

CAZALY RESOURCES Limited

MAIDEN RESOURCE EXCEEDS EXPECTATIONS Winmar Deposit, Hamersley Project

- Global Maiden inferred resource of 143mt @ 52.6% Fe (55.6% CaFe)
- Main CID Zone comprises 92mt @ 54.9% Fe (58.4% CaFe)
- Excellent potential to expand. Just 1.5km drilled from 2.8km long target
- Exploration Target revised to 250 to 300mt @ 52-55% Fe (55-59% CaFe)
- Project lies adjacent to FMG's Solomon deposits

Cazaly Resources Limited's (ASX: CAZ) is pleased to announce the maiden resource for its Winmar iron ore deposit located within the Hamersley Project. The project lies approximately 50km NE of the Tom Price township in the Pilbara Region of Western Australia, is well placed amongst existing infrastructure and lies immediately south of FMG's *Solomon* project.

The Company has previously highlighted significant areas prospective for Channel Iron Deposits (CID's) akin to those occurring at Solomon in the project area. Exploration over the first of these targets resulted in the discovery of significant mineralisation at *Winmar*. The Company has since conducted several drill programmes over the discovery and now presents its initial resource for the deposit as follows;

Winmar Deposit - Inferred Resource Estimate

Ore Type	Total						
	Tonnes t	Fe %	CaFe %	Al ₂ O ₃ %	P %	SiO ₂ %	LOI %
Upper Detrital	36,260,000	45.9	47.1	3.00	0.03	11.74	2.64
Mid Level CID	92,260,000	54.9	58.4	2.22	0.04	4.95	6.02
Bedded Zone	14,880,000	55.0	59.3	2.20	0.05	4.41	7.32
Total	143,400,000	52.6	55.6	2.42	0.04	6.61	5.30

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Mineralisation occurs as three types; an Upper Detrital Zone, a Mid Level CID and a basement Bedded Iron zone. Of these the CID mineralisation is the most pervasive and important. The zone contains the bulk of the resource and has favourable chemical properties. A programme of metallurgical test work is underway to examine a range of potential beneficiation techniques including screening, scrubbing, heavy liquid separation and magnetic separation to further improve the chemical properties of the ore.

Importantly, much of the target at Winmar has yet to be explored. The resource has been estimated from over 1.5km of strike from a total target strike length of approximately 2.8km. The size of this initial resource is substantially more than what was expected and accordingly the exploration target for the deposit has now been revised upwards to **250 to 300mt @ 52-55% Fe (55-59% CaFe)** based upon the results to date and the geometric extent of the target. Note that the Company's exploration target includes potential quantity and grade and is conceptual in nature. There has been insufficient exploration to define these extended mineral resources and it is uncertain if further exploration will result in the determination of such further mineral resources.

For further information please contact:

Nathan McMahon/ Clive Jones
Joint Managing Directors
Cazaly Resources Limited
Tel: +618 9380 4600
Em: admin@cazalyresources.com.au

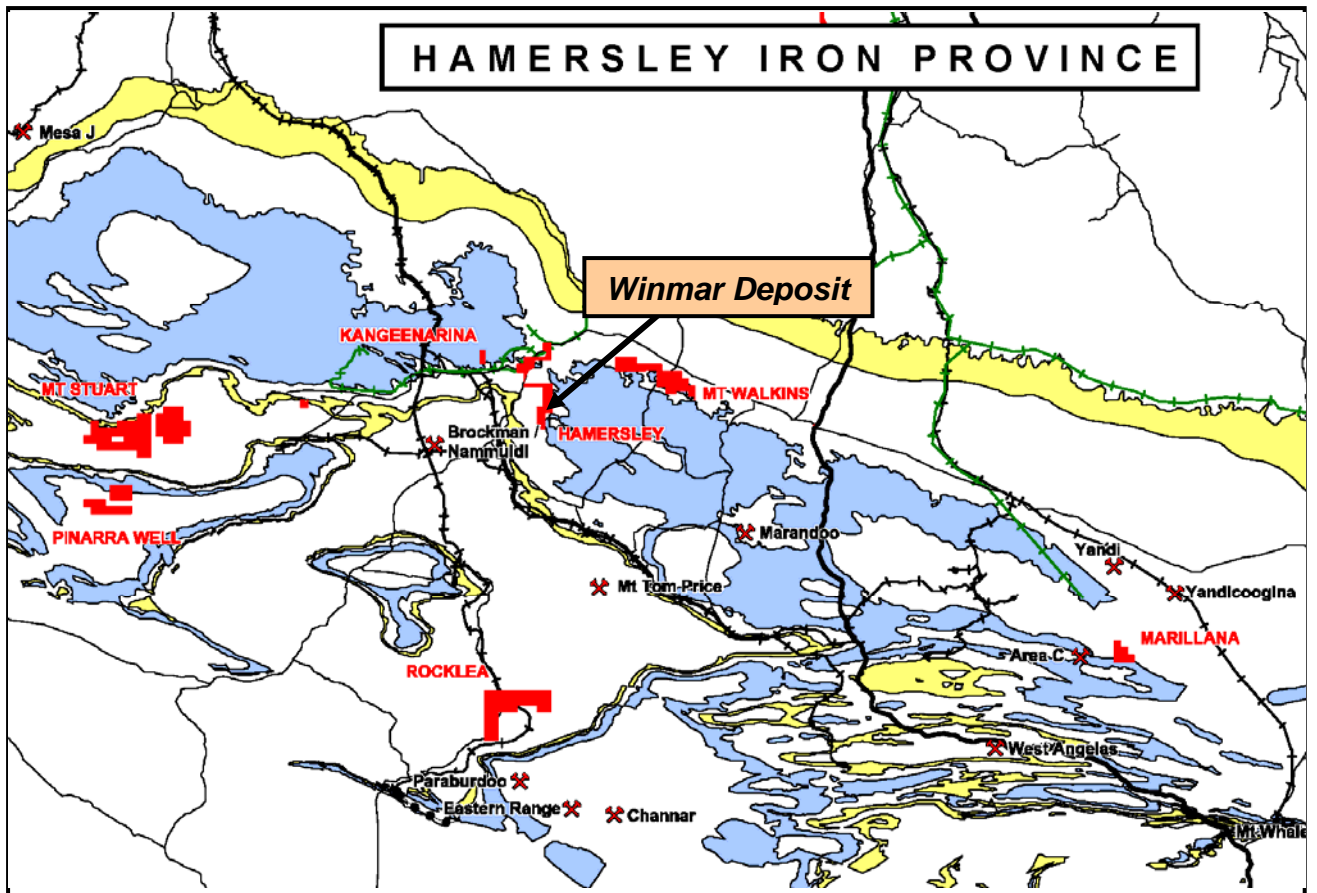
David Tasker
Professional Public Relations
Tel: +618 9388 0944/ +61 433 112 936
Em: david.tasker@ppr.com.au

Website: www.cazalyresources.com.au

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. Clive Jones, who is a Member of The Australian Institute of Geoscientists and is an employee of the Company. Mr. Jones 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. Jones consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

*The resource estimate was based upon the following parameters;
Wireframe used a 50% Fe cut off (CID and Bedded zones) & a 38% cutoff (Detrital zone), 26 RC & 3 Sonic drillholes on 250-500m drill line spacings, block sizes 10mE, 10mW, 5m RL with sub-blocks of 2mE, 2mW, 1mRL modelled using Inverse Distance Power (2) and SG's of 2.56 (Detrital), 2.6 (CID) & 3.2 (Bedded). Resource reports blocks >52% Fe (CID & Bedded) and >40% Fe (Detrital).*

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