Canadian Project update
New timing for Sundown exploration

Highlights

On ground activities rescheduled at the Sundown Lithium project to mid-October to accommodate traditional hunting activities

Initial field work completed at Carb Lake REE project

Figure 1. Location of the Sundown Lithium project in Québec and the Carb Lake REE project in Ontario, Canada.

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 the well-known mining province of Ontario, and the Sundown Lithium project located in the heart of James Bay's lithium province (Figure 1). In order to accommodate the CREE traditional hunting activities within the Wemindji CREE territory the Company has slightly delayed exploration activities until mid-October at the Sundown Lithium project.

The Company is mindful that the Wemindji Cree Nation community have traditional activities related to trapping, hunting and fishing on the land, and the company acknowledges the importance of these activities. As such our initial exploration activities will now commence following the hunting season which ends on October 15.

In the meantime, we are happy to have progressed work on our Carb Lake REE project, with field reconnaissance completed and carbonatite samples in the laboratory for analysis.

Sundown Lithium Project

The Sundown project represents a large (260km^2) tenement holding strategically positioned (Figure 2) between Allkem's (ASX:AKE) James Bay deposit with a lithium resource of 110.2Mt @ 1.30% Li2O[i], and Patriot Battery Metals (ASX:PMT) Corvette Lithium Discovery with a lithium resource of 109.2Mt at 1.42% Li2O within a 214km2 land package.[ii]

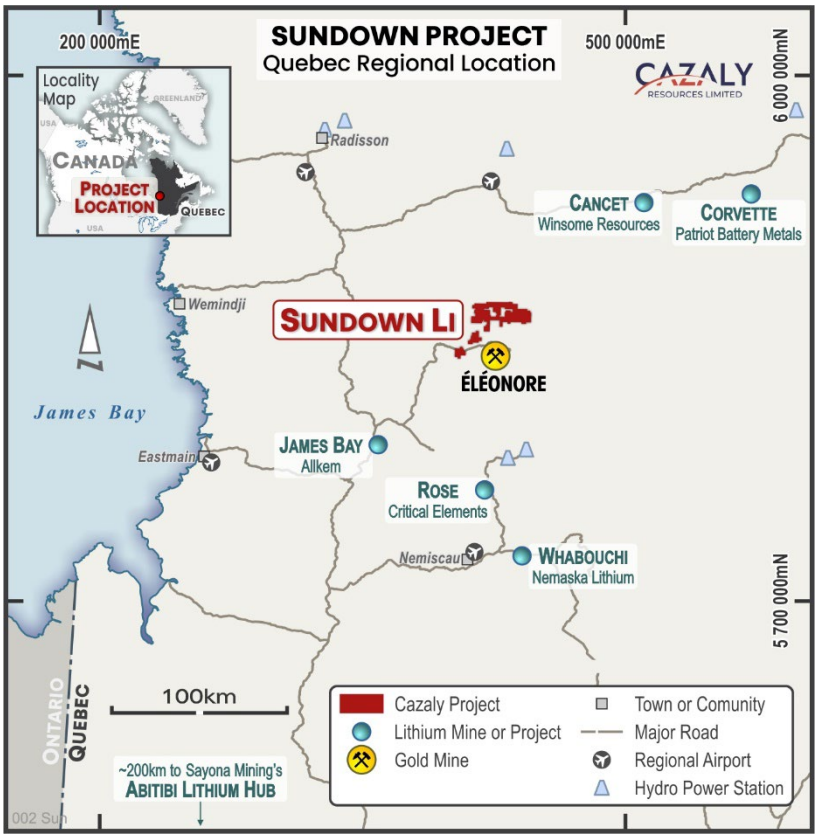

Figure 2. Sundown tenement holding location with the prolific James Bay Lithium province.

Initial exploration plans scheduled to commence in mid-September were postponed following recent discussions with the Director General of the CREE Nations Mineral Exploration Board. There are three separate territories (traplines) across the Sundown property that individuals of the Wemindji CREE community use for hunting and fishing. While initial clearances were approved for exploration activities, subsequent discussions between the Director General and the individual Tally-persons (Wemindji leaders with trapping rights) identified the need for the traditional activities to take place despite the destruction caused by the recent forest fires across the Sundown property.

Project Background

The Sundown Lithium Project lies in the world-class James Bay Lithium Province, host to several advanced lithium projects and new lithium discoveries in Canada and comprises 510 mining claims covering pegmatite outcrops spanning over 260km^2 (Figure 2 & 3). The Project lies within the Opinaca Subprovince in the centre of the Archaean Superior Province in the heart of Eeyou Istchee James Bay territory, host to significant lithium resources.

The geology of the project area consists of multiple S type intrusions consisting of granodiorite, pegmatitic granite and tonalite. These intrusions, with increasing fractionation, are favourable for the development of Lithium-Caesium-Tantalum (LCT) pegmatites[iii].

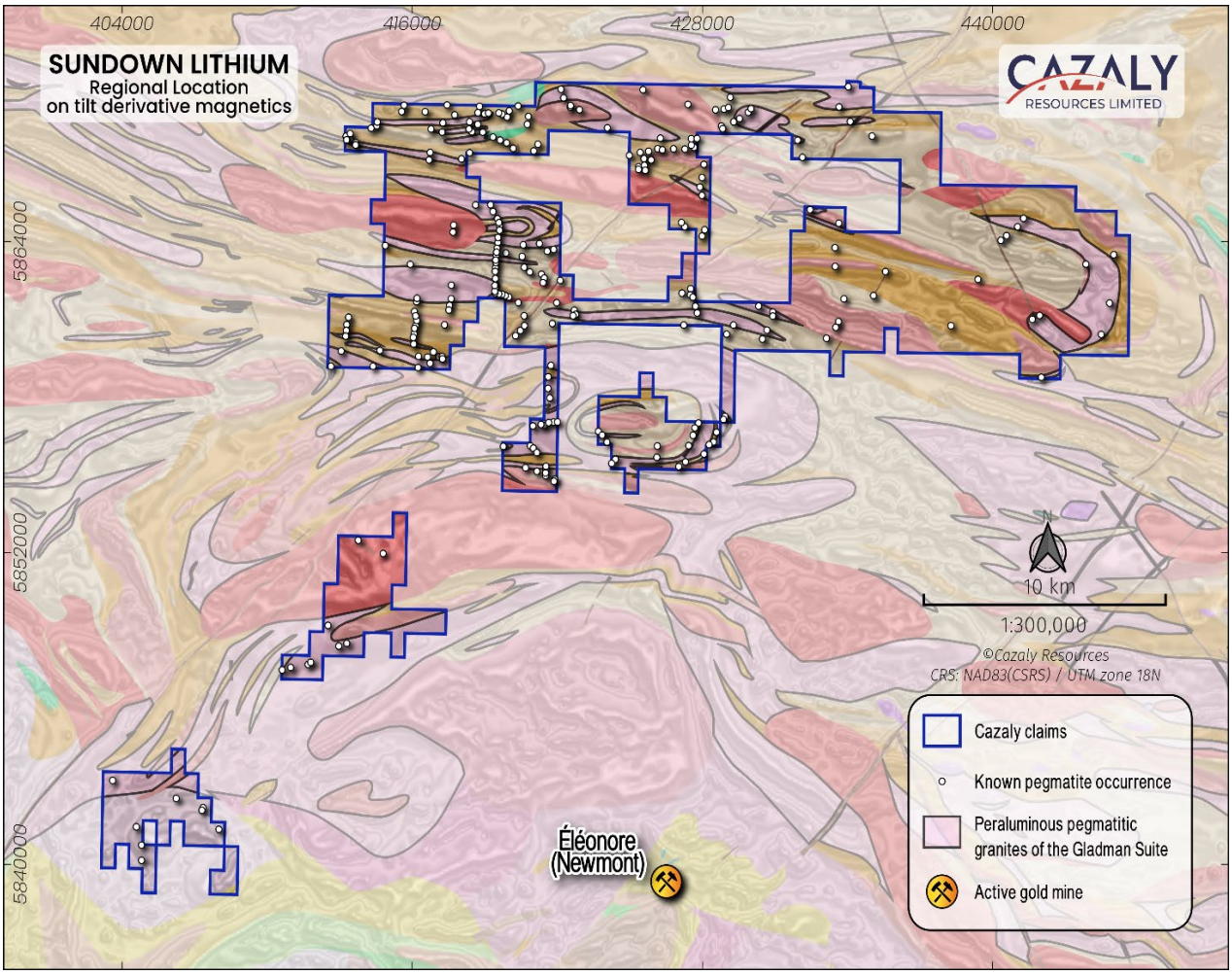

Figure 3. Sundown Project on geology showing multiple S type intrusions, in particular the Gladman Suite.

The recent resource announcements listed above, by Allkem and Patriot Battery Metals attests 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.

Carb Lake REE project update

Cazaly's 100% owned Carb Lake Rare Earth Elements (**REE**) Project comprises 93 mineral claims covering a large, +3km diameter circular magnetic anomaly known as the Carb Lake Carbonatite Complex prospective for REE and Niobium (Figure 4).

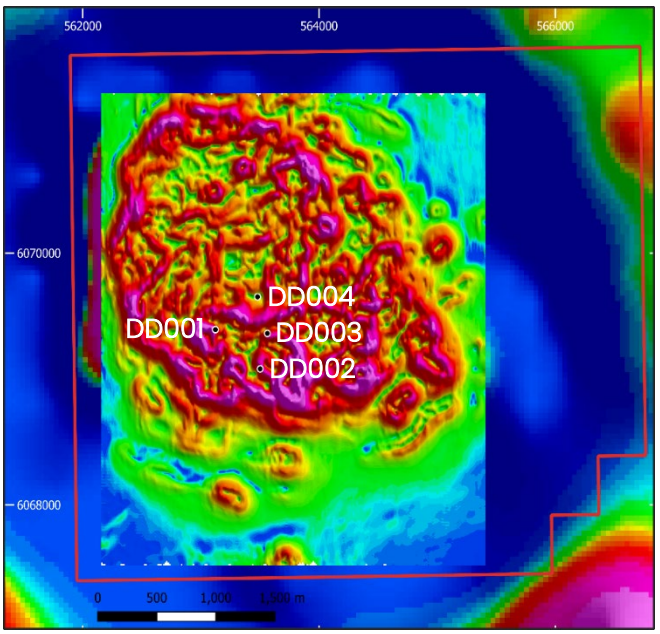

Figure 4. Horizontal gradient aeromagnetics of the Carb Lake REE carbonatite complex, detailed 2011 survey over regional magnetics

The Company's in-country team mobilised a 4-man crew on 21 August 2023. The field program was completed over a 5-day period, whereby traverses were completed over the carbonatite from southwest to northeast for a total of 102km.

Several boulder fields were identified which consisted of various intermediate to felsic units which were well rounded indicating the boulders had been excessively eroded, and transported into the area. Potential carbonatite samples were also identified at 12 site locations (Figure 5, Appendix 1), collected and have been submitted to ALS for analysis of REEs and a multi-element litho chemical suite. This initial field program will provide essential information for planning future exploration activities.

Project Background

The Project area is located in north-western Ontario, 10km from the Manitoba border. The Project hosts a mid-Proterozoic aged carbonatite which intruded a suite of tonalites within the Northern Superior Superterrane. The carbonatite is not exposed at surface with shallow cover from 7 to 12m.

Very little exploration has been completed on the project. Four diamond holes (DD001-DD004, Figure 4 & 5) were drilled at Carb Lake in 1967 for a total of 564m. The best results reported were from DD004, drilled into the centre of the carbonatite complex in an area of low magnetic intensity (Figure 4), with two samples reporting **>5% Ce and >1% La**. One sample reported a value of 7.1% Nb[iv].

Cazaly's recent program of pXRF[v] on the remaining historical drill core, mostly drill holes 001 and 002, validated the potential for the Carb Lake carbonatite to host economic REE and Nb mineralisation. **The best pXRF results include Nb 0.6%; La 3.36%; Ce 4.34%; Pr 0.42%; Nd 1.49%.**

Cautionary Statement

The historical exploration results reported have been sourced from public reports and are not reported in accordance with the JORC Code. The historical information is an accurate representation of the available data for project that has been sourced to date.

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.

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 aware the historical information was not reported in accordance with JORC 2012, and the recent information was 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.

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[i] ASX:AKE Announcement 11 August 2023. James Bay Mineral Resource increased by 173% to 110.2 million tonnes.

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

iii MOUKSIL,A. -LEGAULT, M. -DOILY, M. -DOYON, J. -SAWYER, E. DAVIS, D.W., 2003. Synthese geologique ct mctallogeniquc de la ccinturc de rochcs vcrtcs de la Moycnnc et de la Basse-Eastmain (Baie-James). Ministere des Ressources naturelles, de la Faune et des Pares, Quebec; ET 2002-06, 55 pages, 1 plan.

[iv] For further details refer to ASX: CAZ Announcements 3 May 2023 and 14 June 2023.

[v] For further details refer to ASX: CAZ Announcement 31 July 2023.

APPENDIX 1

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.*	• **The Carb Lake** project is located 425km north north-east of Red Lake in Ontario Canada and 10km from the Ontario-Manitoba border. • During August 2023 a field reconnaissance trip to the project was undertaken. As part of the program 13 (1-2kg) float samples were rock chipped and submitted for analysis. • Sample representivity is unknown due to the samples being surface 'float' in the absence of any outcrop encountered during the program • For quality assurance and quality control practices, a standard and a blank sample were added to the laboratory submission.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer,*	• No drilling conducted

Criteria	JORC Code explanation	Commentary
	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).	
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.*	• No drilling conducted
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.*	• Float samples were collected based on proximity to the underlying Carbonatite complex. They were geologically logged and described in the field by Contract Geological staff.
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,*	• No drilling conducted

Criteria	JORC Code explanation	Commentary
	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.*	
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.*	• Industry standard sample preparation was conducted by the laboratory with QAQC meeting ISO/IEC 17025:2017 Accredited Methods and ISO 9001:2015 Registration in Australia • The analyses selected include sodium peroxide and lithium borate fusions and multi acid digest - ICPMS finish, to achieve an almost total digestion of critical elements. • A standard and a blank sample were submitted by the company and appropriate laboratory QAQC is included in this sample submission as per industry standards
Verification of sampling	• *The verification of significant intersections by either independent or alternative*	• Data collected was verified in the field and office by contract and company staff

Criteria	JORC Code explanation	Commentary
and assaying	*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.*	• Electronic data storage protocols were followed
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.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Data point locations were collected using smartphone GPS (1-5m lateral resolution). • Datum used: NAD83 UTM 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.*	• The reconnaissance rock chip sampling of float material is not considered systematic in nature and was conducted to obtain geological information in lieu of out crop
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*	• Sampling and geological information was collected based on available material at surface. Bias or the relationship with bedrock geology or mineralisation cannot be determined

Criteria	JORC Code explanation	Commentary
	introduced a sampling bias, this should be assessed and reported if material.	
Sample security	• *The measures taken to ensure sample security.*	• Samples were kept secure and remained in the possession of field crew until transportation to the laboratory by commercial courier.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Audits have been completed by contractor and company staff with no adverse findings or conclusions

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.

Criteria	JORC Code explanation	Commentary
		• 1967: M.J. Boylen Engineering Ltd. Boulders of carbonatite 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

Criteria	JORC Code explanation	Commentary
		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:* ○ *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*	• No drilling conducted

Criteria	JORC Code explanation	Commentary
	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*	• No aggregated data is reported

Criteria	JORC Code explanation	Commentary
	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').*	• No drilling conducted
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 this report
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*	• No results reported

Criteria	JORC Code explanation	Commentary
	misleading reporting of Exploration Results.	
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 will be completed after results are received. The company is planning to conduct drilling based on all data for best first pass testing of the Carbonatite complex