

Target areas prioritised for initial lithium exploration program

Sundown Project, Canada

Highlights

The Sundown project comprises a very large holding of ~260km² with over 200 documented outcropping pegmatites

Large areas containing clusters of potential pegmatite outcrops, with several exposures up to 1.5km in length, have been identified as priority exploration targets to be assessed during initial exploration activities

Helicopter supported inaugural exploration program scheduled for early September

Cazaly Resources Limited (**ASX: CAZ, Cazaly, or the Company**) is pleased to provide an exploration update for the Sundown lithium project, located in the James Bay lithium province, Quebec, Canada.

The Sundown project represents a significant acquisition for the Company, comprising 510 mineral claims covering an area approximately 260km² with over 200 documented outcropping pegmatites^a.

The large tenement holding is strategically positioned (Figure 1) between Allkem's (**ASX:AKE**) James Bay deposit with a lithium resource of 110.2Mt @ 1.30% Li₂O^b, and Patriot Battery Metals (**ASX:PMT**) Corvette Lithium Discovery with a lithium resource of 109.2Mt at 1.42% Li₂O within a 214km² land package^c.

Target generation and planned fieldwork

Targeting potential pegmatites in outcrop has been refined using data extracted from Québec's SIGÉOM database including geofiche and compilation outcrop data, geological mapping, and various satellite imagery including multi-spectral data, and digital terrain models.



Figure 1. Sundown lithium project location relative to significant lithium projects with quoted mineral resources.

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Target ranking of potential pegmatites is based on satellite imagery, geological observations of pegmatite occurrences made by the geologists of the Québec Ministry of Natural Resources and Forestry (MERN), elevated levels of lithium in lake bottom sediment samples, and proximity to the Gladman Suite, a **new lithium prospective zone** identified by MERN geologists in 2022. The Gladman Suite is characterised by the presence of numerous E-W trending pegmatitic granite dykes and the presence of tourmaline, garnet and muscovite in these rocks indicates a hyper aluminous composition suitable for the development of lithium mineralisation^d. For a comprehensive list of all outcropping pegmatite locations on the property, please refer to Cazaly's [ASX announcement](#) dated 31 May 2023.

The western half of the property has significant exposure of outcrop and as such targeting in this area has identified two large priority areas to initially test for lithium bearing pegmatites. Two priority target areas were also identified on the eastern side of the property (Figure 2).

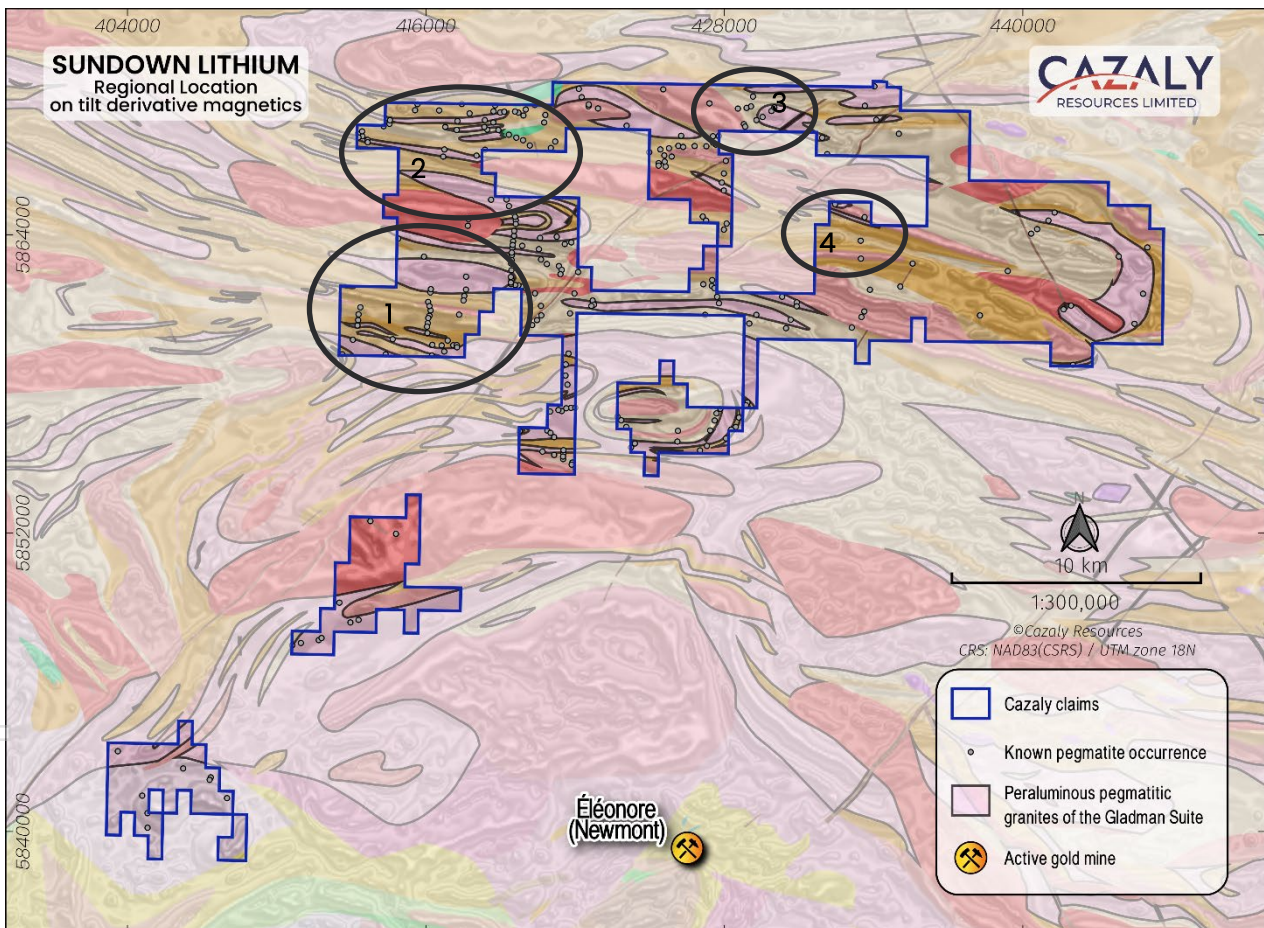


Figure 2. Sundown lithium project with priority sample areas 1-4 circled in black.

Priority target areas have been defined in order to focus initial efforts for rock chip sampling among the +200 observed pegmatites on the property. The priority areas include clusters of potential outcropping pegmatites with several exposures up to 1.5km in length (Figures 3 and 4).

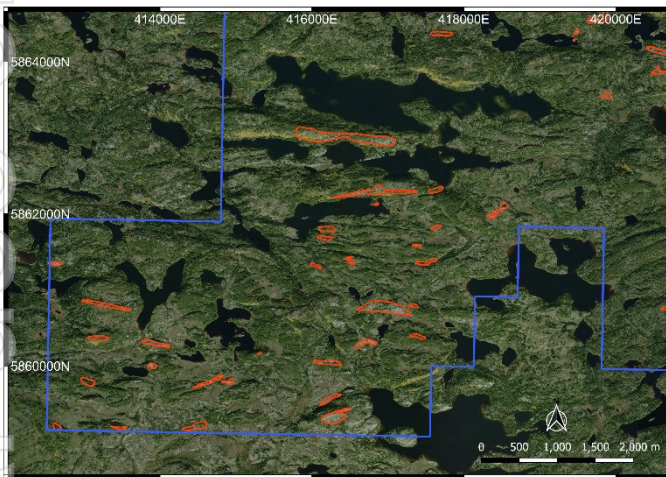


Figure 3. Priority area 1. Interpreted pegmatite outcrops in red based on ESRI Satellite Imagery.

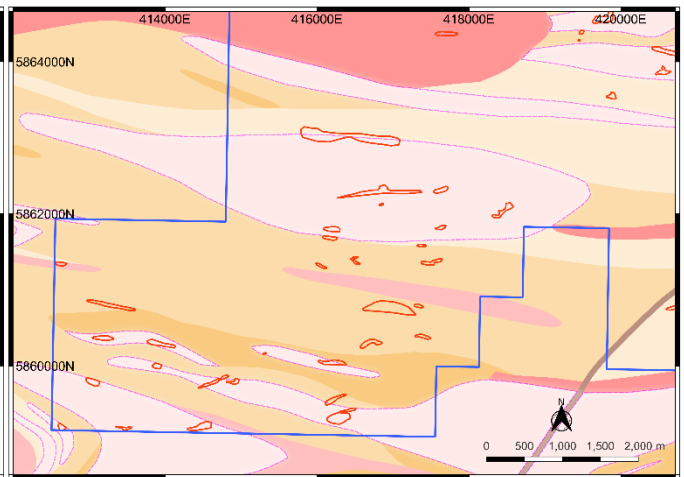


Figure 4. Priority area 1. Interpreted pegmatite outcrops in red, relative to the Gladman Suite (pale pink unit).

Initially a heli-supported field exploration program is to be conducted which will include rock chip sampling, and geological mapping. The initial fieldwork will be critical for fact-checking existing datasets and optimising future targeting techniques. The helicopter supported field work is booked for early September, however due to the wildfires in the area, this timeslot is dependent on safety clearances and access for exploration activities.

Cazaly’s Managing Director Tara French commented:

“The recent significant lithium resource announcements from Allkem and Patriot Battery Metals demonstrates the continuing growth of the James Bay region as a world-class lithium district. Through Sundown, Cazaly has strategically positioned itself between these major resources with an extensive landholding of significant exploration potential with a host of relatively untested, outcropping pegmatites. Given the short history of lithium exploration in the district and with the Sundown project unexplored for lithium mineralisation, the potential for new discoveries is there for the making.”

The widespread forest fires have displaced many communities in the district and our sympathies are with those impacted. While our in-country exploration team has been delayed due to the safety risks and associated access restrictions, we are hopeful that we will be able to proceed with our planned activities shortly.”

Cautionary Note

Reported outcropping pegmatite occurrences does not equate to lithium mineralisation. The Company is encouraged by the geology identified, however no quantitative or qualitative work has been completed by the company to assess the mineralisation potential at this stage. The initial fieldwork proposed by the Company will include rock chip sampling and assaying of outcrops identified as pegmatites to determine their mineralisation potential to report results under JORC code 2012.

Project Background

The Sundown Lithium Project lies in the world-class James Bay Lithium Province, host to several advanced lithium projects and new lithium discoveries in Canada and comprises 510 mining claims covering pegmatite outcrops spanning over 260km² (Figure 2).

The Project lies within the Opinaca Subprovince in the centre of the Archaean Superior Province in the heart of Eeyou Istchee James Bay territory, which is host to significant lithium resources (Figure 1). The geology of the project area consists of paragneiss and migmatites of the Laguiche Complex that have been disrupted by multiple intrusions consisting of granodiorite, pegmatitic granite and tonalite. These **intrusions are peraluminous and type S^e** and, with increasing fractionation, are **favourable for the development of Lithium-Caesium-Tantalum (LCT) pegmatites**. Some small ultramafic intrusions are also present on the edge of the Opinaca Subprovince.

More recent news from the James Bay area includes ASX:AKE's updated mineral resource for the James Bay Lithium deposit with 110.2Mt @ 1.3% Li₂O^b which surpasses ASX:PMT's maiden mineral resource for the Corvette Project of 109.2Mt @ 1.42% Li₂O^c as the largest pegmatite resource in the district. These resources attest to the significant lithium endowment in the James Bay area, and with a limited lithium exploration history, the company is further encouraged that the James Bay area has significant potential for new discoveries.

ENDS

For and on behalf of the Cazaly Board

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Competent Persons Statement

The information in this report accurately represents the available data as referenced at the bottom of this document, and has been 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'. The company confirms that it is not aware the information was not reported in accordance with JORC 2012, it is also not aware of any new information or data that materially affects the information included in the original reports. 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.

Forward Looking Statement

This ASX announcement may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Cazaly's planned exploration program(s) and other statements that are not historical facts. When used in this document, words such as "could," "plan," "estimate," "expect," "intend," "may", "potential," "should," and similar expressions are forward looking statements. Although Cazaly Resources believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements. The forward-looking statements in this announcement reflect views held only as at the date of this announcement.

^a See ASX:CAZ Announcement 31 May 2023.

^b ASX:AKE Announcement 11 August 2023. James Bay Mineral Resource increased by 173% to 110.2 million tonnes.

^c ASX:PMT Announcement 30 July 2023. Patriot Announces the Largest Lithium Pegmatite Resource in the Americas at CV5, Corvette Property, Quebec, Canada.

^d BILODEAU, C. Géologie de la région de l'île-du-Grand-Calumet, Province de Grenville, Outaouais, Québec, Canada. **BG 2022-07**, 2022. 1 map. <https://gq.mines.gouv.qc.ca/bulletins-geologiques/ile-du-grand-calumet>

^e MOUKSIL, A. -LEGAULT, M. -DOILY, M. -DOYON, J. -SAWYER, E. DAVIS, D.W., 2003. Synthèse géologique et métallogénique de la ceinture de roches vertes de la Moyenne et de la Basse-Eastmain (Baie-James). Ministère des Ressources naturelles, de la Faune et des Pêches, Québec; ET 2002-06, 55 pages, 1 plan.

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