



ABN 23 101 049 334

AND CONTROLLED ENTITIES

Consolidated Half Year Financial Report

31 December 2024

CAZALY RESOURCES LIMITED AND CONTROLLED ENTITIES

ABN 23 101 049 334

CONSOLIDATED HALF YEAR FINANCIAL REPORT

31 December 2024

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CAZALY RESOURCES LIMITED AND CONTROLLED ENTITIES

ABN 23 101 049 334

COMPANY DIRECTORY
HALF YEAR ENDED 31 DECEMBER 2024

DIRECTORS

Clive Jones (Chairman)
Tara French (Managing Director)
Terry Gardiner (Non-Executive Director)
Jonathan Downes (Non-Executive Director)

COMPANY SECRETARY

Mike Robbins

PRINCIPAL & REGISTERED OFFICE

Level 3, 30 Richardson Street,
West Perth, WA, 6005
Telephone: (08) 9322 6283

AUDITORS

Hall Chadwick WA Audit Pty Ltd
283 Rokeby Road
Subiaco WA 6008

SHARE REGISTRAR

Automic
Level 5, 126 Phillip St
SYDNEY NSW 2000
Telephone: 1300 288 664

STOCK EXCHANGE LISTING

Australian Securities Exchange
(Home Exchange: Perth, Western Australia)
Code: CAZ

BANKERS

National Australia Bank
50 St Georges Terrace
PERTH WA 6000

CAZALY RESOURCES LIMITED AND CONTROLLED ENTITIES

ABN 23 101 049 334

DIRECTORS' REPORT HALF YEAR ENDED 31 DECEMBER 2024

Your directors submit the financial report of Cazaly Resources Limited ('Cazaly' or 'the Company') and its controlled entities ('the Group') for the half-year ended 31 December 2024.

DIRECTORS

The names of Directors who held office during or since the end of the half year:

Clive Bruce Jones (Chairman)
Tara French (Managing Director)
Terry James Gardiner (Non-Executive Director)
Jonathan Downes (Non-Executive Director)

COMPANY SECRETARY

Mike Robbins

REVIEW OF OPERATIONS

PROJECTS

The Company has sound management systems in place for all its safety, health, environmental and community relation work practices.

During the half-year under review, there were no reportable incidents relating to safety, health, environment or community-related matters.

AUSTRALIA

Goongarrie Gold Project (earn-in up to 80%)

On 12 February 2025, the Company announced that it had entered into an exclusive binding agreement with Brightstar Resources Ltd (ASX: BTR), for an option to earn up to an 80% interest in the Goongarrie Gold project (Goongarrie).

Goongarrie is located in the northeastern goldfields, 90km north of Kalgoorlie, and is easily accessible via the Goldfields Highway that runs along the western boundary of the project area (Figure 1). The project consists of 70km² of greenstone sequence within the Kalgoorlie Terrain. Importantly Goongarrie covers twelve kilometers of the Bardoc Tectonic Zone (BTZ), which is the northern extension of the Boulder-Lefroy Shear Zone (BLSZ) to the south, one of the richest gold mineralised structures in the Yilgarn Craton. Subsequent exploration activities have identified two additional subparallel N-S structures that also have the potential to host significant gold deposits.

Material Terms of Joint Venture Agreement

The terms of the earn-in joint venture agreement for the Goongarrie project, subject to Cazaly completing due diligence, are:

- Cazaly to expend an initial \$1m on exploration to earn a 25% interest;
- Expend further funds of \$1m to earn a 51% interest;
- Expend further funds of \$1m to earn to an 80% interest.

Tenements included in the Goongarrie project are listed in Table 2.

CAZALY RESOURCES LIMITED AND CONTROLLED ENTITIES

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DIRECTORS' REPORT HALF YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

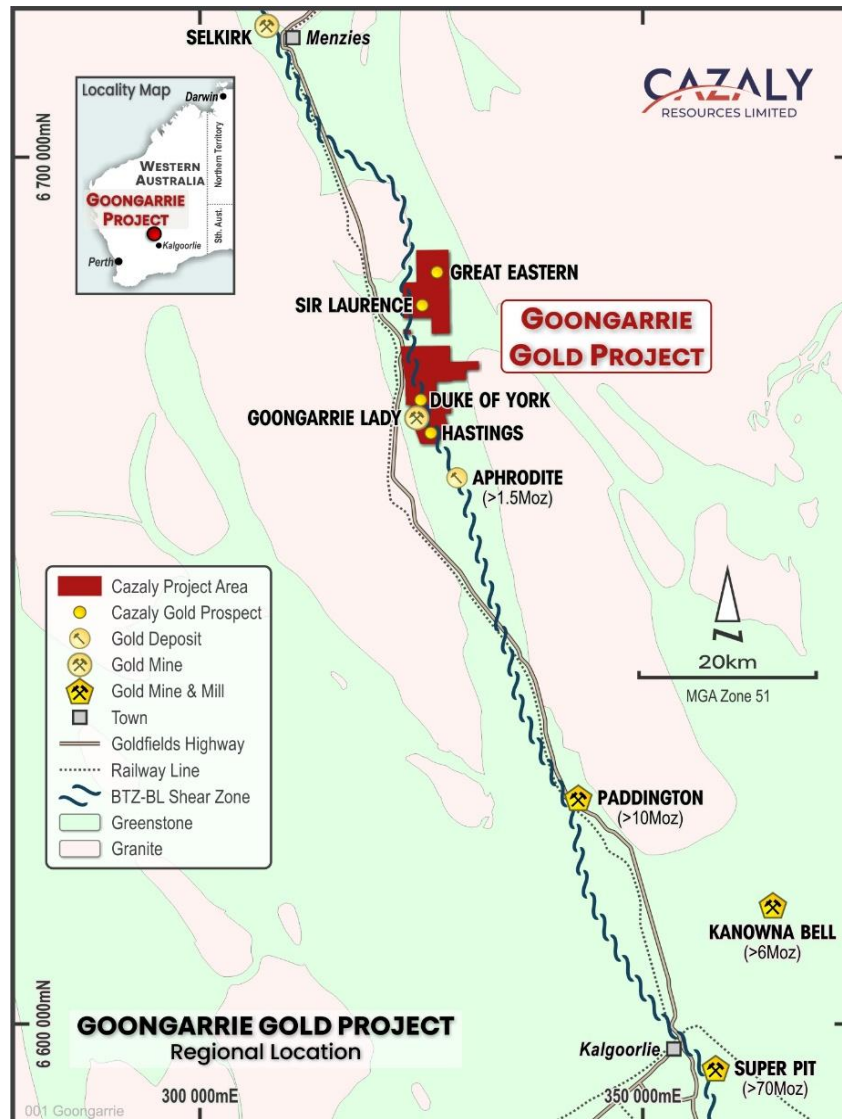


Figure 1. Regional location - Goongarrie Gold Project.

Project History

Goongarrie was acquired by Kingwest Resources Ltd (ASX: KWR) in 2019. In May 2023 KWR merged with Brightstar Resources Limited whose focus has now shifted away from the Goongarrie project following their recent merger with Alto Metals Ltd (ASX: AME)⁽ⁱ⁾.

Prior to KWR acquiring the project, very little exploration activity had been completed across the project as work was focused at Menzies and Kalgoorlie. Historic work included soil sampling, trenching, auger drilling, shallow aircore drilling, and limited RC drilling. This work targeted oxide gold mineralisation at surface associated with the Bardoc Tectonic Zone-Boulder Lefroy Shear Zone (BTZ). Two gold deposits along the BTZ were initially mined in the late 1980s at Jennys Reward, and Goongarrie Lady which was recently re-commissioned by a private group. There is potential for the discovery of new gold deposits undercover along the 2km strike length of the BTZ and along largely untested parallel mineralised structures that run N-S through the length of the project.

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KWR completed aeromagnetic and passive seismic surveys in addition to AC, RC and diamond drilling, which largely focused on targets beneath thick clay sediments on Lake Goongarrie, along a N-S structure parallel to the BTZ. Several other gold prospects were also identified along the BTZ that require further drilling and will be the initial focus for Cazaly. Material assay results are listed in Table 1.

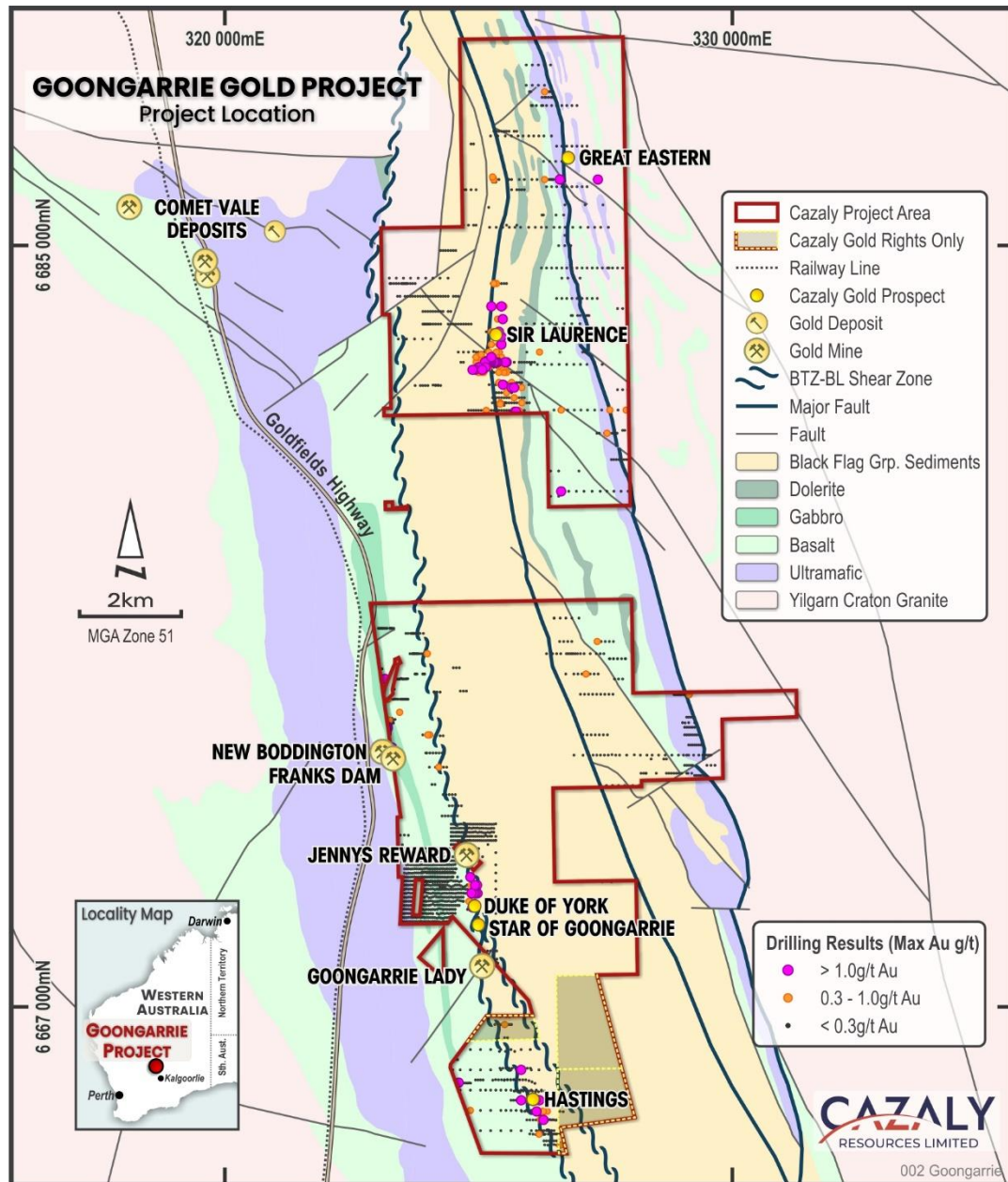


Figure 2. Gold Prospects and historical drilling. NB: all gold prospects lie within the Project area, all mines and deposits on this plan are located outside the Project area.

CAZALY RESOURCES LIMITED AND CONTROLLED ENTITIES

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Significant gold prospects (Figure 2):

- **Hastings** – formerly the Area 9 prospect, bedrock gold mineralisation over 1km strike, including the anomalous gold intersection in KGA038, **38m @ 3.1g/t Au**, that extends from 62m to the end of hole at 100m depth⁽ⁱⁱ⁾. The prospect lies under cover along the BTZ shear zone which hosts the recent +1Moz Aphrodite gold discovery located 9km to the south.
- **Duke of York** – bedrock gold mineralisation along the BTZ shear extending from the open pit mines at Goongarrie Lady to Jennys Reward. Anomalous gold intercepts include **13m @ 3.5g/t Au** from 36–49m in JRRC008⁽ⁱⁱⁱ⁾, and **8m @ 10.7g/t Au** from 75–83m in JRRC024^(iv), and remains to be tested up dip and along strike.
- **Sir Laurence** – widespread gold mineralisation over 2km strike within channel sands and gravels (eg KGA0409 3m @ 6.5g/t Au from 86–89m^(v)) at the base of Goongarrie Lake sediments. Mineralisation was also discovered in the underlying bedrock within the Black Flag Group with anomalous intercepts including 5m @ 4.7g/t Au from 113.3m in KGD004^(vi).
- **Great Eastern** – formerly the East Lake prospect, bedrock gold mineralisation within ultramafic and clastic sediments associated with a significant N–S trending fault and NW splays at the greenstone/granite margin.

Table 1. Material Intercepts over 1g/t Au extracted from the historical databases (*)

Hole_ID	North	East	RL	From (m)	To (m)	Intercept (m)	Au g/t	Prospect	Hole Depth (m)	Dip	Azimuth
KGA0038	6668178	326042	360	62	100	38	3.09	Hastings	100	-60	92
KGA0039	6668173	326099	360	74	82	8	1.34	Hastings	90	-60	92
KGR001	6668170	326070	365	73	78	5	8.31	Hastings	138	-60	91
KGR001	6668170	326070	365	88	95	7	1.90	Hastings	138	-60	91
KGR004	6668195	326072	365	65	67	2	1.17	Hastings	102	-58	94
KGR006	6667937	326142	368	56	59	3	1.02	Hastings	150	-61	90
KGR006	6667937	326142	368	114	119	5	1.03	Hastings	150	-61	90
KGR007	6668153	326085	365	45	50	5	2.65	Hastings	126	-59	93
*SCRC002	6668157	326058	380	85	88	3	5.62	Hastings	106	-60	90
*GLRC0030	6672319	324960	360	22	24	2	1.87	Duke of York	90	-60	90
*JRRC008	6672235	324978	360	36	49	13	3.51	Duke of York	96	-60	90
*JRRC009	6672235	324939	360	93	96	3	6.32	Duke of York	96	-60	90
*JRRC010	6672235	324903	360	7	9	2	1.91	Duke of York	96	-60	90
*JRRC013	6672397	324969	360	3	5	2	2.44	Duke of York	96	-60	90
*JRRC014	6672396	324929	360	63	64	1	1.48	Duke of York	102	-60	90
*JRRC023	6672240	324986	360	30	34	4	2.67	Duke of York	60	-60	90
*JRRC024	6672240	324956	360	34	35	1	1.46	Duke of York	110	-60	90
*JRRC024	6672240	324956	360	75	83	8	10.71	Duke of York	110	-60	90
*JRRC024	6672240	324956	360	91	97	6	1.37	Duke of York	110	-60	90
*JRRC028	6672279	324961	360	21	28	7	1.09	Duke of York	106	-60	90
KGA0403	6682700	325350	360	79	81	2	1.93	Sir Laurence	94	-60	44
KGA0404	6682700	325325	360	52	55	3	1.05	Sir Laurence	94	-60	44

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**DIRECTORS' REPORT
HALF YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

Hole_ID	North	East	RL	From (m)	To (m)	Intercept (m)	Au g/t	Prospect	Hole Depth (m)	Dip	Azimuth
KGA0405	6682700	325300	360	82	93	11	1.35	Sir Laurence	94	-60	92
KGA0408	6682700	325225	360	88	91	3	1.20	Sir Laurence	87	-60	92
KGA0409	6682700	325200	360	86	93	7	4.99	Sir Laurence	94	-60	92
KGA0410	6682700	325175	360	86	94	8	1.05	Sir Laurence	95	-60	92
KGA0694	6683200	325450	360	64	72	8	1.70	Sir Laurence	93	-60	92
KGA0694	6683200	325450	360	76	80	4	2.41	Sir Laurence	100	-60	92
KGA0782	6682200	325700	360	64	68	4	1.02	Sir Laurence	81	-90	0
KGA0799	6682600	325000	360	72	75	3	1.10	Sir Laurence	81	-90	0
KGA0811	6683550	325475	360	60	72	12	1.15	Sir Laurence	83	-90	0
KGD004	6682550	324930	360	113.29	118.25	5	4.71	Sir Laurence	75	-90	0
KGD008	6682550	324880	360	168.47	170.95	2	2.43	Sir Laurence	82	-90	0
KGD009A	6682550	325070	360	156.47	158	2	1.14	Sir Laurence	338.98	-61	92
KGA0887	6686300	327350	360	44	48	4	1.31	Great Eastern	291.97	-61	91
KGA0894	6686300	326600	360	20	24	4	1.21	Great Eastern	351.66	-60	272

* results annotated with an asterisk were reported in 2001 and 2002 and would not have been reported in accordance with JORC Code 2012. These results would have been reported under an earlier version of the JORC Code 1989, 1992, 1996 or 1999.

Cautionary Statement (historical data)

The historical exploration results (marked *) were reported by Redback Mining and Goldfields, other results were reported by Kingwest. The information has been sourced from the Kingwest historical data base and public reports as listed under "References" and as per the links. The relevant Kingwest (ASX: KWR) announcements were reported under the JORC Code 2012. The historical exploration results marked with an asterisk were reported in 2001 and 2002 and would not have been reported in accordance with JORC Code 2012. These results would have been reported under an earlier version of the JORC Code: 1989, 1992, 1996 or 1999. The Company has not yet evaluated the work required in order to report the historical exploration results in accordance with the JORC code 2012.

Compliance Statement (historical data)

At this point, the KWR and CAZ Competent Persons believe the historical information is a reliable representation of the available project data that has been sourced to date. The Company confirms it is not aware of any new information or data that is relevant to the understanding of the exploration results, or that materially affects the information included in the original market announcement(s). The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original announcements. The historical exploration results have not been independently validated by Cazaly and the Company is not adopting or endorsing the former owners exploration results.

Next Steps

Available historical data has been sourced and is being reformatted, validated, and compiled for review (no new exploration results or data have become available relevant to the understanding of the historical data obtained from the owner). Following the conclusion of due diligence and Cazaly's decision to proceed with the JV earn in agreement, all gold targets will be ranked in order of prospectivity and an exploration program designed to progressively test prioritised gold drill targets. The Company has sufficient funds to support the initial drilling campaigns and will commence once all appropriate stakeholder approvals are in place, including heritage, environment, and drilling.

CAZALY RESOURCES LIMITED AND CONTROLLED ENTITIES

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DIRECTORS' REPORT HALF YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

Table 2. Goongarrie project assets subject to Joint Venture

Tenement	Grant Date	Expiry Date	Holder / Comments	Rights
E29/966	6/09/2016	5/09/2026	Goongarrie Operational and Mining Pty Ltd	All rights
E29/996	9/08/2018	8/8/2028	Goongarrie Operational and Mining Pty Ltd	All rights
E29/1062	13/03/2020	12/03/2025	Goongarrie Operational and Mining Pty Ltd	All rights
P29/2381	5/02/2019	4/02/2027	Goongarrie Operational and Mining Pty Ltd	All rights
P29/2412	5/02/2019	4/02/2027	Goongarrie Operational and Mining Pty Ltd	All rights
P29/2413	1/02/2019	31/01/2027	Goongarrie Operational and Mining Pty Ltd	All rights
P29/2588	23/11/2021	22/11/2025	Goongarrie Operational and Mining Pty Ltd	All rights
P29/2656	28/11/2023	27/11/2027	Goongarrie Operational and Mining Pty Ltd	All rights
P29/2675	28/11/2023	27/11/2027	Goongarrie Operational and Mining Pty Ltd	All rights
P29/2676	28/11/2023	27/11/2027	Goongarrie Operational and Mining Pty Ltd	All rights
P29/2531	30/07/2020	29/07/2028	Goongarrie Operational and Mining Pty Ltd	All rights
P29/2533	1/10/2020	30/09/2024	Goongarrie Operational and Mining Pty Ltd / extension of term lodged	All rights
P29/2380	5/02/2019	4/02/2027	Kalgoorlie Nickel Pty Ltd	Gold rights only
P29/2467	21/09/2020	20/09/2024	Kalgoorlie Nickel Pty Ltd / extension of term lodged	Gold rights only
P29/2468	21/09/2020	20/09/2024	Kalgoorlie Nickel Pty Ltd / extension of term lodged	Gold rights only

N.B. Goongarrie Operational and Mining Pty Ltd is a wholly owned subsidiary of Brightstar Resources Limited. Brightstar retain the gold rights on Kalgoorlie Nickel Pty Ltd tenements (ASX: ARL)^(vii)

Halls Creek Copper – Zinc – Silver Project (CAZ 100%)

Cazaly continues to explore commercial opportunities for its assets at Halls Creek.

The Halls Creek Copper, Zinc and Silver project is situated 25km southwest of Halls Creek and covers part of the Halls Creek Mobile Zone which is highly prospective for a range of commodities including copper, gold, and nickel. The project includes the Mount Angelo North volcanogenic massive sulphide (VMS) copper–zinc–silver deposit and the Bommie porphyry copper deposit (Figure 3).

Positive scoping study results, from AuKing Mining Limited's Koongie Park copper–zinc project which included the mineral resources at the Company's 100% owned Mt Angelo North (1.72Mt @ 1.4% Cu, 1.4% Zn and 12.3g/t Ag) and Bommie (MRE: 95.6Mt @ 0.27% Cu) deposits (Figure 3), confirms the potential for a financially robust, globally competitive operation with life-of-mine of 11 years with an estimated total production of 110kt Cu, 38kt Zn and 355koz Ag.

The full scoping study results are included in Cazaly's announcement titled: "AuKing Completes Scoping Study on Halls Creek Copper Project" dated 1 June 2023.

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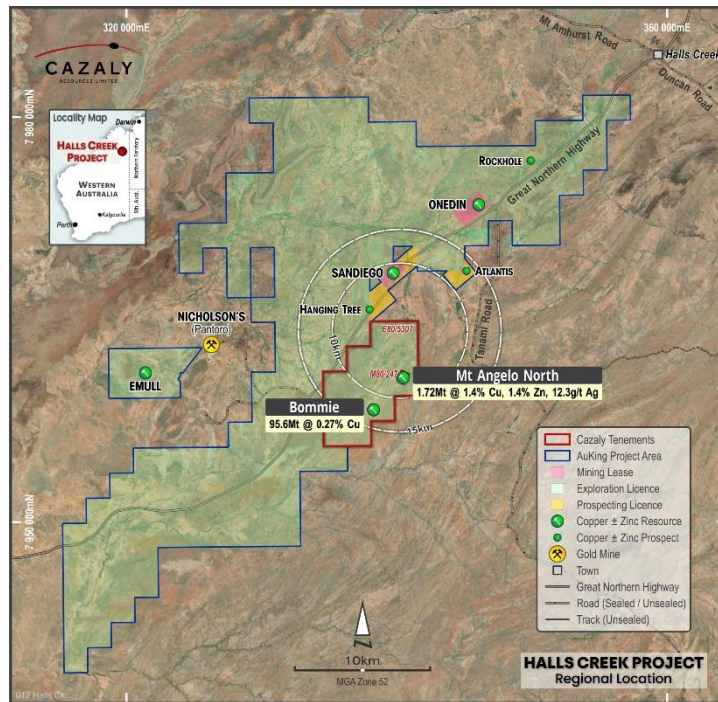


Figure 3. Cazaly's Halls Creek Mt Angelo North and Bommie copper

Mineral Resource Estimates for these deposits are reported in accordance with the JORC Code 2012 as per tables 3 and 4 below by resource classification and weathering state.

Table 3. Mount Angelo North Cu-Zn-Ag Deposit, Mineral Resource Estimate (0.4% Cu cut-off), January 2022

Type	Indicated				Inferred				Total			
	TONNES Metric	Cu %	Ag ppm	Zn %	TONNES Metric	Cu %	Ag ppm	Zn %	TONNES Metric	Cu %	Ag ppm	Zn %
Oxide	149,000	1.4	21	0.9	67,500	0.9	9	0.9	216,000	1.2	17	0.9
Transitional	158,000	1.7	16	1.5	157,000	1.2	7	0.6	316,000	1.4	12	1.1
Fresh	699,000	1.7	13	1.8	487,000	1.0	10	1.4	1,187,000	1.4	12	1.6
Total	1,007,000	1.6	15	1.6	712,000	1.0	9	1.2	1,719,000	1.4	12	1.4

For further technical information please refer to the Cazaly ASX Quarterly Activities Report for December 2021 (dated 31 January 2022).

Table 4. Bommie Porphyry Copper Deposit, Maiden Mineral Resource Estimate (0.2% Cu cut-off), November 2022

Type	Indicated			Inferred			Total		
	TONNES Metric	Cu %	Cu metal Tonnes	TONNES Metric	Cu %	Cu metal Tonnes	TONNES Metric	Cu %	Cu metal Tonnes
Oxide	212,000	0.29	1,000	1,108,000	0.27	3,000	1,320,000	0.27	4,000
Transitional	2,799,000	0.30	8,000	6,978,000	0.28	19,000	9,777,000	0.27	28,000
Fresh	3,091,000	0.30	39,000	71,380,000	0.27	190,000	84,471,000	0.27	230,000
Total	6,102,000	0.30	48,000	79,466,000	0.27	212,000	95,568,000	0.27	262,000

Refer to the ASX announcement dated 24 November 2022 for details of drilling, results and the resource estimation parameters.

DIRECTORS' REPORT
HALF YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

Cheela Plains Copper Project (CAZ 100%)

Cazaly's Cheela Plains prospect is located in the Ashburton Basin, in the Pilbara region of Western Australia. The Ashburton Basin forms the northern part of the Capricorn Orogen, a ~1,000km long, 500km wide region of variably deformed metamorphosed igneous and sedimentary rocks located between the Yilgarn and Pilbara cratons.

The Cheela Prospect covers ~6km of strike along the Cheela Fault, interpreted to be a splay off the mantle tapping crustal scale Nanjilgardy Fault, host to significant mineral deposits. Three EM targets were identified at the Cheela Prospect with an airborne survey, and rock chips returned anomalous copper assays up to 32% (refer to ASX Announcements dated 12 October 2022 and 16 February 2023). These initial results are encouraging and provide an indication of the mineralisation potential along the Cheela Fault.

CANADA

Carb Nb-REE Carbonatite – Niobium & Rare Earth Elements Project (CAZ 100%)

The Carb niobium (Nb) and rare earth elements (REE) project is located in northwest Ontario, Canada in the Red Lake District a well-known mining province comprising 93 mineral claims covering a very large +3km diameter carbonatite complex (Figure 4).

Shallow drill holes completed in 1967 (DD001-004) intersected sovite, a coarse-grained carbonatite, with Cerium (Ce) and Lanthanum (La) bearing carbonate minerals. Subsequent geochemical studies on the drill core revealed Ce >5%, La >1% and Nb >0.5ppm. One sample returned a Nb assay of 7.1%.

Field work conducted by the Company since acquisition in June 2023 has confirmed the carbonatite has the potential to host economic Nb and REE mineralisation. The best handheld pXRF readings on historical drill core include **Nb 0.6%, Neodymium (Nd) 1.49%, Praseodymium (Pr) 0.42%, La 3.36%, and Ce 4.34%.**

Drill testing will provide better characterisation of the distribution of Nb and REE mineralisation across the carbonatite, and the Company and its in-country team continue to maintain regular and transparent communication with the First Nation community in order to progress the approved drill program (refer to ASX announcement 7 August 2024).

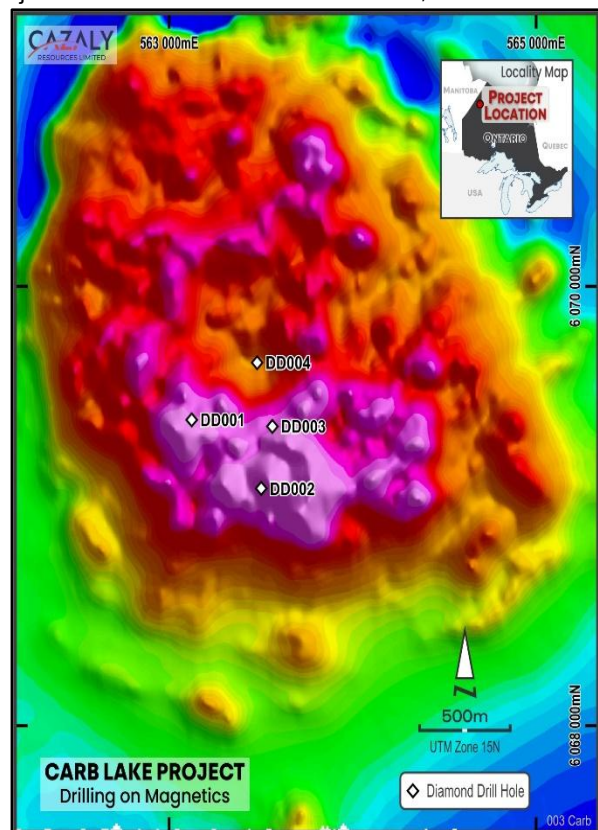


Figure 4. Carb Nb-REE Carbonatite Intrusive with historical drill hole locations.

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 the project that has been sourced to date. The pXRF exploration results reported herein have been collected by the Company 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.

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For further historical references and 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, and 2024 announcements dated 25 March and 1 July.

NAMIBIA

Kaoko Lithium Project (CAZ 95%)

The Kaoko lithium project is located in northern Namibia, approximately 800km by road from the capital of Windhoek and approximately 750km from the port of Walvis Bay (Figure 5).

During the quarter a large surface geochemical lithium anomaly measuring 12km x 10km at the Ohevanga Prospect was tested with twenty-eight RC drill holes. The RC holes were drilled on 100m spacings across three north-south orientated lines spaced ~400m apart (Figure 6) to test a 1km strike zone within the anomalous target area.

The drilling intercepted intercalated dolomite, dolostone, chert and minor chloritic sandstone. 32% of drill samples returned anomalous lithium values above 100ppm Li. The highest value of 218ppm Li was returned from KARC002 from 33-37m down hole.



Figure 5: Location of Namibian Critical Mineral Projects

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The analytical results confirm that the sedimentary rocks intersected in drilling contain elevated lithium mineralisation. This suggests that the lithium mineralisation may have been introduced by hydrothermal fluids entering the water column from a volcanic source during sedimentation. The lithium concentrations are considered economically low level, and as such the Company will now review the existing copper targets and consider its options for the project. For additional details and information refer to ASX announcements dated 12 December 2022, 24 March and 13 November 2023, 25 March, 9 September, 7 October, 9 December, and 23 December 2024.

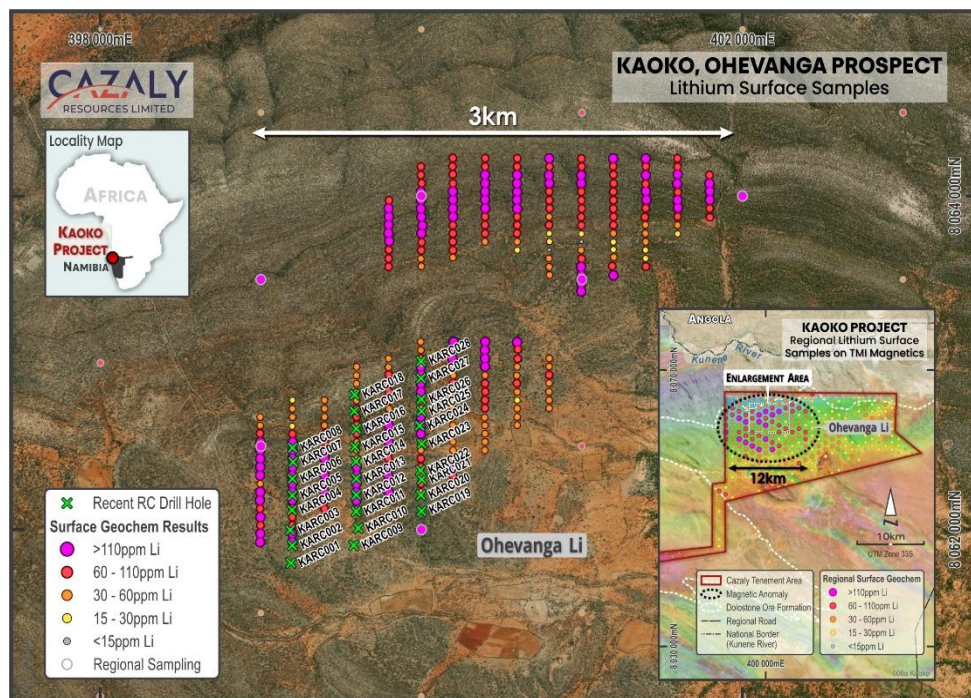


Figure 6. Location of the Ohevanga lithium anomaly and drill hole locations.

Abenab North REE – Base Metals Project (CAZ 95%)

The application status of the new exclusive prospecting licence, Abenab North, remains at notification of intention to grant. The grant is subject to an Environmental Clearance Certificate (ECC) issued by the Ministry of Environment and Tourism. The ECC will be issued upon approval of the Environmental and Social Impact Assessment and an Environmental Management Plan.

The project is located in the Otavi Mountain Land region of northern Namibia located approximately 450km by road from the capital of Windhoek in an area supported by the towns of Tsumeb and Grootfontein (Figure 5). The region is a significant well mineralised base metals province with historic production from several mines including Tsumeb, Kombat, Abenab and the Berg Aukas mines. Tsumeb is a world-famous Cu-Pb-Zn-Ag-Ge-Cd mine renowned for its wealth of rare and unusual minerals and was mined from 1897 to 1996.

The application covers an area of approximately 790km² and is considered highly prospective for base metals and REE mineralisation as evidenced from the results of previous but limited exploration (Figure 7).

For additional details and information refer to ASX announcements dated 7 November 2022, 24 March 2023 and 25 March 2024.

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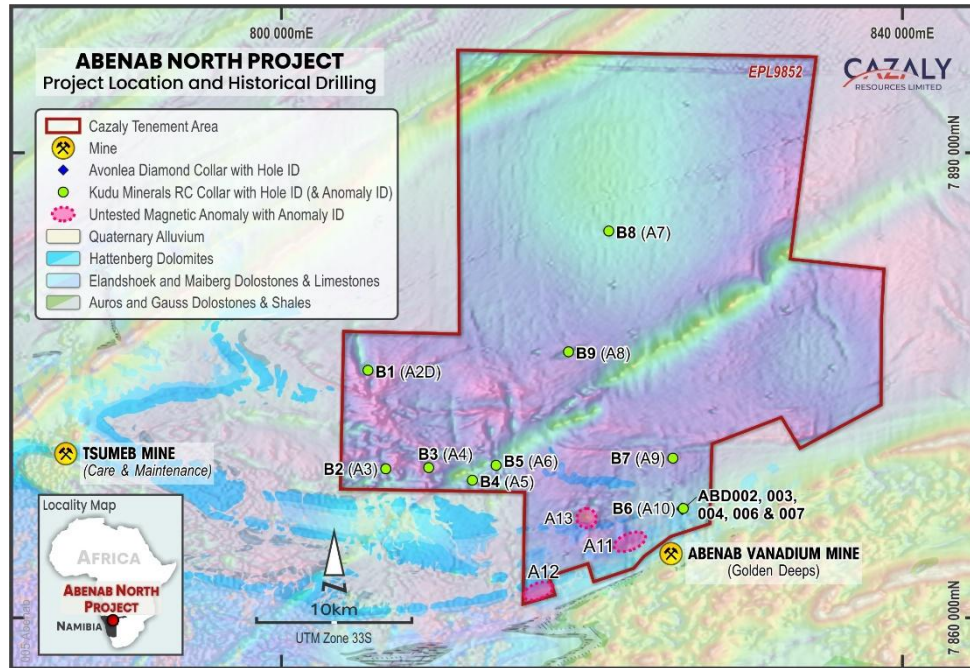


Figure 7. Abenab North Project with historical drill hole locations and untested magnetic anomalies.

OTHER INTERESTS

Joint Ventures

Mt Venn (CAZ 20%)

The Mt Venn Gold project is located 125km northeast of Laverton in the North-eastern Goldfields Region of Western Australia and covers approximately 400km² of prospective greenstone sequence. The project area lies within the Mount Venn-Yamarna-Dorothy Hills greenstone belt which is the most easterly major N-S striking greenstone belt of the Yilgarn Craton.

The project is subject to an unincorporated Joint Venture originally between the operators Woomera Mining Limited 80% and Cazaly 20%. Cazaly is free carried to the completion of a pre-feasibility study.

On 9 December 2024, Woomera Mining Limited (ASX: WML) announced a change of company name to Orbminco (ASX: OBI). On 13 January 2025 Sarama Resources Limited (ASX: SRR) announced the execution of a non-binding Heads of Agreement with OBI to acquire their 80% majority share of the Mt Venn Gold project. This was formalised on 27 February 2025, when SRR announced a Binding Agreement with OBI for the acquisition of their 80% majority share in the project.

The belt is considered highly prospective for gold and nickel and is positioned along the western limb of the Yamarna Greenstone Belt that hosts Gold Road's and Gold Fields' 6Moz Gruyere Gold Mine. Together, the Yilgarn greenstone belts account for 30% of the world's gold reserves, most of Australia's nickel production and other base metal and rare earth deposits.

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DIRECTORS' REPORT HALF YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

McKenzie Springs (CAZ 30%)

The McKenzie Springs project is a joint venture with Fin Resources Ltd (ASX: FIN) over exploration licence E80/4808, located in the Kimberley region of Western Australia. The project lies south along strike from the Savannah nickel-copper-cobalt mine owned by Panoramic Resources Ltd (ASX: PAN).

A ground FLTEM survey was designed to test the interpreted gossan for nickel and copper mineralisation, together with a program of stream sediment sampling across the Spring Creek Intrusion in conjunction with outcrop mapping and rock chip sampling. The program is scheduled to be undertaken in the first half of 2025.

Royalties

During the quarter Mineral Resources Limited (ASX: MIN) continued production activities at the Parker Range Iron Ore Mine. Cazaly, as the royalty holder, is entitled to receive A\$0.50/tonne of iron ore produced from the mine, once the first 10 million tonnes of production have been reached. Detailed discussions have continued with MIN since their June 2024 announcement in respect of their plans to discontinue iron ore shipments from the Yilgarn Hub.

The Company retains a royalty interest of US\$0.30/tonne in the Hamersley iron ore project, managed by Equinox Resources Limited (ASX: EQN). The project is located in the heart of the Pilbara iron ore province and currently has a total Mineral Resource estimate of 343.2Mt at 54.5% Fe (*reported in compliance with JORC Code 2012 – refer to Pathfinder's ASX Announcement dated 24 January 2020*). Recent work by Equinox included reinterpretation of the MRE which confirms an initial Direct Shipping Ore component of 108.5 Mt @ 58% Fe (*refer to Equinox ASX Announcement dated 6 June 2024*). Equinox is committed to advancing the project towards development.

CORPORATE

The Company had cash and investments totalling \$4.1 million at 31 December 2024.

Equity

There were no equity issues in the half year to 31 December 2024.

On 12 October 2024, 1,500,000 unquoted options (exercisable at \$0.056) expired.

RESULTS OF OPERATIONS & FINANCIAL POSITION

The operating loss after income tax of the Group for the half-year ended 31 December 2024 was \$2,736,101 (31 December 2023: Profit of \$117,504).

The Group had a working capital surplus, being current assets less current liabilities of \$3,594,964 at 31 December 2024 (30 June 2024: surplus of \$4,796,138).

SUBSEQUENT EVENTS

As noted under Review of Operations, on 12 February 2025, the Company announced the option to earn up to an 80% interest in the Goongarrie gold project.

Apart from the above, there have not been any matters or circumstances that have arisen since 31 December 2024 which have significantly affected, or may significantly affect the operations of the Company, the result of those operations, or the state of affairs of the Company in subsequent financial years.

CAZALY RESOURCES LIMITED AND CONTROLLED ENTITIES

ABN 23 101 049 334

DIRECTORS' REPORT HALF YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

LEAD AUDITORS' INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

The lead auditor's independence declaration is set out on page 27 of the half-year financial report ended 31 December 2024.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.



Tara French
Managing Director

Dated: 12 March 2025

Previously Reported Information

The information in this report that relates to Resource Estimates, Exploration targets and Exploration results is extracted from previous company announcements to the ASX, all are available to view on <https://www.cazalyresources.com.au>. For the purposes of ASX Listing Rule 5.23 the Company confirms that it is not aware of any new Exploration information or data that materially affects the information included in the original market announcements. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Competent Persons Statements

The information contained herein that relates to KWR Exploration results is based on information compiled by Mr Laurence Kirk who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Kirk was a Consultant Geologist to Kingwest Resources Limited. Mr Kirk has sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and to the activity that they are undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' and consents to the inclusion of their name in matters based on the information in the form and context in which they appears.

The information contained herein that relates to Exploration Results is based upon information 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'. 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.

⁽¹⁾ The information contained herein that relates to the Mount Angelo North Mineral Resource is based on information compiled by Ms Vanessa O'Toole Principle Consultant of Honey Mining and Resources Pty Ltd, a Competent Person, who is a Member of The Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Ms Vanessa O'Toole consented to the inclusion of their name in the matters based on the information in the form and context in which it appears.

CAZALY RESOURCES LIMITED AND CONTROLLED ENTITIES

ABN 23 101 049 334

DIRECTORS' REPORT HALF YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

⁽²⁾ The information contained herein that relates to the Bommie porphyry copper mineral resource estimation is based on work completed by Mr. Stephen Hyland, a Competent Person and Fellow of the AusIMM. Mr. Hyland is Principal Consultant Geologist with Hyland Geological and Mining Consultants (HGMC), who is a Fellow of the Australian Institute of Mining and Metallurgy and holds relevant qualifications and experience as a qualified person for public reporting according to the JORC Code in Australia. Mr Hyland is also a Qualified Person under the rules and requirements of the Canadian Reporting Instrument NI43-101 and consents to the inclusion of their name in the matters based on the information in the form and context in which it appears.

Forward Looking Statement

This ASX report 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 Limited 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 report reflect views held only as at the date of this report.

References

- (i) 02 December 2024. Alto Metals Limited ASX announcement "Scheme of Arrangement becomes effective"
- (ii) 01 February 2021. Kingwest Resources Limited ASX announcement "Stellar gold grades in Goongarrie Project discovery"
- (iii) 28 February 2001. Goldfields Exploration Combined Annual Report Goongarrie (Jenny's Reward) Project (A61812) 1 January 2000 to 31 December 2000.
- (iv) 28 February 2002. Red Back Mining NL Goongarrie Project Annual Report (A64564) 1 January 2001 to 31 December 2001.
- (v) 5 October 2021. Kingwest Resources Limited ASX announcement "Lake Goongarrie's Sir Laurence Discovery extended; five new gold anomalous zones detected. Follow up drilling imminent".
- (vi) 11 July 2022. Kingwest Resources Limited ASX announcement "High grade gold intersection confirms Sir Laurence potential".
- (vii) 17 July 2023: Ardea Resources Limited ASX announcement "Kalgoorlie Nickel Project Goongarrie Hub Tenement Consolidation".

CAZALY RESOURCES LIMITED AND CONTROLLED ENTITIES

ABN 23 101 049 334

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
HALF YEAR ENDED 31 DECEMBER 2024**

		31 December 2024 \$	31 December 2023 \$
Revenue	2	157,676	127,268
Other Income	2	114,816	238,703
Employee benefits expense		(256,977)	(264,273)
Borrowing costs and interest		(7,987)	(7,961)
Depreciation & amortisation expense		(50,696)	(49,306)
Administration expenses		(145,645)	(318,901)
Debts written off		-	-
Compliance & Regulatory expenses		(129,895)	(142,979)
Occupancy costs		(41,992)	(51,151)
Exploration expenditure written off		(2,343,781)	(90,603)
Equity based payments		-	(52,722)
Diminution in fair value of financial assets through profit and loss		<u>(31,620)</u>	<u>729,429</u>
Profit/(Loss) before income tax		(2,736,101)	117,504
Income tax benefit		<u>-</u>	<u>-</u>
Profit/(Loss) for the period		<u>(2,736,101)</u>	<u>117,504</u>
Profit/(Loss) attributable to:			
Members of the controlling entity		(2,729,181)	118,306
Non-controlling interest		<u>(6,920)</u>	<u>(802)</u>
		<u>(2,736,101)</u>	<u>117,504</u>
Other comprehensive income		-	-
Total comprehensive loss for the period		<u>(2,736,101)</u>	<u>117,504</u>
Net loss and total comprehensive income for the period attributable to:			
Members of the controlling entity		(2,729,181)	118,306
Non-controlling interest		<u>(6,920)</u>	<u>(802)</u>
		<u>(2,736,101)</u>	<u>117,504</u>
Basic earnings/(loss) per share (cents per share)		<u>(0.59)</u>	<u>0.03</u>

The accompanying notes form part of this financial report.

CAZALY RESOURCES LIMITED AND CONTROLLED ENTITIES

ABN 23 101 049 334

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024**

		31 December 2024	30 June 2024
	Note	\$	\$
CURRENT ASSETS			
Cash and cash equivalents		3,844,620	5,033,336
Trade and other receivables		52,613	35,760
Prepayments		31,694	5,245
TOTAL CURRENT ASSETS		3,928,927	5,074,341
NON-CURRENT ASSETS			
Trade and other receivables		60,319	60,319
Financial assets		310,407	588,949
Property, plant and equipment		11,389	14,016
Rights of use assets		152,218	200,287
Exploration and evaluation assets	3	8,939,043	10,195,974
TOTAL NON-CURRENT ASSETS		9,473,376	11,059,545
TOTAL ASSETS		13,402,303	16,133,886
CURRENT LIABILITIES			
Trade and other payables	4	152,501	103,592
Short-term provisions		81,779	79,412
Interest bearing loans and borrowings		99,683	95,199
TOTAL CURRENT LIABILITIES		333,963	278,203
NON-CURRENT LIABILITIES			
Interest bearing loans and borrowings		62,070	113,312
TOTAL NON-CURRENT LIABILITIES		62,070	113,312
TOTAL LIABILITIES		396,033	391,515
NET ASSETS		13,006,270	15,742,371
EQUITY			
Issued Capital	5	29,420,419	29,420,419
Reserves	6	532,214	532,214
Accumulated profits/(losses)	7	(16,923,015)	(14,193,834)
Controlling entity interest		13,029,618	15,758,799
Non-controlling interest		(23,348)	(16,428)
TOTAL EQUITY		13,006,270	15,742,371

The accompanying notes form part of this financial report.

CAZALY RESOURCES LIMITED AND CONTROLLED ENTITIES

ABN 23 101 049 334

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
HALF YEAR ENDED 31 DECEMBER 2024**

	31 December 2024 \$	31 December 2023 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from services agreements	24,571	74,252
Payments to suppliers and employees	(622,397)	(852,955)
Interest and bill discounts received	103,321	53,016
Net cash used in operating activities	(494,505)	(725,687)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equity investments	(45,454)	(258,500)
Payments for exploration and evaluation	(1,027,799)	(1,585,349)
Proceeds from sale of equity investments	379,042	1,757,625
Other	-	-
Net cash (used in)/ provided by investing activities	(694,211)	(86,224)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of equity	-	2,089,000
Payments for costs of issue of securities	-	(125,340)
Net cash provided by financing activities	-	1,963,660
Net (decrease) in cash held	(1,188,716)	1,151,749
Cash at beginning of period	5,033,336	3,818,431
Cash at end of reporting period	3,844,620	4,970,180

The accompanying notes form part of this financial report.

CAZALY RESOURCES LIMITED AND CONTROLLED ENTITIES

ABN 23 101 049 334

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
HALF YEAR ENDED 31 DECEMBER 2024**

	Issued Capital	Accumulated Profits/(Losses)	Option Reserve	Non-Controlling Interest	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2023	26,872,021	(13,326,581)	503,690	(15,626)	14,033,504
Net profit/(loss) and total comprehensive income for the period attributable to members	-	118,306	-	(802)	117,504
Shares issued	2,635,733	-	-	-	2,635,733
Shares to be issued	132,000	-	-	-	132,000
Issue costs	(125,339)	-	-	-	(125,339)
Options expired	-	24,198	(24,198)	-	-
Option Reserve	-	-	52,722	-	52,722
Balance at 31 December 2023	29,514,415	(13,184,077)	532,214	(16,428)	16,846,124
Balance at 1 July 2024	29,420,419	(14,193,834)	532,214	(16,428)	15,742,371
Net profit/(loss) and total comprehensive income for the period attributable to members	-	(2,729,181)	-	(6,920)	(2,736,101)
Shares issued	-	-	-	-	-
Shares to be issued	-	-	-	-	-
Issue costs	-	-	-	-	-
Options expired	-	-	-	-	-
Option Reserve	-	-	-	-	-
Balance at 31 December 2024	29,420,419	(16,923,015)	532,214	(23,348)	13,006,270

The accompanying notes form part of these financial statements.

CAZALY RESOURCES LIMITED AND CONTROLLED ENTITIES

ABN 23 101 049 334

NOTES TO THE FINANCIAL STATEMENTS HALF YEAR ENDED 31 DECEMBER 2024

1 STATEMENT OF MATERIAL ACCOUNTING POLICIES

(a) Corporate information

The interim financial report of Cazaly Resources Limited ('Cazaly' or the 'Company') for the half year ended 31 December 2024 was authorised for issue in accordance with a resolution of the Directors on 12 March 2025.

Cazaly is a company limited by shares incorporated and domiciled in Australia whose shares (CAZ) are publicly traded on the Australian Securities Exchange. The principal activity of Cazaly Resources Limited is the exploration and development of mineral resources.

(b) Statement of compliance

The interim consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001* and Accounting Standard AASB 134: *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards IAS34: *Interim Financial Reporting*.

The condensed half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the group as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2024 and any public announcements made by Cazaly and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001* and the ASX Listing Rules.

(c) Basis of preparation

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period except for the impact of the standards and interpretations below in note 1(e). These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The financial statements are for the consolidated entity consisting of Cazaly Resources Ltd and its subsidiaries (the 'Group').

The financial report has also been prepared on an historical cost basis, except for available for sale investments which have been measured at fair value through profit and loss. Cost is based on the fair values of the consideration given in exchange for assets.

The financial report is presented in Australian Dollars, which is the Company's functional currency.

(d) New, revised or amending accounting standards and interpretations adopted

Adoption of new and revised Accounting Standards

The Group has adopted all new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations.

CAZALY RESOURCES LIMITED AND CONTROLLED ENTITIES

ABN 23 101 049 334

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) HALF YEAR ENDED 31 DECEMBER 2024

Standards and Interpretations in issue not yet adopted

The Group has reviewed the new and revised Standards and Interpretations on issue not yet adopted for the half year ended 31 December 2024 and determined that there is no material impact of the Standards and Interpretations in issue not yet adopted by the Company.

(e) Significant accounting judgements and key estimates

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates. In preparing this half-year report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2024.

Capitalised exploration costs carried forward

The future recoverability of capitalised exploration costs carried forward has been reviewed by the directors. They are dependent on a number of factors, including whether the Group decides to exploit the related lease/licence itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, sovereign risk, future technological changes, availability of funds, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration expenditure is determined not to be recoverable in the future, results and net assets will be reduced in the period in which this determination is made.

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable resources. To the extent it is determined in the future that this capitalised expenditure should be written off, results and net assets will be reduced in the period in which this determination is made.

(f) Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments has been identified as the Managing Director of Cazaly.

CAZALY RESOURCES LIMITED AND CONTROLLED ENTITIES

ABN 23 101 049 334

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) HALF YEAR ENDED 31 DECEMBER 2024

2. INCOME AND EXPENSES

The following revenue and expense items are relevant in explaining the income statement for the half-year:

	31 December 2024 \$	31 December 2023 \$
Revenue		
Interest received	103,321	53,016
Office service recharges	54,355	74,252
	157,676	127,268
Other Income		
Gain on sale of financial assets	86,666	236,125
Other income	28,150	2,578
	114,816	238,703

3. EXPLORATION AND EVALUATION ASSETS

	31 December 2024 \$	30 June 2024 \$
Exploration and evaluation phases at cost	8,939,043	10,195,974
Movements in exploration and evaluation assets		
Brought forward	10,195,974	7,537,893
Expenditure capitalised during the period	1,086,850	1,708,775
Acquisitions	(51,045)	1,127,737
Exploration expenditure written off	(2,292,736)	(178,431)
	8,939,043	10,195,174

Exploration expenditure, including tenement acquisitions, totalled \$1,086,850 for the 2024 half year (2023: \$2,452,988). The main expenditure was incurred on the Company's Carb and Kaoko projects as well as new project generation. Exploration expenditure written off for the 2024 half year was (\$2,343,781) (2023: \$90,603) and relates to historical expenditures associated with the Ashburton and Lyons projects, new project generation costs and other tenements that were relinquished or written off during the half year.

The value of the Group's interest in exploration expenditure is dependent upon the continuance of the rights to tenure of the areas of interest, the results of future exploration and the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

4. TRADE AND OTHER PAYABLES

Trade and other payables	152,501	103,592
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CAZALY RESOURCES LIMITED AND CONTROLLED ENTITIES

ABN 23 101 049 334

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) HALF YEAR ENDED 31 DECEMBER 2024

5. SHARE CAPITAL

	31 December 2024 \$	30 June 2024 \$
461,302,991 (30 June 2024: 461,302,991) fully paid ordinary shares with no par value	29,420,419	29,420,419

Share Movements

	31 Dec 2024 Number	31 Dec 2024 \$	30 June 2024 Number	30 June 2024 \$
Balance at the beginning of the year/period	461,302,991	29,420,419	371,821,793	26,704,021
Issue of shares (i)	-	-	4,115,663	168,000
Issue of shares to vendor (ii)	-	-	19,065,535	678,733
Issue of shares at \$0.03 (iii)	-	-	59,633,333	1,789,000
Issue of shares at \$0.03 (iv)	-	-	6,666,667	200,000
Share issue costs	-	-	-	(119,335)
Balance at the end of the year	461,302,991	29,420,419	461,302,991	29,420,419

- (i) Shares issued to Exiro Minerals Corp (value CDN\$150,000) as part of a consulting and finder's fee agreement for its Canadian projects (shares issued 24 July 2023).
- (ii) Shares issued to IMinerals Corp as per the terms and conditions of an agreement for a 25% interest in the Sundown project in Quebec.
- (iii) Shares issued as per the terms and conditions of a placement announced on 27 November 2023.
- (iv) Shares issued to a director as per the terms and conditions of a placement announced on 27 November 2023 (approved by shareholders on 23 May 2024 and issued 21 June 2024).

Unquoted Option Movements

Exercise Period	Exercise Price	Number on issue at 30 June 2024	Issued during the half year	Exercised/Expired/Cancelled	Number on issue at 31 December 2024
On or before 12 October 2024	\$0.056	1,500,000	-	(1,500,000)	-
On or before 12 October 2025	\$0.056	1,500,000	-	-	1,500,000
On or before 5 August 2024	\$0.06	500,000	-	(500,000)	-
On or before 25 November 2025	\$0.047	2,000,000	-	-	2,000,000
On or before 13 December 2026	\$0.045	5,000,000	-	-	5,000,000
Total unquoted options		10,500,000	-	(2,000,000)	8,500,000

Equity Based Payments

Options are issued to directors, employees and consultants. The options may be subject to performance criteria, and may be issued to directors, employees and consultants to increase goal congruence between executives, directors and shareholders. Options carry no dividend or voting rights. There were no option issues made during the half year.

CAZALY RESOURCES LIMITED AND CONTROLLED ENTITIES

ABN 23 101 049 334

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
HALF YEAR ENDED 31 DECEMBER 2024**Performance Rights**

After shareholder approval was obtained at the 2021 AGM, the Company's Managing Director, Ms Tara French, was issued a total of 5 million performance rights (expiring on 11 October 2025).

6. OPTION RESERVE

	31 December 2024 \$	30 June 2024 \$
Opening balance	532,214	503,690
Equity based payments (options and performance rights)	-	52,722
Transfers to accumulated losses	-	(24,198)
Closing balance	<u>532,214</u>	<u>532,214</u>

This reserve records the value of equity benefits provided to employees, consultants and directors as part of their remuneration, share based payments to third parties and option consideration for any acquisitions.

7. ACCUMULATED LOSSES

Opening balance	(14,193,834)	(13,326,581)
Net earnings/loss attributable to members	(2,729,181)	(891,451)
Transfers from option reserve	-	24,198
Closing balance	<u>(16,923,015)</u>	<u>(14,193,834)</u>

8. SUBSEQUENT EVENTS

As noted under Review of Operations, on 12 February 2025, the Company announced the option to earn up to an 80% interest in the Goongarrie gold project.

Apart from the above, there have not been any matters or circumstances that have arisen since 31 December 2024 which have significantly affected, or may significantly affect the operations of the Company, the result of those operations, or the state of affairs of the Company in subsequent financial years.

9. CONTINGENT LIABILITIES AND ASSETS**Contingent Liabilities****Kaoko Project**

As announced on 26 March 2018, the Company acquired an option to earn the rights to a 95% interest in the Kaoko project ('Kaoko') in Namibia. The following contingent liabilities remain for Cazaly's registered 95% interest at 31 December 2024:

Under the KDN JV:

KDN Geo Consulting (5% KDN JV partner) is free carried to a definitive feasibility study.

CAZALY RESOURCES LIMITED AND CONTROLLED ENTITIES

ABN 23 101 049 334

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) HALF YEAR ENDED 31 DECEMBER 2024

Under the Kunene Purchase Agreement:

The Company acquired 100% of the issued capital of Kunene North Pty Ltd and therefore its rights under the KDN JV, and has the following commitments outstanding:

- i) Issue 10.5 million fully paid Cazaly shares upon the delineation of a JORC compliant mineral resource containing at least 10,000t of contained cobalt (or other metal equivalent)
- ii) Pay A\$1 million (or issue fully paid Cazaly shares to that amount) upon a formal Decision to Mine

Halls Creek

As announced on 12 November 2020, the Company acquired an 80% interest in the Halls Creek project from 3D Resources Limited bringing Cazaly to a 100% interest in the project. There is a contingent liability of \$250,000 due to 3D Resources Limited upon production of minerals in a commercial and saleable quantity and there is a royalty obligation to Vox Royalty Australia Pty Ltd on the tenement (M80/247). The royalty payable is a 1.5% net smelter return of production attributable to the tenement.

Contingent Assets

Parker Range

On 19 August 2019, the sale of Parker Range to Mineral Resources was completed pursuant to which Cazaly is entitled to a royalty at the rate of A\$0.50 for every dry metric tonne of iron ore extracted and removed from the Parker Range area after the first 10 million dry metric tonnes of production.

Hamersley

Following the sale of the Hamersley Iron Ore Project in 2021, to Equinox Resources Limited (ASX:EQN), the Company still retains a royalty interest of US\$0.30/tonne in the project. The project is located in the heart of the Pilbara iron ore province and currently has a total Mineral Resource estimate of 343.2 Mt at 54.5% Fe (reported in compliance with JORC Code 2012 – refer to Pathfinder's ASX Announcement dated 24 January 2020). Equinox continues to advance feasibility studies to progress the development of the Project.

10. OPERATING SEGMENTS

The Group currently operates in three geographical areas being Canada, Namibia and Australia, and in one industry, being exploration, for the half year ended 31 December 2024. The chief operating decision maker is the Managing Director of the Company. There is currently only one operating segment identified, being exploration activities based on internal reports reviewed by the chief operating decision maker in assessing performance and allocation of resources.

The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of the financial statements.

CAZALY RESOURCES LIMITED AND CONTROLLED ENTITIES

ABN 23 101 049 334

**DIRECTORS' DECLARATION
HALF YEAR ENDED 31 DECEMBER 2024**

In the opinion of the directors:

- (a) the financial statements and notes are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 134: "Interim Financial Reporting" and the *Corporations Regulations 2001*; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors, made pursuant to section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the Board.



Tara French
Managing Director

Dated 12 March 2025

To the Board of Directors,

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit director for the review of the financial statements of Cazaly Resources Limited and its controlled entities for the period ended 31 December 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours Faithfully,

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis

MARK DELAURENTIS CA
Director

Dated this 12th day of March 2025
Perth, Western Australia

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF CAZALY RESOURCES LIMITED

Conclusion

We have reviewed the accompanying half-year financial report of Cazaly Resources Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 31 December 2024, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of material accounting policies and other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Cazaly Resources Limited and Controlled Entities does not comply with the *Corporations Act 2001* including:

- a. Giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis

MARK DELAURENTIS CA
Director

Dated 12th day of March 2025
Perth, Western Australia