



11 May 2017

Sebastian Bednarczyk
Australian Securities Exchange Limited
Level 40, Central Park
152-158 St Georges Terrace
PERTH WA 6000

By email: Sebastian.Bednarczyk@asx.com.au

Dear Sebastian

In response to your letter dated 10 May 2017 regarding the late lodgement of an Appendix 3Y for Mr Nathan McMahon, Cazaly Resources Limited ("Cazaly" or "the Company") responds as follows:

1. *Please explain why the Appendix 3Y was lodged late*

The Appendix 3Y was lodged late in respect of the two specified dates due to an internal administrative oversight and that the Company Secretary was on one week's personal leave from Anzac Day. The notice was lodged immediately upon the oversight having been identified.

2. *What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A*

The Company has previously entered into an agreement with its Directors and has a process in place that requires all Directors to notify the Company Secretary of any transactions involving any change of their notifiable interest immediately or at the very latest, within three business days after the changes occur. Additionally, the Company Secretary and the officers assigned to report to the ASX review the directors' shareholding regularly to ensure that all relevant movements are reported to the ASX within the time frame.

3. *If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B*

Apart from this administrative oversight, the Company considers the current arrangements to be adequate to ensure compliance with listing rule 3.19B.

Yours sincerely

Mike Robbins
Company Secretary



10 May 2017

Mr Mike Robbins
Company secretary
Cazaly Resources Limited
Level 2, 38 Richardson Street
WEST PERTH WA 6005

By email: MRobbins@blackhamresources.com.au

Dear Mr Robbins

CAZALY RESOURCES LIMITED (THE "COMPANY")

We refer to the following.

1. The Company's announcement lodged with ASX Limited ("ASX") on 3 May 2017 regarding a Change of Director's Interest Notice for Mr Nathan McMahon ("Appendix 3Y").
2. ASX listing rule 3.19A which requires an entity to tell ASX the following.

Listing rule 3.19A which requires an entity to tell ASX the following:

3.19A.1 *The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times:*

- *On the date that the entity is admitted to the official list.*
- *On the date that a director is appointed.*

The entity must complete Appendix 3X and give it to ASX no more than 5 business days after the entity's admission or a director's appointment.

3.19A.2 *A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) including whether the change occurred during a closed period where prior written clearance was required and, if so, whether prior written clearance was provided. The entity must complete Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.*

3.19A.3 *The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the date that the director ceases to be a director. The entity must complete Appendix 3Z and give it to ASX no more than 5 business days after the director ceases to be a director.*
3.19A.2 *A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the*



*trust) including whether the change occurred during a *closed period where prior written clearance was required and, if so, whether prior written clearance was provided. The entity must complete Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.*

3. Listing rule 3.19B which reads as follows.

An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.

As the Appendix 3Y indicates changes in the notifiable interest of Mr MacMahon occurred on 18 April 2017, 21 April 2017, 1 May 2017 and 2 May 2017, the Appendix 3Y in relation to the trade which occurred on 18 April 2017 should have been lodged with the ASX no later than 26 April 2017, and the Appendix 3Y in relation to the trade which occurred on 21 April 2017 should have been lodged with the ASX no later than 1 May 2017. As the Appendix 3Y in relation to all of the above trades was lodged on 3 May 2017, it appears that the Company may be in breach of listing rules 3.19A and/or 3.19B

Please note that ASX is required to record details of breaches of the listing rules by listed entities for its reporting requirements.

ASX reminds the Company of its contract with ASX to comply with the listing rules. In the circumstances, ASX considers that it is appropriate that the Company make necessary arrangements to ensure there is not a reoccurrence of a breach of the listing rules.

Having regard to listing rules 3.19A and 3.19B, and Guidance Note 22: "Director Disclosure of Interests and Transactions in Securities – Obligations of Listed Entities", ASX requires the Company to respond to each of the following questions.

1. Why was the Appendix 3Y lodged late in relation to the trades which occurred on 18 April 2017 and 21 April 2017?
2. What arrangements does the Company have in place (including with its directors) to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?
3. If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B?

The Company's response should be sent by email to me at Sebastian.Bednarczyk@asx.com.au – it should not be sent to the ASX Market Announcements Office.

The Company's response is required as soon as possible and, in any event, **by not later than 3.00pm AWST on Monday, 15 May 2017.**

Under listing rule 18.7A, a copy of this letter and the Company's response will be released to the market, so the Company's response should be in a form suitable for release and must separately address each of the questions asked.



Please contact me should you have any queries about this letter.

Yours sincerely

[sent electronically without signature]

Sebastian Bednarczyk
Senior Adviser, ASX Listings Compliance