

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

CAZALY RESOURCES LIMITED

ABN

23 101 049 334

Quarter ended ("current quarter")

30 September 2012

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(676)	(676)
(b) development	-	-
(c) production	-	-
(d) administration	(362)	(362)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	41	41
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes received	344	344
1.7 Other – Tenement bonds	-	-
	-	-
Net Operating Cash Flows	(653)	(653)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	(78)	(78)
(c) subsidiaries	(200)	(200)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	573	573
(c) other fixed assets	-	-
(d) subsidiaries	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities (recoupment of exploration and evaluation expenditure from Joint Venture participant)	97	97
1.12 Other (Joint Venture Management Fees)	17	17
	-	-
Net investing cash flows	409	409
1.13 Total operating and investing cash flows (carried forward)	(244)	(244)

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1.13	Total operating and investing cash flows (brought forward)	(244)	(244)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other - costs of share issues	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(244)	(244)
1.20	Cash at beginning of quarter/year to date	2,848	2,848
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	2,604	2,604

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	97
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

1.23 includes directors fees and salaries and superannuation for executive and non-executive directors.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

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Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	650
4.2	Development	-
4.3	Production	-
4.4	Administration	250
Total		900

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	804	160
5.2 Deposits at call	1,800	2,688
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	2,604	2,848

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	P77/3685	Iron Ore Rights		
	P77/3688	Iron Ore Rights		
	E31/0982		100%	0
	E31/0983		100%	0
	P16/2628		100%	0
	P16/2629		100%	0
	P16/2630		100%	0
	E38/1838		100%	0
	E80/3894		100%	0
6.2 Interests in mining tenements acquired or increased	E28/2169		0	100%

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Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	122,589,125	122,589,125		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	225,000 100,000 100,000 925,000 100,000 2,800,000 500,000 250,000		<i>Exercise price</i> 45 cents 30 cents 40 cents 33 cents 49 cents 53 cents 52 cents 28 cents	<i>Expiry date</i> 26 October 2012 22 May 2013 14 September 2013 11 January 2015 4 February 2015 18 October 2012 18 March 2014 15 December 2013

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	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.8 Issued during quarter			<i>Exercise price</i>	<i>Expiry date</i>
7.9 Exercised during quarter				
7.10 Expired during quarter	75,000		39 cents	14 September 2012
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Date: 31 October 2012
(Company secretary)

Print name: Julie Hill

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.