

CAZALY RESOURCES LIMITED

MOUNT VENN BASE METAL POTENTIAL

Cazaly Resources Limited (**ASX: CAZ**, “Cazaly” or “the Company”) is currently reviewing the potential of the **several untested geochemical Ni-Cu anomalies** located within Mount Venn project. These highly prospective base metal targets have been significantly underexplored.

Cazaly notes the recent announcement by Great Boulder Resources Limited (ASX:GBR, 13 November 2017) on the discovery of copper-nickel-cobalt mineralisation at its Yamarna project. GBR’s project lies at the extreme southern end of the Mount Venn greenstone belt the majority of which is controlled by Cazaly (figure 1). The Company has received much interest in its holdings in relation to GBR’s project since the announcement and gives a summary as follows.

Cazaly’s Mount Venn project is located ~125 km northeast of Laverton, 40 km west of Gold Road Resources Ltd’s (ASX:GOR) *Gruyere* gold deposit (148 Mt @ 1.30 g/t Au for 6.16M oz., GOR announcement, 16 January 2017) and approximately 3km north of GBR’s Mount Venn Cu-Ni-Co discovery in the Eastern Goldfields region of Western Australia. The belt is associated with the regionally significant Yamarna Shear Zone complex and has many similarities with the Dorothy Hills greenstone belt which hosts *Gruyere*. The belt also hosts the Mount Venn Mafic-Ultramafic Complex in the south and the Mount Cummings Mafic-Ultramafic Complex in the north (figure 1). Cazaly controls the great majority of the belt with over ~50km of strike and ~400 square kilometres of tenure.

GBR have reported initial results from drilling at its Mount Venn Cu-Ni-Co project which comprises a 5km long trend within which GBR has identified several EM anomalies within the Mount Venn Mafic-Ultramafic Complex. The initial drilling revealed the presence of wide zones of primary copper sulphide dominant mineralisation with assays up to 4.3% Cu and 0.1% Co.

Cazaly controls almost the entire Mount Cummings Mafic-Ultramafic Complex which has had minimal exploration for nickel/copper/cobalt to date. Whilst Cazaly has focussed on the gold potential of the belt to date, a recent desk top review of historic work at Mount Cummings has highlighted several areas of interest.

In summary these include;

- **Mount Warren PGE anomaly:** an ~2km long, 3-11m wide gently dipping stratigraphic horizon with anomalous PGE's (Platinum Group Elements) located near a gabbro/pyroxenite contact as defined by soils and rock chips
- **Mount Cornell PGE anomaly:** a ~2km long, very gently dipping PGE anomaly defined by soil geochemistry also associated with a gabbro proximal to the gabbro/pyroxenite contact, and
- **Several untested geochemical Ni-Cu anomalies** located within the basal portion of komatiitic basalts

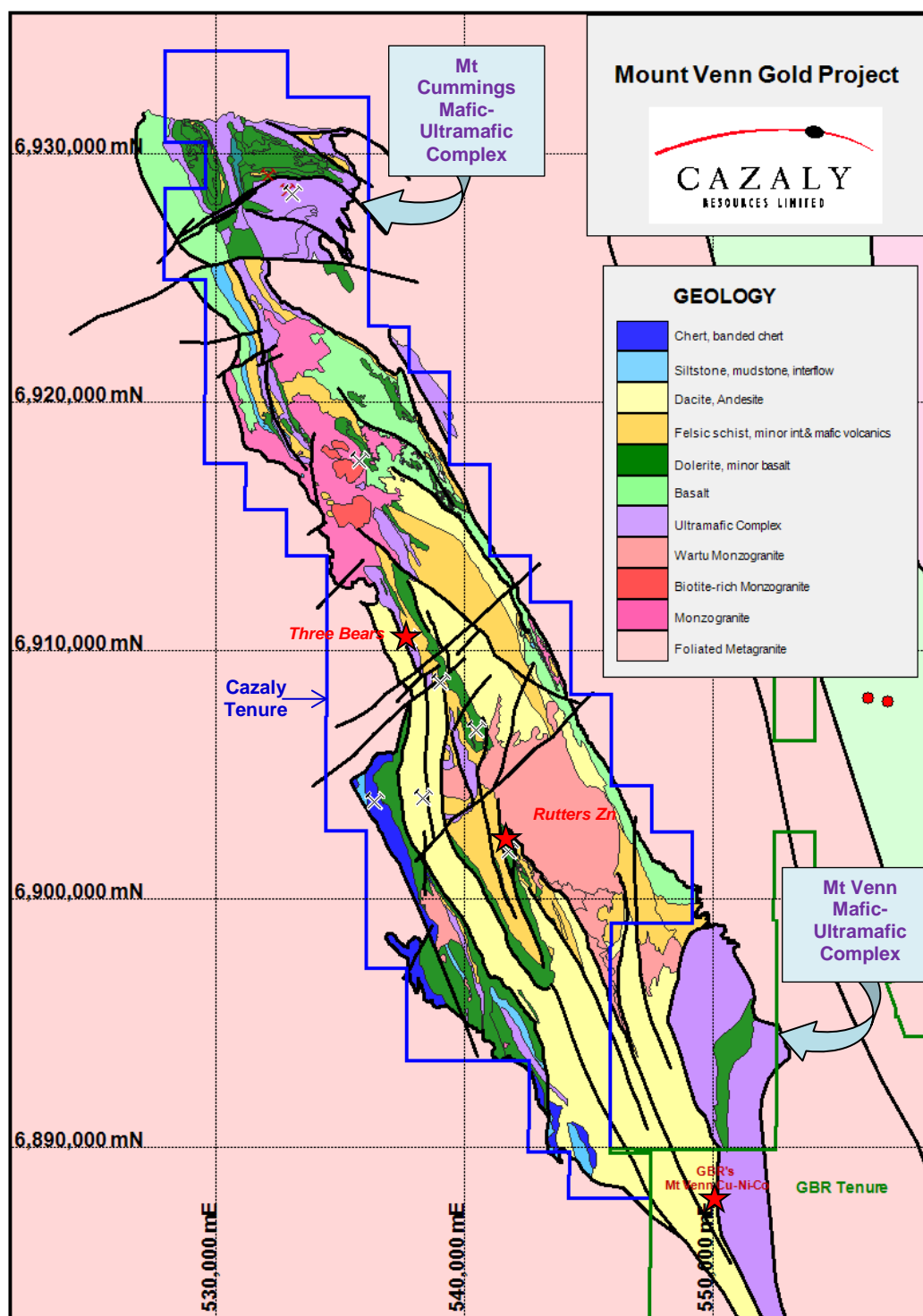


Figure 1: Geology of the Mount Venn greenstone belt

The cobalt potential of the intrusions has never been explored for and a complete re-appraisal of the historic datasets is required. It is envisaged that follow up work will entail geological mapping of the three areas of interest, RAB/Aircore drilling over the targets, ground moving loop EM surveying and RC Drilling and downhole EM.

Since Cazaly gained access to its Mount Venn project in early 2017 the focus has been on exploring the gold potential in the central part of the belt. This work has successfully defined a +3km long gold mineralised corridor at Three Bears occurring within a wide shear structure. Better previously reported results include; **12m @ 1.19 g/t Au, 40m @ 0.36 g/t Au, 36m @ 0.47 g/t Au & 4m @ 2.14 g/t Au**. The Company has also defined significant disseminated and veined sulphides within a package of felsic volcanics which appear to represent an exhalative style VMS system. Better previously reported results include; **104m @ 0.26% Zn, 39m @ 0.23% Zn, 8m @ 1.0% Zn & 20m @ 0.14 g/t Au**.

Cazaly is in the fortunate position of controlling a major tenement holding in the Yamarna belt which is highly prospective for both gold and base metals and is rapidly becoming one of the premier new exploration frontiers in Western Australia.

ENDS

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Competent Person's Statement

The information contained herein that relates to Exploration Results, Mineral Resources, Targets or Ore Resources and Reserves is based on information compiled or reviewed by Mr Clive Jones, who is an employee of the Company. Mr Jones is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and types 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'. Mr Jones consents to the inclusion of his name in the matters based on the information in the form and context in which it appears.

