

## CAZALY RESOURCES Limited

### Cazaly Increases its Iron Ore Holdings in the Pilbara

- Tenements in the *Marillana*, *Mt Stuart* and *Mt Walkins* Projects granted
- All projects adjacent to other major resources and contain highly prospective stratigraphy
- Reconnaissance exploration confirms prospectivity of *Mt Stuart* and *Mt Walkins* Projects
  - Rockchips up to 60.5% Fe (*Mt Stuart*)
  - Historical Drilling - 18m @ 55.3% Fe (*Mt Walkins*)
- Exploration to commence at *Marillana* Project during current field season
- Additional tenure to be determined by ballot

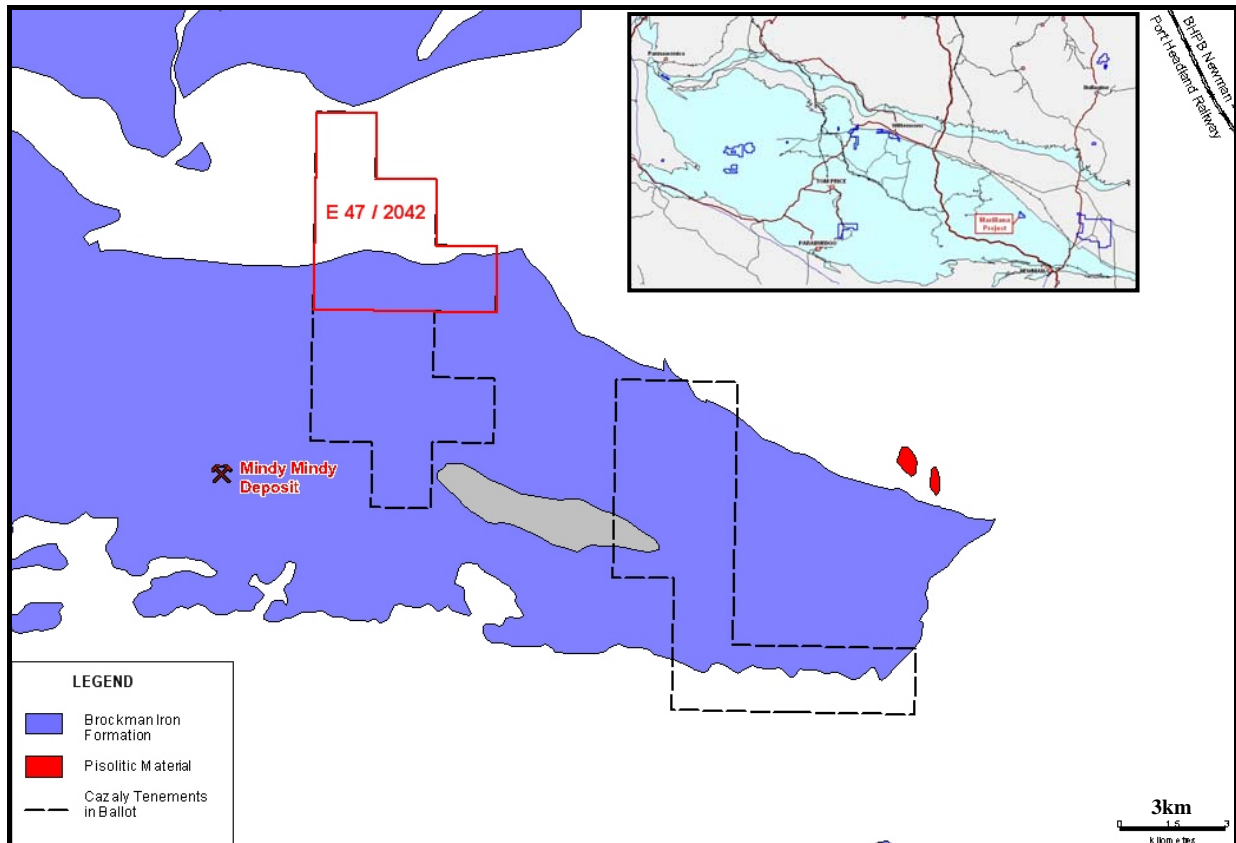
Cazaly Resources Limited (Cazaly) is pleased to announce the granting of several tenements highly prospective for Iron Ore in the Pilbara region of Western Australia. These tenements form the *Marillana* Project, located just 20km from the large Rhodes Ridge Deposits, the *Mt Stuart* Project, located less than 5km from the Mt Farquhar 17 Deposit and the *Mt Walkins* Project, an extension of Hancock Prospecting's Drillers Ridge Deposit (prospective tonnage currently stated at 430Mt).

The new tenements complement Cazaly's existing tenure in the Pilbara, particularly the Hamersley Project which contains the potential continuation of FMG's massive Solomon prospect (see Cazaly ASX announcement of 23<sup>rd</sup> March 2010).

#### **Marillana Project**

The *Marillana* Project (E47/2042) covers 19 km<sup>2</sup> in a highly prospective iron ore region, adjacent to the Rhodes Ridge Project and only 6km to the northeast of Consolidated Minerals' 44.8Mt Mindy Mindy Deposit. The tenement covers over 5km strike of prospective Brockman Iron Formation which appears to have undergone little modern exploration. Exploration is planned to commence during the current field season.

Nearby railway infrastructure provides development advantages, with BHP Billiton's Newman – Port Hedland Railway Line approximately 20km to the east of the Project and Rio Tinto's Yandicoogina Railway approximately 30km to the west.



**Figure 1: Marillana Project Geology with Cazaly tenements in upcoming ballots**

Cazaly also has two additional tenement applications in the region, both of which will be determined by ballot between other resource companies including FMG, Brockman Resources Ltd, Atlas Iron Ltd and Hancock Prospecting Pty Ltd.

### **Mt Stuart Project**

The Mt Stuart Project (E47/2012 & E47/2027) is prospective for Marra Mamba-hosted bedded iron deposits as well as channel iron deposits. E47/2012 contains outcropping Marra Mamba Formation, with enriched ore at surface. The prospective strike length of the Marra Mamba Iron Formation is approximately 3.8km and is situated between Rio Tinto's Mt Farquar 17 Deposit and Fortescue Metals' Mt Farquar Deposit. The eastern tenement is prospective for pisolitic material, with the presence of a pisolitic body identified in the north of the tenement.

A helicopter reconnaissance trip has recently been completed, involving geological mapping and rock-chipping to assess the potential of the tenements. Field reconnaissance confirmed a

600m long outcropping channel iron deposit on E47/2027 with a best result of 60.5% Fe. Smaller pisolite mesa occurrences were also found on E47/2012. Drilling will be required to identify high grade Marra Mamba Iron Formation mineralisation similar to Rio Tinto's and Fortescue Metals' deposits.

### **Mt Walkins Project**

The Mt Walkins Project (E47/1561) is contiguous with Hancock Prospecting's Drillers Ridge Deposit, reported to contain over 430Mt. During a drilling program completed by Hancock Resources a hole was drilled within the Company's granted tenement area. The drillhole, FS157, was drilled to a depth of just 18m and terminated in the high-grade Dales Gorge Member with **2m @ 60.6% Fe** reported. Depth extensions have not tested with only a small portion of the Dales Gorge Member drilled. No other drilling has been completed on the tenement; however Hancock Prospecting has completed extensive drilling on the neighbouring tenement. Cazaly is currently seeking environmental and heritage approvals to commence exploration at the Project.

The Mt Walkins Project is strategically placed amongst existing infrastructure and emerging new projects. Existing infrastructure includes major roads linking the tenement to Fortescue Metals' proposed Kennedy Railway Spur for their Solomon Deposit.

### **SUMMARY**

The Parker Range Iron Ore project remains the key focus for Cazaly given its low capital expenditure requirements and the supreme infrastructure advantages but there remains significant value to be created from the highly prospective Pilbara iron ore projects.

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*The information in this report that relates to Exploration Results and Activities of the Projects owned by Cazaly Resources Ltd is based on information compiled by Mr. Gregory Miles, who is a Member of The Australian Institute of Geoscientists and is an employee of the Company. Mr Miles has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Miles consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*