

EXPLORATION UPDATE ASHBURTON & YABBY PROJECTS

Cazaly Resources Limited (ASX: CAZ, “Cazaly” or “the Company”) is pleased to announce that exploration has advanced at its Ashburton Project, located in the Pilbara region of Western Australia; and at the Yabby Project, in the north-eastern goldfields of Western Australia, near Laverton.

ASHBURTON PROJECT

An Airborne Electromagnetic (AEM) Survey is expected to be flown this week across several targets at the Ashburton Project, and in addition, surface sampling of fine fraction soils and streams has recommenced.

Cazaly holds the rights to a major land position covering more than 2,450km² in the Ashburton Basin. The project covers major regional structures considered to be prospective for large mineralised systems.

Airborne Electromagnetic Survey

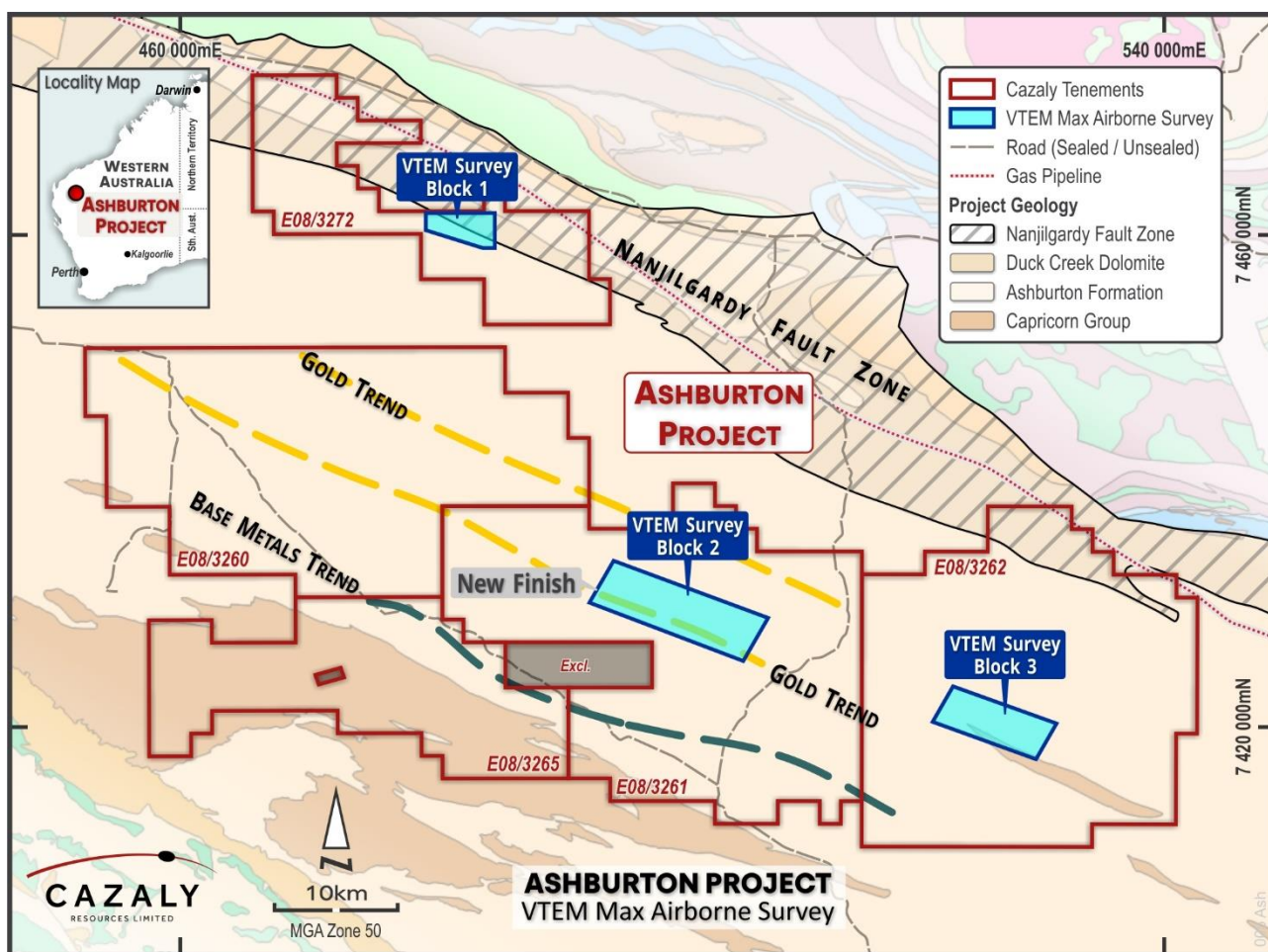


Figure 1. Versatile Time-Domain Electromagnetic (VTEM™ Max) survey blocks at the Ashburton Project.

The AEM survey is designed to fly 275-line kilometres across three blocks. Block 1 will test an area along the Nanjilgardy Fault with anomalous historical surface geochemistry. The Nanjilgardy fault is a major regional scale structure marking the boundary between the Capricorn Orogen and the Pilbara Craton. The structure is

associated with significant deposits including Black Cat's (ASX: BC8) Paulsen's gold mine and Kalamazoo's (ASX: KZR) Mount Olympus gold mine. Blocks 2 and 3 will refine broad TEMPEST AEM anomalies identified in publicly available government survey data. Block 2 is also coincident with anomalous gold results at the New Finish prospect. Survey design specifications below:

Loop Diameter	35 m	Horizontal Gradiometer	No
Pulse	7ms	Helicopter survey Height	270 ft
Receivers	Z, X	Full Waveform	Required

Fine Fraction Surface Sediment Sampling

Following a long period of wet weather in the Ashburton, including 111mm rainfall in May, the ground has sufficiently dried out to allow for the collection of ~600 fine fraction soil and stream sediment samples across untested areas (Figure 2). This work will complete the surface geochemical sampling programme that commenced in the December '21 quarter with the collection of 1,211 surface samples. The analytical results will:

- provide a regional scale geochemical database across the tenement package,
- refine, previously identified structural targets areas, and
- provide sufficient information across the vast 2,450km² project area to prioritise gold and base metal targets for further work.

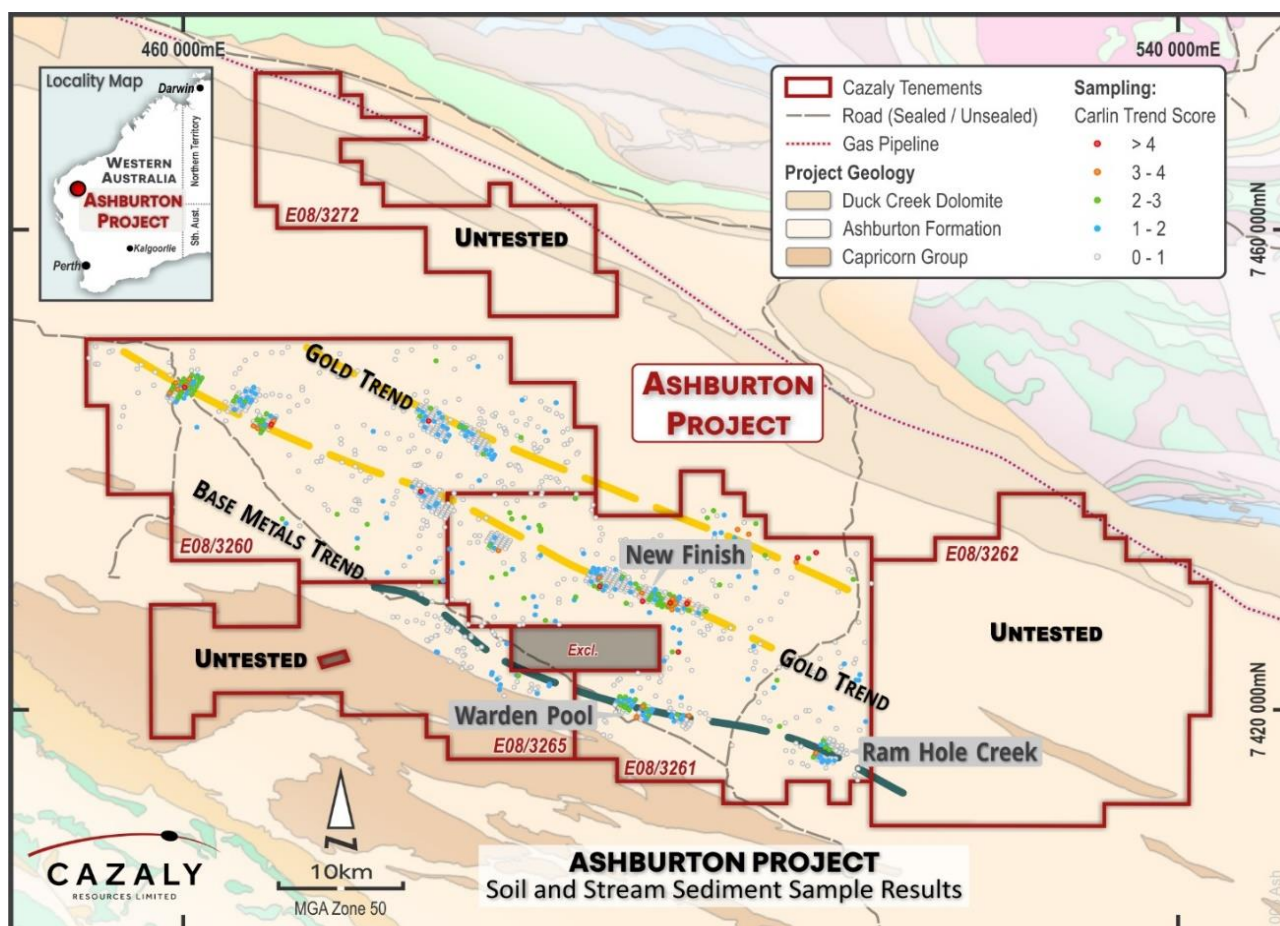


Figure 2. Surface samples collected by Cazaly illustrate several 50km long mineralised trends.

Assay results received in the March '22 quarter (ASX announcement dated 14 March 2022) highlighted two anomalous gold-copper mineralised trends extending over 50km strike and a strong base metal mineralised trend in the southern half of the project area.

YABBY PROJECT

The Yabby project covers 16km² of the highly prospective Laverton Greenstone Belt and has potential for new gold discoveries. Tenements are positioned 10km west of Laverton, and directly west of the *Chatterbox shear zone* host to several gold mines currently owned by Focus Minerals. In addition, the *Lady Julie* gold deposit, located along strike to the south, shows encouraging signs for a newly emerging mining centre with gold mineralisation extending from surface with recent drill results including 22m @ 4.1 g/t Au from surface, and 16m @ 5.59 g/t Au from 20m (ASX: MAU, Magnetic Resources NL announcement dated 10 January 2022).

Infill Surface Geochemical Sampling

The initial surface sampling programme was completed on a 400m x 200m grid and identified several gold mineralised trends orientated N-S to NNE on E38/3425. The recent phase of infill surface geochemical sampling completed at the end of May 2022 included 246 samples and reduced the sample spacing to 200m x 50m across anomalous gold trends (Figure 3). The results show well defined surface anomalies suitable for drill testing.

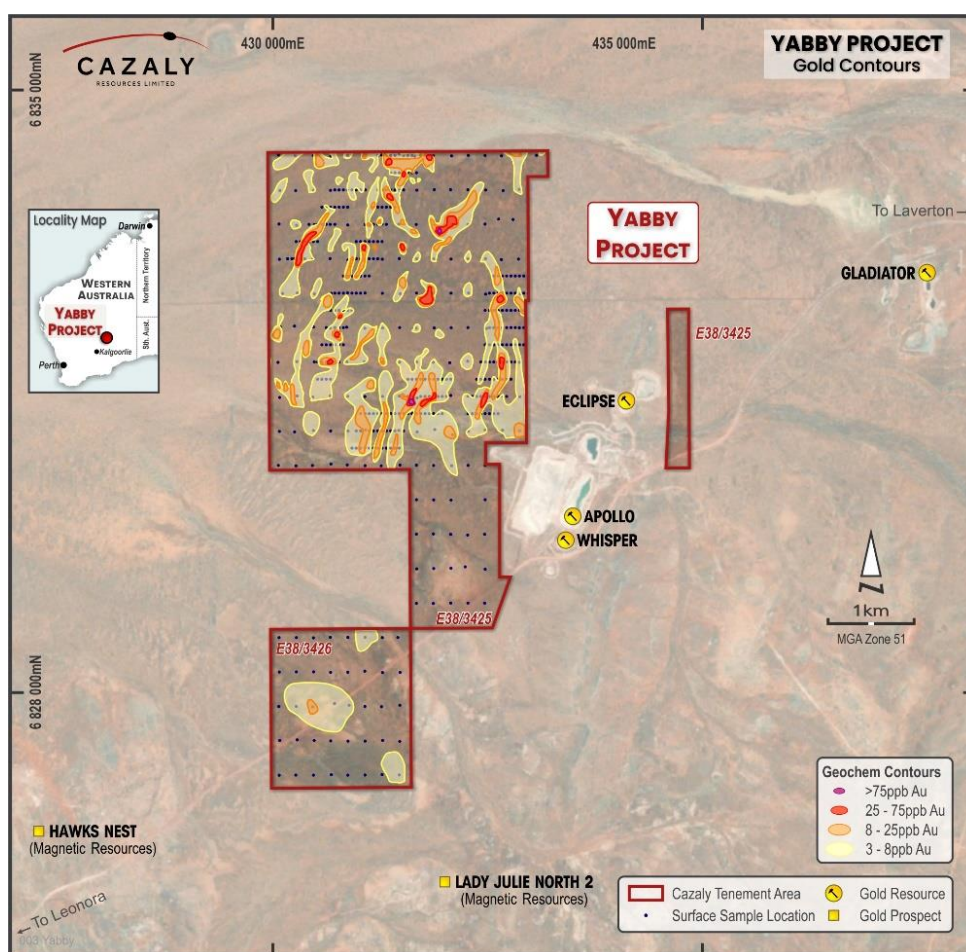


Figure 3. Interpreted gold assay results for surface lag samples show N-NNE trending anomalies above 3ppb gold.

Analytical results have now been received for all infill surface samples collected at the Yabby project. The N-NNE orientation of the refined gold mineralised trends is analogous to the adjacent *Chatterbox shear zone* host to Apollo, Whisper & Eclipse gold deposits mined by Focus in the 2010's. This provides further encouragement that these surface anomalies reflect gold in the bedrock beneath and are drill worthy targets.

Cazaly's MD Tara French commented *"While drilling continues at our Halls Creek Copper Project, we are pleased to be progressing exploration across our other prospective land holdings throughout WA. The work at our Ashburton Project will complete our comprehensive surface geochemical database for the area. We will then be able to use this information along with any EM conductors identified in the AEM survey to rank and prioritise areas for further work. The work at our Yabby Project has refined discrete gold targets, ranking will be confirmed following a ground truthing assessment, and the best targets will be tested with Aircore drilling."*

ENDS

For and on behalf of the Cazaly Board

For further information please contact:

Tara French (MD) / Clive Jones (Executive Director)

Cazaly Resources Limited

ACN 101 049 334

Tel: +61 8 9322 6283 E: admin@cazalyresources.com.au Website: www.cazalyresources.com.au

Competent Persons Statement

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 Geoscientists 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.

Forward Looking Statement

This ASX announcement may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Cazaly's planned exploration program(s) and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may", "potential," "should," and similar expressions are forward looking statements. Although Cazaly Resources believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements. The forward-looking statements in this announcement reflect views held only as at the date of this announcement.

APPENDIX 1 – Yabby Geochemical Surface Sampling

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<i>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.</i>	First pass reconnaissance geochemical sampling commenced on the Yabby Project in early 2022. A surface lag sampling program was completed.
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	Lag sampling was carried out over the entire tenement at a nominal 400 x 200m spacing or 200m x 50m spacing. Field duplicate samples were collected at a rate of 2 in 100 and standards inserted at a rate of 3 per 100 samples.
	<i>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.</i>	Lag samples were submitted to Intertek laboratories in Perth for pulverisation and suite of multi-element analyses utilizing aqua regia digest (Intertek method - AR10/MS33).
Logging	<i>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.</i>	Brief geological notes were collected by the sampler during lag collection including brief geological notes.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	Logging is qualitative with lithology, regolith and relative abundances of quartz-iron-rock noted.
	<i>The total length and percentage of the relevant intersections logged.</i>	A descriptive log was collected for each sample location.
Sub-sampling techniques and sample preparation	<i>For all sample types, the nature, quality, and appropriateness of the sample preparation technique.</i>	Lag samples were collected at size fraction of - 6mm/+2mm, samples were pulverised at the laboratory (Intertek method - SP01) to -75µm, considered to be industry standard.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	Duplicate samples were collected at the rate of 2 per 100 samples.

Criteria	JORC Code explanation	Commentary
	<i>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.</i>	Appropriate sampling protocols were used during sampling. Results for field duplicates did not indicate any bias or inconsistency in sampling.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	Sample sizes were sufficient for the lab method used. This work is suitable for first pass reconnaissance sampling and is employed regularly for detection of mineralisation as well as being efficient for first pass reconnaissance sampling.
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	Samples were sent for analysis to the Intertek laboratory in Perth (a commercial accredited independent laboratory). All lag samples were analysed for 33 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 Yabby Project.
	<i>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.</i>	N/A
	<i>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.</i>	Field duplicate samples and standards were submitted with each sample batch as previously stated. The laboratory inserted standards, blanks, and duplicate samples. Results are within tolerable limits. Lab checks were completed during the orientation phase of work.
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	All data has been checked internally by senior Cazaly Resources staff.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	Field data is collected using paper logging sheets and handheld GPS. Data is downloaded daily to QAQC in a GIS program to validate spatial data. Final data entry and validation is performed in the Perth office before upload to the Company database where it is merged with assay data.
	<i>Discuss any adjustment to assay data.</i>	No adjustments are made to assay data
Location of data points	<i>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.</i>	Sample positions were located with a handheld GPS ($\pm 3\text{m}$).
	<i>Specification of the grid system used.</i>	All co-ordinates collected are in GDA94 – MGA Zone 51

Criteria	JORC Code explanation	Commentary
	<i>Quality and adequacy of topographic control.</i>	N/A
<i>Data spacing and distribution</i>	<i>Data spacing for reporting of Exploration Results.</i>	First pass lag samples were collected at a 200m spacing on 400m spaced lines. Infill samples were collected at a 50m spacing on 200m spaced lines. Sample site position was recorded by handheld GPS.
	<i>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.</i>	Data distribution is considered sufficient for first pass reconnaissance sampling.
	<i>Whether sample compositing has been applied.</i>	N/A
<i>Orientation of data in relation to geological structure</i>	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	Lag sample lines were collected on E-W traverses and approximately across strike of interpreted geology.
<i>Sample security</i>	<i>The measures taken to ensure sample security.</i>	Samples were stored on site, 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.
<i>Audits or reviews</i>	<i>The results of any audits or reviews of sampling techniques and data.</i>	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	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<p><i>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.</i></p> <p><i>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.</i></p>	The Yabby Project is located on granted tenements E38/3425 and E38/3426 held 100% by Sammy Resources Pty Ltd. A wholly owned subsidiary of Cazaly Resources Ltd. Native Title Agreements have been executed for all tenements with the relevant parties. Normal Western Australian State royalties apply.

Criteria	JORC Code explanation	Commentary
<i>Exploration done by other parties</i>	<i>Acknowledgment and appraisal of exploration by other parties.</i>	<p>The Yabby prospect area had not seen modern exploration for gold and nickel until the early 90's. The bulk of exploration was conducted in the surrounding area by WMC.</p> <p>METEX Resources acquired the area from WMC in 1995 and explored the Yabby prospect with techniques including airborne magnetics, gravity surveying, lag sampling, vacuum, RAB and aircore drilling. Several phases of geological mapping and digital data re-interpretation were also carried out.</p> <p>METEX relinquished the ground in 2004. Since then, various companies including Poseidon Nickel, Focus Minerals, Dynasty Metals, Crescent Gold, and Magma Metals have done some minor surface sampling and reconnaissance work, but no substantial exploration has occurred across the Yabby project area since METEX relinquished the ground in 2004.</p>
<i>Geology</i>	<i>Deposit type, geological setting, and style of mineralisation.</i>	The licence is situated over Yilgarn Craton granite-greenstone terrain. The area is considered prospective for Archean orogenic gold mineralisation as well as massive sulphide related Ni-Cu-Co-PGE hosted in ultramafic cumulates.
<i>Data aggregation methods</i>	<p><i>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.</i></p> <p><i>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.</i></p> <p><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></p>	No data aggregation methods have been applied.
<i>Diagrams</i>	<i>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.</i>	Refer to the body of this report, and associated figures.
<i>Balanced reporting</i>	<i>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.</i>	<p>Assay results below interpreted background are not considered material.</p> <p>The report is considered balanced and provided in context.</p>

Criteria	JORC Code explanation	Commentary
<i>Other substantive exploration data</i>	<i>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.</i>	All meaningful substantive material has been reported by the company in its announcements on the project to date.
<i>Further work</i>	<p><i>The nature and scale of planned further work (e.g., tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></p> <p><i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></p>	Ongoing assessment of the geochemical sampling in conjunction with other data sets is being conducted to plan future work programs. The next phase of work is likely to include infill lag sampling to refine the surface geochemical anomalies.