

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 March 2011

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 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	(170)	(6,049)
(b) development	-	-
(c) production	-	-
(d) administration	(108)	(483)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	63	117
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other – Tenement bonds	-	-
Net Operating Cash Flows	(215)	(6,415)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	(14)
(c) other fixed assets	(4)	(14)
1.9 Proceeds from sale of:		
(a) prospects	2,786	4,000
(b) equity investments	28	106
(c) other fixed assets	-	4
(d) subsidiaries	-	1,380
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities (recoupment of exploration and evaluation expenditure from Joint Venture participant)	7	229
1.12 Other (Joint Venture Management Fees)	35	46
Net investing cash flows	2,852	5,737
1.13 Total operating and investing cash flows (carried forward)	2,637	(678)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	2,637	(678)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	2,686	2,829
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	2,550
1.17	Repayment of borrowings	(2,672)	(2,672)
1.18	Dividends paid	-	-
1.19	Other - costs of share issues	-	(2)
	Net financing cash flows	14	2,705
	Net increase (decrease) in cash held	2,651	2,027
1.20	Cash at beginning of quarter/year to date	2,767	3,391
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	5,418	5,418

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	106
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 and superannuation 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	-	-

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Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	1,000
4.2	Development	-
4.3	Production	-
4.4	Administration	250
Total		1,250

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	200	61
5.2 Deposits at call	5,218	2,706
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	5,418	2,767

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	E69/2363	100% Owned	100%	0%
	E80/4127	100% Owned	100%	0%
	E38/1837	100% Owned	100%	0%
6.2 Interests in mining tenements acquired or increased	E25/0439	100% Owned	0%	100%
	E25/0440	100% Owned	0%	100%
	E25/0441	100% Owned	0%	100%
	E25/0443	100% Owned	0%	100%
	E25/0444	100% Owned	0%	100%
	E46/0734	100% Owned	0%	100%
	E47/2326	100% Owned	0%	100%
	E47/2376	100% Owned	0%	100%
	E77/1792	100% Owned	0%	100%

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Appendix 5B
Mining exploration entity quarterly report

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 (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
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	121,089,125	121,089,125		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	11,929,242	11,929,242	\$0.20	\$0.20
7.5 +Convertible debt securities				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

7.7	Options <i>(description and conversion factor)</i>	100,000		<i>Exercise price</i> 80.36 cents	<i>Expiry date</i> 5 October 2011
		250,000		86 cents	19 June 2012
		75,000		39 cents	14 September 2012
		225,000		45 cents	26 October 2012
		100,000		30 cents	22 May 2013
		1,250,000		30 cents	1 July 2011
		500,000		25 cents	6 October 2011
		750,000		30 cents	6 July 2013
		750,000		40 cents	6 July 2016
		925,000		33 cents	11 January 2015
		100,000		49 cents	4 February 2015
		500,000		40 cents	11 February 2012
		2,550,000		53 cents	18 October 2012
300,000		52 cents	18 March 2014		
	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)	
7.8	Issued during quarter	300,000	-	<i>Exercise price</i> 52 cents	<i>Expiry date</i> 18 March 2014
7.9	Exercised during quarter	11,929,242	11,929,242	<i>Exercise price</i> 20 cents	<i>Expiry date</i> 28 February 2011
7.10	Expired during quarter	197,873	197,873	<i>Exercise price</i> 20 cents	<i>Expiry date</i> 28 February 2011
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

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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 April 2011
(Company secretary)

Print name: Lisa Wynne

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.

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