

CAZALY RESOURCES LIMITED

MASSIVE SULPHIDES INTERSECTED AT MT. ANGELO NTH

- Results from first three holes now received from the second Cazaly drilling programme at Mt Angelo North Copper prospect.
- Massive sulphides extended 30 metres to the south by one single hole (HCRC0016), which intercepted 27 metres of massive sulphides from 24 metres
 - including 15m @ 2.70% Copper Equivalent* (CuEq) (1.8% Cu, 2.4% Zn, 15.2 g/t Ag) from 36m
 - Including 21m @ 2.97% Zinc from 24m
- The two other holes extended mineralisation an additional 40 metres to the southwest
 - including 9m @ 1.05% Copper Equivalent* (CuEq) (0.9% Cu, 0.2% Zn, 3.3 g/t Ag) from 36m
- Further results are expected to extend the mineralisation to the northwest and to the southeast.

Cazaly Resources Limited (**ASX: CAZ**, “Cazaly” or “the Company”) has now received assays from the first three holes from its second RC drilling programme over the Mt Angelo North prospect at the Halls Creek Copper project, 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.

Joint Managing Director, Nathan McMahon said "We are greatly encouraged to discover massive sulphides along strike of the known mineralisation at the Mount Angelo North copper deposit. These results validate our exploration strategy over the Halls Creek project and will drive forward the further exploration of the project".

Drilling was aimed at testing the immediate southern extensions of the deposit, confirming results from historic drilling, infill drilling and testing some geophysical targets. Mineralisation comprises massive and stringer copper sulphides, principally chalcocite and chalcopyrite, characteristic of volcanic massive sulphide (VMS) mineralisation. The deposit also contains appreciable zinc and silver with subordinate gold and lead.

Maximum single metre values returned from the drilling included: 3.29% Cu, 7.84% Zn & 45.2 g/t Ag.

HoleID	East	North	GDA Grid	Hole Depth	Intercept							CuEq (%)
					From	Length	Cu (%)	Pb (%)	Zn (%)	Ag (ppm)	Au (ppm)	
HCRC0016	340424	7960547	MGA94_52	100	7	7	<0.1	<0.1	1.13	2.42	0.01	0.32
			and		24	7	1.29	0.07	2.32	7.48	0.02	1.99
			and		36	16	1.73	0.24	2.29	14.5	0.09	2.60
			includes		36	15	1.79	0.26	2.4	15.22	0.09	2.70
			includes		24	21	1.15	0.23	2.97	11.02	0.04	2.11
HCRC0017	340389	7960520	MGA94_52	120	20	9*	0.94	<0.1	0.24	3.33	0.02	1.05
			and		62	4	0.22	0.28	2	11.26	0.02	0.95
HCRC0018	340406	7960535	MGA94_52	100	11	2	0.07	<0.1	0.25	31.21	0.01	0.51
			and		32	6	0.97	0.02	0.21	4.79	0.03	1.10
			and		71	3	0.34	0.45	2.87	16.43	<0.01	1.38
			includes		71	2	0.41	0.62	3.99	21.61	<0.1	1.84

Notes:

All holes located by GPS with accuracy \pm 5 metres

All holes were vertically drilled

*Hole HCRC0017 includes composites from 20-24m

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

Au analysed by Fire Assay and AAS finish, Ag intercepts calculated using a 10ppm lower cut, two internal waste intervals of 2 metres allowable
Cu, Pb & Zn intercepts calculated using a 0.5% lower cut, two internal waste intervals of 2 metres allowable

Further regional exploration is also being planned including geochemistry, final interpretation of geophysics and RC drilling. This work will begin to advance other prospects in the Halls Creek Copper Project including the significant *Mount Angelo Porphyry* located 2.5km to the south west of Mount Angelo North. The copper porphyry was last drilled in 2008 returning drill intercepts of up to **117m @ 0.32% Cu** and **150m @ 0.30% Cu** (CAZ: "Halls Creek Copper Project Joint Venture" – 30 October 2012 release to ASX).

The style of mineralisation (VHMS) is similar to that found at Sandfire Resource's Doolgunna/DeGrussa discovery and at the Teutonic Bore/Jaguar/Bentley deposits of Independence Group NL. This style of deposit is known world-wide to occur in clusters and often the early discoveries in these camps are not the largest.

***Copper Equivalent Calculation**

Copper Equivalent (CuEq) represents the total metal value for each metal, multiplied by the conversion factor, summed and expressed as equivalent copper percentage. These results are exploration results and no allowance is made for recovery losses should mining eventually occur. However is the company opinion that the elements considered here have reasonable potential to be recovered from preliminary metallurgical test work.

Copper Equivalent Formula (CuEq) = Cu% + 0.25Zn% + 0.28Pb% + 0.012Ag(ppm) + 0.6028Au(ppm)

Price Assumptions Cu (US\$8,000/t), Zn (US\$2,000/t), Pb (US\$2,240/t), Ag (US\$30/oz), Au (US\$1,500/oz).

ENDS

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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.