

CAZALY RESOURCES LIMITED

\$750,000 CAPITAL RAISING VIA CONVERTIBLE NOTES

Cazaly Resources Limited (**ASX:CAZ**) (**Cazaly or the Company**) is pleased to advise the completion of a capital raising through the issue of unsecured convertible notes via Perth based portfolio management and corporate advisory firm, Oracle Capital Group Pty Ltd (**Oracle**) to raise \$750,000 through the issue of up to 750,000 convertible notes, each with a face value of one dollar (\$1.00) (**Convertible Notes**).

The funds raised from the Convertible Notes will be used for continued exploration work on the various Company projects and for working capital.

Key terms of Convertible Notes

The key terms of the Convertible Notes are expected to be as follows:

- (a) Maturity Date - 12 months from the date of issue
- (b) Interest - 10% per annum.
- (c) Conversion Price - the lower of \$0.047 or a 15% discount to the VWAP for the 5 trading days prior to the Conversion Notice.
- (d) Redemption - the Company may redeem all or part of the Principal Sum of each Note at any time and at any frequency on or before the Repayment Date by giving to the Noteholder a Redemption Notice. A Redemption Notice must not be given in respect of a Note the subject of a Conversion Notice. A Redemption Notice must specify not less than 25,000 Notes for redemption (when aggregated with all Redemption Notices issued on the same day as that Redemption Notice) and the number of Notes specified for redemption must, if possible, be a multiple of 25,000.
- (e) Conversion prior to Repayment Date - the Company may convert all or any of the Notes into Ordinary Shares at any time and at any frequency as at a date prior to the Repayment Date by giving a Conversion Notice to the Noteholder.
- (f) Conversion on Repayment Date - All outstanding Notes (excluding any Notes in respect of which a Redemption Notice has been issued or a Conversion Notice has been issued) will automatically convert into Ordinary Shares on the Repayment Date and the Company will be deemed to have issued a Conversion Notice converting all outstanding Notes held by the Noteholder at the Repayment Date.
- (g) Security: the Convertible Notes are unsecured.
- (h) Options - Noteholders will be entitled to 10 unquoted Company options exercisable at \$0.06 on or before 31 December 2019 for every \$1.00 Note subscribed for.
- (i) Transferability and other restrictions: the Convertible Notes will only be transferrable with the Company's written consent.

Nathan McMahon/Clive Jones
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