CRITICAL MINERAL PROJECTS

NAMIBIAN UPDATE

Key Points:

Abenab North REE Project

- **Stakeholder engagement commenced, licence remains in application**
- **Aeromagnetic imagery acquired and reprocessing completed**

Kaoko Lithium Project

- **Analytical results for infill surface sampling confirm contiguous stratiform Lithium anomaly**

Cazaly Resources Limited (ASX: CAZ, Cazaly or the Company) is pleased to provide an update on recent work and progress on its 95% owned exploration licenses situated in the northern part of Namibia.

Abenab North REE Project

Cazaly has commenced discussions with key stakeholders including newly appointed government officials and local landowners in relation to its new exploration licence application for rare earth elements (REE) at Abenab North (EPL9110).

Cazaly has engaged the services of Alliance Environmental Consultancy to carry out an Environmental Impact Assessment (EIA) covering all proposed activities that will be conducted within the license area such as surface sampling, geophysical surveys, and drilling. The approvals process for EPL9110 is expected to be completed during the next quarter.

Figure 1. Location of Namibian Critical Mineral projects

As part of the EIA process, an Environmental Scoping Assessment (ESA)and an independent Heritage Impact study will be carried out. The project has been registered with the Department of Environmental Affairs, and the final compilation of the EIA and Environmental Management Plan (EMP) will be submitted to both the Ministry of Mines and Energy (MME) and the Ministry of Environmental Forestry and Tourism.

Additional data has been sourced from the offices of the MME, including historical reports, and the available aeromagnetic data has been re-processed (Figure 2).

The results of the data reprocessing have further enhanced the previously identified magnetic anomalies. Previous work has confirmed the magnetic anomalies represent carbonatite intrusive units, refer to CAZ announcement dated 7 November 2022. Initial exploration activities are likely to include ground reconnaissance, geophysics, and geochemical sampling ahead of drilling our defined targets.

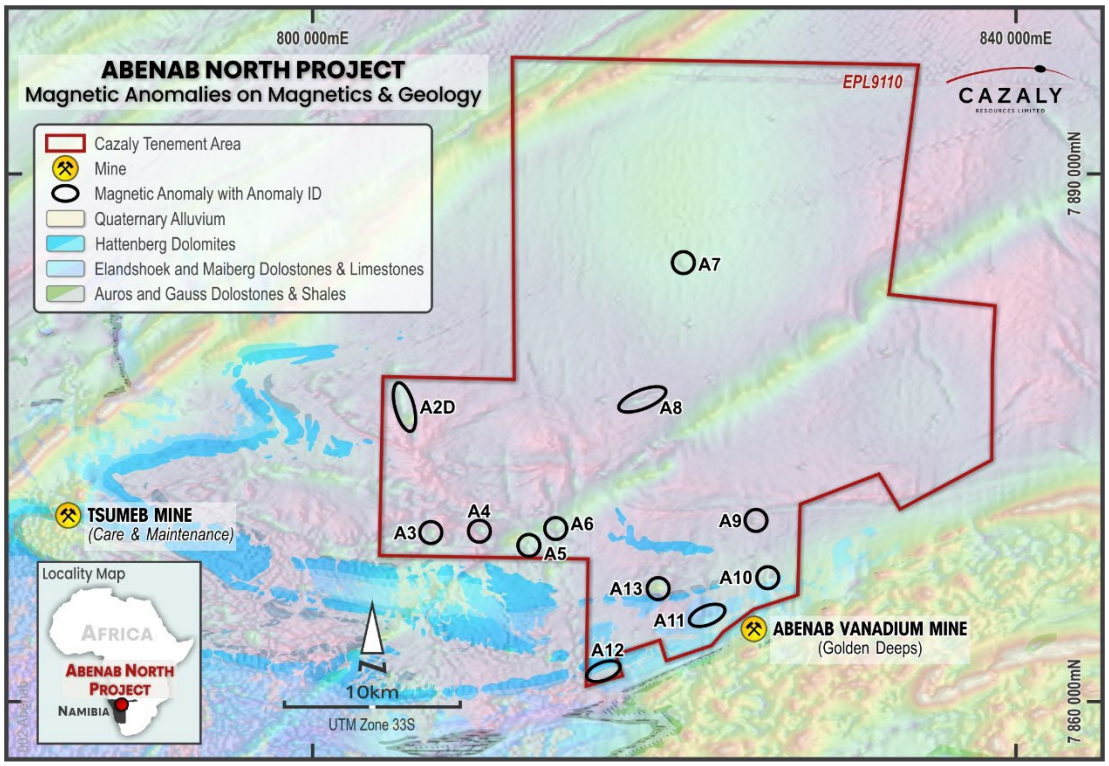

Figure 2. Reprocessed aeromagnetic data showing magnetic carbonatite targets

Kaoko Lithium Project

Cazaly has previously identified a large lithium in soil anomaly at the Ohevanga Prospect measuring 12km x 10km. The anomaly was defined with broad surface samples collected across a 1km grid and has recently been followed up with infill surface sampling to better define and confirm the target (Figure 3). Sample locations and results are shown in Figure 3 and further sampling details and reporting information are included in Appendix 1 JORC tables section 1 and 2.

Results from this recent work confirm previous findings and show that elevated lithium values are contiguous between the initial 1km spaced lines. At this early stage, the most anomalous lithium assays, >110ppm Li, show that the distribution of mineralisation is aligned with specific geological sedimentary units and is therefore interpreted to be stratigraphically controlled. A field visit was recently conducted to assess the geochemical anomalies and indicated that lithium is most elevated within a package of cherty sediments and fine grained dolostones with minor black shales (Figure 3).

The continuity of lithium anomalism between the original 1km surface samples is a strong indication that elevated lithium will be contiguous across the entire 12km strike length of the initially defined anomaly. Follow up exploration is currently being planned.

An application for a two-year licence extension has been submitted to the MME.

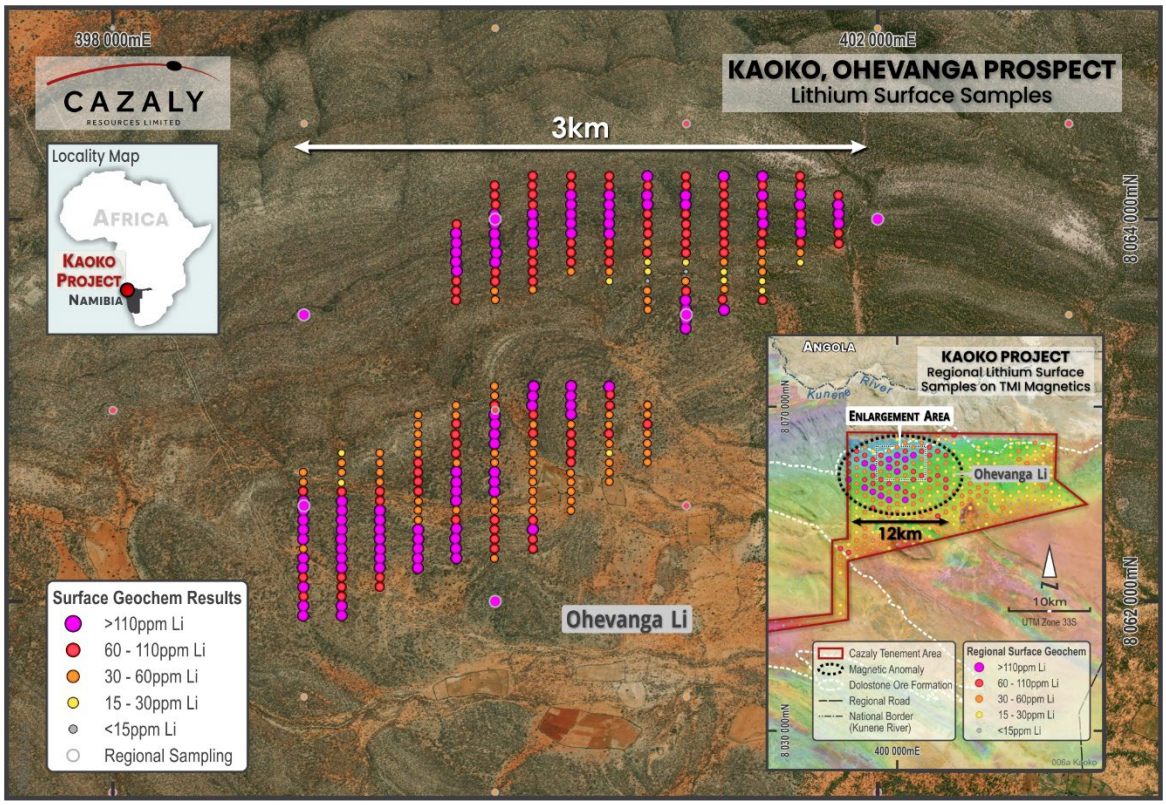

Figure 3. Recent infill surface sampling at Ohevanga shows elevated lithium in soil contiguous between original 1km spaced lines. Li anomalism is also interpreted to be stratiform in nature.

ENDS 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.

APPENDIX 1 – Kaoko Geochemical Surface Sampling

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 (a commercial accredited independent laboratory) in Okahandja, Namibia. Samples underwent sample preparation in Okahandja before being shipped to ALS in Ireland for final analyses by ALS method – ME-MS41L and MS for 41 elements.
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.
	Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance	Appropriate sampling protocols were used during sampling. 2 – 3kg of sample was collected from the sample pit with a plastic

Criteria	JORC Code explanation	Commentary
	results for field duplicate/second-half sampling.	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.*	Samples were sent for analysis to the ALS laboratory (a commercial accredited independent laboratory). All soil samples were analysed for 41 elements by the partial digest method Aqua Regia ICP-MS.
	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. The laboratory inserted standards, blanks, and duplicate samples. Results are within tolerable limits.
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. All sample and assay data has been checked internally by senior Cazaly staff.
	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.	No adjustments were made to assay data.
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).
	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 for reporting of Exploration Results.	Soil samples were collected at a nominal 50 x 200m spacing. Sample site position was recorded by handheld GPS.

Criteria	JORC Code explanation	Commentary
Data spacing and distribution	*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.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*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.* *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.*	The Kaoko critical minerals project EPL6667 is located in northern Namibia. The tenement is held in joint venture with Cazaly 95% and local geological company KDN Geo Consulting CC with 5%. The submission of a licence renewal application is required 3 months prior to the end of the current term. As part of this process 50% of the licence is required to be surrendered. The licence renewal application has been submitted to the MME. Cazaly has the required Environmental Clearance Certificate for EPL6667 to allow for ongoing exploration activities. There are no known impediments.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	Rio Tinto Namibia Pty Ltd conducted work in the area in 1993-95 and drilled Cu/Zn mineralization in the area south of the Kaoko Project now held by Celsius Resources Ltd. Regional geochemical sampling was

Criteria	JORC Code explanation	Commentary
		conducted by Kunene Resources Ltd and First Quantum Minerals Ltd (JV) in 2011-15 on broad 1km x 1km and 1 km x 500m grids. Kunene also interpreted regional geophysical data, Landsat Data and Satellite imagery, as well as completed geological mapping in the area. Other historical work includes oil gas and uranium exploration in the area.
Geology	*Deposit type, geological setting, and style of mineralisation.*	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 project area is underlain by metamorphosed and deformed rocks of the Epupa Metamorphic Complex overlain by a basal succession of Nosib Group quartzite, arkose, conglomerate, phyllite with minor limestone and evaporates, which is associated with the initial rifting stage of the Damaran Orogeny. The Nosib group is overlain by rocks of the Ombombo and Abenab subgroups of the Otavi Group.
Drill hole Information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	No drilling has been conducted.
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* *Where aggregate intercepts incorporate short lengths of high grade results and longer*	Surface samples were collected and reported as single point data.

Criteria	JORC Code explanation	Commentary
	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. *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.* *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	Surface samples were collected and reported as single point data.
Diagrams	*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.*	Refer to the body of the announcement.
Balanced reporting	*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.*	All results are shown in Figure 3. Results less than 15ppm are not considered material. Results above 110ppm are considered anomalous and this value is therefore used as the upper threshold value.
Other substantive exploration data	*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.*	All material information available has been reported in the announcement.
Further work	*The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Ongoing assessment of the geochemical sampling and other data sets is being conducted to plan future work programs.