



Quarterly Activities Report for March 2022

SUMMARY

Halls Creek (Cu, Zn, Ag) – Kimberley, WA

- Heritage survey recently concluded, awaiting final report.
- Drilling contractor engaged to commence in May-June 2022.

Ashburton (Au, Base Metals) - Pilbara, WA

- Surface sampling identified two anomalous gold-copper mineralised trends extending over 50km

Yabby (Au and Ni) – Northeastern Goldfields, WA

- Initial surface sampling programme identified five discreet gold anomalies.
- Follow up surface sampling planned to refine anomalies and determine suitability for drill testing.

Mount Venn JV (Au, Cu-Ni-PGE) – Northeastern Goldfields, WA

- RC Drilling commenced at Mount Cumming Ni-Cu-PGE Prospect
- Auger drilling completed across several Gold and Nickel Prospects

Corporate

- Cash and investments at end of quarter ≈\$13m

The Board of Cazaly Resources Limited (ASX:CAZ, "Cazaly" or "the Company") is pleased to provide this Quarterly Activities Report for its recent activities to date and for the quarter ended 31 March 2022.

PROJECTS

Halls Creek Copper-Zinc Project (CAZ 100%)

The Project is situated 25km southwest of Halls Creek and covers part of the Halls Creek Mobile Zone which is highly prospective for a range of commodities including copper, gold and nickel (Figure 1). The project includes the Mount Angelo North Copper-Zinc deposit, an extensive zone of near surface oxidised Cu-Zn mineralisation overlying massive Cu-Zn sulphide mineralisation. Previous results from drilling conducted by Cazaly at Mount Angelo North included **64m @ 2.7% Cu (1.1% Zn), 62m @ 2.4% Cu (2.8% Zn), 37m @ 2.6% Cu (6.1% Zn), 16m @ 5.9% Cu, 18m @ 2.5% Cu**. The Mount Angelo North mineral resource estimate is reported in accordance with the JORC Code 2012 as 1.72Mt @ 1.4% Cu, 12.3ppm Ag, 1.4% Zn (using 0.4% Cu lower cut) for 23kt Cu, 680koz Ag and 25kt Zn.

The Project area also hosts a large lower grade copper deposit associated with a high level porphyritic felsic intrusive at the Bommie prospect located 2.5km to the southwest of the Mount Angelo North Copper-Zinc deposit (Figure 1). The Bommie prospect has a large geochemical footprint with coincident Cu-Mo-Bi that extends for 1.2km along strike and over 800m across strike (Figure 2). The porphyry system is host to significant copper mineralisation with previously reported drill intercepts including **170m @ 0.4% Cu, 178m @ 0.3% Cu and 136m @ 0.3% Cu**. Higher-grade intercepts within the mineralised intervals include **23m @ 1.0% Cu and 7m @ 1.3% Cu**.

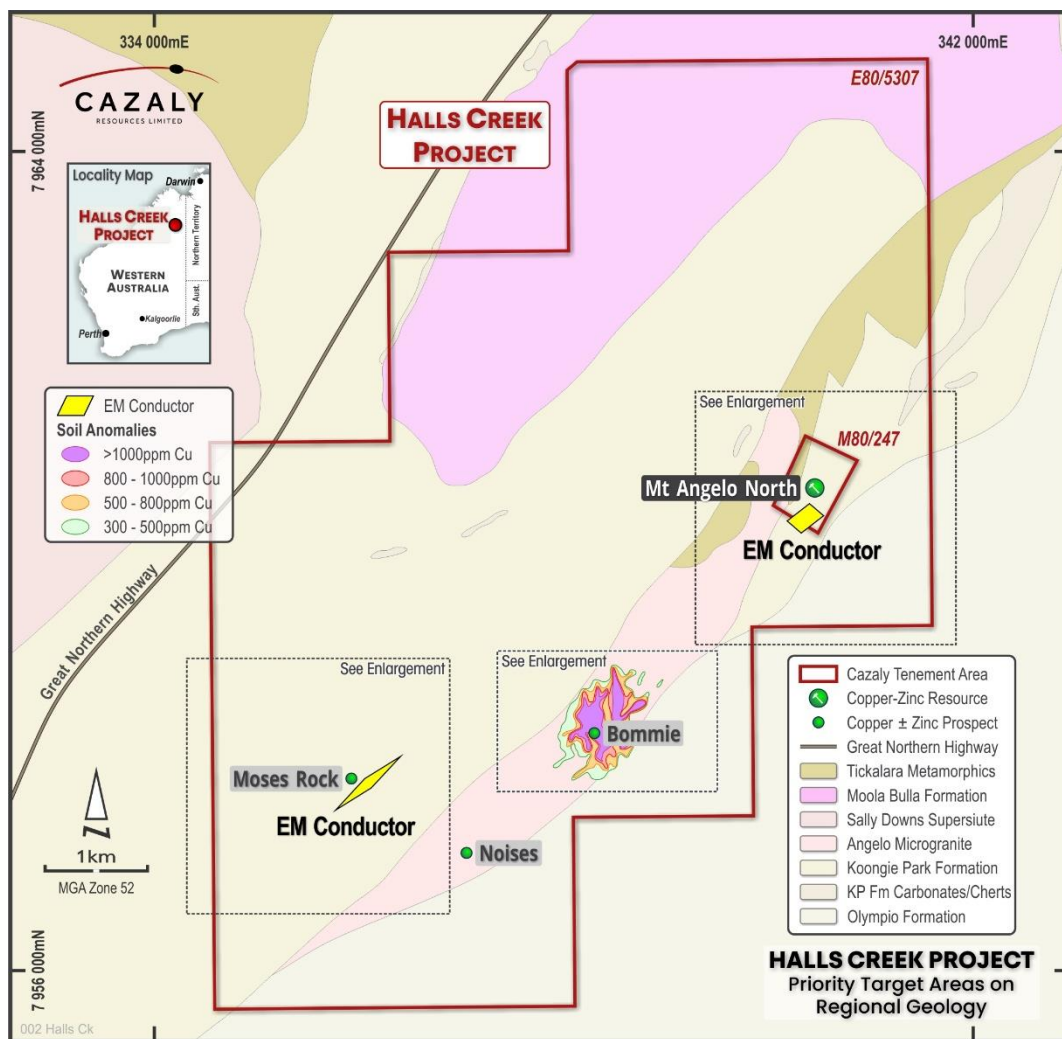


Figure 1. Location of High Priority Drill Target Areas at the Halls Creek Project

Priority Drill Targets:

1. Bommie Prospect – porphyry copper target

The Bommie Prospect located 2.5km south of Mount Angelo North is interpreted as a large low grade copper system with significant drill intercepts as shown in Figure 2. The prospect has an extensive surface geochemical signature which provides further encouragement for a large mineralised system.

RC Drilling is planned to test the continuity of broad copper intercepts across the Bommie Prospect as soon as possible following the appropriate approvals and clearances.

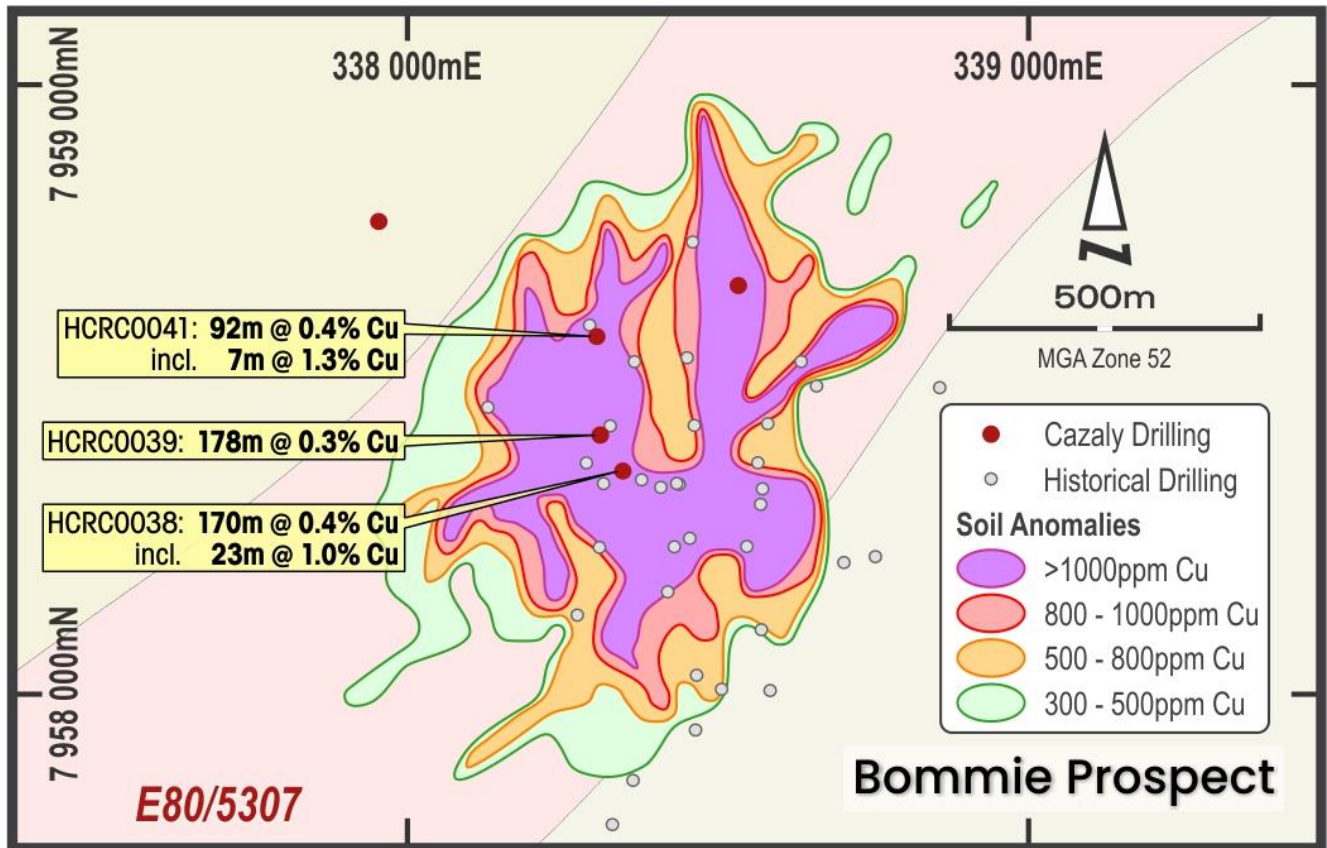


Figure 2. The Bommie prospect. Copper in soil anomalies and anomalous drill intercepts.

2. EM conductors – Massive Sulphide targets at Mount Angelo North and Moses Rock

The MLEM survey completed in late August 2021 across priority target areas at the Halls Creek Project, identified two clear bedrock conductors at **Mount Angelo North** and **Moses Rock** located 5km to the southwest (Figure 1). For details on the survey configuration refer to CAX:ASX Announcement dated 30 September 2021.

RC drilling is planned to test these conductors between 100-150m below surface. Drilling will commence following all appropriate approvals and clearances.

The EM conductor at Mount Angelo North is located immediately south of the existing known resource (Figure 3). The EM 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. The position of the conductor ties in well with the results from recent drilling that suggests mineralisation continues down plunge to the southwest.

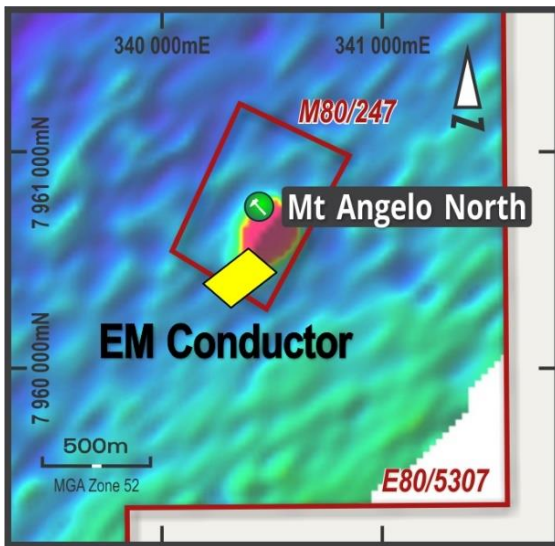


Figure 3. Mount Angelo North MLEM Conductor on reprocessed HeliTEM imagery

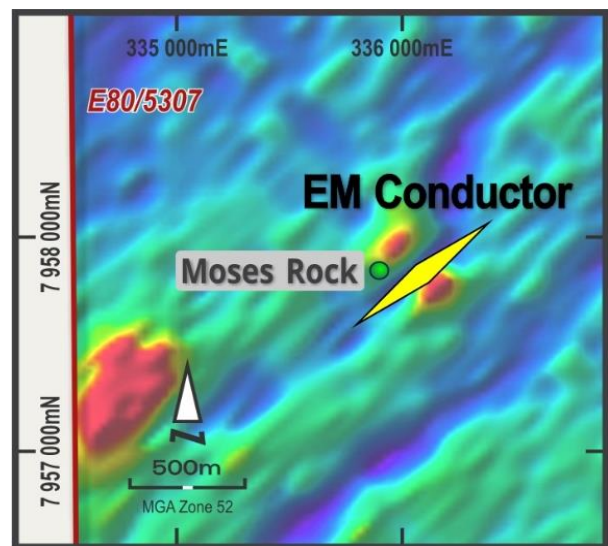


Figure 4. Moses Rock MLEM Conductor on reprocessed HeliTEM imagery

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 (Figures 3 and 4).

The conductor at Moses Rock is robust, with a similar order of magnitude to the conductor at Mount Angelo North, it is larger in its extent, modelled $\approx 100\text{m}$ below surface for 300m strike, dipping steeply to the southeast with a depth extent of $\approx 300\text{m}$. Figure 4 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.

A cultural heritage survey was completed on the 21 April 2022. The survey was undertaken to assess planned drilling areas for clearance in respect of cultural heritage places of significance. The final heritage survey report is pending.

Total expenditure for the March '22 quarter was \$38,720 in respect of M80/0247 and E80/5307.

Ashburton Basin Project (CAZ 100%)

Cazaly holds the rights to a major land position covering more than 2,450km² in the Ashburton Basin, in the Pilbara region of Western Australia. The Ashburton project covers major regional structures considered to be highly prospective for 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. The project area presents an excellent opportunity for discovery of large mineralised systems along the major regional scale structures, which to date have seen very little modern exploration.

The Ashburton Basin forms the northern part of the Capricorn Orogen, a $\sim 1,000\text{km}$ long, 500km wide region of variably deformed metamorphosed igneous and sedimentary rocks located between the Yilgarn and Pilbara cratons.

Cazaly's initial phase of on ground greenfields exploration across the Ashburton Project was completed during the December '21 quarter with 1,211 surface samples collected across the project area (Figure 5). Analytical results were received during the March '22 quarter. The regional stream sediment sampling program will

provide the first comprehensive geochemical dataset across the entire Ashburton project area, and has already successfully identified major regional scale (Figure 5) mineralised structures:

- **Two anomalous gold-copper mineralised trends extend over 50km** in the northern project area, and
- Strong base metal signatures highlight the prospectivity of regional scale structures in the southern project area.

In addition, targeted soil sampling has highlighted the following anomalies:

- **10km long Au-Cu trend** at *New Finish* prospect,
- **7km long base metal (Cu-Ag-Pb-Zn) trend** at *Warden Pool* prospect,
- **3km long base metal (Cu-Ag-Pb-Zn) trend** at *Ram Hole Creek* prospect.

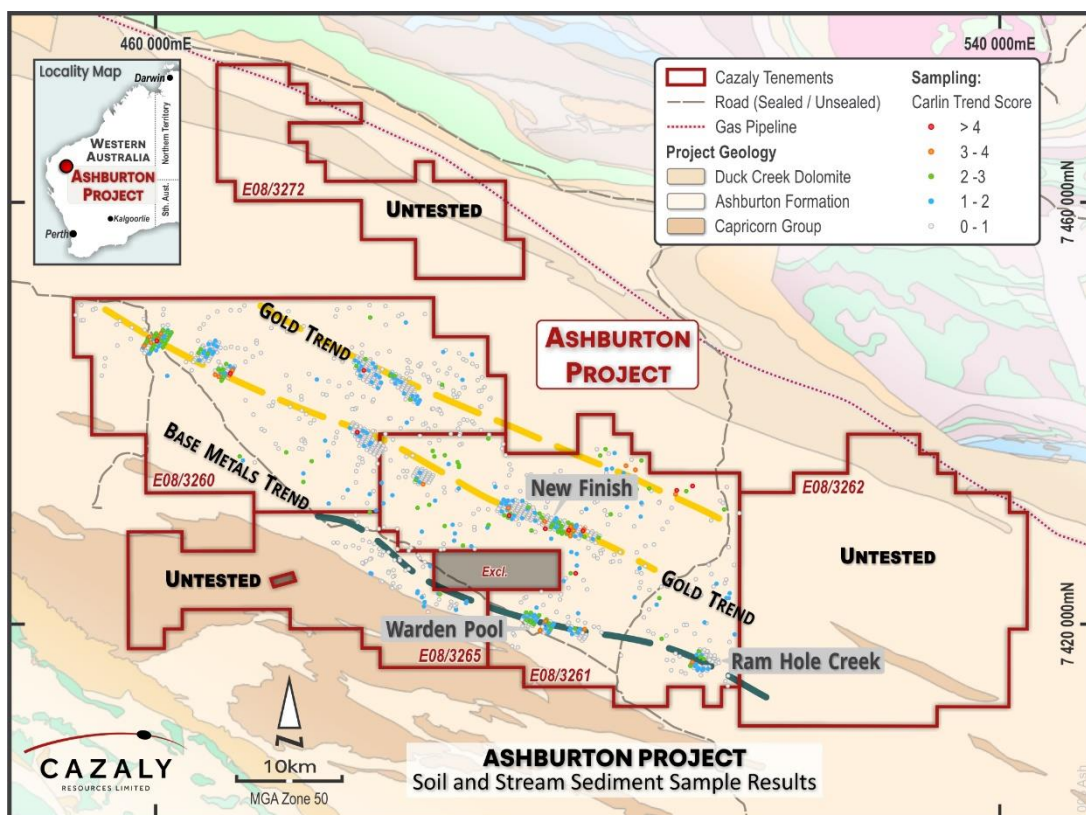


Figure 5. Ashburton Project with surface sampling and interpreted mineralised trends.

This first pass regional surface sampling program has covered the majority of E08/3260 and 3261. Additional surface sampling will be completed on the remainder of E08/3262, 3265, and 3272 to provide a comprehensive regional scale geochemical dataset for the entire tenement package. Interpretation of the geochemical data has commenced and work to date is presented in this announcement. Further in-depth geochemical studies will be undertaken to generate vectors towards mineralisation and identify areas that require further work. Infill sampling will be completed in due course to further refine target areas.

In addition to the success of the regional stream sediment sampling programme highlighting the major mineralized trends, the targeted prospect scale soil sampling has confirmed anomalous metal values over 10km strike at New Finish, over 3km strike at Ram Hole Creek and 7km strike at Warden Pool. Refer to CAZ:ASX Announcement dated 14 March 2022 for anomalous assays, sampling techniques and reporting of results.

Total expenditure for the March '22 quarter was \$78,353 in respect of E08/3260, E08/3261, E08/3262, E08/3265 and E08/3272.

Yabby Project (CAZ 100%)

The Yabby tenements are located 10km to the west of Laverton in the north-eastern goldfields of Western Australia. The project area covers 16km² of the highly prospective Laverton Greenstone Belt and has potential for new nickel and gold discoveries (Figure 6). Tenements overlie the interpreted continuation of the mineralised ultramafic host to Poseidon’s *South Windarra* nickel mine and are positioned directly to the north of the *Lady Julie* Gold deposit where gold mineralisation extends from surface with recent drill results including 22m @ 4.1 g/t gold from surface, and 16m @ 5.59 g/t gold from 20m (Magnetic Resources (MAU):ASX Announcement released 10 January 2022).

Analytical results have been received for 209 surface lag samples collected during the December 21 quarter. Surface samples were collected on a 400m x 200m grid across the entire project area to identify targets for follow up exploration.

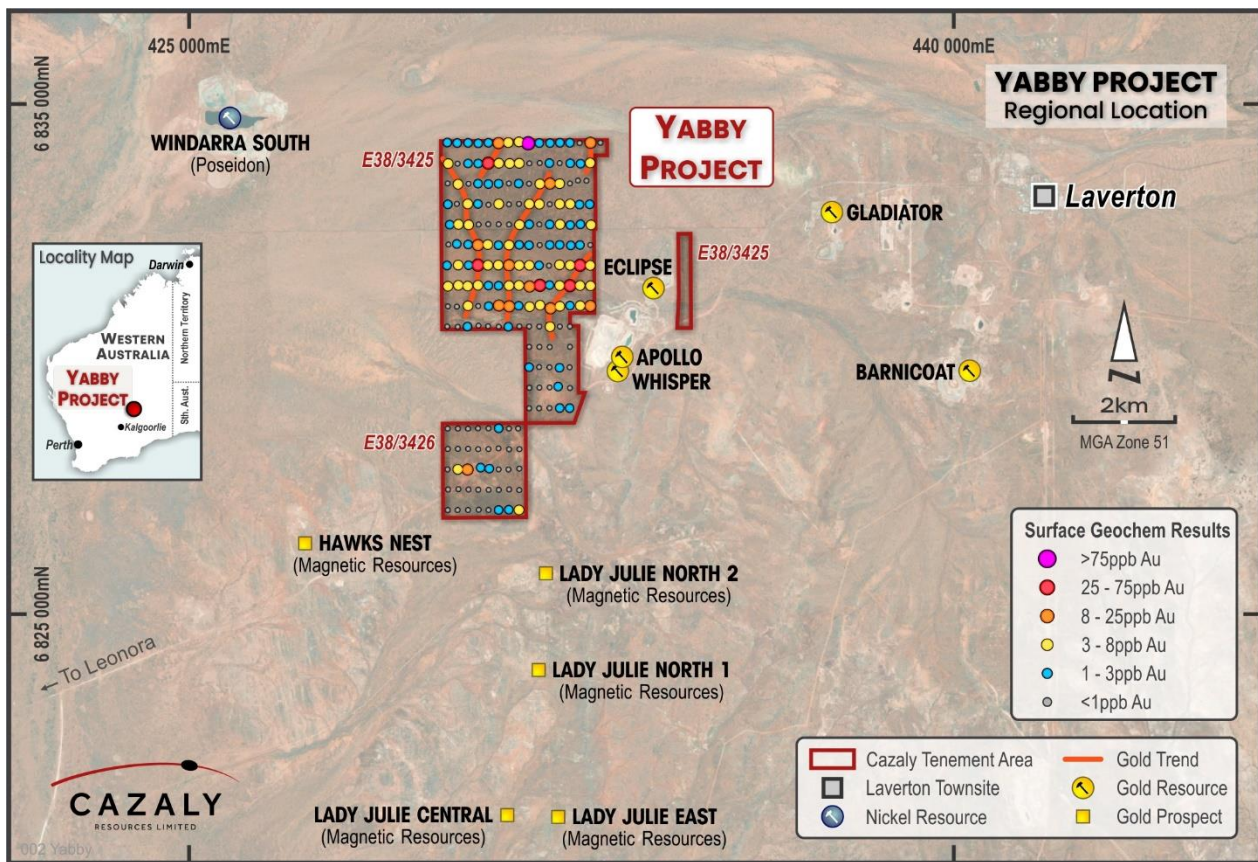


Figure 6. Gold mineralised trends interpreted from surface lag samples.

Several N-S and NNE gold mineralised trends have been identified in first pass reconnaissance surface samples. Geochemical interpretation of multi-element data is underway and infill sampling will be planned to refine surface geochemical anomalies to generate drill targets. Refer to CAZ:ASX Announcement dated 28 March 2022 for anomalous assays, sampling techniques and reporting of results.

Total expenditure for the March '22 quarter was \$24,605 in respect of E38/3425 and E38/3426.

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

The Mt Venn Gold Project is located 125km northeast of Laverton in the North-eastern Goldfields Region of Western Australia and covers approximately 400km² of prospective greenstone sequence. The project area lies within the Mount Venn-Yamarna-Dorothy Hills greenstone belt which is the most easterly major N-S striking greenstone belt of the Yilgarn Craton (Figure 7).

The belt is considered highly prospective for gold and nickel and is positioned along the western limb of the Yamarna Greenstone Belt that hosts Gold Road's and Gold Fields' 6Moz Gruyere Gold Mine. Together the Yilgarn 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 project is subject to an unincorporated Joint Venture between the operators Woomera Mining Limited (Woomera, ASX:WML) (80%) and Cazaly (20%).

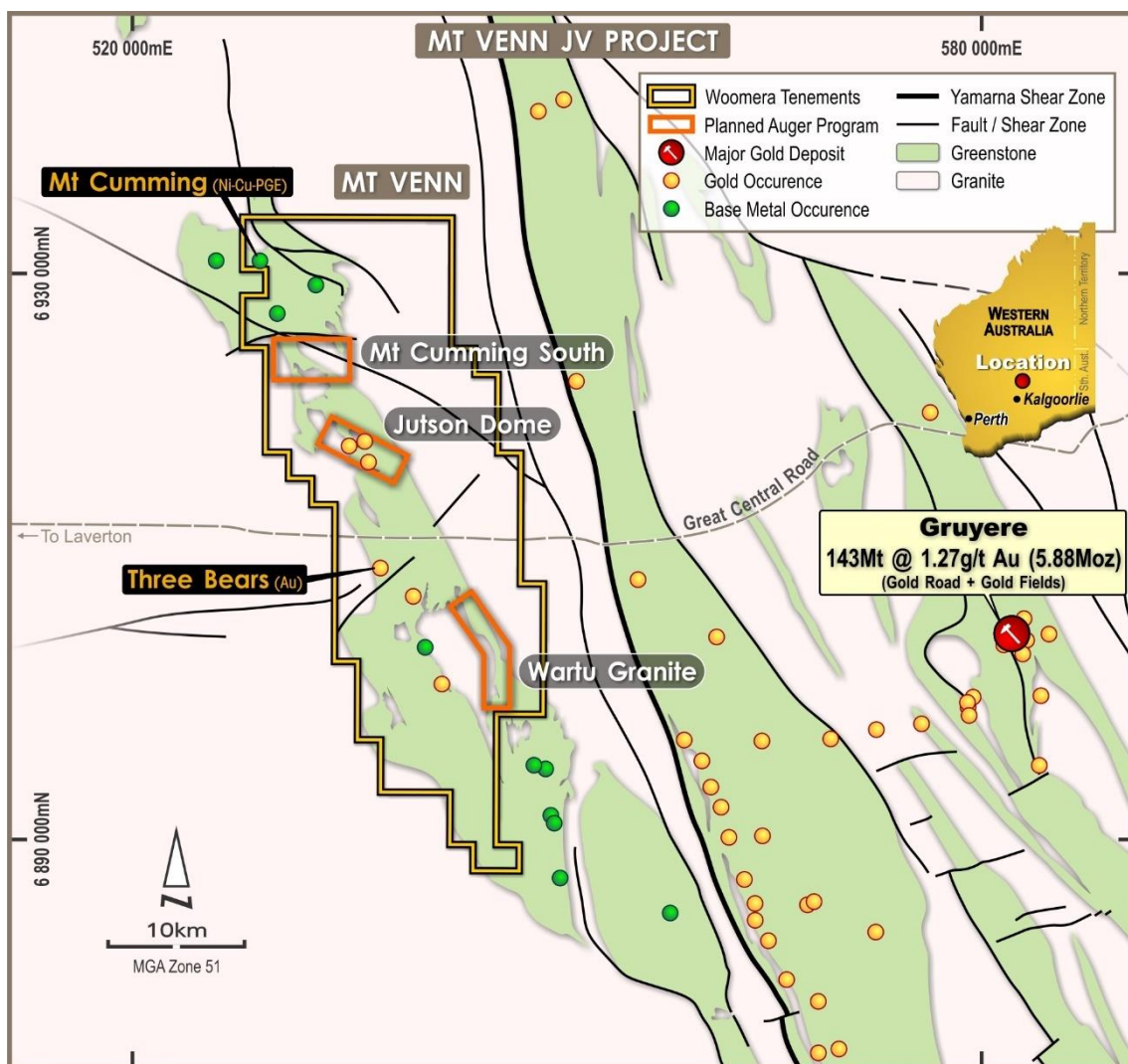


Figure 7. Location of Mount Venn Project and auger sampling completed during the March 22 quarter.

Three Bears Gold Trend, extends over 7km strike and is highly prospective for gold mineralisation. Drilling was conducted in October 2021 to test for higher grade mineralization at depth. the best results were 1m @ 3.3 g/t from 164m in drill hole MRV051 and 1m @ 5.5 g/t from 66m in drill hole MRV052.

During the December '21 quarter semi-massive to massive sulphides were intersected at Mt Cornell in RC drill holes MVR063, 064 and 065 confirming conductors at EM#6 and EM#7 represent a sulphidic source. Assay

results confirmed Ni-Cu mineralization with anomalous intercepts including: MVRC063 2m at 0.24% Ni from 46m. MVRC064 22m at 0.19% Ni & 0.28% Cu from 28m, including 3m at 0.79% Ni plus 2m at 1.31% Cu. MVRC065 5m at 0.31% Ni & 0.65% Cu from 94m, including 1m at 0.71% Ni plus 1m at 1.68% Cu. These results are highly encouraging indicating the ultramafic complex is fertile and could potentially host economic Ni-Cu-PGE mineralization.

The Mt Cornell prospect is interpreted to be hosted by a +5km long, Ni-Cu-PGE prospective, mafic/ultramafic intrusion. Further ground-based EM surveys are planned for July 2022 to define additional targets for drilling later this year. Woomera previously defined two high priority EM targets immediately east of the Mt Cornell prospect and these will be tested once the underlying tenement application has been granted.

A 2,000m RC drilling programme commenced in April to test for thicker, high-grade extensions to the mineralisation intersected during the December '21 quarter including a potentially 500m-long mineralised strike between RC holes testing #EM6 and #EM7 (Figure 8).

During the March '22 quarter Woomera completed a 1,193m auger drill hole sampling programme over the Wurtu Granite, Jutson Dome and Mt Cumming South prospects located 5km, 15km and 30km respectively south of Mt Cornell (Figure 7). Assays are pending. Data from this program will be used to define further drill targets.



Figure 8. Location of EM Targets with soil anomalies and recent drill hole locations testing EM #6 and EM #7.

Mt Cumming is located at the northern end of the Mount Venn Greenstone Belt and is prospective for Ni-Cu-PGE (Figure 7). Three mafic-ultramafic sills are identified within the Mt Cumming Mafic Complex, namely the Mt Warren Sill, Mt Cornell Sill and the Mt Cumming Sill. Previous surveys identified eight EM conductors at Mt Cumming that have a number of coincident rock chip and/or soil anomalies (Figure 8).

Woomera intends to conduct a series of drilling campaigns in 2022 to test priority EM targets and determine the size and distribution of sulphide mineralization throughout the Mt Cumming Ultramafic complex. In conjunction portable XRF soil sampling and ground EM surveys will continue to refine drill targets (WML:ASX Announcement dated 1 April 2022).

Other Projects

The *Kaoko Kobalt Project* (CAZ 95%) in Namibia is currently under review. High priority Co-Cu targets will be re-assessed in conjunction with a full commodity evaluation using all available datasets with a view to advancing prospects towards drill testing.

No work was conducted during the quarter over the *McKenzie Springs JV* project (CAZ 30%) which is being managed by Fin Resources Limited (ASX:FIN).

Mineral Resources Limited (ASX:MIN) continued production at the Parker Range mine. Cazaly retains a royalty of \$0.50/tonne of iron ore produced from Parker Range after the first 10 million tonnes of production.

Equinox Resources Limited (ASX:EQN) continues to advance feasibility studies to progress the development planning at the Hamersley Iron Ore Project where the Company retains 15.7% equity in EQN and a royalty interest of US\$0.30/tonne produced from the project. The project is located in the heart of the world-renowned Pilbara iron ore district and currently has a total Mineral Resource estimate of **343.2 Mt at 54.5% Fe**.

The Company also continues to assess other potential project opportunities.

CORPORATE

The Company had cash and investments of approximately \$13 million at 31 March 2022.

The Company continues to operate under the current COVID-19 restrictions. The situation is managed in line with government guidelines. Additional measures are taken where deemed appropriate for our business activities using a risk-based approach.

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	\$41,471	Director fees
Directors	\$131,706	Director fees

The Cazaly Board authorises the release of this Quarterly Activities Report & associated Appendix 5B.

