

## CAZALY RESOURCES LIMITED

---

### RC DRILLING RESULTS HALLS CREEK COPPER PROJECT

- **Pre-collar RC Results extend Massive Sulphides at Mt Angelo North**
  - 27m @ 2.86% CuEquiv. (HCRD0047)
  - 21m @ 1.95% CuEquiv. (HCRD0044)
  - 18m @ 1.60% CuEquiv. (HCRD0050)
- **Diamond Drilling extends recently discovered 'Feeder Zone' at depth and along strike; core being cut and assays pending**
- **Maiden Resource Estimate planned for release Q4 2013**
- **Metallurgical test work results indicate favourable parameters**

Cazaly Resources Limited (**ASX: CAZ**, "**Cazaly**" or "**the Company**") is pleased to announce results from pre-collar RC drilling recently completed at the Mt Angelo North copper deposit located in the Kimberley region of Western Australia.

In all, 10 pre-collar RC and 9 diamond tails have been completed totalling 1,115m RC and 681m diamond for this programme. The RC drilling was largely conducted to facilitate diamond core drilling principally aimed at exploring the extent of the recently discovered '*Feeder Zone*' previously reported from the Company's initial diamond core drilling programme in June. Some of the pre-collars were positioned to also test for eastern extensions of the upper massive sulphide blanket. Of the 9 pre-collars drilled on the eastern flank, 8 were successful in extending this mineralisation.

Better intercepts from these RC pre-collars are summarised below in table 1.

**Table 1. Significant Drill Intercepts from Pre-collar RC Holes, Summary**

HoleID	East	North	Dip/Azi	Intercept							Cu Eq (%)
				From (m)	Length (m)	Cu (%)	Pb (%)	Zn (%)	Ag (ppm)	Au (ppm)	
HCRD0043	340518	7960555 <i>includes</i>	-60/300	50	<b>23</b>	<b>0.60</b>	<b>0.17</b>	<b>1.97</b>	<b>9.0</b>	<b>0.13</b>	<b>1.13</b>
				65	2	1.31	0.39	5.98	21.4	0.18	<b>2.90</b>
HCRD0045	340516	7960605	-90	20	4	0.98	0.11	1.21	15.7	0.13	<b>1.31</b>
				36	13	0.52		2.03	7.4		<b>1.03</b>
HCRD0044	340488	7960540 <i>includes</i>	-70/300	74	<b>21</b>	<b>1.11</b>		<b>3.29</b>	<b>10.5</b>	<b>0.11</b>	<b>1.95</b>
				76	3	0.77		5.27	5.2	0.11	<b>2.09</b>
				85	8	1.71	0.14	3.43	20.4	0.17	<b>2.59</b>
HCRD0047	340471	7960631 <i>includes</i>	-80/120	13	9	0.30	2.38	2.23	86.8	0.58	<b>1.53</b>
				19	2	0.15	4.92	7.17	170.0	0.56	<b>3.31</b>
				26	<b>27</b>	<b>2.60</b>		<b>0.94</b>	<b>14.8</b>	<b>0.30</b>	<b>2.86</b>
HCRD0048	340475	7960496	-75/300	93	5	0.57	0.21	2.11	18.4	0.14	<b>1.15</b>
HCRD0050	340530	7960536 <i>includes</i>	-65/300	63	<b>18</b>	<b>0.88</b>	<b>0.19</b>	<b>2.69</b>	<b>15.7</b>	<b>0.20</b>	<b>1.60</b>
				66	2	0.49		7.72	8.5	0.36	<b>2.42</b>
HCRD0051	340504	7960529 <i>includes</i>	-75/300	76	9	1.12	0.25	2.42	16.8	0.25	<b>1.79</b>
				79	3	1.88	0.30	3.29	23.3	0.35	<b>2.78</b>

- A complete table of results is included at the end of this release.

**The massive sulphide mineralisation in the upper blanket zone has been extended by up to 50m to the east for 100m of strike and remains open.** These results clearly show that copper grades into more distal zinc-copper ore with good down hole widths of up to 18m (HCRD0050).

Nine of these RC pre-collars were extended with diamond tails targeting the recently discovered feeder zone. No assays are available at this time however all holes have intersected mineralisation at or near target depths. Eight of these tails appear to have intersected the feeder zone over a minimum strike length of 130 metres and have extended it by up to 115 metres vertically below the massive sulphide blanket. **This deeper feeder system is open at depth and along strike.**

The discovery of the feeder zone is highly encouraging for the discovery of further high grade mineralisation at Mount Angelo North. The zone is characterised by chalcopyrite bearing breccia/stringer zone in a sub-vertical system linking into the more massive overlying chalcocite/chalcopyrite ore body above (figure 1).

The diamond core has been transported to a laboratory in Perth for detailed logging and assay. Results are expected within 2-3 weeks.

Multi-element data and structural information collected from recent drilling will assist Cazaly targeting other massive sulphide lenses as well as extensions to the blanket and feeder mineralisation defined to date at the Mt Angelo North copper deposit.

The Halls Creek Copper Project, located in the Kimberley region of Western Australia is subject to an agreement with 3D Resources Limited (**ASX: DDD, "3D"**) whereby Cazaly may earn up to a 75% interest in the Project.

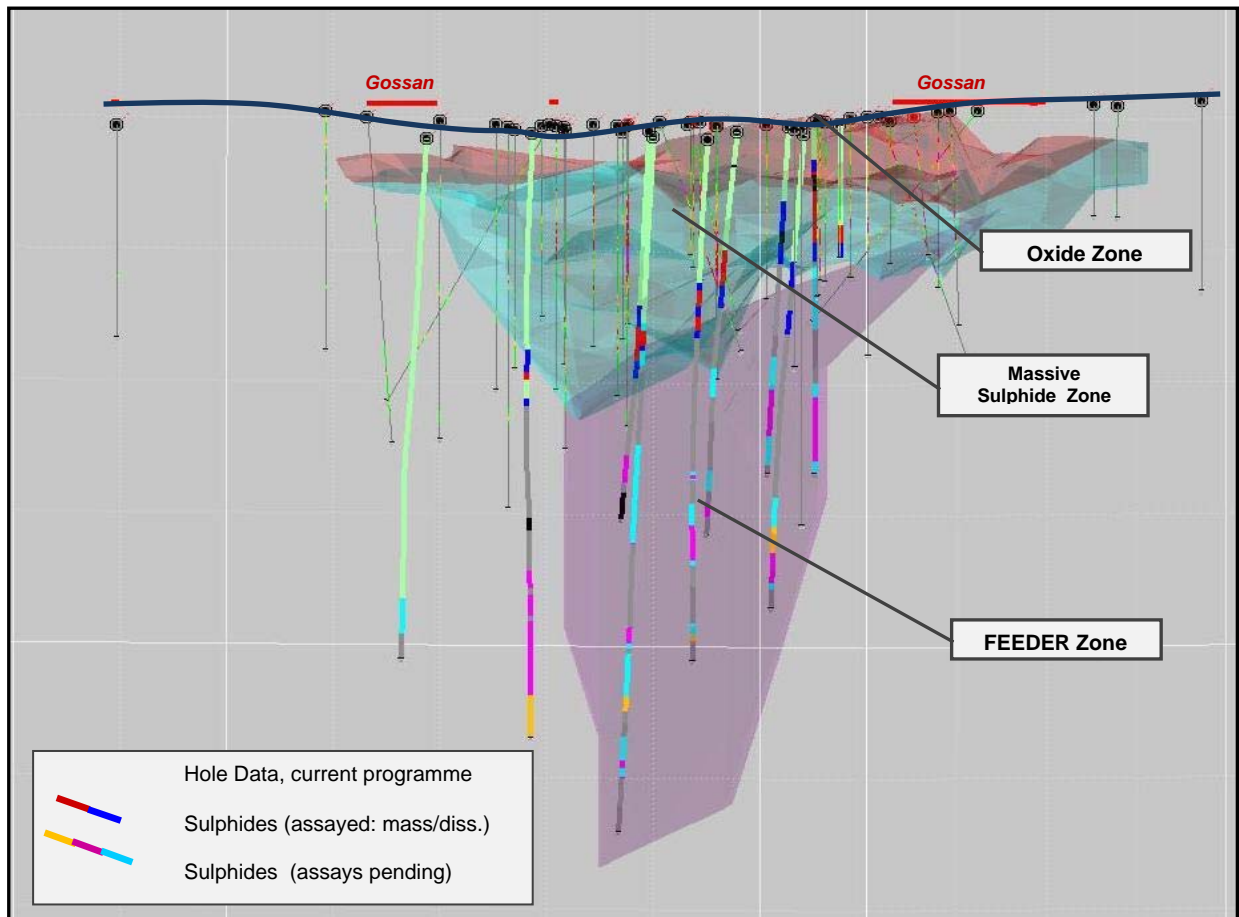


Figure 1: Schematic section showing drilling & predicted extent of Feeder Zone relative to overlying VMS & oxide mineralisation, Mt Angelo North deposit

Joint Managing Director Clive Jones said, “The diamond core programme has not only been successful in extending the recently discovered high grade feeder zone at the Mount Angelo North copper deposit but has also delineated further shallow mineralisation. These results have the potential to greatly enhance the economics of the deposit”.

The Company will collate all data and await final assays ahead of planning further drilling targeting the extensions of the Feeder and Blanket mineralisation. This work will lead into a maiden resource for the deposit aimed for release later in the year.

#### ENDS

For further information please contact:

Nathan McMahon / Clive Jones  
 Joint Managing Directors  
 Cazaly Resources Limited  
 Tel: +618 9322 6283  
 Em: [admin@cazalyresources.com.au](mailto:admin@cazalyresources.com.au)  
 Website: [www.cazalyresources.com.au](http://www.cazalyresources.com.au)

Tony Dawe  
 Senior Counsel  
 Professional Public Relations  
 Tel: +618 9388 0944/ +61 433 112 936  
 E: [tony.dawe@ppr.com.au](mailto:tony.dawe@ppr.com.au)

### 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.*

3



HoleID	East	North	Dip/Azi	Hole Depth (m)	Intercept							Cu Eq (%)
					From (m)	Length (m)	Cu (%)	Pb (%)	Zn (%)	Ag (ppm)	Au (ppm)	
HCRD0043	340518	7960555	-60/300	101.5	50	23	0.60	0.17	1.97	9.0	0.13	1.13
			Includes		65	2	1.31	0.39	5.98	21.4	0.18	2.90
				171.5	DIAMOND TAIL ASSAYS PENDING							
HCRC0045	340516	7960605	-90	50	20	4	0.98	0.11	1.21	15.7	0.13	1.31
					36	13	0.52		2.03	7.4		1.03
					NO DIAMOND TAIL							
HCRD0044	340488	7960540	-70/300	114.1	74	21	1.11		3.29	10.5	0.11	1.95
			Includes		76	3	0.77		5.27	5.2	0.11	2.09
			and		85	8	1.71	0.14	3.43	20.4	0.17	2.59
					103	2	0.10		1.67			0.51
				155	DIAMOND TAIL ASSAYS PENDING							
HCRD0047	340471	7960631	-70/120	54.6	13	9	0.30	2.38	2.23	86.8	0.58	1.53
			Includes		19	2	0.15	4.92	7.17	170.0	0.56	3.31
					26	27	2.60		0.94	14.8	0.30	2.86
				134.3	DIAMOND TAIL ASSAYS PENDING							
HCRD0048	340475	7960496	-75/300	150.1	93	5	0.57	0.21	2.11	18.4	0.14	1.15
					104	2	1.12	0.18	1.63	13.8	0.09	1.58
				237.6	DIAMOND TAIL ASSAYS PENDING							
HCRD0050	340530	7960536	-65/300	120	63	18	0.88	0.19	2.69	15.7	0.20	1.60
			Includes		66	2	0.49		7.72	8.5	0.36	2.42
				220.8	DIAMOND TAIL ASSAYS PENDING							
HCRD0051	340504	7960529	-75/300	137.6	76	9	1.12	0.25	2.42	16.8	0.25	1.79
			Includes		79	3	1.88	0.30	3.29	23.3	0.35	2.78
				272.6	DIAMOND TAIL ASSAYS PENDING							
HCRD0053	340530	7960536	-65/300	149.5	PRE-COLLAR ASSAYS PENDING							
				215.4	DIAMOND TAIL ASSAYS PENDING							

**Notes:**

All holes located by DGPS with accuracy <1 metre, Grid GDA94 – Zone 52

Down-hole surveys conducted between 15-30m intervals

There is insufficient geological information to determine the true widths of the mineralised intercepts

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

Au analysed by Fire Assay and AAS finish

Cu Eq% Calculated using prices of US\$7,500/t Copper, US\$2,100/t Lead, US\$1,850/t Zinc, US\$25/oz Silver, US\$1,500/oz Gold

Cu Eq% intercepts calculated using a 0.5% lower cut, no internal waste of greater than 3 metres, no more than two segments of internal waste per intercept