

# CAZALY RESOURCES LIMITED

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## ACQUIRES MAJOR GOLD PROJECT

### Adjoins Gold Road's Yamarna Gold Project

- Option to purchase Yamarna West Pty Ltd, holder of licence application over the majority of the Mount Venn greenstone belt
- Mount Venn belt associated with the *Yamarna Shear*, host to Gold Road Resources' (ASX:GOR) emerging world class Yamarna Gold Project
- Over ~40km of strike in one of the most under-explored greenstone belts in the Yilgarn region of Western Australia
- Exploration to focus on Camp Scale gold targets

Cazaly Resources Limited (ASX: CAZ, "Cazaly" or "the Company") is pleased to announce that it has reached an agreement to purchase all the shares in private exploration company Yamarna West Pty Ltd. Yamarna West's key asset is exploration licence application E38/3111 which covers the majority of the Mount Venn greenstone belt located in the north-eastern goldfields of Western Australia.

The Mount Venn exploration licence extends for approximately 40km covering nearly 200 square kilometres of the belt which is an offshoot of the *Yamarna Shear Zone* (YSZ). The YSZ zone is a major deep seated regional scale structure recently interpreted to be a domain boundary separating the *Yamarna* and *Burtville Terranes*. The YSZ is a complex structure of which the Mount Venn greenstones represent the footwall Western Zone of the structure. The Terranes are interpreted to be contemporaneous with the world class Kalgoorlie and Kurnalpi Terranes to the south and west.

The Mount Venn greenstone belt is analogous to the Dorothy Hills belt situated further to the east (figure 1) being discrete but regionally significant belts of greenstones which have been deformed by the Yamarna Shear Zone. Importantly, the Mount Venn greenstone belt hosts several internal granitoid intrusives and a major first order shear zone which transects through the middle of the belt.

This setting is analogous to that observed at Gold Road Resources' *Gruyere* gold deposit (148 Mt @ 1.30 g/t Au for 6.16M oz per GOR announcement dated 22 April 2016) which occurs within the Dorothy Hills greenstone belt. *Gruyere* is located on an inflection of the NW striking Dorothy Hills Shear, a first order structure transecting much of the belt and into which an internal granite, the *Gruyere* Porphyry (host to the gold mineralisation), has intruded.

The Mount Venn belt has a similar regional scale first order structure, the Jutsons Shear, with associated internal granitoids. This association of a major first order structure transecting the entire belt with internal granitoids will be the main focus of initial exploration at Mount Venn.

Of particular note is how under explored Mount Venn has been in the past, particularly for gold. Previous work has been piecemeal with little systematic exploration. For example, there has been very little drilling with just 15 reverse circulation, 74 aircore and 86 RAB holes drilled within the entire licence area. Regional soil geochemical surveys have been completed and give a good basis for targeting going forward.

### **Option to Purchase**

Cazaly has signed an option to purchase all the shares in Yamarna West Pty Ltd at a cost of \$15,000. The option gives Cazaly the exclusive rights to the purchase for a two month period. The purchase price, if exercised, is;

- 2.5 million fully paid ordinary Cazaly shares (Initial Shares), and
- 2.5 million Cazaly Options exercisable at double the price of the Initial Shares with an expiry date 3 years from issue, and
- 2.5 million Cazaly Options exercisable at at three times the price of the Initial Shares with an expiry date of 4 years from issue.

Cazaly's joint Managing Director Nathan McMahon said:

*"It is rare to secure such a large land position in an area rapidly becoming known as a world class gold camp. Coupled with the facts that the geological setting is analogous to the 6 million plus ounce *Gruyere* gold deposit and has had very little systematic modern exploration makes the Mount Venn project a particularly exciting opportunity for the Company".*

### **ENDS**

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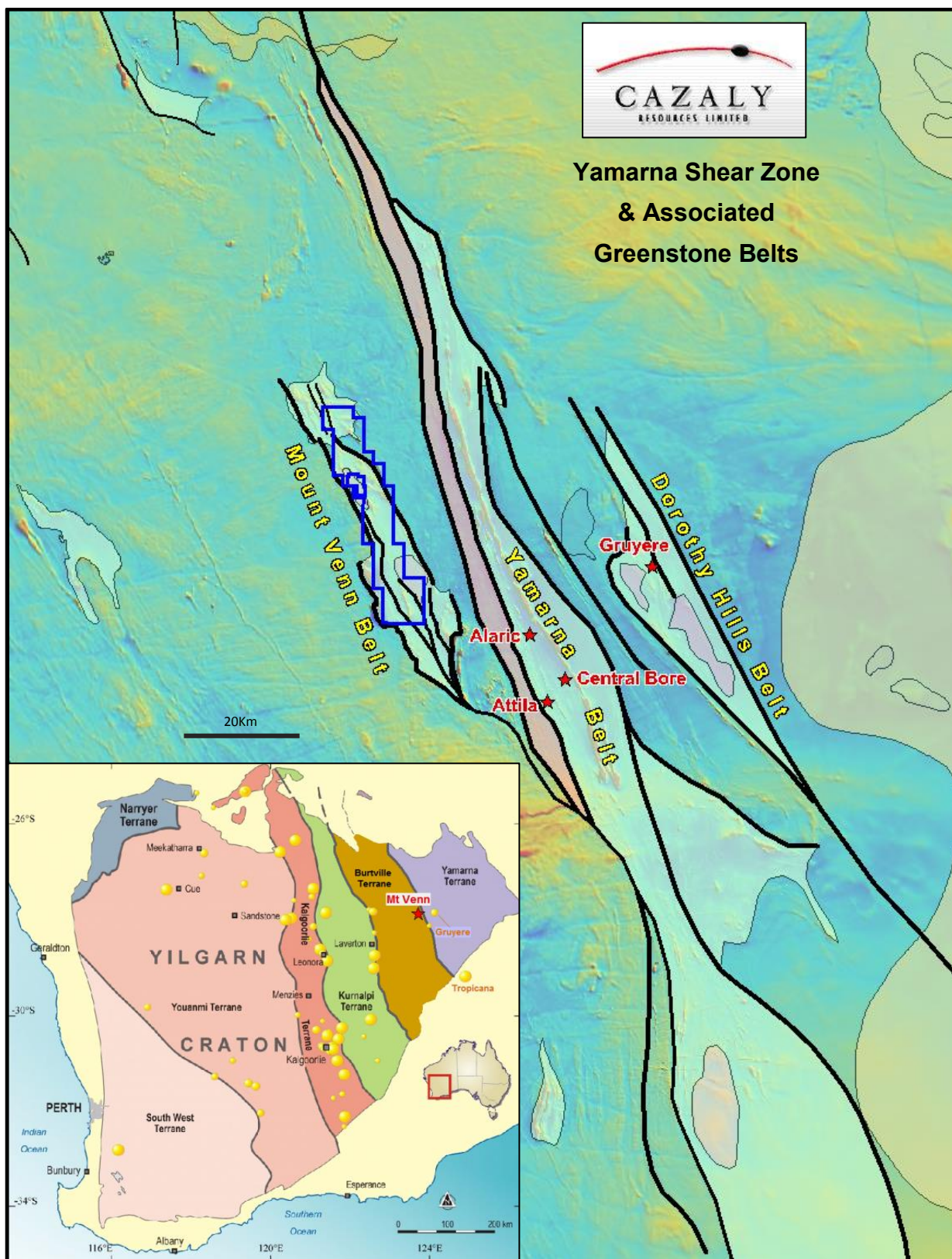


Figure 1: The geotectonic setting of the Yamarna Shear Zone and associated greenstone belts