

CAZALY RESOURCES LIMITED

EXTENSIVE COPPER MINERALISATION CONFIRMED AT MOUNT ANGELO NORTH

- All results now received from maiden Cazaly drilling programme at *Mt Angelo North Copper* prospect
- Excellent contiguous Copper-Zinc-Silver mineralisation drilled over ~250 metres of strike
- Better results include;
 - 64m @ 2.72% Cu, 62m @ 2.41% Cu, 38m @ 2.65% Cu plus 13m @ 6.74% Zn & 15m @ 6.00% Zn
- Deposit remains open to south

Cazaly Resources Limited (**ASX: CAZ**, “Cazaly” or “the Company”) has now received all assays from its maiden RC drilling programme over the Mount Angelo North prospect at the Halls Creek Copper project, located in the Kimberley region of Western Australia. The Halls Creek Copper project is subject to an agreement with 3D Resources Limited (**ASX: DDD**, “3D”) whereby Cazaly may earn up to a 75% interest in the project.

Joint Managing Director Nathan McMahon said the drilling, which commenced within the week of the Mount Angelo deal being announced, was the first drilling to be conducted at the project since 2008. “These results are extremely encouraging and the best news is that mineralisation continues south and remains open along strike and down plunge where we’ve seen intersections of 38 metres at 2.65% copper with significant zinc and silver credits.”

Drilling was aimed at confirming results from historic drilling, infill drilling and testing the immediate southern extensions of the deposit. Mineralisation comprises massive and stringer copper sulphides, principally chalcocite and chalcopyrite, characteristic of volcanic massive sulphide (VMS) mineralisation. The deposit also contains appreciable zinc and silver with subordinate gold and lead.

Maximum single metre values returned from the drilling included; 13.5% Cu, 16.0% Zn, 7.06% Pb, 316 g/t Ag & 4.22 g/t Au.

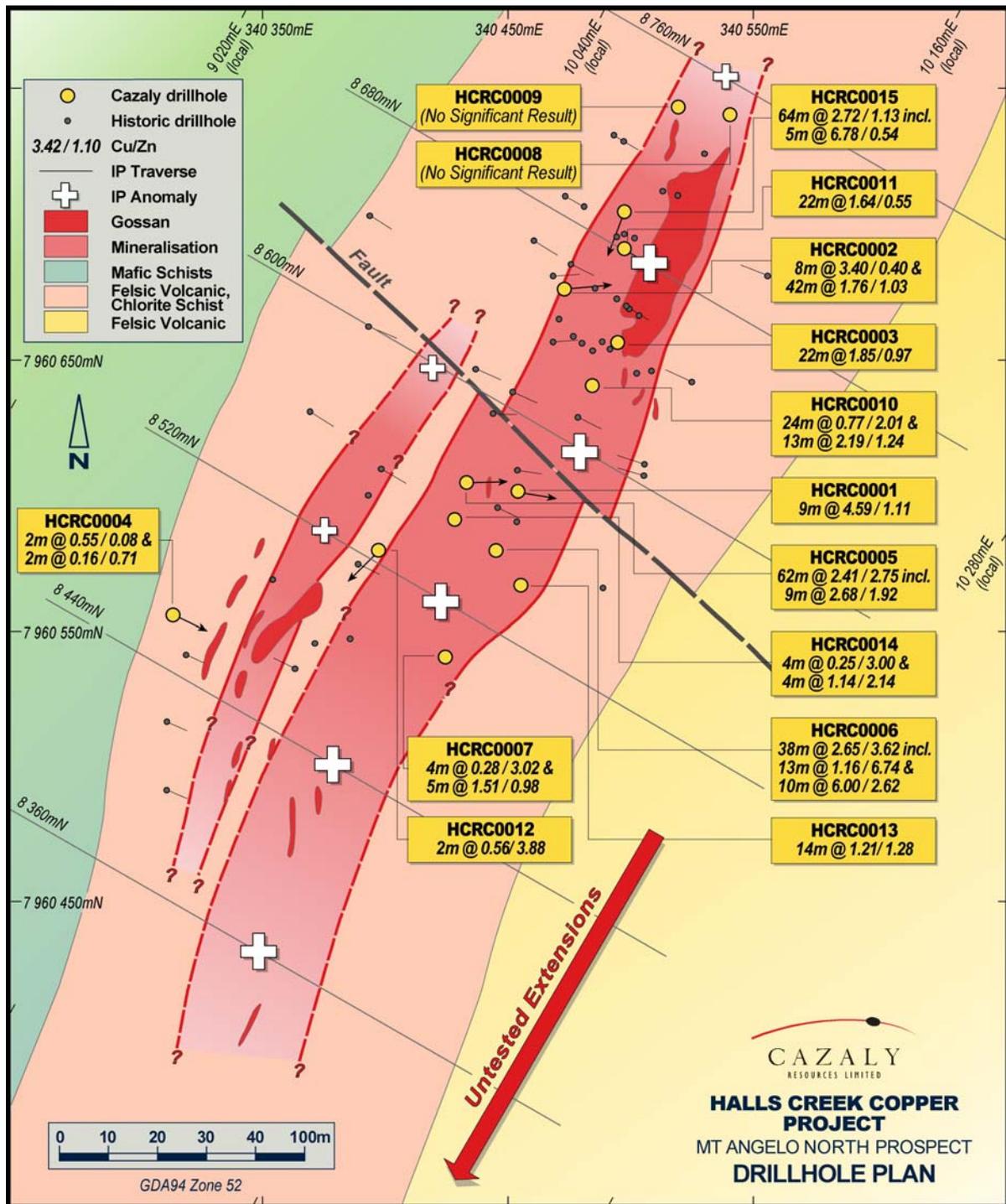


Figure 1: Mt Angelo North Prospect – Drilling and General Geology

The drill hole plan (Figure 1) shows the location of recent and historic drilling and highlights the potential for adding to the known mineralisation on the margins of the VMS body as well as along strike. In particular, ground electrical geophysical data shows targets to the south and down plunge which have not been tested by historic drilling (Figure 2).

The results from Cazaly's maiden drill programme have confirmed known copper-zinc-silver mineralisation over a minimum of ~200m and was successful in extending the mineralisation further south for an additional ~50m. This highlights and confirms the potential of the geophysical targets for a further 150m to the limits of the data at relatively shallow depths. These targets will be a high priority for phase 2 drilling in 2013.

Cazaly continues to progress the Mount Angelo North prospect with metallurgical samples currently being collected for test work (results are expected to be announced in Q1 2013).

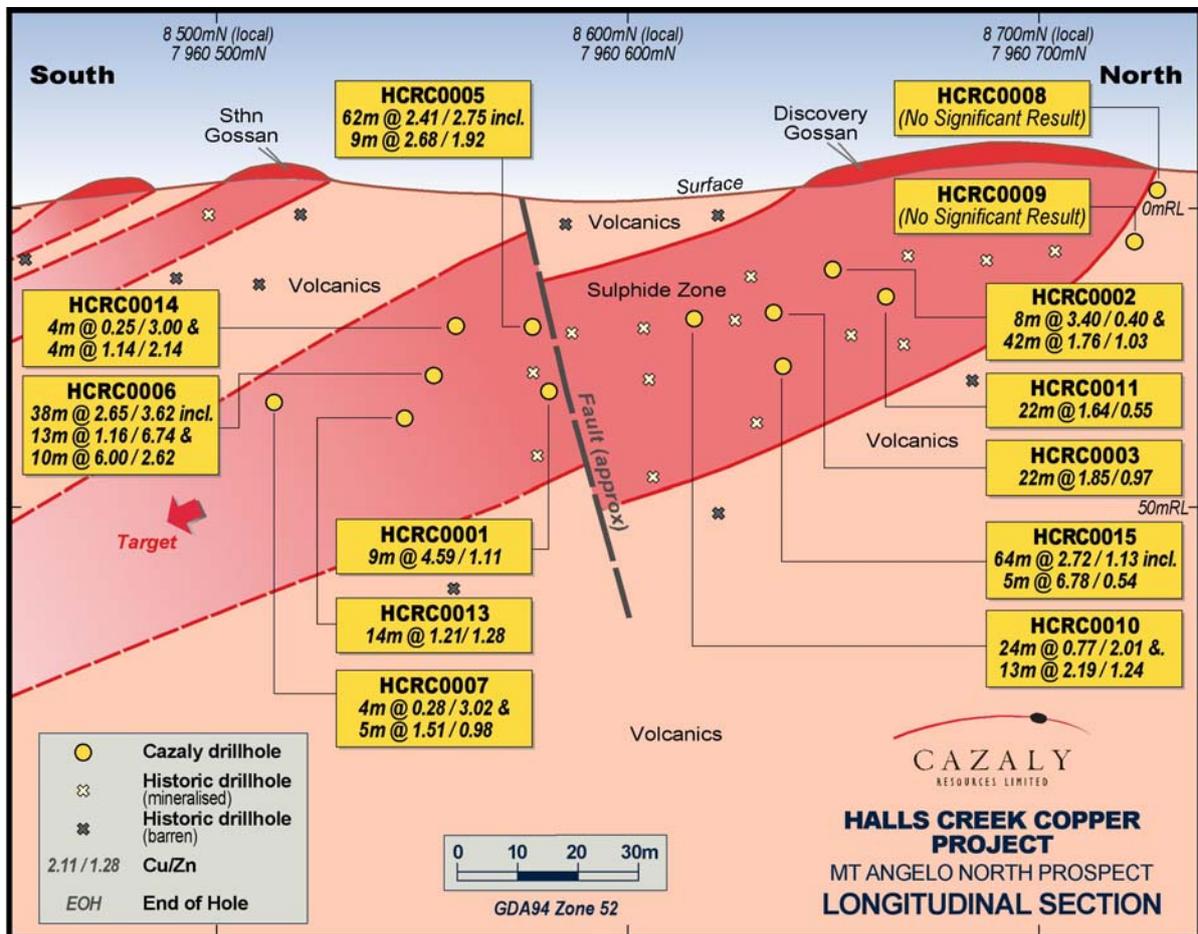


Figure 2: Long Section through Mount Angelo North Copper Deposit

A table of all drilling results from the recent programme is appended below.

The Mount Angelo North prospect has the added benefits of being located on a granted Mining Lease and is situated approximately 5 kilometres from the sealed Great Northern Highway located only 35 kilometres from the regional town of Halls Creek.

Further regional exploration is also being planned including geochemistry, geophysics and RC drilling. This work will begin to advance other prospects in the Halls Creek Copper Project including the significant Mt Angelo Porphyry located 2.5km to the south west of Mt Angelo North (Figure 3). The copper porphyry at this prospect was also last drilled in 2008 returning drill intercepts of up to **117m @ 0.32% Cu** and **150m @ 0.30% Cu** (CAZ: "Halls Creek Copper Project Joint Venture" – 30 October 2012 release to ASX).

ENDS

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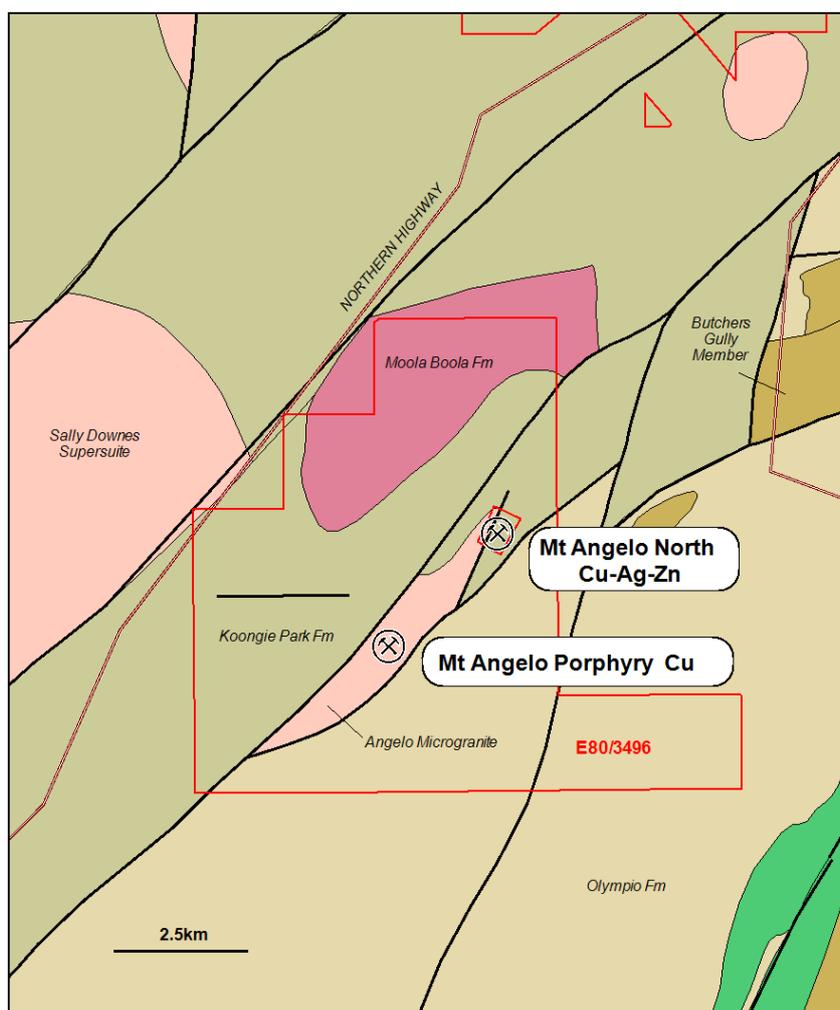


Figure 3: General geology of the Mount Angelo Area

The information that relates to exploration results and drilling data is based on information supplied by 3D resources Limited and compiled by Mr Clive Jones who is a Member of The Australasian Institute of Mining and Metallurgy and is an employee of the Company. Mr Jones has sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Jones consents to the inclusion of his name in the matters based on the information in the form and context in which it appears.

HoleID	East	North	GDA Grid	Hole Depth	GDA Azm	Dip	Intercept														
							From	To	Length	Cu (%)	Pb (%)	Zn (%)	Ag (ppm)	Au (ppm)							
HCRC0001	340454	7960585	MGA94_52	90	106	-60	37	40	3	0.20	<0.1	1.11	0.63	0.01							
							46	55	9	4.59	0.14	1.11	28.45	0.12							
HCRC0002	340473	7960658	MGA94_52	110	90	-60	12	20	8	3.40	0.59	0.40	16.36	0.07							
							21	27	6	0.24	0.30	0.11	24.54	0.13							
							27	69	42	1.76	0.09	1.03	10.56	0.09							
							45	49	4	0.72	0.12	3.75	9.17	<0.01							
							53	56	3	3.46	0.02	0.56	17.07	0.19							
			<i>and</i>				63	69	6	4.20	0.02	0.39	20.89	0.25							
HCRC0003	340495	7960636	MGA94_52	90	0	-90	17	27	10	0.67	0.96	0.20	71.49	0.94							
							26	48	22	1.85	0.04	0.97	9.41	0.05							
										<i>includes</i>				26	28	2	3.43	0.06	0.56	10.11	0.05
										<i>and</i>				28	36	8	0.76	0.04	1.85	5.21	0.03
										<i>and</i>				38	44	6	3.23	0.05	0.76	17.49	0.05
HCRC0004	340312	7960554	MGA94_52	138	120	-65	108	110	2	0.55	0.02	0.08	7.91	0.03							
HCRC0005	340433	7960590	MGA94_52	100	94	-60	24	86	62	2.41	0.10	2.75	16.00	0.04							
										<i>includes</i>				25	32	7	6.30	0.25	1.73	48.50	0.09
										<i>and</i>				53	56	3	1.32	0.18	5.06	13.60	<0.01
			<i>and</i>				61	76	15	1.71	0.17	6.00	16.78	0.03							
HCRC0006	340445	7960564	MGA94_52	114	0	-90	28	66	38	2.65	0.36	3.62	17.38	0.03							
										<i>includes</i>				28	41	13	1.16	0.69	6.74	15.55	0.00
										<i>and</i>				46	56	10	6.00	0.33	2.62	31.65	0.01
HCRC0007	340424	7960527	MGA94_52	144	0	-90	45	49	4	0.28	0.40	3.02	6.63	<0.01							
														56	61	5	1.51	0.05	0.98	7.51	0.05
														106	112	6	0.12	0.11	1.76	5.65	0.01
HCRC0008	340541	7960715	MGA94_52	42	0	-90	No Significant Assays														
HCRC0009	340520	7960720	MGA94_52	42	0	-90	No Significant Assays														

HoleID	East	North	GDA Grid	Hole Depth	GDA Azm	Dip	Intercept											
							From	To	Length	Cu (%)	Pb (%)	Zn (%)	Ag (ppm)	Au (ppm)				
HCRC0010	340485	7960621	MGA94_52	66	0	-90	8	32	24	0.77	2.60	2.01	47.88	0.59				
			<i>includes</i>				14	16	2	2.26	4.06	6.20	54.72	0.18				
							39	52	13	2.19	0.19	1.24	22.31	0.27				
			<i>includes</i>				42	49	7	3.35	0.28	1.73	33.96	0.39				
HCRC0011	340498	7960670	MGA94_52	84	116	-75	8	30	22	1.64	0.14	0.55	9.81	0.11				
			<i>includes</i>				23	26	3	5.43	0.60	0.38	9.74	0.11				
							38	41	3	6.32	0.20	2.17	43.50	0.65				
							47	52	5	2.58	0.84	0.55	20.61	0.38				
HCRC0012	340397	7960569	MGA94_52	120	227	-60	47	49	2	0.56	0.63	3.88	22.03	<0.01				
							74	76	2	0.09	<0.1	1.26	1.98	<0.01				
HCRC0013	340455	7960550	MGA94_52	102	0	-90	64	68	4	0.45	0.01	1.44	1.54	<0.01				
							72	86	14	1.21	0.16	1.28	8.89	0.13				
HCRC0014	340428	7960577	MGA94_52	78	0	-90	38	42	4	1.14	0.02	2.14	4.80	0.08				
HCRC0015	340498	7960684	MGA94_52	102	200	-50	14	78	64	2.72	0.06	1.13	12.00	0.19				
										<i>includes</i>				20	24	4	6.27	0.08
			<i>and</i>				30	35	5	6.78	0.04	0.54	25.12	0.72				
			<i>and</i>				38	42	4	7.91	0.01	0.11	15.18	0.34				
			<i>and</i>				46	48	2	1.31	0.30	4.45	11.71	0.08				

Notes:

All holes located by GPS with accuracy ± 5 metres

Down-hole surveys conducted between 40-60m intervals

There is insufficient geological information to determine the true widths of the mineralised intercepts

Cu, Pb, Zn and Ag analysed by 4 acid digest and ICP-MS finish

Au analysed by Fire Assay and AAS finish, Ag intercepts calculated using a 10ppm lower cut, two internal waste intervals of 2 metres allowable

Cu, Pb & Zn intercepts calculated using a 0.5% lower cut, two internal waste intervals of 2 metres allowable, (one interval of 3 metres waste allowable where geologically continuous)