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14 August 2017

Company Announcements Office
ASX Limited

EZA CORPORATION EXERCISES RIGHT TO ACQUIRE CHALLA GOLD AND BASE METALS PROJECTS

- EZA Corporation Limited has exercised its right to acquire the Challa Gold and Base Metals projects in Western Australia following successful due diligence.
- Near term drill targets identified at Nickel and Gold prospects.
- Experienced Geologist Terry Brown to join the EZA board.
- Capital return of 4.5 cents per ordinary share (subject to shareholder approval).
- Consideration for the acquisition amended to reflect proposed capital return.
- Anticipated reinstatement on ASX in November 2017.

Further to the announcement on 3 July 2017, EZA Corporation Limited (**EZA**) is pleased to advise that it has exercised its right to acquire the Challa Gold and Base Metals projects in Western Australia (**Projects**) (**Acquisition**).

Due diligence on the Projects has been positive with geological prospectivity confirmed. Subject to preliminary ground work, multiple near-term drill targets have been identified.

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.

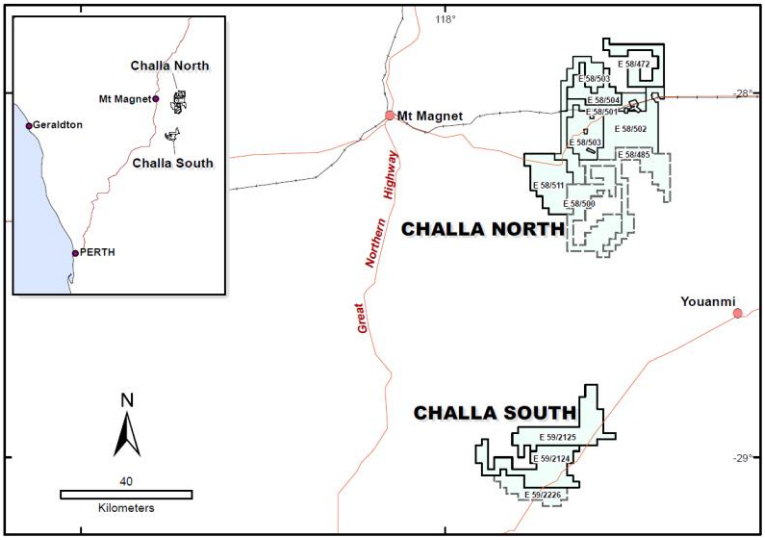

Figure 1: Challa Project Location

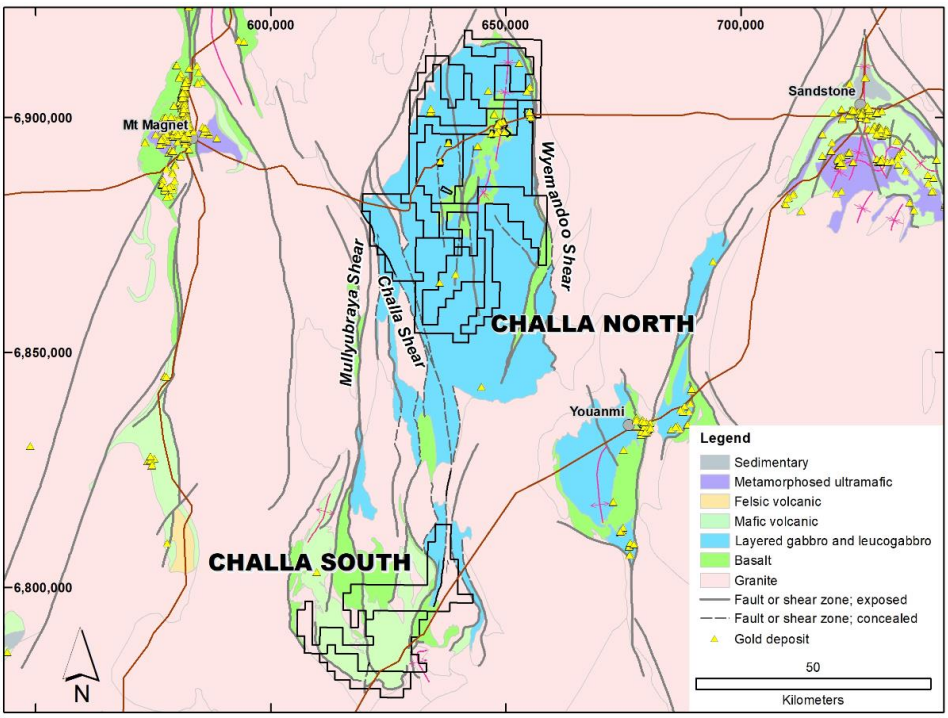

Figure 2: Challa Project area and geology

Yarrambie Nickel Prospect

The Yarrambie Nickel prospect lies in the Challa South project area. See Figure 3 below.

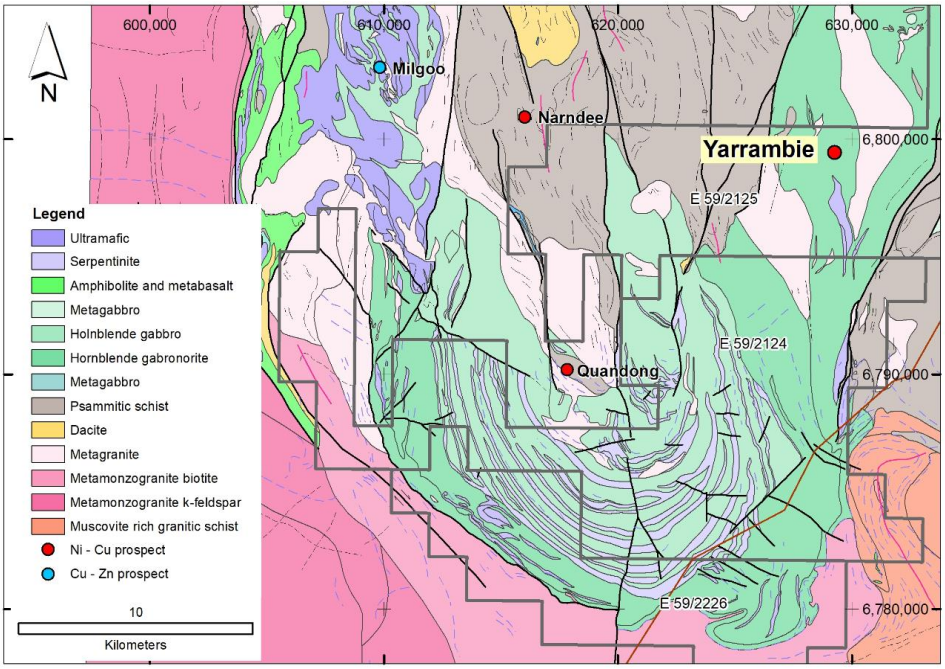

Figure 3: Challa South/Yarrambie Prospect

It features a magnetic anomaly which is coincident with anomalous nickel-copper-cobalt lag geochemistry (Figure 4) and olivine-bearing mafic rocks (Figure 5). The soil sampling conducted by Western Mining Corporation in 2004 was not followed up with further exploration work. Subject to further review, EZA plans to conduct a fixed loop ground Electro Magnetic (EM) survey to confirm Yarrambie as a possible near-term drill target.

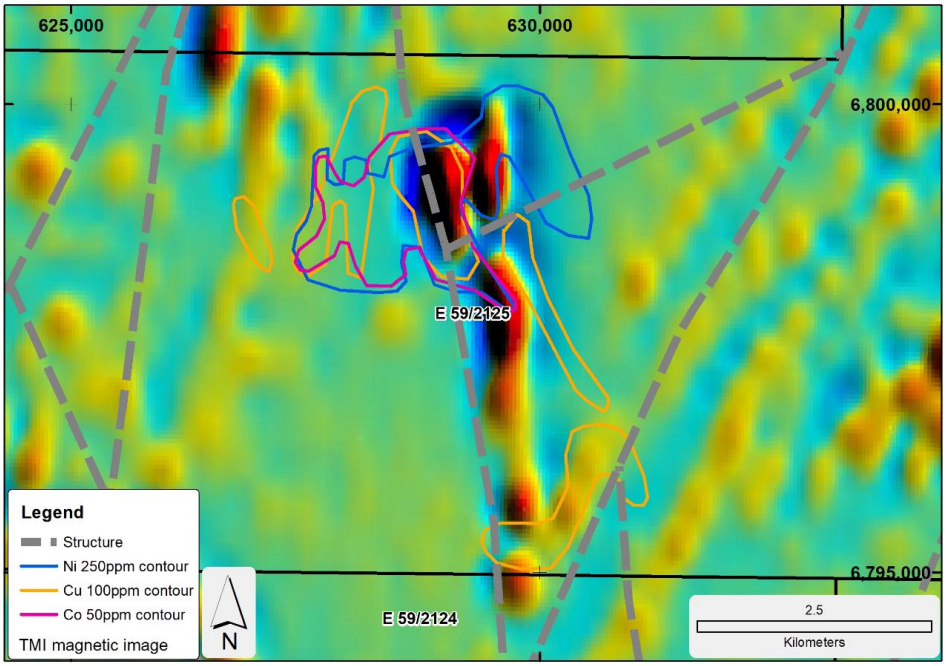

Figure 4: Yarrambie Aeromagnetic image and coincident soil anomaly

Figure 5: Olivine rich mafic rocks outcropping at the Yarrambie prospect

Paynesville Gold Trend

The Challa North area (Figure 6) hosts the Paynesville Gold Trend which includes numerous gold occurrences and small scale historic workings. The area is largely covered by transported material and features only limited outcrop. Very little co-ordinated modern exploration or drilling for gold has been conducted to date.

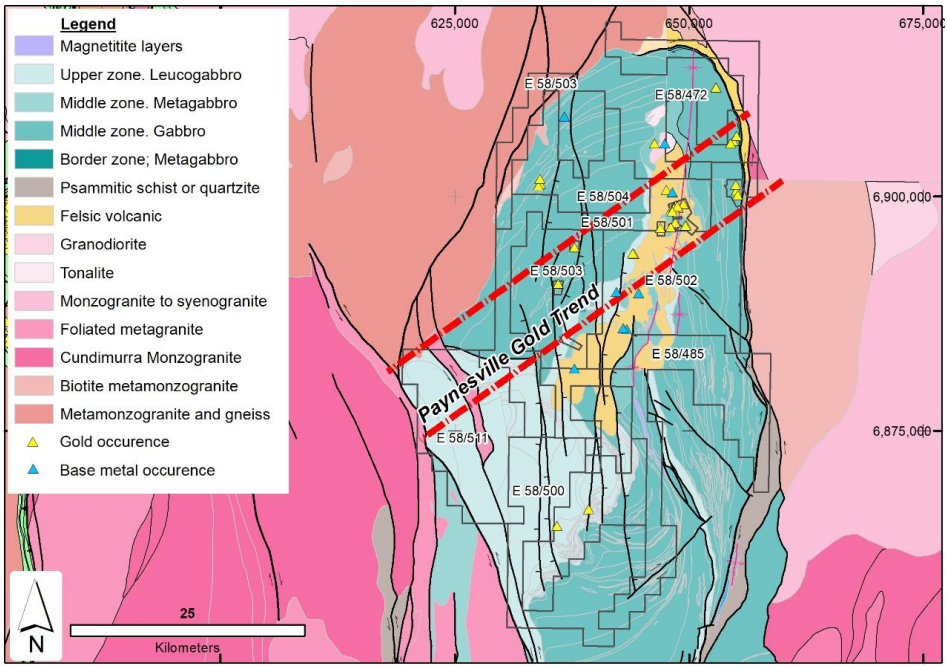

Figure 6: Paynesville Gold Trend with overlying EZA tenements

EZA has confirmed three priority areas for further investigation: The Central Target area, the Eastern Target area and the Western Target area.

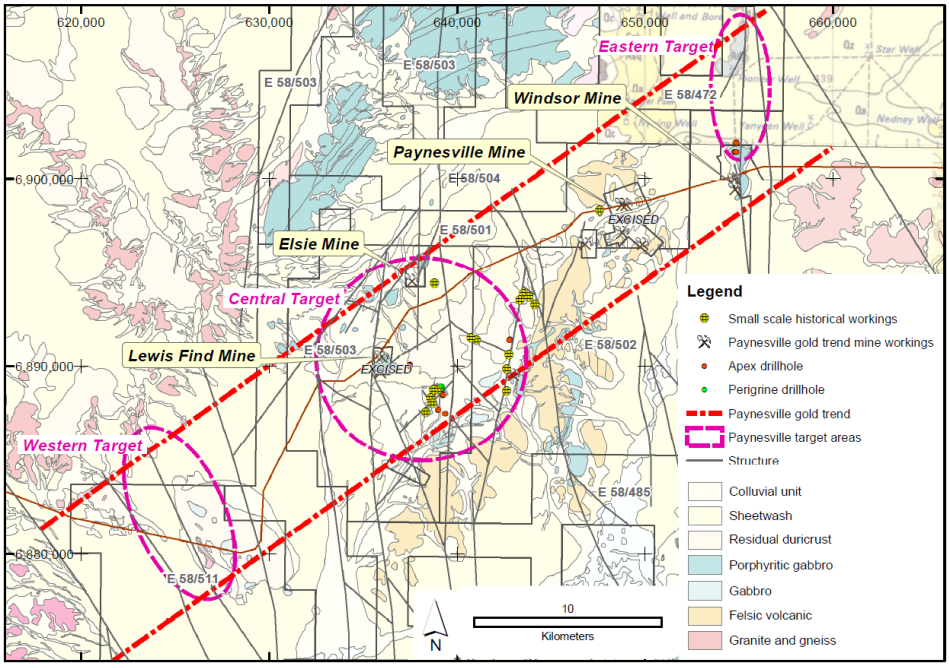

Figure 7: Priority targets and regional geology

The Central Target area hosts numerous historic workings. See figure 8, below.

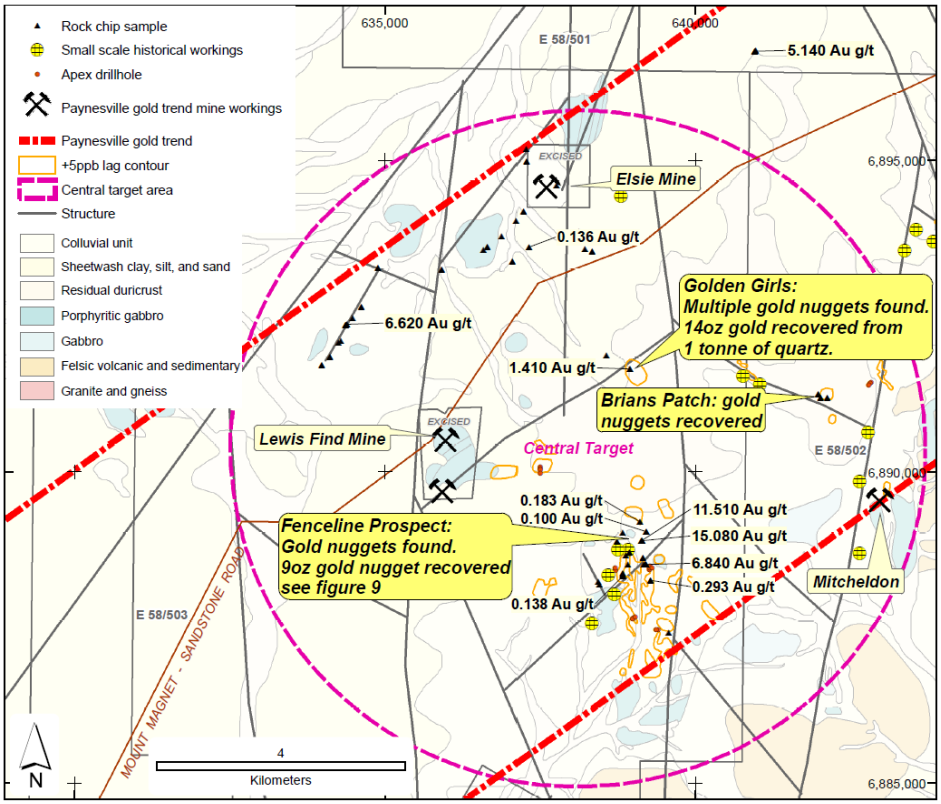

Figure 8: Central Target area

Within the Central Target area, EZA has identified the Fenceline prospect as an immediate exploration focus. It consists of a series of cross-cutting quartz veins which have returned rock chip samples up to 15.1 Au g/t. The quartz veins outcrop extensively in the area and the main vein is interpreted to be at least 1km in length. Apex Minerals NL unsuccessfully drilled 12 aircore or reverse circulation holes at the prospect in 2003 however EZA believes that this drilling may have failed to intersect the target quartz veins.

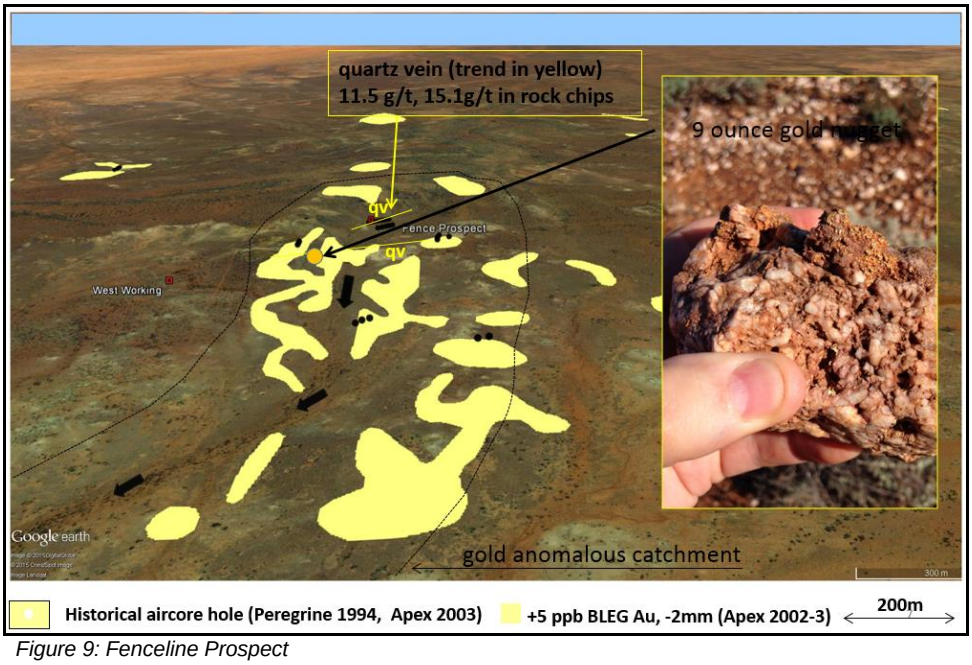

Figure 9: Fenceline Prospect

Figure 10: Fenceline Prospect outcrop

The Eastern Target area (Figure 11) lies proximal to the sheared eastern margin of the Windimurra Layered Igneous Complex (LIC) which is largely composed of gabbros, gabbro-norites and dolerites. It is on an interpreted splay structure that is related to and intersects the boundary Windimurra LIC shear. The structures may provide conduits and depositional sites for mineralising fluids in the Eastern Target area which is considered by EZA to be prospective for gold and base metals.

Historic quartz vein gold workings hosted in gabbro-norites occur at the Pioneer gold prospect where recent rock chip values have returned gold values of 33 g/t and copper at 0.39%. EZA believes little modern exploration has been conducted in the Pioneer area and intends to further evaluate the prospect when it is acquired.

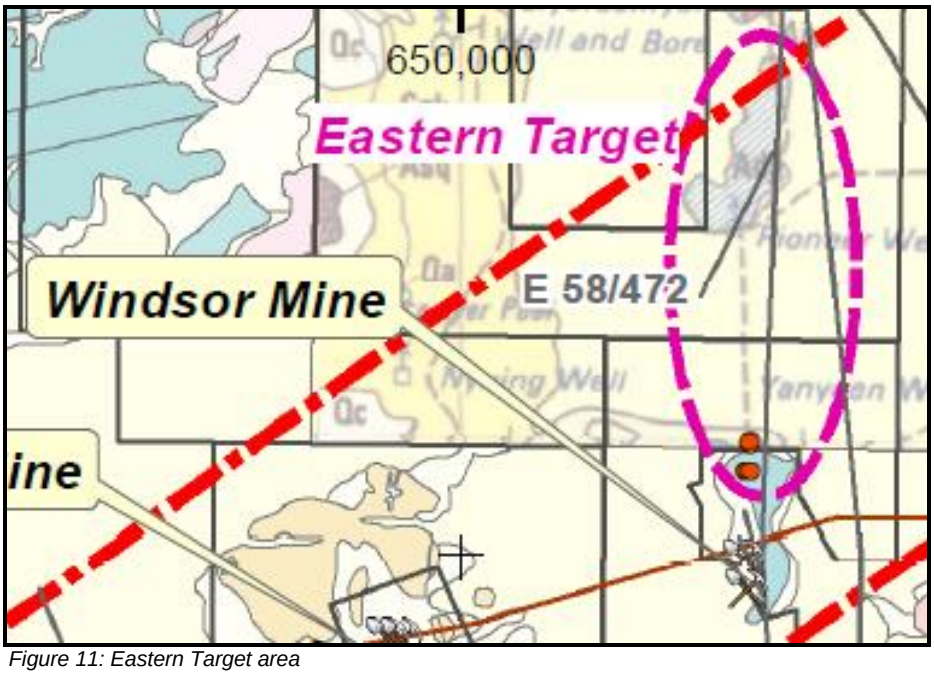

Figure 11: Eastern Target area

The Western Target area occurs in an area of structural complexity. When considered with favourable mafic host rocks, a steep gravity gradient geophysical feature potentially outlining deep structures and numerous small scale historic gold surface workings the area is considered by EZA to be prospective for gold and base metal mineralisation. The area also has extensive transported cover, though generally less than 20m thick and has not been subject to co-ordinated modern exploration.

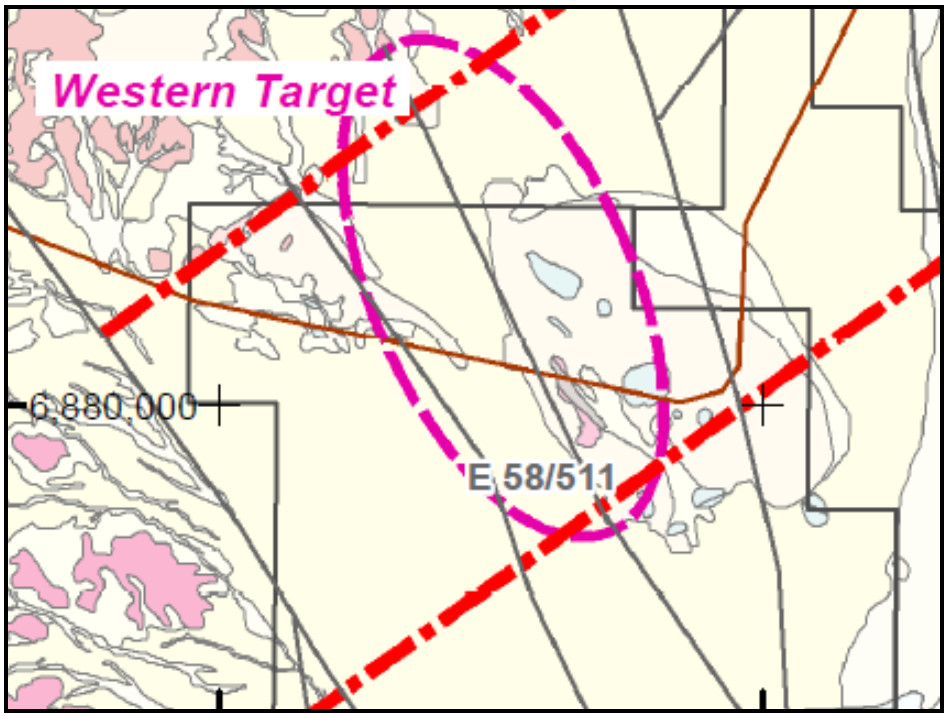

Figure 12: Western Target area

Board Appointment

Mr Terence (Terry) Brown has been appointed to the board as a Non-Executive Director.

Terry is a geologist with over 30 years' experience in mining and exploration of precious, base and industrial minerals. He has been involved a in exploration, project development and operational roles within Australia and Africa for a number of mid-tier mining companies including Resolute Mining Ltd and Integra Mining Ltd. Terry has a Bachelor of Science (Mining Geology) from Western Australian School of Mines and a Post-Graduate Diploma in Natural Resources from Curtin University.

Capital Return

Given EZA's relatively large cash holding and anticipated exploration budget, the board has resolved to make a one-off capital return to all shareholders on an equal basis of 4.5 cents per share (**Capital Return**). The Capital Return will be subject to shareholder approval at EZA's upcoming annual general meeting (**Annual General Meeting**).

Commercial Terms of the Acquisition

In light of the proposed Capital Return, the Company and the vendors of the Projects (**Vendors**) have agreed to revise the share and option consideration. All cash payments are to remain the same as announced by the Company on 3 July 2017. The revised consideration is as follows:

1. $25,000 cash payment upon signing for an exclusive due diligence period – this has been paid.
2. $50,000 cash payment at the end of the due diligence period – now payable.
3. Upon EZA receiving conditional approval from ASX for the reinstatement of EZA's shares to trading on the ASX, EZA will:
    - pay the Vendors $100,000 cash; and
    - issue the Vendors:
        - 1,250,000 Shares; and
        - 1,250,000 unquoted options exercisable as 20 cents on or before 30 September 2020.

        (together, the **Consideration Securities**).
4. 0.4% Net Smelter Royalty payable on future production.

The Consideration Securities to be issued to the Vendors will be subject to escrow for the longer of 18 months or such period as determined by ASX.

Capital Raising

Given that the Acquisition will require EZA to recomply with ASX's admission requirements, EZA intends to undertake a capital raising pursuant to a prospectus seeking to raise $1,000,000 (before costs) through the issue of 10,000,000 at $0.10 per share (**Capital Raising**).

The Capital Raising is required to ensure that EZA has a sufficient level of shareholders to meet ASX's listing requirements.

Annual General Meeting and Recommencement of trading on ASX

EZA will be seeking the reinstatement of its securities to trading on ASX and is currently preparing a notice of meeting pursuant to which it will seek, amongst other things, shareholder approval for the Capital Raising, the Capital Return, the issue of the Consideration Securities to the Vendors, to change EZA's name to "Santa Fe Minerals Ltd", and any other resolutions necessary to give effect to the transaction and reinstatement.

EZA intends to hold the Annual General Meeting in late September or early October and will provide a notice of meeting to all shareholders in due course.

Further updates will be provided in due course.

For investor queries, please contact:

Doug Rose
Managing Director
Mobile: +61 409 465 511

The information in this report that relates to Exploration Results is based on information compiled by Mr. Peter van Luyt who is a Member of the Australian Institute of Geoscientists. Mr. van Luyt is a contractor to 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. van Luyt 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 (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.*	• Challa North: Rock-chip sampling conducted by members of the vendor Group in 2016. Locations determined by handheld GPS and recorded in spreadsheets by the vendor group. Gold nuggets detected by Mt Magnet-based prospector. Nugget discovery locations visited by the prospector with representatives of EZA. • Challa South: Lag sampling and geochemistry conducted by WMC Resources WAMEX Open-file report 2004-2005 a070457.
	• *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 and altered/mineralised hanging wall/footwall material). • Challa South: Surface grab samples, -6mm +2mm deflation lag and maglag collected where deflation lag not available. Nominal sample spacing 200m by 500m. WAMEX Open-file report 2004-2005 a070457.
	• *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: Pioneer - Multiple rock-chip samples assayed for gold and potential related mineralisation elements at Intertek Perth by analytical technique AR25 (25g)/ICP-MS. Total sample (<3kg) pulverized. • Challa North: Fenceline - Multiple rock-chip samples assayed for gold and potential related mineralisation elements at Intertek Perth by analytical technique AR10 (10g)/ICP-MS. Total sample (<3kg) pulverized. • Challa South: Samples assayed by WMC Resources Ltd at Ultratrace Perth using technique 00MXB. No other details recorded in WMC WAMEX Open-file report 2004-2005 a070457.
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.).*	• Challa North: Fenceline - Drilling completed appears to be aircore or reverse circulation however this was not detailed by Apex in public access records.

Criteria	JORC Code explanation	Commentary
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.*	• Challa North: Fenceline - Drilling completed by Apex in 2004 appears to have failed to intersect the target.
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.*	• Challa North: Fenceline - Drilling completed by Apex in 2004 appears to have failed to intersect the target.
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.*	• Challa North: Fenceline- Drilling completed by Apex in 2004 appears to have failed to intersect the target.

Criteria	JORC Code explanation	Commentary
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 North: 25g aqua regia digestion for multi-element analysis conducted for Pioneer samples. The analytical technique is considered by EZA to be appropriate for reconnaissance exploration assessment of rock chip samples. • Challa North: 10g aqua regia digestion for multi-element analysis conducted for Fenceline samples. The analytical technique is considered by EZA to be appropriate for reconnaissance exploration assessment of rock chip samples. • Challa South: Digestion followed by assaying techniques not detailed in the WMC report for non-precious metals. Lead button fire assay for gold, no further details recorded in WMC WAMEX Open-file report 2004-2005 a070457.
	• *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.*	• Geophysical aeromagnetic data accessed from the online DMP regional geophysical data facility. The data was compiled by the GSWA from multiple sources captured and processed using a variety of techniques and is considered by EZA to be suitable for reconnaissance level exploration target generation.
	• *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: QA/QC not undertaken. No field repeats, blanks or certified reference materials were submitted by the vendor with the reconnaissance stage rock chip samples. • Challa South: Field repeat samples collected at the rate of 1 in 20 by WMC. No analysis of assay variability detailed in WMC WAMEX open-file report 2004-2005 a070457.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.*	• Challa North: The vendor took multiple samples to verify gold and base metal mineralisation. Grade was observed to be highly variable in the limited number of samples taken. EZA Assays are pending from samples taken by staff and consultants in July and August 2017. • Challa South: Repeat samples used to verify assay variability. No analysis of the data was reported by WMC WAMEX Open-file report 2004-2005 a070457.
	• *The use of twinned holes.*	• Not applicable, no twinned holes drilled.
	• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*	• Challa North: Primary data in the form of database precursor spreadsheets provided by the Vendor Group. • Challa South: WMC WAMEX Open-file report 2004-2005 a070457.
	• *Discuss any adjustment to assay data.*	• No adjustment of assay data undertaken.

Criteria	JORC Code explanation	Commentary
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 sample locations determined by hand-held GPS. • 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 and altered selvedge). • Challa South: Nominal 200m by 500m spacing for lag samples.
	• *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.*	• Not applicable, no geological or grade continuity stated or implied.
	• *Whether sample compositing has been applied.*	• Challa North: Each rock-chip sample comprised multiple 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: Fenceline - 6 drillholes (aircore and/or reverse circulation not detailed in open file reports) completed proximal to but on inspection in July 2017 appear not be intersecting the prospective mineralised zones. No Anomalous results from geochemical analysis of the drill chips were reported by Apex or referred to EZA in this announcement.

Criteria	JORC Code explanation	Commentary
Sample security	• *The measures taken to ensure sample security.*	• Challa North: Rock-chip samples remained in the sole control by and were lodged at the laboratory by the sampler. • Challa South: The chain of custody of the samples was not detailed in the WMC WAMEX Open-file report 2004-2005 a070457.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Challa North: EZA considers the sampling techniques and resulting data to be appropriate for reconnaissance level exploration work. • Challa South: No sample audits or data reviews are included in the WMC WAMEX Open-file report 2004-2005 a070457.

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), 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 (CRC Pty Ltd, Legendre, B.R., and Perring, R.J.). No National Parks or Native Title areas occur in the Exploration licenses. The Exploration licenses co-exist with current Pastoral Leases; 1. Challa Station 2. Windimurra Station 3. Windsor Station 4. Narndee Station EZA will commence negotiations with pastoral leaseholders regarding exploration activity access agreements on the transfer of the exploration licences subject to this announcement.
	• *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 current exploration Licences are in good standing. Applications E58/485 and E58/500 are pending approval, subject to access agreements being executed.

Criteria	JORC Code explanation	Commentary
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, 2004-2005 WAMEX Open-file report 2004-2005 a070457.
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 and Youanmi Terrane. • Challa South: Cu-Ni-Co sulphide deposits in magma channel targets.
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:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *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 results are included in this announcement.
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.*	• Not applicable for the reporting of rock-chip and lag sample results.

Criteria	JORC Code explanation	Commentary
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 (eg 'down hole length, true width not known').*	• Not applicable, no mineralisation widths or intercept lengths documented.
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 illustrating key data are 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 data presented in this announcement are not considered by EZA 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 summarised and documented in the announcement.
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 and independent geologist assessments will be announced upon their completion and future work programs, if appropriate, will be considered and developed at that time.