

20<sup>th</sup> April 2023

ASX Market Announcements

## Rare Earth Elements Exploration at Lameroo EL6856 in South Australia Preliminary Drill Site Investigation

Kaili Resources Limited (ASX:KLR) is pleased to announce that it has completed a preliminary drill site inspection within the 991 km<sup>2</sup> licence Lameroo EL 6856 located within the Loxton Sands in the Murray Basin, east of Adelaide in South Australia (**Figures 1 and 2**).

The inspection comprised road traverses (**Figure 3**) within the licence and has identified 234 drill site locations for Aircore Drilling. In addition, six samples have been collected of fresh outcropping granite and submitted to ALS laboratory for trace elements tests by lithium borate fusion as the granites are potentially the source of REEs found in ionic clays.

Challenger Geological Services has been commissioned to scan selected historic drill hole samples held by the SA Government using their Evident (formerly Olympus) M Series Vanta pXRF for a select range of REEs. These pXRF readings would assist in planning the REEs exploration.

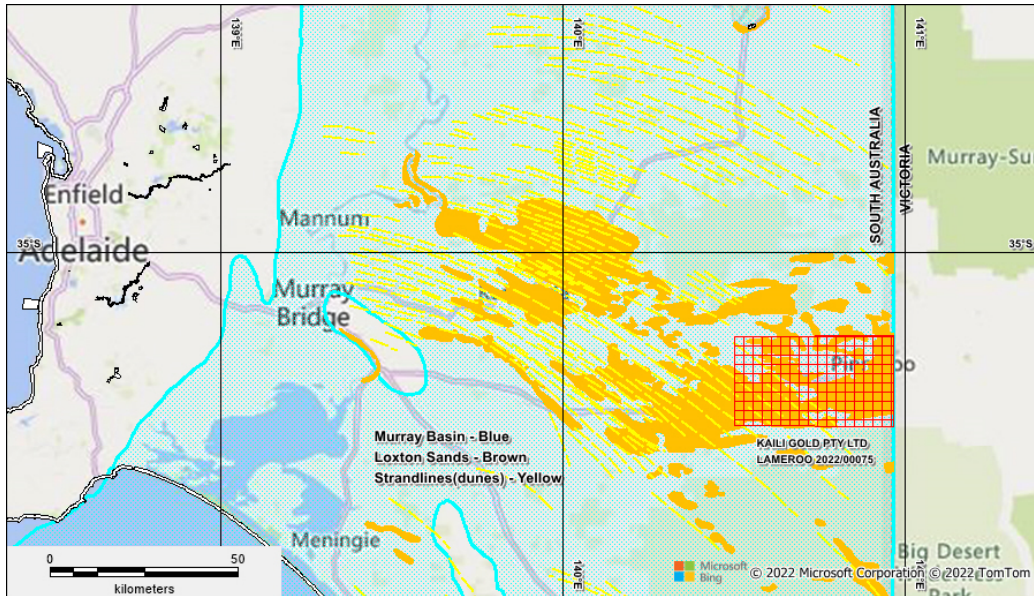


**Figure 1: Kaili Exploration Projects Locations in South Australia, Western Australia and Northern Territory**

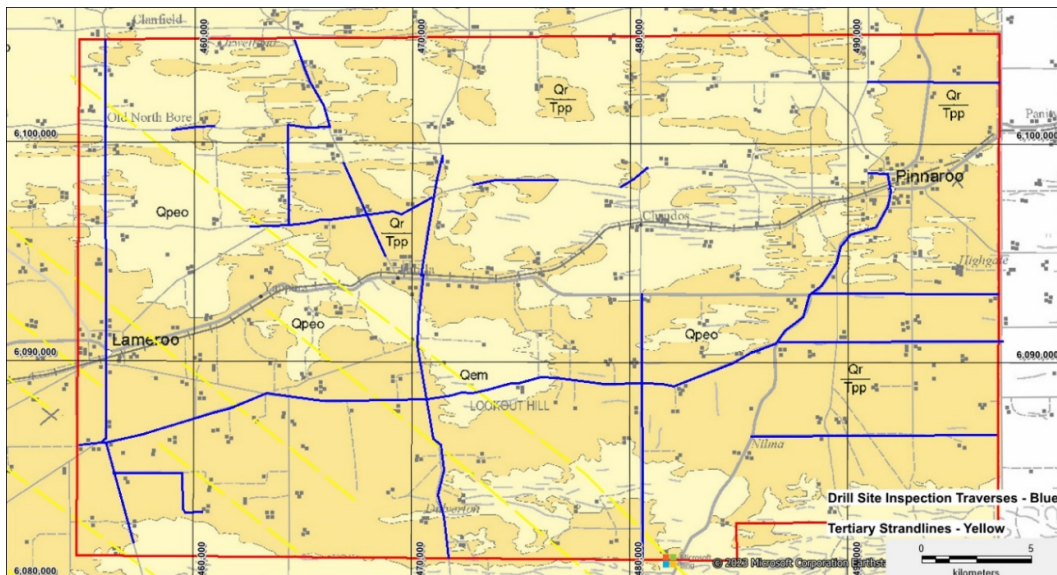
The aim of the Company is to explore for REEs contained within the fine clay fraction of Tertiary (65 to 2.5 million years ago) Strandlines (“ionic clay style of deposit) reportedly existing in the region. Australian Rare Earth (ASX:AR3) has a large exploration area in the region and recently announced after a drilling program an increased JORC inferred mineral resource of 81.4 MT @ 785 ppm TREO (Total Rare Earth Oxides) at their Koppamurra project prospective for ionic clay REE deposit (see AR3’s ASX announcement of 4 July 2022). Several other entities are also exploring for REE in the region.

With the lowering of the overall levels, the Loxton Sands or equivalents of the Murray Basin were formed on the beach on the shore of the emergent land (Strandlines). Locally, heavy minerals were concentrated

by wave action, including rutile zircon and ilmenite (Mineral Sands). In addition, Light and Heavy Rare Earth Elements have formed an ionic bond with the fine clay fraction (Ionic Clays) of the Loxton Sands at shallow depths. REEs have been designated critical minerals by Australia, EU, USGS and IEA and are used in rare earth permanent magnets for electric vehicles (EV), wind turbines and many electronic devices.



**Figure 2: Location of Lameroo Rare Earth Exploration Project in Murray Basin South Australia**



**Figure 3: Location of Lameroo Drill Site Inspection Traverses with the Target Loxton Sands in Light Brown**

***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  
Director/Company Secretary

**Contact**

T: +61 2 9264 6288 E: [contact@kailigroup.com.au](mailto:contact@kailigroup.com.au)