



Field Work Commences on Namibian Lithium Target

Highlights:

- Infill soil sampling to commence on large scale surface lithium target 12km x 10km
- Coherent +100ppm lithium in soil anomaly
- Highest assay in soil 251ppm lithium
- Potential for large sediment hosted lithium deposit

Cazaly Resources Limited (ASX: CAZ, "Cazaly" or "the Company") is pleased to announce that infill surface sampling is to commence next week at the Kaoko Project in Namibia.

Cazaly's recent data review highlighted the presence of a large lithium in soil anomaly in the north-eastern part of the project area stretching over 12km. The anomaly is currently defined with broad surface samples collected across a 1km grid with the sampling program planned to infill the highly anomalous areas to 200m by 50m spacing. Grab samples and or rock chips will also be collected to provide further information on the nature of the anomaly which is in excess of 100 sq.km.

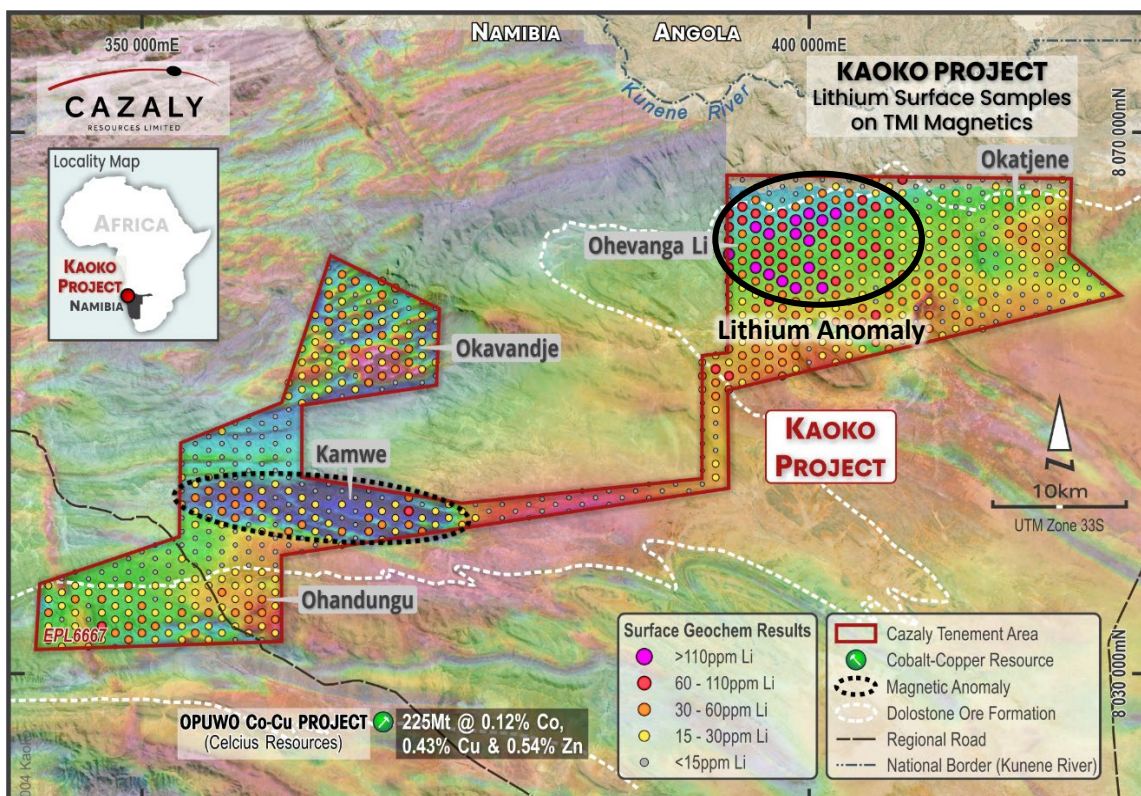


Figure 1. Location of lithium in soil anomaly spanning over 100 sq km.

At this early stage, the potential deposit style is considered to be sedimentary hosted. Sedimentary lithium deposits accumulate as lithium is transported into basins where it reacts with other minerals creating chemical bonds weaker than that found in spodumene (pegmatites) and stronger than those found in brines. The moderate strength of the lithium chemical bonds in sediments when compared to pegmatites provides opportunities for simple low-cost processing with no comminution circuit (crushing and grinding) and simple reagents.

The Project is located in northern Namibia, approximately 800km by road from the capital of Windhoek and approximately 750km from the port of Walvis Bay (Figure 2). There is excellent infrastructure in the region with the Project being only ~50 km from the regional capital of Opuwo, with an airport, good bitumen roads, and access to the 320 MW Ruacana hydroelectric power station.

Transmission lines run through both the western and eastern parts of the Project.

Cazaly's Managing Director Tara French commented, "We are extremely pleased to have secured a team to follow up the lithium in soil anomaly at our Kaoko Project in Namibia. This is the next step towards determining the nature and distribution of the lithium and further advancing the project."

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For and on behalf of the Cazaly Board

For further information please contact:

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Competent Persons Statement

The information contained herein that relates to Exploration Results is based upon information compiled or reviewed by Ms Tara French and Mr Don Horn, who are employees of the Company. Ms Tara French and Mr Horn are both Members of the Australasian Institute of Geoscientists and have 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'. Ms Tara French and Mr Horn both consent to the inclusion of their names 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.



Figure 2. Location of the Kaoko Critical Minerals Project in north-west Namibia.