CAZALY RESOURCES LIMITED

ASX Announcement

NOTIFICATION OF UNDER SUBSCRIPTIONS FOR THE NON-RENOUNCEABLE ENTITLEMENT ISSUE

Cazaly Resources Limited (ASX: CAZ) ("**Cazaly** or the "**Company**) announces that its non-renounceable entitlement issue of up to 10,786,594 fully paid ordinary shares on the basis of 1 new share for every 12 shares held by those eligible shareholders registered at 5:00pm AWST on 29 April 2013, at an issue price of $0.16 per new share, closed at 5:00pm AWST on 5 July 2013.

The Entitlement Issue comprised:

1. The 1 for 12 non-renounceable Entitlement Issue offer;
2. A simultaneous Shortfall offer, under which eligible shareholders could apply for additional shares, after applying for their full entitlement under the Entitlement Issue offer; and
3. A Shortfall offer, under which any New Shares not subscribed for under either the Entitlement Issue offer or the simultaneous Shortfall offer may be placed at the discretion of the Directors within 3 months of the Entitlement Issue closing date.

The table below sets out the number of New Shares subscribed for by Eligible Shareholders under both the Entitlement Issue and the simultaneous Shortfall offer, and the number of under subscriptions to the offer:

Offer details:	**Number of New Shares**	**Gross Proceeds ($)**	**Percentage of Maximum (%)**
Maximum number of New Shares that could have been issued under the Entitlement Issue offer per the offer document	10,786,594	$1,725,855	100.00%
Less Entitlement Issue offer subscriptions	997,800	$159,648	9.25%
Less Shortfall offer subscriptions	40,196	$6,431	0.37%
Offer shortfall (under subscriptions)	9,748,598	$1,559,776	90.38%

The Offer shortfall amount stated above (9,748,598) represents the maximum number of New Shares which the Directors can now issue under the Shortfall offer at their discretion within 3 months of the Entitlement Issue closing date, at an issue price which is the Entitlement Issue offer price of $0.16 per new fully paid ordinary share.

The allotment and issue of the 1,037,996 New Shares and the despatch of holding statements which were subscribed for under both the Entitlement Issue and simultaneous Shortfall offer will occur on Friday 12 July 2013.

It is anticipated that normal trading of the New Shares will commence on Monday 15 July 2013.

Yours faithfully

Julie Hill
Company Secretary