CAZALY RESOURCES LIMITED

DOWNHOLE EM HIGHLIGHTS UNKNOWN CONDUCTORS
HALLS CREEK COPPER PROJECT

- **Two off-hole conductors identified below known sulphide mineralisation at Mount Angelo North copper deposit**

- **At depth targets complement recently mapped untested "Host Sequence" lithologies striking for over 1km to the north of the deposit**

- **Planning for drilling and geophysical surveys underway**

Cazaly Resources Limited (**ASX: CAZ, "Cazaly"** or **"the Company"**) is pleased to announce results from a Downhole Electromagnetic (DHEM) Survey undertaken at its Mt Angelo North copper deposit 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.

Two of the deeper holes previously drilled by Cazaly, HCRD043 & HCRD048, were targeted for DHEM surveying to delineate additional potential sulphide mineralisation at depth to the Mount Angelo North copper deposit. The survey successfully defined known mineralisation in the vicinity of both holes and also delineated two further zones of conductivity which may represent new zones of sulphide mineralisation adjacent at depth to drillhole HCRD048.

Modelling of the two off-hole conductors in HCRD048 indicated that an upper source of moderate conductance of limited areal size centred above and slightly west of hole HCRD048 at ~145m downhole was present coincident with some narrow in-hole Cu intercepts at this level.

The second, lowermost conductor identified from this hole is of more interest showing higher moderate to high conductance levels and a greater overall size at ~50x50m. This anomaly was only partially defined as it was at the limit of the survey which ended at 188m due to a blockage in the hole. It is considered that this anomaly could potentially lead to larger conductive units of interest further at depth.
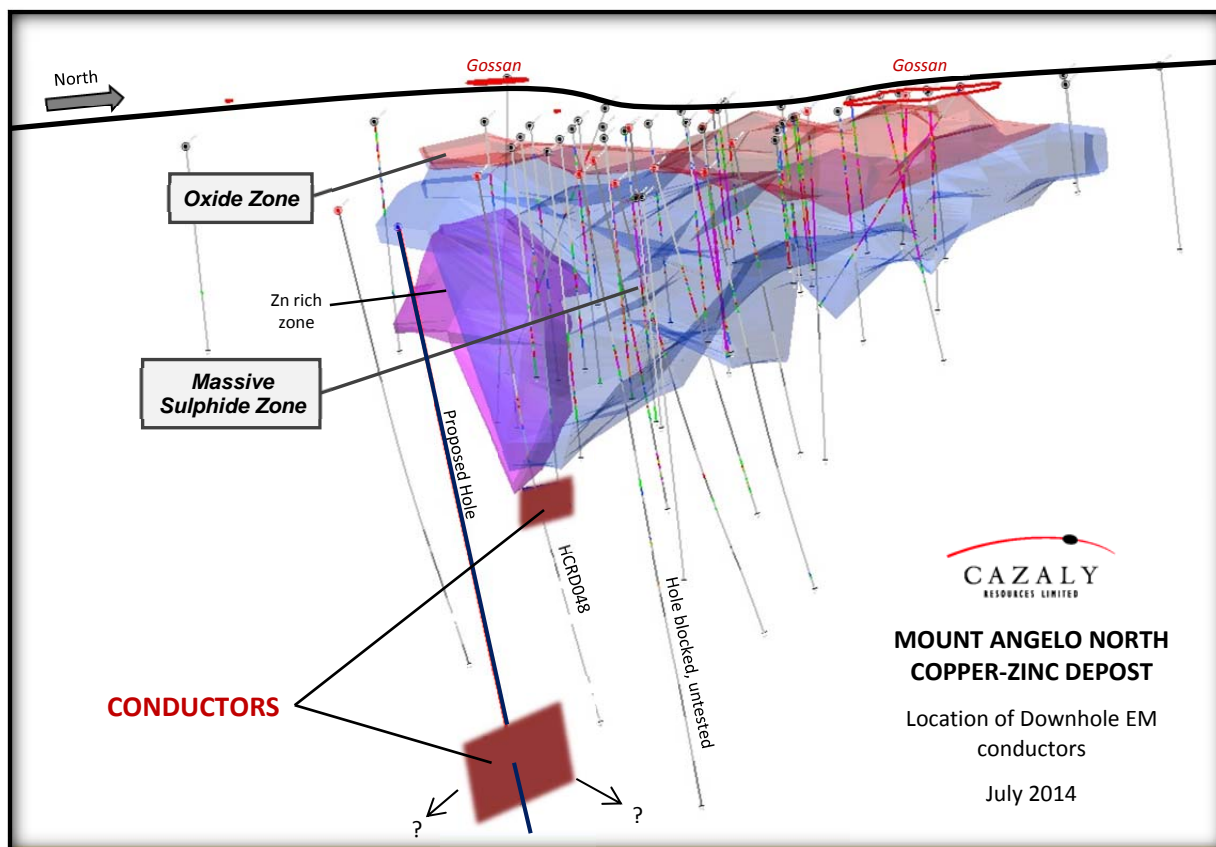
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Figure: Location of downhole conductors at Mount Angelo North Cu-Zn deposit

Furthermore, geological mapping by company geologists has defined the northern extensions of the sequence hosting the mineralisation. One of the key defining features of the Mount Angelo deposit is the recognition of a BIF unit which acts as a marker horizon. The unit represents seafloor sedimentation and is a unit typically associated with volcanogenic massive sulphide deposits. Importantly, this unit is seen in sporadic outcrops along strike for over 1km to the north of the deposit within felsic sediments which host the deposit mineralisation. This area, called the *Grunters prospect*, is largely covered by surficial alluvium and has never been drill tested (see figure at end of release).

The company is current planning drilling to target the recently identified conductors and planning for surface IP geophysics and shallow first pass drilling at the Grunters prospect.

ENDS
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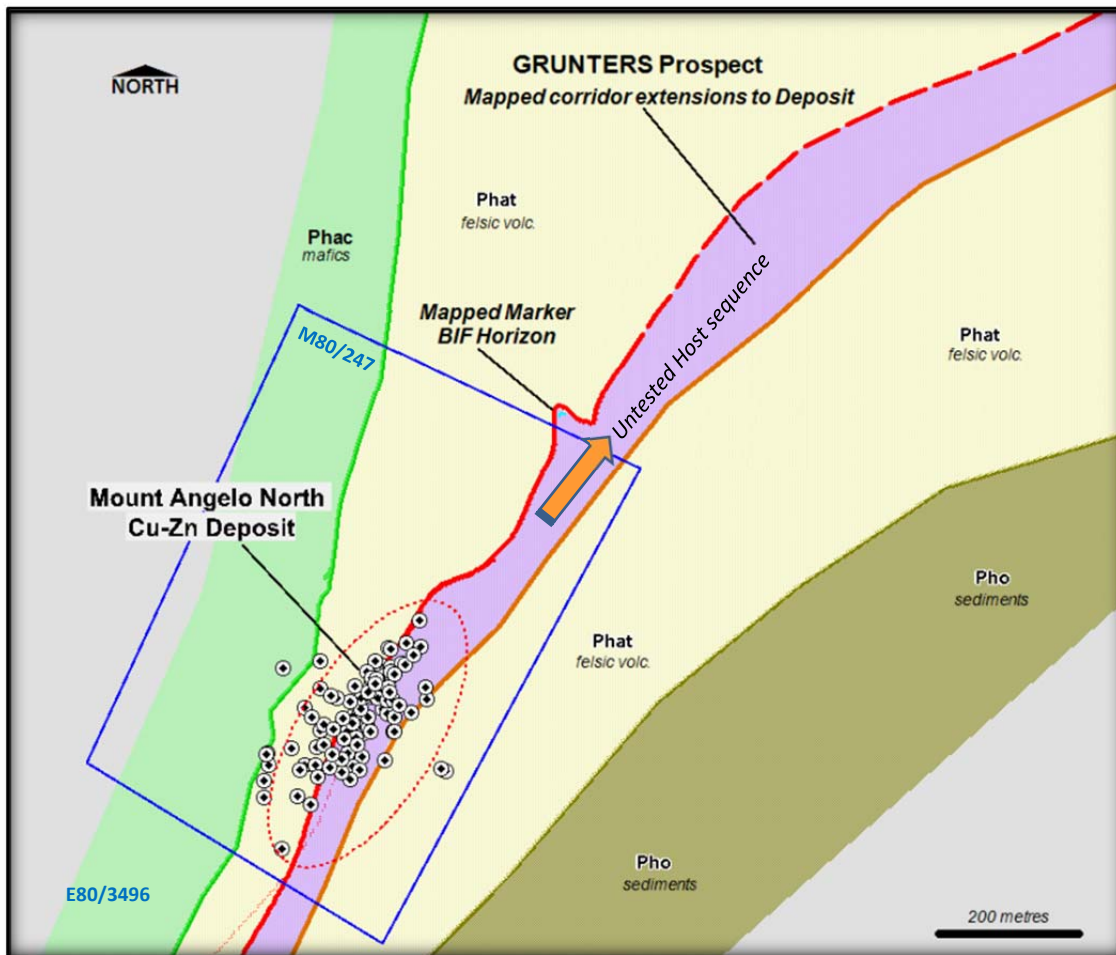**Website: www.cazalyresources.com.au**

Figure: Simplified geological map showing trend of the 'mine sequence' to the Grunters prospect

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.