



ABN 23 101 049 334

Quarterly Activities Report for March 2020

HIGHLIGHTS

- **Cash at bank at end of quarter \$10.9m**
 - **Numerous gold and base metal project reviews underway**
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Mount Venn Gold Project (WML 80% CAZ 20%)

The Mt Venn Gold Project comprises two exploration tenements covering approx. 400 square kilometres and is located 125km northeast of Laverton in the Eastern Goldfields Region of Western Australia. On 20 September 2019, Woomera Mining Limited (ASX:WML) (**Woomera**) purchased an 80% interest in the project from Cazaly which retained a 20% interest in the tenements and the project through the establishment of an unincorporated Joint Venture.

The project area lies within the Mount Venn-Dorothy Hills greenstone belt which is the most easterly major NW/SE striking greenstone belt of the Yilgarn Craton. Together these greenstone belts account for 30% of the world's gold reserves, most of Australia's nickel production, plus other base metal and rare earth deposits.

Woomera has been advised by the Cosmo Newberry Aboriginal Community (**Cosmo**) that due to the threats posed by Covid-19, Cosmo will not be issuing Community Entry Permits and that the community was in lockdown with no external visitors allowed until updates are provided by the Community.

Woomera had planned to conduct on-ground heritage clearances during March 2020 in preparation for RC drilling of several lower saprolite gold anomalies at Three Bears and high-grade gold targets at Chapman's Reward, Lang's Find and Jutson Rocks.

Kaoko Kobalt Project (CAZ 95%)

The project is primarily prospective for base metal mineralisation over a large area in northern Namibia. The Kaoko Project lies in northern Namibia approximately 800km by road from the capital of Windhoek and approximately 750km from port of Walvis Bay. Minimal work was completed during the Quarter.

McKenzie Springs (CAZ 49% FIN 51%)

Sammy Resources Pty Ltd (a subsidiary of Cazaly) is in joint venture with Fin Resources Ltd (ASX:FIN) over exploration licence E80/4808, the McKenzie Springs Project, located in the Kimberley region of Western Australia. The project lies south along strike from the Savannah nickel mine owned by Panoramic Resources Ltd and is prospective for intrusive - hosted nickel copper mineralisation. FIN has the right to farm-in to an additional 19% interest in the Project by spending \$500,000 on exploration by, a recently amended date to, 30 November 2020. FIN plans to engage with the Traditional Owners to commence Heritage Agreement negotiations, facilitating the commencement of heritage surveys over areas of interest. Subject to successful negotiations with the Native Title Claimants and the heritage survey clearances, the necessary regulatory approvals will be lodged with the DMIRS for a maiden drilling program.

Since the 26 March 2020 access to the McKenzie Springs Project has been restricted due to a COVID-19 Commonwealth Biosecurity Act Direction. The heritage survey is likely to be delayed by the travel restrictions imposed from the COVID-19 pandemic.

Halls Creek Copper Project (3D 80% CAZ 20%)

The Halls Creek Project is a copper-zinc project in the East Kimberley near the historic township of Halls Creek. The project comprises a Mining Lease which includes the Mt Angelo North volcanogenic massive sulphide ("VMS") deposit.

The Company owns 20% of the Halls Creek Project which is subject to a joint venture arrangement with 3D Resources Limited. Pursuant to the joint venture arrangement, 3D is the manager of the project and the parties contribute to the expenditure and holdings costs of the project proportionate with their ownership interest therein. No work has been undertaken during the quarter.

Brown Well (CAZ 100%, EL Applications)

The Brown Well Project comprises two licence applications situated 7km to the west of Laverton and 3km south east of the historic Windarra South Nickel Mine in the Eastern Goldfields of West Australia and are prospective for both gold and nickel however, due to extensive surficial cover, the ground has not previously been effectively tested to date.

Work by previous explorers identified potential nickel sulphide targets within extensions of ultra-mafic komatiite flows which were flagged as priority targets but never tested. Other work highlighted the potential for gold bearing structures to occur within the ground.

Data compilation and target prioritisation has been completed readying for field programs once access is granted.

Panton (CAZ 100%, EL Applications)

The Company has two exploration license applications adjacent to Panoramic Resources Ltd's (Panoramic) *Panton Sill* Platinum Group Metals (PGM) resource located in the east Kimberley region of West Australia. Applications E80/5446 and E80/5453 are in a ballot with other competing applications lodged with the DoMIR on the 12 December 2019.

The Panton total PGM Resource is quoted by Panoramic as **14.32Mt @ 2.19g/t Pt, 2.39g/t Pd and 0.31g/t Au**, or approximately **2Moz Pt+Pd** (www.panoramicresources.com – Resources at 30 June 2018). The resource consists of high-grade platinum and palladium mineralisation within a number



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of stratiform reefs. The Panton orebody is one of Australia's largest, highest grade, undeveloped PGM deposits.

Other Projects

The Company has completed and is currently reviewing, numerous other potential new projects and is in advanced negotiations on some assets. Project specifics cannot be discussed due to confidentiality requirements however the commodity focus is on gold and base metal projects. Other commodities have also been reviewed and will not be discounted going forward.

The Company's preference is for advanced exploration to near mining assets in jurisdictions amenable to mining and exploration.

CORPORATE

Cash Distribution

On 18 October 2019, there was a Board Determination that subject to business as usual and Shareholder Approval being obtained there would be a cash distribution of \$0.026 per share (\$9 million) to Shareholders in December 2019. This followed the completion of the 100% sale of Parker Range the Parker Range Iron Ore Project (ASX announcement dated 30 August 2019) and the 80% sale of the Mt Venn Project (ASX announcement dates 20 September 2019).

The cash distribution comprises a payment of \$0.005 per Share as a declared unfranked dividend plus a payment of \$0.021 per Share as a return of capital (**Return of Capital**). The Record Date for both the unfranked dividend and the Return of Capital was 25 November 2019.

Shareholders who held shares as at the Record Date (25 November 2019) and haven't yet claimed their Return of Capital and unfranked dividend funds, are strongly encouraged to go to <https://www.advancedshare.com.au/Investor-Login> to update their TFN and Banking details. If you are already a member of Advanced Share Registry's (**Advanced**) investor portal, please click on member login and log in using your email and password. If you are not a member, please click on Register on the Advanced website and register as a member with your email and password. You will require your SRN or HIN to do the registration process. Alternatively, Shareholders can complete the forms manually and return them to Advanced at 110 Stirling Highway, Nedlands WA 6009.

Other

The Company had cash at bank of \$10.9 million at 31 March 2020. This excludes any unclaimed cash distribution proceeds.

Given the continued, unfolding situations relating to COVID-19 (Coronavirus) in Australia and across the world, the Company has implemented various precautionary measures at its work sites. These measures include mandatory isolation and office sanitisation and the right for employees to work from home.

The Company continues to monitor the COVID-19 situation closely and provides updates to staff as appropriate and is managing the situation in a balanced, calm and measured way.



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The Cazaly Board authorises the release of this Quarterly Activities Report (30.04.20).

For further information contact:

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INTERESTS IN MINING TENEMENTS AS AT 31 MARCH 2020

TID	PROJECT	% INT	TID	PROJECT	% INT
<u>Managed</u>			<u>Not Managed</u>		
E09/2346	BLACK HILL BORE	100	E31/1019	CAROSUE	10
E38/3425 *	BROWN WELL	100	E31/1020	CAROSUE	10
E38/3426 *	BROWN WELL	100	M31/0427	CAROSUE	10
Czech Rep *	HORNI VEZNICE	80	M47/1450	HAMERSLEY	49
Czech Rep *	BRZKOV	80	M80/0247	MT ANGELO	20
Namibia	EPL 6667	95	E80/4808	MCKENZIE SPRINGS	49
Namibia *	EPL 7096	100	E38/3111 **	MOUNT VENN	20
Namibia *	EPL 7097	100	E38/3150 **	MOUNT VENN	20
E80/5446 *	PANTON NORTH	100			
E80/5453 *	PANTON SOUTH	100			

* – application

** - yet to be transferred