CAZALY COMPLETES ACQUISITION OF LARGE CANADIAN RARE EARTHS PROJECT

Highlights:

- **Carb Lake Rare Earth Elements (REE) project acquisition completed**
- **Diamond drill core inspected confirming carbonatite lithologies**
- **Field reconnaissance planning underway**

Cazaly Resources Limited (ASX: CAZ, Cazaly or the Company) is pleased to announce that it has completed the acquisition of 100% of the Carb Lake Rare Earth project. The Project is located in the Red Lake District in Ontario, a well-known mining province in Canada and comprises 93 mineral claims covering a large carbonatite prospective for Rare Earth Elements (REE).

On 27 April 2023 Cazaly announced it had entered into an exclusive binding agreement to acquire 100% of the Carb Lake REE project (Figure 1) which comprises a large, 2.5 to 3km diameter circular magnetic anomaly known as the Carb Lake Carbonatite Complex prospective for Rare Earth Elements and Niobium.

Figure 1. Location of Carb Lake Carbonatite Project in northwest Ontario

Project Update

Cazaly has completed due diligence to its satisfaction and has now finalised the acquisition of the project. Refer to the Company's ASX announcement on 27 April 2023 for further details on the terms of the acquisition and project specifics.

As part of the due diligence process Cazaly gained access to the diamond drill core, stored at the Ministry of Mines Geological Survey in Kenora. Diamond drill core is very narrow, 22mm in diameter, stored in wooden core trays and is largely in a poor state. Some diamond core was available for drill holes DD001 and DD002 (Figure 2), however the majority of drill core from holes DD003 and DD004, drilled closest to the centre of the carbonatite (Figure 3, Table 1) was unavailable, as it had been consumed for historical analytical work. Geological observations* were consistent with historical reported work. The carbonatite predominantly consists of calcite with variable amounts of biotite, hornblende, apatite, actinolite, minor pyrite and chalcopyrite.

**Geological observations are qualitative and only include dominant minerals of interest. Mineralogy has been identified by an experienced geologist however has not been confirmed through petrographic studies.*

Figure 2. Example of diamond drill core condition from DD001 and DD002

Based on the core condition and the uncertainly relating to the down hole measurements a program of non-invasive geochemical testing will be undertaken this week utilising portable XRF, portable gammaray spectrometer, and magnetic susceptibility readings. The measurements will provide information of the geochemical nature of the carbonatite at the drill hole location, but it will not be possible to attribute any values to exact down hole depths.

The 2011 aeromagnetic survey data (Figure 3) has been located, and the Company has agreed to purchase the raw data from the original contractors that collected the high resolution magnetic, radiometric and XDS VLF-EM data. Re-processing this data will be prioritised in order to facilitate drill planning.

Following completion of the initial drill core testing and re-processing the geophysics a field reconnaissance program will be refined. The program has been planned to initially assess the project with surface mapping, float and rock sampling where possible and determine the accessibility of future drill site locations. The field based program is expected to commence in late August following receipt of appropriate land access approvals.

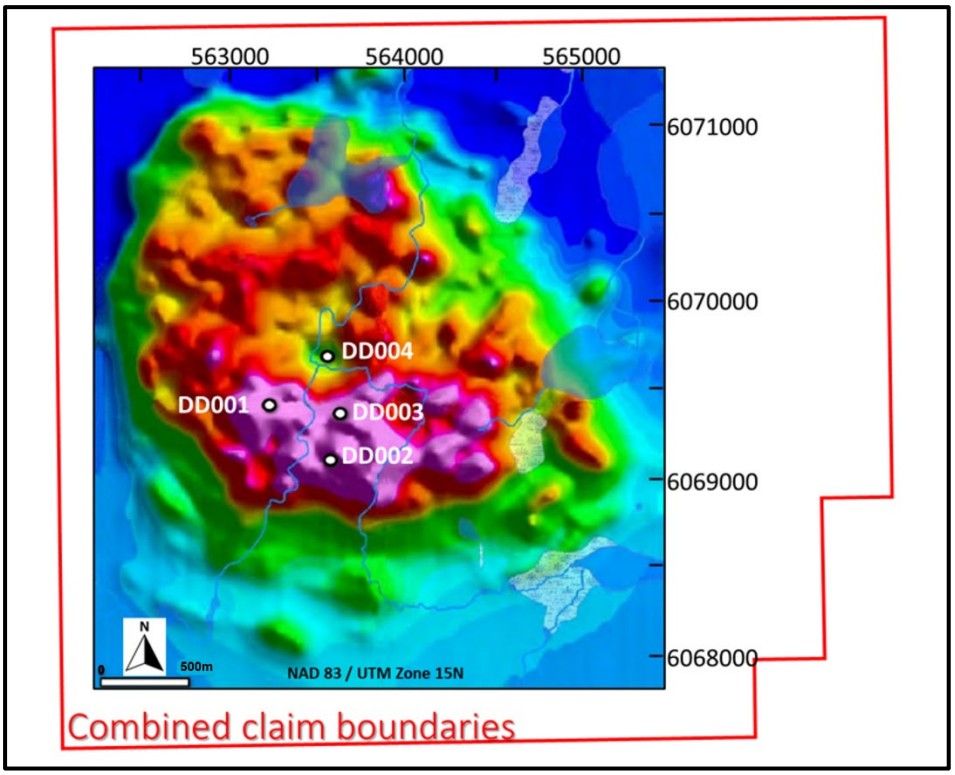

Figure 3. Aeromagnetic TMI of large circular carbonatite with variation in the magnetics showing partial ring structures with a magnetic low in the centre extending to the north-eastern margin of the intrusive.

Hole ID	UTM_EAST	UTM_NORTH	DIP	AZIMUTH	EOH DEPTH (m)	Cover (m)
DD001	563139	6069169	-50	10	125	6.7
DD002	563518	6068857	-50	10	150.91	12.2
DD003	563579	6069139	-50	10	138.41	9.15
DD004	563496	6069429	-50	10	149.39	11.89

Table 1 Big Nama Creek Mines Drillhole data. NAD83 / UTM zone 15N.

Background

The Project area is in north-western Ontario and hosts a very large mid-Proterozoic aged carbonatite positioned between two major tectonic terrane boundaries along the North Kenyon Fault (NKF). The NKF is a significant crustal scale fault providing an ideal environment for the emplacement of carbonatite intrusions. The carbonatite is not exposed at surface with shallow cover from 7 to 12m.

Historic Exploration

The Carb Lake Carbonatite Complex has had very limited modern exploration. Following the recognition of a large circular aeromagnetic anomaly in 1967, **four diamond holes were completed by Big Nama Creek Mines Ltd for 564m, the only drilling ever completed on the Project** (Figure 3)**.**

The major lithology described from drill core is sövite, a coarse grained carbonatite rock, alternating with layers of silico-carbonatite.

Further work was conducted in the late 1960s and again in the 1970s by the Ontario Department of Mines, Geological Survey. Geochemical analysis of sövite from diamond holes DD003 and DD004 returned up to 8% P_2O_5 probably associated with apatite and enriched in Nb and light REEs. The best results reported were from DD004, drilled into the centre of the carbonatite complex in an area of low magnetic intensity (Figure 3), with two samples reporting **>5% Ce and >1% La**. One sample reported a value of 7.1% Nb.

An airborne magnetic/radiometric survey completed in 2011 by South American Rare Earth Corporation (SAREC) displays partial ring structures around the centre of the carbonatite complex (Figure 3) shown as green magnetic lows possibly representing multiple intrusive phases.

Managing Director, Tara French said: *"It was great to be able to locate and have the opportunity to complete further test work on core from drilling which was conducted on the project more than 50 years ago. In order to preserve what drill core is left, a non-invasive geochemical program will be conducted. While visually it's apparent that there is significant variation and zonation of mineralogy in the drill core, the xrf data will provide more detailed information on geochemical variability. Once the airborne magnetic and radiometric data has been re-processed we will be in a position to plan drill hole locations, that can be assessed on the ground during the up-coming field reconnaissance exploration program. We are very excited to be progressing the project with our in-country technical team and planning the early exploration work with a view to drill testing the Carb Lake Carbonatite Complex in the coming winter months."*

Historical Reporting of Results

COMMENTS REGARDING THE REPORTING OF OTHER ENTITIES EXPLORATION RESULTS

- The exploration results reported herein have been sourced from public reports as listed in the References.
- Only selected drill core samples were reported in historical reports.
- The Figure 3 aeromagnetic image is a copy of published data.
- The information in this announcement is an accurate representation of the available data for project that has been sourced to date.
- The historical exploration results were not reported in accordance with the JORC 2012 Code.

References

27 April 2023. ASX Announcement: Cazaly to Acquire 100% of Large Canadian Rare Earths Project.

Bennett and Riley. 1969. Operation Lingman Lake. Ontario Department of Mines. MP 27.

Sage, R.P. 1987. Geology of Carbonatite – Alkalic Rock Complexes in Ontario "Carb" Lake Carbonatite Complex, District of Kenora. Ontario Geological Survey, Study 53, 42p.

Barrie, C. 2011. Terraquest Limited Operations Report for MPH Consulting Limited. High Resolution Magnetic, Radiometric & XDS VLF-EM Helicopter survey. Target 192 Project Northern Ontario.

ENDS

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Competent Persons Statement
The information in this report accurately represents the available data as per references provided, and has been 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'. The company confirms that it is aware the historical information was not reported in accordance with JORC 2012, it is not aware of any new information or data that materially affects the information included in the original reports. 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.