

Quarterly Activities Report for December 2022

The Board of Cazaly Resources Limited (ASX:CAZ, "Cazaly" or "the Company") is pleased to provide this report on exploration and corporate activities for the quarter ended 31 December 2022, and up to the date of this report. Exploration activities during the quarter focused on the Halls Creek, Ashburton, Kaoko, and Vanrock Projects.

HIGHLIGHTS

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

- **Maiden Resource Estimation completed for the Bommie porphyry copper deposit**
 - Total resource of 95.6Mt @ 0.27% Cu for 262,000 tonnes of copper metal
 - Includes 16Mt @ 0.3% Cu as indicated material for 48,000 tonnes of copper metal
- Entered into MoU with AuKing to include the Company's resources into a mine scoping study

Abenab North (REE and base metals) – Namibia, Southwest Africa

- New 790km² exploration licence application across cluster of carbonatite intrusives
- Highly anomalous historic scout drilling intercepts with significant TREO¹ mineralisation:
 - 45m @ 0.73% TREO to end of hole (including 4m @ 2.53%)
 - 16.7m @ 0.66% TREO (including 1.2m at 1.89%)
 - 39.7m @ 0.55% TREO (including 3.6m @ 1.22%)
- Several REE elements assayed exceeded maximum detection limits

Ashburton (REE, Au, Cu, base metals) – Pilbara, WA

- REE exploration commenced via Heli-sampling program
- Assays pending

Kaoko (Li, Cu, Co, base metals) – Namibia, Southwest Africa

- Surface sampling completed on +100km² geochemical lithium target
- Assays pending

1: 'TREO' is an abbreviation of Total Rare Earth Oxides, representing a combined group of 17 elements (La, Ce, Pr, Nd, Pm, Sm, Eu, Gd, Tb, Dy, Ho, Er, Tm, Yb, Lu, Y, Sc. Pm was not assayed in the drilling and is not included in the total % reported above.)

PROJECTS

Halls Creek Copper-Zinc-Silver 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. **The Mount Angelo North mineral resource estimate¹ (MRE) is reported in accordance with the JORC Code 2012 as 1.72Mt @ 1.4% Cu, 1.4% Zn, 12.3ppm Ag (using 0.4% Cu lower cut) for 23kt Cu, 25kt Zn, 680koz Ag.** The mineral resource includes the following anomalous intercepts: **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.**

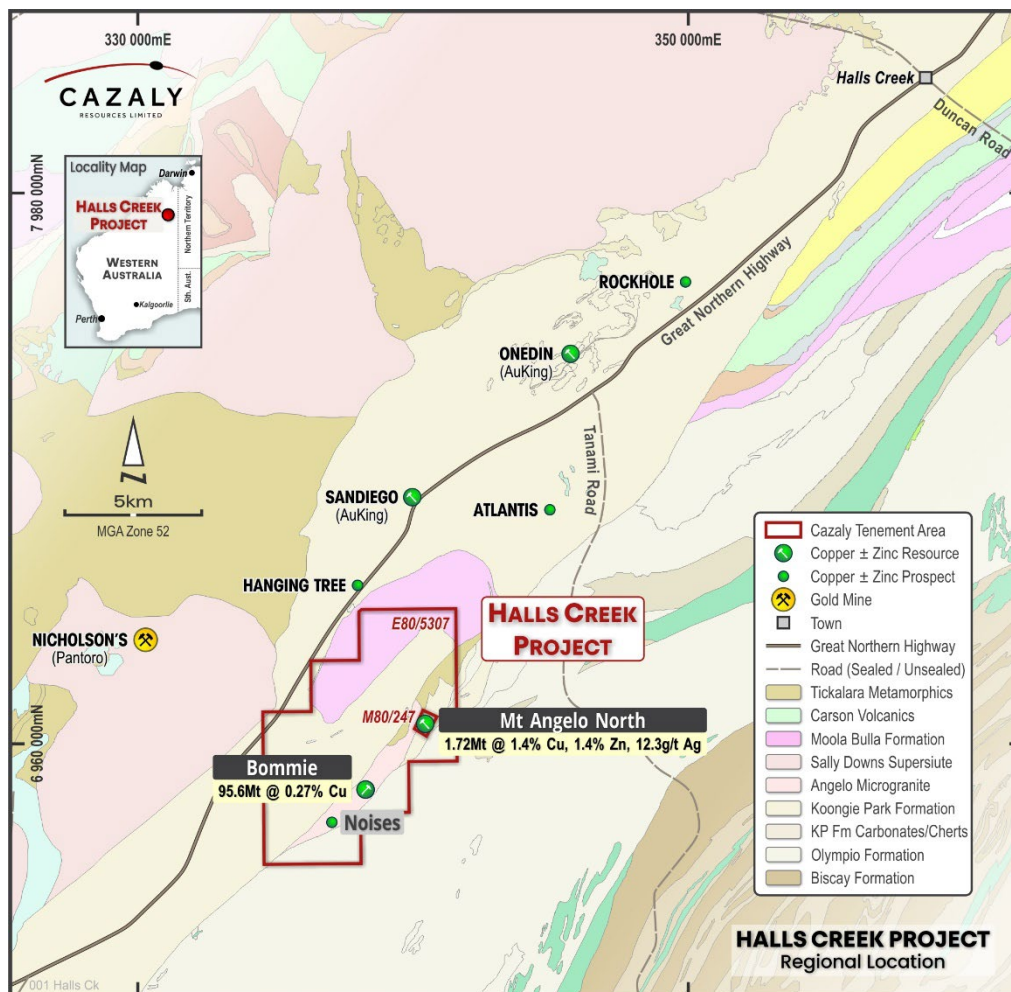


Figure 1. Location of Halls Creek Copper Project including mineral resources at Mount Angelo North massive Cu-Zn-Ag sulphide deposit and Bommie porphyry copper deposit.

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-Silver deposit (Figure 1). The Bommie porphyry copper deposit was the focus of exploration activities at the Halls Creek Project during the quarter. The Bommie deposit has a large geochemical footprint with coincident Cu-Mo-Bi that extends for 1.2km along strike and over 800m across strike (Figure 2) and provides further encouragement for a large mineralised system. 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 include **23m @ 1.0% Cu and 7m @ 1.3% Cu.**

Bommie Porphyry Copper Preliminary Resource Estimate

The drilling program was completed during the September quarter, 16 RC drill holes for 3,395m, reduced drill spacing to 100m x 100m and confirmed broad low grade copper mineralised zones up to 178m wide occur across the deposit. The mineralised envelope drilled to date extends for 950m along strike N-S, 600m width and 340m depth below surface. The resource was classified as Indicated where drilling was of sufficient density in the central western portion of the deposit and encompasses 360m of strike N-S, up to 230m width and extends from surface to a depth of 150m.

The company engaged Hyland Geological and Mining Consultants (HGMC) to complete the Mineral Resource Estimate (MRE) for the Bommie Porphyry Copper Prospect. The Bommie MRE² is reported in accordance with the JORC Code 2012 and is detailed in Table 1 below by resource classification and weathering state. A drill plan and cross section are shown in Figures 2 & 3.

Table 1. Bommie Porphyry Copper Deposit November 2022 Mineral Resource Estimate (0.2% Cu cut-off)

Type	Indicated			Inferred			Total		
	TONNES (Metric)	Cu (%)	Cu metal Tonnes	TONNES (Metric)	Cu (%)	Cu metal Tonnes	TONNES (Metric)	Cu (%)	Cu metal Tonnes
Oxide	212,000	0.29	1,000	1,108,000	0.27	3,000	1,320,000	0.27	4,000
Transitional	2,799,000	0.30	8,000	6,978,000	0.28	19,000	9,777,000	0.27	28,000
Fresh	3,091,000	0.30	39,000	71,380,000	0.27	190,000	84,471,000	0.27	230,000
Total	16,102,000	0.30	48,000	79,466,000	0.27	212,000	95,568,000	0.27	262,000

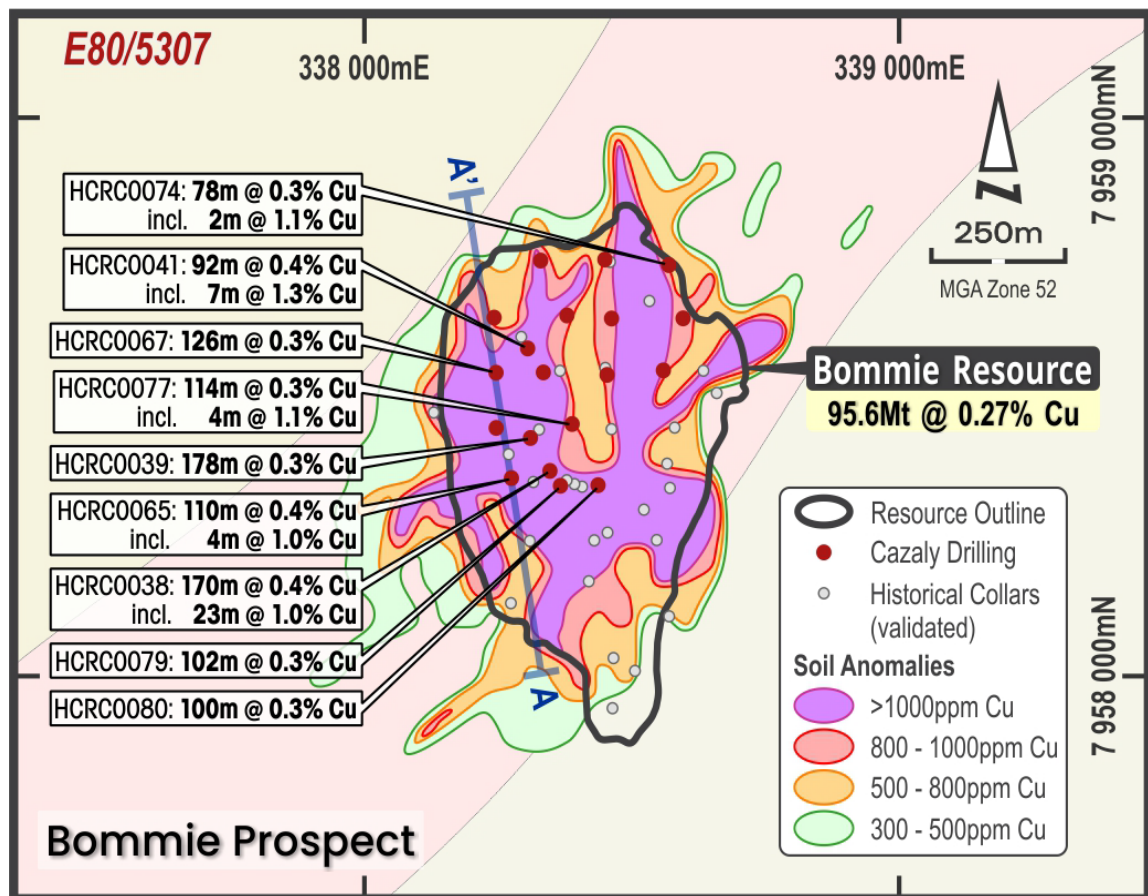


Figure 2. The Bommie porphyry copper deposit 0.2% Copper resource outline, with RC drill collar locations and anomalous drill intercepts on contoured copper in soil assays.

Refer to the ASX announcement dated 24 November 2022 for details of drilling, results, and the resource estimation parameters.

The section line A-A' shown in Figure 2 is displayed as a cross section in Figure 3 and illustrates the distribution of copper mineralisation and resource ore blocks across the deposit from south to north. Figure 3 shows the most western line of drilling, with copper mineralisation open to the west, to the north, and at depth.

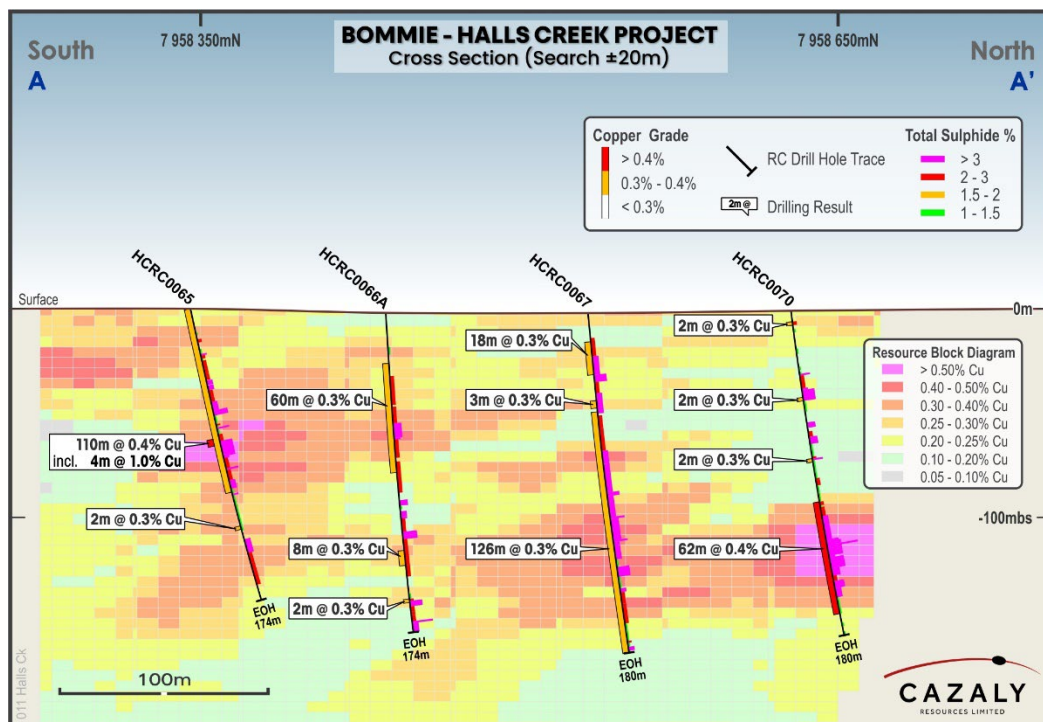


Figure 3. Bommie A-A' Section illustrates broad copper intercepts over resource blocks and growth potential to the west, north and at depth.

Cazaly's total preliminary MRE at Halls Creek, including the Mount Angelo North VMS deposit and the Bommie porphyry copper deposit, now stands at **97.3Mt for 285,000 tonnes of copper; 25,000 tonnes of zinc; and 680,000 ounces of silver.**

Cazaly recently formalised a Memorandum of Understanding (MoU) with AuKing Mining Ltd (ASX:AKN) to include Cazaly's Halls Creek mineral resources into their scoping study for a mining operation. Cazaly and AuKing both recognise that there could be significant benefit in combining their resources in the scoping study and potential future development of a central mining hub at *Sandiego* with multiple feed options from the surrounding deposits (ASX:AKN Announcement dated 20 December 2022).

Under the terms of the MoU both parties agree to cooperatively collaborate via a mutual exchange of information to support the scoping study under the terms of a standard non-disclosure agreement. There are no other provisions in the MoU binding either party to undertake further dealings, however upon completion of the scoping study both parties may choose to progress further studies and/or enter into further discussions.

Wave International has been engaged by AuKing to conduct the scoping study with a focus on developing an initial mine plan, processing, and product specification to identify project economics and options to progress to a pre-feasibility study. The study will be fully funded by AuKing with findings expected to be reported in late FYQ3 or early FYQ4.

The Sandiego deposit is part of AuKing's Koongie Park project at Halls Creek where they currently hold an 80% interest through a joint venture with Astral Resources NL (ASX:AAR) and have the right to acquire the final 20% interest under the terms of the Koongie Park Joint Venture Agreement (ASX:AKN Announcement dated 5 April 2022).

AuKing's tenement locations are shown in Figure 4 and the current inventory includes:

- Sandiego Deposit Total Mineral Resource: 4.8Mt @ 0.7% Cu, 3.2% Zn, 0.1g/t Au, 38g/t Ag.
- Onedin Deposit Total Mineral Resource: 4.8Mt @ 1.4% Cu, 4.3% Zn, 0.2g/t Au, 25g/t Ag.
- Emull Deposit Total Mineral Resource: 12.2Mt @ 0.27% Cu, 0.38% Zn, 0.09%Pb, and 4.9g/t Ag.

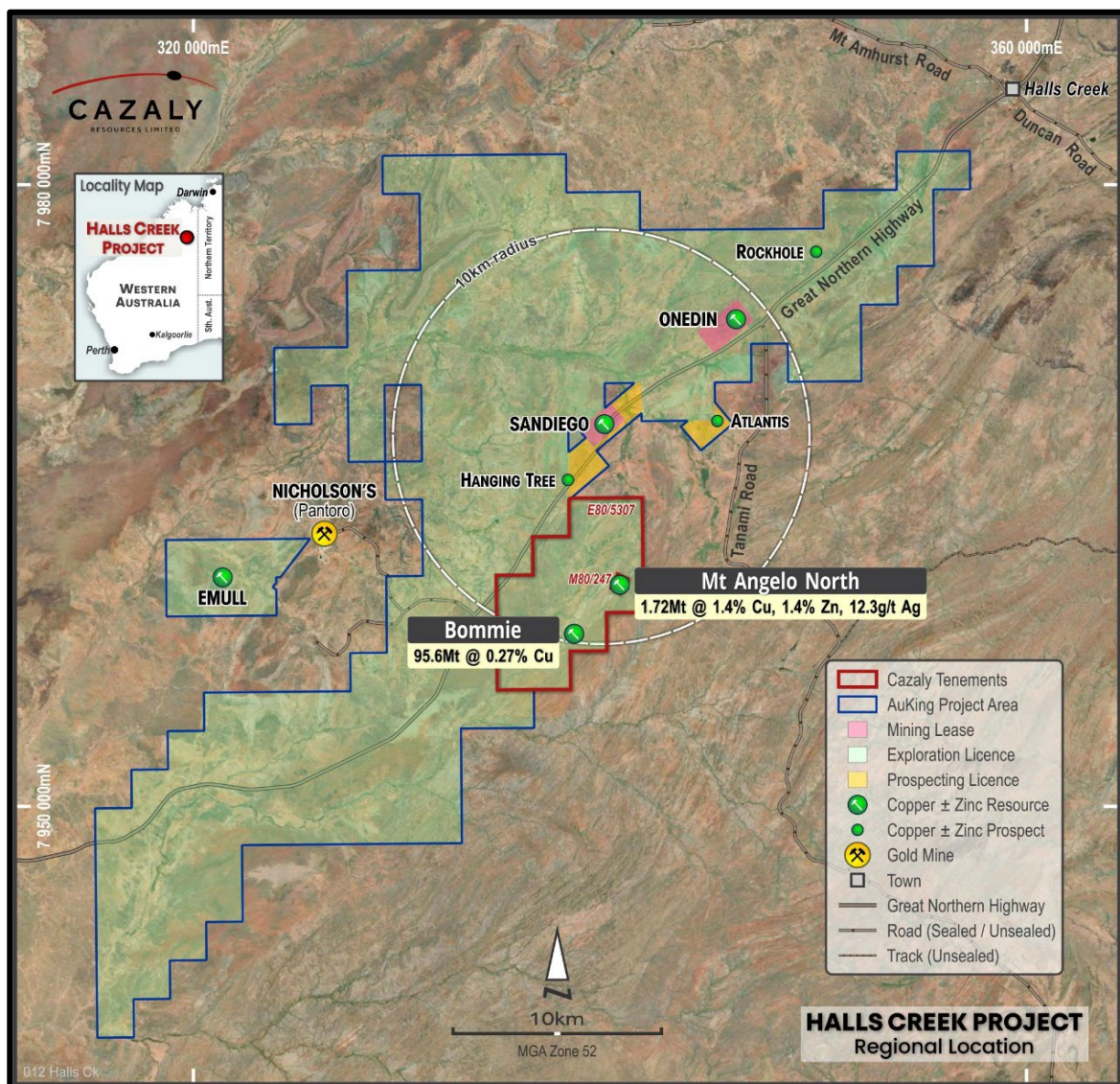


Figure 4. Location of Cazaly's copper deposits relative to AuKing's deposits to be included in the mine scoping study, with the proposed central mining hub located at the Sandiego deposit.

AuKing's total MRE is reported at **21.2Mt for 121,800 tonnes of copper, 372,600 tonnes of zinc, 46,000 ounces of gold, 11 million ounces of silver and 793,000 tonnes of lead.** (ASX:AKN Announcement dated 1 December 2022).

Ashburton Basin – REE, gold and base metal 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 (Figure 5). The Ashburton Basin forms the northern part of the Capricorn Orogen, a ~1,000km long, 500km wide region of variably deformed metamorphosed igneous and sedimentary rocks located between the Yilgarn and Pilbara cratons.

The Ashburton project covers major regional structures considered to be highly prospective for gold mineralisation and occurs in the region hosting Black Cat's (ASX:BC8) Paulsen's gold deposit and Kalamazoo's (ASX:KZR) 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.

During the December '22 quarter a Rare Earth Element (REE) trend was identified to coincide with a 50km long thorium anomaly (Figure 5). The thorium anomaly was identified across the southern portion of the tenements adjacent to the Blair Fault, a deep-seated regional scale structure at the contact between the Ashburton Formation and the Capricorn Group.

Historically, limited low-level exploration was conducted by Fortescue Metals Group Ltd (FMG) across the dolomites within the Capricorn Group in search of REE. Eleven (11) rock chip samples were collected by FMG and analysed for gold, base metals, and REE (Appendix 1). The results indicate the samples are enriched in REE (notably La, Ce, and Pr). Six (6) of these samples are located along the Blair Fault in the southern part of Cazaly's Ashburton Project area. The samples have elevated REE including: 2,840ppm cerium; 86.5ppm dysprosium; 1,370ppm lanthanum; 314ppm praseodymium; and 1,650ppm phosphorus. Neodymium was not assayed.

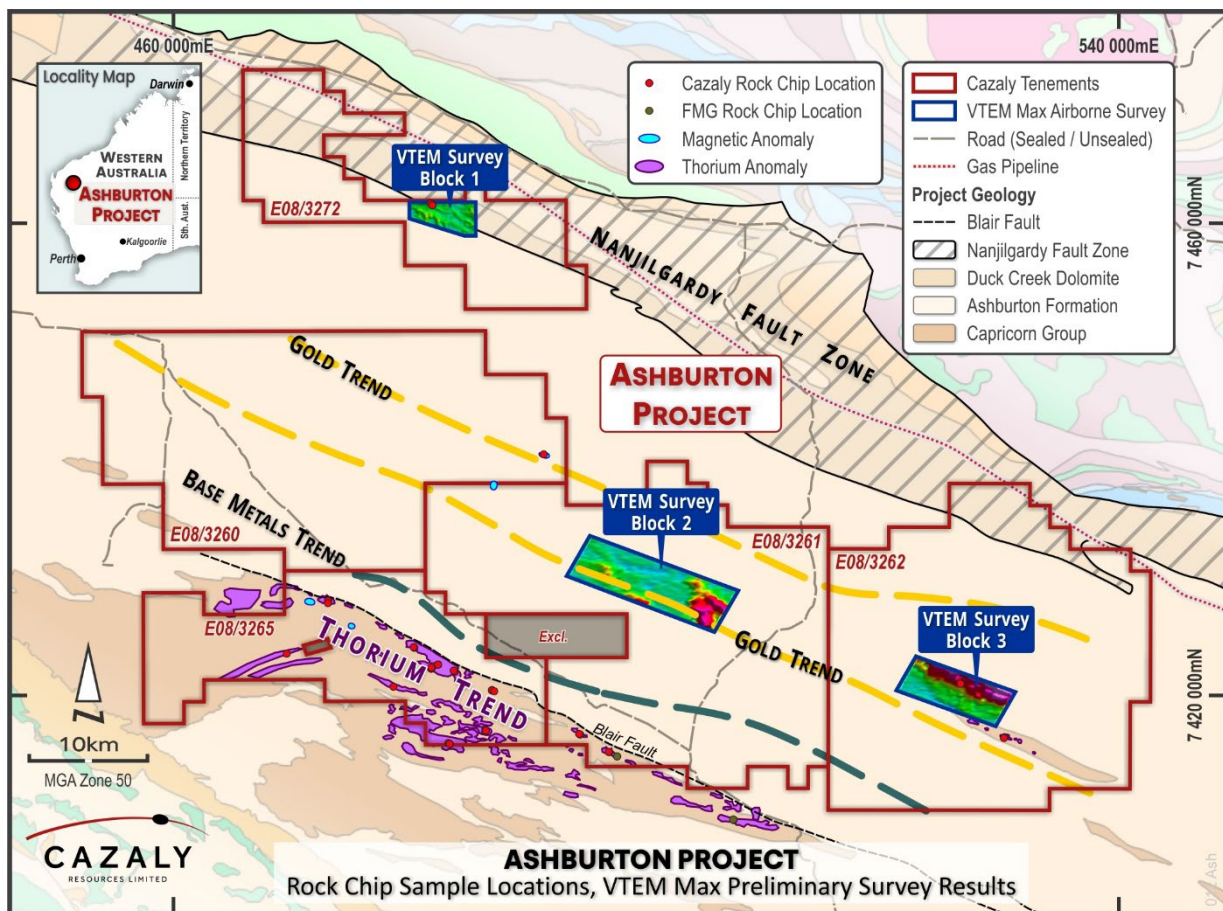


Figure 5. Rock Chip sample locations testing for REE along the 50km thorium trend adjacent to the Blair Fault.

A helicopter supported rock-chip sampling program was conducted with samples collected along the 50km long thorium anomaly to follow up on the previous work along strike to the south-east and to determine the potential for REE mineralisation at the Ashburton project. 26 samples were collected along the thorium anomaly and 6 samples were collected at other points of interest. Figure 5 shows sample locations.

Furthermore, samples were also collected to assess a preliminary TEM (airborne transient electromagnetic) anomaly along the Nanjilgardy fault on tenement E08/3272, known as the **Cheela Plains** tenement. Rock chip samples collected contained copper carbonates and copper sulphide mineralisation (Figure 6). All rock chip samples were submitted to the laboratory for analysis and results are pending.

Previous exploration over the project by Cazaly has to date identified:

- Two anomalous gold-copper mineralised trends extend over 70km;
- A strong base metal signatures over a 50km regional scale structure in the southern project area;
- Several TEM conductive responses across all three areas tested;
- Several Project scale mineralised trends:
 - 10km long Au-Cu trend at *New Finish*
 - 7km long base metal (Cu-Ag-Pb-Zn) trend at *Warden Pool*
 - 3km long base metal (Cu-Pb-Zn) trend at *Ram Hole Creek*
 - 5km long base metal (Cu-Pb-Zn) trend at *Seven Mile Bend*
 - 10km long base metal (Cu-Pb-Zn) trend at *Cairn Hill Well* located along the Nanjilgardy fault zone.

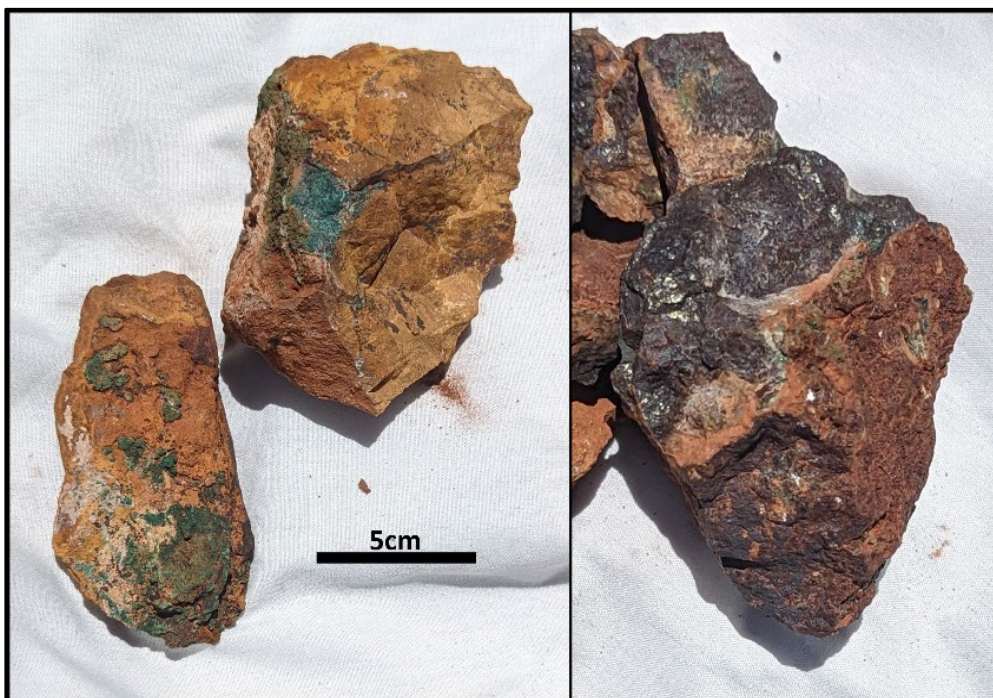


Figure 6. Copper bearing rock chip samples collected from Cheela Plains.

NAMIBIAN PROJECTS (CAZ 95%)

Abenab North REE-Base Metals Project

In early November Cazaly applied for a new exploration licence (EPL 9110 - Abenab North) located in the northern region of Namibia through its 95% owned local subsidiary company Philco One Hundred and Seventy Three (Proprietary) Limited ("Philco"). The remaining 5% interest in Philco is held by a local Namibian company controlled by historically disadvantaged Namibians.

The Abenab North Project lies in the Otavi Mountain Land region of northern Namibia located approximately 450km by road from the capital of Windhoek in an area comprising the towns of Tsumeb and Grootfontein (Figure 7). The region is a significant well mineralised base metal province with historic production from several mines including Tsumeb, Kombat, Abenab and the Berg Aukas mines. Tsumeb is a world-famous Cu-Pb-Zn-Ag-Ge-Cd mine renowned for its wealth of rare and unusual minerals and was mined from 1897 to 1996.

There is excellent infrastructure in the region including sealed roads, rail to port, high voltage power, telephone lines, and water. The Project is close to major towns and mining processing facilities.

The Abenab North exploration licence application has no competing applications and covers an area of approximately 790 km² (Figure 8). The project is located on the Neo-Proterozoic Damaran platform carbonate succession of the Otavi Group overlying basal clastic sediments of the Nosib Group, which in turn rest upon Paleo-Proterozoic granitic basement.

The project is considered to be highly prospective for base metal and REE mineralisation as evidenced from the results of previous but limited exploration.

In the early 2000's, Anglo American Corporation explored for base metal mineralisation in the area now covered by the EPL application. The program was short-lived however, and the ground was relinquished after the completion of a ground geophysical campaign.

In 2004 Kudu Minerals (Pty) Ltd applied for a portion of the ground abandoned by Anglo American also targeting Tsumeb style hydrothermal pipes. Kudu Minerals interpreted and modelled airborne and ground magnetic data, the results highlighted 9 targets (A2D, A3 to A10) for follow up drilling (Figure 8).

The drilling was aimed at testing these anomalies by drilling a single hole into each target (B6 to B9) into the fresh rock whilst two other targets, numbered A11 & A12, were tested by surface geochemistry only.

Geological logging and petrographic analyses confirmed that carbonatite was intersected in 6 of the 9 drill holes. Drill holes B3, B4 and B6 all ended in carbonatite, however only limited sampling and analysis for REE was carried out. Drill hole B6 showed a 45m intersection (55m-100m end of hole) of REE enrichment in carbonatite material comprising red clays with minor iron oxides and dolomite fragments. Drill hole B6 showed an average grade of 0.68% (CeO₂ + La₂O₃ + Nd₂O₃) over 45m from 55m, including a higher grade zone assaying 2.36% (CeO₂ + La₂O₃ + Nd₂O₃) over 4m from 86m. Total Rare Earth Oxide (TREO) values for these intercepts,



Figure 7. Location of the Abenab North REE Project and the Kaoko Critical Minerals Project.

as reported in the highlights section of this announcement, are 0.73% over 45m and 2.53% over 4m respectively.

In 2010 Avonlea Minerals Ltd gained access to the property and drilled into Anomaly 10 intersecting fresh carbonatite (Figure 9). Assays were highly encouraging including: 16.7m @ 0.66% TREO from 94.6m (including 1.2m at 1.89%) (ABD006), 19.9m @ 0.48% TREO from 65.5m (ABD006), 39.7m @ 0.55% TREO from 100.6m (including 3.6 m @ 1.22%) (ABD007) and 3.0m @ 1.19% TREO from 90.2m (ABD007 in a zone of poor core recovery).

No further work was completed by Avonlea with the extent of mineralisation yet to be determined. Refer to ASX Announcement dated 7 November 2022 for anomalous assays, sampling techniques and reporting of results.

Aside from the REE potential, the project is also highly prospective for Tsumeb style base metal mineralisation. Cazaly is currently compiling and assessing the historical database in conjunction with available regional geological and geophysical datasets to plan its exploration programmes whilst awaiting grant of the application.



Figure 8. Supergene enriched carbonatite, Avonlea diamond core drilling.

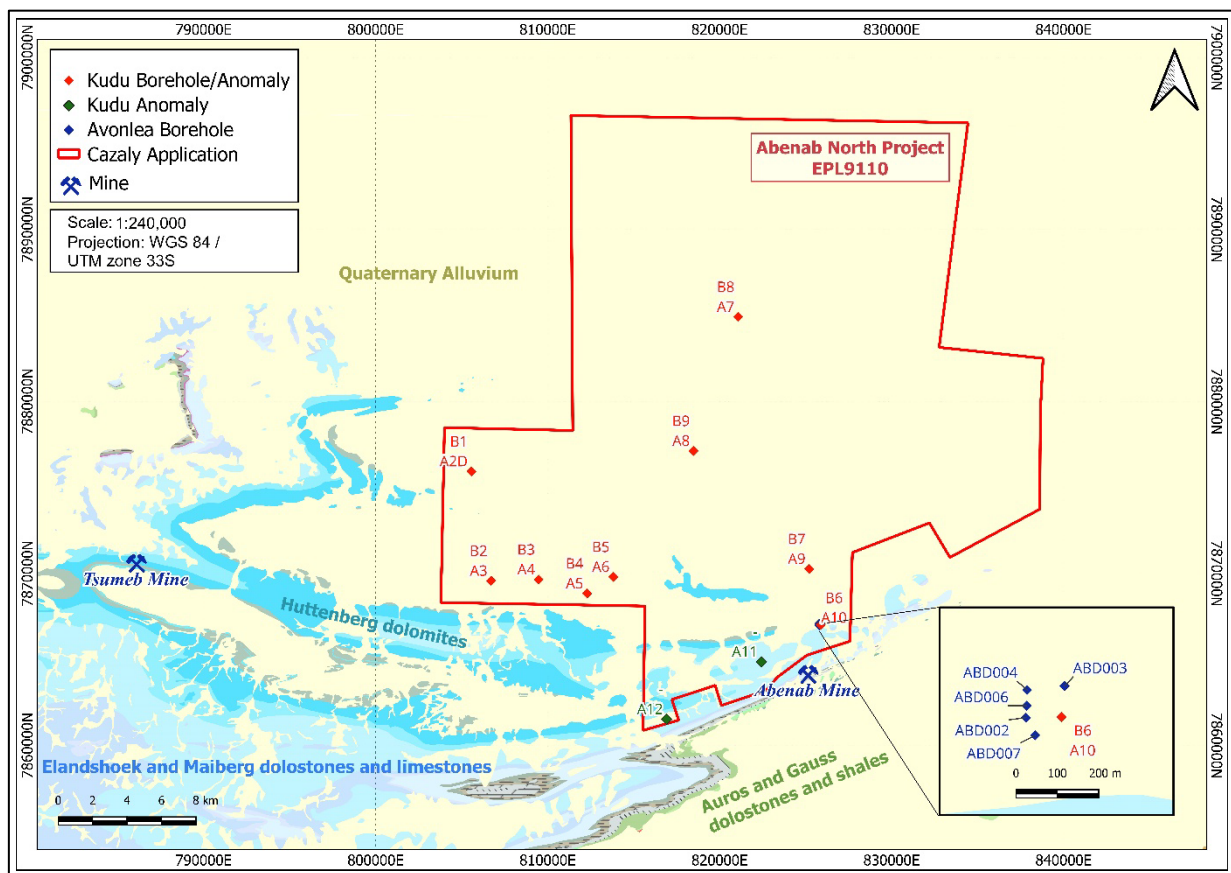


Figure 9. Supergene enriched carbonatite, Avonlea diamond core drilling.

Kaoko Critical Minerals Project (CAZ 95%)

The Kaoko Critical Minerals 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 7). 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 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 10). The anomaly was defined with broad surface samples collected across a 1km grid. During the December '22 quarter, infill sampling was completed across the most anomalous areas on a 200m x 50m grid spacing with a total of 287 soil samples collected and sent for multi-element analysis. The assay results are expected to be received in late January 2023. Refer to ASX Announcement dated 7 November 2022 for sampling techniques and reporting of results.

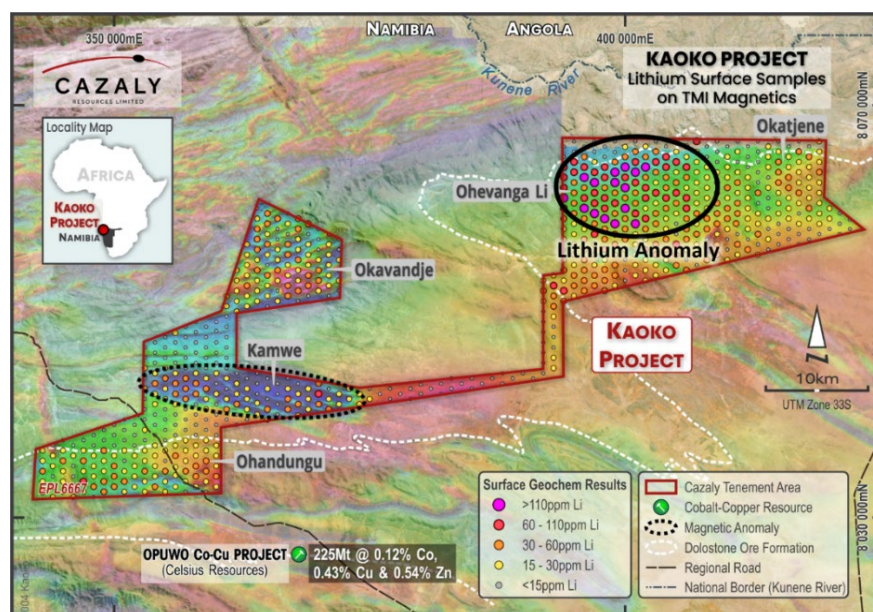


Figure 10. Anomalous lithium in soils located at the Ohevanga prospect.

OTHER PROJECTS

Desktop studies and reviews were undertaken, however no on-ground exploration activities were conducted during the December '22 quarter at the *Yabby Project* (CAZ 100%); the *Mount Venn JV Project* managed by Woomera Mining Ltd (WML 80% CAZ 20%); and the *McKenzie Springs JV Project* managed by Fin Resources Ltd (FIN 70% CAZ 30%).

Vanrock Polymetallic Project (option to earn in)

During the September 2022 quarter, Cazaly entered into an option agreement with Lynd Resources Pty Ltd to acquire a majority stake in the Vanrock project (per ASX announcement dated 20 July 2022). Funding assistance for this drill hole will be sourced from the Queensland Government's Collaborative Exploration Initiative (CEI), whereby \$171,370 of the drilling costs will be reimbursed.

Following an assessment of the drilling and assay results, the Company concluded that, while results were encouraging, they did not represent the targeted style of mineralisation, or were of a sufficient scale to warrant the Company progressing any further.

ROYALTY PROJECTS

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

Following the sale of the Hamersley Iron Ore Project in 2021 to Equinox Resources Limited (ASX:EQN) the Company holds 15,000,000 EQN shares and 2,850,000 performance shares and retains a royalty interest of US\$0.30/tonne in the project. The project is located in the heart of the Pilbara iron ore province and currently has a total Mineral Resource estimate of **343.2 Mt at 54.5% Fe**. Equinox continues to advance feasibility studies to progress the development planning in the Project

Appendix 5B Summary

For the quarter ending 31 December 2022, the Company's total outgoings were \$1.1M which included \$0.8M of direct costs associated with the field exploration activities including surface geochemical sampling, drill assaying, and other activities as reported in the Projects section above. Payments to related parties and their associates include directors' fees of \$60k apportioned to corporate activities (per item 6.1), and \$87k apportioned to exploration activities (per item 6.2). As at 31 December 2022 the Company had \$4.6M in cash (per item 8.6).

The Company had cash and investments of approximately \$8 million at 31 December 2022.

On 8 November 2022 the Company released an updated investor presentation delivered by Tara French, Managing Director, at the Noosa Mining Conference on 8 November 2022.

Cazaly Resources Annual General Meeting was held on the 18 November 2022. Results of the meeting were released to the ASX at the conclusion of the meeting.

The Cazaly Board authorises the release of this December'22 Quarterly Activities Report and Appendix 5B dated 23 January 2023.

For further information contact:

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Email: admin@cazalyresources.com.au		Website: www.cazalyresources.com.au	

The information in this report that relates to Resource Estimates, Exploration targets and Exploration results is extracted from previous company announcements to the ASX, all are available to view on <https://www.cazalyresources.com.au>. The Company confirms that it is not aware of any new Exploration information or data that materially affects the information included in the original market announcements. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

The Mineral Resource for the Hamersley Iron Ore Project is reported in accordance with the Australasian Code for Reporting of Mineral Resources and Ore Reserves (JORC Code 2012) (refer to Pathfinder's ASX Announcement dated 24 January 2020).

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 French and Mr Horn are both Members of the Australasian Institute Geoscientists and have sufficient experience which is relevant to the style of mineralisation and types 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 French and Mr Horn consents to the inclusion of their names in the matters based on the information in the form and context in which it appears.

¹ The information in this report that relates to the Mount Angelo North Mineral Resource is based on information compiled by Ms Vanessa O'Toole Principle Consultant of Honey Mining and Resources Pty Ltd, a Competent Person, who is a Member of The Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Ms Vanessa O'Toole consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.

² The information in this report that relates to the Bommie porphyry copper mineral resource estimation is based on work completed by Mr. Stephen Hyland, a Competent Person and Fellow of the AusIMM. Mr. Hyland is Principal Consultant Geologist with Hyland Geological and Mining Consultants (HGMC), who is a Fellow of the Australian Institute of Mining and Metallurgy and holds relevant qualifications and experience as a qualified person for public reporting according to the JORC Code in Australia. Mr Hyland is also a Qualified Person under the rules and requirements of the Canadian Reporting Instrument NI43-101. Mr Hyland consents to the inclusion in this report of 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.

INTERESTS IN MINING TENEMENTS AS AT 31 DECEMBER 2022

Tenement	Project Name	% Int
<u>Managed by the Company</u>		
M80/0247	MT ANGELO	100
E80/5307	HALLS CREEK	100
E08/3260	ASHBURTON	100
E08/3261	ASHBURTON	100
E08/3262	ASHBURTON	100
E08/3265	ASHBURTON	100
E08/3272	HARDEY RIVER	100
E38/3425	YABBY	100
E38/3426	YABBY	100
*E52/4120	MONKEY CREEK	100
*E52/4108	WARRAWANDA CREEK	100
*E52/4109	WARRAWANDA CREEK	100
*E52/4110	NEWMAN	100
*E52/4212	EGERTON	100
<u>International interests</u>		
EPL 6667	KAOKO - Namibia	95
*EPL 9110	ABENAB NORTH - Namibia	95

Tenement	Project Name	% Int
<u>Not Managed by the Company</u>		
E80/4808	MCKENZIE SPRINGS	30
E38/3111	MOUNT VENN	20
E38/3150	MOUNT VENN	20
*E38/3581	MOUNT VENN	20
E09/2346	ERRABIDDY	20
E31/1019	CAROSUE	10
E31/1020	CAROSUE	10
M31/0427	CAROSUE	10

*Applications

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

CAZALY RESOURCES LIMITED

ABN

23 101 049 334

Quarter ended ("current quarter")

31 December 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	43	94
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(43)	(79)
	(e) administration and corporate costs	(252)	(541)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	22	51
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(230)	(475)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	(832)	(1,959)
	(e) investments	-	(32)
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	153	153
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	(2)	9
2.6	Net cash from / (used in) investing activities	(681)	(1,829)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other – Return of Capital	-	-
3.10	Net cash from / (used in) financing activities	-	-
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	5,470	6,863
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(230)	(475)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(681)	(1,829)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	4,559	4,559

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	51	363
5.2 Call deposits	4,508	5,107
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,559	5,470

6. Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	60
6.2 Aggregate amount of payments to related parties and their associates included in item 2	87
<p><i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i></p> <p>Includes fees, salaries and super paid to Managing Director, Executive Director and Non-Executive Directors</p>	

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities		
7.5 Unused financing facilities available at quarter end		
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(230)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(832)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(1,061)
8.4 Cash and cash equivalents at quarter end (item 4.6)	4,559
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	4,559
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	4.3
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: NA	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: NA	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: NA	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 23 January 2023

Authorised by: **The Board of Cazaly Resources Limited**

Mike Robbins (Company Secretary)

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.