

CAZALY RESOURCES LIMITED

EXERCISES OPTION TO ACQUIRE MAJOR GOLD PROJECT

Adjoins Gold Roads' Yamarna Gold Project

- Option to purchase Yamarna West Pty Ltd, holder of licence application over the majority of the Mount Venn greenstone belt has been exercised
- Mount Venn belt associated with the *Yamarna Shear*, host to Gold Road Resources' (ASX:GOR) emerging world class Yamarna Gold Project
- Exploration to focus on Camp Scale gold targets

Cazaly Resources Limited (ASX: CAZ, "Cazaly" or "the Company") is pleased to announce that it has exercised its option 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.

Cazaly is currently reviewing the database and planning future exploration programmes whilst negotiating access agreements.

This setting is analogous to 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.

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. Regional geochemical surveys have been completed and provide a good basis for targeting going forward. These surveys have identified many untested anomalies (Figure 1).

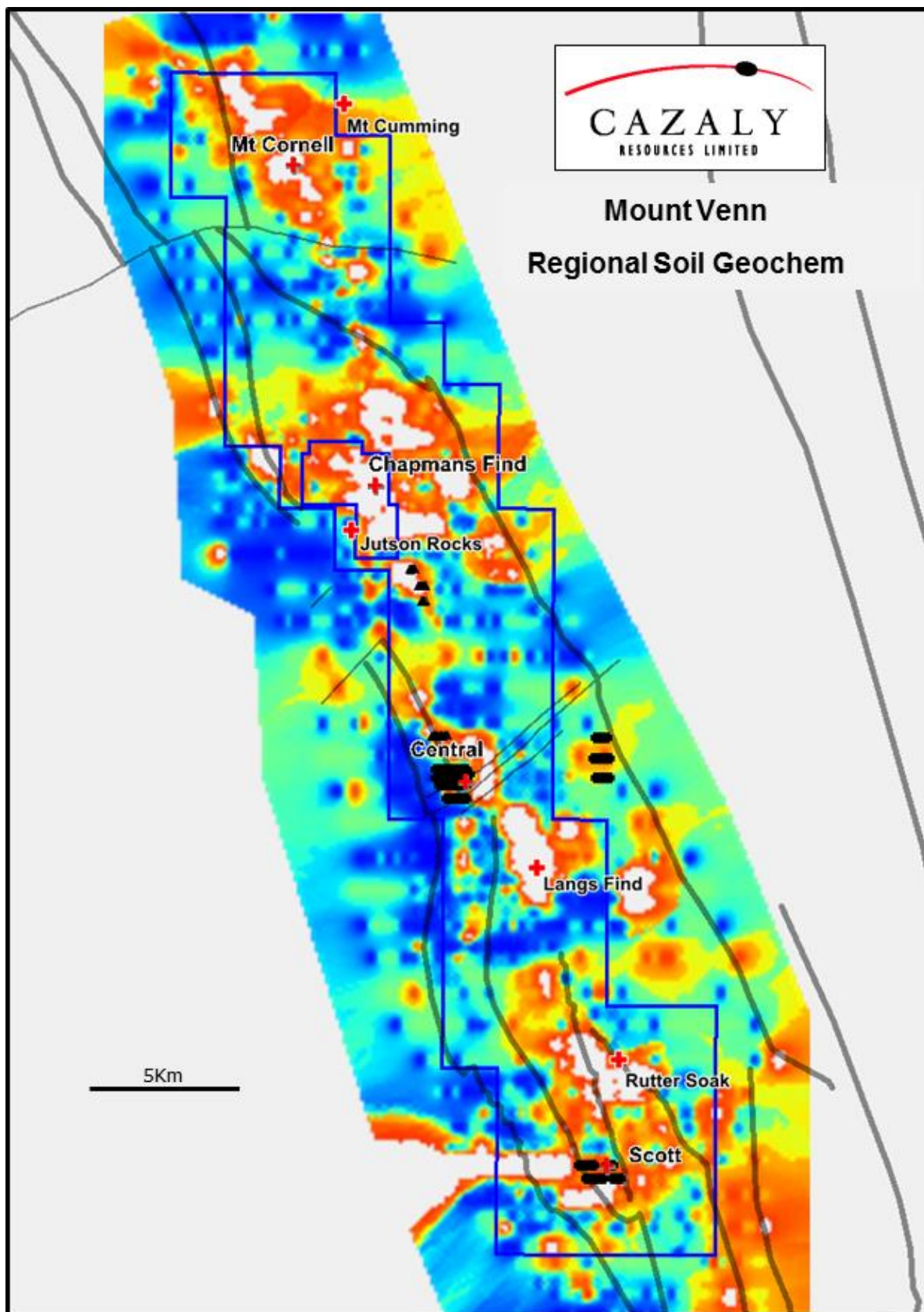


Figure 1 – Regional Soil Geochemistry

The Option exercise price is:

- 2.5 million fully paid ordinary Cazaly shares (Initial Shares), and
- 2.5 million Cazaly Options exercisable at an exercise price of \$0.144 with an expiry date 3 years from issue, and
- 2.5 million Cazaly Options exercisable at \$0.216 with an expiry date of 4 years from issue.

Cazaly's joint Managing Director Nathan McMahon said:

"The exercise of the option allows Cazaly to expedite land access and progress the exploration planning for this very exciting project".

ENDS

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