

17th September 2020

ASX Market Announcements

**DRILLING COMPLETED AT HOLEY DAM (EL27/550) AND COMMENCED AT CANEGRASS (EL31/113)
 OF THE GINDALBIE GOLD PROJECT, YILGARN CRATON, WA**

Kaili Resources Limited ("Company") is pleased to announce that the drilling of 25 holes for 1,000 m at Holey Dam gold prospect has been completed. The first of the 25 holes for 1,000 m at Canegrass gold prospect has commenced.

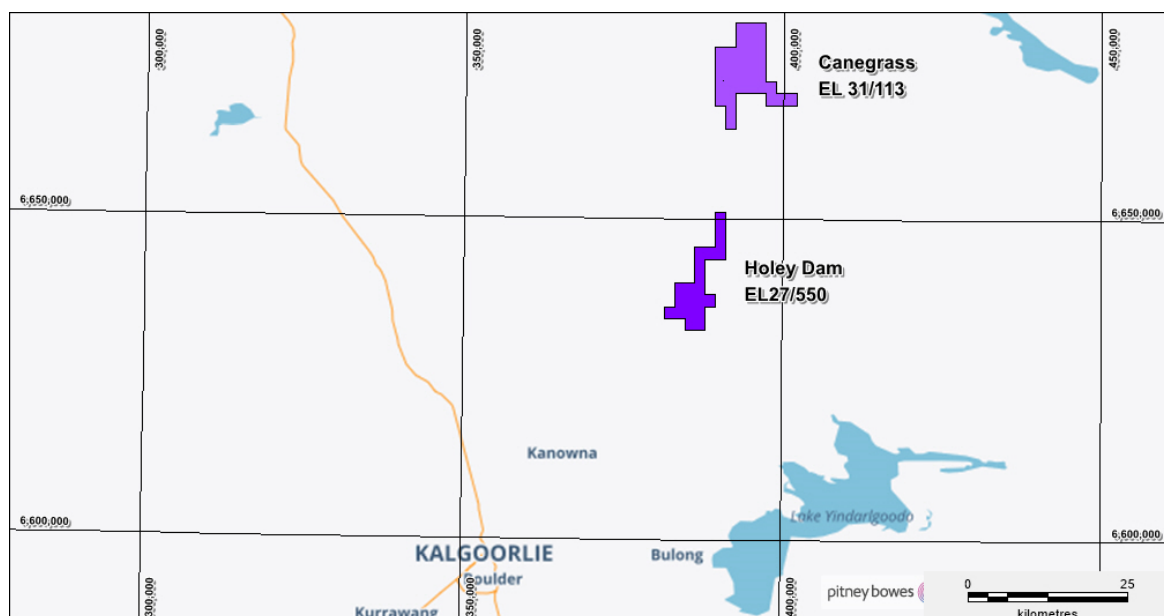


Figure 1: Location of the Gindalbie Gold Project to the NE of Kalgoorlie

Holey Dam

In 2019, vacuum drilling delineated elevated gold in Areas A and E.

Area A is located at the intersection of 2 regional structures, both intruded by Proterozoic dolerite dykes. The intersection of NNW-SSE structures with later E-W structures is a good location for gold mineralisation in the Yilgarn Craton.

Area E is located at the nose of folded/faulted rocks adjacent to felsic volcanics to the west. There was an elevated gold in quartz float result of 0.248 ppm gold.

1,000 m of angled RAB/Aircore for 25 holes has now been drilled within Areas A and E.

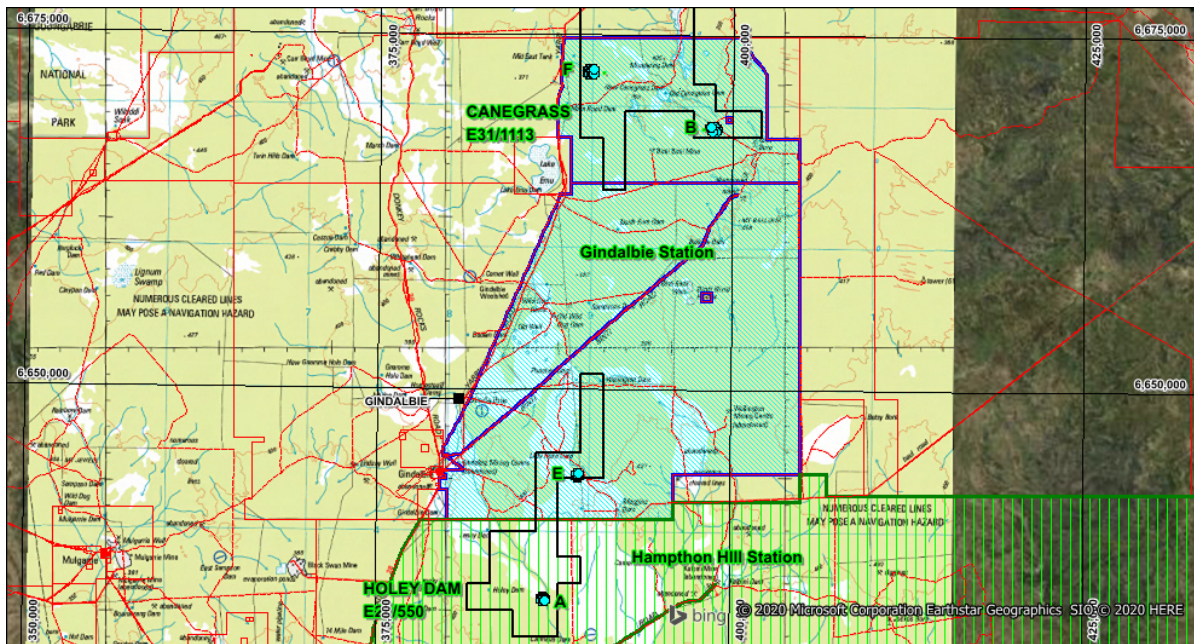


Figure 2: Location of Canegrass and Holey Dam Drilling Areas

Canegrass

In 2019, drill testing of Area **B** returned elevated gold in the range of 10 to 25 ppb in fold axis/limbs settings. The area produced the highest gold response in the Canegrass vacuum drilling program in 2019 and is now being tested by deeper drilling. Areas **B** and **F** were highlighted for follow up by the RAB/Aircore drilling. 1,000 m of angled RAB/Aircore drilling for 25 holes has commenced within Areas **B** and **F**.

The 2019 drill results at Canegrass and Holey Dam were reported in ASX Releases of 12th and 17th September 2019.

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 - Executive Director/Company Secretary