CAZALY

RESOURCES LIMITED

ASX RELEASE
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Cazaly Appoints Leading Capital and Legal Advisors To Assist in Licence Application For Shovelanna Iron Ore Project

Cazaly Resources Ltd (ASX: CAZ) has appointed investment bank Argonaut Capital Limited and law firm Hunt & Humphrey to offer strategic advice to the company regarding the exploration licence application for the Shovelanna Iron Ore Project (ELA 46/678).

The Company made the application for an exploration licence for this project on 7 September 2005.

Argonaut is an independent Perth-based investment bank with a track record of attracting major industry partners to emerging resource projects. Today they have confirmed their intention to place 1 million ordinary fully paid shares at $0.40 per share to raise A$400,000. This placement will be made to the existing Argonaut client base.

In addition, Cazaly has appointed leading resources law firm Hunt & Humphrey as its legal adviser in relation to the granting of the application for EL 46/678, together with any future legal matters associated with the exploration licence.

In addition to its standing within the resources sector, its principal Michael Hunt is an authority on Western Australian mining law having written several leading textbooks on the subject and has been independently recognised as Western Australia's number one mining lawyer.

The exploration licence application covering the Shovelanna Iron Project, which lies approximately 25 kilometres east of Mt. Newman covers a portion of the Brockman Iron Formation and is located within 2 kilometres of the Shovelanna Hill, Wheelarra Hill Orebody 31 and Mt. Newman Orebody 18.

Yours sincerely

Nathan McMahon
Managing Director