CARB LAKE REE PROJECT UPDATE

Highlights:

- **Anomalous rare earth elements (REE) – Lanthanum (La), Cerium (Ce), Neodymium (Nd) and Praseodymium (Pr) confirmed in historical drill core with pXRF**
- **pXRF point results up to 1.5% Nd; 0.4% Pr; and 0.6% Nb**
- **Historical diamond drill core re-logged**
- **Acquisition and Reprocessing aeromagnetics completed**
- **Field reconnaissance planning underway**

Cazaly Resources Limited (ASX: CAZ, Cazaly, or the Company) is pleased to provide an update on exploration activities at the Carb Lake Rare Earth project in the Red Lake District of Ontario, Canada, a well-known mining province comprising 93 mineral claims covering a large carbonatite prospective for Rare Earth Elements (REE).

On 14 June 2023, Cazaly announced it had acquired 100% of the Carb Lake REE project (Figure 1) which comprises a large, 2.5km to 3km diameter circular magnetic anomaly known as the Carb Lake Carbonatite Complex prospective for REE and Niobium.

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

Project Update

Cazaly's in-country team have completed a portable XRF (pXRF) program on available diamond core. Preliminary pXRF readings conducted on historical core samples have confirmed anomalous levels of Lanthanum (La), Cerium (Ce), Neodymium (Nd), Praseodymium (Pr), and Niobium.

These results validate the project's potential for economic REE and Nb mineralisation and reinforce the Company's confidence in the future prospects of the Carb Lake REE project.

Four diamond holes were drilled at Carb Lake in 1967 for a total of 564m with limited drill core remaining intact and available for non-invasive work. The remaining drill core was re-logged and tested using a pXRF, a portable gammaray spectrometer and a magnetic susceptibility metre.[1]

The best pXRF results include Nb 0.6%; La 3.36%; Ce 4.34%; Pr 0.42%; Nd 1.49%[2].

[1] For more information, refer to ASX announcements dated 3 May 2023 and 14 June 2023
[2] Appendix 1, Table 1 and 2 for details of pXRF results, refer Appendix 2 for JORC tables.

Cautionary Statement

The pXRF exploration results reported herein have been collected on historical core samples and are not equivalent to analytical laboratory results. The use of spot pXRF readings only provides an indication of the potential order of magnitude of analytical laboratory assay results. The downhole location of pXRF results collected cannot be relied upon for actual location due to the incomplete nature of the remaining historical drill core.

As previously announced, the diamond drill core is very narrow, 22mm in diameter, stored in wooden core trays and was largely in a poor state. Some diamond core was available for drill holes DD001 and DD002, however the majority of drill core from holes DD003 and DD004, drilled closest to the centre of the carbonatite (Figure 2, Table 1) was unavailable, as it was consumed through historical analytical work. Historical work completed by the Ontario Geological Survey included a study completed in 1978 where drill core was recovered from two of the holes (DD003 and DD004) and 36 samples were analyzed for major oxide and trace elements. Results returned up to 5,620ppm Ce with one sample returning a value of 7.1% Nb[3].

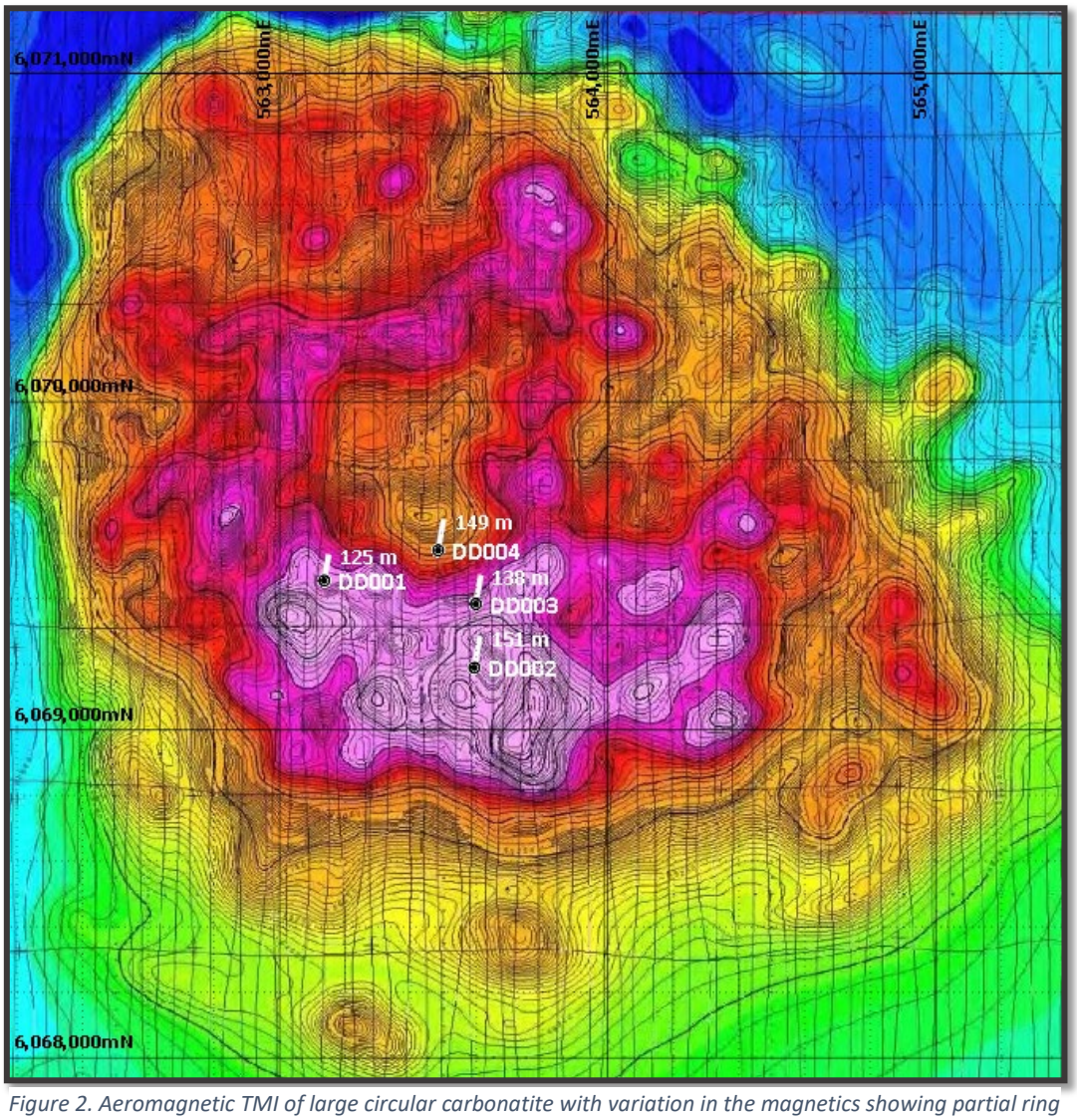

Figure 2. Aeromagnetic TMI of large circular carbonatite with variation in the magnetics showing partial ring structures with a magnetic low in the centre extending to the north-eastern margin of the intrusive.

[3] Refer to ASX announcement dated 3 May 2023.

Aeromagnetic Data

As part of the Company's initial studies, the 2011 aeromagnetic survey data was sourced and purchased, and delivery of the digital data is pending. The aeromagnetics will enable the Company to expand its understanding of the subsurface geology and aid in identifying potential target areas for future exploration.

Detailed Aerial Imagery

The Company has also acquired detailed high resolution satellite imagery to 17cm, with >97% clarity (<3% cloud cover). This dataset will also be extremely useful during the initial exploration planning stages.

Next Steps

An initial field reconnaissance trip will include geological field mapping to determine any areas of float, or outcrop, and prospecting to collect any rock chip samples where float and outcrop is observed. Our in-country team will mobilise a 4-man crew and establish an onsite field camp to facilitate the field program. Subject to all access approvals the reconnaissance trip is scheduled to be undertaken in September-October 2023.

ENDS

For and on behalf of the Cazaly Board
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Competent Persons Statement

The information in this report that relates to recent Exploration Results, or historical data is based upon information and supporting documentation 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'. 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 this report. 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: Drill Core pXRF Results

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

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 2. **Selected** point pXRF results above 500ppm Nd*

BHID	Depth (m)	La (ppm)	Ce (ppm)	Nb (ppm)	Pr (ppm)	Nd (ppm)
DD0001	18.59	671	1618	2624	182	1059
DD0001	31.09	399	924	149	181	619
DD0001	50.60	976	1721	48	355	846
DD0001	75.29	1299	2380	84	336	1084
DD0001	82.60	368	820	2198	172	600
DD0001	87.17	674	1326	293	189	650
DD0001	91.74	443	866	107	188	592
DD0001	93.27	1346	2438	194	201	1133
DD0001	94.79	1389	2258	456	345	840
DD0001	**103.02**	**27993**	**42904**	**15**	**4159**	**14937**
DD0001	110.64	1089	1975	779	293	1015
DD0001	115.21	876	1718	281	232	933
DD0002	12.19	412	921	1118	202	612
DD0002	18.29	339	726	141	220	746
DD0002	19.81	503	1037	<LOD	244	543
DD0002	26.67	551	1141	533	198	673
DD0002	33.53	1330	2320	1482	200	1076
DD0002	37.34	819	1571	1953	230	710
DD0002	47.70	418	1051	121	169	842
DD0002	52.58	384	861	17	257	560
DD0002	57.15	563	1278	38	184	702
DD0002	57.91	503	1215	126	316	916
DD0002	59.13	301	589	78	170	536
DD0002	62.94	343	635	396	204	564
DD0002	63.70	329	831	21	191	565
DD0002	64.47	821	1454	846	169	541
DD0002	65.23	536	1206	314	218	722
DD0002	66.14	941	1712	245	273	932
DD0002	66.90	361	732	306	192	516
DD0002	90.83	373	748	690	181	627
DD0002	95.40	362	748	973	301	734

BHID	Depth (m)	La (ppm)	Ce (ppm)	Nb (ppm)	Pr (ppm)	Nd (ppm)
DD0002	96.16	1251	2236	3638	181	678
DD0002	99.67	462	1168	405	243	972
DD0002	106.22	397	833	5722	203	858
DD0002	106.98	4980	8590	2341	917	3438
DD0002	107.75	865	1565	542	248	767
DD0002	114.30	382	906	1409	284	856
DD0002	127.56	8511	14153	242	1319	5534
DD0002	133.35	1584	2801	89	288	1032
DD0002	137.16	2574	4186	23	504	1655
DD0002	137.92	445	933	33	169	658
DD0002	140.21	1976	3493	29	464	1608
DD0002	140.97	3461	5705	24	495	2177
DD0003	10.36	643	1330	114	241	594
DD0003	79.71	1568	3099	31	431	1725
DD0003	81.23	495	914	256	175	528
DD0003	82.75	2507	4759	33	570	2350
DD0003	83.52	570	1339	656	314	1051
DD0003	85.04	781	1478	444	206	790
DD0003	85.80	2099	3443	314	432	1466
DD0003	**111.86**	**33636**	**43353**	**85**	**3464**	**12542**
DD0003	114.91	2314	2969	48	226	702
DD0004	84.12	3759	5135	106	423	1436
DD0004	86.41	1567	3443	320	578	2170
DD0004	90.98	714	1314	121	315	648

APPENDIX 2: Drill Core pXRF Results JORC Commentary

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg 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.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *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 (eg '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 (eg submarine nodules) may warrant disclosure of detailed information.*	• Four diamond drill holes (22mm diameter core) were completed for a total of 564m in 1968 by Big Nama Creek Mines and Laradona Mines Ltd. • Diamond core from all four of the holes is stored by the Ontario Geological Survey core facility in Kenora, Ontario. Two holes are almost complete and 2 holes have only limited half and quarter core remaining. This core was accessed for study, relogging as well as analysis utilising a pXRF, magnetic susceptibility meter and portable gamma-ray spectrometer. • The historical core was assessed at the Ontario Geological Survey archived core facility, located on 8604th Ave South Kenora, Ontario. • Geochemical point analysis was completed on the diamond drill core using an **Olympus Vanta XRF Analyzer (pXRF)**. • This handheld X-ray fluorescence tool self calibrates before each reading. • For quality assurance and quality control practices, standard (Oreas 72b) and blank materials supplied by the manufacturer, were analyzed and recorded at the start of hole. Periodic measurements were also included at irregular intervals after prolonged use. Samples were scanned with each of the tools three beams, following the manufactures suggested duration.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Four diamond drill holes (22mm diameter core) were completed for 564m in 1968 by Big Nama Creek Mines and Laradona Mines Ltd.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• All historical information reported in the body of this report and Appendix 1 was extracted from historical reports. • This information was not provided in the historical reports.

Criteria	JORC Code explanation	Commentary
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.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Diamond core was geologically logged at the time of drilling and later re-examined by other exploration companies. • Data collected using the handheld pXRF is point data, and is recorded as such.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *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.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• pXRF measurements were collected from points on available core selected at regular intervals.
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.* • *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.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• All readings were 30 second 3 beam spot readings collected at regular intervals along core. • pXRF readings are not representative of the average concentrations of the elements in a certain volume of core. • The instrument self-calibrated before each reading and OEM supplied standard reference material (Oreas 72b) and blanks were used to check and verify calibrations • No physical samples were collected and submitted to a certified laboratory for assay.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Significant pXRF results were verified by the 2 geologists on site • All core was geologically and geotechnically logged for incorporation into the company database • Results are preliminary pXRF results and have not been adjusted
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other*	• 1967-74 Big Nama Creek Mines Ltd & Laradona Mines Ltd: A local grid was established before drilling utilising topography and surveyed claim

Criteria	JORC Code explanation	Commentary
	locations used in Mineral Resource estimation. • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	posts as control. All co-ordinates plotted have been converted to UTM WGS84 – Zone 15N
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *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.* • *Whether sample compositing has been applied.*	• Diamond drill hole locations were designed to test targets generated from aeromagnetics • Drill hole collars were between 200 and 500m apart testing areas of high and low magnetic intensity
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.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Holes were drilled at -50^0 to the north • Zonation of lithologies within the Carb Cake carbonatite is anticipated to be subvertical or steeply dipping
Sample security	• *The measures taken to ensure sample security.*	• No samples have been submitted to a laboratory. Readings are from pXRF measurement of core only.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits were completed

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 Carb Lake** project is located 425km north north-east of Red Lake in Ontario Canada and 10km from the Ontario-Manitoba border. • The Carb Lake Project is held 100% by Cazaly Resources Limited. The Project is located on Mining Claims 688532 to 688568, 688571 to 688626 and 688637.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• 1967: Ontario Department of Mines – Geological Survey of Canada. Airborne magnetic survey - circular magnetic anomaly detected. • 1967: M.J. Boylen Engineering Ltd. Boulders of carbonatite

Criteria	JORC Code explanation	Commentary
		and alkalic rocks discovered on the shore of Carb Lake. • 1967-1968: Big Nama Creek Mines Limited and Larandona Mines Limited. • Airborne magnetometer and gamma-ray spectrometer surveys. Diamond drilling (four holes totalling 564 m). • 1969: Ontario Department of Mines. Eighteen core samples analyzed for La, Ce and Nb. Samples returned values of up to ~5% Ce, ~1% La and 0.5% Nb. Up to 5% pyrochlore observed in thin sections. • 1987: Ontario Geological Survey Collection of core (the core is stored at the OGS core facility in Kenora). Thirty-six samples collected for major oxide and trace element analyses. REE analyses returned up 5,620 ppm Ce. One sample (# 1174) is listed as containing >7.1% Nb; two samples returned 1500 ppm Nb. Up to 1% pyrochlore observed in thin sections. • 2011: South American Rare Earth Corp. Airborne magnetic, radiometric and VLF surveys.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Carbonatites occur mainly as intrusive bodies and to a lesser extent as volcanic flows. Carbonatite-associated deposits are mined for REEs, niobium, iron, copper, apatite (phosphorous), vermiculite and fluorite (Richardson and Birkett, 1996). A significant portion of the world REE production is from carbonatite hosted deposits. Examples are the Bayan Obo, China orebody, the world's largest known REE deposit and the Mountain Pass deposit, a leading producer of REE concentrates. The Jacupiranga carbonatite in Brazil hosts a commercial phosphate deposit.REE deposits associated with carbonatites may be classified as follows (Mariano, 1989): • Primary (magmatic), from carbonatite melts • Hydrothermal • Supergene, developed in carbonatite-derived laterites • The Carb Lake deposit is considered to be primarily a Magmatic deposit. These are formed through processes associated with the crystallization of carbonatites. Metasomatic deposits form by the reaction of fluids released during crystallization with pre-existing carbonatite or country rocks. These are late carbonatite phases and tend to host metasomatic or hydrothermal mineralization. It is not yet known if the Carb Lake Project hosts hydrothermal or supergene styles of mineralisation.
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:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced*	• See Appendix 1

Criteria	JORC Code explanation	Commentary
	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.*	
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 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.*	• No aggregated data is reported only individual spot pXRF results
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').*	• Significant pXRF results within the carbonatite unit are generally associated with lower magnetic susceptibility
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*	• Refer to the body of this report

Criteria	JORC Code explanation	Commentary
	appropriate sectional views.	
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.*	• Selected pXRF results are included in Appendix 1 Table 2 of this report. No samples were submitted for conventional laboratory assay.
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.*	• Refer to the body of this report
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.*	• Follow-up work includes acquisition and interpretation of geophysical data and planning reconnaissance field work