

CAZALY RESOURCES LIMITED

INCREASES LAND POSITION AT THE KAOKO KOBALT PROJECT, NAMIBIA

- Completes acquisition of Kaoko Kobalt project in the Kunene Cobalt Province, northern Namibia
- Land holding greatly increased to 350km² through two new, first priority tenement applications
- Extends coverage of Co-Cu prospective 'DOF' horizon to over 80km
- Hosts the probable continuation of Celsius Resources' *Opuwo* cobalt –copper bearing 'DOF' horizon
- EPL7097 application also covers possible extensions of the 20km+ long Kamwe Cu-Co anomaly – potential DOF Cu-Co source?
- Local team set up, field work to begin shortly

Cazaly Resources Limited (ASX: CAZ, "Cazaly" or "the Company") is pleased to announce that after its decision to proceed with the Kaoko Kobalt project located in northern Namibia it has completed the formal acquisition of holding company Kunene North Pty Ltd and now has the right to earn a 95% interest in the project. The project is primarily prospective for copper-cobalt mineralisation. Details were previously announced to the ASX on the 26th March, 2018.

The Company has recently extended its potential land position in the region through the application of two new Exploration Prospecting Licences, EPL7096 and 7097. These are first in time applications and are contiguous with the existing granted EPL6667 (see figure 2).

The Kaoko Project lies in northern Namibia approximately 800km by road from the capital of Windhoek and approximately 750km from port of Walvis Bay (Figure 1).

The region has excellent infrastructure and initially comprised exploration licence EPL6667, which was granted in February 2018. If granted, the two new applications will greatly increase the Company's land position in the region from ~225km² to ~350km² and will **extend coverage of the Co-Cu prospective 'DOF' (Dolomite Ore Formation) unit to over 80km.**

The Kaoko Kobalt project is situated immediately to the north of, and abuts, Celsius Resources Limited's ("Celsius") (ASX:CLA) *Opuwo Cobalt* project. Celsius recently announced a maiden resource for the project of 112Mt @ 0.11% Co & 0.41% Cu (CLA ASX release 16 April, 2018). The Kaoko project has only had cursory exploration in the past, the results of which highlighted widespread base metal mineralisation. Aside from having the potential of ~80km of prospective DOF a previous regional 1km by 1km soils programme delineated a 20km by 5km area of subdued magnetics coincident with anomalous Cu-Co-Zn-Mn at the *Kamwe* prospect.



Figure 1: Location of the Kaoko Kobalt Project

Further details are outlined in the Company's presentation and 26th March ASX announcement which are available on the Company's website.

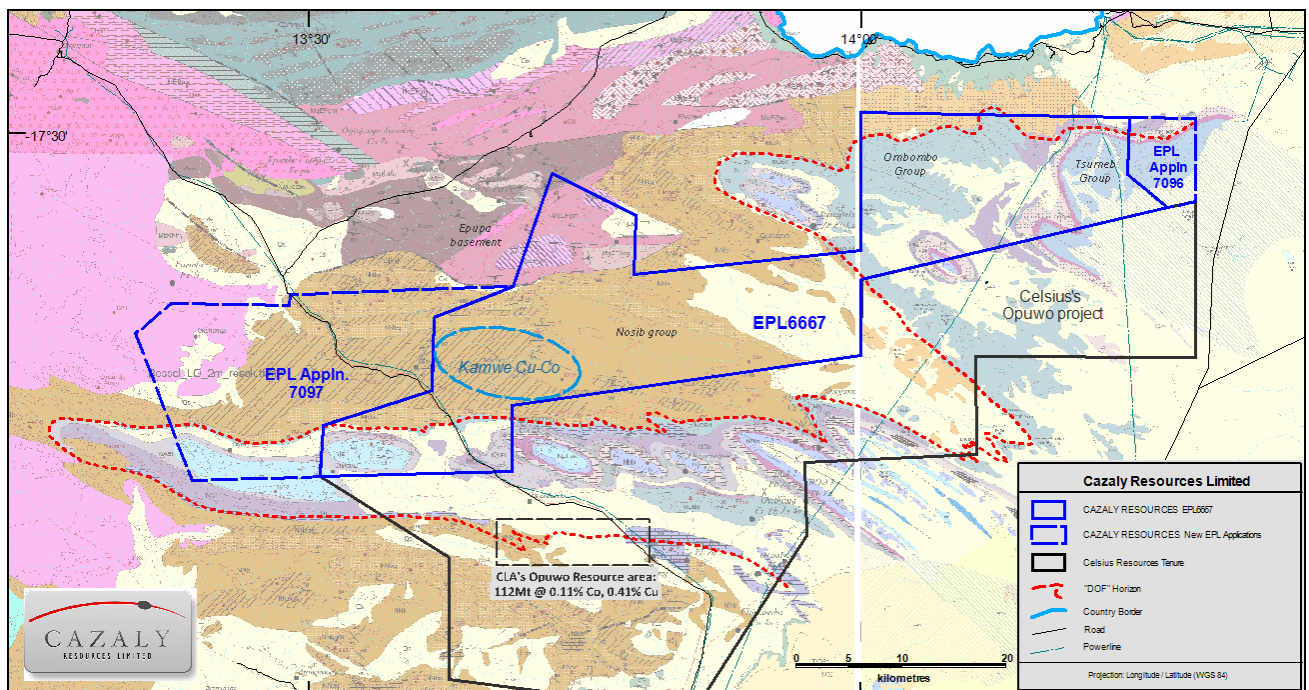


Figure 2: Geology of the Kaoko Kobalt project showing the potential extent of DOF

NEXT STEPS

Cazaly has now assembled a team of key in-country personnel and is planning its initial exploration work at Kaoko. This will involve negotiating land access and reconnaissance mapping and sampling of the DOF horizon and the Kamwe target. The company is also investigating an opportunity to fly a regional electromagnetic survey over a significant area of the project to fast track targeting areas for drilling.

ENDS

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Competent Person's Statement

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, who is an employee of the Company. Mr Jones is a Member of the Australasian Institute of Mining and Metallurgy and has 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 consents to the inclusion of his name in the matters based on the information in the form and context in which it appears.

