CAZALY RESOURCES LIMITED
ACN 101 049 334

Annual and Final Surrender Report

WINNECKE – EL25641

For the Period
26 July 2007 to 25 July 2008

Northern Territory

Exploration Activities on Tenements: EL25644

Sheet 1:250 000: Alice Springs (SF 53-14)
Sheet 1:100 000: Laughlen (5751)
Project Operator: Cazaly Resources Limited
Author: G Miles
Date: November 2008

Distribution: 1. Department of Regional Development, Primary industry, Fisheries and Resources
2. Cazaly Resources Limited
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Figure 1: Winnecke Project Tenement Location Plan, 1: 250 000 scale 5
1.0 SUMMARY

The Annual Mineral Exploration Report on the Winnecke Project (EL25641) details exploration activities undertaken by Cazaly Resources Limited (Cazaly) during the reporting period from 26 July 2007 to 25 July 2008. This report also marks the final surrender report for the tenement.

The tenement is located within the Winnecke Goldfields approximately 65km northeast of Alice Springs. The project can be found on the Laughlen (5751) 1:100,000 and the Alice Springs (SF53-14) 1:250,000 map sheets.

During the reporting period Cazaly conducted an open file search over the tenement and completed a field reconnaissance program.
2.0 INTRODUCTION

The Annual and Final Surrender Report on EL25641 details exploration work undertaken by Cazaly Resources Limited (Cazaly) during the reporting period from 26 July 2007 to 25 July 2008.

Exploration Licence EL25641 is located within the Winnecke Goldfield approximately 65km northeast of Alice Springs.

Access is gained by travelling north along the Stuart Highway from Alice Springs, then via the Arltunga Tourist Drive to “The Garden” then via local station tracks. The Arltunga Tourist Drive and station tracks are gravel roads which may be difficult to access after heavy rain. The terrain is very rugged and wooded, resulting in most of the tenement only being accessed by foot.

3.0 TENURE

Exploration Licence EL25641 was granted to Sammy Resource Limited (a wholly owned subsidiary of Cazaly Resources Ltd) on the 26th July 2007. The tenement covers 1 sub-block.

The tenement lies on the The Garden pastoral lease.
4.0 GEOLOGY

4.1 Regional Geology
EL25641 is located in the Strangeways Range Metamorphic Complex in the Eastern Arunta Province. The Metamorphic Complex is dominated by mafic and felsic rocks with lesser gneisses and calc-silicate rocks.

The Arunta Province has been subjected to several regional orogenic events. Significant gold mineralization occurs in extensively deformed zones of faulting, shearing and greenschist metamorphism marking the boundary between the Arunta Province and Amadeus Basin.

4.2 Local Geology
The local geology is dominated by almost fresh outcrops of felsic and calc-silicate rocks with very weak shearing or foliation.

5.0 EXPLORATION ACTIVITIES

Exploration by Cazaly Resources Limited during the period included an open file data review and reconnaissance field visit.

5.1 Previous Exploration
There is no record of any major exploration in the tenement area. The adjoining Winnecke Goldfield has had a long period of exploration and mining although no production figures are available.

5.2 Field Reconnaissance
A field trip was undertaken to ground truth some of the historic gold and copper mines and mineral occurrences which are recorded in the NTGS mineral occurrence database. These mines and occurrences could not be located. Further, no mineralised vein or shear structures were observed in the tenement.
6.0 CONCLUSION

The field reconnaissance trip did not provide sufficient encouragement to continue exploration on the tenement. Therefore the tenement has been recommended for surrender.

7.0 FUTURE WORK PROGRAM

As the tenement has been recommended for surrender, no future work program is proposed.

8.0 REFERENCES