23 September 2009

ASX Release

PROPOSED PLACEMENT OF SHARES

Australian diversified resources company Cazaly Resources Limited **(ASX: CAZ) ("Cazaly" or "the company**") is pleased to announce a proposed placement to raise up to A$4,000,000 by way of placement of 10 million ordinary fully paid shares ("Placement Shares") at A$0.40 per share. Additionally, 5 million free standing options will also be issued.

The Placement is by way of an excluded offer of ordinary fully paid shares under section 708 of the Corporations Act 2001 and is subject to approval of Shareholders at the Company's upcoming Annual General Meeting.

The investor is a private company based in Southern China. It is a large privately owned company with over A$100million in annual revenue. It supplies to major manufacturers which use extensive steel products and other inputs. The company has close commercial relationships with several mid to large sized steel mills in China.

The funds raised under this placement are intended to be used primarily to advance the Company's Parker Range iron ore project and for the further exploration over the Company's various Iron Ore projects and for working capital purposes.

Further information required by Listing Rule 3.10.3 in relation to the placement accompanies this announcement.

For further information please contact:

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LISTING RULE 3.10.3 INFORMATION

In accordance with Listing Rule 3.10.3, Cazaly Resources Ltd provides the following details of the placement of securities:

Class of Security	Fully paid ordinary shares and Unlisted Options exercisable at $0.48 and expiring 2 years from issue.
Number to be issued	10,000,000 Fully paid ordinary shares 5,000,000 Unlisted Options
Principal terms of securities	The shares will carry standard rights applicable to ordinary shares in Cazaly Resources Ltd and will, from the date of issue rank equally with fully paid ordinary shares currently on issue. The options will be exercisable at $0.48 and will expire 2 years from issue date. Upon exercise of the options into ordinary fully paid shares, the allotted and issued shares will rank equally in all respects with an existing class of quoted securities.
Issue price	$0.40 per fully paid ordinary share
Shareholder approval	Cazaly Resources Ltd will seek shareholder approval prior to the issue of the shares and options
Issue to Class	The issue is not being made to a class of security holders.