

CAZALY RESOURCES LIMITED

\$405,000 RAISING VIA PLACEMENT AND ISSUE OF CONVERTIBLE NOTES

The Board of Cazaly Resources Limited (ASX: CAZ, "Cazaly") is pleased to advise completion of a book build for a placement of 6,833,334 shares at an issue price of \$0.03 per Share to raise \$205,000 ("Placement"). A free attaching Option will be issued on the basis of one Option for every two Shares subscribed for. The Placement will be made to a range of sophisticated investors in accordance with section 708 of the Australian Corporations Act 2001 (C'wth).

The Board is also pleased to advise that joint Managing Directors Mr Nathan McMahon and Mr Clive Jones (or their nominee or nominees) have advanced a total of \$200,000 in debt funds by way of a convertible note to the Company to supplement the Placement. The principal terms of the convertible note are designed to mirror the placement terms. As such, the convertible note carries no coupon rate, is unsecured and is convertible at \$0.03 with a free attaching option on the basis of one Option for every two Shares converted. The maximum number of Shares and Options that may be issued upon conversion is therefore 6,666,667 and 3,333,333 respectively.

In accordance with listing Rule 10.11, the Convertible Notes are convertible at any time until 31 December 2016, however cannot be converted without Shareholder Approval. The Convertible Notes are to be issued only to the related parties of the Company as named above.

The combined funds (total \$405,000) will assist Cazaly to fund the ongoing exploration of its diversified resources portfolio, evaluation of new projects and for working capital.

Further information required by Listing Rule 3.10.3 in relation to the placement and convertible note accompanies this announcement.

ENDS

For further information please contact:

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LISTING RULE 3.10.3 INFORMATION

In accordance with Listing Rule 3.10.3, Cazaly Resources Ltd provides the following details of the placement of securities:

Class of Security	(i) Fully paid ordinary shares (ii) 2 year, \$0.04 Options
Number to be issued	(i) 6,833,334 (ii) 3,416,667
Principal terms of securities	The shares will carry standard rights applicable to ordinary shares in Cazaly Resources Ltd and will, from the date of issue rank equally with fully paid ordinary shares currently on issue.
Issue price	(i) \$0.03 (ii) Free attaching options on the basis of one Option for every two Shares subscribed for.
Shareholder approval	Cazaly Resources Ltd will not seek shareholder approval prior to the issue of the shares and will rely on its capacity under Listing Rule 7.1
Issue to Class	The issue is not being made to a class of security holders.