CAZALY RESOURCES LIMITED

ASX Announcement
5th December 2023

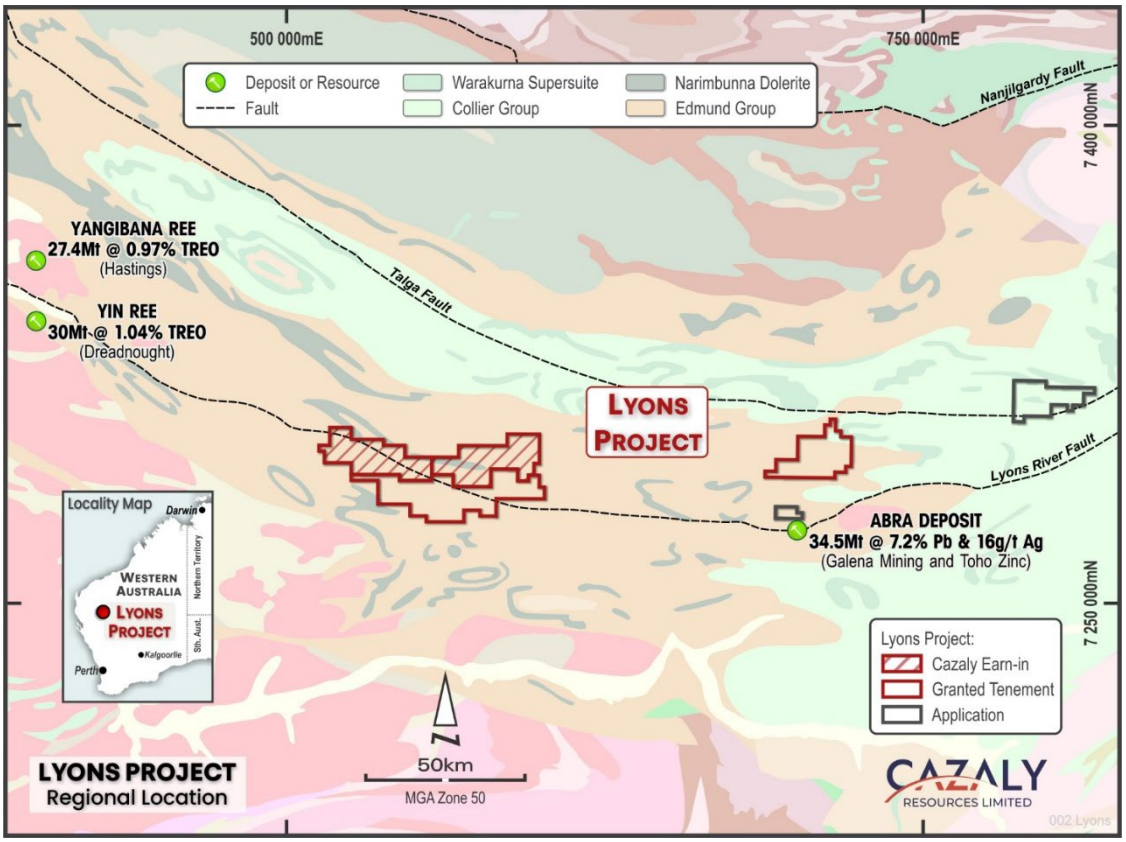
Initial exploration campaign completed at Lyons REE project

Highlights

Initial target generation and surface sampling program completed

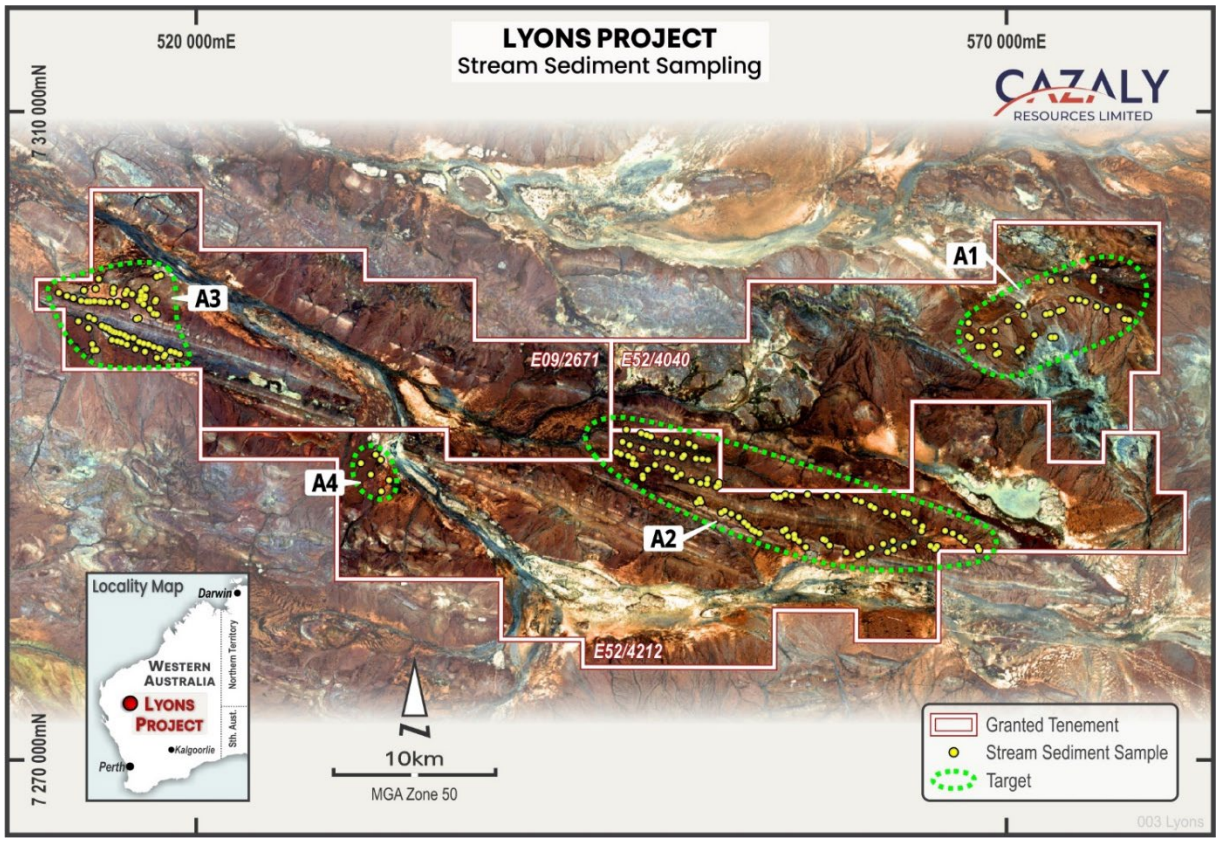
1,000km^2 of tenure prospective for REE and base metal mineralisation

Cazaly Resources Limited (ASX:CAZ, Cazaly, or the Company) is pleased to announce it has completed the initial phase of surface sampling at the new Lyons REE project located in the emerging REE district of the Gascoyne Province, Western Australia.



The Lyons Project tenements, straddle the Lyons fault and fault splays, and remain underexplored. Following an initial reconnaissance scouting expedition, acquisition and processing of multi-spectral data, four preliminary target areas (A1-A4) were selected for stream sediment sampling to test the potential for REE and base metal mineralisation. 213 surface geochemical samples were collected in total, details are listed in Appendix 1. Samples have been submitted to ALS laboratories in Perth and results are expected before the end of the quarter.

Refer to ASX announcement dated 2 August 2023 for further details on the Lyons Project.



ENDS

For and on behalf of the Cazaly Board

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Competent Persons Statement

The information in this report accurately represents the available data as per references provided, and has been reviewed by Ms Tara French and Mr Don Horn, who are employees of the Company. Ms Tara French and Mr Horn are both Members of the Australasian Institute of Geoscientists and have sufficient experience which 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 Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

APPENDIX 1: JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (e.g., cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	**Stream and Rock Chip Sampling.** First pass reconnaissance geochemical sampling commenced at the **Lyons Project**. A total of 219 stream sediment samples and 6 rock chip samples were collected.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Stream sediment samples were collected at a density of between 1 sample per 3 to 5km^2 of catchment area. Field duplicate samples were collected at a rate of 2 in 100 and standards inserted at a rate of 3 per 100 samples.
	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g., 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g., submarine nodules) may warrant disclosure of detailed information.	All surface geochemical samples were sieved to - 75µm in the field and were submitted to Intertek laboratories in Perth for gold and mutli-element analyses utilizing aqua regia digest.
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	Brief geological notes were collected by the sampler during surface stream sample collection.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	Logging is qualitative with colour, lithology, and regolith noted. Site photos were collected during sampling.
	The total length and percentage of the relevant intersections logged.	A descriptive log was collected for each sample location.
Sub-sampling techniques and sample preparation	*For all sample types, the nature, quality, and appropriateness of the sample preparation technique.*	All stream samples were screened on site to -75µm before packaging and submitting to the laboratory.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	Duplicate samples were collected at the rate of 2 per 100 samples.

Criteria	JORC Code explanation	Commentary
	Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.	Appropriate sampling protocols were used during stream sediment sampling.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	Sample sizes are appropriate and the size fraction is suitable for detection of mineralisation as well as being efficient for first pass reconnaissance sampling. Approximately 20g of sample was collected at each location.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	Samples were sent for analysis to the Intertek laboratory in Perth (a commercial accredited independent laboratory). All stream samples will be analysed for 53 elements by the partial digest method: Triple Quad Aqua Regia ICP-MS. The elements and analytical technique were selected by the company's consulting geochemist as appropriate for the Lyons Project.
	For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	No handheld instruments were used for sample analysis.
	Nature of quality control procedures adopted (e.g., standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e., lack of bias) and precision have been established.	Field duplicate samples and standards were submitted with each sample batch as previously stated.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	All data will be checked internally by senior staff.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Field data is collected using tablets and handheld GPS. Data is downloaded daily to excel spreadsheets and validated. GPS data recorded the sample location and was uploaded to the Company database software ready to merge with assay data, upon receipt from the lab.
	Discuss any adjustment to assay data.	Assay data not yet received
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	All geochemical surface sample positions were located with a handheld GPS (±3m).
	Specification of the grid system used.	All co-ordinates collected are in GDA94 – MGA Zone 50S.
	Quality and adequacy of topographic control.	

Criteria	JORC Code explanation	Commentary
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	Stream samples were planned off detailed topography and satellite images in the best tributary sites for the catchment area. At the time of collection, collection points were moved up to 50m to the most suitable site and recorded.
	Whether the data spacing, and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	Data distribution is considered to be sufficient for first pass reconnaissance surface geochemical sampling.
	Whether sample compositing has been applied.	No sample compositing has been applied.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	Stream sediment samples were collected at a density of between 1 sample per 3 to 5km^2 of catchment area. This is considered appropriate for first pass surface geochemical sampling.
Sample security	*The measures taken to ensure sample security.*	Samples were stored on site, until delivery to Perth laboratories by staff (in person). Sample submission forms were provided to the laboratory for the sample batch.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	No external audits on sampling techniques and data have been completed. A review of QAQC data will be carried out by company geologists when assays are received.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	The Lyons Project is located on granted tenements E09/2671, E52/4040 (50% Sammy Resources Pty Ltd 50% Murchison Rare Earth Pty Ltd) and E52/4212 (100% Sammy Resources Pty Ltd). Sammy Resources Pty Ltd is a wholly owned subsidiary of Cazaly Resources Ltd.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	The Lyons Project area has seen exploration for base metals, gold, and limited uranium since the 1960s. Amoco, CRAE and Pacminex explored during the mid 1970's in the area for base metals conducting stream sediment sampling, soil sampling and airborne geophysics. Geopeko flew aeromagnetics over the project in 1982-84 and drilled 6 RC holes on mag features. The holes intersected magnetic pisolite and <10cm micro gossans but no significant mineralisation.

Criteria	JORC Code explanation	Commentary
		Western Mining Corporation completed base metal exploration in 1992-94 integrating airphoto analysis, geological mapping, aeromag and ground mag surveys, TEM and gravity surveys, rock chip and lag sample programs. 16 RC drill holes were completed intersecting dolerite sills, and conductive shales which explained anomalies. Two holes had anomalous results from the Billy can target including 84m @ 1740ppm Zn and 170ppm Cu. Other weakly anomalous lag sample results were also reported from the area. In 2014 Explaurum Limited conducted limited exploration for base metals Abra style mineralisation. Cosmopolitan Minerals Ltd worked parts of the area in 2016 collecting rock chip samples and completing regional desktop studies.
Geology	*Deposit type, geological setting, and style of mineralisation.*	The project area is situated on Edmund Group Lithologies in the central part of the Bangemall Basin. The basin is 530km long and 200km wide made up of siliclastic and carbonate sediments of a Mesoproterozoic age deposited in an intracratonic basin over a period of 1 billion years. The two groups have been intruded by dolerite sills and dykes. The main structural features controlling sediment deposition are mantle tapping faults active during deposition of the Edmund and Collier Group sediments at the craton margins, in particular the NW-SE trending Lyons River Fault. The Abra mineral occurrence is located on the western end of the E-W striking Jillawarra mineralised belt and is dated at 1610-1590 Ma. Mineralisation occurs at the top of the Irregully Formation of the Edmund Group. Approximately 100km to the west of the Lyons Project Dreadnought Resources have discovered REE carbonatite intrusions. These are documented to be mineralised ironstones in outcrop which transition into ferrocarbonatite dykes at depth.
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g., cutting of high grades) and cut-off grades are usually Material and should be stated.* *Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low-grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	Assay data not yet received

Criteria	JORC Code explanation	Commentary
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Refer to the body of this report.
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	Assay data not yet received. The report is considered balanced and provided in context.
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	All meaningful and material information pertaining to this report has been included in the body of this announcement.
Further work	*The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Ongoing assessment of geophysical data sets, in conjunction with results of this first pass geochemical surface sampling, will be conducted to plan future work programs.