WA's Next Premium Iron Ore Opportunity, Backed by Proven Leadership

Metals & Mining

We initiate coverage on Killi Resources Limited (ASX: KLI) with a 12-month target price of A$0.60 per share, implying approximately 115% upside. The acquisition of the Lodestone Iron Ore Project has transformed Killi from a junior explorer into an emerging WA iron ore developer with immediate scale. Lodestone hosts an 110 Mt Inferred Mineral Resource, has demonstrated the potential to produce a premium 68–70% Fe concentrate, and is strategically located alongside established rail, road, and grid power infrastructure, approximately 200km from Geraldton Port.

Only 20% of the 25km Mineralised Corridor is Currently in Resource

Lodestone's existing 110Mt resource covers only approximately 5km of a broader 25km mineralised corridor, leaving more than 80% of the identified strike outside the current resource. Killi's fully funded 20,000m drilling program is targeting approximately 15km of this system. Early drilling has already demonstrated continuity beyond the resource boundary, including an 80.2m intersection of coarse-grained crystalline magnetite approximately 100m south of the existing resource.

Premium 69% Fe Concentrate with Potential Processing Advantages

Metallurgical test work has produced a premium 69% Fe concentrate, well above the standard 62% Fe benchmark, with low impurity levels, including 3.9% silica and only 0.08% alumina. Lodestone's unusually coarse 1–5mm magnetite grains can potentially be liberated at grind sizes of up to approximately 250 microns, which may reduce grinding intensity, energy consumption and processing costs compared with conventional fine-grained magnetite projects. We believe the combination of high Fe content, coarse grains and low impurities could support the production of a premium DR-grade concentrate and contribute to favourable processing economics.

Proven Leadership Strengthens Killi's Development Capability

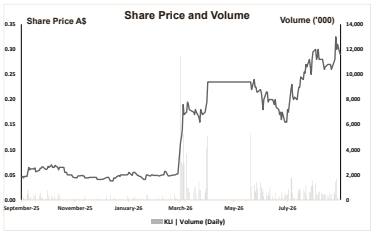
Killi has strengthened its leadership and technical capability through the appointment of former Fortescue Metals Group Managing Director and CEO Nev Power as Chairman. Power brings more than 40 years of experience across mining, mineral processing, infrastructure and steelmaking, including leading Fortescue from 2011 to 2018. The broader team includes Hamish Halliday, a geologist with approximately 30 years of exploration, project development and corporate experience, together with consultants Steve Parsons and Michael Naylor, who add significant expertise across resource discovery, project advancement, corporate strategy and capital markets. We believe this combination materially improves Killi's capacity to advance Lodestone from resource expansion through technical studies and potential development.

Valuation Range of A$0.56–0.65 Per Share

Using a peer-based EV/contained concentrate iron valuation methodology, we derive a valuation range of A$0.56-A$0.65 per share for Killi Resources, with a midpoint target price of A$0.60 per share. We believe Killi is entering a highly catalyst-rich period, supported by ongoing drilling, potential resource upgrades, metallurgical validation and planned Scoping/Pre-Feasibility Studies. With a maiden 110Mt JORC Inferred Resource, significant exploration upside, and the potential to produce a premium DR-grade concentrate, we believe Lodestone provides Killi with a compelling platform for future growth. With approximately A$18.5m in pro forma cash, a fully funded drilling program and multiple potential catalysts across resource growth, metallurgy and development studies, we believe Killi is positioned for a meaningful market re-rating.

Date	22 Sept 2026
Share Price (A$)	0.28
Target Price (A$)	0.60
Market Cap (A$m)	100.99
52-week L/H (A$)	0.04 / 0.34
Free Float (%)	43.06%
Bloomberg	KLI AU
Reuters	KLI.AX

Price Performance (in A$)



Source: CapIQ

Business description

Killi Resources (ASX: KLI) is an Australia-based mineral exploration and development company transitioning towards an iron ore-focused resources business. Its flagship Lodestone Iron Ore Project in Western Australia hosts a 110Mt Inferred Resource and a 69% Fe concentrate. Killi also holds gold and copper exploration assets across Queensland and Western Australia, including the King Louie target at Mt Rawdon West, Ravenswood North and West Tanami. The portfolio combines a defined-scale iron ore resource with multiple exploration targets across prospective mineral belts.

Analyst

Riddhesh Chandwadkar

riddhesh@sharesinvalue.com.au

Derrick Johny

derrick.johny@sharesinvalue.com.au

Disclosure - Readers should note that East Coast Research has been engaged and paid by the company featured in this report for ongoing research coverage.

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Investment Rationale

Target Price Upside	Lodestone Mineral Resource Estimate	Fe Concentrate Grade
115%	110 Mt	69% Fe
$0.60 vs $0.28 current	Inferred	vs 62% industry benchmark

Strike Length Covered	Exploration Drilling Programme	P/NAV
5 of 25km	20,000m	0.47x
80% of corridor untested	RC and diamond drilling	Significant Re-rating Potential

Killi Resources Limited (ASX: KLI) is transitioning from a pure exploration company to an iron ore-focused resources business through the acquisition of the Lodestone Iron Ore Project in Western Australia's Mid-West. Lodestone hosts an Inferred Mineral Resource of 110Mt and produces a 69% Fe concentrate at a 33% Davis Tube Recovery mass recovery. The magnetite mineralisation has a strike length of more than 25km. The project is located ~200km from Geraldton Port. The Company retains a portfolio of gold and copper exploration assets in Queensland and Western Australia. Mt Rawdon West in Queensland covers 305km^2 and targets a large porphyry copper-gold system. The King Louie prospect is a key exploration focus, where surface sampling and mapping identified a mineralised breccia system containing copper, gold and molybdenum. The project also hosts the Baloo and Kaa targets that have returned significant Cu-Au-Mo geochemical anomalies and surface rock-chip results. Ongoing exploration focuses on defining the scale, geometry, and continuity of the King Louie system and assessing its broader porphyry potential. The Ravenswood North Project provides additional gold-copper exploration exposure covering ~660km^2 in Queensland's Ravenswood-Charters Towers province. The project lies in a region hosting more than 28Moz of gold resources within a 60km radius. In Western Australia, the West Tanami Project provides further gold exploration exposure through a joint venture with Gold Fields. The project covers ~1,600km^2 of the Tanami Gold Belt and more than 100km of prospective strike. In addition, the Company also retains copper rights at the Balfour Project in Western Australia's Pilbara, providing additional exposure to copper exploration.

Lodestone reaches meaningful scale with strong resource growth potential

Lodestone provides Killi with an established 110Mt Inferred Mineral Resource at 33% Davis Tube Recovery mass recovery, producing a 69% Fe concentrate, while retaining significant upside from a much larger partially tested mineralised system. The existing resource covers only ~5km of the broader 25km-long magnetite corridor, meaning less than 20% of the identified mineralisation has been incorporated into the current resource. Magnetic imagery and surface mapping confirm continuity along strike, while additional hanging-wall and footwall magnetite zones remain insufficiently drilled. Reconnaissance drilling also intersected a concealed parallel Banded Iron Formation (BIF) unit ~30m thick, located ~250m west of the current resource, providing an additional avenue for resource growth.

Recognising this substantial upside, Killi commenced its maiden drilling campaign in August 2026, comprising ~20,000m of RC and diamond drilling. Early drilling has provided further evidence that mineralisation extends beyond the current resource boundary. Killi's first diamond hole, KKDD001, intersected 80.2m of coarse-grained crystalline magnetite, approximately 100m south of the existing resource. The true thickness is estimated at 40–50m. This intersection supports the continuity of the magnetite system beyond the current resource footprint and confirms the deposit's distinctive recrystallised, coarse-grained nature. Killi is continuing its 20,000m RC and diamond drilling programme, targeting ~15km of the broader system. The

programme focuses on extending the existing resource, upgrading resource confidence, and testing mineralisation along the wider 25km corridor. Alongside drilling, geological mapping, surface sampling and drone-based magnetic surveys are being undertaken to identify additional mineralised horizons and refine targets for follow-up work. The first diamond hole will also provide representative core samples for DTR analysis and metallurgical test work, with results expected to provide further insight into the grade, recovery and concentrate characteristics of the newly intersected mineralisation.

Coarse-grained magnetite creates a differentiated premium product

Lodestone's key investment attraction extends beyond resource scale to its unusual metallurgical characteristics. The mineralisation has undergone metamorphic recrystallisation, producing exceptionally coarse magnetite crystals generally ranging from 1mm to 5mm, substantially coarser than those typically found in Western Australian magnetite deposits. This texture has important processing advantages, allowing magnetite liberation at grind sizes of up to ~250 microns while producing a 68–70% Fe concentrate. By comparison, many magnetite operations in Australia require substantially finer grinding to achieve comparable concentrate grades, resulting in higher energy consumption and comminution costs. The latest diamond drilling provides further geological evidence supporting Lodestone's distinctive coarse-grained magnetite characteristics. The KKDD001 core confirmed massive recrystallisation and very coarse magnetite, with grains of up to 7mm observed in parts of the fresh BIF. These observations reinforce the geological basis for Lodestone's potential processing advantage.

Lodestone's coarse magnetite grains require less intensive grinding to achieve liberation, potentially reducing energy and processing costs while producing a high-grade, low-impurity 68–70% Fe concentrate suitable for premium DR-grade applications.

The existing metallurgical test work has demonstrated a 69% Fe concentrate with a favourable impurity profile, including only 3.9% SiO_2 and 0.08% Al_2O_3. This combination of high Fe content and low impurities supports Lodestone's potential to produce a premium direct-reduction (DR) grade concentrate, increasingly sought after as steelmakers transition to lower-emission production technologies. The ore is also hosted within relatively soft metamorphic rocks and has a simple mineral assemblage dominated by magnetite and quartz, with only minor amphibole and limited deleterious minerals. Together, we believe the coarse magnetite texture, relatively soft ore and simple mineralogy could support a straightforward processing flowsheet, lower energy and comminution requirements and potentially lower capital and operating costs. Further metallurgical test work will help validate these characteristics and refine the processing parameters for future development studies.

Strategic infrastructure supports potentially capital-efficient development

Lodestone is located ~200km from the Port of Geraldton, providing access to an established bulk export route. More importantly, the mineralised corridor lies immediately adjacent to the existing Geraldton–Karara railway, sealed roads and 132kV grid-power infrastructure, all of which already service mining operations in the region. This places Lodestone within an established mining corridor with access to key transport and power infrastructure, and does not require the development of completely new networks.

In our view, the proximity to existing infrastructure could materially reduce the infrastructure scope and associated capital requirements for a future development. The Geraldton Port is one of Western Australia's major bulk export terminals and has available capacity, providing an established pathway for future concentrate shipments. Killi has also highlighted the potential to leverage under-utilised regional infrastructure, including existing rail and power networks. While the ultimate capital and operating cost benefits will need to be established through development studies, the combination of adjacent rail, sealed road access, 132kV grid power and proximity to a bulk export port provides Lodestone with a defined infrastructure pathway. This could also potentially lower infrastructure intensity than more remote magnetite developments.

King Louie supports Mt Rawdon's potential for a large-scale discovery

Mt Rawdon West provides Killi with exposure to a large, underexplored mineral system in a proven Queensland gold and copper province. The 305km^2 project sits at the intersection of the Mt Rawdon gold and Mt Perry copper-gold corridors, ~20km northwest of Evolution Mining's Mt

Rawdon Gold Mine. Its strategic location provides access to established infrastructure, mining services and regional exploration expertise, while its position within a productive mineral belt offers strong geological credentials. The discovery of the King Louie Breccia has materially changed the project's exploration profile. Geological mapping and surface sampling have extended the interpreted mineralised breccia to ~2km of strike, up from the previously reported 1.1km. A distinct higher-grade core has also been identified as the priority target for maiden drilling. Soil sampling has also outlined a 2.4km by 2.7km gold anomaly, indicating that anomalous mineralisation extends well beyond the exposed breccia. Across the programme, Killi collected 114 soil samples and 25 targeted rock chips, with gold in soil values ranging from 21ppb to 86ppb. We believe the geological evidence points to a larger mineralised system below King Louie. Altered rocks immediately west of the breccia returned up to 184.5ppb gold, along with elevated copper and molybdenum, while rock-chip samples returned copper values of up to 175.96ppm. Geological mapping has identified several types of alteration associated with gold-copper systems, including potassic alteration, quartz veining and other altered intrusive rocks. These features occur within a large underground volcanic centre and indicate that the surface breccia may be linked to a deeper source of heat and mineral-rich fluids. We believe this supports the potential for a larger gold-copper-molybdenum system at depth, although drilling is required to determine its size and continuity.

Killi is now advancing King Louie towards maiden drilling, with access, permitting and drill-site planning underway. Additional mapping and infill sampling are targeting the western porphyry zone. The broader project provides further discovery opportunities, including the 4km by 1.5km Baloo copper-gold-molybdenum-bismuth anomaly and the Rawdon Fault porphyry-style target. A Queensland Government Collaborative Exploration Initiative grant is also supporting 900m of diamond drilling at Rawdon Fault. Although early stage, we believe the combination of a large land position, expanding mineralised footprint, compelling geological model and multiple drill targets provides meaningful potential for a district-scale discovery and significant value creation through exploration success.

Killi offers a compelling opportunity to gain exposure to the emerging green steel supply chain

Killi Resources represents a compelling opportunity for investors seeking exposure to the growing demand for premium iron ore feedstocks required for low-carbon steel production. The company's flagship Lodestone Project hosts a maiden 110Mt JORC Inferred Resource and has demonstrated the potential to produce a high-purity 68-70% Fe DR-grade concentrate, positioning it in a premium segment of the iron ore market expected to benefit from the global transition to green steel. Using an EV/contained concentrate iron-based valuation methodology, we derive a valuation range of A$0.56-A$0.65 per share, with a midpoint target price of A$0.60 per share, representing a P/NAV of 0.47x and offering a meaningful upside (115%) to potential investors. We believe the current valuation largely reflects Lodestone's early-stage development status and does not fully capture the project's broader resource growth potential, favourable metallurgy, or strategic exposure to the rapidly growing DR-grade iron ore market.

Killi is entering a catalyst-rich phase, supported by a fully funded work programme that includes an extensive drilling campaign, ongoing DTR and metallurgical studies, and progression towards Scoping/Pre-Feasibility Studies. Recent drilling has already confirmed the continuation of coarse-grained recrystallised magnetite beyond the existing resource boundary, highlighting the significant exploration potential across the broader 25km-long Lodestone mineralised system. Importantly, Lodestone is strategically located within Western Australia's Mid-West Iron Ore District, with access to established infrastructure and in proximity to operations supplying major global steel producers such as Ansteel and Baowu Steel. In our view, this enhances the project's strategic attractiveness and potential future development options. Overall, we believe the market has yet to fully appreciate Lodestone's potential scale, premium product quality, and leverage to the structural shift toward green steel production. Continued drilling success, resource growth, metallurgical validation, and progress toward economic studies should support further value creation and a sustained market re-rating.

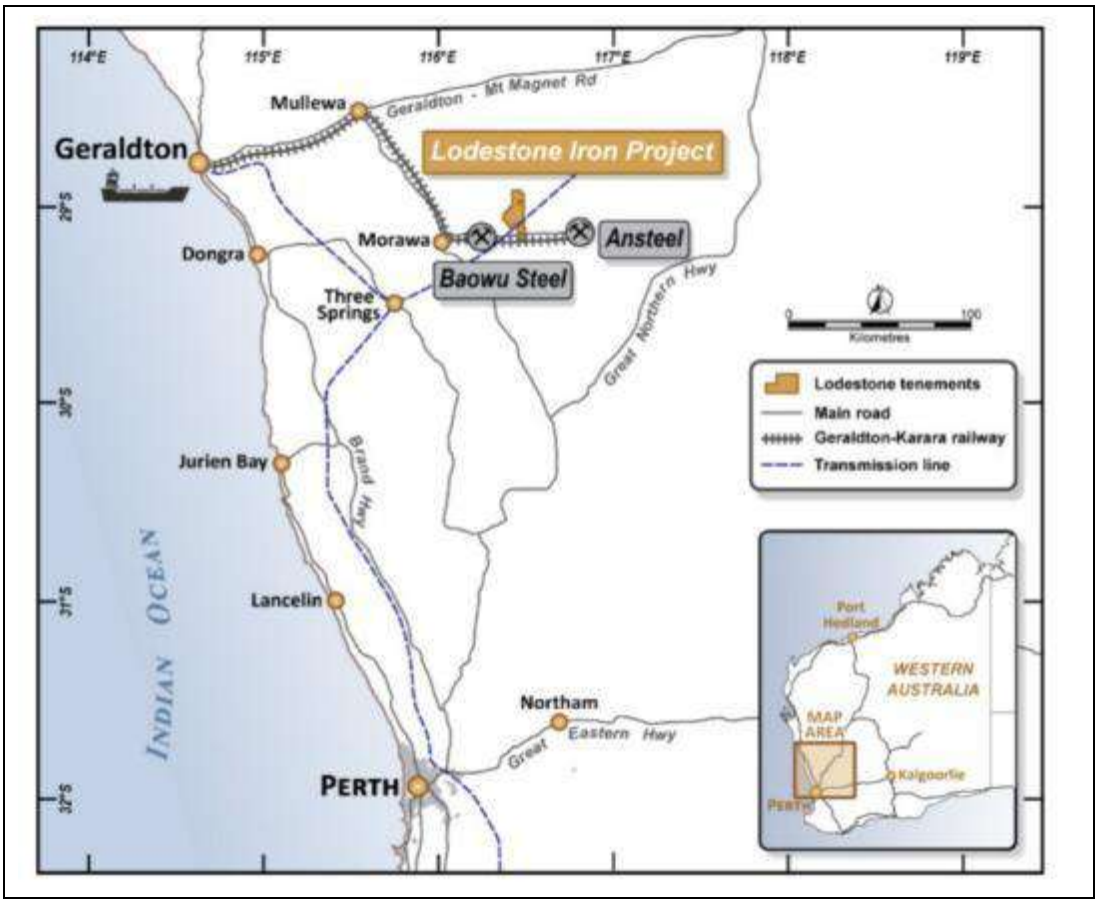
Lodestone Project is emerging as a premium direct reduction iron ore opportunity

Killi acquires 110Mt premium magnetite project with significant potential for expansion

The Lodestone Iron Ore Project (Figure 1), located in Western Australia's Mid-West iron ore district, is emerging as a cornerstone asset of Killi Resources following its transformational acquisition announced in June 2026. Under the transaction, Killi agreed to acquire an 80% interest in Yukon Resources, the owner of Lodestone, through the issue of 92.7m shares valued at A$20.4m, together with a 2.5% gross revenue royalty.

The acquisition adds a magnetite project with a JORC (2012) Inferred Mineral Resource of 110Mt to Killi's portfolio. The resource supports the production of a premium 69% Fe concentrate characterised by exceptionally low impurity levels. Importantly, the existing resource represents only ~20% of the known 25 km-long mineralised system, providing substantial scope for rapid resource expansion. Combined with excellent infrastructure, favourable metallurgy and increasing global demand for direct reduction (DR) quality iron ore, Lodestone has the potential to evolve into one of Australia's most attractive emerging magnetite development projects.

Figure 1: Lodestone Project overview



Source: Company

Transformational acquisition provides immediate scale and development pathway

Killi acquired 80% of Yukon Resources through a A$20.4m share issue and royalty. It secured A$15m in funding, gained operational control and strengthened leadership with experienced iron ore executives

In June 2026, Killi Resources acquired an 80% interest in Yukon Resources, the owner of the Lodestone Iron Ore Project. The transaction marked a significant strategic shift for the company, transitioning Killi from a junior exploration-focused business towards a developer with a controlling interest in a major iron ore asset. The deal was structured to provide Killi with immediate operational control while preserving a pathway to increase ownership over time.

Under the transaction, Killi agreed to acquire the 80% interest by issuing 92.7m Killi shares, valued at A$20.4m, and granting a 2.5% gross revenue royalty to the vendors. Rather than requiring a large upfront cash payment, the acquisition was predominantly equity-funded, preserving Killi's cash position while aligning the vendors with the future performance of both the Project and the company. The vendors retained a 20% free-carried interest until Final Investment Decision (FID), meaning they are not required to contribute to exploration and development expenditure before FID. Killi, however, assumed full operational control of exploration activities, technical studies, permitting and project development.

The staged ownership structure also provides Killi with a pathway to increase its ownership interest beyond the initial 80% position under agreed future terms. This approach allows the company to progressively consolidate greater economic exposure as the Project advances through technical, permitting, financing and development milestones while reducing the need for a large upfront acquisition payment.

To support the transaction and accelerate Project advancement, Killi completed a A$15m placement concurrently with the acquisition announcement. The accompanying capital raising significantly strengthened Killi's balance sheet and reduced near-term funding risk often associated with transformative mining acquisitions.

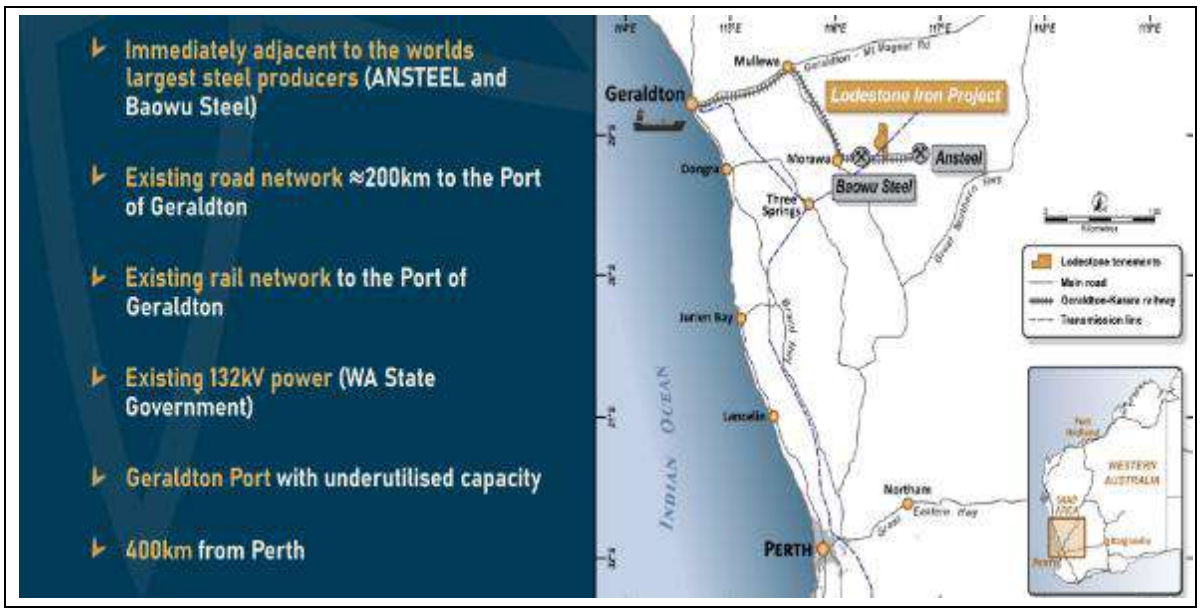
A notable feature of the acquisition was the simultaneous strengthening of Killi's technical and corporate leadership capability. Former Fortescue Metals Group Managing Director Nev Power joined the company as Chairman, bringing extensive experience in developing and operating large-scale iron ore operations and helping build Fortescue into one of the world's leading iron ore producers. Hamish Halliday joined the Board as a Non-Executive Director, adding decades of experience across Australian mining, exploration and resource project development. In addition, Steve Parsons and Michael Naylor were appointed as consultants to the company. Parsons is a well-known geologist and mining entrepreneur with a strong track record of resource discovery and project development. At the same time, Naylor has extensive experience in exploration strategy, resource evaluation and advancing Australian mining projects. Collectively, these appointments materially enhance Killi's technical expertise and execution capability as it advances its enlarged project portfolio.

In our view, the acquisition significantly expanded Killi's asset base and transformed its scale and market profile. The equity-funded transaction, combined with a vendor free-carried interest, operational control and a concurrent A$15m placement, provides Killi with the funding and flexibility to advance the projects rapidly. The strengthened leadership team further supports execution, while the transaction structure aligns the interests of vendors, shareholders and management over the longer term.

Exceptional location and infrastructure provide significant competitive advantages

Lodestone (Figure 2) is strategically positioned in the heart of Western Australia's Mid-West Iron Ore Province, located east of Morawa and ~200km from the Port of Geraldton. The project lies between the operating Karara Mine (Ansteel) and the Koolanooka Mine (Baowu Steel), placing it within one of Australia's established iron ore production corridors. Iron ore was identified in the area in the 1960s. The Koolanooka mine was the source of Australia's first iron ore shipment to Japan in 1966.

Figure 2: Lodestone's location



Source: Company

Infrastructure is a major competitive advantage. The mineralised corridor lies immediately adjacent to the existing Geraldton–Karara railway, sealed roads and 132kV grid power, allowing future development to leverage infrastructure already servicing nearby mining operations. Access to Geraldton Port, one of Western Australia's major bulk export terminals with available capacity, reduces potential capital intensity compared with more remote magnetite developments.

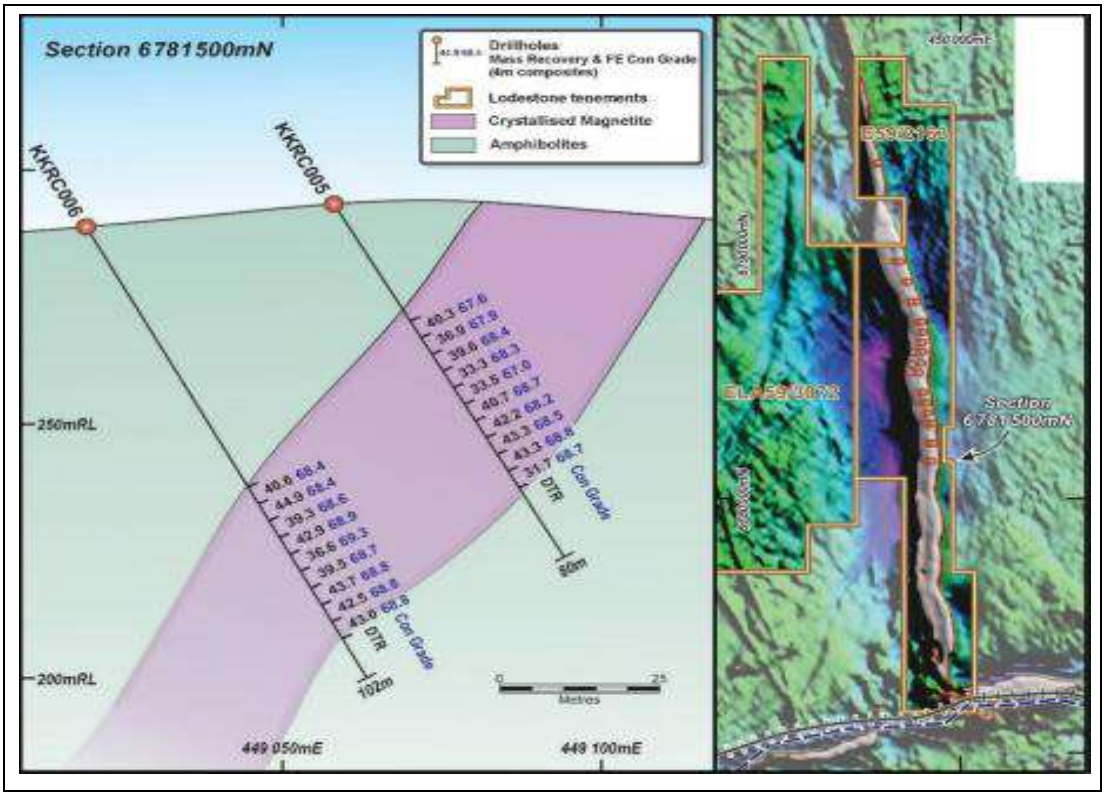
Unique recrystallised magnetite system distinguishes Lodestone from conventional magnetite deposits

Lodestone's 25km recrystallised magnetite system hosts unusually coarse 1–5mm magnetite crystals, enabling premium 68–70% Fe concentrates at coarse grind sizes and potentially lower processing costs.

The Lodestone deposit hosts an unusual style of recrystallised magnetite mineralisation that differs significantly from the conventional BIF magnetite deposits found across Western Australia. ***Magnetic surveys indicate an essentially continuous 25km BIF horizon, with ~9km exposed at surface***, making it one of the more extensive magnetite systems in the Mid-West region. Geophysical imaging and drilling (Figure 3) define a continuous magnetite-rich corridor across the project area. Cross-sectional interpretation further indicates a substantial mineralised BIF body with a consistent westward dip. Together, these features support the potential for large-scale, laterally continuous mineralisation.

Unlike typical BIF deposits, the Lodestone mineralisation has undergone metamorphic recrystallisation, producing ***coarse crystalline magnetite with crystal sizes generally ranging from 1mm to 5mm***. This is substantially coarser than most Western Australian magnetite deposits, where magnetite grains are typically much finer. The BIF sequence comprises a thick eastern unit, additional narrower BIF lenses in the hanging and footwalls and a western BIF unit interpreted from magnetic data and drilling.

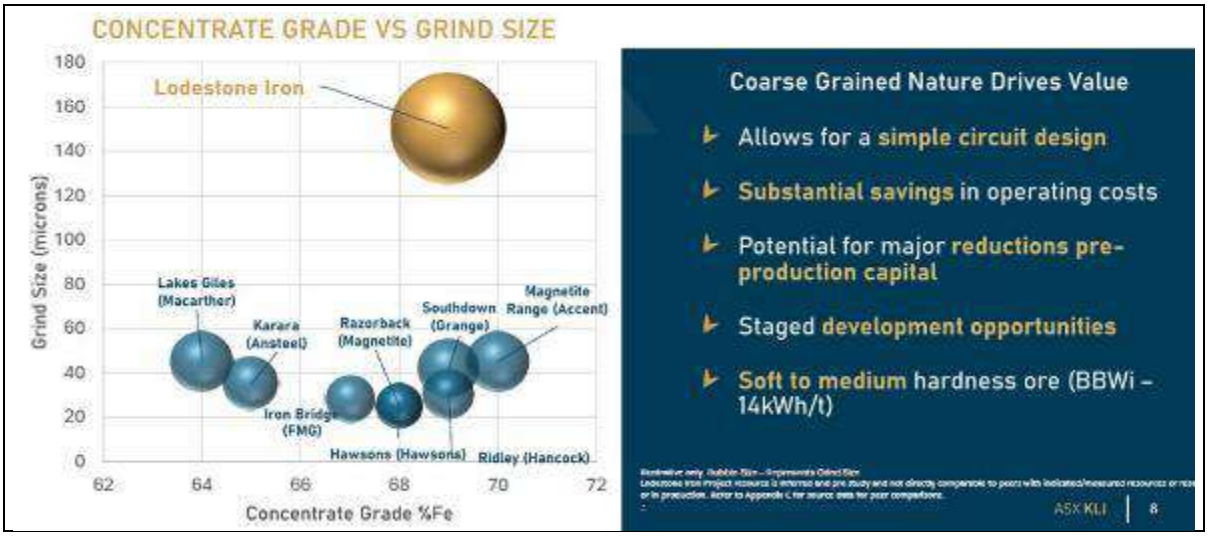
Figure 3: Representative drill hole cross section- annotated with DTR Mass Recovery and Fe % concentrate grade



Source: Company

While several Australian magnetite projects (Figure 4), including Karara, Razorback, Ridley, Southdown and Magnetite Range, produce concentrates grading ~67–70% Fe, ***Lodestone's competitive advantage lies not only in concentrate quality but also in the unusually coarse grind size required to achieve that specification***. The coarse-grained mineralogy enables magnetite liberation at grind sizes of up to ~250 microns while still producing a premium concentrate grading between 68% and 70% Fe. Most Australian magnetite operations require considerably finer grinding to achieve comparable concentrate grades, resulting in higher energy consumption and comminution costs.

Figure 4: Lodestone's scale is unmatched among magnetite peers



Source: Company

The Lodestone BIF is hosted within relatively soft metamorphic rocks and exhibits a simple mineral assemblage dominated by magnetite and quartz, with only minor amphibole and limited

deleterious minerals. Weathering is largely confined to the upper portion of the deposit, with drilling indicating fresh magnetite mineralisation beneath a relatively shallow weathered zone.

Collectively, the combination of coarse magnetite crystals, favourable liberation characteristics, relatively soft ore, and a straightforward processing flowsheet has the potential to materially reduce energy consumption, comminution costs, and capital expenditure. These metallurgical advantages could translate into stronger project economics and improved operating margins while supporting production of a premium direct reduction-grade concentrate increasingly sought by modern steel producers.

Maiden JORC resource establishes a substantial foundation for future growth

The Lodestone project already hosts a sizeable JORC (2012) Inferred Mineral Resource (Figure 5) comprising 110Mt grading 69% Fe concentrate at an average 33% Davis Tube Recovery (DTR) mass recovery.

Figure 5: Lodestone's inferred resource according to DTR Mass Recovery cut-offs for estimated elements

Class	Lower cut-off DTR Mass Recovery %	Million Tonnes	DTR Mass Recovery %	DTR Concentrate Fe %	DTR Concentrate SiO2 %	DTR Concentrate Al2O3 %	DTR Concentrate Density t/m3	DTR Feed Fe %	DTR Feed SiO2 %	DTR Feed Al_2O_3 %	DTR Feed P %
Inferred	0	110	33	69	3.9	0.08	3.2	28	48	2.3	<0.01
	10	110	33	69	3.9	0.08	3.2	28	48	2.3	<0.01
	20	98	35	69	3.9	0.07	3.2	29	49	2	<0.01
	30	77	38	69	3.4	0.05	3.2	30	50	1.6	<0.01

Source: Company

Direct reduction (DR) iron ore refers to high-quality iron ore used to produce Direct Reduced Iron (DRI), or sponge iron, without a conventional blast furnace. In the direct reduction process, reducing gases such as natural gas or hydrogen remove oxygen from iron ore at relatively low temperatures, producing metallic iron that can then be melted in an Electric Arc Furnace (EAF) to make steel. Because impurities can adversely affect process efficiency and quality, DR plants require high-grade, low-impurity feedstock, typically with Fe grades above 67–68% and very low levels of silica, alumina, phosphorus, and sulphur. Lodestone's 69% Fe concentrate, with 3.9% SiO_2 and only 0.08% Al_2O_3, is therefore well suited to the premium DR-grade market.

Demand for DR-grade iron ore is expected to increase as the global steel industry seeks to reduce its carbon footprint. Conventional blast furnace steelmaking relies heavily on coke. It is highly carbon-intensive, whereas the DRI-EAF route can substantially reduce emissions, particularly when hydrogen is used as the reducing agent and renewable electricity powers the EAF. This transition is driving increasing investment in DRI capacity and creating growing demand for high-purity iron ore concentrates.

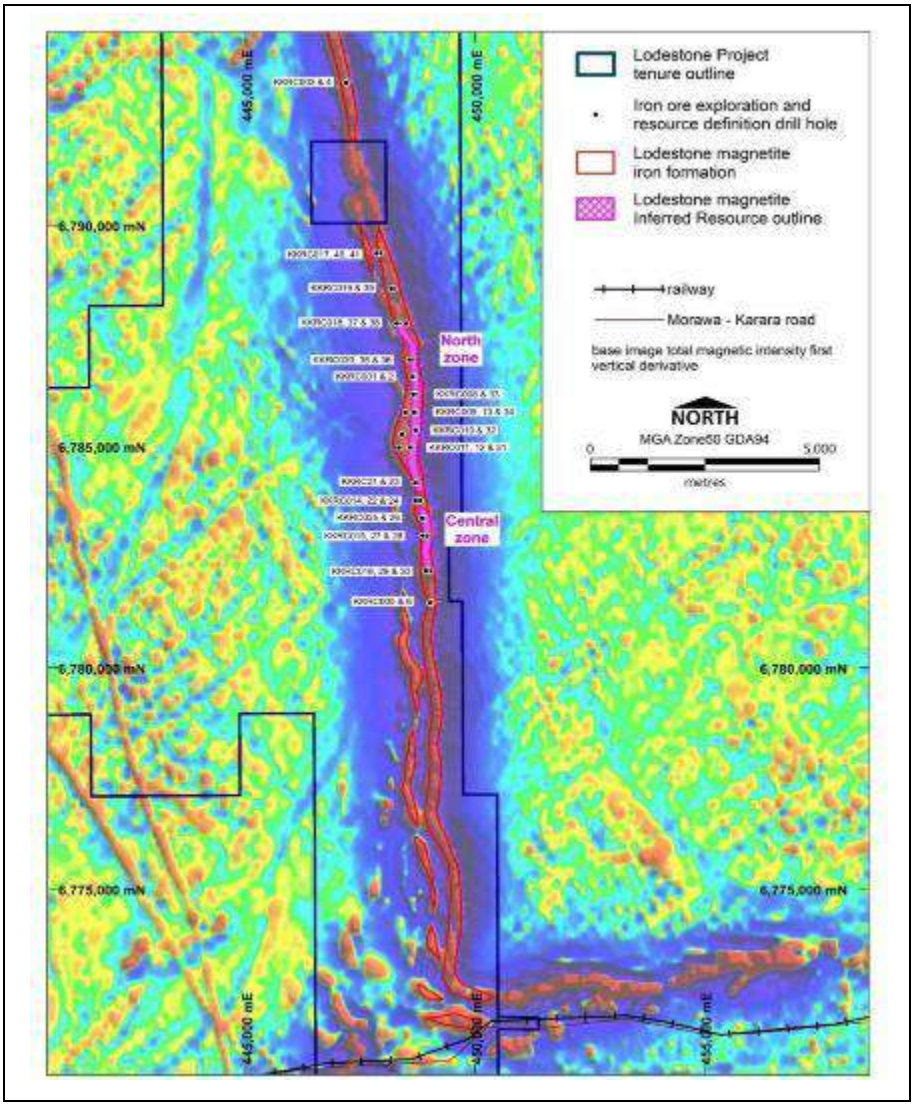
Lodestone has an additional advantage in this market due to the unusually coarse-grained nature of its recrystallised magnetite. The magnetite can reportedly be liberated at grind sizes of up to 250 microns, allowing 68–70% Fe concentrates to be produced without the very fine grinding typically required by conventional magnetite projects. This could translate into lower energy consumption, simpler processing requirements and potentially lower capital and operating costs, strengthening Lodestone's competitiveness in the premium DR-grade iron ore market.

Importantly, the concentrate contains very low impurity levels, including only 3.9% SiO_2 and 0.08% Al_2O_3, characteristics that are highly desirable for direct reduction steelmaking. High-purity DR-grade concentrates generally command premiums over the benchmark 62% Fe iron

ore index due to increasing demand from electric arc furnace steel production and global decarbonisation initiatives.

Unlike many magnetite projects that primarily target blast furnace feed, Lodestone is positioned to benefit from the rapidly expanding premium DR market, which is expected to become increasingly important as steelmakers transition toward lower-emission production technologies.

Figure 6: Lodestone Project drill hole collars, MRE outline and defined magnetite mineralisation trends



Source: Company

A systematic three-phase drilling programme confirmed the scale, continuity and metallurgical quality of Lodestone's magnetite system, providing a strong foundation for resource growth and development.

Extensive drilling programme underpins the maiden resource estimate

The current Lodestone resource estimate is supported by a substantial 41-hole reverse circulation (RC) drilling programme totalling 5,023m, completed across three exploration campaigns between 2012 and 2024 (Figure 6). The drilling programme was designed to systematically test the continuity, thickness and grade distribution of the magnetite mineralisation, providing a strong foundation for geological modelling and resource estimation.

Initial drilling by Black Peak Holdings established the deposit's geological framework, while subsequent campaigns by Yukon Resources significantly expanded drill coverage and improved confidence in the mineralised system. The largest phase of work was completed during 2023–24,

when 21 RC holes totalling 3,196m were drilled, extending the maximum drill depth to 192m and providing the bulk of the data supporting the maiden resource.

Drilling was carried out on a series of east–west traverses across the eastern magnetite BIF unit, with additional holes targeting the western BIF unit beneath shallow alluvial cover. The maiden resource estimate is primarily based on 25 RC holes totalling 3,112m over a 5km strike length, demonstrating the continuity and scale of the mineralised system.

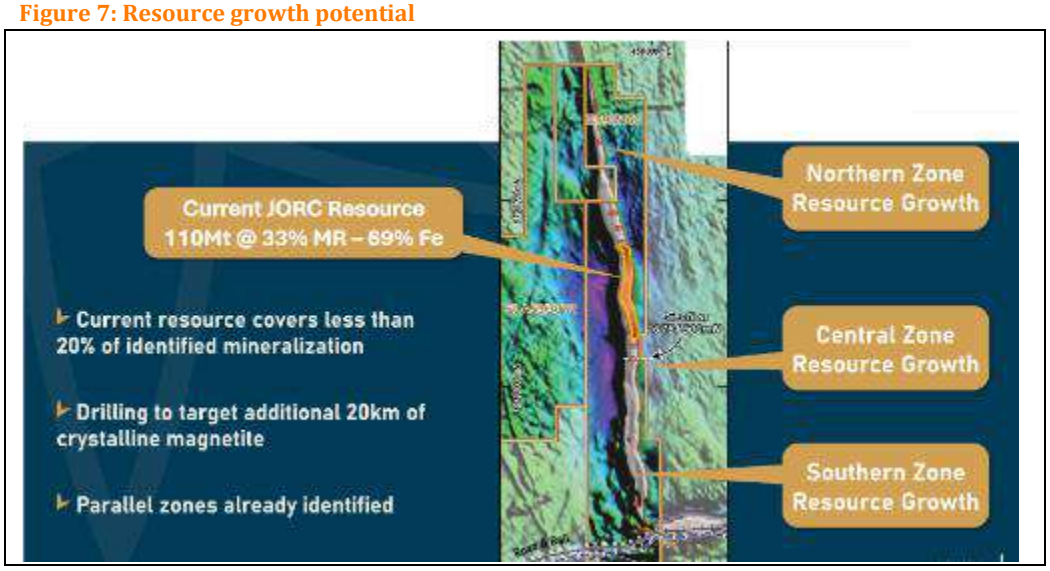
Sampling and analytical procedures were consistent across all campaigns. One-metre RC chip samples were collected using rig-mounted cyclones and splitters. In contrast, ALS Perth analysed four-metre composite samples using Davis Tube Recovery (DTR) and XRF fusion assays. These industry-standard methods underpin the strong concentrate grades and favourable metallurgical characteristics observed throughout the Lodestone deposit.

Extensive drilling and exploration upside supports significant resource growth

Although the existing resource already stands at 110Mt, it is confined to only 5km of the broader 25km long magnetite system. It represents less than 20% of the identified mineralised corridor, highlighting substantial exploration upside. ***Magnetic imagery and surface mapping indicate that the magnetite-bearing BIF continues along strike for a further 20km (Figure 7). Additionally, extensive areas in the northern, central and southern zones remain largely undrilled.***

Several additional hanging-wall and footwall magnetite lenses have already been identified but are not yet sufficiently drilled for inclusion in the resource estimate, while a parallel concealed BIF unit ~30m thick, located about 250m west of the current resource, has been intersected by reconnaissance drilling and represents a further avenue for resource expansion. Importantly, geological mapping suggests that mineral grain size and metallurgical performance improve towards the southern portion of the project, where ~9km of BIF remains completely untested by drilling. We believe the current JORC resource represents only a small portion of the known mineralised system and provides a strong foundation for future resource growth through relatively straightforward step-out and infill drilling.

Figure 7: Resource growth potential



Source: Company

Maiden drilling campaign begins

Recognising this substantial upside, Killi commenced its maiden drilling campaign (Figure 8) in August 2026, with a proposed 20,000m RC and diamond drilling programme. The campaign represents Killi's first major exploration programme since agreeing to acquire the Project. It is

focused on expanding and upgrading the existing 110Mt JORC Inferred Mineral Resource across the broader Lodestone magnetite system.

Initial drilling is targeting **~15km of the 25km-long mineralised corridor**. The programme is designed to extend mineralisation beyond the current resource footprint, improve resource confidence and collect representative samples for metallurgical test work. Drilling is being supported by geological mapping, surface sampling and a drone-based magnetic survey covering the full recrystallised magnetite system. Together, these programmes are helping define additional mineralised horizons and parallel zones for future drilling.

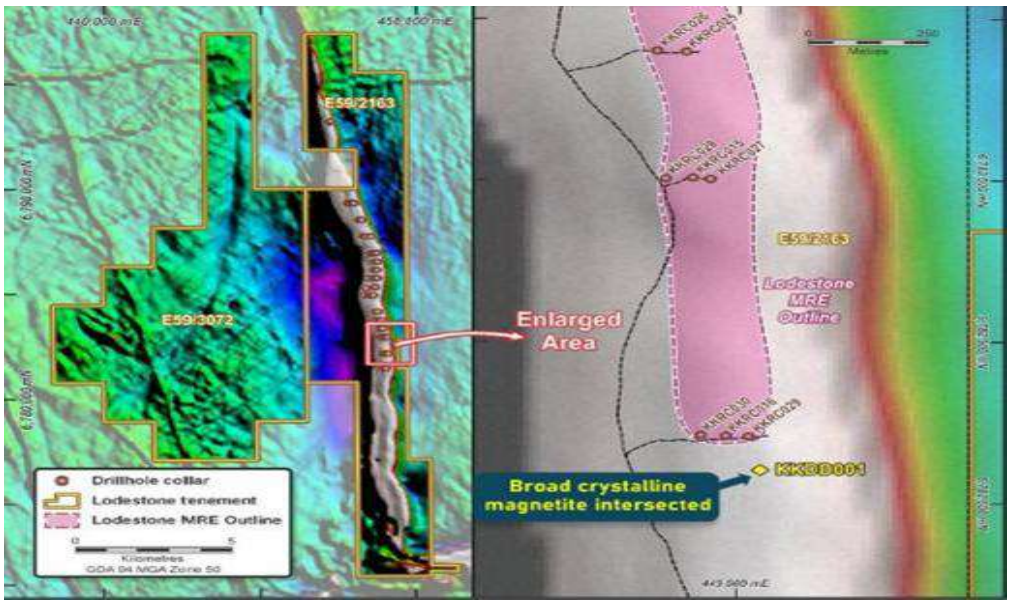
Figure 8: Drill rig at Lodestone Project

Source: Company

Step-out drilling confirms mineralisation continuity

The first results (**Figure 9**) from the campaign have provided encouraging evidence of mineralisation extending beyond the existing resource. Killi's first diamond step-out hole, KKDD001, which was drilled ~100m south of the current 110Mt resource, intersected 80.2m of coarse-grained crystalline magnetite. Its true thickness is estimated at 40–50m. The intersection extends beyond the current resource envelope and supports the continuity of the broader magnetite system.

Figure 9: KKD001 Drill collar location map against Lodestone MRE outline



Source: Company

Importantly, geological logging has also confirmed the massive recrystallisation and coarse-grained nature of the magnetite (Figure 10). The process has coarsened and purified the magnetite, which underpins Lodestone's favourable metallurgical characteristics and its potential to produce a high-grade, low-impurity concentrate at relatively coarse grind sizes. The core is now being prepared for DTR analysis and metallurgical test work, which will provide further information on grade, recovery and concentrate quality.

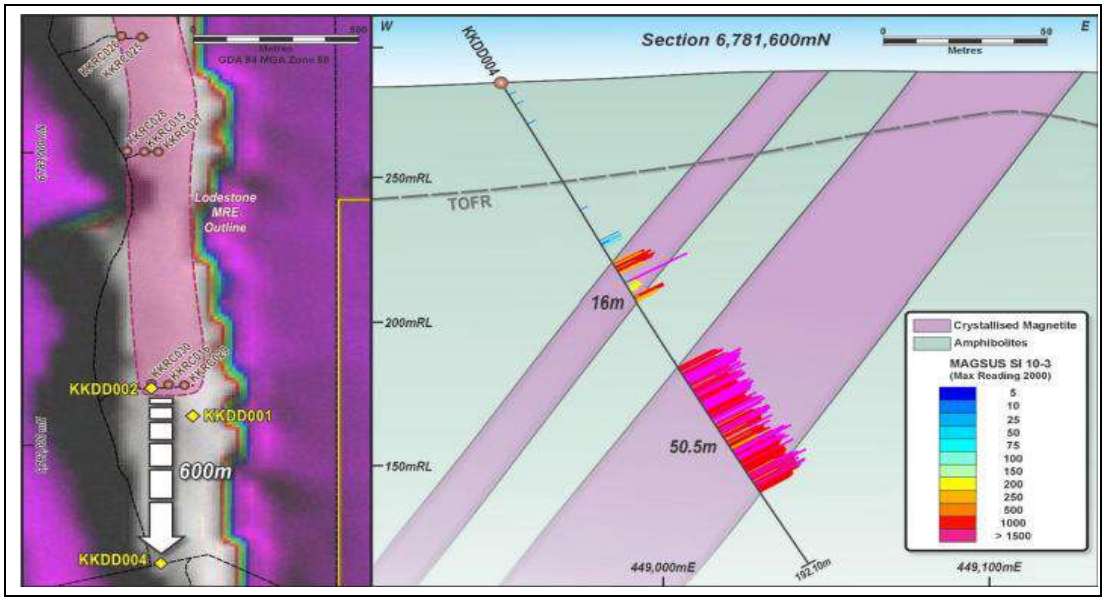
Figure 10: HQ drill core sample of coarse-grained recrystallised BIF containing 40%-45% magnetite content

Source: Company

Second step-out hole extends mineralisation 600m south

Following on from KKDD001, Killi's fourth diamond hole, KKDD004, was collared 500m further south again, some 600m beyond the current 110Mt resource boundary. The hole intersected a 50m wide zone of massive, recrystallised, coarse-grained magnetite, together with a discrete ~16m hanging-wall lode not previously recognised in the resource model. Visual logging and magnetic susceptibility readings indicate magnetite abundance of 35–50% across the main intersection (**Figure 11**), broadly consistent with the mineralogical character logged in KKDD001. We caution that these are preliminary visual and geophysical estimates only and are not to be taken as a proxy for assay grade, mass recovery or concentrate quality. DTR analysis and metallurgical test work are pending and will be required to confirm these parameters.

Figure 11: KKD004 Drill collar location map and cross-section showing Magsus readings



Source: Company

In our view, the result is a meaningful data point for the continuity thesis underpinning the exploration upside case: KKDD004 sits 6x further from the existing resource envelope than KKDD001, yet returns a comparable style and scale of mineralisation. This lends early support to the interpretation that the recrystallised magnetite system persists well beyond the current 5km resource footprint, and is consistent with management's stated intention of testing ~15km of the 25km-long corridor during the current 20,000m programme. The identification of a second, previously unmapped hanging-wall lode also provides a tangible first example of the additional lenses flagged as un-modelled upside, and suggests the mineralised system may be structurally wider than currently captured in the resource estimate.

Assays for both KKDD001 and KKDD004 remain outstanding, with core now progressing through ALS Labs for DTR and metallurgical test work. We see the next assay releases as the key catalyst to convert this early geological evidence into a quantifiable read on grade and recovery, ahead of the multiple resource updates management has flagged over coming quarters.

Drilling remains ongoing, with assay results expected to be received progressively as the programme advances. Killi is targeting multiple resource updates over the coming quarters, with the broader objective of converting the extensive mineralised corridor into a larger and higher-confidence resource base.

Fully funded work programme provides a clear pathway forward

Killi has outlined a staged programme to advance Lodestone from resource growth through to prefeasibility studies. The company has identified a broader strategy involving ***up to 40,000m of infill and extensional drilling***, with growth drilling scheduled (Figure 12) to continue through to Q4 2027. Resource updates are targeted for Q4 2026 and Q3 2027, while metallurgical work is expected to continue into Q2 2027 to further define processing characteristics and provide inputs for development studies.

Figure 12: A look at Lodestone's timeline

Source: Company

Mt Rawdon West has emerged as a major gold copper molybdenum discovery opportunity following the identification of the large-scale King Louie hydrothermal system operations opportunities.

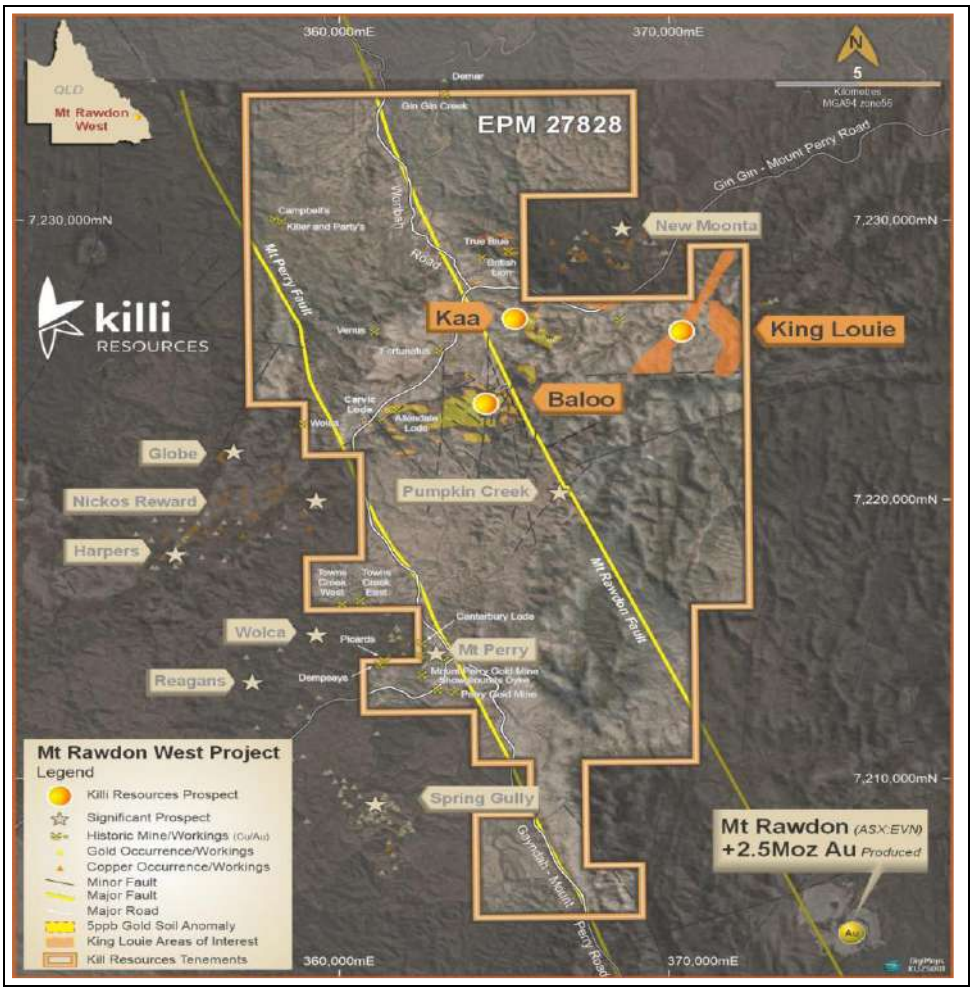
Scoping Study and Prefeasibility Study work is scheduled to commence in Q1 2027 and continue through Q4 2027, while environmental and permitting activities are expected to progress in parallel into early 2028. With funding in place to support this work programme through to the planned PFS, Killi can progress drilling, resource definition, metallurgy and development studies concurrently. We believe the combination of a funded work programme, defined resource and metallurgical milestones, and a clear timeline towards prefeasibility provides a structured pathway for assessing Lodestone's development potential.

Mt Rawdon West demonstrates significant gold-copper discovery potential

The Mt Rawdon West Project (Figure 13) is in Queensland's highly prospective New England Fold Belt, ~20km northwest of Evolution Mining's Mt Rawdon Gold Mine. It has rapidly emerged as one of Killi's most significant exploration assets following the discovery of the King Louie gold-copper-molybdenum breccia, which has transformed the project into a compelling discovery opportunity.

The 100%-owned project comprises a substantial 309km^2 package of granted tenements. It sits at the intersection of the Mt Rawdon gold corridor and the Mt Perry copper-gold corridor, within a well-established mineral province. The broader region hosts several world-class deposits, including Mt Morgan, Gympie, Cracow and Mt Rawdon. The tenement encompasses ***~35km of prospective strike and captures the intersection of two major mineral corridors***, providing exposure to a district scale structural setting that remains largely underexplored. What was previously regarded as relatively unexplored terrain has now been reinterpreted as a large-scale hydrothermal system with geological characteristics comparable to several major intrusion-related and epithermal gold systems elsewhere in Queensland.

Figure 13: Mt Rawdon's area of activity (prospects, key interpreted structure and geochemical areas of interest)



Source: Company

Recent geological mapping, geochemistry, and geophysical interpretation have significantly upgraded the project's prospectivity, with the King Louie Breccia now recognised as the surface expression of a substantial gold, copper, ***and molybdenum-rich hydrothermal system extending over a strike length of ~2km***. Surface sampling has returned gold values up to 33

times background, copper values up to 15 times background and molybdenum values up to 28 times background, underscoring the scale and strength of the mineralised system and its potential to host a major new discovery.

Strategic location within a proven Queensland mineral province

Mt Rawdon West (Figure 14) is ***located ~60 km inland from Bundaberg and covers a granted 309km² tenement package situated between Evolution Mining's producing Mt Rawdon Gold Mine and the Mt Perry copper gold district***. The project lies within the fertile New England Fold Belt, one of Australia's most productive mineral provinces, where porphyry, intrusion-related and epithermal gold systems have generated multi-million-ounce gold and significant copper deposits.

This location provides an important strategic advantage. The project benefits from access to established infrastructure, experienced mining services and a deep regional knowledge base developed through decades of exploration and production activity across the broader Mt Rawdon and Mt Perry districts. Killi controls the entire project area, giving the company the flexibility to systematically explore multiple targets across a large, largely underexplored land position.

Figure 14: Mt Rawdon Project location

Source: Company

Distinctive epithermal geochemistry strengthens the exploration model

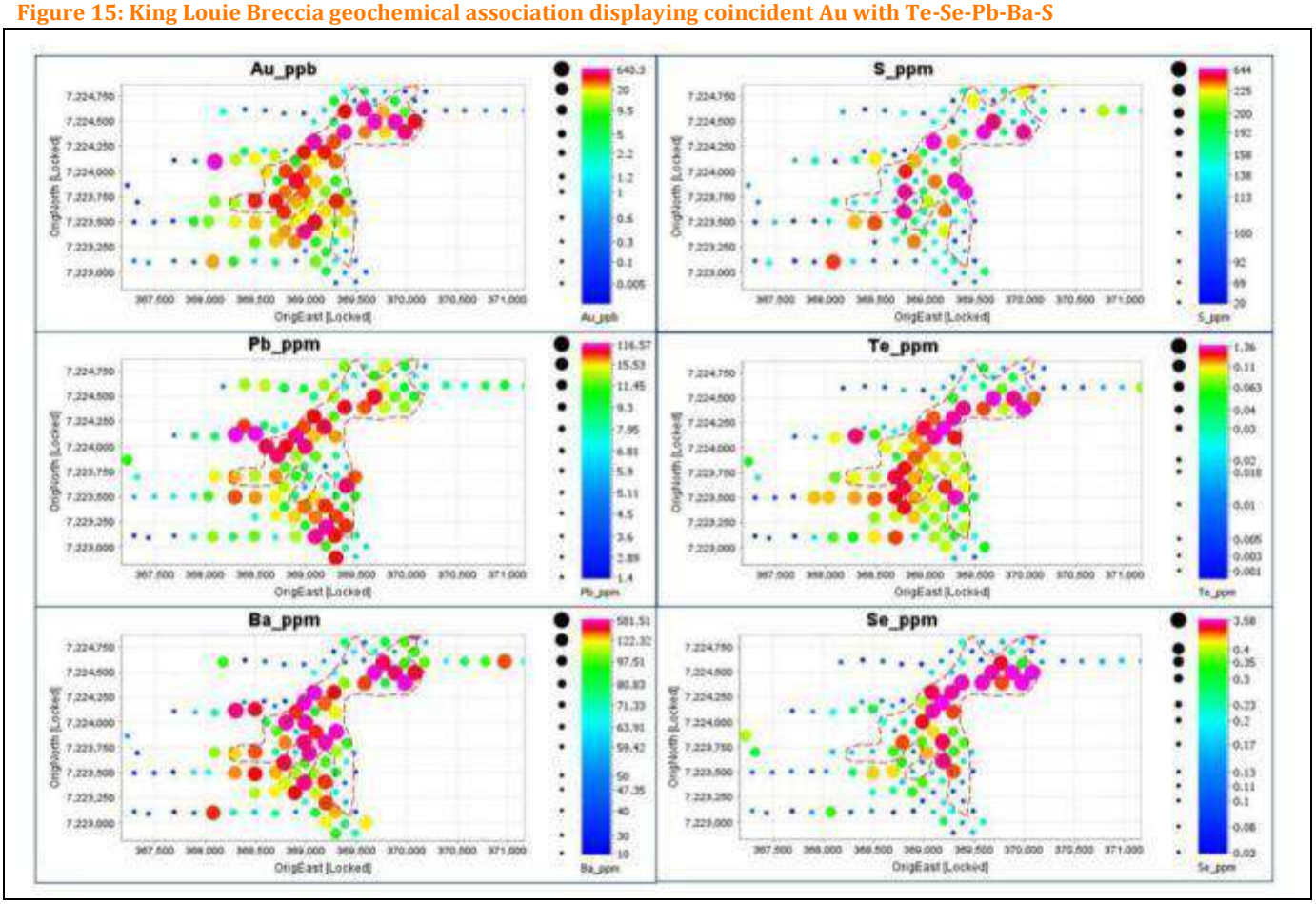
The King Louie discovery has significantly strengthened Killi's interpretation that Mt Rawdon West hosts a large porphyry epithermal gold-copper system. ***These systems are among the world's most important sources of gold and copper and are well represented across Queensland's New England Fold Belt***, where mineralised breccias and altered volcanic rocks exposed at the surface can represent the upper part of a much larger hydrothermal system.

Recent soil and rock chip sampling (Figure 15) has identified a strong epithermal geochemical signature, with gold mineralisation closely associated with tellurium, selenium, barium, lead, phosphorus and sulphur, elements commonly linked to precious metal-bearing hydrothermal systems. The persistence of strong gold, copper and molybdenum anomalism within an intensely

weathered and leached breccia suggests that the exposed mineralisation represents only the uppermost portion of a much larger system at depth.

This interpretation is reinforced by the presence of altered rhyolitic porphyries immediately west of the breccia, including intense potassic alteration and multi-phase silicification, features typically associated with deeper porphyry-style heat and fluid sources. Geological mapping indicates that the breccia forms part of a large subvolcanic intrusive centre and displays multiple alteration assemblages, including potassic-altered rhyolitic porphyry, chlorite-sericite alteration, epithermal veining, and vuggy quartz. The coexistence of these deep and shallow alteration styles is interpreted as a telescoped porphyry epithermal system, where uplift or structural collapse has brought different levels of the hydrothermal system into proximity. Together, these geological characteristics indicate that the King Louie Breccia may be the surface expression of a substantial gold-copper-molybdenum system, providing a clear pathway from surface discovery to testing a potentially large-scale mineralised intrusion at depth.

Figure 15: King Louie Breccia geochemical association displaying coincident Au with Te-Se-Pb-Ba-S



Source: Company

Expanding King Louie footprint reinforces district-scale discovery potential

Recent exploration (Figure 16) by the company has materially increased confidence in the scale of the King Louie system, with geological mapping and surface sampling significantly expanding the mineralised footprint across the broader target area. The breccia anomaly has now grown to ~2km in strike from the 1.1km previously reported, while a well-defined higher-grade core has been delineated within the broader mineralised corridor and is now regarded as the principal focus for maiden drilling. Surface sampling has also defined a widespread gold-in-soil anomaly extending across ~2.4 km by 2.7km, suggesting that hydrothermal activity extends well beyond the currently exposed breccia body.

Killi completed a comprehensive surface exploration programme comprising 114 soil samples and 25 targeted rock chip samples. Initial sampling was conducted on a broad 200m × 400m grid,

Recent exploration

with infill sampling tightening the spacing to ~140m across areas of greatest geological interest. The results delineate a broad low- to moderate-tenor gold anomaly ranging from 21ppb to 86ppb gold, interpreted as weathered dispersion outward from the higher-grade core of the breccia. The anomalous material is actively shedding into a distinct circular topographic depression, further supporting the interpretation of a large collapsed hydrothermal system.

Geological evidence points to a concealed porphyry source

The most significant results (Figure 17) from the recent programme came from intensely altered potassic rhyolitic porphyry immediately west of the main breccia, including 184.5 ppb ***gold together with elevated copper and molybdenum values***. Additional rock chip sampling returned copper values of up to 175.96ppm from the western contact of the breccia, while strongly altered porphyritic intrusions displayed elevated copper and molybdenum geochemistry. These results provide important evidence that the current surface mineralisation may be connected to a deeper porphyry-style heat and fluid source beneath the King Louie system.

Figure 16: Mapped and geochemical anomaly extent of the King Louie Breccia with recently collected and historic surface sampling

Source: Company

Geological mapping indicates that the breccia originates within a large subvolcanic intrusive centre and is associated with extensive hydrothermal alteration. The surrounding rocks display multiple alteration assemblages that typically form at different depths within a porphyry epithermal system, including potassic-altered rhyolitic porphyry, chlorite-sericite-altered porphyry, epithermal veining, and vuggy quartz. The coexistence of these deep and shallow alteration styles within a relatively compact area is interpreted as a telescoped epithermal

porphyry system, a geological setting capable of hosting significant gold, copper, and molybdenum mineralisation.

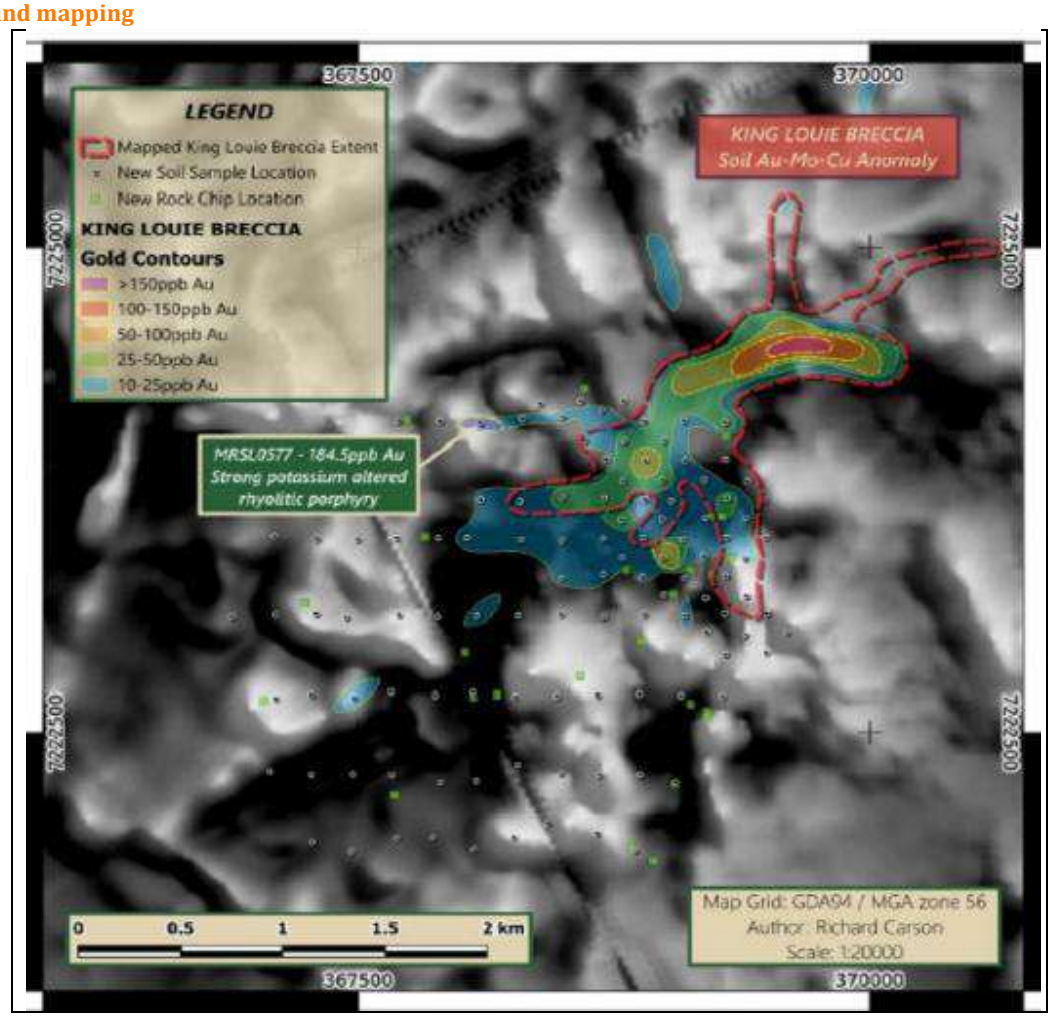
The breccia's physical characteristics further support this interpretation. The unit comprises coarse polymictic clasts within a fine-grained iron oxide and kaolin-rich matrix, with intense weathering and acidic leaching leaving a surface expression dominated by resistant quartz and clay-rich fragments. The preservation of strong metal anomalism despite extensive weathering provides additional evidence that the exposed breccia represents only the uppermost portion of a much larger hydrothermal system at depth.

Advancing towards maiden drilling

With the geological model substantially strengthened, Killi has defined the higher-grade core of the King Louie Breccia as the priority target for maiden drilling. Preparations for land access, permitting and drill site planning are already underway, while additional geological mapping and infill sampling west of the main breccia are being undertaken to refine the gold, copper and molybdenum anomaly associated with the potassium-rich rhyolitic porphyry.

The broader exploration programme is also being supported by a Queensland Government Collaborative Exploration Initiative grant, which is funding a 900m diamond drilling programme at the Rawdon Fault copper-gold target. Together, these activities mark the transition of Mt Rawdon West from a surface exploration success to a drill-ready discovery opportunity.

Figure 17: King Louie Breccia combined gold anomaly with recently collected surface samples and mapping



Source: Company

Multiple high-priority targets across the broader project

While King Louie has become the principal exploration focus, Mt Rawdon West contains several additional high-priority targets that strengthen the Project's overall exploration potential. The Baloo prospect hosts a large 4km by 1.5km copper, gold, molybdenum, and bismuth geochemical anomaly situated at the junction of major intrusive bodies and regional structures, while the Rawdon Fault prospect displays geological and geophysical characteristics consistent with a concealed porphyry-style hydrothermal system. The presence of both intrusion-related and porphyry-style targets shows the project is not dependent on a single discovery but contains multiple mineralised systems capable of supporting a district-scale exploration programme.

Early-stage discovery with significant scale potential

Although Mt Rawdon West remains an early-stage exploration project, the rapid evolution of the King Louie discovery has materially increased its exploration significance. The expansion of the breccia footprint to ~2km, the identification of a large subvolcanic intrusive centre, the distinctive epithermal geochemical signature and the presence of multiple intrusive-related alteration styles all point towards a mineral system capable of hosting a substantial gold-copper deposit.

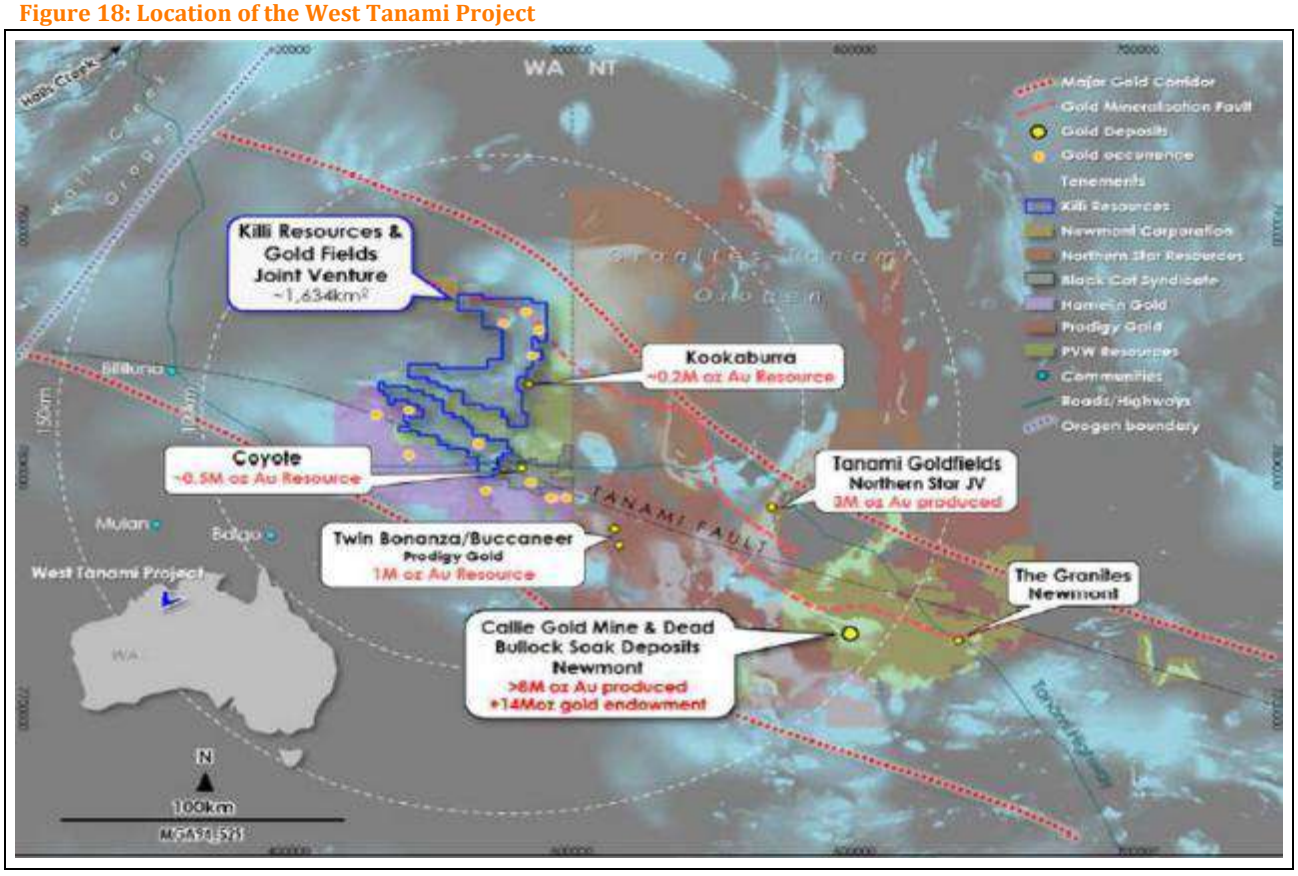
Importantly, despite the scale of the landholding and the presence of several advanced targets, much of the project remains effectively untested by modern drilling, suggesting that the current targets may represent only a portion of a broader mineralised district. With drilling preparations advancing and government supported exploration funding secured for additional targets, Mt Rawdon West has the potential to become a meaningful discovery opportunity within one of Queensland's most productive gold and copper provinces.

Exploration assets beyond the core portfolio

West Tanami targets a major gold system in the Tanami region

The West Tanami Gold Project (Figure 18) represents a large-scale, early-stage gold exploration opportunity in Western Australia's highly prospective Tanami Geological Belt. Killi Resources holds 100% ownership of the project, comprising ~1,634km^2 of granted tenure that covers more than 100km of strike along a major gold corridor. The project forms part of the broader Tanami Gold Province, which has an established gold endowment of more than 19 million ounces and hosts significant deposits and mines including Callie, Tanami, Twin Bonanza, Coyote and Kookaburra.

Figure 18: Location of the West Tanami Project



Source: Company

Gold Fields partnership provides a strong exploration platform

In May 2024, ***Killi entered into an earn-in and Joint Venture agreement with global gold producer Gold Fields Limited***, providing Gold Fields with the right to earn up to an 85% interest in West Tanami by spending A$13m on exploration over seven years. Gold Fields assumed responsibility for all project costs and management from the commencement of the earn-in and acts as project operator. This significantly reduces Killi's administrative and exploration funding requirements while allowing it to retain exposure to potential gold discoveries.

The Gold Fields partnership reduces Killi's exploration funding requirements. Gold Fields funds and manages exploration while earning up to an 85% interest, while Killi retains exposure to potential discoveries

The partnership also provides third-party validation of Killi's view that West Tanami has the geological attributes and scale to potentially host a large orogenic gold deposit. Under the Joint Venture structure, Gold Fields can apply its technical and financial resources to systematically explore the extensive project area, while Killi retains meaningful leverage to exploration success.

Systematic exploration has identified multiple targets across West Tanami

In November 2024, Gold Fields commenced exploration at West Tanami with an airborne gravity survey covering the entire 1,600km^2 project area on 200m spaced east-west lines. The survey generated a detailed dataset, and its initial interpretation identified several areas of interest, including targets supported by historical exploration results. This work provided the foundation for the next phase of exploration, which focused on refining the project's geological understanding through additional geophysical and geochemical surveys.

During the September 2025 Quarter, Gold Fields completed a TEMPEST airborne electromagnetic (AEM) survey covering the entire project, comprising 9,954 line-kilometres at 200m east-west line spacing. A regional soil sampling programme followed in the December 2025 quarter, during which 958 samples were collected on a 1,200m by 1,200m grid. The combination of gravity, electromagnetic and surface geochemical data has provided a comprehensive regional dataset for identifying and prioritising potential mineralisation targets across the large project area.

Results and interpretations from the AEM and soil sampling programmes have been received and assessed, resulting in the delineation of several areas of interest. Exploration is progressing towards field validation of these targets, with more detailed infill soil sampling and drilling to be undertaken based on target merit. Preparatory work for the infill soil sampling programme is complete. This marks the next step in progressing West Tanami from broad regional target generation towards more focused exploration and potential drill testing.

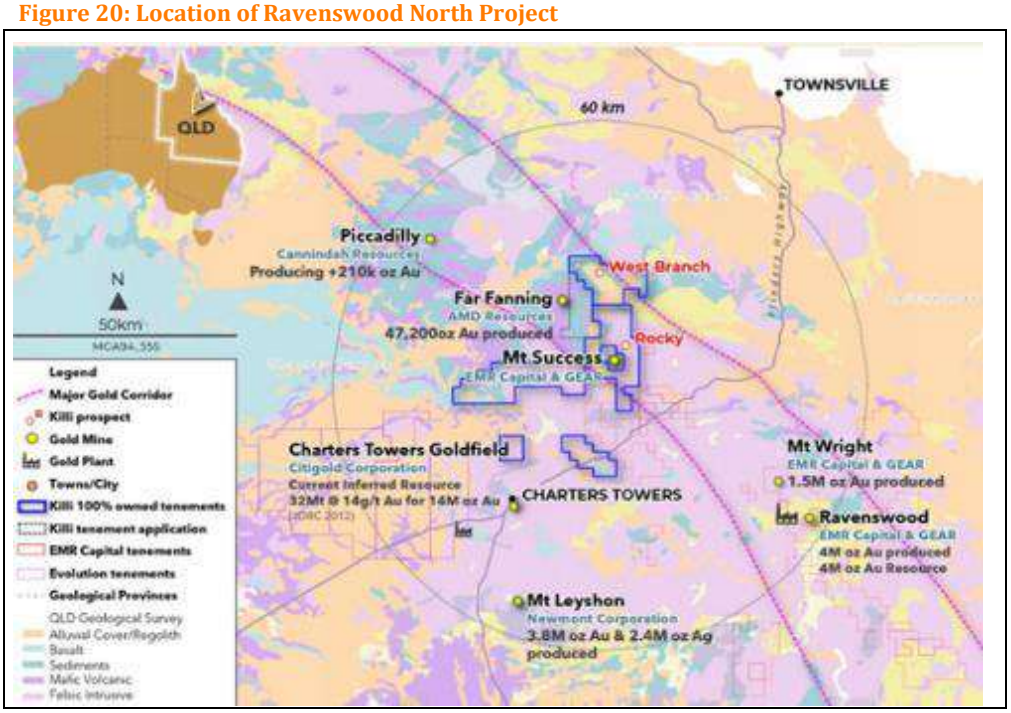
Figure 19: Location of all Killi Resources Projects in Australia

Source: Company

Ravenswood North offers large-scale gold exploration potential

The Ravenswood North Project (Figure 20) is a 100%-owned gold and copper exploration project in Queensland's Charters Towers region, comprising five granted tenements covering ~580km^2. Most of the project lies within the prospective Ravenswood-Charters Towers gold corridor, which hosts the Ravenswood Gold Mine, Charter Towers, Golden Valley, Kitty O'Shea, Mt Success and Piccadilly. Ravenswood North remains part of Killi's exploration portfolio but has seen limited recent exploration activity as the Company focuses its resources on higher-priority projects.

Figure 20: Location of Ravenswood North Project



Source: Company

Ravenswood North covers ~580km² of the prospective Ravenswood–Charters Towers gold corridor and is considered prospective for an Intrusive-Related Gold System. However, it remains a lower-priority exploration asset.

Rocky provides an initial exploration focus

Exploration to date has focused on the Rocky prospect, where Killi identified a 1.5km^2 Au-Cu-Ag soil anomaly and completed surface geochemistry, geophysical surveys and the first drilling into the target. Drilling identified iron-oxide and quartz-carbonate breccia pipes anomalous in Ag-As-Bi-Sb-Te-W, which the company interprets as consistent with intrusive-related gold systems. Gold and silver mineralisation has been identified both at surface and downhole.

Large areas remain underexplored

Despite the work completed at Rocky, only a small portion of the broader Ravenswood North project has been tested. The 11 drillholes completed to date were spaced at ~300m by 300m and targeted the principal geochemical and geophysical anomalies. Killi has noted that additional work is required to follow up the drilling results and determine the source and continuity of the gold mineralisation identified in surface rock chips. This leaves considerable exploration upside across the broader 580km^2 landholding.

Killi maintains exposure to Balfour's copper upside

Killi sold the Balfour Project to Black Canyon in 2024 while retaining the rights to explore for and mine copper under a Mineral Rights Deed. The project covers E46/1383 in Western Australia and was initially identified for its sediment-hosted copper potential, including copper soil anomalies at the Whitewood and Winterbrook prospects. Following the sale, Black Canyon holds the tenement and is responsible for its general exploration and expenditure requirements. Killi retains exposure to any potential copper discovery while avoiding ongoing tenement expenditure and rental commitments, making Balfour a low-cost, non-core asset with residual copper upside.

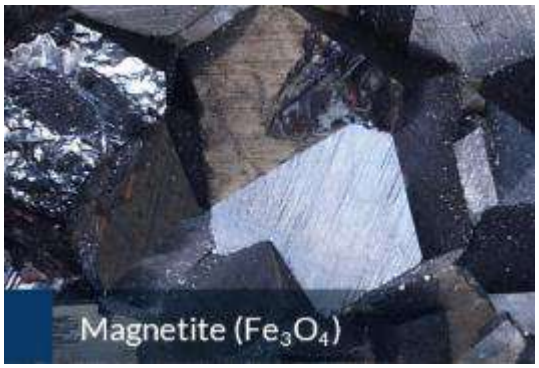
Iron Ore: The Backbone of the Global Steel Industry

Iron ore is a naturally occurring mineral-rich rock from which metallic iron is economically extracted and is the primary raw material used in steel production. As a result, it is a critical commodity underpinning global construction, infrastructure, manufacturing, transportation, and industrial development. **Steel production accounts for ~98% of global iron ore consumption, creating a strong linkage between iron ore demand and economic growth**. Consequently, increases in construction activity, infrastructure spending, industrialisation, and manufacturing output directly drive higher steel production and, in turn, greater iron ore demand. Furthermore, the global energy transition is emerging as an additional long-term demand driver, with renewable energy infrastructure, transmission networks, and electric vehicles expected to require significant volumes of steel in the decades ahead.

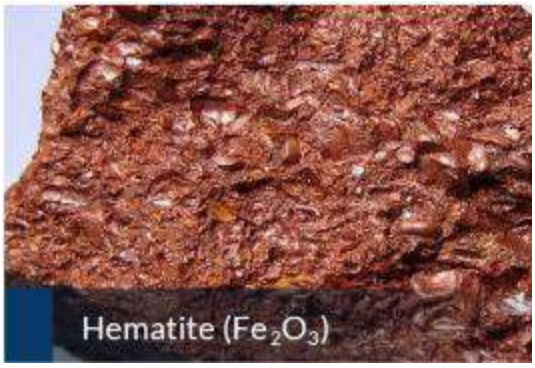
Iron is the most used metal in the world, accounting for ~95% of all metals used each year

Iron ore is primarily classified by its iron (Fe) content, a key determinant of its quality and economic value. The widely used benchmark grade contains ~62% Fe, while high-grade ores with 65% Fe or more generally command a premium because they require less processing and offer greater efficiency in steelmaking. In contrast, lower-grade ores require additional beneficiation to increase their iron content, resulting in higher processing costs, greater energy consumption, and increased waste generation. These factors can make lower-grade ores less attractive, particularly as steelmakers face growing environmental and emissions-related constraints.

Figure 21: Key iron ores for steel production



Source: Sandatlast



Source: Geology Learn

The iron ore industry is dominated by two principal ore types: hematite and magnetite. Hematite is the most widely mined and traded form of iron ore, particularly in major producing regions such as Australia and Brazil, as it typically requires only simple crushing and screening before being supplied to steelmakers. Magnetite, in contrast, generally requires additional beneficiation and processing to concentrate the iron content and remove impurities. While this results in higher processing costs, magnetite can produce a premium, high-grade concentrate with superior iron grades and lower impurity levels.

This distinction is particularly relevant to Killi's Lodestone Iron Project, which hosts a unique high-purity hydrothermally recrystallised magnetite resource. The recrystallisation process has resulted in coarse-grained magnetite that can potentially be liberated at relatively coarse grind sizes, offering the prospect of lower processing intensity compared with many conventional magnetite deposits. Importantly, metallurgical test work indicates the potential to produce a premium concentrate grading 68-70% Fe with low impurities, **positioning Lodestone among a relatively small group of iron ore projects capable of supplying Direct Reduction (DR)-grade feedstock**. As the global steel industry increasingly transitions towards low-carbon steelmaking technologies such as DR and Electric Arc Furnaces (EAF), high-purity magnetite resources like Lodestone are expected to become strategically valuable due to their ability to support the production of premium, low-emission steel products.

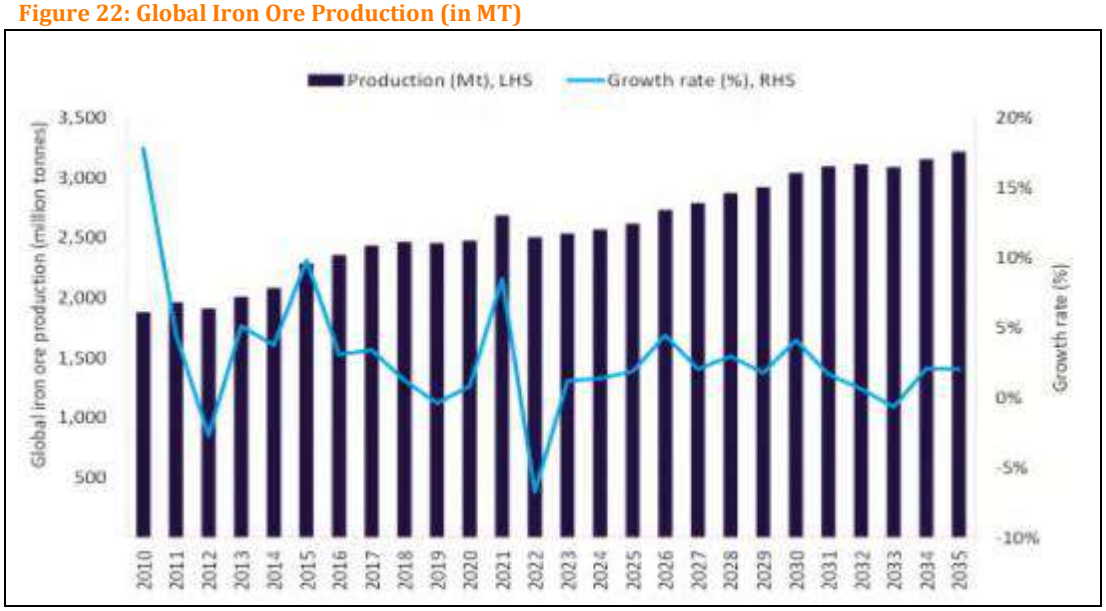
The global iron ore market remains a large and strategically important commodity market, underpinned by the continued importance of steel in construction, infrastructure, manufacturing and industrial development. **According to Fortune Business Insights, the global iron ore market was valued at US$301.6bn in 2025 and is projected to increase from US$313.3bn in 2026 to US$425.5bn by 2034, representing a CAGR of 3.9% over the forecast period.**

The market is heavily concentrated in Asia Pacific, which accounted for ~70% of global market value in 2025*. The region's dominance reflects its position as the world's largest steel-producing and steel-consuming hub, with China, India and Japan representing major sources of iron ore demand.*

Iron ore market dynamics: Demand, supply and price drivers

China remains the dominant consumer, accounting for more than half of global seaborne iron ore demand owing to its large steel industry and ongoing infrastructure and manufacturing requirements. However, future growth in iron ore demand is increasingly expected to come from emerging economies such as India, Southeast Asia, and parts of the Middle East, where urbanisation, industrialisation, and infrastructure development are accelerating. These regions are investing heavily in transportation networks, housing, renewable energy infrastructure, and manufacturing capacity, all of which are highly steel-intensive.

Figure 22: Global Iron Ore Production (in MT)



Source: Mining Technology

In addition to traditional demand drivers, the global energy transition is creating a new source of structural demand. Significant quantities of steel are required for wind turbines, solar farms, electricity transmission networks, battery manufacturing facilities, hydrogen infrastructure, and electric vehicles. As governments around the world pursue decarbonisation objectives, steel consumption associated with the energy transition is expected to become an increasingly important driver of long-term iron ore demand.

At the same time, the quality profile of iron ore demand is evolving. Steelmakers are progressively adopting DRI and EAF technologies to reduce carbon emissions. These processes require higher-grade, lower-impurity iron ore products than conventional blast furnaces, resulting in growing demand for premium concentrates and pellet feed. Consequently, while overall iron ore demand growth may remain moderate, demand for high-grade DR-grade feedstocks is expected to grow materially faster than demand for conventional 62% Fe products.

Figure 23: Top 10 Global producers

Source: U.S. Geological Survey Mineral Commodity Summaries 2026

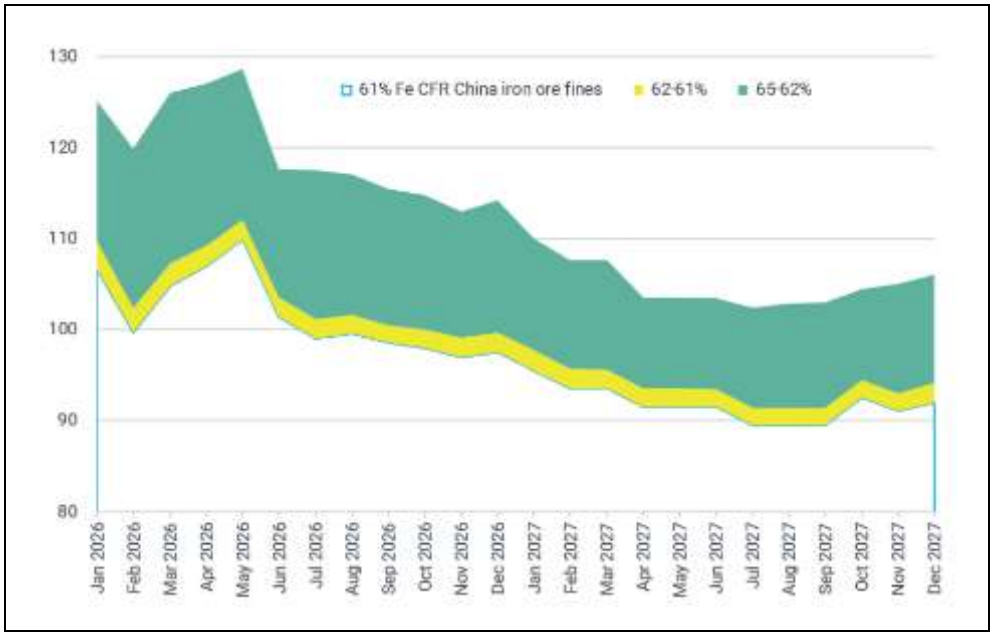
On the supply side, global iron ore production is expected to continue expanding over the medium to long term, supported by capacity expansions and new project developments across key producing regions. Global output is forecast to increase by 1.9% in 2025 to ~2.6 billion tonnes, with growth primarily driven by higher production from Australia, Brazil, India, and emerging producers such as Guinea, Liberia, and Iran. This increase is expected to offset softer production growth in China, where iron ore output continues to face headwinds from weaker domestic steel demand and a prolonged slowdown in the construction and infrastructure sectors.

Looking further ahead, global iron ore production is projected to accelerate, growing by ~4.5% in 2026 as a number of large-scale projects ramp up production. Growth will be underpinned by new supply from Guinea's world-class Simandou development, continued expansion across Australia's major iron ore operations, and production increases from Brazil. Additional supply growth is also expected from India, Liberia, and Iran as existing mines are expanded, and new projects are commissioned.

Guinea is emerging as one of the most significant growth regions for the iron ore industry. The commencement of commercial production at the Simandou Project is expected to transform the country into a major global supplier over the coming decade. Meanwhile, **Australia is expected to maintain its position as the world's largest iron ore producer**, supported by ramp-ups at operations such as Onslow Iron, Western Range, and Iron Bridge. Brazil's supply growth is expected to be led by Vale's ongoing expansion initiatives, complemented by output increases from several other major mining operations.

Overall, **global iron ore production is forecast to grow steadily over the next decade, with output expected to reach more than 3.2 billion tonnes by 2035**, representing a CAGR of ~2.1%. Growth will be driven by a combination of brownfield expansions, new greenfield developments, and increasing production from emerging mining jurisdictions, ensuring adequate supply to meet rising steel demand and the evolving requirements of the global energy transition.

Figure 24: Iron ore price premiums ($/t)



Source: Kpler Insight, Enverus, SGX, TSI

Iron ore prices are expected to remain relatively resilient through 2026, although support is increasingly coming from the cost side rather than a meaningful recovery in demand. **In June 2026, Fitch Ratings raised its 2026 iron ore price forecast to US$100/t from US$95/t, while also revising its 2027 forecast upward to US$90/t from US$85/t**, citing rising freight costs, logistical disruptions and stable steel-sector demand. This aligns with broader market trends, where benchmark 61% Fe fines prices climbed above US$108/t CFR China in April 2026, recovering from sub-US$100/t levels earlier in the year. However, the recent strength in prices

reflects elevated shipping and fuel costs, particularly on Brazil-to-Asia routes, rather than an improvement in underlying consumption. Demand growth in China remains constrained by weakness in the construction and real estate sectors, high port inventories and cautious steel mill purchasing behaviour, with mills prioritising margin preservation and cost optimisation over output expansion. As supply from Australia and Brazil remains steady, the market is likely to stay balanced but structurally soft, with upside limited by weak end-use demand. Consequently, iron ore prices are expected to remain near the US$100/t level in 2026, supported by freight-related cost pressures rather than fundamental demand-side tightening.

Lodestone Positioned to Benefit from the Green Steel Transition

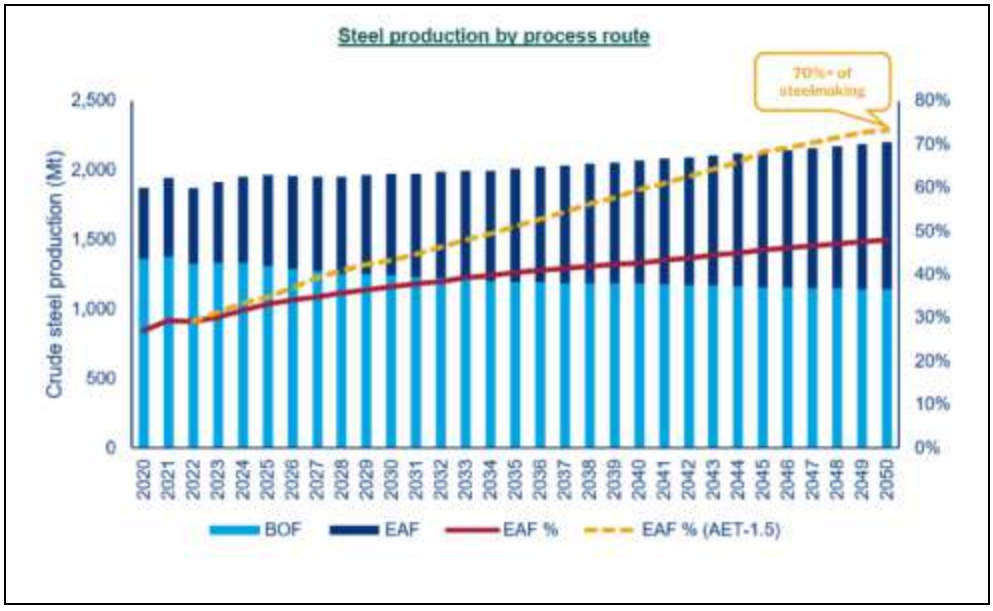
Electric Arc Furnace (EAF) predicted to account for half of all steel production by 2050

The global iron ore market is undergoing a structural shift as the steel industry accelerates its decarbonisation efforts. Traditionally, steel production has relied on the carbon-intensive Blast Furnace-Basic Oxygen Furnace (BF-BOF) route, supported by benchmark 62% Fe iron ore products. However, increasing environmental regulations and net-zero commitments are driving the adoption of lower-emission steelmaking technologies, creating growing demand for premium iron ore feedstocks.

A key trend is the increasing adoption of EAFs and DRI production. While EAFs offer significantly lower emissions than traditional blast furnaces, their expansion is driving demand for DRI, which requires high-grade, low-impurity iron ore. Consequently, steelmakers are increasingly seeking premium concentrates and pellet feed products rather than conventional 62% Fe fines.

This shift is enhancing the value of high-quality magnetite concentrates, which can be beneficiated into products suitable for DRI production. As demand for green steel grows, high-grade concentrates are expected to attract increasing pricing premiums due to their superior efficiency, lower impurity levels, and ability to reduce emissions during steelmaking.

Figure 25: Steel production by process route



Source: Company

Against this backdrop, **Killi's Lodestone Project appears well positioned to benefit from these evolving market dynamics.** The project hosts a unique hydrothermally recrystallised magnetite resource capable of producing a 68-70% Fe concentrate with low impurities, placing it within the premium DR-grade segment of the iron ore market.

In our view, **Lodestone's exposure to the rapidly growing DRI and green steel markets differentiates it from conventional iron ore projects.** As steelmakers increasingly prioritise high-grade feedstocks to support decarbonisation, assets that can produce premium DR-grade concentrates are likely to become strategically more valuable. The key investment catalyst will be

Killi's ability to demonstrate resource growth and commercially produce this high-quality concentrate at competitive costs.

Gold: Driving portfolio resilience in uncertain markets

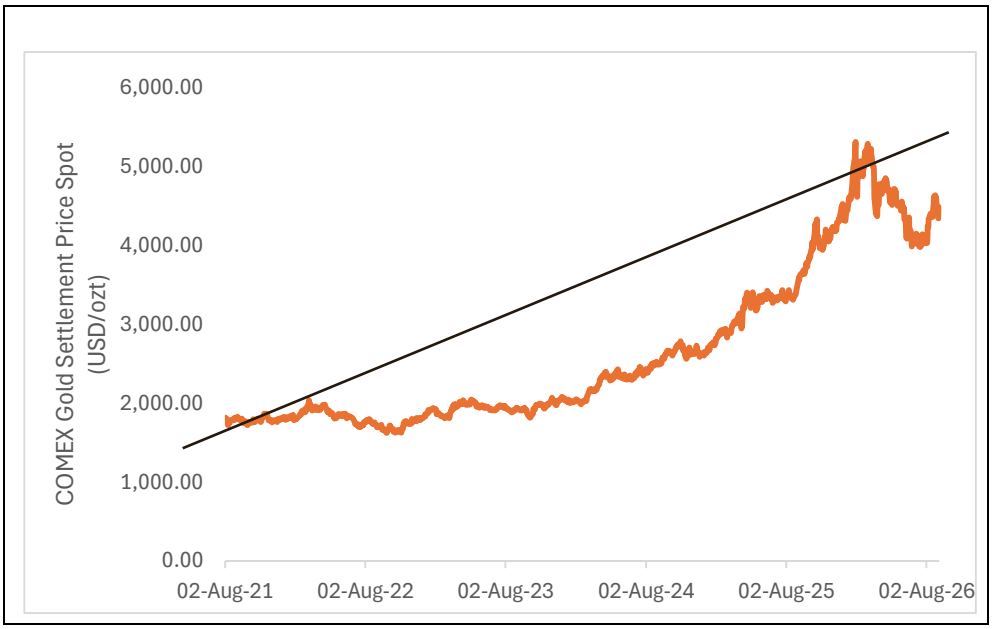
Gold remains one of the world's most strategically important precious metals, recognised for its role as a store of value, inflation hedge, and safe-haven asset during periods of economic and financial market volatility. Unlike industrial metals, gold demand is primarily driven by investment flows, central bank purchases, jewellery consumption, and reserve diversification strategies. Global gold demand crossed 5,000t for the first time in 2025, reaching a record 5,002t, supported by strong investment inflows and elevated central bank buying.

Asia-Pacific continues to dominate global gold consumption, led by China and India, while Australia remains one of the world's largest and most strategically important gold-producing jurisdictions. Elevated bullion prices, resilient investment demand, and ongoing global instability continue to reinforce gold's long-term importance in financial markets.

Gold prices remain elevated amid geopolitical and macroeconomic uncertainty

Gold prices have remained elevated in 2026, although they have retreated from the record highs reached earlier in the year. **After surging to an all-time high of around US$5,600/oz in January 2026, gold prices consolidated and are now trading in the US$4,100-4,400/oz range.** Despite this correction, prices remain supported by strong safe-haven demand, sustained central bank purchases, geopolitical uncertainties, and expectations of future monetary easing. Rising global debt levels, persistent inflation concerns, ongoing trade and geopolitical tensions, and a weaker US dollar have further reinforced investor interest in gold as a defensive asset. Market analysts remain constructive on the outlook, with several institutions forecasting average gold prices of US$4,500-4,900/oz during 2026, while more bullish projections suggest prices could revisit or even exceed the US$5,500-6,000/oz range if geopolitical risks intensify and investment inflows remain strong. Overall, although prices have moderated from their peak levels, gold continues to trade at historically high levels and remains one of the best-performing safe-haven assets in an increasingly uncertain macroeconomic environment.

Figure 26: Gold prices remain supported by geopolitical and economic uncertainty



Source: Argus and East Coast Research

Positive outlook supported by strong structural fundamentals

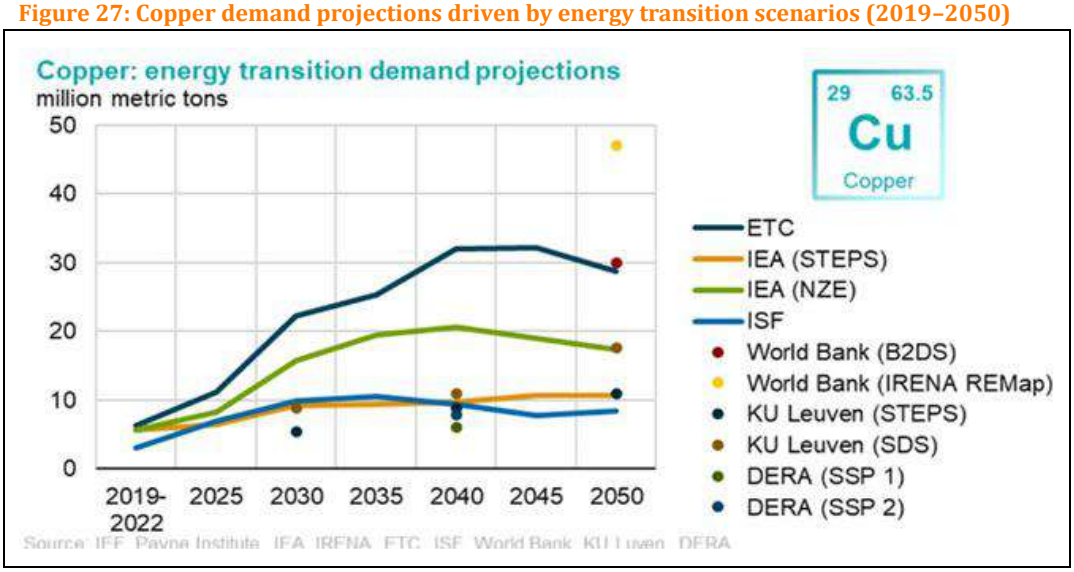
The outlook for gold remains favourable over the medium to long term, supported by ongoing geopolitical tensions, elevated macroeconomic uncertainty, strong central bank purchases, and continued demand for safe-haven assets. Investor interest has also been underpinned by expectations of monetary policy easing and sustained inflows into gold-backed investment vehicles. At the same time, limited major gold discoveries and declining reserve replacement across the industry continue to reinforce the scarcity value of quality gold assets. We believe Australian gold miners remain well positioned to benefit from favourable market conditions, supported by the country's substantial resource base, stable regulatory framework, and status as one of the world's leading gold-producing jurisdictions.

Copper: At the Heart of the Global Energy Transition

Copper is a widely used base metal valued for its excellent electrical conductivity, durability, and versatility. As a critical input in power infrastructure, construction, electronics, and manufacturing, copper is increasingly viewed as a strategic commodity due to its essential role in electrification, renewable energy, and decarbonisation. This growing importance is reinforcing demand for copper and strengthening the position of major producing jurisdictions such as Australia, which benefits from a large resource base and direct exposure to long-term energy transition trends.

Industry revenue is projected to reach ~A$10.7bn in 2025-26, up ~5.3% Y-o-Y, supported by elevated copper prices and strong global demand. Growth is being driven by expansion activities at major operations such as Olympic Dam, alongside improved performance at assets like Kanmantoo Mine, which reported strong production in early 2026. Additionally, projects such as the Nifty Copper Complex are progressing towards restart, contributing to the medium-term production outlook.

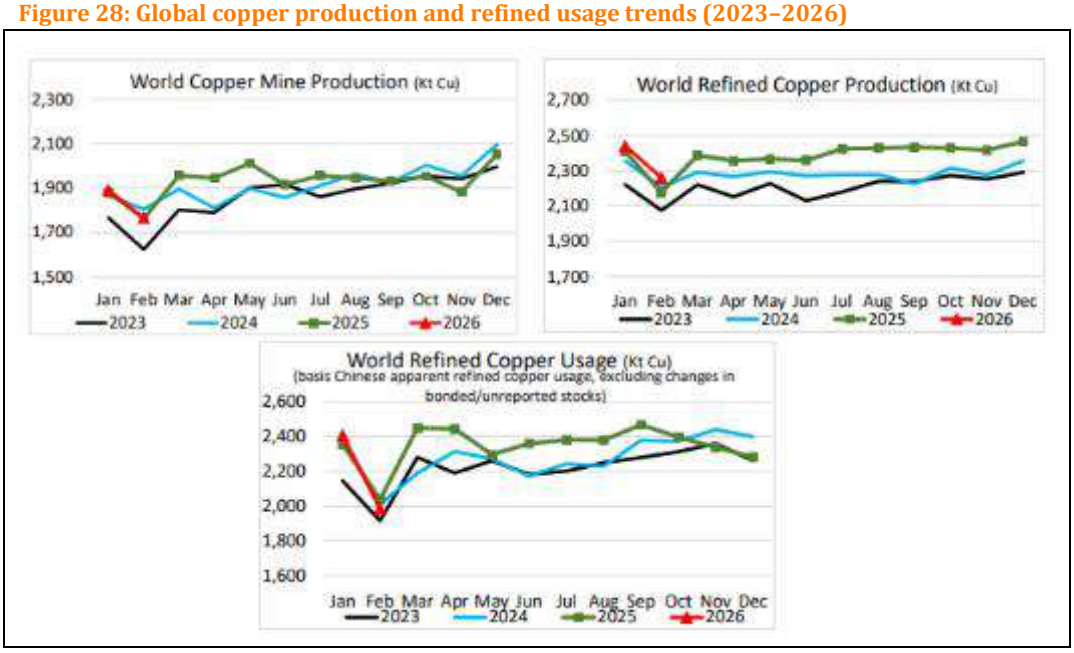
Figure 27: Copper demand projections driven by energy transition scenarios (2019–2050)



Source: Adapted from IEA, World Bank, IRENA and industry research

The long-term outlook for copper remains highly constructive, underpinned by growing demand from electrification, renewable energy, electric vehicles, and digital infrastructure. While the market may experience periods of short-term surplus, supply growth remains constrained by declining ore grades, limited major discoveries, and increasing development costs. Australia is well positioned to benefit from these favourable fundamentals, supported by its substantial resource base, ongoing project development, and strategic role in supplying copper to the global energy transition.

Figure 28: Global copper production and refined usage trends (2023–2026)



Source: ICSG Monthly Report (2026)

Valuation: Peer analysis highlights significant re-rating potential for Killi

Given that Killi Resources remains at the exploration and resource growth stage, we believe a resource-based valuation methodology is the most appropriate framework for assessing the company. Traditional DCF or NAV-based approaches are less applicable at this stage due to the absence of economic studies, defined development parameters, and production forecasts. Accordingly, we have adopted an EV/resource multiple approach, widely used to value development-stage iron ore companies.

Even after a >500% rally in the last year, KLI's current valuation does not yet fully reflect the potential resource growth and de-risking associated with its detailed drilling program at the Lodestone Iron Project

Killi's investment thesis is centred on the recently acquired Lodestone Iron Project, which hosts an initial 110Mt JORC Inferred Resource and has demonstrated the potential to produce a premium 68-70% Fe magnetite concentrate suitable for the Direct Reduction (DR) market. Importantly, the current resource occupies only a small portion of the broader 25km mineralised trend, highlighting significant exploration upside.

Peer set

To derive our valuation parameters, we compared Killi Resources against a selected peer group of ASX-listed iron ore companies, including Red Hill Minerals, Centaurus Metals, and Accent Resources. While we also considered several ASX-listed magnetite developers, such as Magnetite Mines, Hawsons Iron and Macarthur Minerals, these companies are generally smaller, early-stage developers that currently trade at depressed valuation multiples. Consequently, we have placed greater emphasis on a broader peer set comprising more established iron ore producers and developers. The selected peer group trades at an average EV/Contained Concentrate Fe multiple of ~4.5x.

Figure 29: KLI Peer Data

Company Name	Ticker	Market Cap (A$m)	EV (A$m)	Concentrate Grade (% Fe)	Concentrate Fe (Mt)	EV/Concentrate Fe ($/t)
Red Hill Minerals Limited	ASX: RHI	280.0	217.8	53.40%	33.32	6.5
Centaurus Metals Limited	ASX: CTM	262.8	246.0	29.00%	56.17	4.4
Accent Resources NL	ASX: ACS	115.0	143.3	31.30%	52.49	2.7
Average		**219.3**	**202.4**	**37.90%**	**47.33**	**4.5**

*Note: as of 21 Sept 2026; *Mineral Resource Estimate is calculated as 100% for Measured, Indicated and Inferred Mineral Resource.*
Source: S&P Capital IQ and East Coast Research

Drilling is ongoing across the broader 25km-long Lodestone mineralised system, with the objective of expanding and upgrading the existing resource while advancing metallurgical test work. We believe the market has yet to fully reflect the potential upside from resource growth, metallurgical validation and Lodestone's exposure to the rapidly growing green steel and DR-grade iron ore markets. Furthermore, given that magnetite concentrates typically command a premium to conventional hematite products due to their higher iron grades and suitability for DRI-based steelmaking, we believe a valuation premium of 15-25% to the selected peer group is justified. For peer calculation, *we have used 100% of the Measured, Indicated Resources and Inferred Resources.*

Balance sheet strength provides a clear path to project de-risking

Killi Resources enters FY27 with a strong balance sheet following the completion of the Lodestone acquisition and the successful A$15m capital raising. The company reported a pro forma cash balance of ~A$18.5m as of 30 June 2026, providing funding to advance Lodestone through resource expansion drilling, metallurgical studies and pre-feasibility work.

In our valuation model, we have also incorporated the potential exercise of 3.0m in-the-money options (2.0m at A$0.20 and 1.0m at A$0.10), which have further enhanced Killi's cash position and funding flexibility. Consequently, the total cash balance in our model is A$19.0m (representing ~30% of Killi's current market cap).

Existing resource base and fully funded drilling work provide a strong growth platform

Killi's investment case is underpinned by the Lodestone Project's maiden Inferred Resource, which provides a strong foundation for future resource growth while significantly reducing exploration risk relative to earlier-stage iron ore explorers. Management is focused on expanding and upgrading the existing resource through an extensive drilling programme while concurrently advancing DTR and metallurgical test work to further validate the project's favourable processing characteristics and ability to produce a premium 68-70% Fe DR-grade concentrate.

It is imperative to note that the current valuation for KLI only includes the Lodestone Project. Any positive news flow arising from the other projects including Mt Rawdon is expected to significantly re-rate the stock

Beyond resource growth, we believe Lodestone benefits from a compelling combination of scale potential, premium product quality, favourable infrastructure access and exposure to the emerging green steel market. The project is strategically located in the heart of Western Australia's Mid-West Iron Ore District, a well-established mining region with access to rail, port and power infrastructure. Importantly, Lodestone is situated adjacent to established operations supplying major global steel producers, including Ansteel and Baowu Steel, providing a favourable backdrop for potential future offtake discussions and strategic industry interest. Given the strong geological continuity demonstrated to date and the considerable exploration upside across the broader 25km-long mineralised system, we remain positive on Killi's ability to materially expand its resource base and enhance Lodestone's long-term strategic value.

Importantly, Killi has outlined a fully funded development pathway through to the completion of a Pre-Feasibility Study (PFS), providing investors with clear visibility on several value-accretive milestones over the next 12-18 months. The company is currently undertaking an aggressive drilling campaign aimed at resource growth and resource confidence upgrades, while extensive metallurgical testing is designed to further validate Lodestone's suitability as a premium DR-grade feedstock. In parallel, Killi intends to advance environmental studies, permitting activities and economic assessments, with a Scoping Study/PFS planned during 2027.

With a concentrate grade close to double the peer set average, KLI is materially mispriced: it trades at an ~36% discount to the peer-group average multiple, implying substantial upside as the market recognises this quality differential

In our view, the combination of ongoing drilling, potential resource upgrades, metallurgical validation, development studies and growing exposure to the global green steel thematic provides a strong pipeline of catalysts capable of driving further value creation and supporting a continued re-rating of the company.

I. Base-case valuation scenario

Under our base-case valuation scenario, we assume Killi's current attributable contained concentrate iron inventory of ~20Mt is supplemented by an additional 15.0Mt through future resource growth, representing an increase of 75% over the current resource base. Given Lodestone's ability to potentially produce a premium 68-70% Fe DR-grade concentrate, we apply

a sector valuation multiple of A$5.2/t of contained concentrate iron, reflecting a 15% premium to peers due to the project's superior concentrate grade, favourable metallurgy and exposure to the emerging green steel market. This results in an implied Lodestone Project value of A$183.4m. Consequently, we derive an implied equity valuation of A$202.4m, or A$0.56 per share, representing 99% upside to the current share price of A$0.28 per share.

II. Bull-case valuation scenario

Under our bull-case scenario, we assume an incremental resource increase of ~18.0Mt, representing resource growth of around 90% over the current contained concentrate iron inventory. Applying a higher valuation multiple of A$5.7/t, reflecting continued resource growth, successful metallurgical validation and increasing confidence in Lodestone's ability to supply premium DR-grade feedstock, results in an implied project value of A$216.5m. Including cash, this translates into an implied equity valuation of A$235.5m, or A$0.65 per share, representing 131% upside from current levels.

We believe the application of a premium valuation multiple is justified given Lodestone's potential to produce a high-purity 68-70% Fe concentrate, its strategic location within WA's Mid-West Iron Ore District, proximity to major steel producers including Ansteel and Baowu Steel, and significant resource growth potential across the broader 25km-long mineralised system.

Overall, based on our EV/Concentrate Fe valuation framework, **we derive a valuation range of A$0.56–0.65/share and a mid-point target price of A$0.60/share**. This implies a Price/NAV of 0.47x and suggests that the market has yet to fully price in KLI's resource expansion strategy, its fully funded drilling programme, and its broader exploration upside. **The target price indicates an upside of 115% relative to the current trading price.**

Figure 30: SOTP-based valuation calculation for Killi Resources

Killi Resources Valuation (A$m)	Base Case	Bull Case	Remarks
Killi Resources (Mt)	20.0	20.0	
~Incremental resource (Mt)	15.0	18.0	75-90% jump due to the resource growth potential
Sector Average (A$/t)	5.2	5.7	15-25% premium to peers due to higher grade
Lodestone Iron Ore Project Value	183.4	216.5	
Implied EV	183.4	216.5	
Cash & cash equivalent^	19.0	19.0	
Provisions and Liabilities^	-	-	
Total value	202.4	235.5	
Number of shares (m)^^	363.7	363.7	
Implied price (A$)	0.56	0.65	
Current price (A$)	0.28	0.28	
Upside (%)	99%	131%	
Mid-point Target Price (A$)	**0.60**		
Price / NAV (X)	**0.47x**		

Note: ^as of June 2026; also includes potential cash from exercising of in-the-money listed options (expiring on July-2027 and October-27); ^^ includes shares on issue + quoted in-the-money options
Source: East Coast Research

DR-grade concentrates and pellet feed typically command a ~20-30% premium to benchmark 62% Fe iron ore products. This pricing dynamic is particularly favourable for Lodestone, which has demonstrated the potential to produce a premium 68-70% Fe concentrate

Additional Share Issue

Our valuation is based on a fully diluted capital structure. Following the completion of the Lodestone acquisition and associated capital raising, Killi currently has ~360.7m ordinary shares on issue. In addition, the company has 83.2m performance rights outstanding, as well as 3.0m unlisted options with exercise prices ranging from A$0.10-0.20. For valuation purposes, we have incorporated the potential dilution from all in-the-money options, resulting in a fully diluted share count of ~363.7m shares. As none of the vesting conditions is currently expected to be met in the near term, we have not factored performance rights options into our calculations (refer to Appendix III).

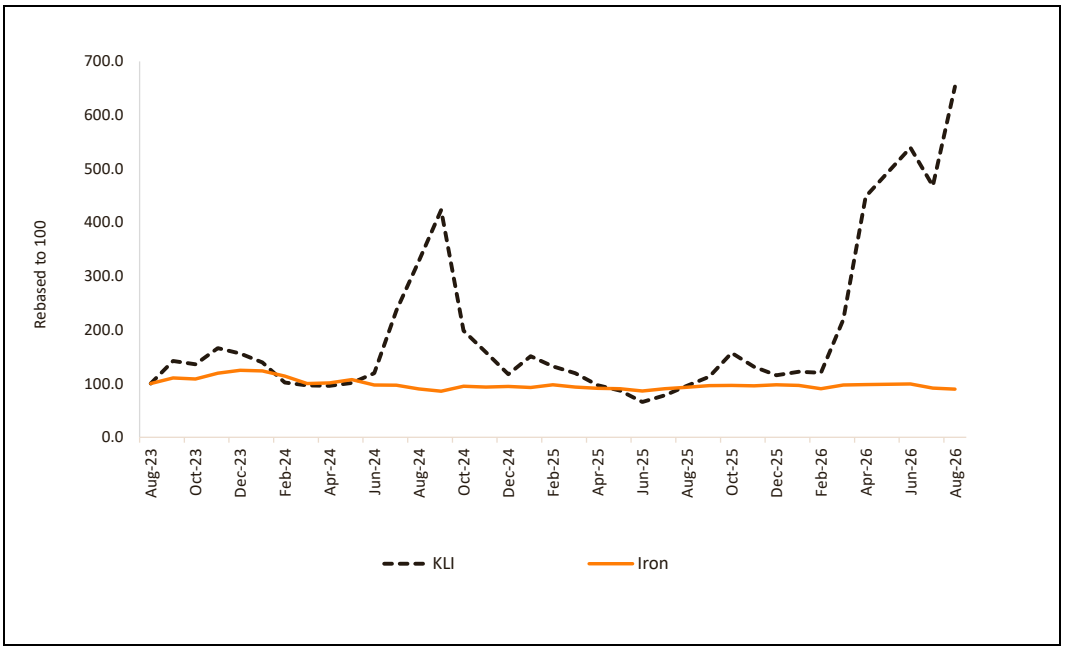
We believe this approach provides a more conservative and realistic assessment of shareholder value, particularly given the strong share price performance following the Lodestone transaction and the project's growing strategic importance within Killi's portfolio.

KLI remains well positioned for further re-rating through 2026

Killi Resources has delivered a significant re-rating over the past year (share price up ~575%), driven by the transformational acquisition of the Lodestone Iron Project, the appointment of experienced iron ore executives, and growing investor interest in premium iron ore assets leveraged to the green steel thematic. Despite the strong share price performance, we believe the company's current valuation does not fully reflect the broader resource growth potential of the Lodestone Project or its emerging position in the premium DR-grade iron ore market.

The outlook for high-grade iron ore remains increasingly favourable as steelmakers accelerate efforts to decarbonise production through the adoption of DRI and EAF technologies. This structural shift is driving growing demand for high-purity, low-impurity iron ore feedstocks that can support low-carbon steelmaking, while the global supply of DR-grade products remains limited. As a result, premium concentrates and pellet feed products continue to attract increasing strategic attention and pricing premiums relative to benchmark iron ore products.

Figure 31: KLI's share price has been running ahead of the Iron Ore prices



Note: As of 07 Sept 2026
Source: S&P Capital IQ, and East Coast Research

In our view, Killi is entering a catalyst-rich phase, underpinned by its ongoing 20,000m drilling programme targeting resource growth and resource confidence upgrades across the 25km-long mineralised system. Recent step-out drilling has already confirmed the continuation of coarse-grained, recrystallised magnetite beyond the existing 110Mt JORC Inferred Resource, while upcoming DTR and metallurgical test work could provide further validation of Lodestone's ability to produce a premium 68-70% Fe concentrate. We believe continued drilling success, future resource upgrades and increasing exposure to the rapidly growing green steel market could drive a meaningful re-rating of the company over the coming quarters. Overall, **we view Killi as one of the compelling emerging ASX-listed iron ore stories, with substantial leverage to both resource growth and the growing global demand for premium DR-grade feedstocks.**

Catalysts for the re-rating of KLI

Killi Resources is currently transitioning from a junior explorer into a potential premium iron ore development. We believe the following milestones could drive a meaningful re-rating of the company over the next 12-18 months:

- **Resource growth from the ongoing 20,000m drill programme** — Killi's immediate focus is on expanding and upgrading the current 110Mt JORC Inferred Resource at Lodestone. The existing resource covers only a small portion of the broader 25km-long mineralised system, providing substantial exploration upside. Continued drilling success and further extensions of mineralisation could materially increase the resource inventory and support a higher valuation multiple.
- **Step-out drilling success supports geological continuity** — Recent drilling has already delivered encouraging results, with the first step-out diamond hole intersecting more than 80m of coarse-grained, recrystallised magnetite ~100m south of the existing resource. Further drilling success confirming continuity along strike and at depth would strengthen confidence in Lodestone's growth potential and support future resource upgrades.
- **Metallurgical validation of premium DR-grade product** — Lodestone's investment thesis is heavily tied to its ability to produce a 68-70% Fe concentrate suitable for the DR market. Ongoing DTR and metallurgical test work aimed at validating concentrate grade, recovery rates, impurity levels and processing characteristics represent key catalysts that could further differentiate Lodestone from conventional iron ore projects.
- **Advancement towards economic studies** — The completion of Scoping Studies, Preliminary Feasibility Studies and other technical assessments could significantly de-risk the project by providing greater visibility on capital intensity, operating costs, project economics and development pathways.
- **Strategic partnerships and offtake agreements** — Any future interest from steel producers, strategic investors or potential offtake partners could provide third-party validation of the project's quality and accelerate market recognition of Lodestone's strategic value.
- **Supportive iron ore and green steel market fundamentals** — Growing investment in renewable energy infrastructure, transmission networks, electric vehicles and low-carbon industrial infrastructure is expected to support long-term steel demand. At the same time, increasing demand for DR-grade iron ore feedstocks could support pricing premiums for projects such as Lodestone.

Key Risks

Although we believe Killi offers significant exploration and resource growth upside, several risks could impact our investment thesis:

- **Commodity price risk —** Killi's valuation is highly sensitive to iron prices. Any sustained decline in commodity prices could negatively impact project economics, market sentiment and the company's ability to attract strategic capital.
- **Exploration risk —** Killi remains largely dependent on future exploration success to unlock the broader potential of the Lodestone system. Failure to significantly expand the current 110Mt resource could limit the project's long-term development potential and reduce the likelihood of a valuation re-rating.
- **Metallurgical Risk** — A core component of the investment thesis is Lodestone's ability to consistently produce a high-purity 68-70% Fe concentrate with attractive recovery rates. Any deterioration in concentrate quality, recoveries, or processing economics could negatively impact project value.

The key risks to our investment thesis are commodity price Exploration & Execution Risk

- **Resource Conversion Risk** — Although the current resource is significant, it remains entirely classified as Inferred. There is no guarantee that future drilling will successfully convert resources into higher-confidence categories or support economically mineable reserves.
- **Development and Infrastructure Risk** — While Lodestone benefits from proximity to roads, rail infrastructure, grid power and the Port of Geraldton, future development will still depend on securing access agreements, logistics solutions and regulatory approvals. Delays or cost escalations could affect project timelines and returns.
- **Funding Risk** — As a development-stage company, Killi is expected to require additional funding to progress exploration, technical studies and eventual project development. Future capital raisings may result in shareholder dilution or could be impacted by adverse market conditions.
- **Execution Risk** — Realising Lodestone's potential will require successful execution across drilling, metallurgy, permitting and development activities. Any delays or operational setbacks could impact the company's ability to achieve planned milestones and unlock value.
- **Permitting & Regulatory Risk** — Delays in permitting approvals, environmental compliance requirements or changes to Australian mining regulations could impact exploration timelines, operating costs and overall project development.

Appendix I: Killi Resources' SWOT Analysis

Figure 32: SWOT Analysis

Strengths	Weakness
• Lodestone provides a substantial resource base. The project comes with an initial 110Mt Inferred Resource at 33% DTR mass recovery, producing a 69% Fe concentrate. This gives Killi a much stronger asset base than a pure greenfield explorer. • Lodestone's coarse-grained magnetite has demonstrated potential for 68–70% Fe concentrates at coarse grind sizes, potentially positioning the project for premium DR-grade iron ore markets. • Lodestone is ~200km from Geraldton Port and benefits from nearby road, rail and grid-power infrastructure, potentially reducing future capital requirements. • Mt Rawdon West hosts a high-impact gold-copper exploration portfolio across a large 305km^2 land position at the intersection of the Mt Rawdon and Mt Perry corridors. Ravenswood North covers ~580km^2 of the prospective Ravenswood-Charters Towers corridor. • Improved financial position. Killi reported $14.7m cash on 30 June 2026, rising to $18.5m including Tranche 2 of its placement, providing funding for the near-term exploration programme.	• Lodestone remains at an early development stage. The 110Mt resource is entirely Inferred. Killi still needs drilling, metallurgical work and economic studies before the project's commercial viability can be established. • No producing assets or operating cash flow. Killi remains an exploration and development company, with no mining or production activities during the June 2026 quarter. • Lodestone from exploration into a development project will require substantially more capital, potentially creating future dilution or debt requirements. • Portfolio remains heavily exploration-driven outside Lodestone. Mt Rawdon West, Ravenswood North and West Tanami do not yet have defined economic resources, leaving their ultimate value dependent on exploration success.
Opportunities	**Threats**
• Rapid Lodestone resource growth. The ongoing 20,000m RC and diamond drilling programme is designed to expand and upgrade the existing resource and test ~15km of the broader 25km mineralised system. • Unlike Killi's earlier portfolio, Lodestone already has a substantial MRE and infrastructure advantages, potentially providing a clearer pathway toward a scoping study, PFS and eventual development. • High-purity 68–70% Fe concentrate could benefit from demand for lower-emission steelmaking and direct-reduction technologies, potentially providing pricing advantages over conventional 62% Fe products. • Ravenswood North offers district-scale gold potential, as it is located within the Ravenswood-Charters Towers corridor and near several established deposits and mines. The project's geological setting is also considered favourable for new discoveries.	• The investment case for Lodestone depends partly on its ability to command premiums for high-grade DR concentrate. Changes in iron ore prices, premiums or steelmaking demand could materially affect economics. • Resource expansion does not necessarily translate into economic reserves. Metallurgical recovery, processing costs, mining geometry, infrastructure access and permitting will ultimately determine project economics. • Killi is exposed to iron ore, gold and copper, all of which are cyclical and sensitive to global economic conditions. • Moving from a predominantly gold-copper exploration company towards a company with a major iron ore development asset requires new technical, financial and operational capabilities.

Source: East Coast Research

Appendix II: Experienced leadership driving exploration and growth

Figure 33: Killi Resources' management and board members

Name and Designation	Profile
Neville Power **Non-Executive Chairman**	• Mr Power brings more than 40 years of experience across mining, minerals processing, construction and steelmaking. • He was a former Managing Director and CEO of Fortescue Metals Group, where he led the company from 2011 to 2018. • He previously held senior executive positions at Thiess and Smorgon Steel Group, providing extensive experience in large-scale mining, infrastructure and resource development.
Richard Bevan **Non-Executive Director**	• Mr Bevan has extensive senior management and corporate experience across the resources, healthcare, construction, engineering and information services sectors. • He was a former founding Managing Director of Cassini Resources, which was acquired by OZ Minerals in 2020 through a Scheme of Arrangement. • He continues to advise OZ Minerals on the West Musgrave Project and currently serves as Non-Executive Chair of Narryer Metals and Duketon Mining.
Paul L'Herpiniere **Non-Executive Director**	• Mr L'Herpiniere is a seasoned exploration management and project generation expert with over 20 years' experience across more than 20 countries, including as former Head of Exploration at Fortescue. • He is a founding partner of Ibaera Capital, a resource-focused private equity firm managing US$150 million in assets, and since 2019 has helped drive the development and strategy of the Rogozna project. • He currently serves as Managing Director of Strickland Metals and Non-executive Director of Austin Metals and is a member of the AUSIMM.
Hamish Halliday **Managing Director**	• Mr Halliday is a geologist with ~30 years of corporate and technical experience across mineral exploration and project development. • He has been involved in the discovery and funding of multiple large-scale mineral projects across five continents, including a large-scale rare earths project in Western Australia. • He was the founder/co-founder of several successful junior mining companies, including Gryphon Minerals, Venture Minerals, Renaissance Minerals, Alicanto Minerals and Blackstone Minerals.
Brett Smith **General Manager (Technical)**	• Mr Smith was appointed as Interim CEO from 1 June 2025. • He is a geologist with more than 35 years of experience in the resources sector, spanning a broad range of commodities and international jurisdictions. • He brings more than 20 years of experience in investor engagement, corporate management and board responsibilities across private and ASX-listed resource companies.
Jamie Byrde **Company Secretary**	• Mr Byrde brings more than 20 years of experience in corporate governance, audit and company secretarial roles. • He has held senior financial positions with several ASX-listed companies, with experience spanning management, Board governance, ASX and ASIC compliance and financial reporting. • He is currently Executive Director, CFO and Company Secretary of Critica.

Source: Company

Appendix III: Director Performance Rights

Name	Balance at 1 July 2026	Granted	Vested / exercised	Balance at appointment/(resignation date)	Balance at 9 September 2026
Directors					
Neville Power	-	17,000,000	-	-	17,000,000
Richard Bevan	650,000	-	-	-	650,000
Paul L'Herpiniere	-	-	-	-	-
Hamish Halliday	-	23,000,000	-	-	23,000,000
Total	**650,000**	**40,000,000**	**-**	**-**	**40,650,000**

Source: Company

Appendix IV: Analyst's Qualification

Riddhesh Chandwadkar

The analyst on this report is an Equity Research Analyst at Shares in Value (East Coast Research). Riddhesh holds a Bachelor's degree from the University of Mumbai and a Master of Commerce (Finance and Strategy) from the University of Sydney. He has passed Level I and Level II of the CFA Program, with a strong foundation in investment analysis, valuation, and portfolio management. Riddhesh has professional experience across Equity Capital Markets, having worked as an investment analyst on capital raisings and mergers and acquisitions for ASX-listed companies. His background combines fundamental equity research with hands-on transaction experience.

Derrick Johny

Derrick Johny, the analyst on this report, is an Equity Research Analyst at Shares in Value (East Coast Research). He holds a bachelor's in business and commerce from Monash University and a Master of Economics from the University of Sydney. He has also passed the Chartered Financial Analyst (CFA) Level 1 exam with a score above the 90th percentile. Apart from his academic qualifications, Derrick has prior buy-side experience, primarily analysing large-cap stocks in the healthcare sector and assisting with the analysis of companies in the tech and e-commerce sectors.

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