ABN 23 101 049 334

Quarterly Report for September 2017

HIGHLIGHTS

- **Second phase of RAB and Aircore drilling completed extending the *Three Bears* gold mineralised trend to approximately 3.6km**
- **Second phase RC drilling also completed at *Three Bears* extending broad mineralisation down dip and down plunge; 44m @ 0.21 g/t, 15m @ 0.40 g/t & 20m @ 0.28 g/t Au**
- **Dipole-Dipole Induced Polarisation (IP) geophysics finalised testing thick Zinc mineralisation discovered at the *Rutter's* prospect**
- **IP anomaly outlined coincident with geochemistry and regional EM anomaly, 3 RC drill holes completed intersecting broad disseminated sulphides including up to 104m @ 0.26% Zn from 28m**
- **Mineralisation intersected at Rutter's North included large widths of disseminated and veined sulphides occurring within a felsic volcanic pile – potential for VMS style base metal mineralisation**
- **Further processing of MLEM has enabled prioritisation of prospective bedrock conductors within the target stratigraphic horizon 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. Exports options continue to be examined**

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Mount Venn Gold Project (CAZ 100%)

The Company completed a number of programmes including ground geophysics, RC drilling, RAB and Air core drilling at Mount Venn during the quarter. A total of 10 RC holes for 1,607m, 23 air core holes for 824m and 108 RAB holes for 1,576m were drilled. Nine lines of Dipole – Dipole ground IP were completed by Fender Geophysics at the Rutter's North base metal target. Three RC drill holes were positioned to partially test the resultant Dipole – Dipole IP targets defined by the geophysics. Other drilling targeted areas of surficial gold anomalism from historic soil and auger work as well as extensions to mineralisation discovered recently at the Three Bears and Three Bears North prospects. Figure 1. shows the geological setting of Three Bears and Rutter's North Prospects.

Rutter's North

RC drilling during the quarter at Rutter's North intersected significant disseminated and veined sulphides within a package of felsic volcanics, minor interbedded sediments and mafic dolerite sills. The sulphides were predominantly logged as pyrite with minor pyrrhotite and sphalerite visible. The volcanic package displays very strong sericite alteration and multi element zonation. In particular, association of **silver, arsenic, lead and gold** further emphasize the system as likely to be an exhalative style VMS or similar. Typically outer 'distal' parts of VMS deposits display these characteristics and work will now focus on determining any vector information within the data pointing to potential economic mineralisation.

Zinc results of 104m @ 0.26% zinc from 28m in MVRC020 indicate significant fine grained mineralisation present. This result confirms the original RAB numbers but in fresh rock beneath the initial RAB drilling from January 2017.

Results are listed in Table 1 and Figure 2 Shows the IP sections and recent RC drilling at Rutter's North.

Table 1. Significant RC drill results from the three holes at Rutter's North.

Prospect	Hole ID	GDA94 East	GDA94 North	RL	Hole Depth	Local Azm	Dip	Intercept
Rutter's Nth	MVRC020	540931	6903309	462	150	0	-90	**104m @ 0.26% zinc from 28m**
Rutter's Nth	MVRC020	540931	6903309	462	150	0	-90	4m @ 0.1 g/t gold, 2.0 g/t silver from 48m
Rutter's Nth	MVRC020	540931	6903309	462	150	0	-90	20m @ 0.14 g/t gold from 64m
Rutter's Nth	MVRC020	540931	6903309	462	150	0	-90	4m @ 0.18 g/t gold, 1.5 g/t silver from 96m
Rutter's Nth	MVRC020	540931	6903309	462	150	0	-90	4m @ 0.1 g/t gold, 2.0 g/t silver from 108m
Rutter's Nth	MVRC021	540847	6903496	459	180	90	-60	16m @ 0.20% zinc from 20m
Rutter's Nth	MVRC021	540847	6903496	459	180	90	-60	**20m @ 0.30% zinc from 64m**
Rutter's Nth	MVRC021	540847	6903496	459	180	90	-60	4m @ 0.11 g/t gold, 2 g/t silver from 72m
Rutter's Nth	MVRC021	540847	6903496	459	180	90	-60	17m @ 0.14% zinc from 104m
Rutter's Nth	MVRC021	540847	6903496	459	180	90	-60	1m @ 0.87 g/t gold from 120m
Rutter's Nth	MVRC021	540847	6903496	459	180	90	-60	**10m @ 0.58% zinc from 170m EoH**
Rutter's Nth	MVRC022	541102	6902696	459	190	270	-70	16m @ 0.16% zinc from 52m
Rutter's Nth	MVRC022	541102	6902696	459	190	270	-70	8m @ 1.0% zince from 84m

* Intercepts use a 0.02% Zn Lower cut-off, no upper cut applied, no interval contains >4m of internal waste, samples are 1m, 2-4m composites

RC drill hole locations at Rutter's North are shown over VTEM data in Figure 3.

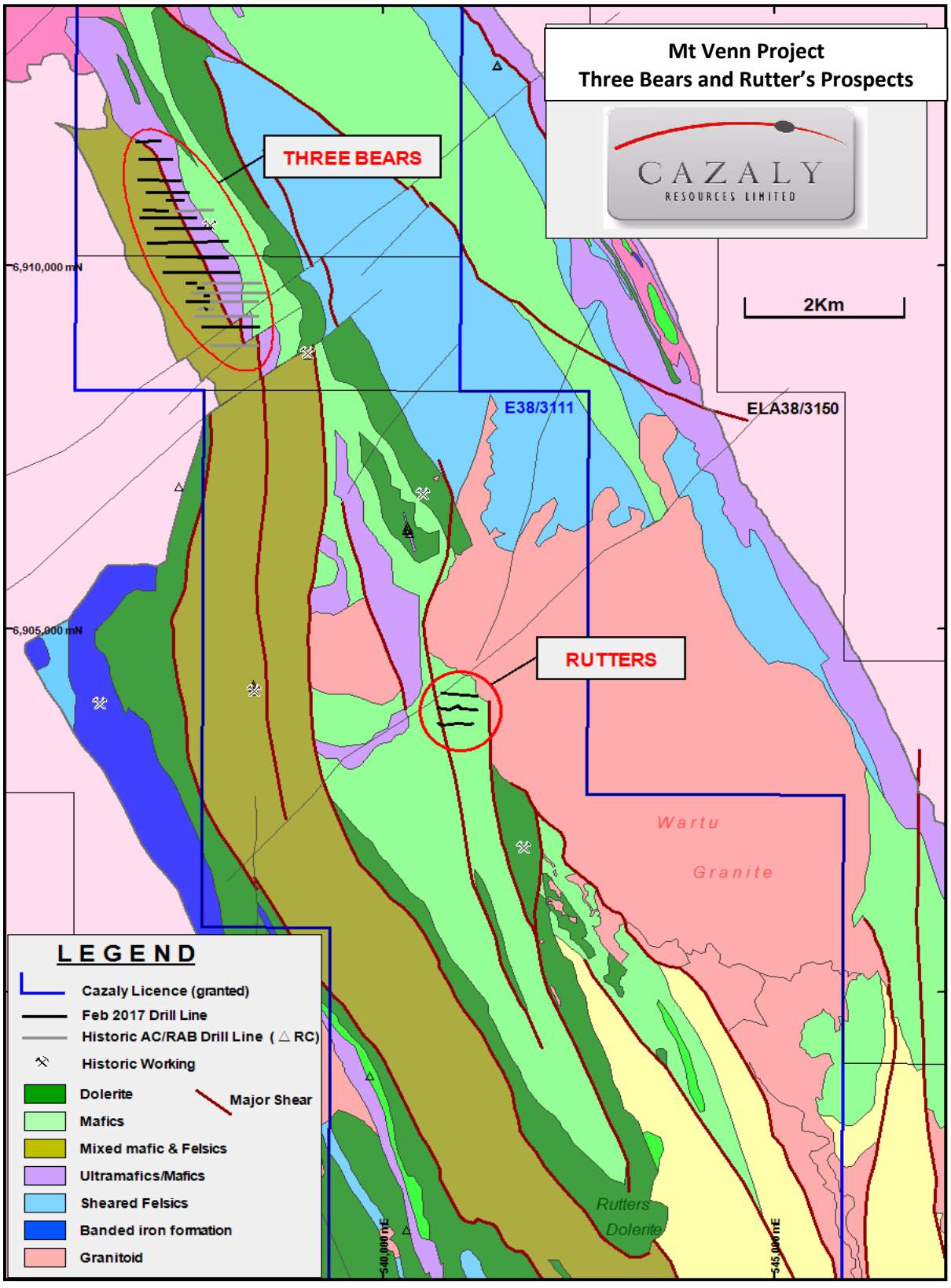

Figure 1: Geology & recent areas of work within the Mount Venn Greenstone Belt

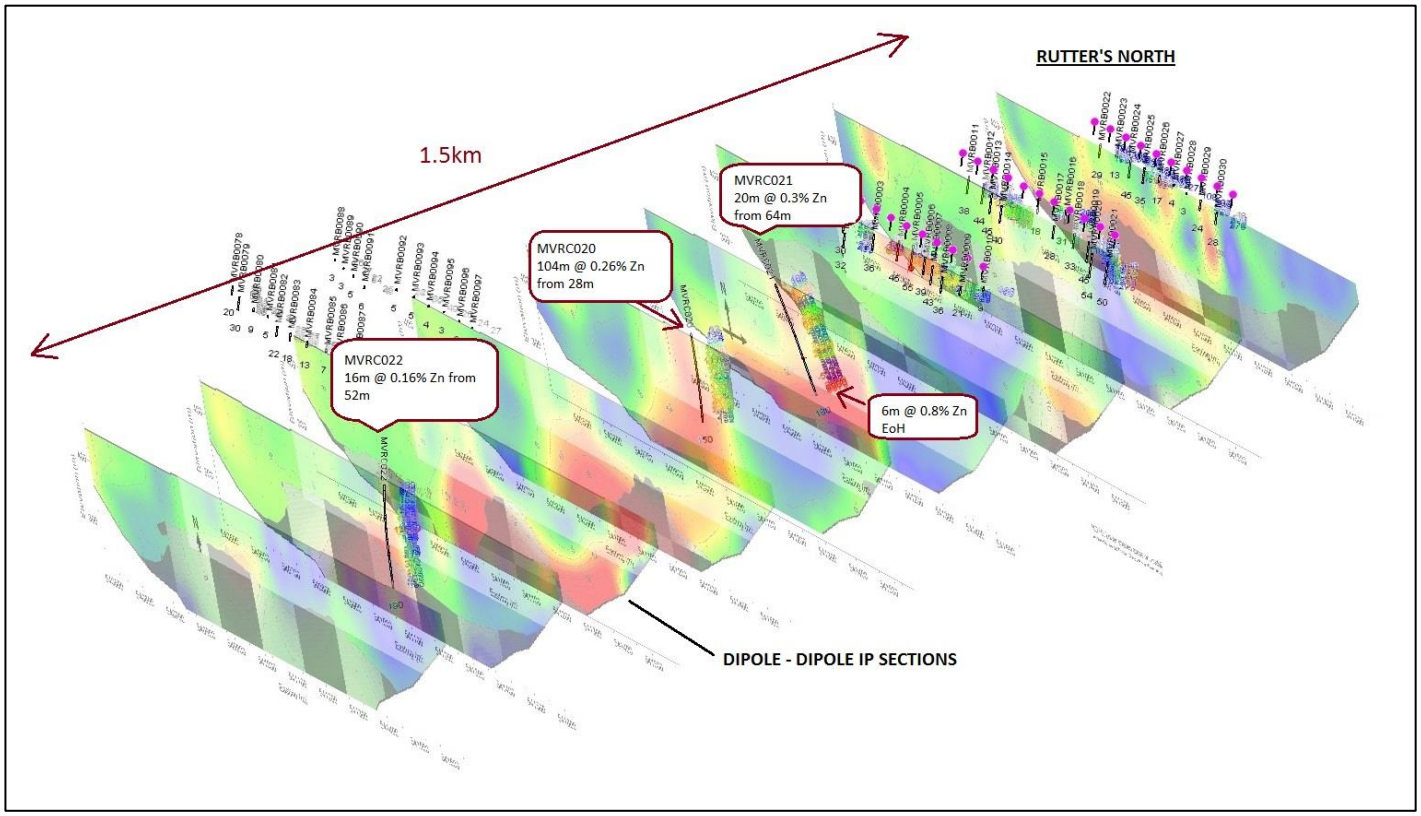

Figure 2. **Schematic diagram showing Rutter's North IP Sections and recently completed RC Drilling**

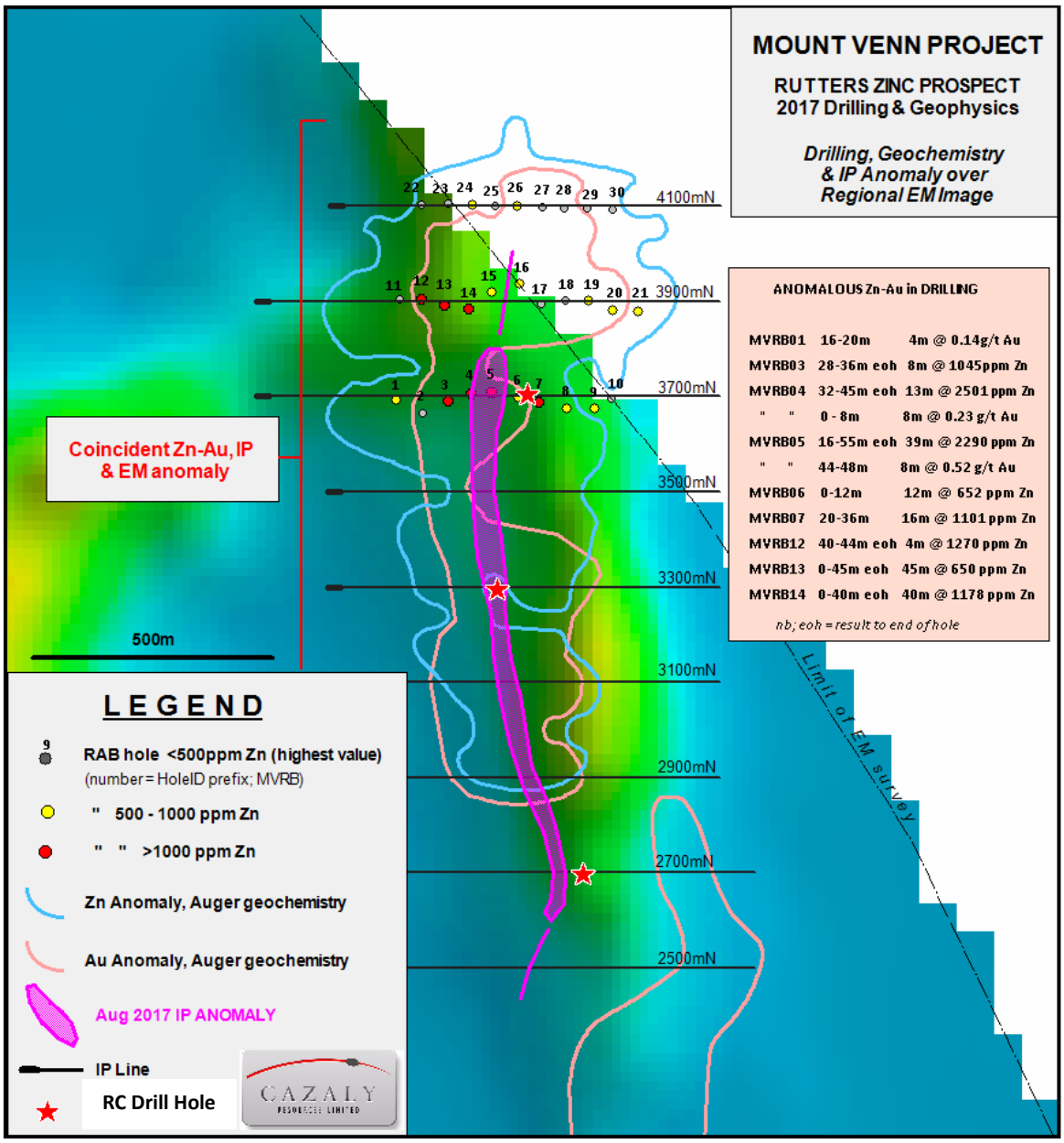

Figure 3: RAB and RC Drilling, coincident VTEM Anomaly and auger geochemistry, Rutters Zinc prospect

Three Bears RC Drilling

The RC drill results at Three Bears from this quarter are similar in grade and widths to the results from the first round of RC drilling (ASX Ann: Widespread Gold and Zinc Mineralisation Defined – 27th February 2017). These intersections include 15m @ 0.40g/t gold from 120m (MVRC016), 44m @ 0.21g/t gold from 76m (MVRC019) and 20m @ 0.28g/t gold from 90m (MVRC024). Intercepts are contained within a larger envelope of semi-continuous mineralisation defined in all drilling to date for 3.6km of strike length. A full list of significant recent RC drill results from Three Bears is contained in table 2.

Gold mineralisation defined in drilling by Cazaly to date at Three Bears is associated with sheared and laminated intermediate volcanics, chlorite/biotite alteration, minor pyrite and pyrrhotite mineralisation. The package dips shallowly east and appears to predominantly be repetitions of andesite/dacite flows of variable grain size and texture including flow top breccia, interflow sediments and mafic sills. Mineralisation is semi-conformable to stratigraphy, with shearing and minor quartz, sericite, arsenopyrite and pyrrhotite. Coarse fragmentals, fine grained interflow sediments, aplite & granitic dykes have also been intersected. The mineralisation is interpreted to dip 40^{o} to the east with a plunge of approximately 20^{o} towards 130^{o}.

Further drilling is planned that will target mineralised structures along strike, down dip and down plunge in interpreted more favourable structural/lithological settings.

Three Bears Air Core Drilling

Cazaly has been able to trace fertile structures through areas of cover using air core drilling and also historical data along strike where cover is relatively thin, thus the geochemical information more effective and reliable. The Cazaly air core drilling to date has been on wide spaced traverses of usually 200m distance. Previous historic drilling has also been drilled partially down dip of mineralised structures and stratigraphy therefore limiting the potential to intersect zones of mineralisation orthogonal to drill direction. Cazaly has developed mineralisation models and followed the interpreted corridor along strike successfully with wide spaced traverses. Further air core drilling is proposed to test for extensions in potentially more favourable structural settings and more iron rich host lithologies. These targeted zones include the far north of Three Bears where folded and faulted ultramafic and mafic rocks have been logged and interpreted in re-processed magnetic data sets.

Table 2. Significant RC gold results from Three Bears

Prospect	HoleID	GDA94 East	GDA94 North	RL	Hole Depth	Local Azm	Dip	Intercept
Three Bears	MVRC015	537860	6909634	462	180	270	-60	4m @ 0.27 g/t gold from 68m
Three Bears	MVRC015	537860	6909634	462	180	270	-60	17m @ 0.22 g/t gold from 112m
Three Bears	MVRC015	537860	6909634	462	180	270	-60	32m @ 0.17 g/t gold from 138m
Three Bears	MVRC016	537899	6909550	462	205	270	-60	**15m @ 0.40 g/t gold from 120m**
Three Bears	MVRC016	537899	6909550	462	205	270	-60	35m @ 0.14 g/t gold from 141m
Three Bears	MVRC016	537899	6909550	462	205	270	-60	1m @ 0.42 g/t gold from 186m
Three Bears	MVRC017	537873	6909396	463	162	270	-60	4m @ 0.20 g/t gold from 84m
Three Bears	MVRC017	537873	6909396	463	162	270	-60	**13m @ 0.25 g/t gold from 100m**
Three Bears	MVRC018	537442	6910650	469	198	270	-60	4m @ 0.17 g/t gold from 72m
Three Bears	MVRC018	537442	6910650	469	198	270	-60	5m @ 0.12 g/t gold from 135m
Three Bears	MVRC018	537442	6910650	469	198	270	-60	2m @ 0.48 g/t gold from 143m
Three Bears	MVRC018	537442	6910650	469	198	270	-60	4m @ 0.31 g/t gold from 148m
Three Bears	MVRC018	537442	6910650	469	198	270	-60	**12m @ 0.34 g/t gold from 160m**
Three Bears	MVRC019	536720	6912051	462	160	270	-60	8m @ 0.12 g/t gold from 60m
Three Bears	MVRC019	536720	6912051	462	160	270	-60	**44m @ 0.21 g/t gold from 76m**
Three Bears	MVRC019	536720	6912051	462	160	270	-60	4m @ 0.54 g/t gold from 144m
Three Bears	MVRC023	537382	6910650	469	68	270	-60	4m @ 0.34 g/t gold from 64m, EoH
Three Bears	MVRC024	537347	6910655	469	114	270	-60	8m @ 0.14 g/t gold from 52m
Three Bears	MVRC024	537347	6910655	469	114	270	-60	**20m @ 0.28 g/t gold from 90m**
							Including	1m @ 2.61 g/t gold from 90m

* Intercepts use a 0.1g/t Au Lower cut-off, no upper cut applied, no interval contains >4m of internal waste, samples are 1m, 2-4m composites

Kurabuka Creek Project (CAZ 100%)

During the Quarter Cazaly acquired the Kurabuka Creek Project through exploration licence application E09/2267 over 69 sub blocks in the Bangemall Basin of Western Australia. The area is prospective for shale hosted base metal mineralization as demonstrated by historic work. BHP reported (A15620 – GSWA) rock chip sampling of workings in 1985 containing lead mineralization between 245ppm and 28.1% Pb (2.12% Pb average) and zinc mineralization between 32ppm and 26.1% Zn (1.5% Zn average) from 20 samples.

Cazaly will collate all open file data sets and prepare for field reconnaissance work investigating the potential of this area to host significant mineralization.

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.

As announced on 8 August 2017, a Moving Loop Electromagnetic (**MLEM**) survey was completed during the quarter at the Teutonic Project in Western Australia. The Company engaged the services of independent geophysical consultants to process and model the raw MLEM survey data. Following processing and modelling, the information was integrated into the exploration model developed by the Company to target Volcanogenic Massive Sulphide (**VMS**) base metal mineralisation within the interpreted favourable host sequences. This work has identified priority MLEM conductors along strike to the northwest of the Company's Mustang prospect (Figure 4.).

MLEM Anomalies

The MLEM survey has identified 15 geophysical anomalies which occur within a NW-SE trending corridor, running along strike from the previously identified and drilled Mustang Prospect (ASX announcement 7 January 2016). The geophysical anomalies are interpreted to be associated with the contact between sedimentary rocks and a package of mafic to felsic volcanic rocks.

The anomalies have been grouped into four main target zones containing 'clusters' of priority EM anomalies. Further processing including three-dimensional conductor plate modelling was completed on anomalies in these target areas to provide a spatially referenced model for future drill planning (Figure 5.).

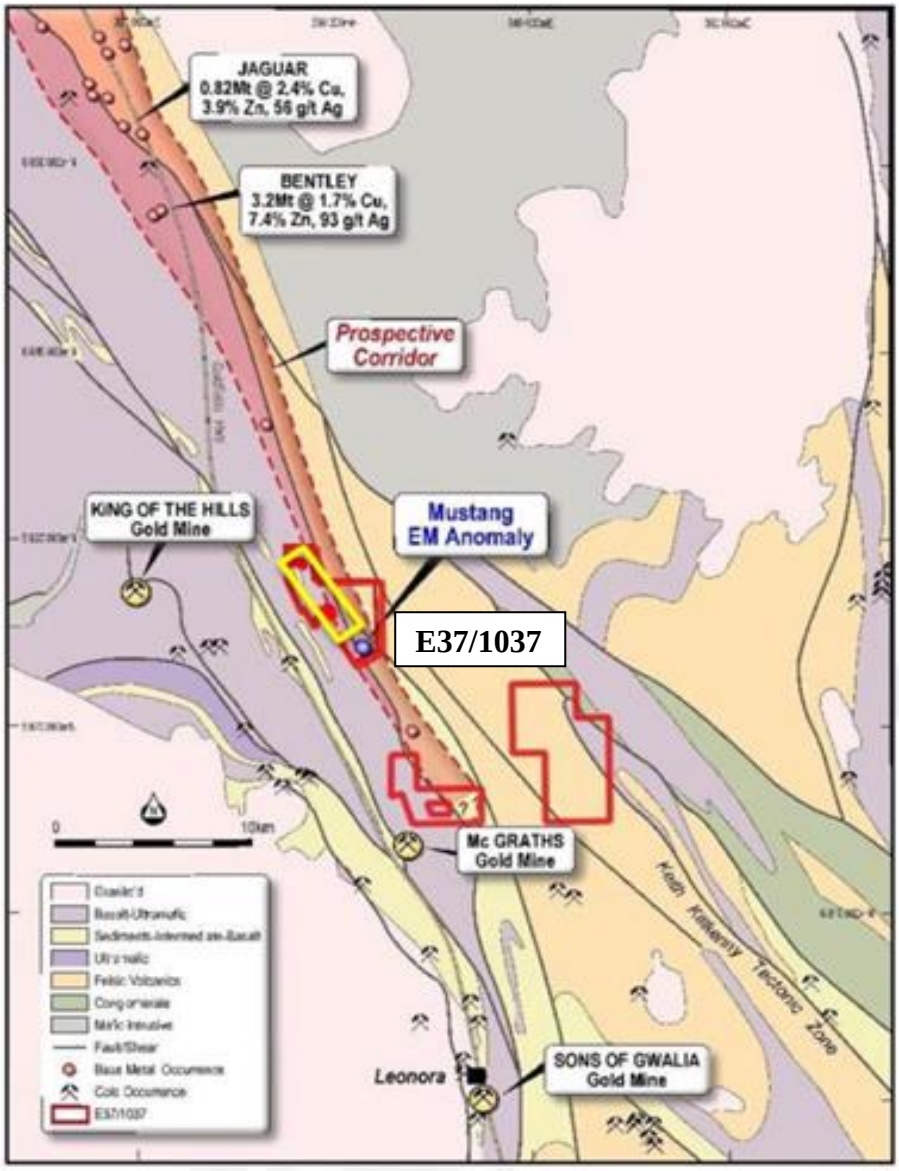

Figure 4: Regional geology and location of the Teutonic Project and Mustang Conductor showing proximity to the Jaguar and Bentley VMS deposits. Resource figures for Bentley and Jaguar sourced from Independence Group's website. Metallum/Cazaly tenement E37/1037 highlighted, approximate area of recent MLEM survey in yellow

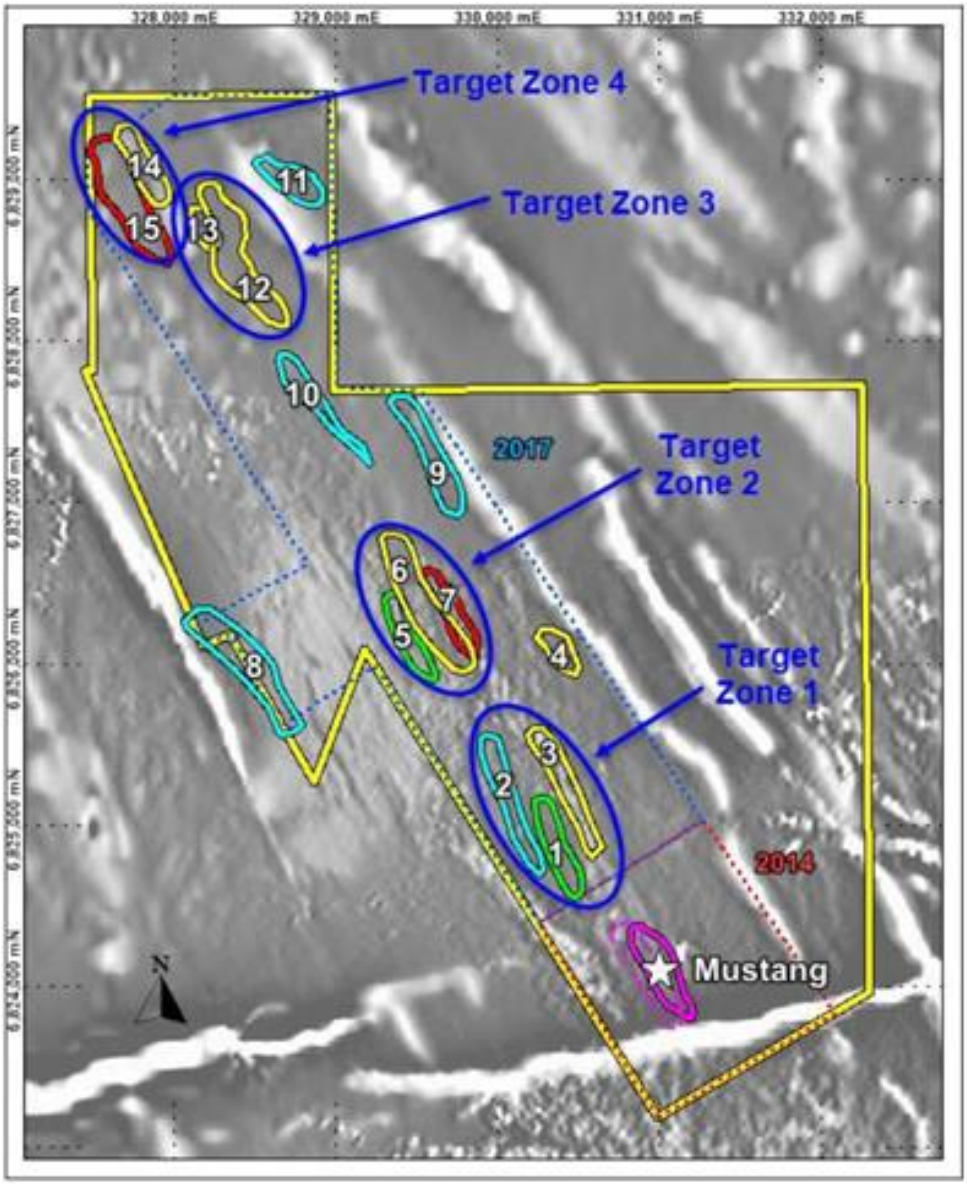

Figure 5: MLEM anomaly areas coloured by priority, where red = highest priority 1 and light blue = lowest priority 4, overlain on a magnetic greyscale colour image (TMIRTP – 1VDAGC). Tenement E37/1037 is shown by the yellow outline and the Mustang Prospect is shown by the white star. The late EM time channel anomaly associated with the Mustang Prospect is shown by the pink outline.

Other Projects

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

Parker Range Iron Ore (CAZ 100%): 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. The Company is in continued discussions with infrastructure advisors and is reviewing export solutions. The nature of the ultra-low phosphorous ore makes this orebody in demand as a blending ore.

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. Work by Cazaly has identified high grade gossan samples returned 12.8% Cu, 1.92% Ni, 0.17% Co. The project is also within 10km of the Hexagon Resources McIntosh Graphite Resource. Reprocessing and imaging of historic VTEM data was completed by Cazaly with several conductor targets potentially representing graphitic units ready for follow up.

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.

See extract from the September 2017 Quarterly Report from 3D Resources Ltd:

> *"**Halls Creek Joint Venture (3D Resources 80%)***
>
> *With the requirements to obtain approvals for another year of renewals and the high expenditure commitments associated with such renewals, the Halls Creek Joint Venture decided to surrender the three exploration licenses but retain the Mining Lease M80/0247 which contains all the resources defined to date."*

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. The Company notes the recent election victory by the pro-business ANO party.

Corporate

The Company through its 100% owned subsidiary, CazRoy Pty Ltd retains a potential payment from the sale of its royalties over the Kalgoorlie Gold Project ("KGP") of $1,000,000 upon satisfaction of conditions relating to the production of 140,000 ozs gold from the KGP.

The Company maintains its Controlled Placement Agreement (CPA). The CPA provides Cazaly with up to $2 million of standby equity capital over the coming 12 months. Importantly, Cazaly retains full control of the placement process, including having sole discretion as to whether or not to utilise the CPA.

The CPA provides Cazaly with the flexibility to quickly and efficiently raise capital, including the ability to take advantage of suitably attractive opportunities should they arise. Cazaly is under no obligation to raise capital under the CPA. If Cazaly does decide to utilise the CPA, the Company has control, allowing Cazaly to decide the frequency, timing, maximum size and minimum issue price of any capital raisings under the CPA.

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 Sept 2017

INTEREST IN MINING TENEMENTS AS AT 30 SEPTEMBER 2017

Managed

TID	PROJECT	ENTITY	% INT
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
Czech Rep *	Horní Věžnice	Discovery	80
Czech Rep *	Brzkov II	Discovery	80

Not Managed

TID	PROJECT	ENTITY	% INT
E31/1019	CAROSUE	CAZR	10
E31/1020	CAROSUE	CAZR	10
M31/0427	CAROSUE	CAZR	10
E37/1037	TEUTONIC BORE	SAMR	100
M47/1450	HAMERSLEY	LOFE	49
E51/1290	RUBY WELL	SAMR	7.5
M80/0247	MT ANGELO	CAZR	20
E39/1837	MT WELD	CAZR	100

* – application

ANNEXURE 1.
JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

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.*	• 10 reverse circulation (RC) drill holes, 23 air core (AC) drill holes and 108 rotary air blast (RAB) drill holes were completed by Yamarna West Pty Ltd to variable depths. • All sampling was conducted using Cazaly Resources Ltd (**CAZ**) protocols including industry best practice, QAQC procedures including duplicates and standards. • RC samples were collected in 1 metre intervals from a rig mounted cyclone with attached cone splitter. The dry samples were split into a bulk sample (green bag) and a representative 3kg split (calico). All 1 metre samples were lined up in rows of 20 beside the hole. Damp or wet samples were collected in green bags and spear/scoop sampled. • Composite samples were collected from each 1metre bulk green bag using a sample spear to ensure a representative sample was combined from 2-4 metre intervals, depending on the geologist's instructions. In some intervals, only 1 metre cone split representative samples were collected for analysis. • RAB and AC samples were collected off a rig mounted cyclone in buckets and placed on the ground beside the hole in 10 sample rows. Composite samples consisting of representative scoop samples were collected from the sample piles in 1-4 metre intervals, depending on the geologist's instructions. • 3kg composite samples were sent to Bureau Veritas in Perth, sorted, crushed and pulverized to -75µm, split to produce a 40g charge for either Fire assay (RC) or Aqua Regia digest (RAB, AC) analysis for gold. Samples were also analysed for Al, Fe, Mn, V, Ag, As, Ba, Bi, Co, Cr, Cu, Mo, Ni, Pb, Sb, Sc, Te, Tl, W and Zn by ICP and OES or MS finish.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of*	• RC drilling utilized a face sampling percussion hammer with $5^1/_2$ inch bits • AC drilling utilized a face sampling blade or hammer bit with a nominal hole

Criteria	JORC Code explanation	Commentary
	diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	diameter of 80mm • RAB drilling utilized a blade bit and open hole sample collection method with a nominal hole diameter of 80mm
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.*	• RC, AC and RAB drill recoveries were visually estimated. • All RC samples were dry and no significant ground water was encountered. Sample recovery was estimated to be good. Some sample loss was encountered at the top of hole • AC and RAB sample recovery was mostly estimated to be good. Some wet samples were encountered in RAB drilling at the bottom of hole. These are <1% of samples collected and were recorded in geological logs. • Drill cyclones were cleaned regularly
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.*	• All drill chips were geologically logged on site by geologists following the CAZ logging scheme. • Logging recorded depth, colour, lithology, texture, mineralogy, mineralization, alteration and other features. • All drill holes were logged in full
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, 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.*	• 1 metre RC drill samples fall through a rotary cone-splitter directly below the rig mounted cyclone. A 2-3 kg sample is collected in an pre-numbered calico bag, and lined up in rows with the corresponding plastic bag. The majority of samples were dry, wet or dry samples were appropriately recorded. • AC and RAB 1 metre drill samples were laid out on the ground in 10 metre rows. A 2-4 metre composite sample (2-3 kg) was collected using a metal scoop, into pre-numbered calico bags. The majority of samples were dry, wet or dry samples were appropriately recorded. • Duplicate field sample composites were collected in RC drilling at the rate of 1 samples per hole • Appropriate sampling protocols were used during RC, AC and RAB composite sampling. These included scoop or spear collection at various angles through bulk 1 metre sample

Criteria	JORC Code explanation	Commentary
		bags or piles to maximize representivity.
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.*	• All RC samples were analysed using a 40g charge Fire Assay with an AAS finish which is industry standard for gold analysis. A 40g aqua regia digest with an MS finish has been used for AC and RAB samples which is industry standard for low level gold analysis. This is considered a partial digest Technique however in weathered samples it is considered to approximate a total digest assay. • Samples were also analysed for Al, Fe, Mn, V, Ag, As, Ba, Bi, Co, Cr, Cu, Mo, Ni, Pb, Sb, Sc, Te, Tl, W and Zn by ICP and OES or MS finish. • The laboratory inserted standards, blanks and duplicate samples. Results are within tolerable limits
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative 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.*	• All data has been checked internally by senior CAZ staff • CAZ is yet to collect 1m splits within significant composite sample intercepts for assay. Duplicate composite samples show repeatable values with acceptable tolerances within significant intercepts where available • Field data is collected using Field Marshal software on Toughbook computer. The data is validated using Micromine software in the office. • No adjustment to assay data has been made
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.*	• All location points were collected using handheld GPS in MGA 94 – Zone 51
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.*	• RC drill holes were drilled at varying spacing from 40m to 100m depending on the target and geology. AC and RAB drilling were drilled at 100m x 200m and 100m x 50m depending upon the targeting and the geology. This AC/RAB spacing was utilized for first pass testing of targets. Further RC drilling is considered necessary before being of sufficient density for Mineral Resource

Criteria	JORC Code explanation	Commentary
		estimation • Four metre composite samples have been collected for RC drilling via spearing. Four metre composite samples have been collected for RAB/AC drilling using a metal scoop
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 introduced a sampling bias, this should be assessed and reported if material.*	• RC drilling at -60 degrees towards the west (270) has appeared to confirm the interpreted east dipping stratigraphy minimizing lithological bias. RC drilling is considered sufficient to confirm primary mineralized structure orientation dipping to the east. AC/RAB drilling is not sufficient to confidently predict orientation of structural mineralisation • No sampling bias is identified in the RC drill data
Sample security	• *The measures taken to ensure sample security.*	• RC samples were delivered by CAZ staff directly to the laboratory depots in Leonora and Kalgoorlie. The laboratory managed secure transport of samples from regional depots to the Perth laboratory
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Data is audited and reviewed in house using Datashed and Micromine as well as visual audits by senior staff.

Section 2 Reporting of Exploration Results

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.*	• All drilling is located within granted E38/3111, which is held 100% by CAZ through wholly owned subsidiary company Yamarna West Pty Ltd (**YAM**). YAM signed an Access Agreement for exploration with The Yilka Native Title Claimant group and the Cosmo Newberry Community. These groups have Native Title over the area through a registered claim and Cosmo Newberry Aboriginal Reserve. • The tenement is in good standing with no known impediments
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Historic holders of the Project area include Global Metals Exploration NL, Elmina NL, Asarco Exploration Company and Kilkenny Gold NL • RAB and AC drilling undertaken by Global Metals Exploration in 2011-12 highlighted gold mineralization in shallow weathered basement at the “Central” prospect known today as “Three Bears”

Criteria	JORC Code explanation	Commentary
		• Elmina, Asarco and Global Metals geochemical sampling has identified a number of other gold in soil, auger anomalies
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Orogenic Archean gold mineralization associated with major shears is targeted at the Mt Venn Project. Base metal mineralization is also targeted. The geology of the mineralization is not yet known due to the lack of information collected to date.

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 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.*
		• Refer to tables and body of text within this announcement for drill hole locations and results.
		• Low level geochemical information has been used from CAZ and historic drilling to help identify trends or the “footprint” of gold and base metal mineralization. This is summarized in figures and maps and considered appropriate.
		• A nominal 0.2g/t gold and 0.02% Zn, 0.02% Cu and 1g/t Ag lower cut-off has been used and reported as significant in the context of the first pass drilling at a grassroots stage of exploration.

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 values should be clearly stated.*	• No top cuts have been applied when reporting results • First assay from the interval is reported (Au1) • Aggregate sample assays are calculated using a length weighted average • Significant RC assay results have been reported based on >0.10g/t Au, 0.02% Cu, 0.02% Zn and 1g/t Ag. • Significant AC/RAB assay results have been reported based on >0.10g/t Au, 0.02% Cu, 0.02% Zn and 1g/t Ag • No metal equivalent values are reported
Relationship between mineralisatio	• *These relationships are particularly important in the reporting of Exploration Results.*	• Mineralisation intersected in RC drilling appears oblique to the orientation of the drill holes. Reported mineralization down

Criteria	JORC Code explanation	Commentary
n widths and intercept lengths	• *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').*	hole is considered to be closely representative of true widths. However, more information is required to confirm true width of mineralization. • Orientation of mineralisation intersected in RAB/AC drilling is not known and therefore true widths of mineralization is not known
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 Maps, Figures and Diagrams in the document
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 misleading reporting of Exploration Results.*	• All drill hole locations are reported and a table of significant intercepts is provided in the document
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.*	• All meaningful and material information is reported
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.*	• Further follow-up and extensional drilling is being planned and is expected to commence within Q1 2018