ABN 23 101 049 334

Quarterly Report for June 2017

Highlights

- **Drilling and ground geophysical programmes underway following successful initial drilling at Mount Venn project**
- **RAB/Aircore programme completed and RC drilling planned to further test and extend extensive gold mineralisation discovered at the Three Bears prospect. Previously reported intercepts included; 12m @ 1.19 g/t, 40m @ 0.36 g/t Au & 36m @ 0.47 g/t Au**
- **Ground based Dipole-Dipole Induced Polarisation (IP) geophysics underway to test thick Zinc mineralisation discovered at the Rutters prospect. Mineralisation occurs within a felsic volcanic pile with pervasive pyrite – potential for VMS style base metal mineralisation**
- **Previous shallow drilling at Rutters included intercepts of; 39m @ 0.23% Zn, 40m @ 0.12% Zn & 13m @ 0.25% Zn**
- **RC drilling also planned at Rutters following target definition from the geophysical programme**
- **Several prospective bedrock conductors defined occurring within the target stratigraphic horizon which contains the *Mustang* conductor at the Teutonic joint venture project**
- **Rights to commence mining at the Parker Range iron ore project extended a further five years to 2022 by the Minister for Environment**

Mount Venn Gold Project (CAZ 100%)

The Company has just completed a programme of RAB and Aircore drilling comprising 23 aircore holes for 824m and 108 RAB holes for 1,576m at Mount Venn. Areas targeted covered new areas of surficial gold anomalism from historic soil and augur work and extensions to the mineralisation discovered recently at the Three Bears prospect. Results are still pending for the programme.

The Mount Venn project is located ~125 km northeast of Laverton and just 40 km west of Gold Road Resources Ltd's (ASX:GOR) Gruyere gold deposit (148 Mt @ 1.30 g/t Au for 6.16M oz., GOR announcement, 22 April 2016) in the Eastern Goldfields region of Western Australia. The belt is associated with the regionally significant Yamarna Shear Zone complex and has many similarities with the Dorothy Hills greenstone belt which hosts Gruyere.

Cazaly conducted its maiden drilling campaign at Mount Venn earlier this year following the completion of access agreements and the subsequent grant of the licenses. Drilling focused on two prospects at *Three Bears* and *Rutters*. Targeting was largely based upon anomalous gold and pathfinder geochemistry in association with favourable lithologies and structural positions defined from geophysics and previous mapping. Very little to no historic drilling had previously been conducted in these areas.

Extensive gold mineralization was intersected in drilling at Three Bears for over 1km of strike in an intermediate volcanic sequence and talc chlorite ultramafic rocks.

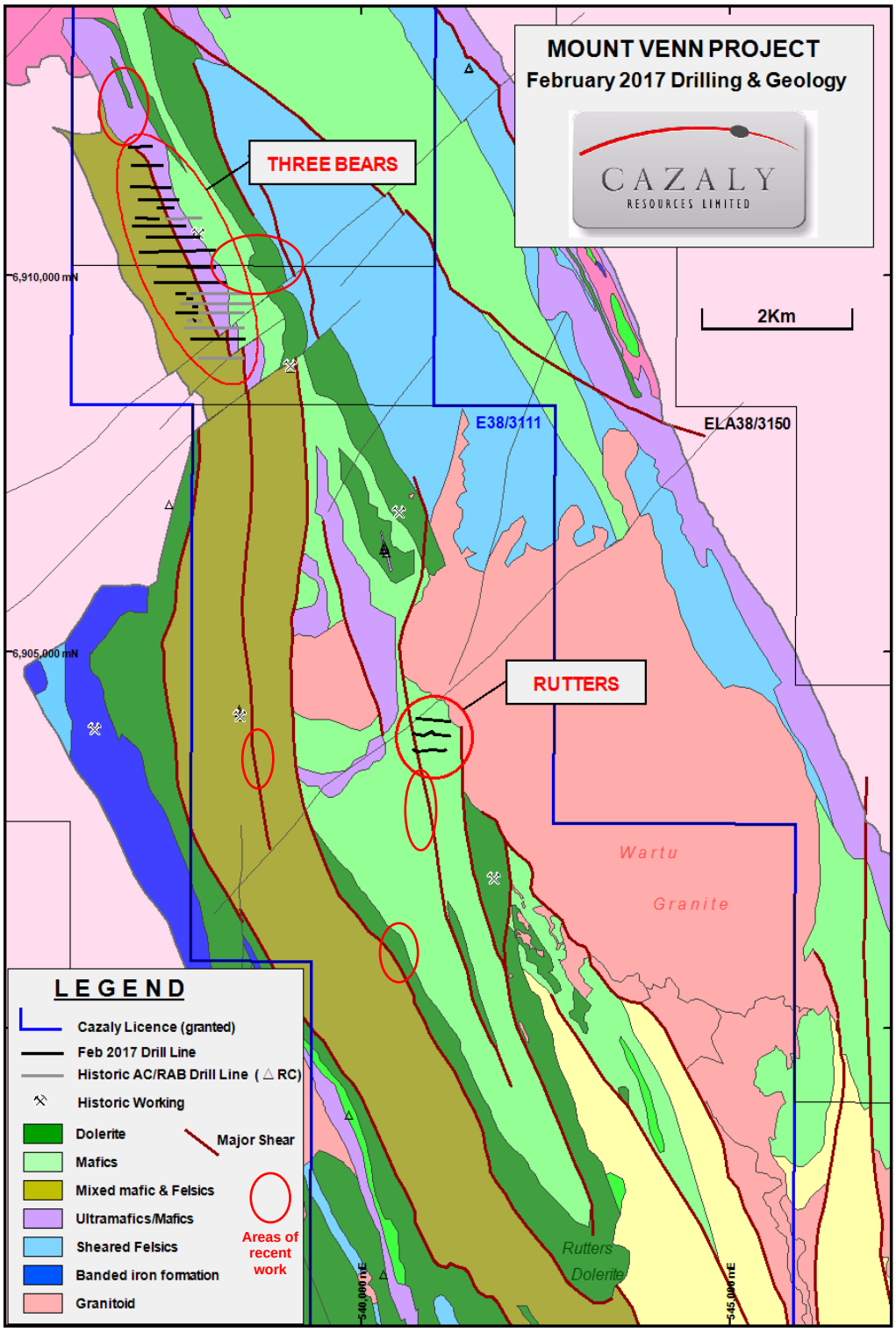


Figure 1: Geology & recent areas of work within the Mount Venn Greenstone Belt

Results were announced previously by the company (ASX Ann: Widespread Gold and Zinc Mineralisation Defined – 27th February 2017) and included 12m @ 1.19 g/t gold from 24m (MVAC0004), 36m @ 0.47 g/t gold from 28m (MVRC001) and 17m @ 0.43 g/t gold from 48m (MVRC007). These intersections are contained within a larger envelope of semi-continuous mineralisation for 2km in drilling on lines spaced between 50m and 280m apart.

The maiden programme also targeted a coincident auger geochemistry and Zinc-Gold anomaly at *Rutters* situated approximately 6km south of the Three Bears prospect along the western margin of the Wartu granite (Figure 1). Results showed widespread and thick anomalous zinc mineralisation within weathered felsic volcanics.

The host volcanics display pervasive, fine grained sulphides, predominantly pyrite, whilst reprocessing of historic airborne EM (Electromagnetic) data highlighted a +1.5km long coincident anomaly below the geochemical anomaly (Figure 2).

A ground based Dipole-Dipole Induced Polarisation (IP) programme is currently underway to better define RC drill targeting.

The presence of extensive Zinc mineralisation, with coincident elevated levels of gold, arsenic, silver, copper and lead, occurring within a felsic volcanic pile indicates the potential for primary VMS (Volcanic Massive Sulphide) mineralisation at depth. The presence of pervasive pyrite alteration, typically proximal to such mineralisation, and a coincident EM anomaly gives further encouragement for the presence of base metal mineralisation.

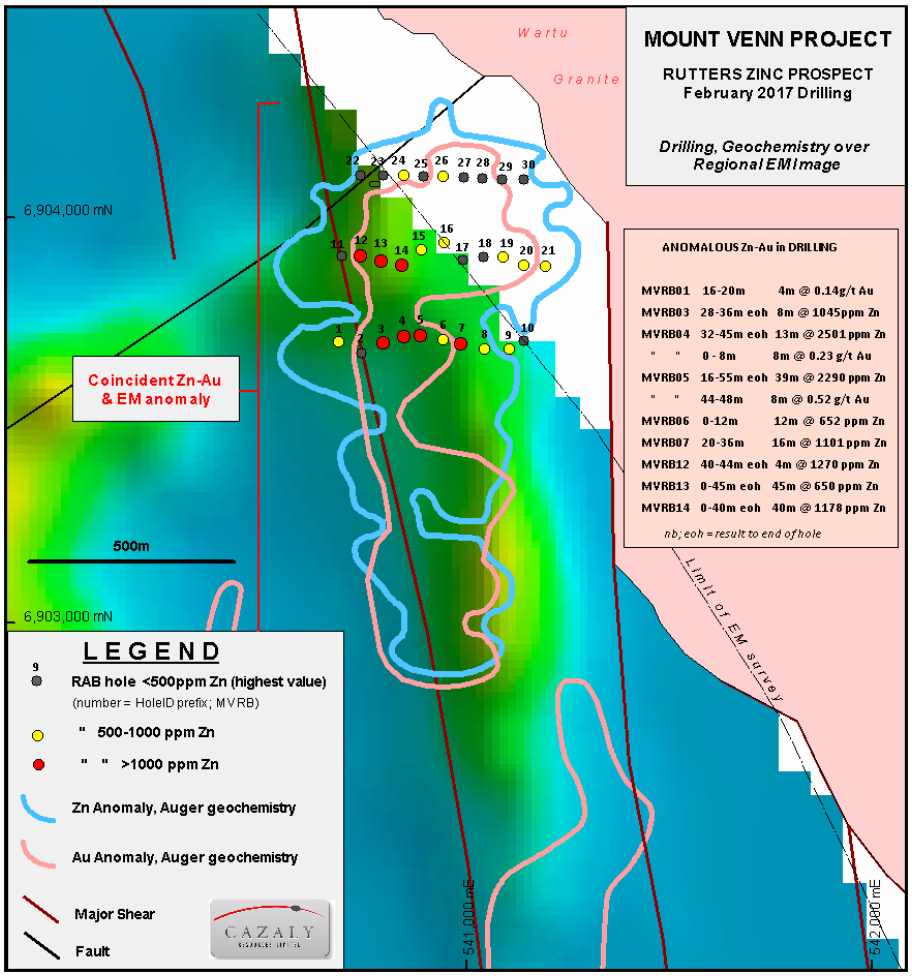
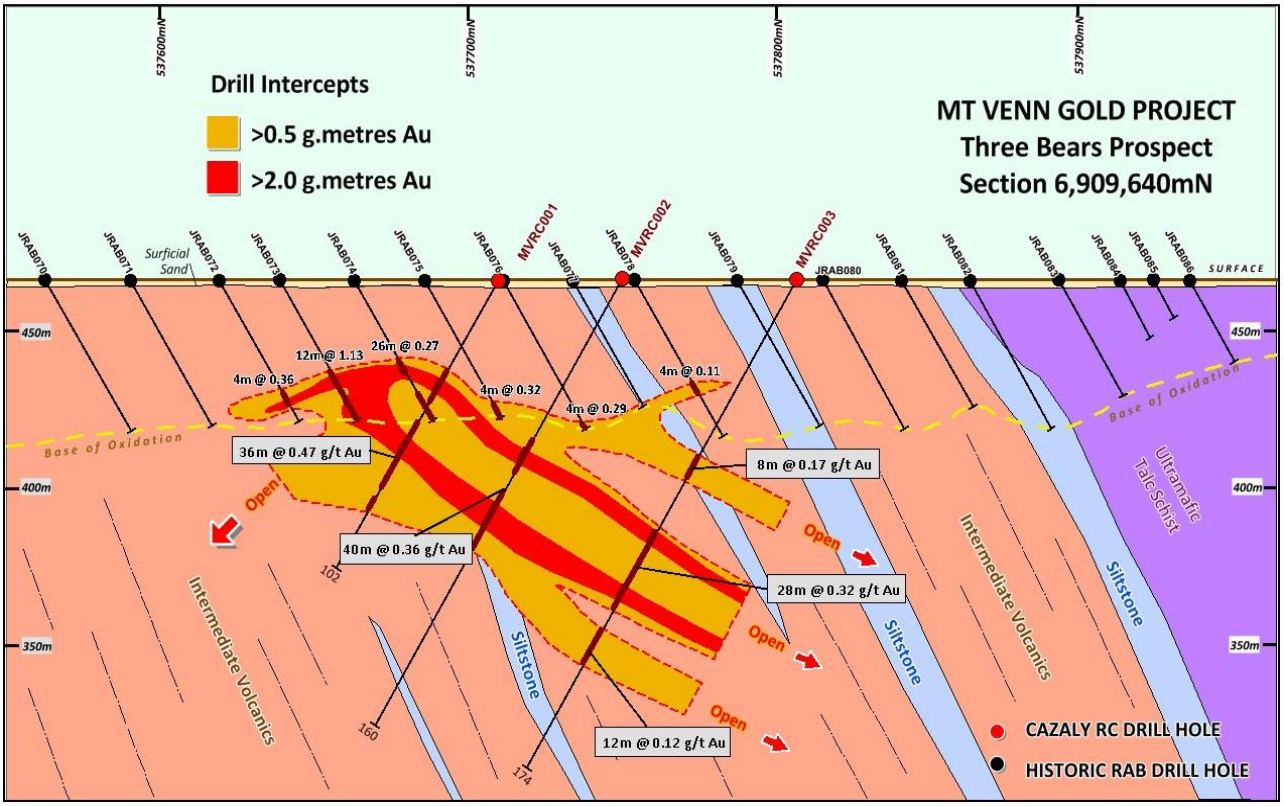


Figure 2: RAB Drilling, coincident EM Anomaly and auger geochemistry, Rutters Zinc prospect

The Mount Venn Gold Project covers a total area of approximately 398 sq km and work by the Company reviewing previous exploration highlights several other opportunities for future exploration.

Figure 3: Cross section 6,909,640mN, Three Bears prospect



Teutonic Base Metal Project (CAZ 30%, Metallum earning 70%)

The Company is in joint venture with Metallum Limited (ASX:MNE) over the Teutonic project which comprises exploration licence 37/1037 located north of Leonora in the eastern goldfields of Western Australia. Reprocessing of historic data by MNE highlighted a number of discrete anomalies within the same stratigraphy hosting the *Jaguar* and *Bentley* VMS base metal deposits located ~20km to the north. Recent EM by MNE delineated a 350m long conductor called *Mustang* in the area.

Followed up work by MNE, announced on 23 May 2017, reported preliminary results from a MLEM geophysical survey which identified several prospective bedrock conductors occurring within the target stratigraphic horizon which contains the Mustang conductor. The results further confirm the prospectivity of the Teutonic Project to host base metal mineralisation similar to the deposits to the north.

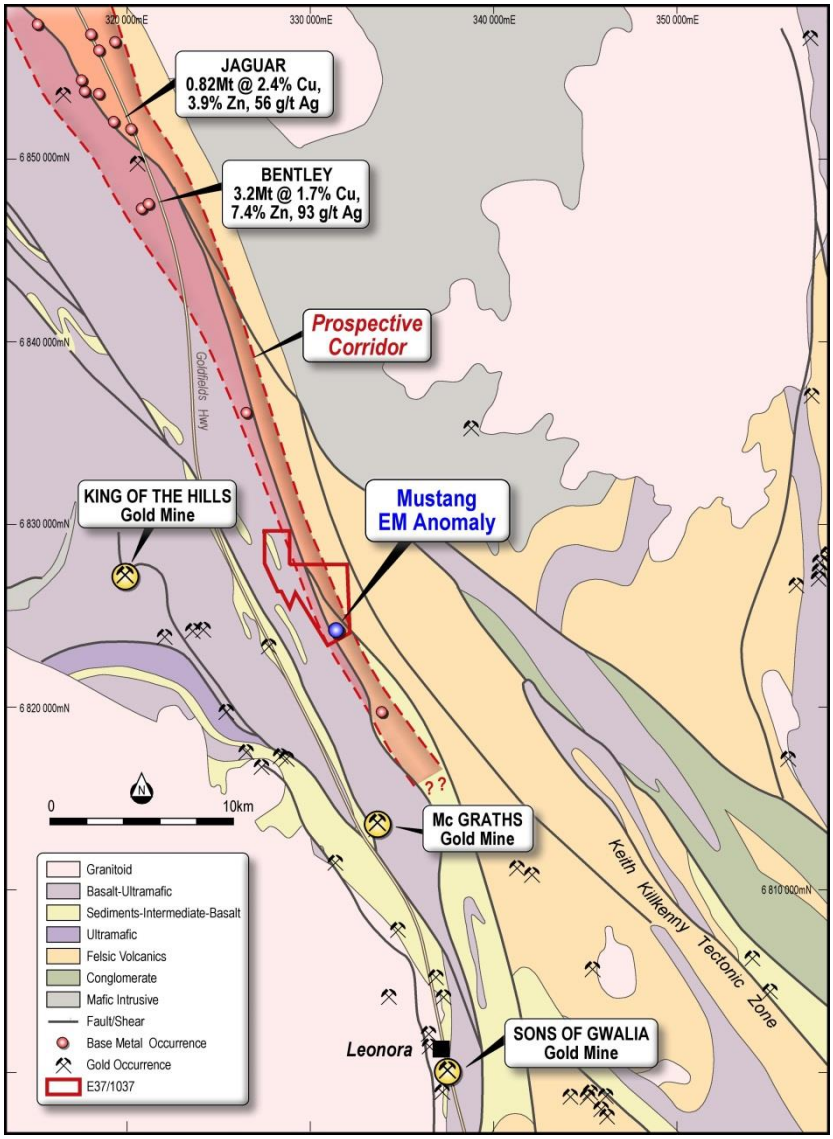


Figure 4: Regional geology and location of the Teutonic Project and Mustang Conductor showing proximity to the Jaguar and Bentley VMS deposits.

Other Projects

No significant work of note was conducted over the Company's other projects during the quarter.

Parker Range Iron Ore (CAZ 100%): During the quarter the Company was granted an extension of its rights to commence mining at the project for a further five years to 2022 by the Minister for Environment.

The project hosts a near mine-ready iron ore deposit located in the Yilgarn of Western Australia key features of which include ultra-low Phosphorous haematite ore, completed full DFS, located nearby to major infrastructure and has its key approvals to mine in place.

McKenzie Springs Nickel/Graphite (CAZ 100%): Located immediately south & along strike of the Savannah Nickel Mine (Panoramic Res.), Kimberley, WA. Prospective ultramafic basal contact extends for ~15km. Limited historic work, High grade gossan samples returned 12.8% Cu, 1.92% Ni, 0.17% Co.

Halls Creek Copper (DDD 80%, CAZ 20%): Hosts the VMS Mt Angelo North copper-zinc deposit and the Mt Angelo Cu Porphyry. Numerous look-alike VMS targets to explore. Kimberley, WA.

Czech Republic (CAZ 80%): Two uranium project applications, Brzkov & Horni Venice, located in the Czech Republic. State enterprise Diamo are closing the country's only operating uranium mine & has indicated interest in mining at Brzkov.

Lake Innes Cobalt project (CAZ 100%): due to conflicting and difficult land access issues the company decided to relinquish the project during the quarter.

Corporate

On 9 May 2017, the Company announced the completion of a placement which raised gross proceeds of $706,000.

The issue price of the fully paid ordinary shares was $0.05 per Share. A free attaching listed option was also issued on a one for two basis. The listed options are on the same terms as currently listed options with an exercise price of $0.11 per share and expiry date of 21st August 2018. The Company issued 14,920,000 placement shares and 7,060,000 listed options on 15 May 2017.

For further information please contact:

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The information contained herein that relates to Exploration Results, Mineral Resources, Targets or Ore Resources and Reserves is based on information compiled or reviewed by Mr Clive Jones and Mr Don Horn, who are employees of the Company. Mr Jones is a Member of the Australasian Institute of Mining and Metallurgy and Mr Horn is a member of the Australian Institute of Geoscientists. Mr Jones and Mr Horn have sufficient experience which is relevant to the style of mineralisation and types 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'. Mr Jones and Mr Horn consent to the inclusion of their names in the matters based on the information in the form and context in which it appears.

Quarterly Report for June 2017

MINING TENEMENTS HELD AT 30 JUNE 2017

TID	PROJECT	ENTITY	% INT
Managed			
E77/1235	PARKER RANGE	CAZR	100
E77/1403	PARKER RANGE	CAZI	100
L77/0220	PARKER RANGE	CAZI	100
L77/0228	PARKER RANGE	CAZI	100
L77/0229	PARKER RANGE	CAZI	100
M77/0741	PARKER RANGE	CAZI	100
M77/0742	PARKER RANGE	CAZI	100
M77/0764	PARKER RANGE	CAZI	100
P77/4162	PARKER RANGE	SAMR	100
P77/4164	PARKER RANGE	SAMR	100
E80/4808	MCKENZIE SPRINGS	SAMR	100
P15/6010 *	GLIA	SAMR	50
P15/6011 *	GLIA	SAMR	50
P15/6012 *	GLIA	SAMR	50
P15/6013 *	GLIA	SAMR	50
P15/6014	GLIA	SAMR	50
P15/6015 *	GLIA	SAMR	50
P15/6016 *	GLIA	SAMR	50
P15/6019	GLIA	SAMR	50
P15/6020 *	GLIA	SAMR	50
P15/6021 *	GLIA	SAMR	50
P15/6022	GLIA	SAMR	50
E38/3111	MOUNT VENN	YAMW	100
E38/3150	MOUNT VENN	YAMW	100
EPM26213	MOUNT TABOR (QLD)	SAMR	100
EL 8483	BUNGONIA (NSW)	CAZR	100
EL5475 *	PT MACQUARIE (NSW)	CAZR	100
Czech Rep *	Horní Věžnice	Discovery	80
Czech Rep *	Brzkov II	Discovery	80

TID	PROJECT	ENTITY	% INT
Not Managed			
E31/1019	CAROSUE	CAZR	10
E31/1020	CAROSUE	CAZR	10
M31/0427	CAROSUE	CAZR	10
E37/1037	TEUTONIC	SAMR	100
M47/1450	HAMERSLEY	LOFE	49
E51/1290	RUBY WELL	SAMR	7.5
E80/3370	MT ANGELO	CAZR	20
E80/3496	MT ANGELO	CAZR	20
E80/3517	MT ANGELO	CAZR	20
M80/0247	MT ANGELO	CAZR	20
E39/1837	MT WELD	CAZR	100

* – application