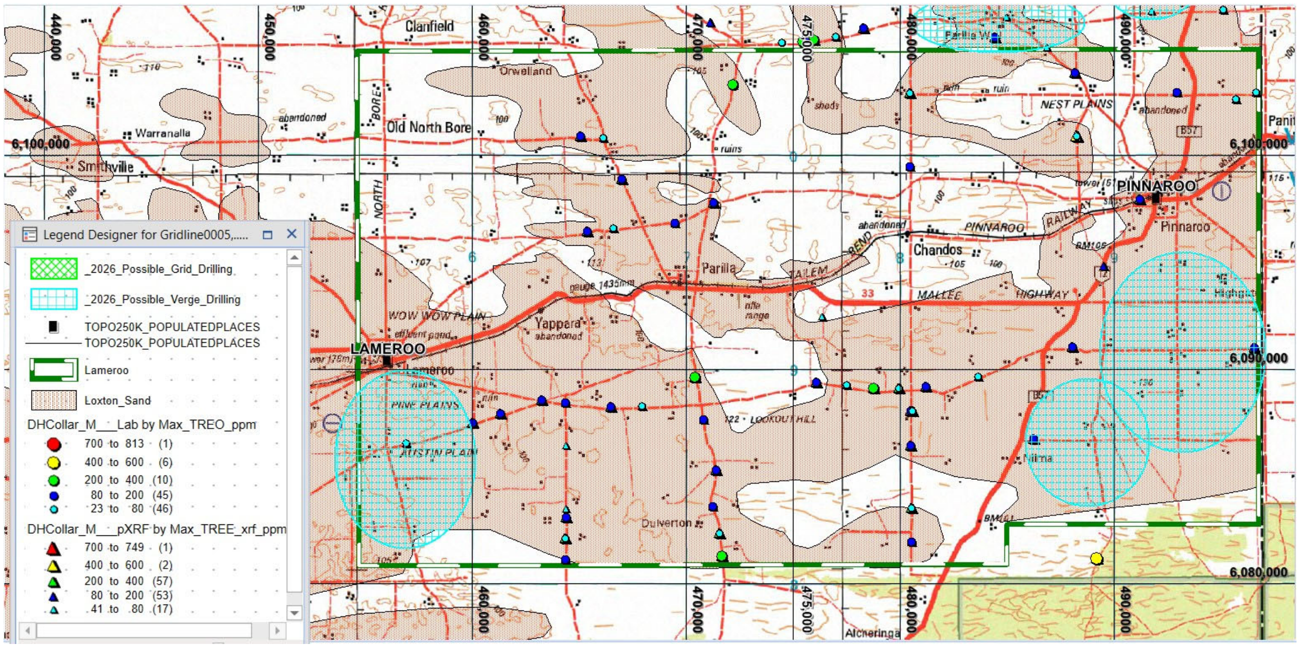

Figure 5: Lameroo Tenement Max TREE and TREO Results to February 2026
Shaded Blue Areas Identified for Future Drilling

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

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

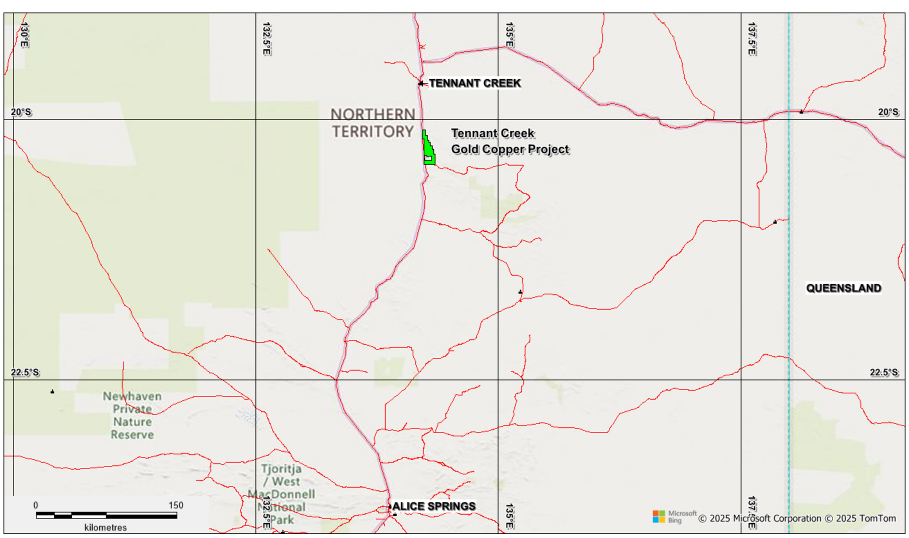

Figure 6: Regional Tenement Location SE of Tennant Creek – Kovacs

Kaili Resources Limited
ARBN 077 559 525
Suite 1312
87-89 Liverpool Street
Sydney NSW 2000, Australia
T: +61 2 9264 6288
E: contact@kailigroup.com.au

Application ELA 32666 Kovacs south of Tennant Creek was lodged in February 2021. In July 2026 the Company decided to withdraw the application.

Technical Releases Applicable to the June 2026 Quarter and this report

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:

25 March 2024*	Drilling Results on REEs at Lameroo SA
20 October 2025*	Aircore Drilling Results in South Australia
17 November 2025*	Update on Assay of Drilling Samples
20 November 2025*	REEs Laboratory Assay Results
27 January 2026	Drilling Commences for REES at Mallee Project
30 January 2026	Quarterly Activities Report
2 February 2026*	Drilling for REEs Completed at Mallee Project SA
18 February 2026	REEs pXRF Drilling Results at Mallee Project SA
6 March 2026*	Drilling Results of REEs - Mallee Project SA
31 March 2026	Annual Report to Shareholders
30 April 2026	Quarterly Activities Report

Table 1: Applicable Technical Releases

- *The reported results are summarised and referred to in the Legend in Figures 3, 4, and 5*

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 June 2026 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 Km^2	Status
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

Kaili Resources Limited
ARBN 077 559 525
Suite 1312
87-89 Liverpool Street
Sydney NSW 2000, Australia
T: +61 2 9264 6288
E: contact@kailigroup.com.au

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 withdrawn in July 2026
						Total	2,630.2	

Table2: 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:

- Geology and geophysics	$7,000
- Project management costs	$6,000
Total	$13,000

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 $10,000 to an associate of Director Patrick Sam Yue, for consulting services provided prior to his joining the Board of Directors and $67,000 to an associate of Director Long Zhao for services in several previous quarters.

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.

Kaili Resources Limited
ARBN 077 559 525
Suite 1312
87-89 Liverpool Street
Sydney NSW 2000, Australia
T: +61 2 9264 6288
E: contact@kailigroup.com.au

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 July 2026

Authorised by:
Long Zhao - Executive Director

Contact T: +61 2 9264 6288 E: contact@kailigroup.com.au

Appendix 5B

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

Name of entity	
KAILI RESOURCES LIMITED	
ABN	**Quarter ended ("current quarter")**
39 077 559 525	30 JUNE 2026

Consolidated statement of cash flows			Current quarter $A'000	Year to date (6 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		
	(e)	administration and corporate costs	(217)	(280)
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)		(26)	(36)
1.9	**Net cash from / (used in) operating activities**		**(243)**	**(316)**

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	(10)	(84)
	(e)	investments		
	(f)	other non-current assets		

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 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**	**(10)**	**(84)**

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	-	475
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other	(46)	(46)
3.10	**Net cash from / (used in) financing activities**	**(46)**	**429**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	344	16
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(243)	(316)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(10)	(84)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(46)	429

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
4.5	Effect of movement in exchange rates on cash held		
4.6	**Cash and cash equivalents at end of period**	**45**	**45**

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	45	344
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)**	**45**	**344**

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	77
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	6,349	5,284
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	**Total financing facilities**	6,349	5,284
7.5	**Unused financing facilities available at quarter end**		1,065

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.

- Interest-free loan and finance facilities totalling $4,599,000 have been fully drawn and provided by Director Mr. Jianzhong Yang until 1 October 2027.
- Kaili Holdings Limited, a related company of Director Jianzhong Yang, provides an interest-free and unsecured financial support of up to $1.75 million until 1 October 2027.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(243)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(10)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(253)
8.4	Cash and cash equivalents at quarter end (item 4.6)	45
8.5	Unused finance facilities available at quarter end (item 7.5)	1,065
8.6	Total available funding (item 8.4 + item 8.5)	1,110
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	4.39

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.

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 July 2026

....

Authorised by: Long Zhao, Executive Director

....

(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.