

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

CAZALY RESOURCES LIMITED

ABN

23 101 049 334

Quarter ended ("current quarter")

31 December 2015

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (6 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for		
	(a) exploration and evaluation	(163)	(368)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(262)	(473)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	2	2
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes received	-	-
1.7	Other – Tenement bonds	-	-
Net Operating Cash Flows		(423)	(839)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) plant & equipment	-	-
	(b) equity investments	-	-
	(c) subsidiaries	-	-
	(d) prospects	-	-
1.9	Proceeds from royalties and sale of:		
	(a) prospects	-	-
	(b) equity investments	155	155
	(c) other fixed assets	-	-
	(d) subsidiaries	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other	123	123
Net investing cash flows		278	278
1.13	Total operating and investing cash flows (carried forward)	(145)	(561)

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1.13	Total operating and investing cash flows (brought forward)	(145)	(561)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	205	205
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from convertible notes	200	200
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other - costs of share issues	(3)	(3)
	Net financing cash flows	402	402
	Net increase (decrease) in cash held	257	(159)
1.20	Cash at beginning of quarter/year to date	205	621
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	462	462

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	97
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions 1.23 includes directors fees and salaries for executive and non-executive directors.	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

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	\$A'000
4.1 Exploration and evaluation	100
4.2 Development	-
4.3 Production	-
4.4 Administration	125
Total	225

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	462	205
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	462	205

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	Managed			
	E52/3020	Robinson Ranges	100%	0%
	E80/4774	Halls Creek	100%	0%
	Not Managed			
	P46/1360	Quartz Circle	20%	0%
	P46/1361	Quartz Circle	20%	0%
	P46/1362	Quartz Circle	20%	0%
	P46/1363	Quartz Circle	20%	0%
	P46/1364	Quartz Circle	20%	0%
	P46/1365	Quartz Circle	20%	0%
6.2 Interests in mining tenements acquired or increased	P46/1366	Quartz Circle	20%	0%
	E69/2230	Nebo	100%	0%
	Not Managed			
	P46/1825	Quartz Circle	0%	20%
	P46/1826	Quartz Circle	0%	20%
	P46/1827	Quartz Circle	0%	20%
	P46/1828	Quartz Circle	0%	20%
	P46/1829	Quartz Circle	0%	20%

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Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security	Amount paid up per security
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	130,477,121	130,477,121		Fully paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	(*)	(*)		
7.5 +Convertible debt securities	2	-	\$100,000	Convertible notes with a maturity date of 31 December 2016, zero % interest rate and convertible at \$0.03 plus a free attaching option on the basis of one option for every two shares issued on conversion (with an exercise price of \$0.04 and an expiry date of 5 January 2018).
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	2	-	\$100,000	Convertible notes with a maturity date of 31 December 2016, zero % interest rate and convertible at \$0.03 plus a free attaching option on the basis of one option for every two shares issued on conversion (with an exercise price of \$0.04 and an expiry date of 5 January 2018).

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7.7	Options <i>(description and conversion factor)</i>	100,000 3,500,000		<u>Exercise price</u> \$0.107 \$0.180	<u>Expiry date</u> 31 July 2016 26 November 2016
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

(*) 6,831,667 fully paid ordinary shares (issue price of \$0.03) and 3,425,834 unlisted options (exercisable at \$0.04 on or before 5 January 2018) were issued on 6 January 2016 as part of a share placement as announced to the ASX on 22 December 2015.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Date: 29 January 2016
(Company Secretary)

Print name: Mike Robbins

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.