

Timing confirmed for first lithium exploration campaign

Sundown Project, Canada

Highlights

Helicopter supported exploration to commence at Sundown in mid-September

The Sundown lithium project comprises a very large land holding of ~260km² with over 200 documented outcropping pegmatitesⁱ

The pegmatites on the project have never been tested for lithium mineralisation

Large clusters of potential pegmatite outcrops have been targetedⁱⁱ, with several exposures up to 1.5km in length, and prioritised for lithium sampling

Cazaly Resources Limited (**ASX: CAZ, Cazaly, or the Company**) is pleased to announce that fire bans have lifted and the Sundown Property can now be safely accessed for exploration. The Sundown lithium project, is located in the James Bay lithium province, Quebec, Canada.

The Sundown project represents a significant acquisition for the Companyⁱⁱⁱ. The large (**260km²**) tenement holding is strategically positioned (Figure 1) between Allkem's (**ASX:AKE**) James Bay deposit with a lithium resource of 110.2Mt @ 1.30% Li₂O^{iv}, and Patriot Battery Metals (**ASX:PMT**) Corvette Lithium Discovery with a maiden lithium resource of 109.2Mt at 1.42% Li₂O within a **214km²** land package^v.

Helicopter secured for fieldwork

Following the wildfire season, the access restrictions have been lifted for the Sundown Project area, and it is now safe to access the property. Cazaly's in country are ready to execute the first ever pegmatite sampling campaign on the Sundown Project. The campaign will initially focus on previously defined priority pegmatite target areasⁱ and samples assayed for lithium. This initial reconnaissance expedition will provide essential data to direct future exploration activities.

Cazaly's Managing Director Tara French commented:

"This is what we have been waiting for! The access restrictions were lifted across our property last weekend and our in country team are ready to execute this very important initial reconnaissance program. This will be the first time any of the +200 pegmatites on the property have been sampled for lithium. We are very excited to be testing the pegmatites of the Gladman suite, recently identified by MERN as a new lithium prospective zone."

Targets prioritised for testing

Priority target areas have been defined in order to focus initial efforts for rock chip sampling among the +200 observed pegmatites on the property. The priority areas include clusters of potential outcropping pegmatites with several exposures up to 1.5km in length.

Four target areas were selected as priority lithium targets (Figure 2) and will be sampled during the upcoming field exploration program. For details of target generation and ranking refer to Cazaly’s ASX announcement dated 15 August 2023.

The heli-supported field exploration program will include rock chip sampling, and geological mapping. The initial fieldwork will be critical for fact-checking existing datasets and optimising future targeting techniques.



Figure 1. Sundown lithium project location relative to significant lithium projects with quoted mineral resources.

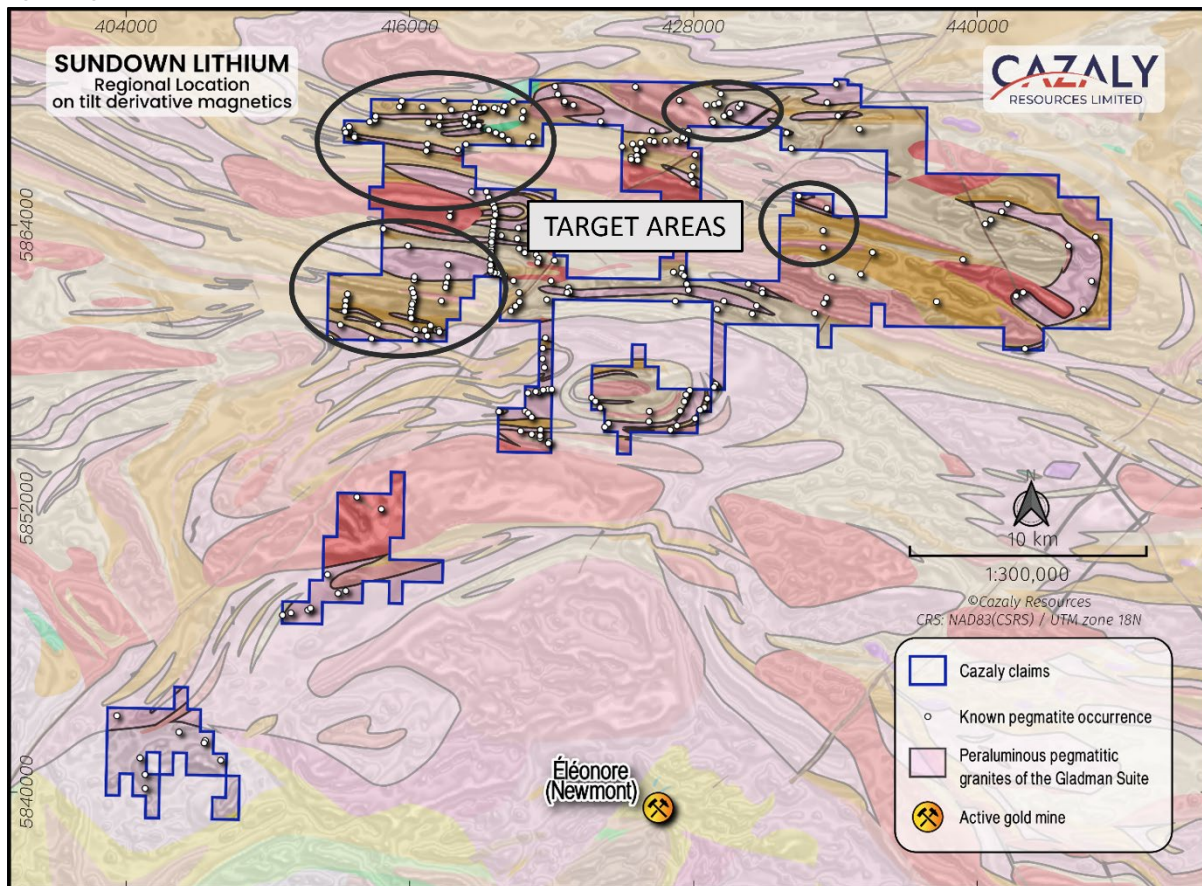


Figure 2. Sundown lithium project with priority sample areas circled in black.

Cautionary Note

Reported outcropping pegmatite occurrences does not equate to lithium mineralisation. The Company is encouraged by the geology identified, however no quantitative or qualitative work has been completed by the company to assess the mineralisation potential at this stage. The initial fieldwork proposed by the Company will include rock chip sampling and assaying of outcrops identified as pegmatites to determine their mineralisation potential to report results under JORC code 2012.

Project Background

The Sundown Lithium Project lies in the world-class James Bay Lithium Province, host to several advanced lithium projects (Figure 1) and new lithium discoveries in Canada and comprises 510 mining claims covering pegmatite outcrops spanning over 260km² (Figure 2).

The Project lies within the Opinaca Subprovince in the centre of the Archaean Superior Province in the heart of Eeyou Istchee James Bay territory, which is host to significant lithium resources (Figure 1). The geology of the project area consists of paragneiss and migmatites of the Laguiche Complex that have been disrupted by multiple intrusions consisting of granodiorite, pegmatitic granite and tonalite. These **intrusions are peraluminous and type S** and, with increasing fractionation, are **favourable for the development of Lithium-Caesium-Tantalum (LCT) pegmatites**. Some small ultramafic intrusions are also present on the edge of the Opinaca Subprovince.

The Québec Ministry of Natural Resources and Forestry (MERN) identified +200 pegmatites in outcrop across the project area. In 2022 MERN geologists identified the **Gladman Suite** as a **new lithium prospective zone** that is characterised by the presence of numerous E-W trending pegmatitic granite dykes (Figure 2). The presence of tourmaline, garnet and muscovite in these rocks indicates a hyperaluminous composition suitable for the development of lithium mineralisation. These details have only recently been made available digitally (20th May 2023) on Quebec's interactive geological portal, SIGÉOM a spatially-referenced geomining information system.

More recent news from the James Bay area includes ASX:AKE's updated mineral resource for the James Bay Lithium deposit with 110.2Mt @ 1.3% Li₂O^v which surpasses ASX:PMT's maiden mineral resource for the Corvette Project of 109.2Mt @ 1.42% Li₂O^v as the largest pegmatite resource in the district. These resources attest to the significant lithium endowment in the James Bay area, and with a limited lithium exploration history, the company is further encouraged that the James Bay area has significant potential for new discoveries.

ENDS

For and on behalf of the Cazaly Board

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Competent Persons Statement

The information in this report accurately represents the available data as referenced at the bottom of this document, 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 not aware the information was not reported in accordance with JORC 2012, it is also 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, 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.

ⁱ ASX:CAZ Announcement 31 May 2023. Large scale lithium project acquisition, James Bay Province, Québec Canada.

ⁱⁱ ASX:CAZ Announcement 15 August 2023. Target areas prioritised for initial lithium exploration program.
Sundown Project, Canada

ⁱⁱⁱ ASX:CAZ Announcement 7 August 2023. Cazaly completes large scale lithium project acquisition, James Bay Province, Québec, Canada.

^{iv} ASX:AKE Announcement 11 August 2023. James Bay Mineral Resource increased by 173% to 110.2 million tonnes.

^v ASX:PMT Announcement 30 July 2023. Patriot Announces the Largest Lithium Pegmatite Resource in the Americas at CV5, Corvette Property, Quebec, Canada.