

CAZALY RESOURCES LIMITED

COPPER MINERALISATION EXTENDED AT MT. ANGELO NORTH

- Better results include:
 - 35m @ 3.15% Copper Equivalent* (CuEq) (2.84% Cu, 0.87% Zn, 27 g/t Ag) from 18m, including 15m @ 5.00% CuEq from 24m;
 - 35m @ 2.51% Copper Equivalent* (CuEq) (1.41% Cu, 4.14% Zn, 16 g/t Ag) from 25m, including 21m @ 3.51% CuEq from 39m;
- Massive sulphides extended 30 metres to the south by a single hole (HCRC0016), intersection of 28m @ 1.96% Copper Equivalent*
- Further mineralisation defined 65 metres to the south from previous drilling, with a shallow intersection (HCRC0025).
- All results have now been received from the second Cazaly drilling programme at Mt Angelo North Copper prospect

Cazaly Resources Limited (**ASX: CAZ**, “Cazaly” or “the Company”) has now received all assays from its second RC drilling programme over the Mt Angelo North Copper Prospect at the Halls Creek Copper Project, located in the Kimberley region of Western Australia. The Halls Creek Copper Project is subject to an agreement with 3D Resources Limited (**ASX: DDD**, “3D”) whereby Cazaly may earn up to a 75% interest in the Project.

Joint Managing Director Nathan McMahon said the extension of the copper mineralisation at the Mt Angelo North Prospect represented further validation of the Company’s exploration strategy.

“We don’t know at this stage if we have an economic ore body, however with each hole we drill gain a greater understanding of the nature of the copper mineralisation of the prospect and are increasingly confident that we are on the right track.”

Drilling was aimed at testing the immediate southern extensions of the deposit, confirming results from historic drilling, infill drilling and testing geophysical targets. Mineralisation comprises massive and stringer copper sulphides, principally chalcocite and chalcopyrite, characteristic of volcanic massive sulphide (VMS) mineralisation. The deposit also contains appreciable zinc and silver with subordinate gold and lead.

Maximum single metre values returned from this drilling programme included: **13.0% Cu, 10.1% Zn, 6.91% Pb, 420 g/t Ag & 2.66g/t Au.**

The drill programme was successful in extending the known copper-zinc-silver mineralisation along strike to the south, to the west and at depth. Diamond drilling is currently being planned to provide sufficient material for the next phase of metallurgical test work.

The economics of the project are significantly enhanced by the shallow nature of the resource as well as Cazaly purchasing the pre-existing royalty.

***Copper Equivalent Calculation**

Copper Equivalent (CuEq) represents the total metal value for each metal, multiplied by the conversion factor, summed and expressed as equivalent copper percentage. These results are exploration results and no allowance is made for recovery losses should mining eventually occur. However, the company is of the opinion that the elements considered here have reasonable potential to be recovered based upon preliminary metallurgical test work.

Copper Equivalent Formula (CuEq):

$$(7,500(\text{Cu ppm}/10,000)) + (1,850(\text{Zn ppm}/10,000)) + (2,100(\text{Pb ppm}/10,000)) + (28(\text{Ag ppm}/31.1024)) + (1,600(\text{Au ppm}/31.1024)) = \text{Ore Value}$$

$$\text{Ore Value}/7,500 = \text{CuEq (\%)}$$

Price Assumptions Cu (US\$7,500/t), Zn (US\$1,850/t), Pb (US\$2,100/t), Ag (US\$28/oz), Au (US\$1,600/oz).

ENDS

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Competent Person's Statement

The information that relates to exploration results and drilling data is based on information supplied by 3D resources Limited and compiled by Mr Clive Jones who is a Member of The Australasian Institute of Mining and Metallurgy and is an employee of the Company. Mr Jones has sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Jones consents to the inclusion of his name in the matters based on the information in the form and context in which it appears.

HoleID	East	North	GDA Grid	Hole Depth	Intercept							Cu Eq (%)
					From	Leng th	Cu (%)	Pb (%)	Zn (%)	Ag (ppm)	Au (ppm)	
HCRC0016	340424	7960547	MGA94_52	100	24	28	1.34	0.18	2.30	11	0.06	1.96
			Includes		37	14	1.87	0.25	2.26	16	0.00	2.50
HCRC0017	340389	7960520	MGA94_52	120	20	9	0.94	0.00	0.24	3	0.02	1.01
					64	2	0.26	0.43	3.01	16	0.02	1.12
HCRC0018	340406	7960535	MGA94_52	100	32	6	0.97	0.02	0.21	5	0.04	1.02
					71	2	0.41	0.62	3.99	22	0.01	1.57
HCRC0019	340441	7960537	MGA94_52	90	51	7	0.77	0.20	4.47	5	0.00	1.93
			Includes		53	4	1.05	0.30	4.81	8	0.00	2.32
					69	7	1.65	0.01	0.78	7	0.04	1.85
			Includes		72	2	3.28	0.03	2.09	15	0.00	3.80
HCRC0020	340451	7960532	MGA94_52	120	72	2	0.16	0.18	2.45	22	0.01	0.82
					79	13	1.03	0.02	0.28	6	0.06	1.10
					96	3	0.68	0.00	0.13	2	0.02	0.71
HCRC0024	340489	7960672	MGA94_52	66	8	20	2.46	0.09	0.86	8	0.14	2.70
			Includes		9	2	4.52	0.20	1.67	24	0.00	4.99
			and		15	3	8.53	0.06	1.10	17	0.00	8.82
HCRC0025	340378	7960480	MGA94_52	90	2	2	0.60	0.00	0.11	1	0.00	0.63
					9	5	1.11	0.00	0.08	3	0.06	1.13
					26	2	1.14	0.01	0.18	4	0.02	1.19
					32	2	0.52	0.00	0.12	2	0.02	0.55
HCRC0027	340436	7960518	MGA94_52	90	71	6	0.74	0.01	0.29	4	0.05	0.81
					80	2	0.59	0.02	0.23	3	0.03	0.65
HCRC0028	340411	7960555	MGA94_52	72	34	7	0.58	0.01	0.15	2	0.02	0.62
					44	3	0.59	0.01	0.24	2	0.01	0.65
HCRC0029	340492	7960615	MGA94_52	66	6	20	0.28	1.40	1.13	27	0.11	0.95
			Includes		8	2	0.25	6.86	0.92	34	0.00	2.40
					31	13	0.61	0.51	3.36	17	0.02	1.58
			Includes		37	5	1.04	0.57	4.60	29	0.00	2.34

HCRC0030	340502	7960610	MGA94_52	60	17	12	0.53	0.36	2.04	22	0.08	1.13
					32	2	0.08	0.84	4.42	22	0.01	1.40
HCRC0031	340469	7960668	MGA94_52	54	10	8	0.82	0.18	1.82	8	0.07	1.32
					21	4	0.52	0.02	1.07	2	0.02	0.79
HCRC0032	340471	7960646	MGA94_52	60	11	6	0.25	0.99	0.71	30	0.87	0.71
					23	20	1.63	0.09	2.52	9	0.01	2.28
			Includes		23	3	3.09	0.07	1.15	3	0.00	3.39
			and		37	6	3.32	0.05	3.16	20	0.00	4.12
HCRC0033	340450	7960623	MGA94_52	66	11	6	0.37	0.86	0.95	85	0.57	0.86
					24	27	0.60	0.19	2.08	10	0.02	1.16
HCRC0034	340440	7960600	MGA94_52	60	18	35	2.84	0.32	0.87	27	0.09	3.15
			Includes		24	15	4.77	0.06	0.86	33	0.00	5.00
HCRC0035	340427	7960607	MGA94_52	50	19	8	0.37	0.03	1.82	2	0.02	0.82
					34	6	0.52	0.05	1.58	7	0.03	0.92
					45	5	0.75	0.03	0.22	5	0.03	0.82
HCRC0036	340467	7960588	MGA94_52	96	25	35	1.41	0.26	4.14	16	0.02	2.51
			Includes		39	21	2.18	0.24	5.12	23	0.00	3.51
					65	2	0.97	0.08	0.18	12	0.39	1.04
					72	15	3.17	0.02	0.50	18	0.16	3.30
HCRC0037	340434	7960556	MGA94_52	84	22	35	1.37	0.31	2.23	12	0.01	2.00
			Includes		23	3	2.47	0.73	4.62	25	0.00	3.81
			and		31	6	2.02	0.57	3.42	23	0.00	3.02
			and		43	5	3.09	0.37	2.77	21	0.00	3.88
					61	3	2.85	0.00	0.29	6	0.00	2.92
			Includes		61	2	3.83	0.00	0.35	8	0.00	3.92

Notes:

All holes located by GPS with accuracy $\pm$ 5 metres

All holes were vertically drilled

*Hole HCRC0017 includes composites from 20-24m

Cu, Pb, Zn and Ag analysed by 4 acid digest and ICP-MS finish

Au analysed by Fire Assay and AAS finish

CuEq intercepts calculated using a 0.5% lower cut, minimum 2 metres interval with two internal waste intervals of 2 metres allowable

