CAZALY
RESOURCES LIMITED

30 June 2005

ASX Release

## GRAYNIC METALS LTD TO LIST ON ASX TODAY

Cazaly Resources Limited (ASX Code: CAZ) wish to congratulate Graynic Metals Ltd (**Graynic**) (ASX Code: **GYN**) on its listing on the Australian Stock Exchange at 10.00am WST today. Graynic raised $2.5 million and has UK institution RAB Special Solutions plc as its major shareholder with 7,000,000 shares.

Cazaly has recently agreed to divest, through a Farmin Agreement, an 80% interest in Cazaly's Quartz Circle, Jutson Rocks and Northampton Projects to Graynic Metals Ltd ("Graynic").

Graynic has today announced that it is recommencing diamond drilling on the Quartz Circle project within approximately 2 weeks.

Cazaly is solely focused on the Kunanalling/West Kalgoorlie project where significant encouragement has been received from recent exploration, in particular at the Picante prospect. With a large ongoing exploration programme underway and development planned to start at Catherwood it was decided to divest the above base metal/PGE projects to an independent dedicated explorer.

Whilst Cazaly is cognisant of the very strong outlook for base metals including copper, nickel, lead and zinc, we are also aware that our very strong land position and existing resource base at Kunanalling demands focused exploration.

Cazaly shareholders have received an in-specie distribution of shares in Graynic totalling 10,000,000 shares and will further participate in any exploration upside through a 20% free-carried interest in each project.

Cazaly remains well funded and retains strong equity positions in and joint ventures with ASX listed entities Great Australian Resources Ltd, Discovery Nickel Ltd, Scimitar Resources Ltd and Drake Resources Ltd. Importantly, Cazaly remains free-carried in these Agreements and there are drilling components in the majority of these Agreements.

Yours sincerely,

**Nathan McMahon**

**Managing Director**