



CAZALY RESOURCES LIMITED
ACN 101 049 334

Partial Surrender Report
QUARTZ HILL PROJECT
EL24838

For the Period
06 April 2006 to 05 April 2010

VERIFICATION REPORT

Exploration Activities on Tenement:	EL24838
Sheet 1:250 000:	Illogwa Creek (SF53-15)
Sheet 1:100 000:	Quartz (5951)
Project Operator:	Cazaly Resources Limited
Author:	Eduardo Ruaro
Date:	September 2010
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1.0 SUMMARY

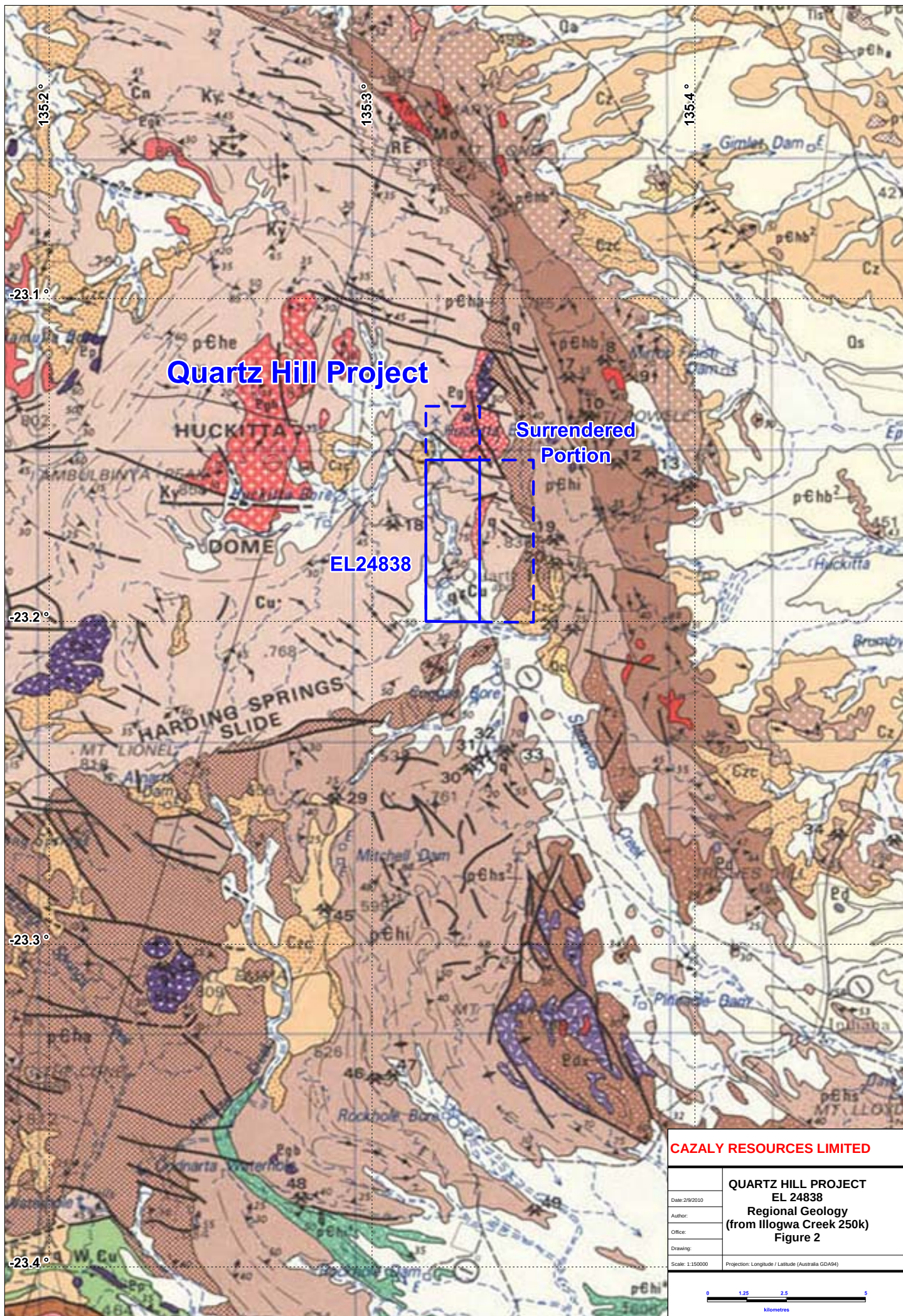
The Mineral Exploration Report on the Quartz Hill Project details exploration activities undertaken by Cazaly Resources Limited from 06th April 2006 to 05th April 2010 on the surrendered ground.

Exploration Licence 24838 lies within the Harts Range province of the eastern Arunta block in the Northern Territory, approximately 150km east-northeast of Alice Springs (Figure 1). The area is considered prospective for base metals, Nickel, Rare Earth Elements (REE's) and uranium.

EL 24838 was acquired by Cazaly Iron Pty Ltd, a wholly owned subsidiary of Cazaly Resources Limited, in April 2006. The lease was subsequently packaged and vended into the listing of Newera Uranium Ltd (Newera), which occurred on 6th June 2006. Newera withdrew from the Joint Venture on 5th August 2009 and Cazaly regained management of the Project. In 2009 Newera surrendered a portion of 7 sub-blocks and on the 5th April 2010 Cazaly surrendered a portion of 4 sub-blocks of EL 24838, this report details exploration activities conducted on the recently surrendered ground.

The lease has had no work done on them since late 1996, when work by Pacific Nuclear Corporation (PNC), a Japanese owned nuclear industry multi-national, was ceased. The Australian Federal Labour Government's Three Mines uranium policy had been introduced in 1983 and with the availability of cheap nuclear fuel from de-commissioned weaponry after the breakup of the Soviet Union, PNC withdrew from the country. Prior to that however mineralisation had been identified in several prospects in the Harts Ranges, and it was these results that had lead Cazaly to the area.

Exploration activities undertaken by Cazaly during the reporting period were limited to desk-top studies, including a review of the project geology and Newera's recent exploration.



Quartz Hill Project

Surrendered
Portion

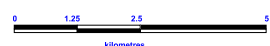
EL24838

CAZALY RESOURCES LIMITED

QUARTZ HILL PROJECT
EL 24838
Regional Geology
(from Illogwa Creek 250k)
Figure 2

Date: 2/9/2010
Author:
Office:
Drawing:

Scale: 1:150000 Projection: Longitude / Latitude (Australia GDA94)



Exploration Work Type	File Name	Format
Office Studies		
Literature search		
Database compilation		
Computer modeling		
Reprocessing of data		
General research		
Report preparation	EL24838_P_2010	pdf
Other (specify)		
Airborne Exploration Surveys		
Aeromagnetics		
Radiometrics		
Electromagnetics		
Gravity		
Digital terrain modelling		
Other (specify)		
Remote Sensing		
Aerial photography		
LANDSAT		
SPOT		
MSS		
Radar		
Other (specify)		
Ground Exploration Surveys		
Geological Mapping		
Regional		
Reconnaissance		
Prospect		
Underground		
Costean		
Ground geophysics		
Radiometrics		
Magnetics		
Gravity		
Digital terrain modelling		
Electromagnetics		
SP/AP/EP		
IP		
AMT		
Resistivity		
Complex resistivity		
Seismic reflection		
Seismic refraction		
Well logging		
Geophysical interpretation		
Other (specify)		
Geochemical Surveying		
Drill sample		
Stream sediment		
Soil		
Rock chip		
Laterite		
Water		
Biogeochemistry		
Isotope		
Whole rock		
Mineral analysis		
Other (specify)		
Drilling		
Diamond		
Reverse circulation		
Rotary air blast		
Air-core		
Auger		
Groundwater drilling		
All drilling		