CAZALY
RESOURCES LIMITED

Surface Sampling Completed on Large Namibian Lithium Target

Highlights:

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

Cazaly Resources Limited (ASX: CAZ, "Cazaly" or "the Company") is pleased to announce that lithium infill surface sampling has been completed at the Kaoko Project in Namibia, and all samples have been submitted for analysis.

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 (Figure 1). The anomaly was defined with broad surface samples collected across a 1km grid. The recent infill sampling program is designed to refine the anomaly, which is in excess of 100 sq. km, with samples collected across the most anomalous areas on a 200m x 50m grid spacing.

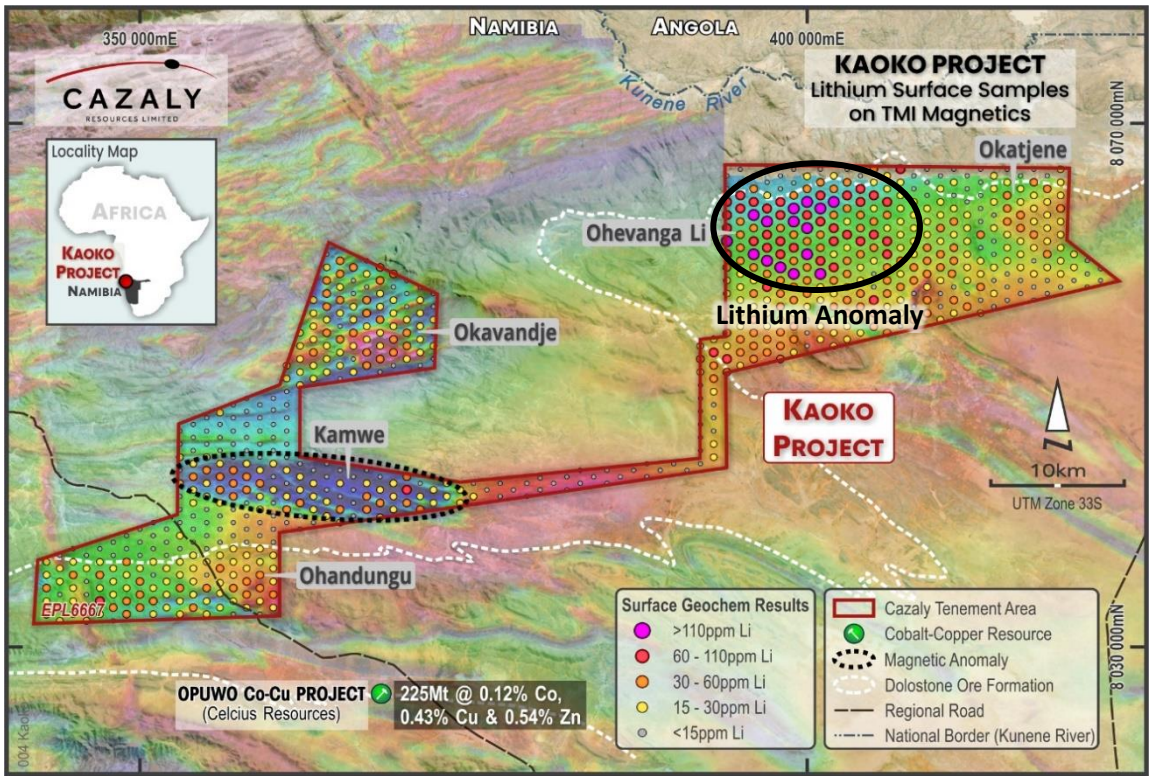

Figure 1. Location of lithium in soil anomaly spanning over 100 sq km.

Cazaly engaged Gecko Exploration (Pty) Ltd, a local Namibian consulting company, to conduct infill soil sampling at the Kaoko lithium anomaly. The sampling team comprised four geologists and assistants from the surrounding community for the duration of the soil sampling campaign.

Figure 2. Collection of soil samples at the Kaoko Lithium anomaly.

A total of 287 soil samples were collected from the area (Figure 2) and sent for multi-element analysis. The assay results are expected to be received within eight to twelve weeks.

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 3). 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.

Figure 3. Location of the Kaoko Critical Minerals Project in north-west Namibia.

Cazaly's Managing Director Tara French commented, *"We are extremely pleased to have completed this infill sampling with an in-country team. The lithium target covers an extensive area over 100 square kilometres, and the infill soil sampling will provide us with further detail on this anomalism. Now we await the assay results in order to determine the nature and distribution of the lithium and determine the next steps to further advance the project."*

ENDS

For and on behalf of the Cazaly Board

For further information please contact:

Tara French (Managing Director) / Mike Robbins (Company Secretary)

Cazaly Resources Limited

ACN 101 049 334

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.

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	*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.*	Infill geochemical surface sampling was completed on the **Kaoko Critical Minerals Project**.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Soil samples were collected at a nominal 50 x 200m spacing. Field duplicate samples were collected at a rate of 2 in 100 and standards inserted at a rate of 3 per 100 samples.
	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.	Soil samples were submitted to ALS in Okahandja, Namibia for multi-element analyses utilizing aqua regia digest (ALS method – ME-MS41L and MS).
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.*	Soil sample locations were marked with GPS and waypoints were recorded in the field. No geological notes were taken.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	No geological notes were taken.
	The total length and percentage of the relevant intersections logged.	No geological notes were taken.
Sub-sampling techniques and sample preparation	*For all sample types, the nature, quality, and appropriateness of the sample preparation technique.*	Soil samples were collected from the B horizon at a depth from 10-30cm at size fraction of -2mm. These samples were then sieved to -180µm and 80-150g submitted for analysis.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	Duplicate samples were collected at the rate of 2 per 100 samples.

Criteria	JORC Code explanation	Commentary
	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 sampling. 2 – 3kg of sample was collected from the sample pit with a plastic scoop then sieved to -2mm on site. These samples were then later sieved to -180µm with 80-150g submitted for analysis. Assay results are pending.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	-180 µm is considered to be ultrafine and appropriate for low level (ppb) multi-element analysis.
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.*	Soil samples were submitted to ALS in Okahandja, Namibia for multi-element analyses utilizing aqua regia digest (ALS method – ME-MS41L and MS). Two analytical sample suites were chosen comprising 63 elements appropriate for follow up of the target and with appropriate detection limits utilising ICP-MS and ICP-AES methods.
	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, geochemical tools were used in the field.
	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.	Field duplicate samples and standards were submitted with each sample batch as previously stated. Assay results are pending.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	Quality control of the samples to be dispatched to the laboratory was conducted by the site project geologist.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	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. Data entry is performed in the field. Chain of Custody was completed by the site project geologist. Final data validation is performed in the Perth office before upload to the Company database.
	Discuss any adjustment to assay data.	Assay results are pending.
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.*	Sample positions were located with a handheld GPS (±3m).

Criteria	JORC Code explanation	Commentary
	Specification of the grid system used.	All co-ordinates collected are in latitude and longitude, WGS84 zone 33S.
	Quality and adequacy of topographic control.	Sample positions including elevation were located with a handheld GPS (+3m).
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	Soil samples were collected at a nominal 50 x 200m spacing. Sample site position was recorded by handheld GPS.
	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.	Data distribution is considered sufficient for infill geochemical sampling to refine anomalous lithium in soil mineralisation initially defined on a 1km x 1km grid.
	Whether sample compositing has been applied.	No sample compositing has been applied.
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.*	Soil sample lines were collected on N-S traverses and approximately across strike of interpreted geology.
Sample security	*The measures taken to ensure sample security.*	Samples were stored on site, until delivery to ALS laboratory in Okahandja, Namibia. 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 contracted site geologists.