

CAZALY RESOURCES LIMITED

EXPANDS MOUNT VENN GOLD PROJECT

Adjoins Gold Roads' Yamarna Gold Project

- **New exploration licence application expands project from 200 km² to 390 km²**
- **Company position covers ~50km 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**
- **Database being compiled, significant gold targets being identified**
- **Exploration to focus on Camp Scale gold targets**

Cazaly Resources Limited (ASX: CAZ, "Cazaly" or "the Company") is pleased to announce that it has further expanded its position over the Mount Venn greenstone belt with the application of a new Exploration Licence. This licence surrounds the Company's existing E38/3111 which covers the majority of the Mount Venn greenstone belt located in the north-eastern goldfields of Western Australia. The Company's holdings now extend for ~50 km, or ~90%, of the known strike extent of the greenstone belt.

The Mount Venn gold project is located 125 km northeast of Laverton and just 40 km west of Gold Road Resources' *Gruyere* gold deposit (148 Mt @ 1.30 g/t Au for 6.16M oz per GOR announcement dated 22 April 2016). The Mount Venn belt lies adjacent to the boundary between the Burtville and Yamarna Terranes and has many similarities with the Dorothy Hills greenstone belt which hosts *Gruyere*.

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 also contains major shears and internal granites which is the current focus of targeting by the Company.

The Mount Venn belt is probably one of the most under explored greenstone belts for gold in Western Australia. Whilst regional scale geophysical and surface geochemical programmes have been undertaken in the past the focus has been on nickel and base metal exploration and there has been almost no systematic drilling undertaken for gold. Currently the company is rebuilding the database, has reprocessed the geophysics and is designing exploration programmes with a focus on targeting large 'Camp Scale' gold deposits. The work is highlighting major areas of interest and more information will be supplied once this work is more advanced.

Cazaly has also commenced negotiations with the traditional landowners and native title holders with a view to expedite the grant of the licences and to gain access to the ground.

Cazaly's joint Managing Director Nathan McMahon said:

"We are pleased to have expanded our position over the recently acquired Mount Venn project. Our current work is highlighting several stand out major gold targets and we are keen to expedite our agreements with the local landowners to commence exploration over this very exciting project".

ENDS

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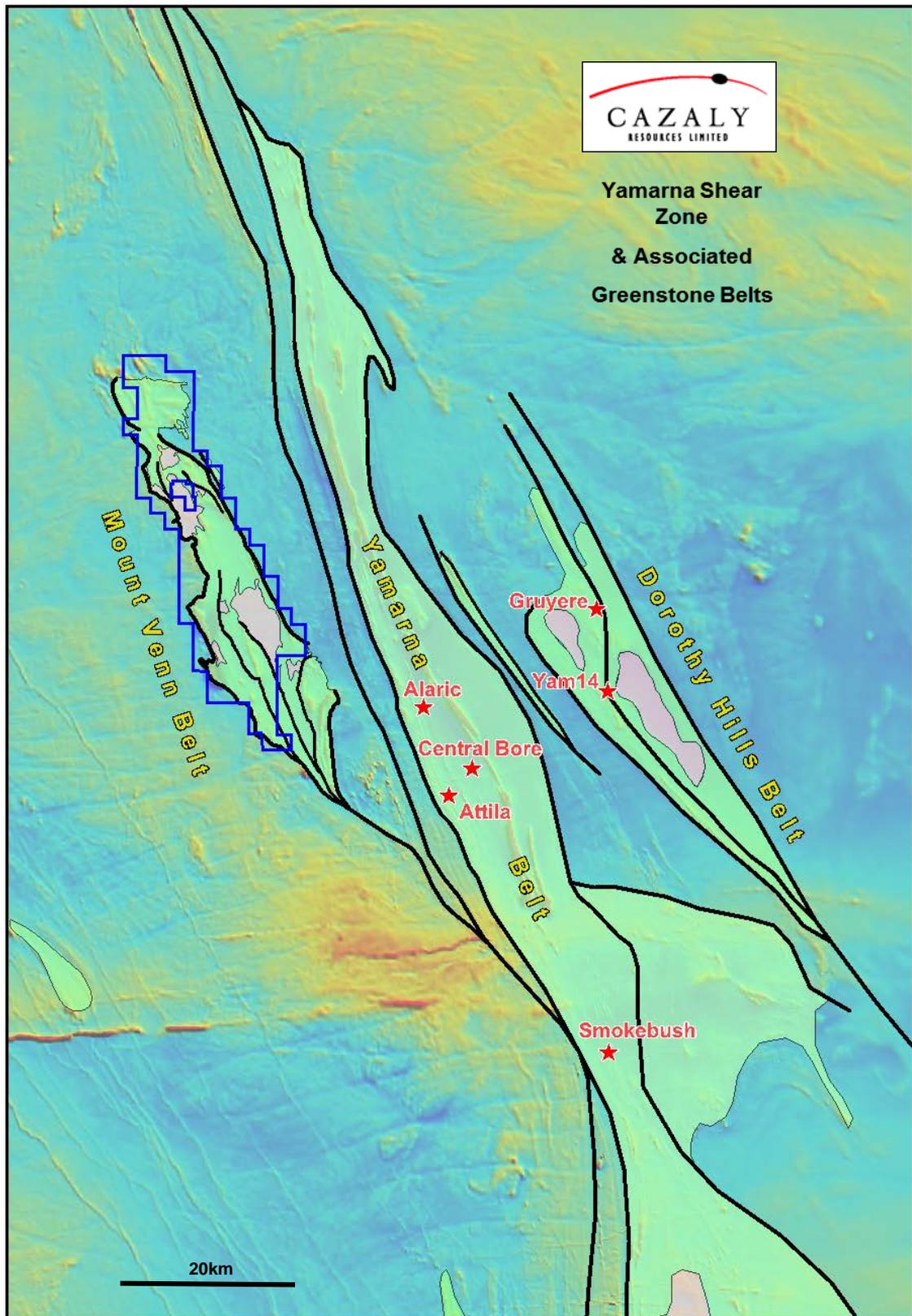


Figure: Geotectonic Setting of the Mount Venn Greenstone Belt

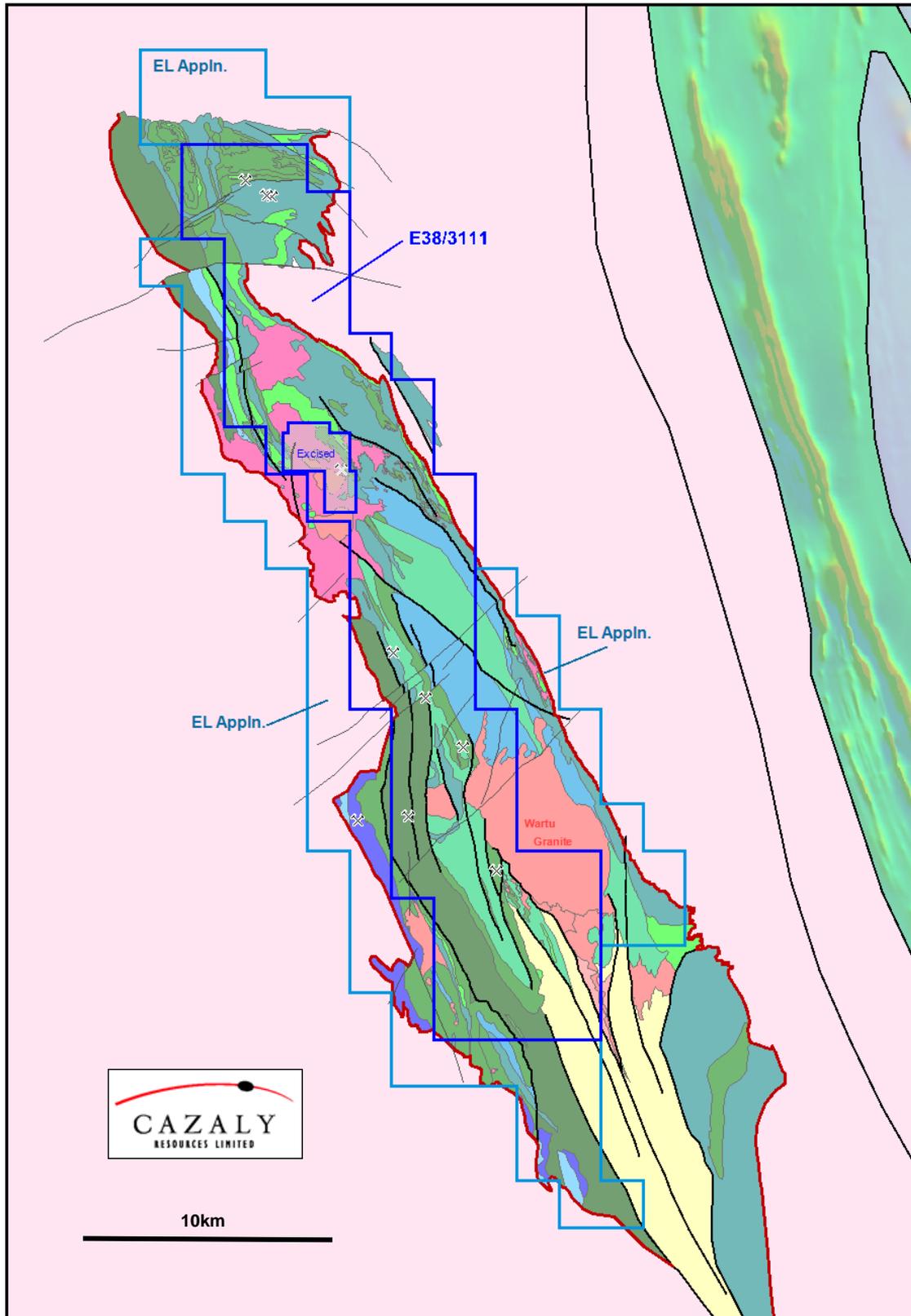


Figure: Geology of the Mount Venn Greenstone Belt