



ABN 23 101 049 334

Quarterly Activities Report for June 2020

HIGHLIGHTS

- **Cash and investments at end of quarter \$11.6m**
 - **Numerous gold and base metal project reviews underway**
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Mount Venn Gold Project (WML 80% CAZ 20%)

The Mt Venn Gold Project covers approximately 400 square kilometres located 125km northeast of Laverton in the Eastern Goldfields Region of Western Australia. In September 2019, Woomera Mining Limited (ASX:WML) (**Woomera**) purchased an 80% interest in the project from Cazaly who retains a 20% interest in the tenements through the establishment of an unincorporated Joint Venture.

The project area lies within the Mount Venn-Dorothy Hills greenstone belt which is the most easterly major NW/SE striking greenstone belt of the Yilgarn Craton. Together these greenstone belts account for 30% of the world's gold reserves, most of Australia's nickel production and other base metal and rare earth deposits.

The following is an extract from the June 2020 Quarterly Report from WML:

Mt Venn Gold Project

Despite the limitations imposed by COVID-19 on the Company's on ground exploration activities, management have been actively progressing the planning for the drilling and exploration program at its key project, the Mt Venn Gold Project. This has included continuing with its review of existing and historical exploration data, analysis of the geophysics and geology of the area, in-house geophysical modelling, progressing drilling contracts and preparation of Plan of Works and associated regulatory documentation.

The Company has also negotiated a force majeure on the joint venture with Cazaly Resources Limited for the interim period whilst JV activities have paused to ensure compliance with the terms of the Joint Venture. Communications with the Cosmo Newberry Aboriginal Community have also progressed with the aim of pursuing the prospects for access to enable the commencement of Phase 2 drilling at Mt Venn.

About the Mt Venn Project

The Mt Venn Project contains large interpreted listric shear zones similar to the Dorothy Hills and Yamarna shears reported by Gold Road Resources and associated with gold mineralisation. These shear zones have not been targeted by historical work effectively for gold, despite regional data sets showing geochemical and geophysical anomalies over large strike lengths (Figure 1).

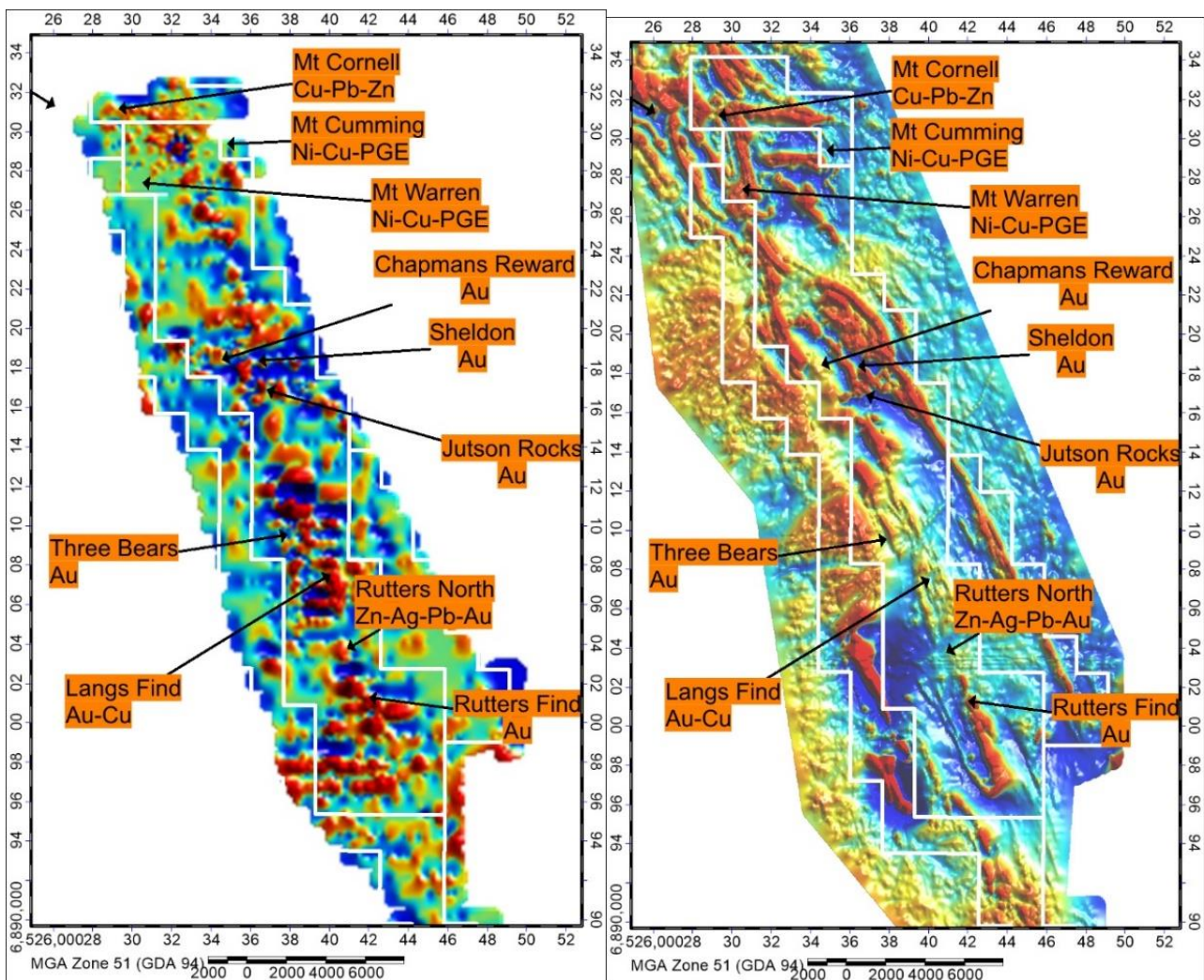


Figure 1: Gold in Soil Anomalies (left) and aeromagnetic image (right) of Mt Venn

There are eleven strong targets in the Project area that have been identified from existing geophysical and geochemical data. Lang's Find, Chapman's Reward and Jutson Rocks Prospects are compelling targets and along with the drilling of several lower saprolite gold anomalies at Three Bears, will be the focus of the second phase of the Mt Venn Exploration Program planned following the lifting of Covid-19 restrictions.

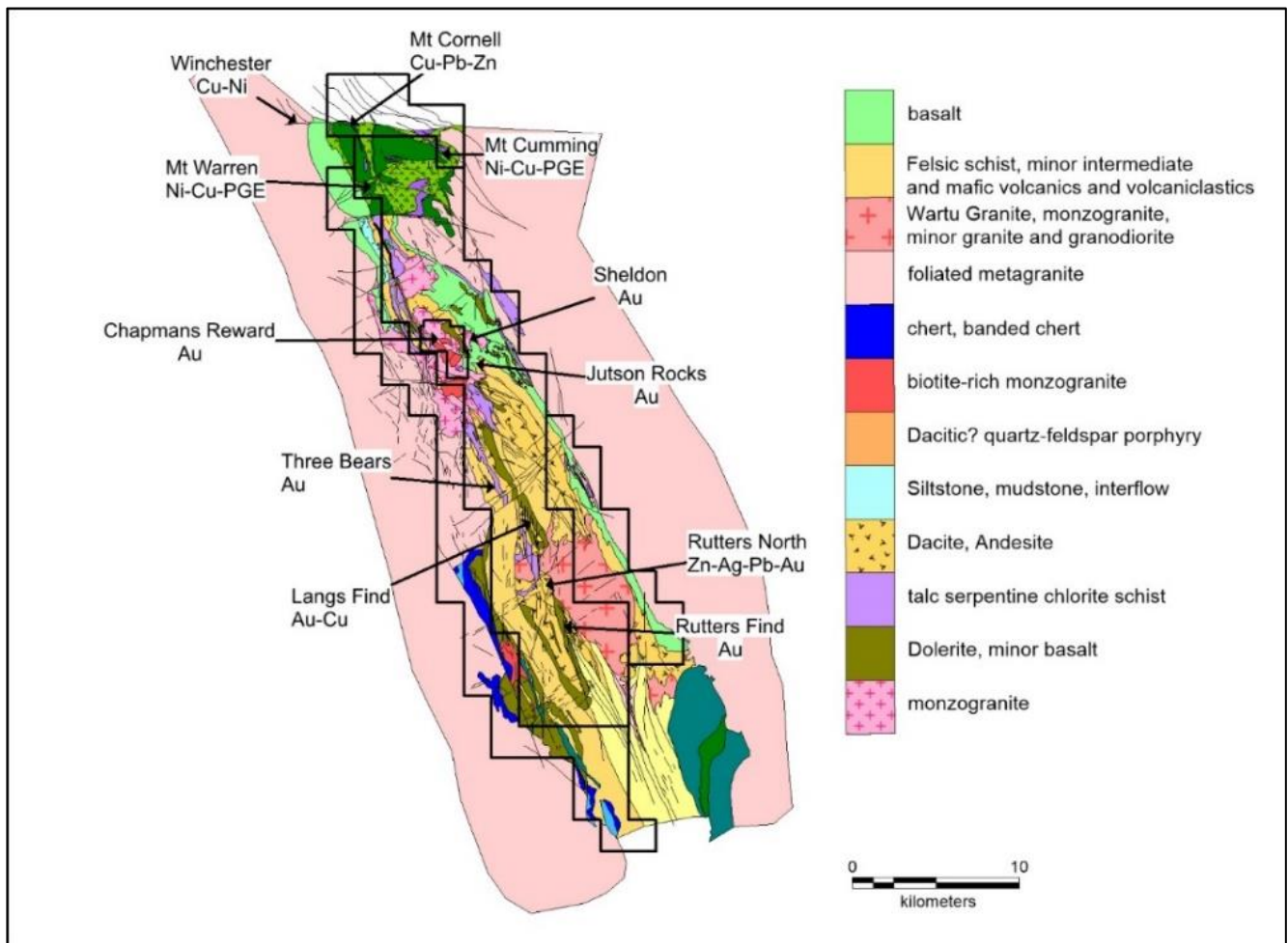


Figure 2: Mount Venn geology and prospect locations

Woomera has also secured Government funding for the project with its application for co-funding from the WA Government for the drilling program being successful last year. The co-funded Exploration Drilling Program is the principal program of the Western Australian Government's Exploration Incentive Scheme (EIS). The competitive program is open for applications twice a year and offers up to a 50 per cent refund for innovative exploration drilling projects. The co-funding grant of \$150,000 will further expand the planned drilling and exploration budget at Mt Venn.

Kaoko Kobalt Project (CAZ 95%)

Cazaly has now earned a 95% interest in the Kaoko base metal project located in northern Namibia approximately 800km by road from the capital of Windhoek and approximately 750km from port of Walvis Bay. The Project is situated immediately north of, and abuts, Celsius Resources Limited's (ASX:CLA) Opuwo Cobalt project resource of 112Mt @ 0.11% Co & 0.41% Cu (CLA ASX: 16 April & 5 November 2018).

Historic work at Kaoko highlighted the potential for base metal and cobalt mineralisation akin to Opuwo within the extensive prospective DOF, host to the Opuwo cobalt mineralisation. Previous geochemistry at Kaoko delineated a 20km by 5km area of subdued magnetics coincident with anomalous Cu-Co-Zn-Mn at the Kamwe prospect.

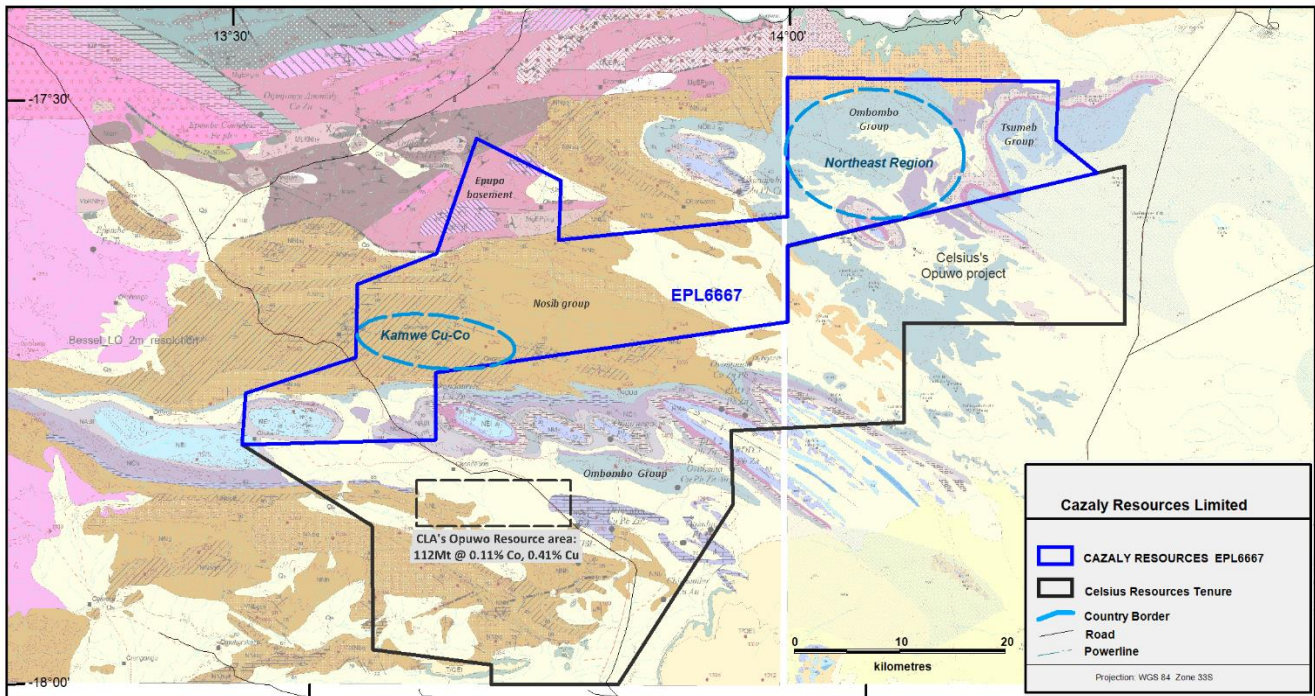


Figure 3: Geology of the Kaoko Kobalt project showing target areas

There is a strong correlation between conductive targets and higher cobalt values in the western and eastern zones at Kamwe. These are separated by a structurally complex corridor containing known high-grade copper mineralisation in gossans as well as further discrete late-time conductors and cobalt-in-soil anomalies.

Previously the company re-assessed historic data and combined it with company acquired data including 3,000 geochemical soil re-assays, rock chip and trench assays and airborne geophysical SkyTEM, data. This work highlighted several areas of coincident geochemical anomalies and conductive stratigraphy. In particular, cobalt, zinc, copper, europium and manganese anomalies have been prioritised and reviewed with SkyTEM and other data sets. Priority target areas have been selected for follow up work in the north east over largely soil covered prospective Ombombo sequence with surface geochemical sampling planned for the forthcoming quarter.

McKenzie Springs (CAZ 49% FIN 51%)

Sammy Resources Pty Ltd (a subsidiary of Cazaly) is in joint venture with Fin Resources Ltd (ASX:FIN) over exploration licence E80/4808, the McKenzie Springs Project, located in the Kimberley region of Western Australia. The project lies south along strike from the Savannah nickel mine owned by Panoramic Resources Ltd and is prospective for intrusive - hosted nickel copper mineralisation. FIN has the right to farm-in to an additional 19% interest in the Project by spending \$500,000 on exploration by, a recently amended date to, 30 November 2020.

The following is an extract from the FIN June 2020 Quarterly Report:

McKenzie Springs Project Approval has been received for the planned Program of Works (POW) with the DMIRS for Fin's maiden drilling program at the McKenzie Springs Project. The program will consist of approximately 1,000m of diamond drilling. A site visit was undertaken during July to the drilling location to field check drill sites (refer Figure 1). The drilling program has been designed to target strong high priority conductors modelled from a Fixed Loop Electromagnetic (FLEM) geophysical survey. The McKenzie Springs Project is located within the East Kimberley region of Western Australia, 85km northeast of the township of Halls Creek and 9km along strike from the Savannah Nickel Copper Mine. Fin looks forward to the commencement of the drill program.

Halls Creek Copper Project (3D 80% CAZ 20%)

The Halls Creek Project is a copper-zinc project in the East Kimberley near the historic township of Halls Creek. The project comprises a Mining Lease which includes the Mt Angelo North volcanogenic massive sulphide ("VMS") deposit.

The Company owns 20% of the Halls Creek Project which is subject to a joint venture arrangement with 3D Resources Limited. Pursuant to the joint venture arrangement, 3D is the manager of the project and the parties contribute to the expenditure and holdings costs of the project proportionate with their ownership interest therein. No work has been undertaken during the quarter.

Brown Well (CAZ 100%, EL Application)

The Brown Well Project comprises two licence applications situated 7km to the west of Laverton and 3km south east of the historic Windarra South Nickel Mine in the Eastern Goldfields of West Australia and are prospective for both gold and nickel however, due to extensive surficial cover, the ground has not previously been effectively tested to date.

Work by previous explorers identified potential nickel sulphide targets within extensions of ultra-mafic komatiite flows which were flagged as priority targets but never tested. Other work highlighted the potential for gold bearing structures to occur within the ground.

Data compilation and target prioritisation has been completed readying for field programs once access is granted.

Other Projects

HAMERSLEY JV – CAZALY 30% CONTRIBUTING INTEREST

Cazaly has been made aware that there has been a claim lodged against the tenement by a third party and that is being defended by Winmar Resources Limited (manager of the JV). The Company has requested to be informed of the progress of the matter.

The Company has completed and is currently reviewing, numerous other potential new projects and is in advanced negotiations on some assets. Project specifics cannot be discussed due to confidentiality requirements however the commodity focus is on gold and base metal projects. Other commodities have also been reviewed and will not be discounted going forward.



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The Company's preference is for advanced exploration to near mining assets in jurisdictions amenable to mining and exploration.

CORPORATE

Cash Distribution

On 18 October 2019, there was a Board Determination that subject to business as usual and Shareholder Approval being obtained there would be a cash distribution of \$0.026 per share (\$9 million) to Shareholders in December 2019. This followed the completion of the 100% sale of Parker Range the Parker Range Iron Ore Project (ASX announcement dated 30 August 2019) and the 80% sale of the Mt Venn Project (ASX announcement dates 20 September 2019).

The cash distribution comprises a payment of \$0.005 per Share as a declared unfranked dividend plus a payment of \$0.021 per Share as a return of capital (**Return of Capital**). The Record Date for both the unfranked dividend and the Return of Capital was 25 November 2019.

Shareholders who held shares as at the Record Date (25 November 2019) and haven't yet claimed their Return of Capital and unfranked dividend funds, are strongly encouraged to go to <https://www.advancedshare.com.au/Investor-Login> to update their TFN and Banking details. If you are already a member of Advanced Share Registry's (**Advanced**) investor portal, please click on member login and log in using your email and password. If you are not a member, please click on Register on the Advanced website and register as a member with your email and password. You will require your SRN or HIN to do the registration process. Alternatively, Shareholders can complete the forms manually and return them to Advanced at 110 Stirling Highway, Nedlands WA 6009.

Other

The Company had cash and investments totalling \$11.6 million at 30 June 2020. This excludes any unclaimed cash distribution proceeds.

The Company continues to monitor the COVID-19 situation closely and provides updates to staff as appropriate and is managing the situation in a balanced, calm and measured way.

The Cazaly Board authorises the release of this Quarterly Activities Report.

For further information contact:

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INTERESTS IN MINING TENEMENTS AS AT 30 JUNE 2020

TID	PROJECT	% INT	TID	PROJECT	% INT
<u>Managed</u>			<u>Not Managed</u>		
E09/2346	BLACK HILL BORE	100	E31/1019	CAROSUE	10
E38/3425 *	BROWN WELL	100	E31/1020	CAROSUE	10
E38/3426 *	BROWN WELL	100	M31/0427	CAROSUE	10
Czech Rep *	HORNI VEZNICE	80	M47/1450	HAMERSLEY	30
Czech Rep *	BRZKOV	80	M80/0247	MT ANGELO	20
Namibia	EPL 6667	95	E80/4808	MCKENZIE SPRINGS	49
Namibia *	EPL 7096	100	E38/3111	MOUNT VENN	20
Namibia *	EPL 7097	100	E38/3150	MOUNT VENN	20
E80/5446 *	PANTON NORTH	100			

* – application