



ABN 23 101 049 334

Quarterly Activities Report for September 2020

HIGHLIGHTS

- **Cash and investments at end of quarter \$11.5m**
 - **Applications for several exploration licences and dealings into further licences create major land holding >2,600km² within the Ashburton Basin, Western Australia – reconnaissance field programme commenced**
 - **Acquisition of 100% of the Halls Creek base metals project**
 - **Numerous gold and base metal project reviews underway**
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PROJECTS

Ashburton Project (CAZ 100%)

Cazaly Resources Limited (ASX: CAZ, “Cazaly” or “the Company”) has made applications for and secured the rights to a major land position covering more than 2,600 square kilometres in the Ashburton Basin in the Pilbara region of Western Australia (figure 1). The Company has also secured an option to earn the rights to purchase Prospecting Licence 08/724 and the surrounding exploration licence application. The project covers major regional structures thought to be highly prospective for major gold mineralisation and occurs in the region hosting Northern Star’s (ASX:NST) Paulsen’s gold deposit and Kalamazoo’s (ASX:KZR) recently acquired Mount Olympus gold deposit. There are no competing applications.

The project is located within the Ashburton Basin which forms the northern part of the Capricorn Orogen, a ~1000km long, 500km wide region of variably deformed metamorphosed igneous and sedimentary rocks located between the Yilgarn and Pilbara cratons. In 2011 the results from a governmental collaborative project conducted a deep seismic survey transecting over ~450km covering the region. The survey aimed to identify the crustal architecture of the region and to identify structures which may have acted as pathways for fluid flow to mineral systems. Given that most significant orebodies are generated by deep lithospheric scale plumbing systems the results were potentially important for the future exploration of the region.

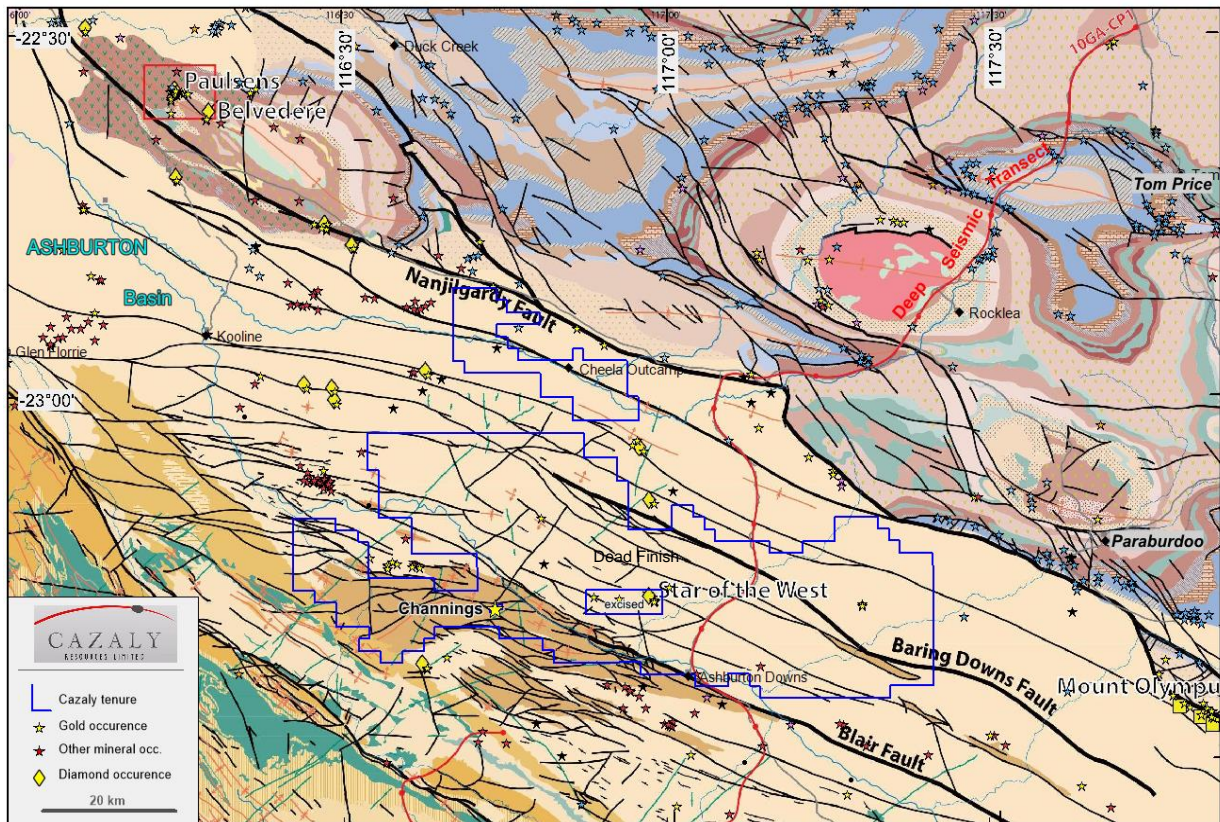


Figure 1: Regional geological setting, Ashburton project (Fielding et al, 2020)

The seismic survey identified the *Baring Downs Fault*, which lies centrally within the Ashburton Basin as a major, as an important deeply seated, crustal scale structure with the potential to host significant mineralisation. To date, there has been very little exploration along the extent of the Baring Downs fault which represents a unique opportunity for modern exploration.

Cazaly's applications cover approximately 80km strike over the extent of the structure and field reconnaissance geological work has commenced.

There has been little modern mineral exploration in the Ashburton Basin. The basin is known to host several smaller primary and numerous alluvial gold deposits (Star of the West, Dead Finish, Big Sarah, Hearn's Find, Glen Florrie, Soldiers Secret). In the late 1890's to 1910 mining occurred in several centres with the Dead Finish diggings alone having over 8,000 men working the field, however true gold production was largely unreported. Some detailed work has occurred along the northern and southern margins of the basin, where the Paulsens and Mount Olympus gold mines lie, but no systematic work has focussed along the Baring Downs structure. Diamond exploration in the 1990's reported several kimberlite and lamproite intrusions in the area. The presence of kimberlites and lamproites, along with the widespread gold mineralisation, is further evidence that the Baring Downs fault is a major, deep seated mantle tapping structure requiring modern exploration.

Prospecting of creeks in the southwest portion of the region led to the very recent discovery of several, coarse gold bearing samples within Prospecting Licence 08/724 over which the Company has secured an option to purchase. The Company has also executed an agreement covering the area of Exploration Licence 08/3258 all of which is detailed in the Company's ASX Announcement dated 9th October 2020.



Figure 2: Location of the 2011 seismic survey (10GA-CP1) transect in relation to the Ashburton basin

Mount Venn Gold Project (CAZ 20% WML 80%)

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.

On 6th October 2020 WML announced the commencement of a drilling programme on the project comprising a maiden reverse circulation programme at the *Chapman's Reward* prospect and maiden aircore drilling programmes at the *Lang's Find* and *Three Bears* prospects.

Drilling at Chapman's Reward is in the vicinity of where findings of up to 201 g/t Au were reported and 26.7 ounces of gold has been historically mined. Although this area was previously inaccessible, the Prospecting Licences have now been amalgamated into the project's tenure.

Drilling at Lang's Find will comprise a maiden AC drilling program to investigate the significant rock chip assays of 208g/t, 61 g/t and 65 g/t and extensive soil and auger gold anomalies.

Drilling at Three Bears will extend the previous drilling program to determine the southern extent of the previously highlighted mineralised zone. Historically, the targets have been underexplored due to the geographically remote nature of the region and a lack of supporting infrastructure.

Halls Creek Copper Project (CAZ 100% at Completion)

On 12 October 2020, the Company announced the purchase of 80% outstanding equity in the Halls Creek project from 3D Resources Limited (“3D Resources”, ASX:DDD) bringing Cazaly to 100% ownership of the project.

The project is a copper-zinc project in the East Kimberley region located near the historic township of Halls Creek. The project includes the Mt Angelo North volcanogenic massive sulphide (“VMS”) deposit where previous results from work conducted by Cazaly prior to the joint venture included; **64m @ 2.72% Cu (1.13% Zn), 62m @ 2.41% Cu (2.75% Zn), 37m @ 2.63% Cu (6.05% Zn), 16m @ 5.91% Cu, 18m @ 2.53% Cu** (refer to CAZ ASX announcements dated 11 December 2012 & 20 June 2013 and Table 1).

The Company will be conducting a review of all previous exploration on the project. There remains very good upside potential with mapping defining the untested northern extensions of the deposit including mapping out of the important Banded Iron Formation capping unit. Furthermore, downhole EM conductors previously defined have yet to be drill tested.

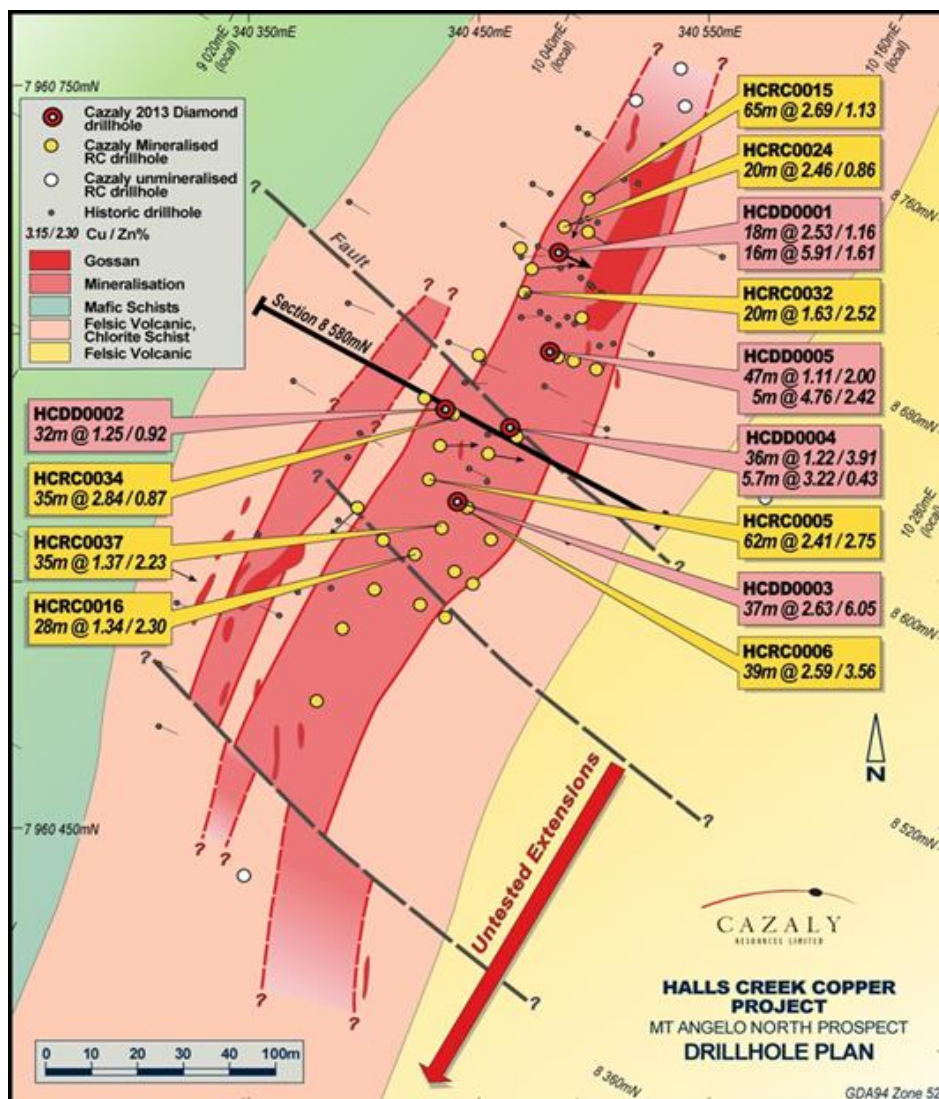


Figure 3: Drillhole plan outlining the Mount Angelo Copper-Zinc deposit

Table 1: Drill Intercepts referred to herein, Mount Angelo North Prospect

HoleID	East	North	Hole Depth	Intercept						
				From	Length m	Cu (%)	Pb (%)	Zn (%)	Ag (ppm)	Au (ppm)
HCDD001	340486	7960661	60	5	18	2.53	0.23	1.16	22	0.22
HCDD003	340444	7960566	75.5	25	37	2.63	0.52	6.05	21	0.28
HCRC005	340433	7960590	100	86	62	2.41	0.10	2.75	16.00	0.04
HCRC015	340498	7960684	102	14	64	2.72	0.06	1.13	12.00	0.19

Nb: See ASX:CAZ announcements dated 11 December 2012 and 20 June 2013 for further drill assay results

The information provided in this announcement was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

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. Priority target areas have recently 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. Results from 6 wide-spaced reconnaissance lines of sampling highlighted an area of anomalous copper and a single high (>50 x background) gold result. These will be assessed on the ground ahead of any follow up work.

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 80/4808, 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.

On 26th October 2020 FIN announced that they had completed a three hole diamond drilling programme which intersected semi-massive and disseminated sulphides and that samples have been submitted for assaying. FIN also announced that downhole electromagnetic (DHEM) surveying was to be undertaken to better define the mineralised zones.



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Hamersley Project (CAZ 30% contributing interest)

During the quarter the joint venture partners CAZ and Pathfinder Resources Ltd. (formerly Winmar Resources Limited) negotiated the withdrawal of the plaint on the tenement and the project is now in good standing. A joint venture meeting is to be convened to plan next steps.

Black Hill Bore (CAZ diluting to 20%)

The project is subject to an Option Agreement with Errawarra Resources Limited who are intending to list on the ASX. The option exercise price is \$60,000 and CAZ will retain a 20% interest in the project and is free carried through to a Decision to Mine.

New Project Generation

The Company has completed and is continues to review, several potential project opportunities. Project specifics cannot be discussed due to confidentiality requirements. The Company's preference is for advanced exploration to near mining assets in jurisdictions amenable to mining and exploration.

CORPORATE

Shareholders who held shares as at the Record Date (25 November 2019) and have yet to have 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, banking and contact 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 or by emailing them to c.chan@advancedshare.com.au.

Other

The Company had cash and investments totalling approximately \$11.5 million at 30 September 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.

Appendix 5B

The following table sets out the information as required by ASX Listing Rule 5.3.5 regarding payments to related parties of the entity and their associates:

Related Party	Amount	Description
Associates of Directors	\$117,096	Director fees
Directors	\$30,314	Director Fees

The Cazaly Board authorises the release of this Quarterly Activities Report (30.10.2020)



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For further information contact:

Clive Jones/Nathan McMahon

Joint Managing Directors (Cazaly Resources Limited ACN 23 101 049 334)

Level 3, 30 Richardson St West Perth WA 6005

Tel: +61 8 9322 6283

Email: admin@cazalyresources.com.au

Website: www.cazalyresources.com.au

The information contained herein that relates to Exploration Results with respect to the Company's majority controlled projects being the; Ashburton, Kaoko and Halls Creek projects, is based upon 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 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'. 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.

This information for the Halls Creek project was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

INTERESTS IN MINING TENEMENTS AS AT 30 SEPTEMBER 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
E80/5446 *	PANTON NORTH	100	E38/3111	MOUNT VENN	20
E08/3259 *	ASHBURTON	100	E38/3150	MOUNT VENN	20
E08/3260 *	ASHBURTON	100			
E08/3261 *	ASHBURTON	100			
E08/3262 *	ASHBURTON	100			
E08/3265 *	ASHBURTON	100			

* application

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At completion will be 100%