

Exploration Projects Update

CANADA



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

Sundown Lithium Project

The Sundown Lithium Project represents a strategically significant tenement holding covering 260km² positioned between Allkem Ltd's (ASX: AKE) James Bay deposit and Patriot Battery Metals (ASX: PMT) Corvette deposit. Recent results of surface rock chip samples confirmed the prospectivity of the Gladman intrusive suite, that occupies a significant portion of the Sundown project area, as a primary exploration target for LCT pegmatites.

With such a large landholding, a significant amount of methodical exploration work is required in order to adequately test the 260km² project area. Future helicopter supported exploration programs including mapping and rock chip or channel sampling will form part of the initial greenfields exploration strategy. As such, Cazaly is reviewing its options in order to support ongoing activity at Sundown.

For further technical information please refer to Cazaly's 2023 announcements dated 31 May, 1 June, 7 August, 15 August, 22 September, 18 October, 10 November; and 19 January 2024.

Carb Lake REE Project

The Company had scheduled a site meeting for late January 2024 with the Sachigo First Nations with the intention to establish a Memorandum of Understanding (MoU) for drilling activities at Carb Lake and future exploration programs. However, due to internal issues across the northern Ontario First Nations communities, the meeting has been postponed.

Logistics planning has continued, and several drilling programs have been costed and negotiations are underway with drill contracting firms. Once the MoU is finalised and all government approvals are obtained, drilling will commence to test the carbonatite complex. Specifically, drilling will target areas of both high and low magnetic response.

The initial drilling phase will enhance our understanding of the distribution of REE and Niobium mineralisation within the carbonatite complex. This information will guide the subsequent phases of targeted drilling.

For further technical information please refer to Cazaly's 2023 announcements dated 27 April, 3 May, 14 June, 31 July, 22 August, 22 September and 10 November.

NAMIBIA

Kaoko Lithium Project

The Kaoko Project located in northern Namibia, is host to a large lithium in soil anomaly at the Ohevanga project covering 120km². Drilling is planned to test the Ohevanga lithium target, and our preferred drilling contractor has been secured for the program. Following renewal of the licence in November 2023, by the Ministry of Mines and Energy for a further 2 years, the Company submitted the required Environmental Compliance Monitoring and Audit Report and the updated Environmental Management Plan in mid December 2023 in order to renew the Environmental Clearance Certificate (ECC). The ECC renewal is still pending.



Figure 2. Location of the Kaoko Lithium Project and the Abenab north REE project.

In order to progress towards drilling the large lithium target at Ohevanga the Company has completed the environmental surveys required for planned drilling activities. However, drilling cannot proceed without the renewed ECC in place. This renewal is currently being assessed by the Ministry of Environment, Forestry and Tourism. While the Company had previously announced drilling would take place in late Q1 to early Q2 2024 (see ASX announcement 13/11/2023), due process is required for all approvals to be in place. Drilling will now be scheduled as soon as possible following the grant of the ECC.

Abenab North REE & Base Metal Project

The Abenab North project is prospective for base metals and rare earth element (REE) mineralisation. The Company remains extremely encouraged by limited but positive historical drill results that confirm the project is host to REE mineralised carbonatite pipes. The exploration licence application (EPL9110) was submitted in October 2022, and remains pending.

Upon grant of the licence the Company will establish access agreements with local landowners, 3D models will be generated for aeromagnetic targets, and the best magnetic anomalies for REE and base metal mineralisation will be drill tested.

For further technical information please refer to Cazaly's announcements dated 7 November 2022, and 24 March 2023.

CORPORATE ACTIVITIES

The Company is actively engaged in strategic planning and action to identify and pursue new opportunities, with the aim of driving growth and value creation for shareholders. Potential research and development partnerships are also being considered for a number of our Australian projects.

ENDS

For and on behalf of the Cazaly Board

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Competent Persons Statement

The information in this announcement that relates to exploration targets and exploration results is based on information compiled 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 (AIG) 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 French and Mr Horn both consent to the inclusion of 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.