39 Clifton St
Nedlands WA 6009
Tel: +61 8 9389 6032
ABN: 59 151 155 734

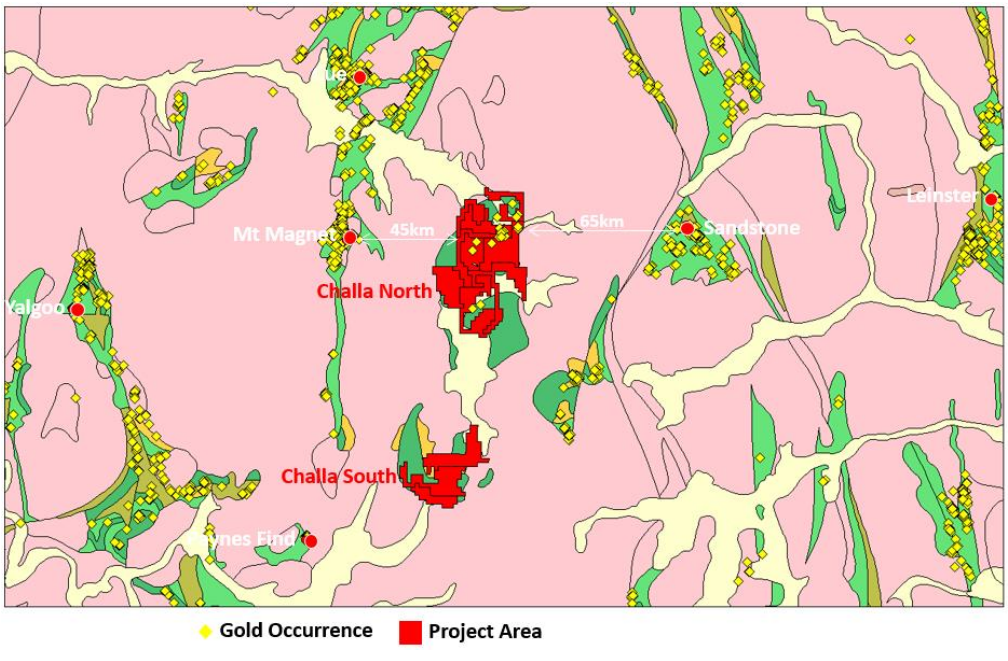
3 July 2017

Company Announcements Office
ASX Limited

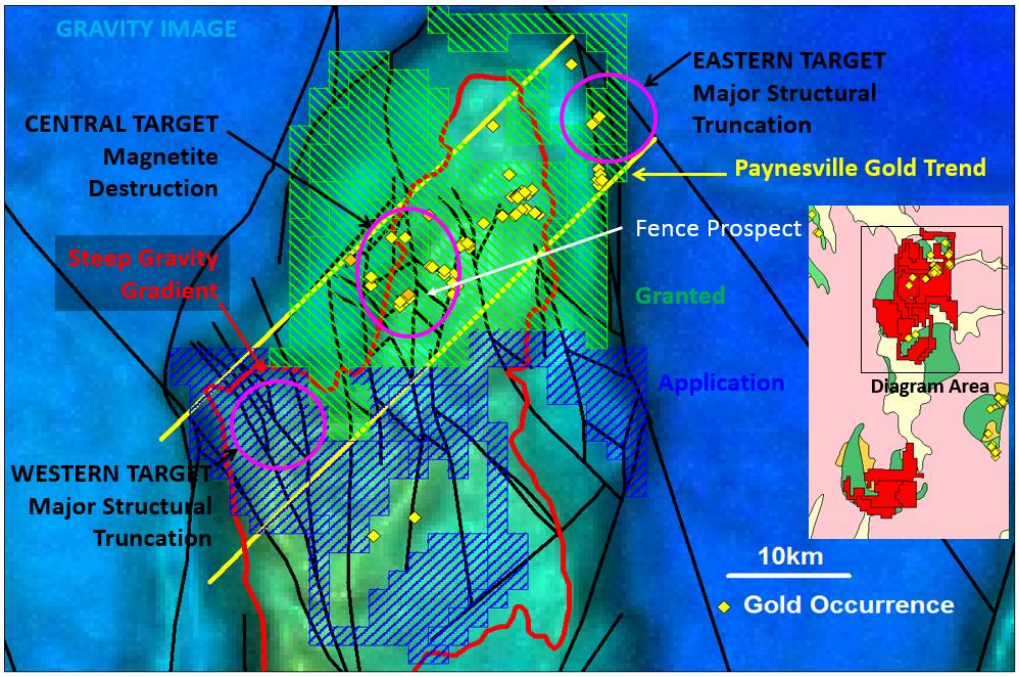
EZA EXECUTES EXCLUSIVE RIGHT TO ACQUIRE CHALLA GOLD AND BASE METALS PROJECTS

- EZA Corporation Limited has secured an exclusive right to acquire the Challa North and Challa South Gold and Base Metals projects in Western Australia
- Large land package covering approximately 1,750 km^2
- Known gold occurrences including nuggets recorded at Challa North with only limited exploration conducted to date
- Large coincident nickel-copper-cobalt lag anomaly coincident with an aeromagnetic anomaly and olivine-bearing ultramafic rocks identified at Challa South represents a potential near-term drilling target

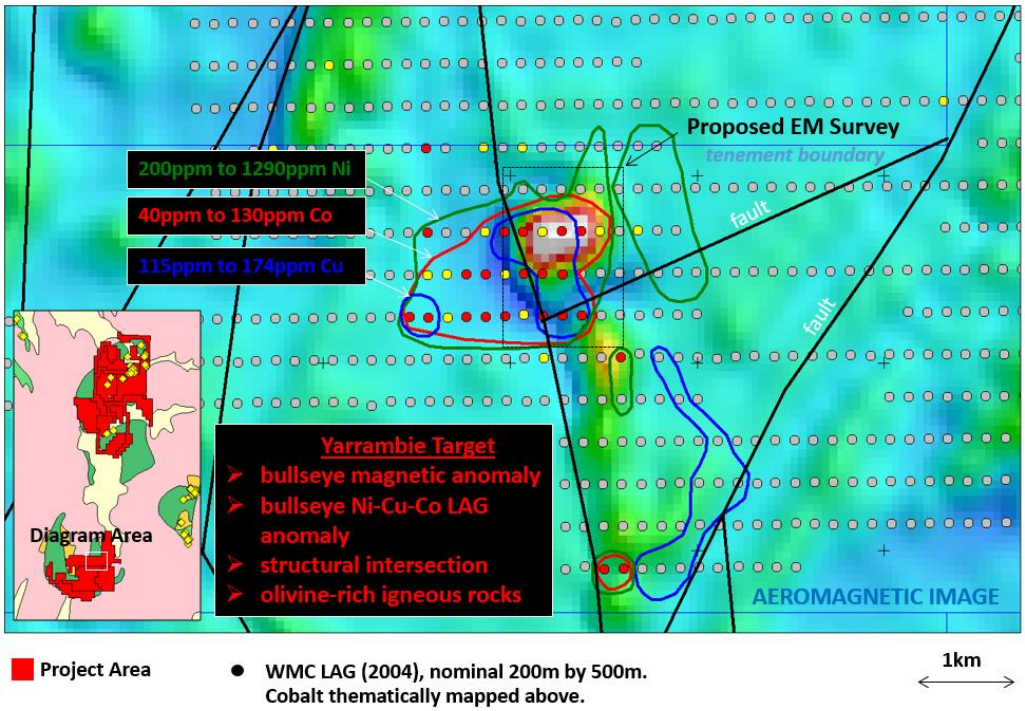
EZA Corporation Limited (ASX: EZA, 'Company') is pleased to announce that it has signed an exclusive right to acquire the Challa North and Challa South gold and base metals projects in Western Australia. The total project area is in excess of 1,750 km^2 and lies between Mt Magnet and Sandstone. Ownership of the project area has previously been fragmented and only recently consolidated.



The Challa North area (see below) includes over 40 gold occurrences and several gold exploration targets. Historical small-scale prospecting has yielded gold nuggets (up to 9 ounces) and high grade gold (+5g/t) in outcropping quartz veins. Only limited drilling has been conducted in the project area.



The Challa South area (see below) hosts a magnetic anomaly which is coincident with anomalous nickel-copper-cobalt lag geochemistry and olivine-bearing ultramafic rocks. Subject to further due diligence, this represents a potential near term drill target.



Commercial Terms of the Acquisition

The Company has signed an exclusive right and can acquire 100% of the Exploration Licences and Applications from T.E. Johnston & Associates Pty Ltd, Pegmatite Holdings Pty Ltd, Mr Bruce Legendre, Mr Robert Perring and Corporate & Resource Consultants Pty Ltd (collectively "the Vendor Group") upon completion of the following steps:

1. $25,000 cash payment upon signing for an exclusive Due Diligence period ending 25 August, 2017;
2. $50,000 cash payment at the end of the Due Diligence period if the Company elects to proceed;
3. $100,000 cash payment upon the Company's resumption of trading on the Australian Securities Exchange (ASX);
4. 1,000,000 EZA shares to be issued to the Vendor Group upon the Company relisting on the ASX. Shares to be subject to a minimum 18 month escrow period;
5. 1,000,000 unlisted EZA options exercisable at 25 cents, and expiring within 3 years of the Company relisting on the ASX; and
6. 0.4% Net Smelter Royalty (NSR) payable on future production.

The Company is contractually obliged to pay $25,000 to the Vendor Group. The Company will now conduct further legal and geological due diligence on the projects up until 25 August, 2017. Should this process be successful and the board elect to proceed with the transaction, the Company will pay $50,000 to the Vendor Group and then begin the process required to resume trading on the ASX. This will involve a shareholder meeting to approve the remaining consideration, a change to the nature of the activities of the Company and any other resolutions necessary to comply with ASX listing Rules and the Corporations Act, as well as any other resolutions deemed appropriate by the Board.

Further updates will be provided in due course.

For Investor queries, please contact:

Doug Rose
Managing Director
Mobile: +61 409 465 511

Compliance Statement
The information in this report that relates to Exploration Results is based on information compiled by Mr. Robert Perring who is a Member of the Australian Institute of Geoscientists. Mr. Perring is a member of the Vendor Group and is not an employee of EZA Corporation Limited and has sufficient experience which is relevant to the style of mineralisation under consideration to qualify as a Competent Person as defined in the 2012 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Perring consents to the inclusion in the report of the matters based on the information compiled by him, in the form and context in which it appears.

JORC Code, 2012 Edition - Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. 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.*	• Challa North: Rock-chip sampling conducted by members of the Vendor Group. Gold nuggets detected by a Mt Magnet-based prospector. Nugget discovery site locations visited by a member of the Vendor Group and recorded by GPS. Challa South: Lag sampling and geochemistry conducted by WMC Resources Ltd in 2004-2005.
	• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*	• Challa North: Multiple rock-chip samples collected of representative rock-textures in the target lithology (e.g. quartz vein). Challa South: -6mm +2mm deflation lag and maglag collected where deflation lag not available. Nominal sample spacing 200m by 500m. Surface grab samples.
	• *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 (e.g. '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 (e.g. submarine nodules) may warrant disclosure of detailed information.*	• Challa North: Multiple rock-chip samples collected and assayed for gold and pathfinder elements at Intertek Perth by analytical technique AR25(25g)/ICP-MS. Total sample (<3kg) pulverized. Challa South: Samples collected and assayed by WMC Resources Ltd at Ultratrace Perth using technique 00MXB. No other details recorded in WMC WAMEX open file report.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	• Not applicable. No drilling referred to in this announcement.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure*	• Not applicable. No drilling referred to in this announcement.

Criteria	JORC Code explanation	Commentary
	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.*	
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.*	• Not applicable. No drilling referred to in this announcement.
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.*	• Not applicable. No drilling referred to in this announcement.
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.*	• Challa South: Analytical technique considered semi-quantitative and appropriated for reconnaissance exploration assessment. Gold nugget effect likely to have enhanced the variability of gold concentrations between samples. Challa South: Unable to determine from historical WMC reports.

Criteria	JORC Code explanation	Commentary
	• *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.*	• No geophysical tools used.
	• *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• Challa North: Multiple rock-chip samples collected at most sites to determine grade variability. Challa South: Repeat samples collected at the rate of 1 in 20 by WMC. No assessment of assay variability reported.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.*	• Challa North: Repeat samples used to verify gold grade variability. Grade found to be highly variable due to nugget effect. Challa South: Repeat samples used to verify assay variability. No assessment for the data reported by WMC.
	• *The use of twinned holes.*	• Repeat sampling used.
	• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*	• Challa North: Primary data in the form of lab assay files and field logs provided by the Vendor Group. Challa South: WMC WAMEX Open-file report 2005.
	• *Discuss any adjustment to assay data.*	• No adjustment of assay data undertaken.
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.*	• Challa North and Challa South: Sample locations determined by hand-held GPS.
	• *Specification of the grid system used.*	• Challa North: WGS-84 Zone 50. Challa South: AGD-84 Zone 50 and converted to GDA-94 Zone 50.
	• *Quality and adequacy of topographic control.*	• Challa North and Challa South: +/- 10m. No RL data recorded.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.*	• Challa North: Variable spacing of sample points depending on nature of the target lithology (e.g. distribution of quartz veins). Challa South: Nominal 200m by 500m spacing for lag samples.

Criteria	JORC Code explanation	Commentary
	• *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.*	• Data spacing considered to be appropriate for reconnaissance exploration.
	• *Whether sample compositing has been applied.*	• Challa North: Each rock-chip sample comprised >6 rock fragments collected from a 1 square metre area of influence. Challa South: Deflation lag collected and substituted with maglag in areas where insufficient deflation maglag material available.
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.*	• Challa North and Challa South: No orientation sampling conducted.
	• *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.*	• Challa North: Sample density influenced by the outcrop pattern and availability of reliable material to sample. Challa South: E-W sample density higher (200m) than N-S density (500m) due to the overall N-S strike of the dominant lithological units and faults.
Sample security	• *The measures taken to ensure sample security.*	• Challa North: Rock-chip samples remained in the sole control and lodged at the laboratory by the sampler. Challa South: The chain of custody of the samples was not detailed in the WMC report.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Challa North: Routine repeat analysist of some samples conducted by the laboratory. Challa South: No QAQC or sample audit information reported in the WMC report.

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.*	• Challa North: E58/472 (CRC Pty Ltd, Legendre, B.R., and T.E. Johnston Pty Ltd), E58/485 - Application pending (CRC Pty Ltd, Legendre, B.R., and T.E. Johnston Pty Ltd), E58/500 - Application pending (CRC Pty Ltd, Legendre, B.R., and Perring, R.J.),E58/501 (CRC Pty Ltd, Legendre, B.R., and Perring, R.J.), E58/502 (Pegmatite Holdings Pty Ltd), E58/503 (Pegmatite Holdings Pty Ltd),

Criteria	JORC Code explanation	Commentary
	• *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.*	E58/504 (CRC Pty Ltd, Legendre, B.R., and Perring, R.J.), E58/511 (Pegmatite Holdings Pty Ltd). Challa South: E59/2124 (CRC Pty Ltd, Legendre, B.R., and T.E. Johnston Pty Ltd), E59/2125 (CRC Pty Ltd, Legendre, B.R., and T.E. Johnston Pty Ltd), E59/2226 - Application pending (CRC Pty Ltd, Legendre, B.R., and Perring, R.J.). No National Parks. No Native Title. Current Pastoral Leases.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Challa North: Exploration conducted by the Vendor Group. Challa South: Exploration (lag sampling) conducted at Yarrambie Bore by WMC Resources Pty Ltd, 2005 (WAMEX Open file report).
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Challa North: Mesothermal gold-quartz lodes hosted by mafic igneous rocks of the Windimurra Igneous Complex and Kantie Murdana Volcanics of the Murchison Domain, Youanmi Terrane being targeted. Challa South: Cu-Ni-Co sulphide deposits in magma channelways being targeted.
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.*	• Not applicable. No drilling referred to in this announcement.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are*	• Not applicable for the reporting of rock-chip and lag sample results.

Criteria	JORC Code explanation	Commentary
	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.*	
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *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 (e.g. 'down hole length, true width not known').*	• Not applicable. No drilling referred to in this announcement.
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.*	• Appropriate diagrams summarizing key data interpretations included in the body of this announcement.
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.*	• The interpretations expressed in the announcement are not considered to be overstated or misleading.
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 of a regional nature that relates to the exploration potential and initial target areas has been summarized and documented in the announcement.

Criteria	JORC Code explanation	Commentary
Further work	• *The nature and scale of planned further work (e.g. 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.*	• The results of the due diligence assessment will be announced upon its completion and future work programs, if appropriate, will be considered and developed at that time.