CAZALY
RESOURCES LIMITED

HALLS CREEK PROJECT

NEW EM CONDUCTORS CONFIRM POTENTIAL FOR ADDITIONAL MASSIVE SULPHIDE DISCOVERIES

DIAMOND DRILL ASSAYS CONFIRM MINERALISED SYSTEM AT DEPTH

Highlights:

- Ground MLEM survey identifies **two significant bedrock conductors** at Halls Creek
- EM Conductor at the previously unexplored *Moses Rock* prospect indicates **potential for a new massive sulphide discovery**
- EM Conductor identified at the Mount Angelo North Cu-Zn deposit indicates the **potential for growth of the resource at depth**
- Diamond drill assay results confirm Cu and Zn mineralisation at Mount Angelo North 70m below the existing resource model
- The new EM conductors provide further encouragement for the growth of the existing resource and new discoveries at Halls Creek.

Cazaly Resources Limited (ASX: CAZ, "Cazaly" or "the Company") is pleased to announce that the ground based Moving Loop Transient Electromagnetic ("MLEM") survey has identified **two significant bedrock conductors** at *Mount Angelo North* and *Moses Rock*. In addition, diamond drilling at Mount Angelo North intersected broad zones of copper and zinc mineralisation 70m below the current resource model.

Cazaly's CEO Tara French commented *"The ground MLEM survey was designed to follow up on targets previously identified in historical airborne HeliTEM data. The recent MLEM survey confirmed a target along strike to the southwest of Mount Angelo North copper-zinc deposit. A second larger scale target has also been identified at Moses Rock. This provides the company with further encouragement that the Halls Creek Project has the potential to host more massive sulphide deposits hidden under cover."*

GROUND EM SURVEY

The MLEM survey was completed in late August over seventeen (17) line kilometres across the Mount Angelo North Cu-Zn deposit and other target areas across the project. Appendix 1, Section 2 includes details of the MLEM survey. Two clear bedrock conductors were identified at **Mount Angelo North** and **Moses Rock** located 5km to the southwest (Figure 1).

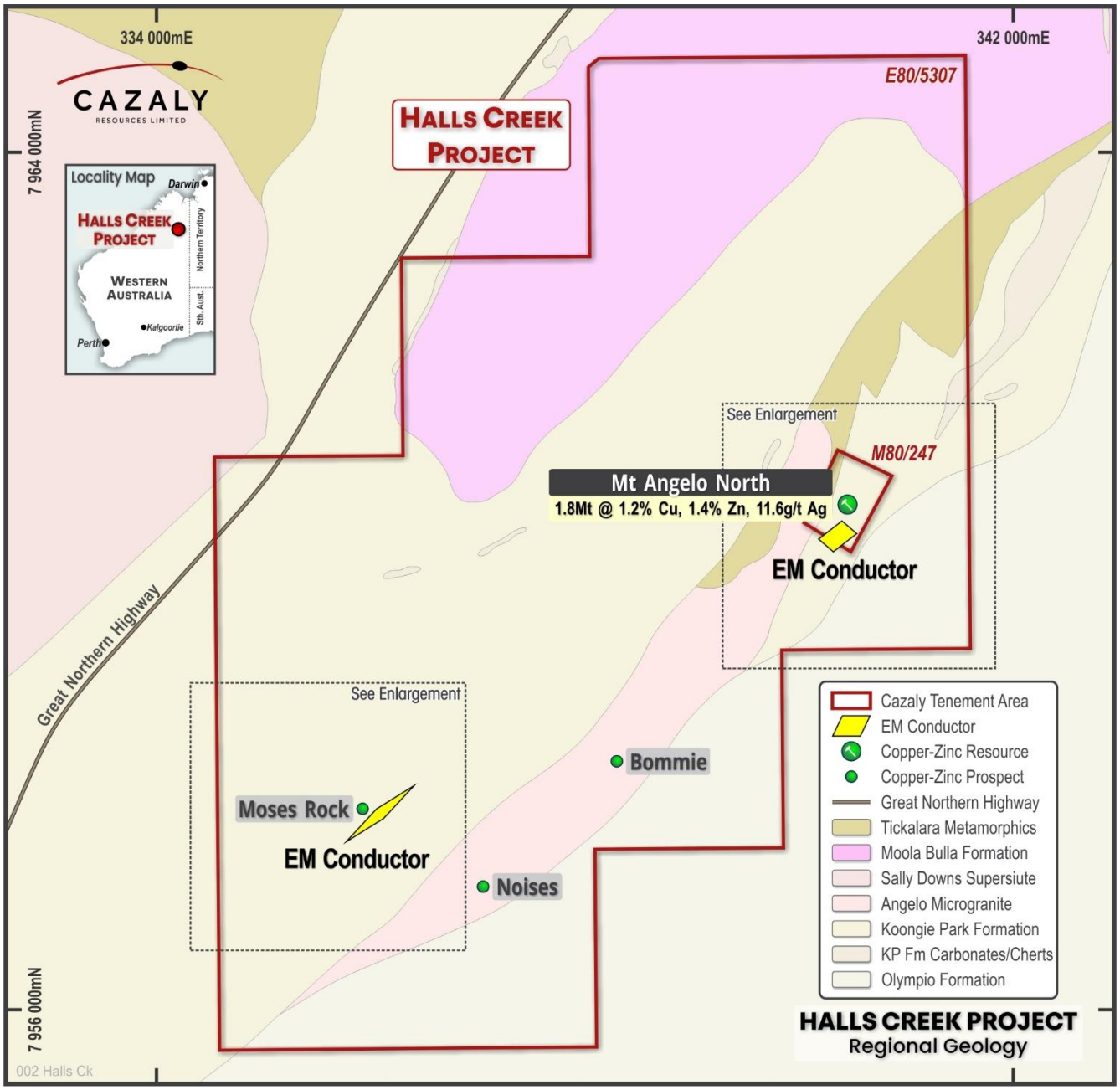

Figure 1. Halls Creek Project Area. New MLEM Conductors identified at Mount Angelo North Resource Area and Moses Rock.

The EM conductor at Moses Rock is located within the Koongie Park Formation, the same rock units that host the Mount Angelo North Cu-Zn Deposit. Both EM conductors exhibit similar conductance however the southern target at **Moses Rock is significantly larger in scale than the conductor at Mount Angelo North** which provides further encouragement for a potentially significant massive sulphide discovery. Recent reprocessing of the historical Heli-TEM survey data also highlights these two areas and shows structural complexity at Moses Rock (Figure 2a and 2b).

The EM conductor at Mount Angelo North is located immediately south of the existing known resource. The conductor is modelled ≈60m below surface with a depth extent of 180m and represents the potential depth extension of the existing massive sulphide mineralisation to the south. The conductor model is based on a single survey line and additional information will be required to better constrain the model prior to drill testing.

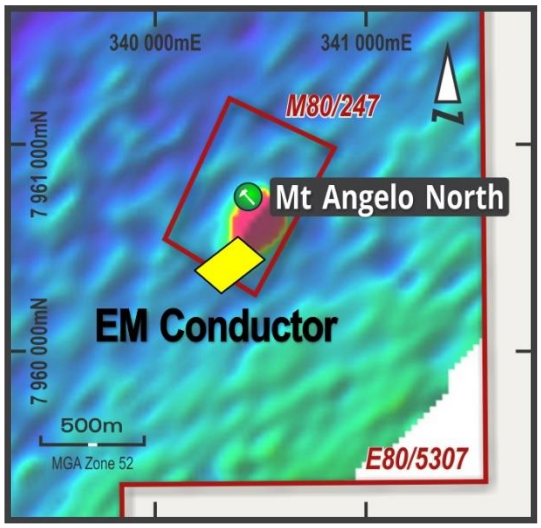

Figure 2a. Mount Angelo North MLEM Conductor on reprocessed HeliTEM imagery

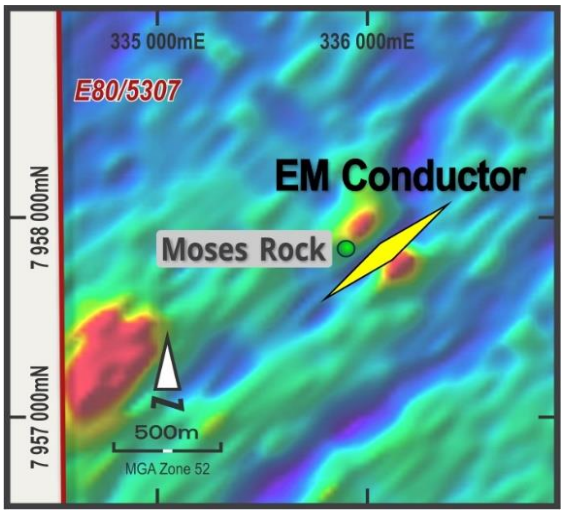

Figure 2b. Moses Rock MLEM Conductor on reprocessed HeliTEM imagery

The conductor at Moses Rock is more robust, with a similar order of magnitude to the conductor at Mount Angelo North, it is larger in its extent, modelled ≈100m below surface for 300m strike, dipping steeply to the southeast with a depth extent of ≈300m. Figure 2b shows the conductor in an area of structural complexity located on the south eastern limb of a fold. The Moses Rock EM conductor represents a new and exciting massive sulphide drill target to be tested during the next drilling campaign, currently scheduled for October.

DIAMOND DRILL ASSAY RESULTS

In June 2021 seven RC drillholes were completed at Mount Angelo North to test the continuity of shallow Cu-Zn mineralisation and explore the potential extensions to known sulphide mineralisation along strike and down dip. Drilling detail is included in Appendix 1. The RC drilling confirmed good, consistent high-grade Cu-Zn mineralisation which marginally extended the known limits of the deposit and highlighted a potential new down plunge position for Zn mineralisation. Anomalous results returned from the drilling included **9m @ 12.5% Cu, 24m @ 3.38% Cu, 13m @ 1.34% Zn & 18m @ 1.17% Zn**.

RC drill hole HCRD0057 was extended with a diamond drill hole tail to test a previously defined downhole electromagnetic ("DHEM") target. The assay results, recently received from the diamond portion of the drill hole intersected moderate Cu and Zn mineralisation within a broad zone of 12m@ 0.16 % Cu and 0.45% Zn indicating that the system was still open at depth. The mineralisation was not sufficient to explain the target and the DHEM conductor remains unexplained. A further DHEM survey will now be conducted to better confirm the location of the conductor.

Table 1. Copper and Zinc Intercepts reported above 0.2% with 4m maximum consecutive dilution

Hole_ID	North	East	RL	Dip	Azi	Total Depth	From (m)	To (m)	Length (m)	Cu (%)	Pb (%)	Zn (%)	Ag (ppm)	Au (ppm)
HCRD0057	7960448	340541	447	-70	300	262	165	167.9	2.9	0.4	0.2	1.6	7.4	0.02
HCRD0057							205	206	1	0.8	<0.01	0.05	3.5	0.03

Further Work

RC drilling is planned for late October to test the EM conductor (Massive Sulphide Target) at Moses Rock. An RC drilling program is also planned to test the extent of disseminated copper mineralisation at the Bommie Prospect and to test the mineralised system at depth.

A downhole electromagnetic (DHEM) survey will be completed in HCRD057 in October.

ENDS

For and on behalf of the Cazaly Board

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The information contained herein that relates to Exploration Results is based upon information compiled or reviewed by Mr Don Horn, who is an employee of the Company. Mr Horn 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 Horn consents to the inclusion of his name in the matters based on the information in the form and context in which it appears.

APPENDIX 1

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (eg 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.*	**Halls Creek** **The Mount Angelo copper-zinc deposit** was sampled using Reverse Circulation (RC) drill holes and an NQ2 diamond drill hole. Holes were drilled on various grid spacings angled -50° to -90° to varying azimuths designed to drill perpendicular to the strike of mineralisation.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Collar positions were located with a handheld GPS with an expected accuracy of ±5m. Hole azimuth was measured with a geological compass at the collar location. Down hole surveys were taken with a Reflex Ez-Trac tool every 30m down hole. Diamond drill core is aligned and measured by tape, comparing back to down hole core blocks consistent with industry practice. 1 industry prepared independent base metal multielement standard was inserted per hole drilled.
	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 (eg '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 (eg submarine nodules) may warrant disclosure of detailed information.	RC samples were collected at 1 metre intervals by a riffle splitter (2-3kg) within the interpreted ore zone. Outside the ore zone 1m spear samples were composited to 4m intervals at the geologist's instruction. All RC samples were sent to the accredited Bureau Veritas laboratory in Perth for sorting, crushing, pulverization and analysis by fire assay (Au, Pt, Pd) and four acid digest (multielement suite) methods. Diamond core was sent to Perth where intervals of mineralization and/or alteration were cut in half using an Almonte diamond blade saw. Samples were primarily 1m. Selected intervals of veining, sulphides or geological breaks were sampled at varying lengths.

Criteria	JORC Code explanation	Commentary
		½ Core samples were also sent to Bureau Veritas Perth for the same analysis as RC samples detailed above. Samples from RC and diamond core were considered representative and appropriate for the material sampled and for use in a resource estimate
Drilling techniques	*Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit, or other type, whether core is oriented and if so, by what method, etc).*	RC drilling was completed with a 139mm diameter face sampling hammer. A single RC hole was extended with diamond drilling NQ2 from 148.9m to 262m using a standard 3m tube. Diamond drill core was routinely orientated, generally every 3m run down hole with a Reflex Act III orientation tool.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	Some RC samples were wet and minor sample loss occurred in the first 20m of drilling due to cavities and a perched aquifer near the resource area. This has affected less than 4% of samples collected. Sample recovery and quality was otherwise good once drilling advanced past the perched aquifer.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	The rig cyclone and splitter were regularly cleaned throughout each drill hole and thoroughly cleaned after intervals of significant clay and water. RC sample recovery was visually assessed with recovery, moisture and contamination recorded into a logging template. Sample weights were regularly checked using a spring scale. Diamond drill core recovery is recorded at the time of drilling and marked on core blocks downhole. Recovery was excellent with less than 1% of core lost downhole.
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	RC sample recoveries were good other than through cavities in the upper 20m of drilling in select holes. These zones have been recorded and will be factored into any intercept calculations performed. No significant bias has been observed in the mineralised zone. No bias is observed in diamond core as there was no loss of core through sampled intervals.

Criteria	JORC Code explanation	Commentary
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.*	All drill chips were geologically logged and photographed on site by geologists following the CAZ logging scheme. With all recorded information loaded to a database and validated.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	Logging is qualitative with colour, lithology, texture, mineralogy, mineralization, alteration, core photos and other features.
	The total length and percentage of the relevant intersections logged.	All drill holes were logged in full
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	Selected intervals of NQ2 core were cut in half using an Almonte diamond blade saw. Half was sent for assay, half kept for archival.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	1 metre RC drill samples fall through a riffle splitter directly below the rig mounted cyclone. A 2-3 kg sample is collected in a pre-numbered calico bag and lined up in rows with the corresponding bulk 1 metre sample pile.
	For all sample types, the nature, quality, and appropriateness of the sample preparation technique.	All drill samples are dried, crushed and pulverised to achieve an average of 85% passing 75µm and all samples are considered appropriate for this technique
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	Duplicate field sample composites were collected in RC drilling at the rate of 1 sample per hole.
	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 RC composite sampling. This included spear collection at various angles through bulk 1 metre sample piles to maximize representivity. Second half sampling of diamond core is not routinely performed
	Whether sample sizes are appropriate to the grain size of the material being sampled.	Sample sizes (2kg to 3kg) are considered to be of a sufficient size to accurately represent any base metal mineralisation (massive sulphides and supergene enrichment). Field duplicates have been collected to ensure monitoring of the sub-sampling quality.
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 Bureau Veritas laboratory in Perth (a commercial accredited independent laboratory). All RC and diamond core samples were analysed by: • Fire Assay using a 50g charge finished by ICP-AES to analyse for Au-Pt-Pd. • Four Acid Digest to analyse a 47-element suite with an ICP-OES/MS finish which offers a near total

Criteria	JORC Code explanation	Commentary
		dissolution.
	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 geophysical instruments were used during the drill campaign.
	Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	Field duplicate samples and standards were submitted with each sample batch at a rate of 1 per hole. The laboratory inserted standards, blanks, and duplicate samples. Results are within tolerable limits
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	All data has been checked internally by senior CAZ staff
	The use of twinned holes.	No twinned holes were drilled
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Field data is collected using an excel spreadsheet with internal validation on a Toughbook computer. Data is also validated as it is loaded to a Datashed company database.
	Discuss any adjustment to assay data.	No adjustments are made to assay data
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.*	Collar positions were located with a handheld GPS (±5m). Down hole surveys were taken with a Reflex Ez-Trac tool every 30m down hole.
	Specification of the grid system used.	All co-ordinates collected are in GDA94 – MGA Zone 52
	Quality and adequacy of topographic control.	The topographic surface is determined from pre-existing digital elevation models and DGPS survey data.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	Holes were drilled on various grid spacings angled -50° to -90° to varying azimuths designed to drill perpendicular to the strike of mineralisation wherever possible due to drill access.
	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.	The data spacing and distribution is considered sufficient to demonstrate spatial and grade continuity of the mineralised domains to support the definition of Inferred and Indicated Mineral Resources under the 2012 JORC code once all other modifying factors have been addressed

Criteria	JORC Code explanation	Commentary
	Whether sample compositing has been applied.	All samples are collected at 1m intervals. Samples are composited to 4m at the direction of the geologist outside of mineralised intervals for RC sampling. No compositing is applied to diamond core samples.
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.*	Drilling on all projects is orientated to best suit the mineralisation to be closely perpendicular to both the strike and dip of the mineralisation. Intercepts are close to true width in most cases. Exceptions are where steep rocky outcrop has not allowed for clearing to allow optimal placement of a drill rig in a small number of holes.
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	It is not believed that drilling orientation has introduced a sampling bias.
Sample security	*The measures taken to ensure sample security.*	Samples are securely sealed and stored onsite, until delivery to Perth laboratories via contract freight Transport. Chain of custody consignment notes and sample submission forms are sent with the samples. Sample submission forms are also emailed to the laboratory and are used to keep track of the sample batches.
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 has been carried out by company geologists

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

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 Mount Angelo North Project is located on M80/0247 a 41.59 hectare tenement granted on 31/05/1988. Normal Western Australian State royalties apply. In addition, a NSR of 1.5% to Squadron Resources Pty Ltd.

Criteria	JORC Code explanation	Commentary
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	Intermittent exploration from 1972 and 2005has been carried out by Kennecott, Newmont, North Broken Hill, Asarco Australia, BP Minerals, RTZ Mining and Anglo Australian Resources NL. Work defined several small base metals occurrences to the south west of Halls Creek which were subjected to drilling, geophysics surveys and geochemical sampling programs. More recently, 3D Resources and Cazaly Resources have conducted targeted exploration utilising airborne geophysics, ground geophysics, RC, and diamond drilling on the project area from 2008-2014 and in 2021.
Geology	*Deposit type, geological setting, and style of mineralisation.*	The Mount Angelo North Cu-Zn-Ag volcanogenic massive sulphide deposit is hosted within the Koongie Park formation, a sequence of felsic volcanics, argillic sediments, volcaniclastics and various intercalated chemical sediments. The Koongie Park Formation is centrally located within the Lamboo Complex consisting of Palaeoproterozoic plutonic rocks and volcanic-sedimentary sequence of the Halls Creek orogen.
Drill hole Information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	Refer to the body of the announcement and Appendices.

Criteria	JORC Code explanation	Commentary
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg 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.*	The Mount Angelo North reported intercepts include a minimum of 0.2% Cu over a minimum distance of 1m with a maximum 2m or 4m consecutive internal waste. No upper cuts have been applied. All assay results above 0.2% Cu and 0.2% Zn are reported.
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.* *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	Holes were drilled from -50 to -90 on various azimuths to drill perpendicular to the orientation of mineralisation. Mineralisation in the oxide zone at the northern end of the mineralised zone is sub-horizontal, with increasing depth the orientation of mineralisation increases to approximately 50 degrees east.
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 the announcement.
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.*	All assay results above 0.2% Cu are reported as material. Assay results below 0.2% are not considered material. 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.*	A Moving Loop Transient Electromagnetic **(MLTEM)** ground survey was completed at the Halls Creek project area. The MLTEM survey was completed in early August 2021. <u>MLTEM configuration</u>: • Contractor: Vortex Geophysics • SMARTem24 receiver • EMIT SMART Fluxgate B-field sensor • Vortex VTX-100 transmitter • Loop size – 200x200m • 100-300m line spacing, primarily 100m • 100m station spacing

Criteria	JORC Code explanation	Commentary
		• Sensor offset – slingram, 200m NW of loop centre • 1Hz base frequency • ~72A current • ~1msec ramp time • Multiple readings at 64 stacks MLTEM surveys are an industry standard practice for definition of bedrock conductors representing potential mineralised sulphide bodies.
Further work	*The nature and scale of planned further work (eg 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.*	Drilling at Mount Angelo north will be fully assessed. The diamond hole was cased with PVC and will be surveyed by a Down Hole EM geophysics crew (DHEM) to look for off-hole conductive bodies which may represent sulphide. Any target generated may be tested in further drilling during 2021-22. Additional extensional / step out drilling will also be considered and an updated resource estimation to meet JORC code standards 2012 will be completed.