For personal use only

ASX ANNOUNCEMENT
ASX | KLI
1 October 2026

Lodestone Iron Ore Project, WA

Second Drill Rig Arrives to Accelerate Resource Growth at Lodestone

Existing diamond rig and recently arrived RC rig to focus on step-out drilling and resource growth.

HIGHLIGHTS

- **A second drill rig has arrived and commenced drilling at the Company's flagship Lodestone Iron Ore Project**
- **The reverse circulation rig will work alongside the diamond core rig already on site, accelerating the 20,000m drilling program aimed at increasing the size and confidence of the existing 110Mt JORC Inferred Resource [(1)]**
- **The two rigs will prioritise targeting both the northern and southern extensions to the current resource, as well as depth extensions within the 25km long magnetite system**
- **The arrival of the second rig follows recent successes which saw a 600m step-out hole intersect a 50m wide zone of coarse, crystalline magnetite [(2)]**
- **The focus at Lodestone continues to be on the potential to produce a high-purity, high value, premium magnetite concentrates for the new generation of electric arc furnaces**

(1) Lodestone Mineral Resource Estimate – ASX announcement 11th June 2026
(2) Killi Hits Coarse Magnetite 600m Outside Current Resource – ASX announcement 21st September 2026

"The arrival of a second rig sees us significantly increase our capacity to drill out the 25km long Lodestone system. Recent diamond drilling also continues to deliver impressive intersections of coarse, crystalline magnetite well beyond our current resource boundary

"Our priority target area continues to grow as step-out holes intersect broad zones of mineralization further highlighting the potential for Killi to deliver more of this rare, premium product into resource growth over the coming months"

"We look forward to updating shareholders with on-going assay results as they come to hand"

Killi Managing Director – Hamish Halliday

Killi Resources Limited (ASX: KLI) ("Killi" or "the Company") is pleased to announce that a second drill rig has arrived at the Lodestone Iron Ore Project in Western Australia's Mid-West region, to accelerate the resource growth and definition drilling program that commenced in August 2026 (ASX announcement 5 August 2026).

Lodestone hosts an initial JORC Inferred Mineral Resource of 110Mt at 33% Davis Tube Recovery ("DTR") Mass Recovery, grading 69% Fe in concentrate (ASX announcement 11 June 2026). The resource has been defined over

For personal use only

only ~5km of the 25km-long magnetite system or approximately 20% of the total defined strike of the Lodestone system.

The 20,000m program of reverse circulation (RC) and diamond core drilling has been designed to:

- Significantly grow the resource base and upgrade the confidence category of the existing 110Mt Inferred Mineral Resource;
- Infill and extend drilling coverage across approximately 15km of the 25km-long Lodestone recrystallised magnetite system;
- Provide metallurgical samples to support ongoing testwork targeting a premium, high-purity DR grade concentrate; and
- Support the delivery of a resource of sufficient confidence to underpin a future economic study.

Diamond drilling to date has confirmed the coarse-grained, crystalline nature of the magnetite and its continuity to the south of the current resource. RC drilling is a faster and more cost-effective method for infill and step-out drilling, and the addition of the second rig will allow the Company to test the strike extensions of the current resource at a significantly higher rate, while diamond drilling continues to provide core for metallurgical testwork and geological information.



***Figure 1**: Photo of RC drilling at Killi Resources' Lodestone Iron Ore Project*

Next Steps

With two rigs now operating, Killi expects the pace of drilling to increase materially. Diamond core from the current drilling will be submitted to ALS Labs for DTR analysis and metallurgical testwork, and RC samples will be dispatched for assay as holes are completed.

Assay results will be progressively received and interpreted as drilling advances, with the Company anticipating multiple resource updates over coming quarters as the program matures.

Drilling is being carried out alongside the Company's ongoing geological mapping and surface sampling programs, which are targeting additional mineralised horizons and parallel zones for future drill testing.

Further updates on drilling progress, including assay results and any subsequent resource estimates, will be provided to the shareholders at the earliest opportunity.

For personal use only

About Killi Resources Limited

Killi Resources Ltd ('Killi" (ASX: KLI) is an Australia-based and focused explorer employing a methodical and disciplined approach to exploring for valuable mineral deposits across Australia (Figure 2).

The Company has agreed to acquire the Lodestone Iron Ore Project in the heart of the Midwest Iron Ore District in Western Australia. The Lodestone Iron Ore Project hosts an Inferred Mineral Resource Estimate of approximately 110Mt at 33% mass recovery for a 69% Fe concentrate.

The Company's other projects include the 100% ownership of the West Tanami Gold Project in Western Australia, and two gold-copper exploration projects in Queensland - the Mt Rawdon West Project near Bundaberg and the Ravenswood Project in the Charters Towers region, both well-endowed mineral provinces that are significantly underexplored and amenable to new large-scale discoveries. The Company also retains copper rights to the Balfour Project in the Pilbara of Western Australia (tenure held by Black Canyon (ASX: BCA)).

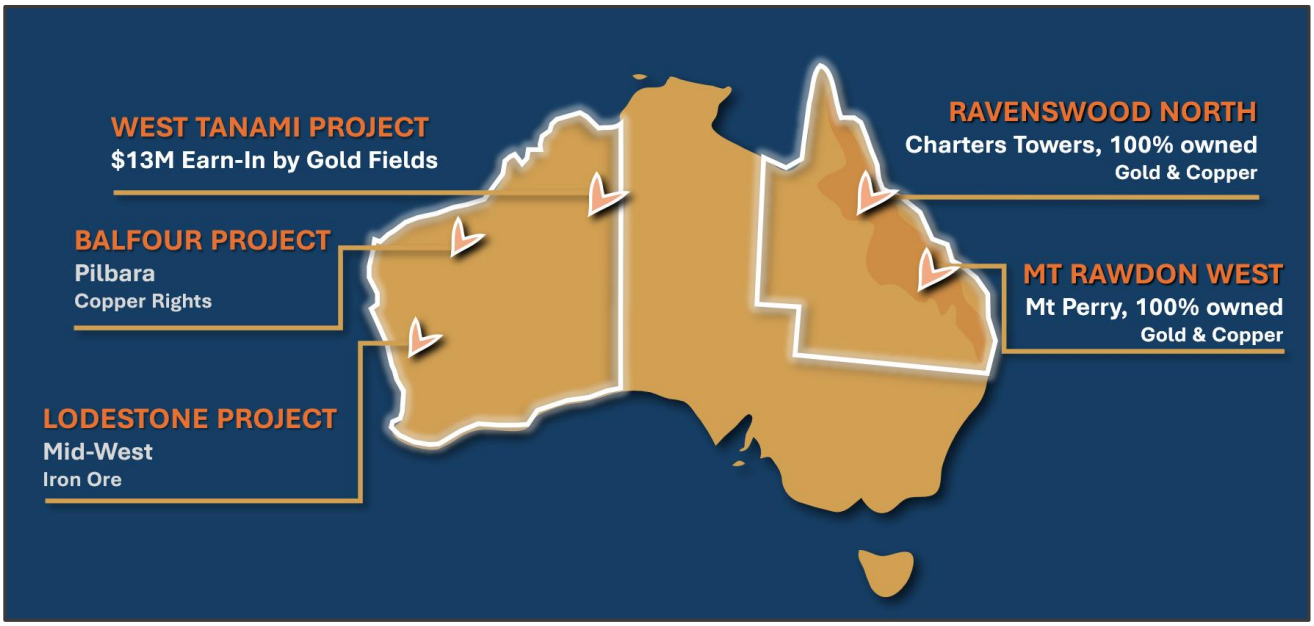


Figure 2: Location of all Killi Resources Projects in Australia

Compliance Statement

The information in this announcement that relates to the Lodestone Iron Project Mineral Resource Estimate has been prepared and reported in accordance with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). The supporting technical information is based on material provided within the ASX announcement dated 11 June 2026.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the Lodestone Iron Project Mineral Resource Estimate and that all material assumptions and technical parameters underpinning the estimate continue to apply and have not materially changed. The form and context in which the Competent Persons' findings are presented have not been materially modified.

Competent Person's Statement

The information in this announcement that relates to the mineral resource estimate for the Lodestone Iron Ore Project, geology, exploration results and other technical matters is based on, and fairly represents, information compiled by Dr Stuart Owen, Principal Geologist, Matakitaki Minerals Pty Ltd, who is a Member of the Australian Institute of Geoscientists. Dr Owen has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activities undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code, and consents to the inclusion in this announcement of the matters based on his information in the form and context in which they appear. Dr Owen does not hold any securities in the Company and does not currently receive any incentive payment dependent on the results of the Mineral Resource Estimate.

Forward Looking Statement

This ASX announcement contains certain statements that may constitute "forward looking statement". Such statements are only predictions and are subject to inherent risks and uncertainties, which could cause actual values, results, performance achievements to differ materially from those expressed, implied or projected in any forward looking statements.

Forward looking statements are statements that are not historical facts. Words such as "expect(s)", "feel(s)", "believe(s)", "will", "may", "anticipate(s)" and similar expressions are intended to identify forward-looking statements. These statements include, but are not limited to statements regarding future production, resources or reserves and exploration results. All such statements are subject to certain risks and uncertainties, many of which are difficult to predict and generally beyond the control of the Company, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements.

These risks and uncertainties include, but are not limited to: (i) those relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations, (ii) risks relating to possible variations in reserves, grade, planned mining dilution and ore loss, or recovery rates and changes in project parameters as plans continue to be refined, (iii) the potential for delays in exploration or development activities or the completion of feasibility studies, (iv) risks related to commodity price and foreign exchange rate fluctuations, (v) risks related to failure to obtain adequate financing on a timely basis and on acceptable terms or delays in obtaining governmental approvals or in the completion of development or construction activities, and (vi) other risks and uncertainties related to the Company's prospects, properties and business strategy. Our audience is cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof, and we do not undertake any obligation to revise and disseminate forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of or non-occurrence of any events.

The Company believes that it has a reasonable basis for making the forward-looking Statements in the announcement based on the information contained in this and previous ASX announcements.

This announcement has been authorised for release by the Board of Killi Resources Limited.

For further information, please contact:

Enquiries

Hamish Halliday
Managing Director – Killi Resources Ltd
E. admin@killi.com.au

Investor Relations

Paul Armstrong
Read Corporate
E. paul@readcorporate.com.au

For personal use only