



2023 ANNUAL REPORT

KILLI RESOURCES LIMITED
AND ITS CONTROLLED ENTITIES
ABN 35 647 322 790



CORPORATE INFORMATION

Corporate Information	1
Chairperson's Letter	2
Review of Operations	3
Directors' Report	22
Auditor's Independence Declaration	32
Independent Auditor's Report	33
Consolidated Statement of Profit or Loss and Other Comprehensive Income	37
Consolidated Statement of Financial Position	38
Consolidated Statement of Changes in Equity	39
Consolidated Statement of Cash Flows	40
Notes to the Consolidated Financial Statements	41
Director's Declaration	61
Corporate Governance Statement	62
ASX Additional Information	63

CORPORATE INFORMATION

This financial report includes the consolidated financial statements and notes of Killi Resources Limited and its controlled entities ('the Group'). The Group's functional and presentation currency is Australian Dollars.

A description of the Group's operations and of its principal activities is included in the review of operations and activities in the Director's report. The Director's report is not part of the financial report.

Directors

Mr Richard Bevan	Non-Executive Chairperson and Director
Mr Phil Warren	Non-Executive Director
Mr Gregory Miles	Non-Executive Director

Chief Executive Officer

Ms Kathryn Cutler

Company Secretaries

Ms Emma Wates
Mr Cameron O'Brien

Registered Office & Principal Place of Business

945 Wellington Street, West Perth WA, 6005
Telephone: +61 8 9322 7600
E-mail: admin@killi.com.au
Website: www.killi.com.au

Share Registry

Automatic Registry Services
Level 5, 191 St Georges Terrace
Perth WA 6000
Telephone: +1300 288 664

Auditors

HLB Mann Judd (WA Partnership)
Level 4, 130 Sterling Street
Perth WA 6000

Bankers

Westpac
Level 4, Brookfield Place, Tower 2
123 St Georges Terrace
Perth WA 6000

Solicitors

Steinepreis Paganin
Level 4, the Read Buildings
16 Milligan Street
Perth WA 6000

Stock Exchange

Australian Securities Exchange Limited
Level 40, Central Park
152-158 St George's Terrace
Perth WA 6000

ASX Code: **KLI**

CHAIRPERSON'S LETTER

Dear Shareholders,

I am pleased to present the 2023 Annual Report of Killi Resources Limited ("Company") and its wholly owned subsidiaries ("Killi" or "Group") and share the progress and achievements made over the past year.

During the year the Company has completed exploration programs at each of its projects comprising the West Tanami Project in the Kimberley region of Western Australia, the Ravenswood North Project in the Charters Towers region in Northern Queensland and more recently a field program was completed at the Mt Rawdon West Project in Central Queensland.

At the West Tanami Project, where we are targeting hydrothermal rare earth elements (REE) and gold mineralisation, our maiden exploration programs early in the year have provided significant improvements in our understanding of the geology and thus our targeting methodology going forwards.

At the Ravenswood North Project, the Company is exploring for intrusion related gold systems. During the year exploration at this project focussed on the Rocky prospect with the initial RC and diamond drilling program intersecting favourable lithologies for gold mineralisation.

Later in the year, our maiden program at Mt Rawdon provided some high grade copper rock chip results which we look forward to following up as a priority in the new year.

We have continued to focus our exploration on underexplored provinces with the potential for large scale mineral systems and have seen some promising results and identified a number of targets for further investigations. We remain committed to sustainable growth and value creation for all stakeholders as we assess current and potential new projects for the Company.

I would like to thank all our stakeholders for their continued support of the Company. I also extend my deepest gratitude to the CEO Kathryn Cutler and Killi Resources team for their unwavering commitment and hard work throughout the year.

As we look ahead, we remain confident that with our strong foundation, capable team and support of our shareholders we are well position for success.



Richard Bevan
Non-executive Chair

REVIEW OF OPERATIONS

Killi is a gold, copper and rare earth explorer with three wholly owned assets in Australia. The Company's strategic focus is on exploration for economic mineral systems in underexplored/greenfield provinces with the potential for new large-scale mineral discoveries to deliver growth for Shareholders. The Company is seeking to systematically explore and develop its existing projects as well as pursue acquisitions that have a strategic fit for the Company.

The Company's activities for the 2023 financial year, in line with the Company's business strategy, focussed on exploration activities on the West Tanami Project in the Kimberley of Western Australia, the Ravenswood North Project in the Charters Towers region in Northern Queensland, and the Mt Rawdon West Project in Central Queensland.

Field campaigns were completed at all projects during the year, with the major of work completed in the Tanami and Charters Towers districts, and more recently at the Mt Rawdon West Project.

Mt Rawdon West Project (100% owned Copper & Gold Project)¹⁸



The Mt Rawdon West Project comprises of one granted exploration lease, located 60km inland from Bundaberg in Queensland. The strategic tenement covers 305km² of the two main intersecting mineral corridors in the region. Located to the east of the Mt Perry Project (Solgold) and to the north of the Mt Rawdon Gold Mine (Evolution Mining).

Historical exploration has identified copper, gold and molybdenum anomalism, within the northeast trending intrusion related structural corridor located within the centre of the tenement.

The first field program at the project was completed in August 2023, which returned high-grade copper and gold rock chip results, identifying a 5.5km long by 2.5km wide copper-gold-silver corridor to be referred to as the Baloo prospect. Assays returned up to 7.2% copper and 12.4g/t Au, with 12 of the 26 rock chip samples returning assays greater than 1% Cu, Figure 1.

Copper mineralisation at surface was commonly recorded as occurring as bornite across the corridor, which is a strong indicator mineral for proximity to intrusive-porphyry copper-gold systems. This program was the first modern exploration on the project since historical mining operations ended in the early 1900's.

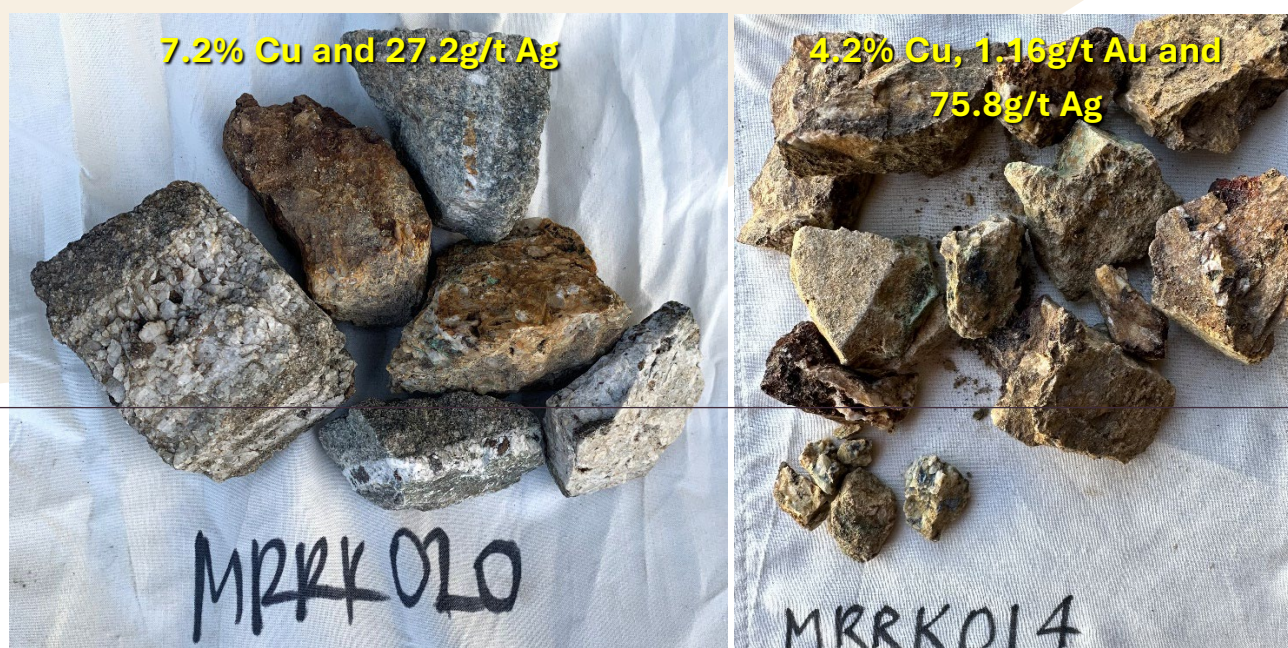


Figure 1. Rock chip sample MRRK020, bornite crystals, 1cm x 0.5cm in size, within quartz veins, at the contact between a mafic and a granite unit. MRRK014, iron rich quartz vein at surface¹⁸

REVIEW OF OPERATIONS

Rock chip samples were taken from old workings, outcrop and subcrop locations on hills where bedrock/fresh rock was visible, within an area 5.5 km along strike north-east to south-west and 2.6 km across-strike north-south, with mineralisation not constrained in any direction, Figure 2.

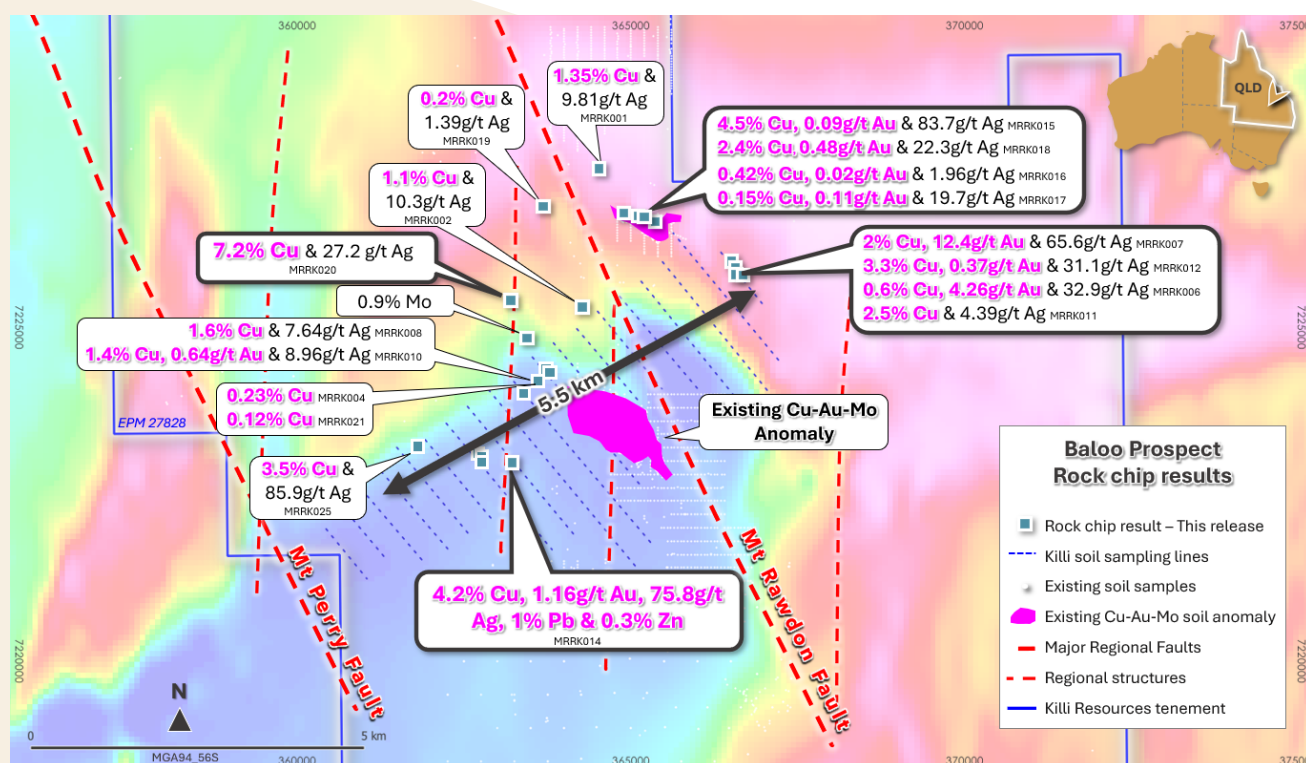


Figure 2. Assay results of rock chip samples at Baloo Prospect return copper values at surface up to 7.2% copper, with existing soils, Killi soil program, and major structures overlaying the regional Total Magnetic Intensity image¹⁸.

Assays from the rock chips dominated in anomalous copper gold and silver, with a few samples returning elevated lead of 1 %, molybdenum of 0.9 % and zinc of 0.3 %, Table 1. The best rock chip copper sample returned 7.2 % Cu (MRRK020) attributed to the presence of bornite in quartz veins. Bornite is of considerable interest as it is a copper sulphide mineral often used as an indicator for its proximity to porphyry copper systems.

The best gold result was returned from MRRK017, of 12.4g/t Au, located at the eastern-most end of the program, with no additional data pending further to the east. This result will warrant further investigation to the north-east with the result currently open in all directions and located on the Mt Rawdon Fault.

Of significant interest MRRK014 returned highly anomalous copper at 4.2%, as well as gold, silver, lead and zinc. The sample was taken from a small iron-rich outcrop, where quartz veins within a fine-medium grained felsic unit were observed, with minor copper staining in the form of malachite. The sample was taken during the soil program, where no previous exploration work has been completed, and is 500m along strike from any historic indications of mineralisation, Figure 2.

Approximately 200 soil samples were taken across the corridor, covering 7km of strike, focussed on extending the existing soil grids and the existing Cu-Au-Mo anomaly in the centre of the tenement, as it remains open to the west, Figure 3. The results from the soil geochemical program are expected in October 2023.

REVIEW OF OPERATIONS

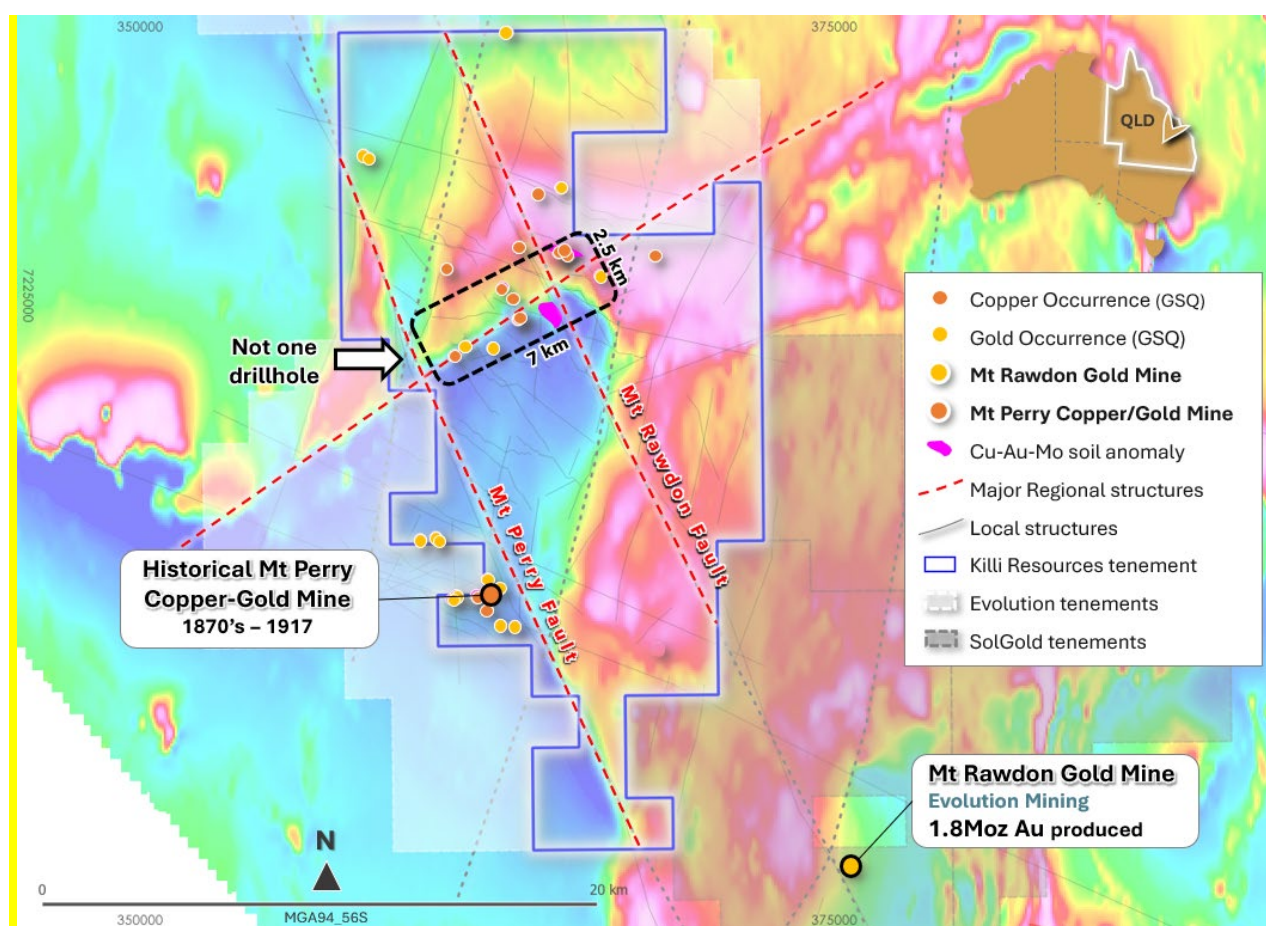


Figure 3. Mt Rawdon West Project, with area of exploration geochemical program at Baloo prospect in black, with the Mt Rawdon Gold Mine located on the Mt Rawdon Fault, and the Mt Perry Copper-Gold Mine located on the Mt Perry Fault. The focus of exploration on the linking structure between the two major regional faults¹⁸.

Field Observations – Copper-Gold Porphyry Potential

The district has a rich mining history with significant gold, copper and molybdenum mines located on the tenement, which have laid dormant for the past 100 years. Eight historical mines were located over a 7km wide corridor across the tenement, with malachite, azurite and bornite (copper mineralisation) observed in outcrop/subcrop and within the wall of old workings and waste piles. Bornite is of considerable interest as it is a copper sulphide mineral often used as an indicator for its proximity to porphyry copper systems.

The old copper workings consists of three substantial adits that extend into a hill on the southern side, and two winzes' (portals for hauling ore out of the mine to the surface), were found on the north-eastern side of the hill. The workings cover 370m of strike and 80m in elevation, Figure 4. Visible copper mineralisation was observed at entries to the adits as well as at the ore passes. Rock chip samples were taken across the hill for analysis and results outlined in Table 1.

Granodiorite was identified as the host rock, with varying levels of K-feldspar alteration from weak to intense, mapped in outcrop surrounding the mine. Copper mineralisation appeared to be hosted within quartz veins in the form of 2-3 cm crystals of malachite, azurite and bornite, Figure 5.

REVIEW OF OPERATIONS

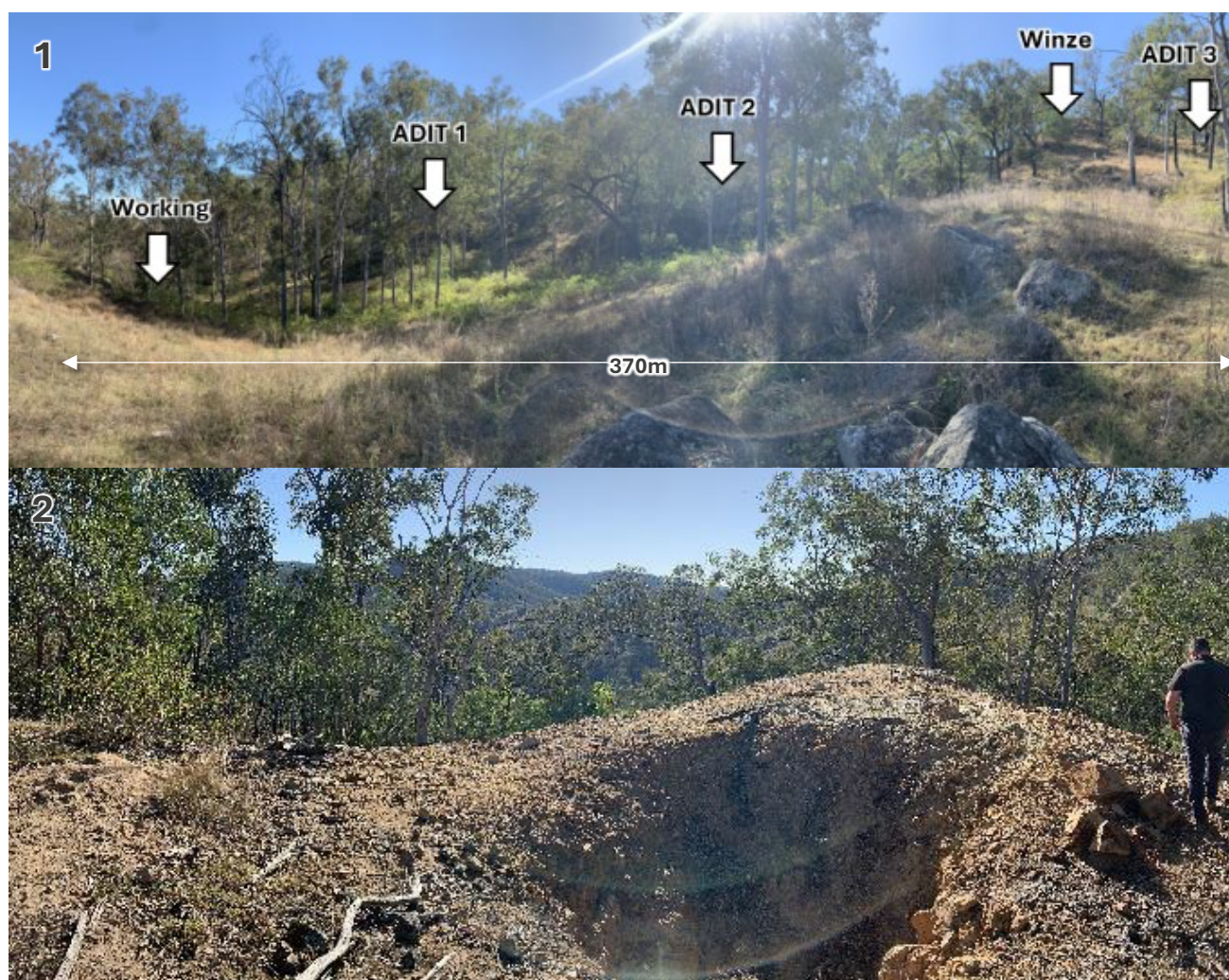


Figure 4. Old Copper Workings, **1.** Historical copper workings of the mine from the early 1900's, includes three adits into the hill, and one winze for hauling copper ore out of the mine. **2.** Photograph of the historical copper mine winze (1920's), with view down to old adits which extend into the hill over a strike of 370m. This is just one of eight old mines identified. Rock chips samples were collected from old mine workings as well as veins in subcrop-outcrop, August 2023.

During the soil program additional shafts were found, recorded and rock chip samples taken. Two shafts were found ~600m along strike from the known historical mines, where the size of the shafts was considerable, to 60m depth, and where it appears the shaft has just mined a copper-rich pipe 2m x 2m in diameter, Figure 6.

Geological observations suggest the region has been subject to multi-generational intrusion events that have deposited and remobilised specific economic minerals at different points, namely copper, gold, silver and molybdenum.

The Company believes the project to be in a potentially significant mineral camp and looks forward to receiving the assay results from the soil geochemical program and reporting them to the market in due course.

REVIEW OF OPERATIONS

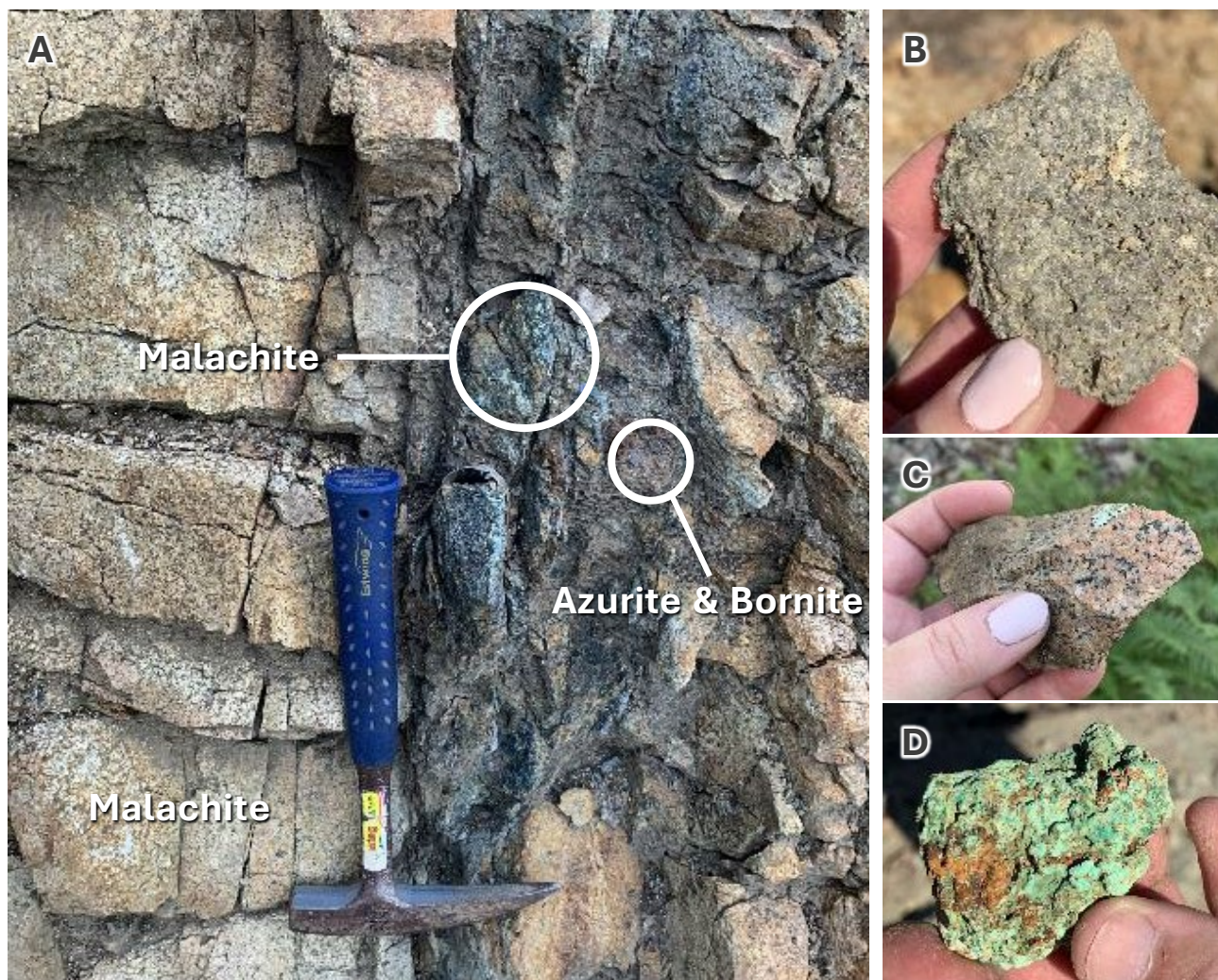


Figure 5. Old Copper Workings, **A.** Mineralised copper vein within wall of old working with visible malachite, azurite and bornite. **B.** Altered limestone, pitted, sugary quartz dominant unit within the waste pile at the winze. **C.** Intense K-feldspar alteration of granodiorite. **D.** Weathered copper sample found at the winze¹⁸.



Figure 6. New shaft Identified 620m south-east of the old workings. Visible malachite in the wall of the shaft, with vertical depth of shaft estimated at 60m¹⁸.

REVIEW OF OPERATIONS

Table 1. Rock Chip results from Baloo Prospect¹⁸

Sample ID	Easting	Northing	RL	Au (g/t)	Ag (g/t)	Cu (ppm)
MRRK001	364,376	7,227,475	198	0.06	9.81	13,550 (1.35%)
MRRK002	364,230	7,225,278	213	0.03	10.25	11,350 (1.13%)
MRRK004	363,888	7,224,378	261	0.004	0.82	2,270
MRRK006	366,373	7,225,782	353	0.01	32.9	6,060
MRRK007	366,299	7,225,914	331	4.26	65.6	20,400 (2.04%)
MRRK008	363,617	7,224,142	292	12.4	7.64	16,050 (1.6%)
MRRK010	363,615	7,224,126	276	0.64	0.69	14,100 (1.41%)
MRRK011	366,351	7,225,796	344	0.02	8.96	25,200 (2.52%)
MRRK012	366,453	7,225,769	337	0.37	4.39	33,000 (3.3%)
MRRK013	363,617	7,224,142	274	0.03	31.1	3,260
MRRK014	363,164	7,223,048	247	1.16	0.44	42,200 (4.22%)
MRRK015	365,091	7,226,537	283	0.09	75.8	44,800 (4.48%)
MRRK016	365,273	7,226,491	315	0.02	83.7	4,290
MRRK017	365,319	7,226,484	325	0.11	1.96	1,490
MRRK018	365,427	7,226,432	321	0.48	19.7	23,800 (2.38%)
MRRK019	363,656	7,226,745	205	BDL	22.3	2,140
MRRK020	363,031	7,225,311	196	0.04	1.37	72,300 (7.23%)
MRRK021	363,779	7,224,240	287	0.01	27.2	1,160
MRRK025	361,731	7,223,200	261	0.09	85.9	34,500 (3.45%)

BDL; Below Detection Limit.



Mt Rawdon West, Queensland – Field Trip August 2023 – Old Working

REVIEW OF OPERATIONS

Ravenswood North Project (100% owned Copper & Gold Project)



At this project the Company is exploring for intrusion-related gold systems. During the year the Company focussed exploration efforts at the Rocky prospect, with 11 holes completed for 2,176.8m reverse circulation and 362m diamond core.

Diamond Drilling identified iron-oxide and quartz-carbonate breccia-pipes downhole, with holes targeting the geophysical anomaly identified from the VTEM survey at Rocky.

Breccias intercepted downhole returned Ag-As-Bi-Sb-Te-W assays consistent with intrusive Related Gold Systems (IRG's) in Queensland.

Gold and silver mineralisation has now been established at surface and downhole in assays, including thick zones of silver mineralisation, 75m @ 0.25g/t Ag from 65m depth, corresponding with the VTEM Geophysical target.

Drilling identifies intrusive breccias at Rocky¹⁶

The Company completed 11 RC drill holes and two diamond tails into the geochemical/geophysical targets at the Rocky prospect at the Queensland-based project, intersected favourable lithologies for gold mineralisation, with prospective lithologies spatially associated with the identified geophysical targets.

Killi's drilling initially focused on the surface geochemical anomaly with multiple zones of >200ppb Au identified in soils, and rock chip samples up to 17g/t Au and 224g/t Ag. Initial results downhole returned significant gold mineralisation of 7m @ 0.77g/t Au from 174m (RVRC0003), 5m @ 0.68g/t Au from 51m (RVRC0001), and 6m @ 0.83g/t Au from 105m (RVRC0002), from 5 RC drill holes. The gold assays associated with quartz veins within a granodiorite covering an area of ~1,000m x 1,500m.

The second program completed in May 2023 saw an additional 6 RC drillholes with two diamond tails drilled. The holes were designed to test geophysical targets identified from the VTEM survey completed in September 2022, interpreted as siliceous intrusive units which are potential hosts for gold mineralisation.

RC drilling at the Rocky Prospect, May 2023



REVIEW OF OPERATIONS

Drilling of the geophysical target intersected multiple zones of highly altered, siliceous intrusive rocks downhole, confirming a zone of structural complexity.

Drill hole RVCD0006, designed to target the VTEM magnetic high/low contact, intersected a quartz-carbonate breccia within a tonalite from 337.7m – 339.1m, with associated gold & silver anomalism, Figure 7.

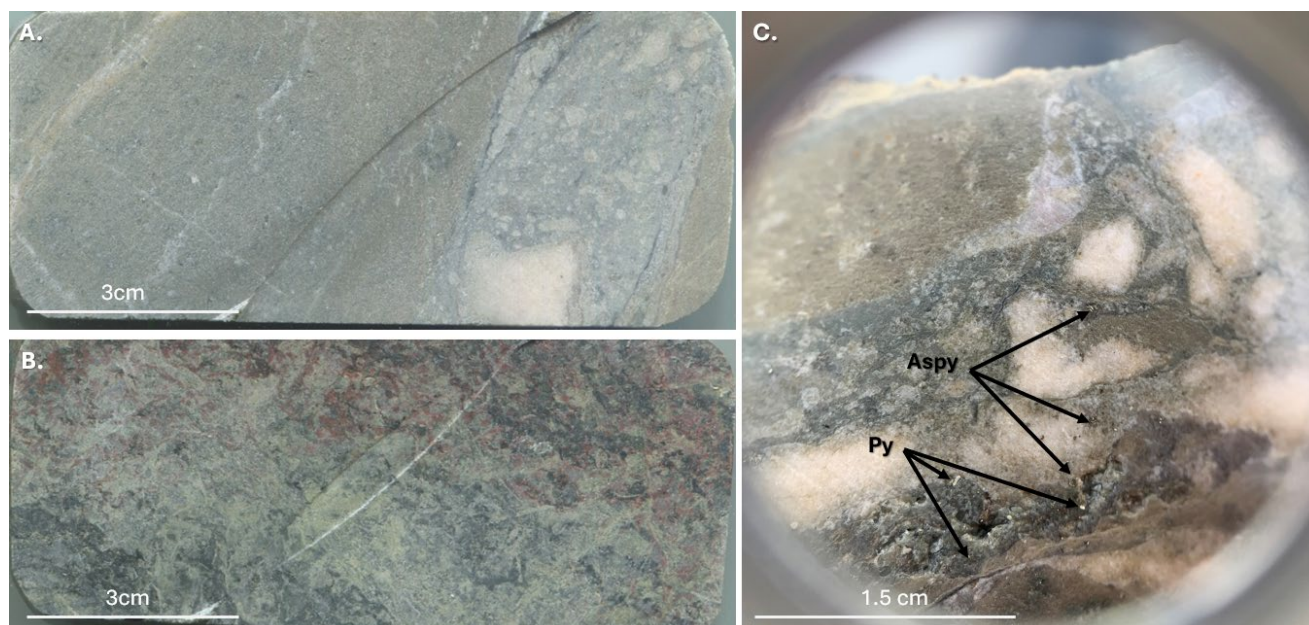


Figure 7. Rocky diamond core samples with petrology results. A. RVCD0006 (RVPET004, at 338.9m), Quartz-carbonate breccia pipe. B. RVCD0006 (RVPET005, at 360.2m), Chlorite-sericite-epidote altered Tonalite. C. 10x magnification in hand specimen of breccia pipe with tonalite, with disseminated arsenopyrite and pyrite within breccia groundmass. Py = Pyrite, Aspy = Arsenopyrite¹⁶.

An additional 7.2m zone of interest was intersected from 354.8m – 362.0m, containing an iron-oxide breccia with intense chlorite-quartz-sericite-epidote alteration. Low-level gold was returned with a distinct increase in Ag-As-Bi-Sb-Te-W concentrations up to 80ppb Au, 0.32ppm Ag, 94ppm As, 1.2ppm Bi, 15.33ppm Sb, 0.84ppm Te, and 2.2ppm W similar to gold-silver deposits across the region, Figure 8 & 9.

Drillhole RVRC0007, designed to intercept the near surface section of the VTEM anomaly returned a thick zone of silver mineralisation, 75m @ 0.25g/t Ag from 65m depth. Within this zone 1m returned 0.27g/t Au, 2.12g/t Ag and 1,000ppm As from 137m associated with the contact of granodiorite with an igneous intrusive.

A further 780m south-east of RVRC0007, RC drillhole RVRC0009 returned assays of 35m @ 0.32g/t Ag from 42m (Figure 2). The size of the system is now 1km x 1.5km in size, confirmed in downhole drill assays^{12, 16}.

These thick zones of silver anomalism close to surface may indicate proximity to gold mineralisation, with silver and arsenic common geochemical vectors in IRG systems.

The intrusive unit intersected in RVCD0006 follows a regional shear and aligns with the flexures of the VTEM geophysical model, Figure 9. These units align with the regional geology of the district, and surface gold mineralisation from soil and rock chip samples.

REVIEW OF OPERATIONS



Figure 8. 7.2m zone of interest within diamond core (RVCD0006), 354.8 – 362m, containing a porphyry, iron-oxide breccia, and a mafic dyke. Multi-element assay results returned 7.2m @ 0.32g/t Ag from 354.8m¹⁶.

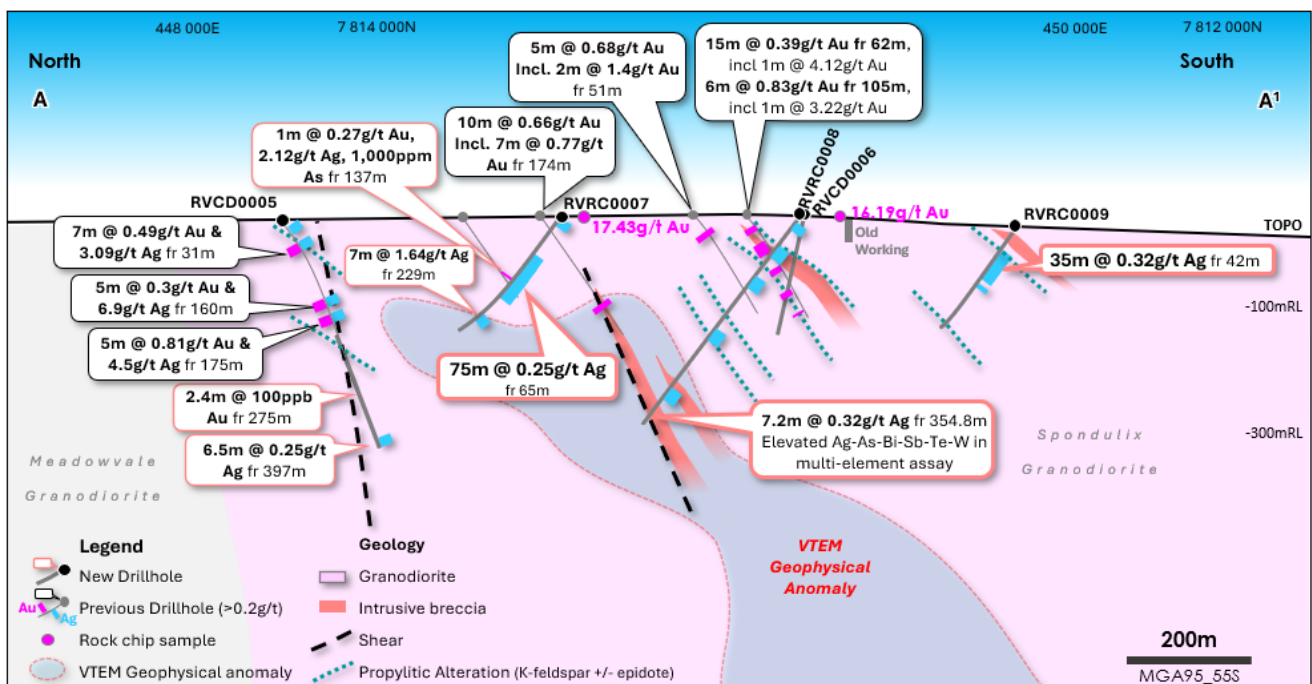


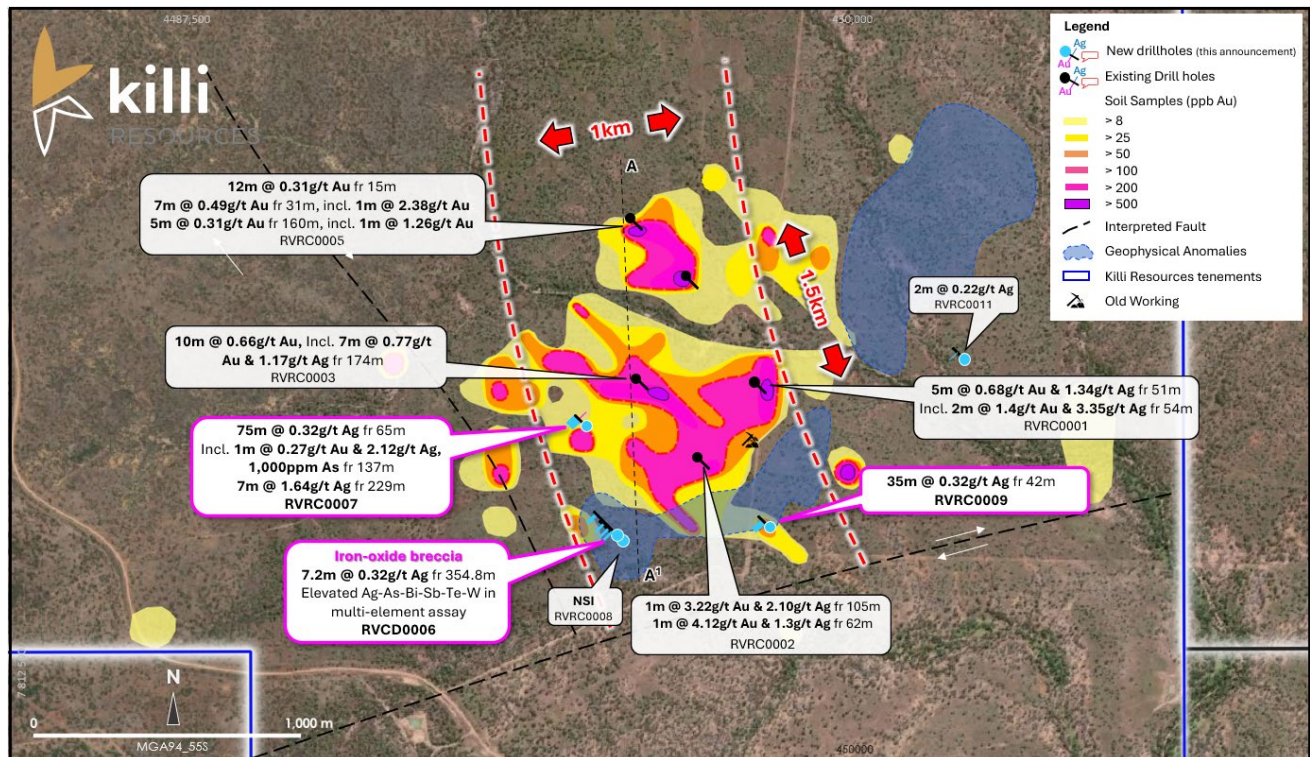
Figure 9. Rocky long-section of existing drill holes, geophysical anomaly, interpreted geology, with gold and silver drill results (+/-350m section)^{12,16}.

REVIEW OF OPERATIONS

Table 2. Significant Drilling results from the Rocky Prospect, from Killi drilling in 2022 (MGA94_55S)^{12,16}

Hole ID	Easting	Northing	RL	Depth	Dip	Azi	From (m)	Width (m)	Au (g/t)	Ag (g/t)
RVRC0001 (RC)	449628	7813596	306	196	-60	135	51	5	0.68	1.34
						Incl		2	1.4	3.35
RVRC0002 (RC)	449408	7813318	311	208	-60	135	12	6	0.32	
						Incl	12	2	0.71	
							23	2	1.69	1.20
							29	7	0.23	
							62	1	4.12	1.30
							69	1	2.17	
							95	2	0.54	
							105	6	0.83	0.47
						Incl	105	1	3.22	2.1
							172	6	0.59	
							188	2	0.82	0.3
RVRC0003	449185	7813615	310	232	-60	135	174	10	0.66	0.82
						Incl	174	7	0.77	1.17
RVCD0005 (Previously RVRC0005)	449160	7814212	314	207	-55	135	15	12	0.31	0.51
							31	7	0.49	3.09
						Incl	32	1	2.38	10.2
							160	5	0.31	6.9
								2	0.21	15.6
						Incl		1	1.26	1.5

The 11 drillholes completed, cover the geochemical and geophysical anomalies on a roughly 300m x 300m grid spacing. Deposits in the region, such as Mt Wright, have a footprint of ~200m x 60m, which indicates additional work will be needed to follow-up the drilling results and focus on the source of gold mineralisation found in surface rock chip samples, 16.2g/t Au and 17.4g/t Au.



REVIEW OF OPERATIONS

West Tanami Project (100% owned Gold, REE & Copper Project)



The West Tanami Project in the Eastern Kimberley of Western Australia was the focus of the Company's exploration attention for the year. The region remains one of the country's largely unexplored and poorly understood provinces, mainly due to the general lack of outcrop and remoteness.

The West Tanami Project is located 150km south-east of Halls Creek in the Kimberley, Western Australia. Killi owns 100% of the project which includes four granted exploration licences, totalling 1,641km² of land holding.

The project covers 100km strike of the major structural corridor of the Tanami Fault System, which is host to 19M oz Au within the greater Tanami Province. Within the district there are multiple gold deposits which include Callie Gold Mine (Newmont, ~13Moz Au), the Tanami Goldfields (3M oz Au), Buccaneer (0.5M oz Au) and the Coyote and Kookaburra mines (Black Cat Syndicate, ~1M oz Au), Figure 11.

The region has recently been invigorated with multiple companies floating with large-scale projects in the region leveraged for gold and rare earth discovery opportunities.

The Company completed and received all approvals from government departments and the Tjurabalan Lands Council in relation to access and operating within the Tanami district.

The Company reinstated tracks initially constructed by Barrick, Gold Fields and Tanami Gold in the late 1990's early 2000's for their first pass RAB/AC drill programs. Reinstating the access tracks enabled an efficient heritage survey and access into areas for mapping prior to the drill rigs arriving.

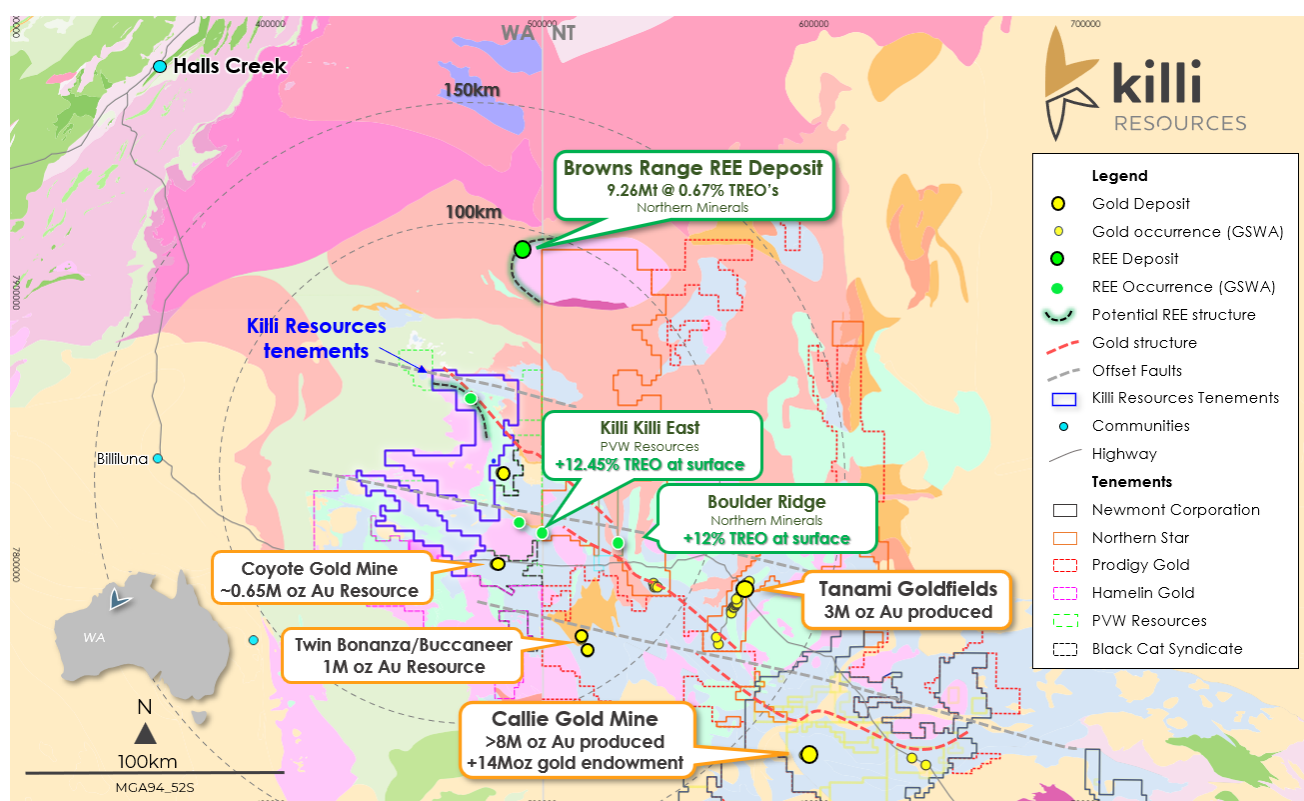


Figure 11. Location of West Tanami Gold Project in relation to existing Gold and REE mines and occurrences in the Tanami Province.¹¹

REVIEW OF OPERATIONS

In July 2022, the Company commenced an aircore/reverse circulation drill program at the West Tanami Project targeting potential hydrothermal rare earth element and gold mineralisation systems. The program was designed to cover multiple targets with first pass drilling, regional lines at wide spacing. Targets were generated from the structural interpretation of airborne magnetics data and radiometric anomalies. The program is designed to drill ~10,000m, with 55 drill holes for ~2,600m completed, as part of the REE drilling at the Trickster and Deva prospects, Figure 12. Favourable geology was intercepted in the form of sedimentary sequence of siltstone, cherts, and sandstones.

Where aircore drilling intercepted favourable geology, reverse circulation holes were completed to a greater depth to provide enough sample for further analysis work.

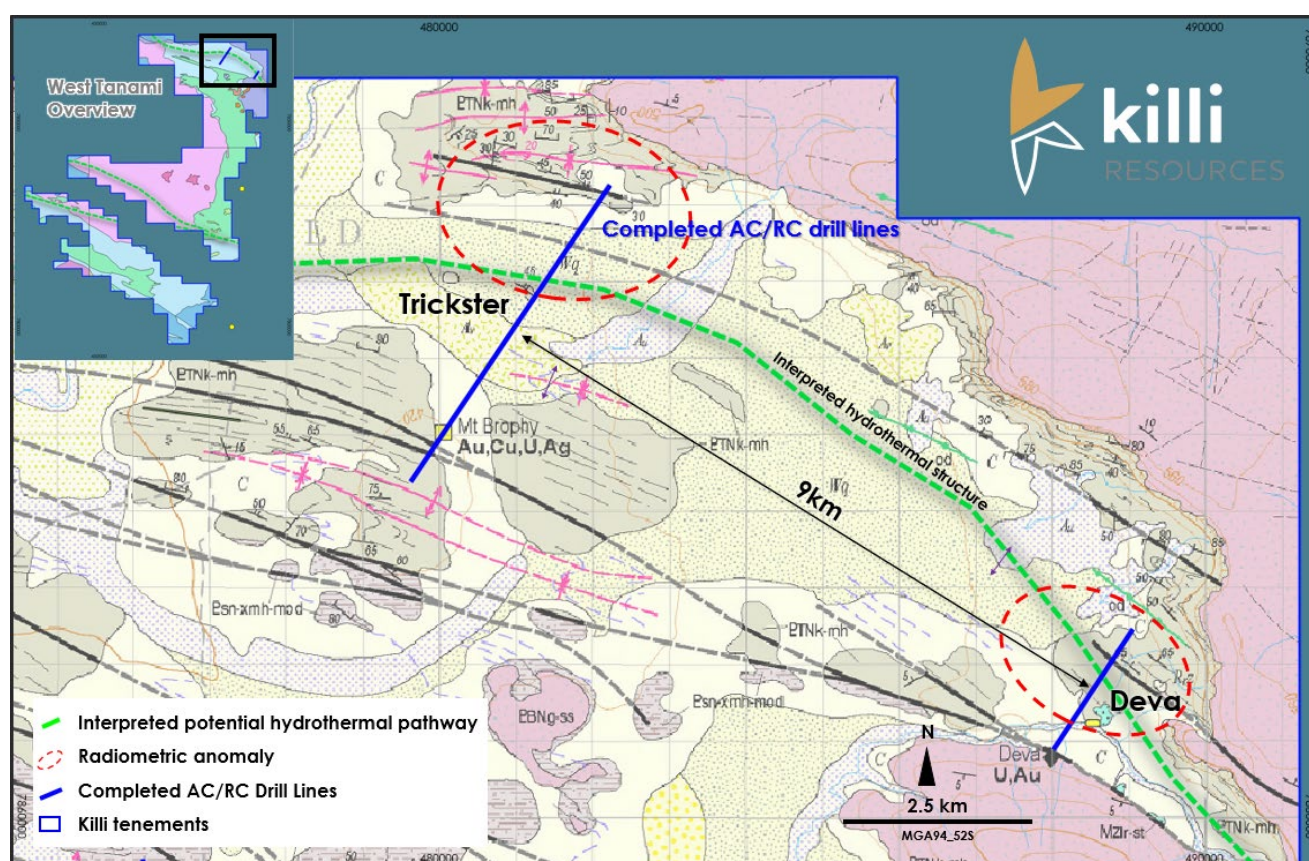


Figure 12. Location of completed aircore drill lines at Trickster and Deva rare earth prospects, over the Geological Survey of Western Australia 1:100k 'Slatey Creek' map sheet, with targets from radiometric data⁴.

The Company reported the aircore drilling results and established host lithologies from the aircore and diamond drill programs completed at the West Tanami Project.

Gold deposits within the Tanami district are generally hosted within the fold-hinges of the Dead Bullock Formation, or in close proximity to the sequence margins and/or contacts, with the Formation host to the +8Moz Callie gold deposit, 120 kms along strike to the south-east.

Logging of the upper portion of the diamond drill hole identified the highly prospective Dead Bullock Formation. Additional to the favourable geology in the drill core, the regional aircore program has returned low-level gold anomalism in multiple locations, similar in geochemical fingerprint to Callie deposit which was found on a 50 ppb Au anomaly.

REVIEW OF OPERATIONS

Four aircore drill lines were completed at the northern end of the project, across the interpreted axial hinge within sediments, at the Fox, Deva, and Trickster prospects, covering 9km of combined stratigraphy, Figure 13.

Multiple intercepts of anomalous gold, arsenic and silver were intersected at the Fox prospect, with all elements aligning with the geochemical fingerprint for a sediment hosted gold system. The results returned a 2.8km wide corridor anomalous for gold, silver and arsenic, aligning with the Company's model for a sediment-hosted gold system, and similar to those already found in the Tanami, Figure 13 & 14.

Two regional aircore lines were completed at Trickster and Deva consisted of 54 holes for 2,201 metres. These two drill lines represent the first drilling over the newly identified prospective hydrothermal structure that could represent the main mineralising feature of the district.

These first pass aircore lines were completed at Trickster and Deva across the interpreted feature that extends from the Tanami (NT), previously referred to as the 'D5 Fault', have returned a gold result in bedrock, below alluvial cover of 4m @ 100ppb Au from 8m depth, Figure 13 & 15.

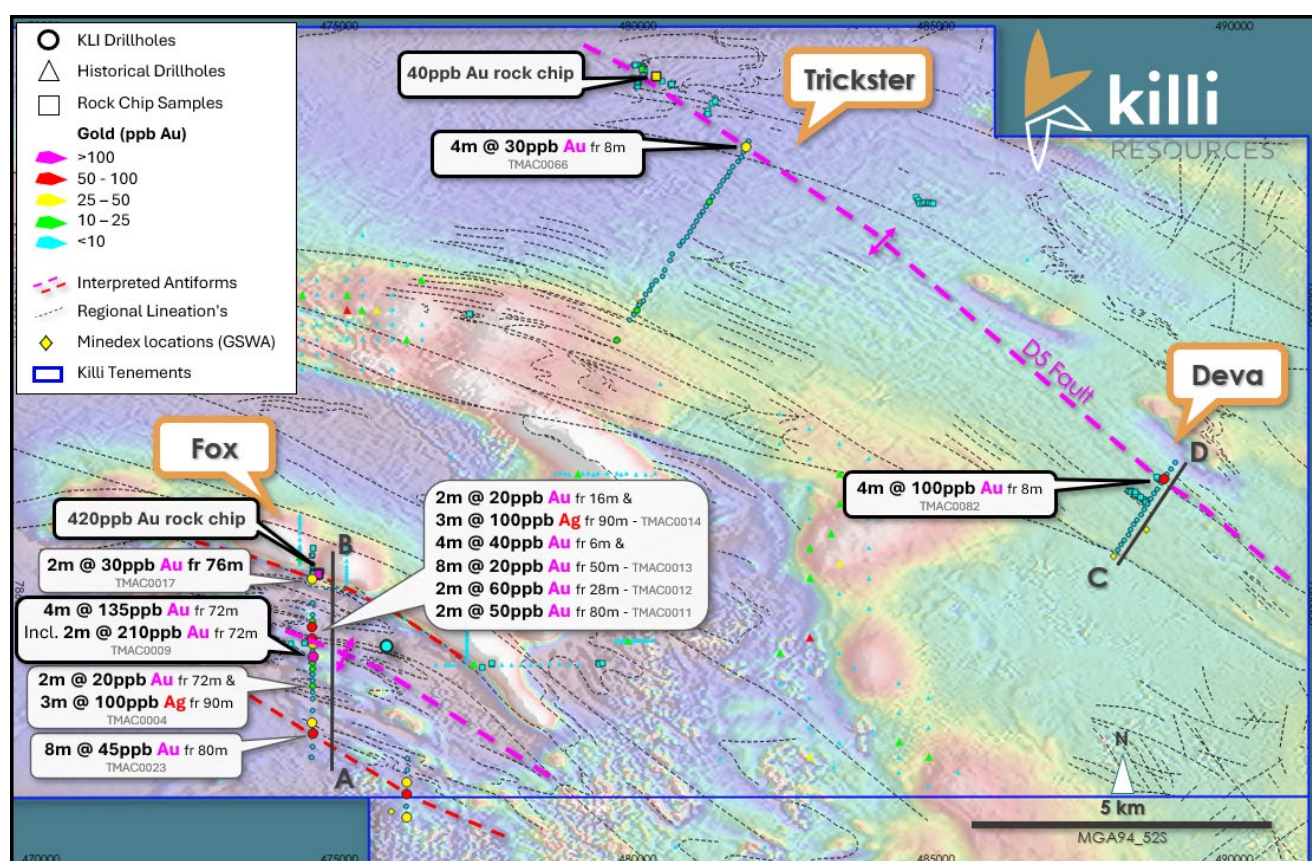


Figure 13. Location of gold and silver results at the West Tanami Project, from the regional aircore drill program, including the gold anomaly at Deva interpreted as the D5 fault structure that extends from the northern territory and is associated with million-ounce gold systems of the Tanami district⁹.

REVIEW OF OPERATIONS

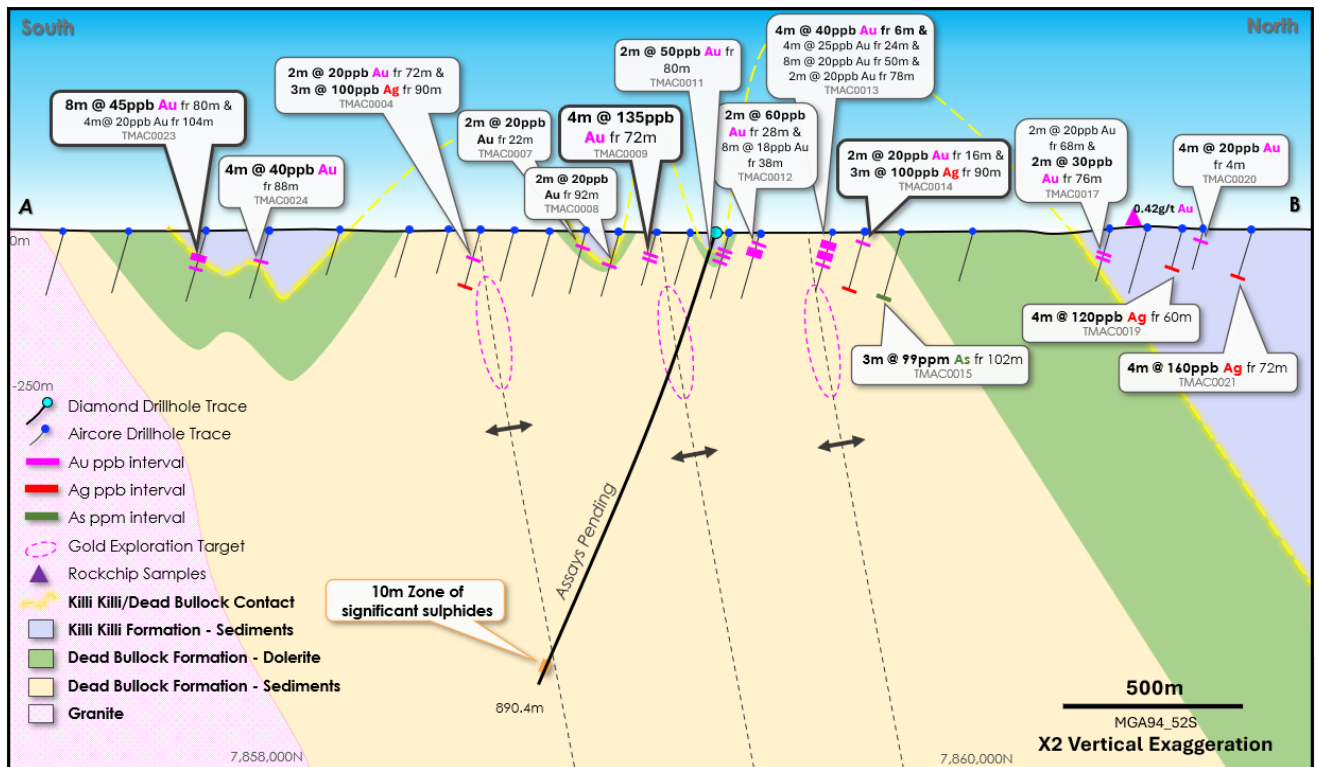


Figure 14. Mineralisation and geological cross-section of the Fox prospect regional aircore drill line including the Diamond drill hole, 2 x vertical exaggeration. Geological interpretation from aircore and diamond logging?

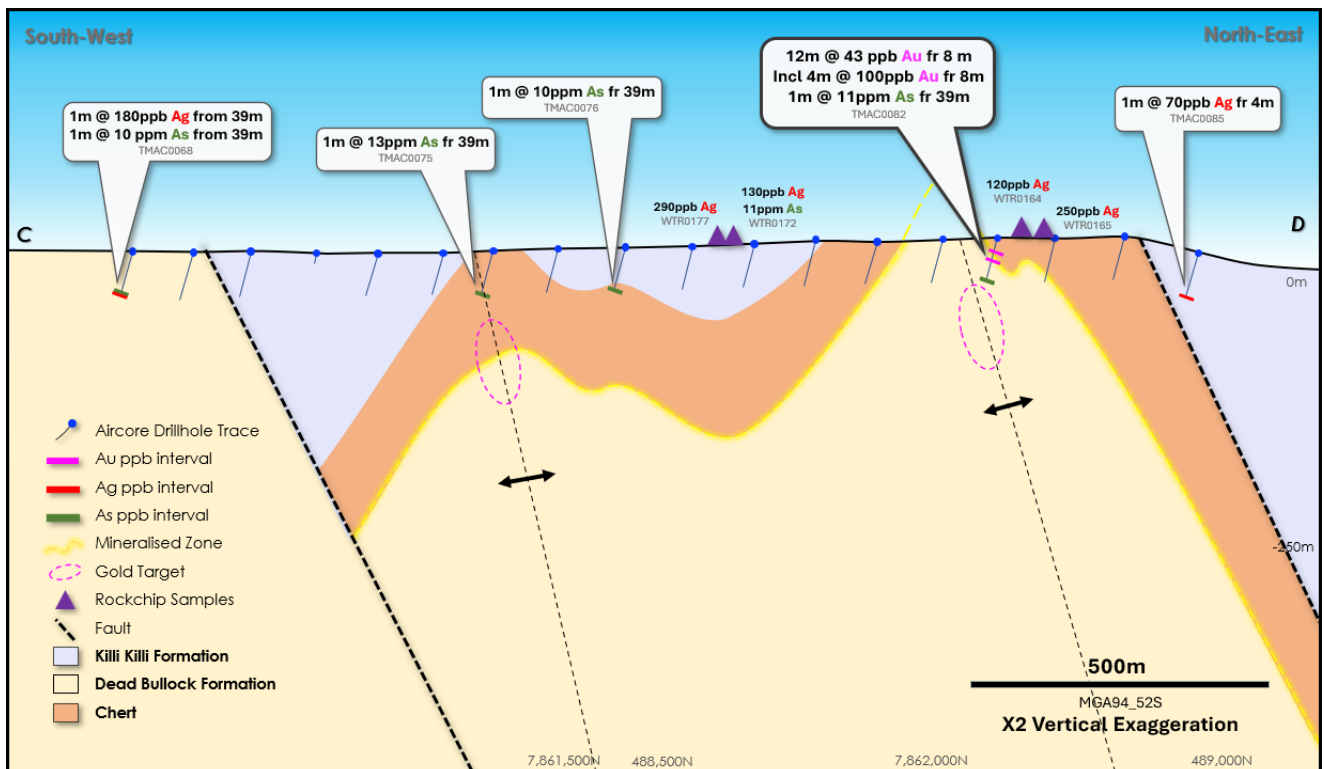


Figure 15. Mineralisation and geological cross-section at the Deva prospect, with significant zone of gold mineralisation at the eastern end in hole TMAC0082.

REVIEW OF OPERATIONS

Diamond Drilling

A diamond drill rig was mobilised to the project during the year to complete a deep diamond hole in conjunction with the state government as part of the Exploration Incentive Scheme where the Company received funding for half the drill hole in order to establish the stratigraphy of the region and further develop the geological understanding and commodity prospectivity of the Tanami region.

The diamond drill hole was completed to a total depth of 890.4m during the field season. The purpose of the hole was to ascertain whether the Fox prospect was part of the **Dead Bullock Formation, the host Formation to the 13Moz Callie Gold Mine** only 150kms north-west along strike in the Northern Territory.

Logging and geochemical evaluation of the upper sedimentary sequence by geological logging and portable X-ray fluorescence (pXRF) has confirmed the section of the stratigraphy in which the project resides.

The top of the diamond hole begins within the **Killi Formation**, which is host to the Coyote and Kookaburra gold mines within the region. The hole then passes through a transitional zone and into the **Dead Bullock Formation**, Figure 16. The sequence strongly folded and faulted relating to both extensional and compressional events.

In the upper part of the hole there were multiple zones of interest such as cross-cutting quartz veins within a sandstone, adjacent to a sedimentary-mafic contact. A particularly interesting quartz-pyrite vein was intersected at ~218m with a strong silica and hematite alteration halo, and at 173m there was a folded and sheared shale unit with quartz veining and silica/feldspar alteration, which is characteristic of gold mineralisation styles in the region.



Figure 16. Diamond core photographs of the iron-rich sediments of the Dead Bullock Formation (DBF). A) At approximately 139m, folded iron-rich sediments of the DBF. B) Folded siltstone and shale units of the DBF at ~173m, with multiple folding and shearing events overprinted, with k-feldspar alteration. C) Sediments of the DBF, with increased pyrite and quartz veining⁹.

REVIEW OF OPERATIONS

The stratigraphy of the Tanami region has been difficult to delineate historically, due to the poor exposure at surface, and lack of available data, such as diamond core. Exploration has been intermittent from the early 1900's until the mid-1980's owing to the remoteness and cover and has focused on sediment hosted mineralisation, specifically for uranium, rare earth elements and gold.

Of significance at ~840m depth (560m vertical depth), a gabbro (mafic) unit with distinctly high sulphide content was intersected. Sulphides were observed from ~834m – 840.8m ranging from trace to approximately 30% of the rock mass increasing with depth. From 840.8m – 841.5m semi-massive and massive sulphides were intersected, where classification of massive sulphides is based on sulphide content >80% of the rock mass, Figure 17. The dominant sulphides observed were pyrrhotite, chalcopyrite and pyrite, potentially representative of a magmatic base metal system.



Figure 17. Massive sulphides in TMDD0001, chalcopyrite, pyrrhotite and pyrite observed, 841m depth^{7,13}.

Previous work and mapping completed by the Geological Survey of Western Australia has only identified sediments with no interpretation of mafic units at the prospect.

Dolerites have been loosely documented in the region to intrude the sedimentary sequence, however there is very limited drilling in which they have been intersected and limited analysis performed. The sulphide rich interval returned in assays anomalous copper, cobalt and silver of **0.6m @ 0.27% Cu, 114.5ppm Co, and 1.23g/t Ag**, Figure 18.

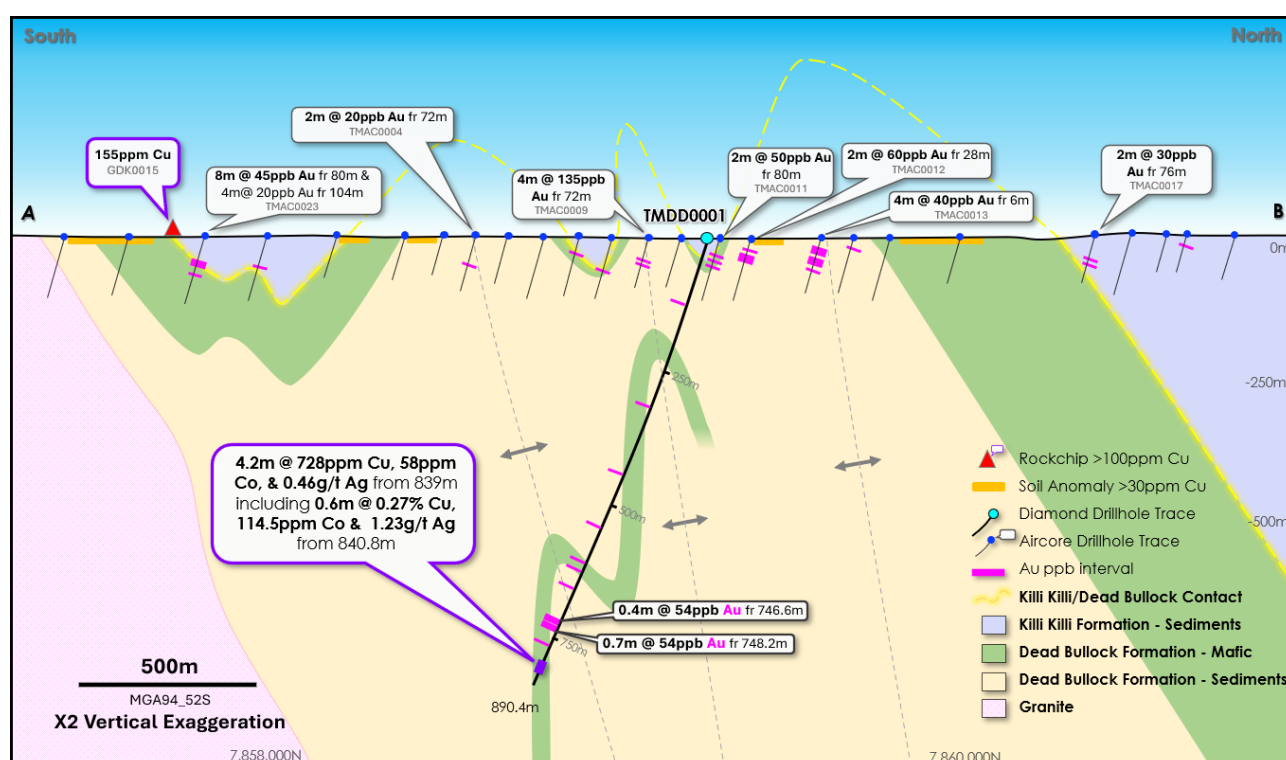


Figure 18. Cross-section of the Fox prospect with assay results from diamond drillhole, copper, cobalt, silver and gold results¹³.

REVIEW OF OPERATIONS

Killi completes sale of Balfour tenement to Black Canyon

Killi completed the sale of the Balfour Project to Black Canyon (BCA), with a staged share consideration value of up to \$500,000 and change in ownership of the 351km² Balfour tenement to Black Canyon, with annual tenement expenditure and rent commitments.

Killi retains the copper mineral rights to the project, where the project was pegged for its prospectivity for sedimentary hosted copper systems, within the Proterozoic sub-basin. The Company is also leveraged to the manganese market through its Black Canyon shareholding.

Successful completion of Entitlement Offer

Killi completed a \$1.4M entitlement offer in May 2023 which was strongly supported by existing shareholders. Funds raised will and are being used to further exploration activities at the Ravenswood North project, commence the first exploration programs at the Mt Rawdon West Project and follow-up targets generated at the West Tanami Project, in the Kimberley region of Western Australia.

Material Business Risks

The Group considers the following to be its key material business risks:

Additional requirements for capital

The Group's capital requirements depend on numerous factors. The Company may require further financing. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

Exploration and Operating Risk

The mineral exploration licences comprising the Company's projects are at various stages of exploration, and mineral exploration and development are high-risk undertakings.

There can be no assurance that future exploration of these licences, or any other mineral licences that may be acquired in the future, will result in the discovery of an economic resource. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns or adverse weather conditions, unanticipated operational and technical difficulties, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, industrial and environmental accidents, industrial disputes, unexpected shortages and increases in the costs of consumables, spare parts, plant, equipment and staff, native title process, changing government regulations and many other factors beyond the control of the Company.

REVIEW OF OPERATIONS

Environmental

The operations and proposed activities of the Company are subject to laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. There is also a risk of an environmental spill, accident or some other environmental disaster that could have adverse financial consequences and could also raise concerns about the Company's social license to operate. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Compliance Statement

The information in this report that relates to prior Exploration Results for the Mt Rawdon West Project, Ravenswood North Project and West Tanami Project are extracted from the ASX Announcement listed below which is available on the Company website www.killi.com.au and the ASX website (ASX code: KLI):

Ref	Date	Announcement title
1.	11 th July 2022	VTEM Survey completed and Soil Sampling Recommences
2.	14 th July 2022	Drill Rigs mobilising to the West Tanami, shallow gold potential
3.	20 th July 2022	Drilling Commences at West Tanami
4.	29 th August 2022	Rare Earth Element Drilling Completed
5.	20 th September 2022	Conductors identified at Ravenswood North
6.	4 th October 2022	New High-Grade Cu-Au surface mineralisation at Ravenswood
7.	24 th October 2022	Magmatic Sulphide Zone intersected at West Tanami
8.	15 th November 2022	High-grade results extend Rock Prospect, Ravenswood North
9.	1 st December 2022	Gold Mineralisation within Dead Bullock Formation at Tanami
10.	7 th December 2022	Drilling commences at Rocky, Ravenswood North
11.	1 st February 2023	Yttrium-REE anomaly identified at West Tanami
12.	7 th March 2023	Significant drill and geophysics results at Rocky Prospect
13.	21 st March 2023	Copper sulphide mineralisation confirmed in assays at Fox
14.	4 th April 2023	New Rocky drilling targets Ravenswood style mineralisation
15.	19 th April 2023	Drilling at Rock gold target commences
16.	13 th July 2023	Drilling intersects anomalous intrusive at Rocky Prospect
17.	2 nd August 2023	Exploration commences at Mt Rawdon West Project
18.	7 th September 2023	High grade copper and gold at surface, Baloo Prospect

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the market announcements continue to apply and have not materially changed. The Company confirm that form and context in which the Competent Person's finding are presented have not been materially modified from the original market announcements.

REVIEW OF OPERATIONS

Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Ms Kathryn Cutler. Ms Cutler is a Member of The Australasian Institute of Mining and Metallurgy. Ms Cutler has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Ms Cutler consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

Tenements Schedule

The Company has an interest in the following tenements in Australia.

Project	Tenement Number	Status	Holder	Ownership
West Tanami (Western Australia)	E80/5100	Granted	Iron Bull Bangemall Pty Ltd	100%
	E80/5101	Granted	Iron Bull Bangemall Pty Ltd	100%
	E80/5102	Granted	Iron Bull Bangemall Pty Ltd	100%
	E80/5103	Granted	Iron Bull Bangemall Pty Ltd	100%
Ravenswood Nth (Queensland)	EPM 26889	Granted	Access Australia Mining Pty Ltd	100%
	EPM 26890	Granted	Access Australia Mining Pty Ltd	100%
	EPM 26892	Granted	Access Australia Mining Pty Ltd	100%
	EPM 26908	Granted	Access Australia Mining Pty Ltd	100%
	EPM 26909	Granted	Access Australia Mining Pty Ltd	100%
	EPM 28413	Application	Access Australia Mining Pty Ltd	100%
Mt Rawdon West (Queensland)	EPM 27828	Granted	Access Australia Mining Pty Ltd	100%
Balfour (Western Australia)	E46/1383 ⁽ⁱ⁾	Granted	Access Australia Mining Pty Ltd	100%

(i) Access Australia Mining Pty Ltd retains the rights to explore and mine copper mineralisation on this tenement only.

DIRECTORS' REPORT

Your Directors present the following report on Killi Resources Limited and its controlled entities (referred to hereafter as "the Group") for the year ended 30 June 2023.

Directors

The persons who were Directors of Killi Resources Limited during the reporting period and up to the date of this report are:

Name	Role	Appointment/Resignation Date
Mr Richard Bevan	Non-Executive Chairperson and Director	Appointed 18 August 2021
Mr Gregory Miles	Non-Executive Director	Appointed 18 August 2021
Mr Phil Warren	Non-Executive Director	Appointed 18 August 2021

Chief Executive Officer

Ms Kathryn Cutler (appointed on 4 November 2021)

Company Secretary

Mr Cameron O'Brien (appointed 26 October 2021)

Ms Emma Wates (appointed on 18 August 2021)

Principal Activities

During the year the principal activities of the Group consisted of:

- a) Identification and assessment of commercially attractive resource exploration projects;
- b) Exploration and development of Killi's portfolio of tenements and projects.

There were no significant changes in the nature of the activities of the Group during the year.

Dividends

There were no dividends paid or proposed during the year.

Operating Results

The Consolidated Statement of Profit or Loss and other Comprehensive Income shows a net loss from continuing operations attributable to owners of \$4,076,855 for the financial year ended 30 June 2023 (30 June 2022: \$2,567,867).

Significant Change in State of Affairs

There were no significant changes in the state of affairs of the Group during the year.

Matters Subsequent to Reporting Date

On 24 July 2023, 136,289 Performance Rights lapsed as the conditions were not met.

No matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future years.

Likely developments and expected results of operations

The Group will continue its mineral exploration and development activity at and around its projects with the object of identifying commercial resources.

The Group will also continue to identify and assess potential acquisitions suitable for the Group.

DIRECTORS' REPORT

Information on Directors

The names of the directors of Killi who held office during the financial year and at the date of this report are:

Mr Richard Bevan

Non-Executive Chairperson

Qualifications: BAppSc

Appointed: 18 August 2021

Experience: Mr Bevan has been involved in business areas as diverse as healthcare, construction and engineering, resources and information services. He has extensive senior management experience having been the Managing Director, CEO and Chairperson of several listed and unlisted companies, including most recently being the founding Managing Director of Cassini Resources Limited.

Interest in Shares, Options and Performance Rights: 1,147,883 Ordinary fully paid shares
998,942 Options
1,400,000 Performance Rights

Other current directorships: Non-Executive Chairperson: Narryer Metals Limited (ASX: NYM)
Non-Executive Chairperson: TG Metals Limited (ASX: TG6)

Former directorships held in past three years: Managing Director: Cassini Resources Limited (ASX: CZI) resigned 5 October 2020
Non-Executive Director: Empire Limited (ASX: EPD) resigned 16 November 2021
Non-Executive Director: Cannon Resources Limited (ASX: CNR) resigned 25 January 2023

Mr Gregory Miles

Non-Executive Director

Qualifications: BSc, Grad Dip (Geol)

Appointed: 18 August 2021

Experience: Mr Miles graduated as a geologist from the Australian National University in Canberra and has gained over 25 years of experience in the exploration and delineation of mineral resources and has led successful teams in the discovery of new precious and base metal deposits throughout Australia.

Mr Miles is the Chief Executive Officer of Caspin Resources Limited which is actively exploring in the Yarawindah Brook Project and Mount Squires Projects in Western Australia. Previous leadership roles have included executive and non-executive board positions with numerous junior mining companies, providing expertise in exploration, project management and acquisitions. Greg is a member of the Australian Institute of Geoscientists.

Interest in Shares, Options and Performance Rights: 804,545 Ordinary fully paid shares
727,273 Options
880,000 Performance Rights

Other current directorships: Managing Director – Caspin Resources Limited (ASX CPN)

Former directorships held in past three years: N/A

DIRECTORS' REPORT

Mr Phil Warren

Non-Executive Director

Qualifications

B. Com, CA

Appointed:

18 August 2021

Experience:

Mr Warren is a Chartered Accountant and managing director of West Perth based corporate advisory firm Grange Consulting. Mr Warren has over 20 years of experience in finance and corporate roles in Australia and Europe. He has specialized in company valuations, mergers and acquisitions, capital raisings, debt financing, financial management, corporate governance, and company secretarial services for a number of public and private companies.

Mr Warren has established a number of ASX listed companies and continues to act as corporate advisor to some of these companies.

Interest in Shares, Options and Performance Rights:

380,722 Ordinary fully paid shares
1,090,362 Options
880,000 Performance Rights.

Other current directorships:

Non-Executive Director: Rent.com.au Limited (ASX: RNT)
Non-Executive Director: Narryer Metals Limited (ASX: NYM)
Non-Executive Director: Anax Metals Ltd (ASX: ANX)
Non-Executive Director: Qoria Ltd (ASX: QOR)

Former directorships held in past three years:

Non-Executive Director: Cassini Resources Ltd (ASX: CZI) resigned on 1 October 2020.
Non-Executive Director: Jupiter Energy Ltd (ASX: JPR) resigned 24 November 2020.

Director Meetings

The number of directors' meetings and number of meetings attended by each of the directors of the Company during the year are:

Director	Number of Director Meetings Eligible to Attend	Number of Director Meetings Directors' Attended
Mr Richard Bevan	7	7
Mr Phil Warren	7	7
Mr Gregory Miles	7	7

Company Secretaries

Ms Wates is a director of Grange Consulting Group with over 15 years' experience providing corporate advisory and company secretarial services, including capital raising, compliance, governance and valuation advice. Ms Wates has advised on a number of successful ASX listings as well as being involved in various secondary and seed capital raisings for public and private companies. Ms Wates has acted as Company Secretary for a number of ASX listed companies. Ms Wates is a Chartered Accountant and a senior associated of FINSIA.

Mr O'Brien is a corporate advisor at Grange Consulting where he specialises in corporate advisory, company secretarial and financial management services. Mr O'Brien is a qualified Chartered Accountant and, prior to joining Grange, spent four years in external audit at one of the leading international Audit, Tax & Advisory firms focused on engagements across the natural resources and industrial sectors. Following this he spent two years in the firm's Corporate Finance division where he was focused on due diligence, expert reports, valuations and ASX listings.

Financial Position

The net assets of the consolidated Group are \$3,330,938 (2022: \$6,016,430) as at 30 June 2023. The Group's working capital, being current assets less current liabilities was \$1,863,845 at 30 June 2023 (2022: \$4,551,559).

DIRECTORS' REPORT

Shares under option and performance rights

Unissued ordinary shares of Killi Resources Limited under option and performance rights at the date of this report are as follows:

Security Code	Date Options Granted	Expiry Date	Exercise Price	Number Under Option	Number Under Performance Rights
KLIOPT01 – Broker Options	10 Feb 2022	31 Jan 2026	\$0.30	500,000	-
KLIOPT01 – Advisor Options	16 Nov 2021	31 Jan 2026	\$0.30	3,000,000	-
KLIOPT01 – Incentive Options	22 Dec 2021	31 Jan 2026	\$0.30	3,000,000	-
KLIOPT03 – Broker Options	01 Jun 2023	01 Jun 2026	\$0.20	1,500,000	-
KLIOPT03 – Free Attaching Options	01 Jun 2023	01 Jun 2026	\$0.20	13,000,061	-
KLIPERF1E – Performance Rights	22 Dec 2021	31 Jan 2027	-	-	2,750,000
KLIPERF2E – Performance Rights	22 Dec 2021	31 Jan 2027	-	-	1,850,000
KLIPERF3E – Performance Rights	22 Dec 2021	31 Jan 2027	-	-	510,000
KLIPERF4 – Performance Rights	12 Oct 2022	07 Feb 2026	-	-	53,463
			Total	21,000,061	5,163,463

Securities granted during the year

Performance rights granted during the year as share-based payments are as follows:

Tranche	Class of Securities	Grant Date	Number of Securities	Exercise Price	Expiry Date	Disposal Restriction
A1	Employee performance rights	12 Oct 2022	28,463	Nil – Vest on achievement of performance conditions	7 Feb 2026	N/A
A2	Employee performance rights	12 Oct 2022	75,900	Nil – Vest on achievement of performance conditions	7 Feb 2026	N/A
B	Employee performance rights	12 Oct 2022	28,463	Nil – Vest on achievement of performance and market conditions	7 Feb 2026	N/A
C	Employee performance rights	12 Oct 2022	28,463	Nil – Vest on achievement of performance and market conditions	7 Feb 2026	N/A
D	Employee performance rights	12 Oct 2022	28,463	Nil – Vest on achievement of performance and market conditions	7 Feb 2026	N/A

(i) Refer to note 18 for details of these performance rights.

Options granted during the year as share-based payments are as follows:

Class of Securities	Grant Date	Number of Securities	Exercise Price	Expiry Date	Vesting Date	Disposal Restriction
Broker Options ⁽ⁱ⁾	1 Jun 2023	1,500,000	\$0.20	1 Jun 2026	1 Jun 2023	None

(i) Refer to note 18 for details of these options.

DIRECTORS' REPORT

Environmental Regulation

The Group is subject to significant environmental regulation in respect of mineral exploration activities.

The Group operates within the resources sector and conducts its business activities with respect for the environment while continuing to meet the expectations of the shareholders, employees and suppliers. The Company's exploration activities are currently regulated by significant environmental regulation under laws of the Commonwealth and states and territories of Australia. The Group aims to ensure that the highest standard of environmental care is achieved, and that it complies with all relevant environmental legislation.

The Directors have considered the National Greenhouse and Energy Reporting Act 2007 (the NGER Act) which introduced a single national reporting framework for the reporting and dissemination of information about the greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. At the current stage of development, the Directors have determined that the NGER Act will have no effect on the Group for the current, or subsequent financial year. The Directors will reassess this position as and when the need arises. The Directors are mindful of the regulatory regime in relation to the impact of the organisational activities on the environment. There have been no known breaches by the Group during the year.

Insurance of Officers

During the year, Killi Resources Limited paid a premium to insure the directors and secretaries of the Group.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a willful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for them or someone else or to cause detriment to the Group. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

Proceedings on behalf of the group

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party, for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Group with leave of the Court under section 237 of the *Corporations Act 2001*.

Non-audit services

The Group may decide to employ its auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group is important.

The amounts paid or payable to the auditor for non-audit services provided was \$nil and is disclosed in note 24 (2022: \$Nil).

Auditor's Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on the page following this Directors' Report.

DIRECTORS' REPORT

REMUNERATION REPORT - Audited

The remuneration report outlines the remuneration arrangements which were in place during the year and remain in place as at the date of this report, for the Directors and Key Management Personnel (KMP) of Killi Resources Limited.

The information provided in this remuneration has been audited as required by section 308(3C) of the Corporations Act 2001.

The remuneration report is set out under the following main headings:

- A. Principles used to determine the nature and amount of remuneration**
- B. Details of remuneration**
- C. Service agreements**
- D. Share-based compensation**
- E. Equity instruments held by key management personnel**
- F. Loans to key management personnel**
- G. Other transactions with key management personnel**

A. Principles used to determine the nature and amount of remuneration

Non-Executive Directors

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed annually by the board. The Chair's fees are determined independently to the fees of non-executive directors based on comparative roles in the external market.

Directors' fees

Non-executive directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders.

Remuneration of executives consists of an un-risked element (base pay) and performance-based cash bonuses based on performance in relation to key strategic, non-financial measures linked to drivers of performance in future reporting periods. No performance-based cash bonuses were paid during the year ended 30 June 2023.

Additional fees

A Director may also be paid fees or other amounts as the Directors determine if a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

A Director may also be reimbursed for out-of-pocket expenses incurred as a result of their directorship or any special duties.

Retirement allowances for directors

Superannuation contributions required under the Australian Superannuation Guarantee Legislation continue to be made and are deducted from the directors' overall fee entitlements where applicable.

Executive pay

In determining executive remuneration, the Board aims to ensure that remuneration practices are:

- competitive and reasonable, enabling the Company to attract and retain key talent;
- aligned to the Company's strategic and business objectives and the creation of shareholder value;
- transparent; and
- acceptable to shareholders.

The executive remuneration framework has three components:

- base pay and benefits, including superannuation;
- short-term performance incentives; and
- long-term incentives through participation in the Killi Employee Securities Incentive Plan.

Base pay

Executives receive their base pay and benefits structured as a total employment cost (TEC) package which may be delivered as a combination of cash and prescribed non-financial benefits at the executives' discretion.

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards.

Base pay for executives is reviewed annually to ensure the executive's pay is competitive with the market. An executive's pay is also reviewed on promotion.

There are no guaranteed base pay increases included in any executives' contracts.

DIRECTORS' REPORT

REMUNERATION REPORT – Audited (continued)

A. Principles used to determine the nature and amount of remuneration (continued)

Benefits

No benefits other than noted above are paid to Directors or management except as incurred in normal operations of the business.

Short term incentives

No benefits other than remuneration disclosed in the remuneration report are paid to Directors or management except as incurred in normal operations of the business.

Long term incentives

Directors and KMP are entitled to participate in the employee share and option arrangements.

Remuneration consultants

The Company did not engage any remuneration consultants during the period.

The Company will engage independent remuneration consultants should it look to make any changes to director fee levels to ensure they are in line with market conditions and any decisions are made free from undue influence from members of the Company's KMP's.

B. Details of remuneration

Amounts of remuneration

Details of the remuneration of the directors and the key management personnel of the Group are found below:

Director	Role
Mr Richard Bevan	Non-Executive Chairperson (appointed 18 August 2021)
Mr Phil Warren	Non-Executive Director (appointed 18 August 2021)
Mr Gregory Miles	Non-Executive Director (appointed 18 August 2021)
Ms Kathryn Cutler	Chief Executive Officer (appointed 4 November 2021)

The below directors, while officers of the Group during 2022, received no remuneration, and are therefore not disclosed in the tables below:

Director	Role
Mr Paul L'Herpinier	Director (resigned 18 August 2021)
Mr Geoffrey McNamara	Director (resigned 2 July 2021)
Mr Peter Stuntz	Director (resigned 2 July 2021)
Mr Sonu Cheema	Director (resigned 18 August 2021)
Mr Jason Rogers	Director (resigned 18 August 2021)

Key management personnel of the Group

30 June 2023	Short-term employee benefits			Long-term employee benefits	Post-employment benefits		Share-based payments	Total	Total remuneration represented by Options/ Performance Rights
	Cash salary & fees	Other	Annual Leave	Long Service Leave	Superannuation Pensions	Retirement benefits	Options/ performance rights		
Directors	\$	\$	\$	\$	\$	\$	\$	\$	%
Non-Executive directors									
Richard Bevan	66,300 ⁽ⁱ⁾	-	-	-	-	-	22,000	88,300	25%
Phil Warren	45,000	-	-	-	4,725	-	12,868	62,593	21%
Greg Miles	45,000	-	-	-	4,725	-	12,868	62,593	21%
Sub-total	156,300	-	-	-	9,450	-	47,736	213,486	
Key Management Personnel									
Kathryn Cutler	220,000	-	20,057	-	23,100	-	32,170	295,327	11%
Sub-total	220,000	-	20,057	-	23,100	-	32,170	295,327	
Total	376,300	-	20,057	-	32,550	-	79,906	508,813	

(i) This amount is invoiced to the Company by Bayreef Investments Pty Ltd in relation to Mr Bevan's services as a Non-Executive Chairperson to the group.

DIRECTORS' REPORT

REMUNERATION REPORT – Audited (continued)

B. Details of remuneration (continued)

Key management personnel of the Group

30 June 2022 Directors	Short-term employee benefits			Long-term employee benefits	Post-employment benefits		Share-based payments	Total	Total remuneration represented by Options/ Performance Rights
	Cash salary & fees	Other	Annual Leave	Long Service Leave	Superannuation Pensions	Retirement benefits	Options/ performance rights		
	\$	\$	\$	\$	\$	\$	\$	\$	%
Non-Executive directors									
Richard Bevan	25,536 ⁽ⁱ⁾	-	-	-	-	-	238,493	264,029	90%
Phil Warren	17,411	-	-	-	1,741	-	225,372	244,524	92%
Greg Miles	17,411	-	-	-	1,741	-	162,263	181,415	89%
Sub-total	60,358	-	-	-	3,482	-	626,128	689,968	
Key Management Personnel									
Kathryn Cutler	144,560	-	12,925	-	14,456	-	302,645	474,586	64%
Sub-total	144,560	-	12,925	-	14,456	-	302,645	474,586	
Total	204,918	-	12,925	-	17,938	-	928,773	1,164,554	

(i) This amount is invoiced to the Company by Bayreef Investments Pty Ltd in relation to Mr Bevan's services as a Non-Executive Chairperson to the group.

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

Name	Performance based remuneration 2023	Performance based remuneration 2022	Fixed remuneration 2023	Fixed remuneration 2022
Richard Bevan	25%	90%	75%	10%
Phil Warren	21%	92%	79%	8%
Greg Miles	21%	89%	79%	11%
Kathryn Cutler	11%	64%	89%	36%

C. Service agreements

Executive Services Agreement – Chief Executive Officer

The Group has entered into an executive services agreement with Ms Kathryn Cutler in respect of her employment as Chief Executive Officer of the Company (Executive Services Agreement).

Name	Base salary excluding superannuation	Termination benefit
Kathryn Cutler (CEO)	\$220,000	3 months' notice in writing to Ms Cutler and paying a further three months' salary in addition to the notice period.

Non-executive directors

On appointment to the Board, all non-executive directors enter into a service agreement with the Group in the form of a letter of appointment. The letter summarises the Board's policies and terms, including compensation, relevant to the director, and among other things:

- the terms of the director's appointment, including governance, compliance with the Company's Constitution, committee appointments, and re-election;
- the director's duties, including disclosure obligations, exercising powers, use of office, attendance at meetings and commitment levels;
- the fees payable, in line with shareholder approval, any other terms, timing of payments and entitlements to reimbursements;
- insurance and indemnity;
- disclosure obligations; and
- confidentiality.

DIRECTORS' REPORT

REMUNERATION REPORT – Audited (continued)

C. Service agreements (continued)

The following fees applied during the year:

Name	Base salary
Richard Bevan	\$60,000
Phillip Warren	\$45,000
Greg Miles	\$45,000

D. Share-based compensation

Performance Rights

There were no performance rights granted to KMP during the year:

Unlisted Options

There were no options granted to KMP during the year:

E. Equity instruments held by key management personnel

Shareholdings

The numbers of shares in the Group held during the period by each director of Killi Resources Limited and other key management personnel of the Group, including their personally related parties are set out below. There were no shares granted during the reporting period as compensation.

2023 Name	Balance at the start of the year	Movement during the period ⁽ⁱ⁾	Balance at appointment/ (resignation date)	Balance at the end of the year
Richard Bevan	550,000	597,883	-	1,147,883
Phil Warren	200,000	180,722	-	380,722
Greg Miles	350,000	454,545	-	804,545
Kathryn Cutler	450,000	454,545	-	904,545
Total	1,550,000	1,687,695	-	3,237,695

(i) Participant in Entitlement Offer.

Option holdings

The number of options over ordinary shares in the Group held during the year by each director of Killi Resources Limited and other key management personnel of the Group, including their personally related parties, are set out below.

2023 Name	Balance at the start of the year	Granted as compensation	Vested	Other ⁽ⁱ⁾	Balance at end of the year
Richard Bevan	700,000	-	-	298,942	998,942
Phil Warren	1,000,000	-	-	90,362	1,090,362
Greg Miles	500,000	-	-	227,273	727,273
Kathryn Cutler	800,000	-	-	227,273	1,027,273
Total	3,000,000	-	-	843,850	3,843,850

(ii) Free attaching Options issued to KMP as part of the Entitlement Offer, exercisable at \$0.20 per Option on or before 1 June 2026

DIRECTORS' REPORT

REMUNERATION REPORT – Audited (continued)

E. Equity instruments held by key management personnel (continued)

Performance Rights holdings

The number of performance rights over ordinary shares in the Group held during the year by each director of Killi Resources Limited and other key management personnel of the Group, including their personally related parties, are set out below

2023 Name	Balance at the start of the year	Granted as compensation	Vested	Balance at appointment (resignation date)	Balance at end of the year	Vested and exercisable	Un-vested
Directors							
Richard Bevan	1,400,000	-	-	-	1,400,000	750,000	650,000
Phil Warren	880,000	-	-	-	880,000	500,000	380,000
Greg Miles	880,000	-	-	-	880,000	500,000	380,000
Kathryn Cutler	1,950,000	-	-	-	1,950,000	1,000,000	950,000
Total	5,110,000	-	-	-	5,110,000	2,750,000	2,360,000

F. Loans to key management personnel

No loans were provided to, made, guaranteed, or secured directly or indirectly to any KMP or their related entities during the financial year.

G. Other transactions with key management personnel

Mr Phil Warren, a Director of the Company, is also the Managing Director of Grange Consulting Group Pty Ltd (Grange). \$126,000 was paid to Grange for financial management, company secretarial services, and transaction management services for the year ended 30 June 2023 (30 June 2022: \$128,029). Nothing was outstanding and payable to Grange as at 30 June 2023 (30 June 2022: \$11,550). Grange (or its nominee) was also issued with 3,000,000 unlisted options (Advisor Options) as consideration for corporate advisory and transaction management services in the prior year.

This is the end of the Remuneration Report, which has been audited.

This report of Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of Directors.



Richard Bevan
Non-Executive Director

Perth, Western Australia, 27 September 2023

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Killi Resources Limited for the year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
27 September 2023



N G Neill
Partner

hlb.com.au

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

INDEPENDENT AUDITOR'S REPORT

To the Members of Killi Resources Limited

Report on the Audit of the Financial Report*Opinion*

We have audited the financial report of Killi Resources Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Regarding Going Concern

We draw attention to Note 1(a) in the financial report, which indicates that there are events or conditions, along with other matters as set forth in the Note, which indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

hlb.com.au

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matter described below to be the key audit matter to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
Exploration and evaluation asset Refer to Note 12 of the financial report	
The Group expenses all exploration and evaluation costs, but capitalises specific acquisition costs and subsequently applies the expensing model after recognition. Exploration and evaluation expenditure was determined to be a key audit matter as it is important to the users' understanding of the financial statements as a whole and was an area which involved the most audit effort and communication with those charged with governance.	Our procedures included but were not limited to the following: - Obtaining an understanding of the key processes associated with management's review of the carrying value of exploration and evaluation; - Considering the Directors' assessment of potential indicators of impairment in addition to making our own assessment; - Obtaining evidence that the Group has current rights to tenure of its areas of interest; - Considering the nature and extent of future planned ongoing activities; - Substantiating the acquisitions undertaken during the year by agreeing to supporting documentation; and - Ensuring appropriate disclosures are made in the financial report.
Share-based payments Refer to Note 18 of the financial report	
During the year, the Company issued 1,500,000 options and 189,752 performance rights for nil consideration to consultants and employees. These securities had both market and non-market based vesting conditions, which required to be valued in accordance with AASB 2 <i>Share based payments</i>. The Group has various share-based payment arrangements in place in relation to directors and advisors including instruments accounted for under AASB 2 <i>Share-based Payment</i>. Share-based payments is a focus area as these transactions require management judgement involving estimates that have a degree of uncertainty in accordance with AASB 2. Judgement is required when determining the key inputs in pricing models.	Our procedures included but were not limited to the following: - Obtaining evidence to verify the key inputs and ensure recognition of the expense in accordance with AASB 2, as well as the allocation across vesting periods where relevant; - For securities with market based vesting conditions, we checked the work performed by the management's expert, noted and assessed the competencies of the expert utilised; and - Ensuring appropriate disclosures are made in the financial report.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
-
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Killi Resources Limited for the year ended 30 June 2023 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



HLB Mann Judd
Chartered Accountants

Perth, Western Australia
27 September 2023



N G Neill
Partner

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2023

	Note	Year ended 30 June 2023 \$	Year ended 30 June 2022 \$
Other income	3	349,324	200,432
Administration expenses		(114,510)	(111,794)
Public company expenses		(131,709)	(228,544)
Marketing expenses		(87,747)	(30,203)
Exploration expenses		(3,421,270)	(954,738)
Employee benefit expenses		(358,238)	(244,521)
Consulting expenses		(166,000)	(110,810)
Share-based payments	18	(92,283)	(1,085,383)
Loss on revaluation of financial assets	10	(43,975)	-
Depreciation expense	11	(10,447)	(2,306)
Loss before income tax		(4,076,855)	(2,567,867)
Income tax expense	5	-	-
Loss after income tax		(4,076,855)	(2,567,867)
Other comprehensive loss for the period, net of tax		-	-
Total comprehensive loss for the period		(4,076,855)	(2,567,867)
Loss per share from continuing operations attributable to the ordinary equity holders of Killi Resources Limited:			
Basic and diluted loss per share (cents)	6	(7.54)	(8.09)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Note	2023 \$	2022 \$
ASSETS			
Current assets			
Cash and cash equivalents	8	1,777,706	4,684,488
Trade and other receivables	9	76,715	189,244
Other financial assets	10	156,025	-
Total current assets		2,010,446	4,873,732
Non-current assets			
Property, plant and equipment	11	69,729	64,922
Exploration and evaluation asset	12	1,397,364	1,399,949
Total non-current assets		1,467,093	1,464,871
TOTAL ASSETS		3,477,539	6,338,603
LIABILITIES			
Current liabilities			
Trade payables and other payables	13	113,619	303,268
Provisions	14	32,982	18,905
Total current liabilities		146,601	322,173
TOTAL LIABILITIES		146,601	322,173
NET ASSETS		3,330,938	6,016,430
EQUITY			
Issued capital	15	8,884,711	7,626,222
Reserves	16	1,280,737	1,147,863
Accumulated losses		(6,834,510)	(2,757,655)
TOTAL EQUITY		3,330,938	6,016,430

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2023

	Issued Capital	Share-Based Payments Reserves	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 1 July 2022	7,626,222	1,147,863	(2,757,655)	6,016,430
Loss for the year	-	-	(4,076,855)	(4,076,855)
Total comprehensive loss for the period	-	-	(4,076,855)	(4,076,855)
Transactions with owners, recorded directly in equity				
Issue of shares, net of costs	1,258,489	40,591	-	1,299,080
Share-based payments	-	92,283	-	92,283
Balance at 30 June 2023	8,884,711	1,280,737	(6,834,510)	3,330,938

	Issued Capital	Share-Based Payments Reserves	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 1 July 2021	1,600,001	-	(189,788)	1,410,213
Loss for the year	-	-	(2,567,867)	(2,567,867)
Total comprehensive loss for the period	-	-	(2,567,867)	(2,567,867)
Transactions with owners, recorded directly in equity				
Issue of shares, net of costs	6,026,221	-	-	6,026,221
Share-based payments	-	1,147,863	-	1,147,863
Balance at 30 June 2022	7,626,222	1,147,863	(2,757,655)	6,016,430

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Payments to suppliers and employees		(754,522)	(779,857)
Interest received		10,066	445
Exploration and evaluation expenditure		(3,387,995)	(764,922)
Receipt from Government Grants		141,843	
Payments to Numberco	12	(200,000)	-
Proceeds received from Numberco	12	-	199,987
Net cash outflow from operating activities	8	(4,190,608)	(1,344,347)
Cash flows from investing activities			
Payment for property, plant, and equipment	11	(15,254)	(67,228)
Payments of capitalised exploration and evaluation expenditure	12	-	(10,476)
Net cash outflow from investing activities		(15,254)	(77,704)
Cash flows from financing activities			
Proceeds from share issue	15	1,430,004	6,600,000
Share issue costs		(130,924)	(546,672)
Net cash inflow from financing activities		1,299,080	6,053,328
Net (decrease) / increase in cash and cash equivalents		(2,906,782)	4,631,277
Cash and cash equivalents at beginning of the financial year		4,684,488	53,211
Cash and cash equivalents at end of the year	8	1,777,706	4,684,488

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

1. Summary of significant accounting policies

(a) Basis of preparation

The financial report is a general-purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and the Corporation Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. The financial statements and notes also comply with International Financial Reporting Standards as issued by the International Accounting Standard Board (IASB). Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. The consolidated financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 4.

Going Concern

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

For the financial year ended 30 June 2023, the Group incurred a net loss after tax of \$4,076,855 (2022: \$2,567,867), and a net cash outflow from operations of \$4,190,608 (2022: \$1,344,347). At 30 June 2023, the Group has a working capital surplus of \$1,863,845 (2022: \$4,551,559).

The directors have prepared a cash flow forecast, which indicates that the Company will have sufficient cash after raising further capital to meet all commitments and working capital requirements for the 12 months period from the date of signing this financial report.

Based on the cash flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate.

Should the Company be unable to raise funds, there exists a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

(b) New and amended standards adopted by the entity

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period and had no material effect. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted and have no material effect.

(c) Principles of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Killi at the end of the reporting period. A controlled entity is any entity over which Killi has the ability and right to govern the financial and operating policies so as to obtain benefits from the entity's activities, which has not had a material impact on the consolidated entity's financial statements.

In preparing the consolidated financial statements, all intragroup balances and transactions between entities in the consolidated Group have been eliminated in full on consolidation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

1. Summary of significant accounting policies (continued)

(d) Income tax

The income tax expense or benefit (revenue) for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

The charge for current income tax expenses is based on the profit for the period adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance date.

Deferred tax is accounted for using the liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(e) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of GST except where GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flow on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authorities are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(f) Impairment of assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income. Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Non-financial assets

The carrying amounts of the non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the statement of financial performance. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

1. Summary of significant accounting policies (continued)

(g) Share-based payment transactions

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instrument at the date at which they are granted when the fair value of goods and/or services cannot be determined. The fair value of options granted is measured using the Black-Scholes option pricing model. The fair value of performance rights granted is measured using the Monte Carlo model. The model uses assumptions and estimates as inputs.

The cost of the equity settled transactions is recognised, together with a corresponding increase in equity, over the year in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date'). The cumulative expense recognised for equity settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting year has expired and (ii) the number of awards that, in the opinion of the Directors of the Company, will ultimately vest. This opinion is formed based on the best available information at balance date.

No adjustment is made for the likelihood of the market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of comprehensive income charge or credit for a year represents the movement in cumulative expense recognised at the beginning and end of the year.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition. Where the terms of an equity settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of the modification.

Where an equity settled award is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The cost of equity-settled transactions with non-employees is measured by reference to the fair value of goods and services received unless this cannot be measured reliably, in which case the cost is measured by reference to the fair value of the equity instruments granted.

(h) Cash and cash equivalents

Cash and cash equivalents include cash on hand and cash at bank.

(i) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days. Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(j) Other financial assets

Financial assets are classified 'at fair value through profit or loss' when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance valuation where a Group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in the carrying value being included in profit or loss.

(k) Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	3-7 years
---------------------	-----------

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

1. Summary of significant accounting policies (continued)

(l) Exploration and Evaluation Expenditure

Mineral exploration and evaluation costs are expensed as incurred. Acquisition costs will normally be expensed but will be assessed on a case-by-case basis and if appropriate may be capitalised.

These acquisition costs are only carried forward to the extent that they are expected to be recouped through the successful development or sale of the tenement. Accumulated acquisition costs in relation to an abandoned tenement are written off in full against the profit and loss in the year which the decision to abandon the tenement is made. Where a decision has been made to proceed with development in respect of a particular area of interest, all future costs are recorded as a development asset.

(m) Trade and other Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Company. Trade accounts payable are normally settled within 30 days of recognition.

(n) Employee entitlements

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(o) Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(p) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

(q) Revenue and other income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

All revenue is stated net of the amount of goods and services tax (GST).

(r) Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

1. Summary of significant accounting policies (continued)

(s) Critical accounting estimates and judgments

In the process of applying the accounting policies, management has made certain judgements or estimations which have an effect on the amounts recognised in the financial information.

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Recoverability of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the company decides to exploit the related lease itself, or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

Share-based payment transactions

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of options is determined using the Black-Scholes option pricing model, and the fair value of performance rights is determined using the Monte Carlo model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Estimation of useful lives of assets

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Income tax

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Employee benefits provision

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

2. Operating segments

Identification of reportable operating segments

The group is organised into one operating segment, being mineral exploration operations. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

Geographical information

The group entity has one geographical segment which is Australia.

3. Other income

	2023 \$	2022 \$
Proceeds received from Numberco ⁽ⁱ⁾	-	199,987
Bank interest	10,066	445
Government Grants ⁽ⁱⁱ⁾	141,843	-
Profit on sale of tenement ⁽ⁱⁱⁱ⁾	197,415	-
Total other income	349,324	200,432

(i) Proceeds from Numberco have been recognised as other income as they are non-refundable, and no transfer of project ownership has occurred at 30 June 2022. Refer to note 12 for further details.

(ii) Co-funding drilling costs received from Department of Mines, Industry Regulation and Safety.

(iii) Profit on sale of tenement to Black Canyon. Refer to note 10

4. Parent entity information

The following details information related to the parent entity, Killi Resources Limited, as at 30 June 2023. The information presented here has been prepared using consistent accounting policies as presented in note 1

	2023 \$	2022 \$
Current assets	2,007,449	4,870,732
Non-current assets	1,470,090	1,425,149
Total assets	3,477,539	6,295,881
Current liabilities	146,601	279,451
Total liabilities	146,601	279,451
Contributed equity	8,884,711	7,626,222
Reserves	1,280,737	1,147,863
Accumulated losses	(6,834,510)	(2,757,655)
Total equity	3,330,938	6,016,430
Loss after income tax	(4,076,855)	(2,567,867)
Total comprehensive loss for the period	(4,076,855)	(2,567,867)

Guarantees

The Company has not entered into any guarantees in relation to the debts of any of its subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

5. Income tax

	2023 \$	2022 \$
(a) Income tax benefit/(expense)		
Current tax	-	-
Deferred tax	-	-
<i>Reconciliation of income tax expense to prima facie tax payable</i>		
Profit/(loss) from ordinary activities before income tax	(4,076,855)	(2,567,867)
<i>The prima facie tax payable on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:</i>		
Prima facie tax on operating profit at 30 % (2022: 30%)	(1,223,056)	(770,360)
<i>Add tax effect of:</i>		
Tax losses not brought to account	1,195,269	444,745
Non-deductible expenses	102	-
Share-based payments	27,685	325,615
	-	-
(b) Deferred Income Tax		
Income tax reported in the statement of profit or loss and other comprehensive income	-	-
<i>Deferred income tax at 30 June relates to the following:</i>		
<i>Deferred tax liabilities:</i>		
Exploration assets	57,946	30,932
Property, plant & equipment	20,918	19,477
Set-off deferred tax liabilities pursuant to set-off provisions	(78,864)	(50,409)
	-	-
<i>Deferred tax assets:</i>		
Tax value of losses carried forward	1,845,823	626,879
Set-off deferred tax liabilities pursuant to set-off provisions	(78,864)	(50,409)
Accrued expenses	7,800	7,145
Employee benefits	11,634	6,732
Non-recognition of deferred tax assets	(1,786,393)	(590,347)
	-	-
(c) Tax losses		
Australian tax losses of a revenue nature carried forward for which no deferred tax asset has been recognised	6,152,745	2,089,597
Potential Australian tax benefit at 30% (2022: 30%)	1,845,823	626,879
	-	-
Australian tax losses of a capital nature recognised upon tax consolidation of the Group carried forward for which no deferred tax asset has been recognised	1,424,574	1,424,574
Potential Australian tax benefit at 30% (2022: 30%)	427,372	427,372

The benefit for tax losses will only be obtained if:

- the Group derives future assessable income in Australia of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;
- the Group continues to comply with the conditions for deductibility imposed by tax legislation in Australia; and
- there are no changes in tax legislation in Australia which will adversely affect the Group in realising the benefit from the deductions for the losses.

At 30 June 2023, there is no recognised or unrecognised deferred income tax liability for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiary as the Group has no liability for additional taxation should such amounts be remitted.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

6. Loss per share

Basic loss per share amounts are calculated by dividing net loss for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

The following reflects the income and share data used in the total operations basic and diluted loss per share computations:

Basic and diluted loss per share	2023	2022
Loss used to calculate basic and diluted loss per share	(4,076,855)	(2,567,867)
Basic and diluted loss per share from continuing operations (cents per share)	(7.54)	(8.09)
Weighted average number of ordinary shares	No.	No.
Weighted average number of ordinary shares outstanding during the year used in calculating basic and diluted loss per share	54,071,433	31,754,521

7. Dividends paid or proposed

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

8. Cash and cash equivalents

	2023 \$	2022 \$
Current		
Cash at bank and in hand ⁽ⁱ⁾	1,777,706	4,684,488
Total cash and cash equivalents	1,777,706	4,684,488

(i) Refer to note 17 on financial instruments for details on the Group's exposure to risk in respect of its cash balance.

Significant accounting policy

For cashflow statement presentation proposed, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in rate.

Operating cash flow reconciliation

	2023 \$	2022 \$
Reconciliation of operating cash flows to net profit/(loss)		
Loss for the year	(4,076,855)	(2,567,867)
<i>Adjustments for non-cash items:</i>		
Share-based payments	92,283	1,085,383
Depreciation and amortisation expenses	10,447	2,306
Revaluation of other financial assets	43,975	-
Profit on sale of tenement	(197,415)	-
<i>Change in operating assets and liabilities:</i>		
Decrease / (Increase) in trade and other receivables	112,529	(105,254)
(Decrease) / Increase in trade and other payables	(189,649)	241,085
Increase in provisions	14,077	-
Net cash outflow from operations	(4,190,608)	(1,344,347)

Non-cash investing activities

Shares in Black Canyon (ASX: BCA) totalling \$200,000 (2022: Nil) were received for the sale of the Balfour tenement (Refer to Note 10 and 12).

Non-cash financing activities

Options totalling \$40,591 (2022: 62,480) were issued to brokers during the year as a non-cash financing activity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

9. Trade and other receivables

	2023 \$	2022 \$
Current		
Deposits	3,000	3,000
GST receivable	73,615	69,294
Other receivables	100	116,950
Total trade and other receivables	76,715	189,244

Past due but not impaired

The Group did not have any receivables that were past due as at 30 June 2023. The Group did not consider a credit risk on the aggregate balances as at 30 June 2023. Please refer to note 17 for financial instruments, risk management objectives and policies.

10. Other financial assets

	2023 \$	2022 \$
Current		
Financial assets at fair value through profit or loss		
Held-for trading Australian listed shares	156,025	-
Total other financial assets	156,025	-
Opening balance	-	-
Shares acquired during the year	200,000	-
Shares disposed during the year	-	-
Changes in fair value of financial assets	(43,975)	-
Total other financial assets	156,025	-

Financial assets are classified 'at fair value through profit or loss' when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance valuation where a Group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in the carrying value being included in profit or loss.

11. Property, plant and equipment

	2023 \$	2022 \$
Plant and equipment – at cost	82,482	67,228
Less: accumulated depreciation	(12,753)	(2,306)
Total property, plant and equipment	69,729	64,922

Reconciliation of movements in property, plant and equipment

	2023 \$	2022 \$
Opening Balance	64,922	-
Additions	15,254	67,228
Depreciation expense	(10,447)	(2,306)
Closing Balance	69,729	64,922

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

12. Exploration and evaluation asset

	2023 \$	2022 \$
Opening balance	1,399,949	1,389,473
Acquisition costs capitalised during the period – Mt Rawdon	-	7,891
(Disposal) / Acquisition of costs capitalised during the year – Balfour ⁽¹⁾	(2,585)	2,585
Total exploration and evaluation asset	1,397,364	1,399,949

⁽¹⁾ The Balfour tenement was sold during the year to Black Canyon (ASX: BCA). The group retains the rights to explore and mine copper mineralisation on this tenement (Refer to Note 8 and 10)

The value of the Group's interest in exploration expenditure is dependent upon:

- the continuance of the Company's rights to tenure of the areas of interest;
- the results of future exploration; and
- the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

Joint Venture

On 18 August 2021, Killi entered into an arrangement ('Joint Venture Arrangement') with 1315795 B.C Ltd ("Numberco"), which provided Numberco with the exclusive right and option to acquire a 38% interest in Killi's Ravenswood Project, conditional to the issue of C\$850,000 worth of Numberco shares, on or before 31 December 2021. Killi later signed a variation agreement with Numberco on 18 December 2021, extending the deadline of this option to 31 March 2022.

The First Option under the Joint Venture Agreement over the Ravenswood North Project was not exercised by Numberco prior to the option expiry date and the Joint Venture Agreement has been terminated. Killi Resources retains 100% ownership over the project and all tenements at 30 June 2023.

During the year \$200,000 was refunded to Numberco that was previously paid to the Group and recognised as income in FY 2022.

13. Trade and other payables

	2023 \$	2022 \$
Current		
Accrued expenses	26,000	23,817
Other payables	20,495	17,682
Trade creditors	67,124	261,769
Total trade and other payables	113,619	303,268

Significant accounting policy

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Trade payables are non-interest bearing and are normally settled on 30-day terms. Other payables are non-interest bearing and have an average term of 2 months. All amounts are expected to be settled within 12 months. Please refer to note 17 on Financial Instruments for further discussion on risk management.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

14. Provisions

	2023 \$	2022 \$
Current		
Annual leave provision ⁽ⁱ⁾	32,982	18,905
Total provisions	32,982	18,905

(i) All amounts are expected to be settled within 12 months.

15. Issued capital

(a) Issued and fully paid

	30 June 2023		30 June 2022	
	\$	No.	\$	No.
Ordinary shares	8,884,711	78,000,058	7,626,222	52,000,000
	8,884,711	78,000,058	7,626,222	52,000,000

(b) Movement reconciliation

Ordinary Shares	No. of Shares	\$
Opening balance at 1 July 2021	63,588,813	1,600,001
Consolidation of shares on a 1 for 3.974 basis - 30 July 2021	(47,588,813)	-
Issue of seed capital shares - 15 October 2021	800,000	80,000
Issue of seed capital shares - 2 November 2021	5,200,000	520,000
Issue of IPO placement shares - 14 December 2021	18,640,713	3,728,143
Issue of IPO placement shares - 31 January 2021	11,359,287	2,271,857
Share issue costs ⁽ⁱ⁾	-	(573,779)
Closing balance at 30 June 2022	52,000,000	7,626,222
Issue of entitlement shares - 1 June 2023	26,000,058	1,430,004
Share issue costs ⁽ⁱⁱ⁾	-	(171,515)
Closing balance at 30 June 2023	78,000,058	8,884,711

(i) Share issue costs include share-based payment expense of \$62,480 in relation to options issued to Killi's lead broker upon successful admission of the Group to the official list of the ASX. Refer to note 18 for relevant terms.

(ii) Share issue costs include share-based payment expense of \$40,591 in relation to options issued to Killi's lead broker for the entitlement issue. Refer to note 18 for relevant terms.

(c) The share capital of the Group as at 30 June 2023 was 78,000,058 ordinary shares.

18,425,000 shares of the Group were subject to 24 months escrow from quotation until 10 February 2024.

(d) Terms and conditions of issued capital

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Group, to participate in proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Group.

Unissued ordinary shares of Killi Resources Limited under option and performance rights at 30 June 2023 are as follows:

Grant Date	Expiry Date	Exercise Price	Number Under Option	Number Under Performance Rights
22 Dec 2021	31 Jan 2027	Nil	-	5,110,000
12 Oct 2022	07 Feb 2026	Nil	-	189,752
16 Nov 2021	31 Jan 2026	\$0.30	3,000,000	-
22 Dec 2021	31 Jan 2026	\$0.30	3,000,000	-
10 Feb 2022	31 Jan 2026	\$0.30	500,000	-
01 Jun 2023	01 Jun 2026	\$0.20	14,500,061	-
			21,000,061	5,299,752

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

15. Issued capital (continued)

(e) Capital risk management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group's capital includes ordinary share capital, partly paid shares and financial liabilities, supported by financial assets.

Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet exploration programs and corporate overheads.

The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

The working capital position of the Group at 30 June 2023 was \$1,863,846 (30 June 2022: \$4,551,559) and the net decrease in cash held during the year was \$2,906,782 (30 June 2022: increase \$4,631,277). The Group had at 30 June 2023 \$1,777,706 (30 June 2022: \$4,684,488) of cash and cash equivalents.

16. Reserves

(a) Share-based payments reserves

	30 June 2023		30 June 2022	
	\$	No.	\$	No.
Option reserve	638,339	8,000,000	597,748	6,500,000
Performance rights reserve	642,398	5,299,752	550,115	5,110,000
	1,280,737	13,299,752	1,147,863	11,610,000

(b) Movement reconciliation

Performance Rights	No.	\$
Balance at the beginning of the period – 1 July 2021	-	-
Performance rights granted to Board and CEO as part of remuneration package ⁽ⁱ⁾	5,110,000	550,115
Balance at the end of the period – 30 June 2022	5,110,000	550,115
Balance at the beginning of the period – 1 July 2022	5,110,000	550,115
Performance rights granted to employees as part of remuneration package ⁽ⁱ⁾	189,752	12,376
Share based payment expense from prior issue	-	79,907
Balance at the end of the period – 30 June 2023	5,299,752	642,398

(i) (Refer to Note 23, Performance Rights lapsing after the reporting date)

Options	No.	\$
Balance at the beginning of the period – 1 July 2021	-	-
Options granted to advisors in accordance with transaction management mandate ⁽ⁱ⁾	3,000,000	156,610
Options granted to Board and CEO as part of remuneration package ⁽ⁱ⁾	3,000,000	378,658
Options granted to brokers in accordance with transaction mandate ⁽ⁱⁱ⁾	500,000	62,480
Balance at the end of the period – 30 June 2022	6,500,000	597,748

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

16. Reserves (continued)

Options	No.	\$
Balance at the beginning of the period – 1 July 2022	6,500,000	597,748
Options granted to brokers in accordance with transaction mandate ⁽ⁱ⁾	1,500,000	40,591
Free attaching options	13,000,061	-
Balance at the end of the period – 30 June 2023	21,000,061	638,339

(i) Refer to note 18 for further details on options and performance rights issued during the year.

(ii) Expense relating to granting of broker options has been recognised as part of share issued costs. Refer to note 18 for further details.

Nature and purpose of share-based payments reserves

The share-based payment reserve records the value of option and performance rights and performance shares issued to the Group's directors, employees, and third parties. The value of the amount disclosed during the year reflects the value of options and performance shares issued by the Group.

17. Financial instruments

Financial risk management

The Group's activities expose it to a variety of financial risks including market risk (interest rate risk, foreign exchange risk and price risk), credit risk and liquidity risk. The Groups overall risk management program focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group does not use derivative financial instruments; however, the Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks and aging analysis for credit risk.

Risk management is carried out by the Board of Directors with assistance from suitably qualified external and internal advisors. The Board provides written principles for overall risk management and further policies will evolve commensurate with the evolution and growth of the Group.

(a) Market risk

(i) Interest Rate Risk

The Group hold cash at bank with variable interest rates. The interest rate is low and changes in the interest rates will have minimal impact to the Group.

(ii) Foreign exchange risk

The Group operated pre-dominantly in Australia in the year ended 30 June 2023 and had minimal exposure to foreign exchange risk.

(b) Interest rate sensitivity analysis

At 30 June 2023, the effect on loss and equity as a result of a 2% increase in the interest rate, with all other variables remaining constant would be a decrease in loss by \$34,859 (2022: \$93,049) and an increase in equity by \$34,859 (2022: \$93,049). The effect on loss and equity as a result of a 2% decrease in the interest rate, with all other variables remaining constant would be an increase in loss by \$34,859 (2022: \$93,049) and a decrease in equity by \$34,859 (2022: \$93,049).

(c) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted the policy of dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company measures credit risk on a fair value basis. The Company does not have any significant credit risk exposure to a single counterparty or any Group of counterparties having similar characteristics.

The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Company's maximum exposure to credit risk without taking account of the fair value of any collateral or other security obtained.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

17. Financial instruments (continued)

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings:

	2023 \$	2022 \$
Cash and cash equivalents AA-	1,777,706	4,684,488
Total	1,777,706	4,684,488

(d) Maturity analysis of financial assets and liabilities

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. As at reporting date the Group had sufficient cash reserves to meet its requirements. The Group therefore had no credit standby facilities or arrangements for further funding in place.

The financial liabilities of the Group at reporting date were trade payables incurred in the normal course of the business. These were non-interest bearing and were due within the normal 30-60 days terms of creditor payments. The Group does not consider this to be material to the Group and have therefore not undertaken any further analysis of risk exposure.

2023 Contractual maturities of financial liabilities	Less than 6 months	1 year or less	Over 1 to 5 years	More than 5 years	Over 5 years	Total contractual cash flows	Carrying amount of liabilities
Financial liabilities							
Other payables	46,495	-	-	-	-	46,495	46,495
Trade creditors	67,124	-	-	-	-	67,124	67,124
Total financial liabilities	113,619	-	-	-	-	113,619	113,619

2022 Contractual maturities of financial liabilities	Less than 6 months	1 year or less	Over 1 to 5 years	More than 5 years	Over 5 years	Total contractual cash flows	Carrying amount of liabilities
Financial liabilities							
Other payables	41,499	-	-	-	-	41,499	41,499
Trade creditors	261,769	-	-	-	-	261,769	261,769
Total financial liabilities	303,268	-	-	-	-	303,268	303,268

(e) Financial instruments measured at fair value

The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

- Quoted prices in active markets for identical assets and liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

17. Financial instruments (continued)

Financial assets – Fair value through profit or loss

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
2023				
- Listed investments – held for trading	156,025	-	-	-
2022				
- Listed investments – held for trading	-	-	-	-

Included within level 1 of the hierarchy are listed investments. The fair value of these financial assets has been based on the closing quoted bid prices at the end of the reporting period, excluding transaction costs.

18. Share-based payments

Share-based payments during the year ended 30 June 2023 are summarised below.

(a) Recognised share-based payment expense

	2023	2022
	\$	\$
Expense arising from option share-based payment transactions	-	535,268
Expense arising from performance rights share-based payment transactions	92,283	550,115
Total expenses arising from equity settled share-based payment transactions	92,283	1,085,383

(b) Securities granted during the year

Options granted during the year ended 30 June 2023 as share-based payments are as follows:

Class of Securities	Grant Date	Number of Securities	Exercise Price	Expiry Date	Vesting Date	Disposal Restriction
Broker Options ⁽ⁱ⁾	1 Jun 2023	1,500,000	\$0.20	1 Jun 2026	1 Jun 2023	None

(i) Options were issued to Killi's Lead Broker as part of the Capital raising completed on 1 June 2023, \$40,591 has been recognised in equity as capital raising costs.

Options were valued using a Black-Scholes Model with the following inputs:

Class of Securities	Dividend Yield	Valuation Date	Expected Volatility	Risk-Free Interest Rate	Expiry	Underlying Share Price	Value per Option (\$)	Total Fair Value (\$)	Value Recognised 30 Jun 23 (\$)
Broker Options	Nil	1 Jun 2023	100%	3.38%	1 Jun 2026	\$0.06	\$0.02	\$40,591	\$40,591

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

18. Share-based payments (continued)

Performance rights granted during the year ended 30 June 2023 as share-based payments are as follows:

Tranche	Class of Securities	Grant Date	Number of Securities	Exercise Price	Expiry Date	Disposal Restriction
A1	Employee performance rights	12 Oct 2022	28,463	Nil – Vest on achievement of performance conditions	7 Feb 2026	N/A
A2	Employee performance rights	12 Oct 2022	75,900	Nil – Vest on achievement of performance conditions	7 Feb 2026	N/A
B	Employee performance rights	12 Oct 2022	28,463	Nil – Vest on achievement of performance and market conditions	7 Feb 2026	N/A
C	Employee performance rights	12 Oct 2022	28,463	Nil – Vest on achievement of performance and market conditions	7 Feb 2026	N/A
D	Employee performance rights	12 Oct 2022	28,463	Nil – Vest on achievement of performance and market conditions	7 Feb 2026	N/A

The performance conditions for the performance rights are set out below:

Tranche	Performance Milestones
A1	Continued employment with the Company until 7 February 2023
A2	Continued employment with the Company until 7 February 2024
B	Continued employment with the Company until 7 February 2023 and 20-day VWAP exceeding \$0.60 per share
C	Continued employment with the Company until 7 February 2023 and 20-day VWAP exceeding \$0.70 per share
D	Continued employment with the Company until 7 February 2023 and 20-day VWAP exceeding \$0.80 per share

Performance Rights were valued using a Monte Carlo Model with the following inputs with the expense recognised over the vesting period:

Tranche	Dividend Yield	Valuation Date	Expected Volatility	Risk-Free Interest Rate	Expiry	Underlying Share Price	Value per Right (\$)	Total Fair Value (\$)	Value Recognised 30 Jun 23 (\$)
A1 (i)	Nil	12 Oct 2022	100%	3.392%	7 Feb 2026	\$0.15	\$0.1500	\$4,269	\$4,269
A2 (ii)	Nil	12 Oct 2022	100%	3.392%	7 Feb 2026	\$0.15	\$0.1500	\$11,385	\$6,156
B (ii)	Nil	12 Oct 2022	100%	3.392%	7 Feb 2026	\$0.15	\$0.1088	\$3,096	\$683
C (ii)	Nil	12 Oct 2022	100%	3.392%	7 Feb 2026	\$0.15	\$0.1034	\$2,942	\$649
D (ii)	Nil	12 Oct 2022	100%	3.392%	7 Feb 2026	\$0.15	\$0.0985	\$2,805	\$618

- (i) Tranche A1 of performance rights vested upon achievement of continued employment with the Company until 7 February 2023.
(ii) Subsequent to year end part of Tranche A2, and all of Tranche B, C and D lapsed as the conditions were not met. Refer to Note 23

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

18. Share-based payments (continued)

(c) Securities granted during the prior year

Options granted during the prior year ended 30 June 2022 as share-based payments are as follows:

Class of Securities	Grant Date	Number of Securities	Exercise Price	Expiry Date	Vesting Date	Disposal Restriction
Advisor Options	16 Nov 2021	3,000,000	\$0.30	31 Jan 2026	16 Nov 2021	Subject to 24 months escrow from date of ASX quotation
Board and CEO Options	22 Dec 2021	3,000,000	\$0.30	31 Jan 2026	22 Dec 2021	Subject to 24 months escrow from date of ASX quotation
Broker Options ⁽ⁱ⁾	10 Feb 2022	500,000	\$0.30	31 Jan 2026	10 Feb 2022	Subject to 24 months escrow from date of ASX quotation

(i) As options issued to Killi's Lead Broker were granted upon successful admission of the Group to the Official List of the ASX, \$62,480 has been recognised within share issue costs.

Options were valued using a Black-Scholes Model with the following inputs:

Class of Securities	Dividend Yield	Valuation Date	Expected Volatility	Risk-Free Interest Rate	Expiry	Underlying Share Price	Value per Option (\$)	Total Fair Value (\$)	Value Recognised 30 Jun 22 (\$)
Advisor	Nil	16 Nov 2021	100%	1.16%	31 Jan 2026	\$0.10	\$0.05	\$156,610	\$156,610
Board and CEO	Nil	22 Dec 2021	100%	1.09%	31 Jan 2026	\$0.20	\$0.13	\$378,658	\$378,658
Broker	Nil	10 Feb 2022	100%	1.62%	31 Jan 2026	\$0.20	\$0.12	\$62,480	\$62,480

Performance rights granted during the prior year ended 30 June 2022 as share-based payments are as follows:

Tranche	Class of Securities	Grant Date	Number of Securities	Exercise Price	Expiry Date	Disposal Restriction
A	Directors & CEO performance rights ⁽ⁱ⁾	22 Dec 2021	2,750,000	Nil – Vest on achievement of performance conditions ¹	31 Jan 2027	Subject to 24 months escrow from date of ASX quotation
B	Directors & CEO performance rights	22 Dec 2021	1,850,000	Nil – Vest on achievement of performance conditions ¹	31 Jan 2027	Subject to 24 months escrow from date of ASX quotation
C	Directors & CEO performance rights	22 Dec 2021	510,000	Nil – Vest on achievement of performance conditions ¹	31 Jan 2027	Subject to 24 months escrow from date of ASX quotation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

18. Share-based payments (continued)

(c) Securities granted during the prior year (continued)

The performance conditions for the Director & CEO performance rights are set out below:

Tranche	Performance Milestones
A	Performance rights will vest upon the 20-day VWAP exceeding \$0.40 per share
B	Performance rights will vest upon the 20-day VWAP exceeding \$0.60 per share
C	Performance rights will vest upon the 20-day VWAP exceeding \$0.70 per share

Management have valued tranches A through C performance rights based on the share price at the grant date. A 100% probability of achieving the vesting condition has been applied to the expense in the current reporting period.

Performance Rights were valued using a Monte Carlo Model with the following inputs with the expense recognised over the vesting period:

Tranche	Dividend Yield	Valuation Date	Expected Volatility	Risk-Free Interest Rate	Expiry	Underlying Share Price	Value per Right (\$)	Total Fair Value (\$)	Value Recognised 30 Jun 22 (\$)
A	Nil	22 Dec 2021	100%	1.60%	31 Jan 2027	\$0.20	\$0.185	\$508,335	\$508,335 ⁽ⁱ⁾
B	Nil	22 Dec 2021	100%	1.60%	31 Jan 2027	\$0.20	\$0.174	\$321,980	\$32,944
C	Nil	22 Dec 2021	100%	1.60%	31 Jan 2027	\$0.20	\$0.169	\$86,358	\$8,836

(i) Tranche A of performance rights vested upon achievement of VWAP exceeding \$0.40 per share from 10 February 2022 to 9 March 2022.

19. Commitments

(a) Exploration expenditure

In order to maintain mining tenements, the economic entity is committed to meet the prescribed conditions under which tenements were granted. These commitments may be met in the normal course of operations by future capital raisings and/or farm-out and under certain circumstances are subject to the possibility of adjustment to the amount and timing of such obligations or by tenement relinquishment.

	2023 \$	2022 \$
Exploration expenditure commitments		
Not later than 12 months	1,423,327	1,260,940
Between 12 months and 5 years	1,001,786	1,808,766
Greater than 5 years	-	-
Total	2,425,113	3,069,706

20. Contingent Liabilities

At the date of the report no other material commitments, contingent assets or contingent liabilities exist that the Company is aware of.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

21. Other Information

Deferred Consideration

FMG Resources Pty Ltd

On 24 August 2021, Killi signed a Further Letter Agreement with FMG Resources Pty Ltd ("FMG"). The letter was pursuant to a Letter of Agreement dated 26 March 2020 relating to the surrender of exploration licences 252/3141 and E52/3116 and FMG's subsequent application for a replacement tenement (exploration licence E52/3831).

Under the Further Letter Agreement:

- FMG will pay Iron Bull Bangemall (a subsidiary of Killi) a deferred consideration payment of \$100,000 (plus GST) if FMG is the holder of the replacement tenement on a date which is 3 years after the date of grant of the replacement tenement, provided that as at such date the area the subject of the replacement tenement includes the area the subject of the exploration licences immediately before execution of the Letter of Agreement; and
- FMG will pay Iron Bull Bangemall (a subsidiary of Killi) a deferred consideration payment of \$100,000 (plus GST) if FMG is the holder of the replacement tenement on the date which is 5 years after the date of grant of the replacement tenement, provided that as at such a date the area the subject of the replacement tenement includes the area the subject of the exploration licences immediately before execution of the Letter of Agreement.

In accordance with Australian Accounting Standards, no amounts have been recognised in the financial statements in relation to these matters.

Black Canyon Limited

During the financial year Access Australia Mining (A subsidiary of the Company), entered into a Tenement Sale Agreement to sell 100% of E46/1383 (excluding the rights to explore and mine any copper mineralisation). The consideration included a milestone payment of \$300,000 of Black Canyon Ordinary Shares upon estimation of a JORC compliant Mineral Resources from E46/1383 equal to, or greater than 50MT grading at least 10% Mn. The number of Black Canyon Ordinary Shares to be issued will be based on the VWAP of Shares calculated over the 20 trading days before the ASX announcement is released reporting the Milestone has been met.

22. Related party disclosure

(a) Parent entities

Killi Resources Limited is the ultimate Australian parent entity.

(b) Subsidiaries

The consolidated financial statements include the financial statements of Killi Resources Limited and the subsidiaries listed in the following table.

	Country of Incorporation	30 June 2023 % Equity Interest	30 June 2022 % Equity Interest	Principal Activity
Access Australia Mining Pty Ltd	Australia	100	100	Operating subsidiary
Iron Bull Bangemall Ltd	Australia	100	100	Operating subsidiary
Iron Bull International Holdings Ltd	BVI	100	100	Non-operating subsidiary

(c) Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

22. Related party disclosure (continued)

(d) Key management personnel compensation

	2023 \$	2022 \$
Short-term employee benefits	376,300	204,918
Post-employment long term benefits	32,550	17,938
Long term benefits (annual leave and long service leave)	20,057	12,925
Share-based payments	79,906	928,773
Total	508,813	1,164,554

(e) Other transactions with key management personnel

Mr Phil Warren, a Director of the Company, is also the Managing Director of Grange Consulting Group Pty Ltd (Grange). \$126,000 was paid to Grange for financial management, company secretarial services, and transaction management services for the year ended 30 June 2023 (30 June 2022: \$128,029). Nothing was outstanding and payable to Grange as at 30 June 2023 (30 June 2022: \$11,550). Grange (or its nominee) was also issued with 3,000,000 unlisted options (Advisor Options) as consideration for corporate advisory and transaction management services in the prior year.

23. Events after the reporting date

On 24 July 2023, 136,289 Performance Rights lapsed as the conditions were not met.

No matters or circumstances have arisen since the end of the year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

24. Auditor's remuneration

	2023 \$	2022 \$
Audit Services		
Amounts received or due and receivable by HLB Mann Judd		
- An audit and review of the financial reports of the Group (including subsidiaries)	36,884	32,931
Total remuneration for audit services	36,884	32,931

DIRECTOR'S DECLARATION

For the year ended 30 June 2023

The directors of the Company declare that:

- (a) the financial statements and notes are in accordance with the *Corporations Act 2001*, and:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) give a true and fair view of the financial position as at 30 June 2023 and of the performance for the year ended on that date of the Group.
 - (iii) are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in note 1 to the financial statements; and
- (b) In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (c) The Directors have been given the declarations by the CEO and CFO as required by section 295A, of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Board of Directors and is signed on behalf of the Directors by:



Mr Richard Bevan
Non-Executive Director

Perth, 27 September 2023

ASX ADDITIONAL INFORMATION

Corporate Governance Statement

In fulfilling its obligations and responsibilities to its various stakeholders, the Board is a strong advocate of corporate governance. This statement outlines the principal corporate governance procedures of Killi Resources Limited ("**Company**" or "**Group**"). The Board of Directors ("**Board**") supports a system of corporate governance to ensure that the management of Killi Resources Limited is conducted to maximise shareholder wealth in a proper and ethical manner.

ASX Corporate Governance Council Recommendations

The Board has adopted corporate governance policies and practices consistent with the ASX Corporate Governance Council's *Principles of Good Corporate Governance and Best Practice Recommendations* ("ASX Principles and Recommendations 4th Edition") where considered appropriate for Group of Killi Resources Limited size and nature. Such policies include, but are not limited to the Board Charter, Board Committee Charters, Code of Conduct, Trading in Securities, Continuous Disclosure, Shareholder Communication and Risk Management Policies.

Further details in respect to the Group's corporate governance practises and copies of Group's corporate governance policies and the 2023 Corporate Governance Statement, approved by the Board, are available of the Group's website:

<https://killi.com.au/who-we-are/corporate-governance/>

ASX ADDITIONAL INFORMATION

Additional information required by the ASX Listing Rule 4.10 not disclosed elsewhere in this Annual Report is set out below.

1. Number of holders and voting rights of each class of equity securities

Equity class	Number of holders	Total on issue
Quoted:		
Fully paid ordinary shares	690	78,000,058
Unquoted:		
Options (\$0.30, 31 January 2026)	10	6,500,000
Performance Rights	5	5,163,463
Options (\$0.20, 1 June 2026)	248	14,500,061

All issued fully paid ordinary shares (**Shares**) carry one vote. Options and Performance Rights do not entitle the holder to vote on any resolution proposed at a general meeting of Shareholders.

2. Restricted Securities

The following equity securities are subject to ASX escrow restriction for the periods outlined

- 18,425,000 Shares are restricted for 24 months from the date of quotation (10 Feb 2024)
- 6,500,000 Options are restricted for 24 months from the date of quotation (10 Feb 2024)
- 5,100,000 Performance Rights are restricted for 24 months from the date of quotation (10 Feb 2024)

3. Substantial shareholders as at 4 September 2023

Substantial Shareholder	Number of shares held	% of issued capital held
RUBI HOLDINGS PTY LTD <JOHN RUBINO S/F A/C>	4,500,001	5.77%

4. Distribution schedule of equity securities as at 4 September 2023

a) Shares

Holding Range	Holders	Total Shares	% Total Shares
1-1,000	15	5,999	0.01%
1,001-5,000	94	268,692	0.34%
5,001-10,000	72	598,565	0.77%
10,001-100,000	330	13,254,087	16.99%
100,001 and above	165	63,872,715	81.89%
Total	676	78,000,058	100.00%

There were 202 holders of less than a marketable parcel of Shares based on the share price of \$0.04 on 4 September 2023.

b) Options (\$0.30, 31 January 2026)

Holding Range	Holders	Total Options	% Total Options
1-1,000	-	-	-
1,001-5,000	-	-	-
5,001-10,000	-	-	-
10,001-100,000	1	100,000	1.54%
100,001 and above	9	6,400,000	98.46%
Total	10	6,500,000	100.00%

ASX ADDITIONAL INFORMATION

c) Options (\$0.20, 1 June 2026)

Holding Range	Holders	Total Options	% Total Options
1-1,000	14	7,265	0.05%
1,001-5,000	50	142,255	0.98%
5,001-10,000	41	282,421	1.95%
10,001-100,000	114	4,626,645	31.91%
100,001 and above	29	9,441,475	65.11%
Total	248	14,500,061	100.00%

d) Performance Rights

Holding Range	Holders	Total Shares	% Total Shares
1-1,000	-	-	-
1,001-5,000	-	-	-
5,001-10,000	-	-	-
10,001-100,000	1	53,463	1.04%
100,001 and above	4	5,110,000	98.96%
Total	4	5,163,463	100.00%

5. Top 20 Shareholders as at 4 September 2023

Position	Holder Name	Holding	% IC
1	RUBI HOLDINGS PTY LTD <JOHN RUBINO S/F A/C>	4,500,001	5.77%
2	ROBERT VELLETRI & FRANCINE LEE VELLETRI <ROBERT VELLETRI S/F A/C>	3,591,941	4.61%
3	UPSKY EQUITY PTY LTD <UPSKY INVESTMENT A/C>	2,925,000	3.75%
4	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	2,500,000	3.21%
5	THE CODE FLAG Z TRADING COMPANY PTY LTD <THE EASE VANG SUPER FUND>	2,200,000	2.82%
6	IKAD ENTERPRISES PTY LTD <THE DONJERKOVICH FAMILY A/C>	1,710,241	2.19%
7	DIMJ HOLDINGS PTY LTD <THE FAMILY FOTI S/F A/C>	1,665,713	2.14%
8	OPTIONS ASIA TRADING AND CONSULTING LIMITED	1,497,160	1.92%
9	MR MORRIS ALAN LEVITZKE	1,300,000	1.67%
10	MR RICHARD BEVAN & MRS SARA BEVAN	1,147,883	1.47%
11	PAUL JULIAN L HERPINIERE <ATF TYAVA INVESTMENTS A/C>	1,107,649	1.42%
13	ELVIEN PTY LTD <SUNSET SUPER A/C>	1,100,000	1.41%
13	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	963,903	1.24%
14	PETER WAYNE STUNTZ	921,917	1.18%
15	MISS KATHRYN MARY DAVIES CUTLER	904,545	1.16%
16	SHEZAPPLES PTY LTD	820,970	1.05%
17	JRW INVESTMENTS (WA) PTY LTD <THE SHERRY FAMILY A/C>	809,064	1.04%
18	MR GREGORY JAMES MILES & MRS LOUISE ANNE MILES <THE GLAMRO A/C>	804,545	1.03%
19	SAMMEX CONSULTING PTY LTD	750,000	0.96%
20	MR SCOTT DAVID DEAKIN <DEAKIN FAMILY A/C>	685,000	0.88%
	Total Top 20	31,905,532	40.90%
	Total remaining holders balance	46,094,526	59.10%
	Total issued capital - selected security class(es)	78,000,058	100.00%

ASX ADDITIONAL INFORMATION

6. Unquoted securities

There are no holders of unquoted Options or Performance Rights with more than a 20% interest, that were not issued or acquired under the Company's employee securities incentive plan.

7. On-market buyback

There is currently no on market buyback program for any of Killi Resources Limited's listed securities.

8. Group cash and assets

In accordance with Listing Rule 4.10.19, the Group confirms that it has used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way that is consistent with its business objective and strategy for the period from its admission to 30 June 2023.