

CAZALY RESOURCES Limited**PARKER RANGE PROJECT
PREFERRED RAIL PARTNER SELECTED**

- **Pacific National Bulk Rail to provide rail haulage services**
- **Complements recent mining, financing and marketing partnerships**
- **Completes entire mine to market solution**
- **Definitive Feasibility Study well underway**

Further to the Company's recent announcements regarding arrangements with HWE Mining and Euromin in respect to the development of the Parker Range Iron Ore Project (PRIOP), the Company announces that it has appointed *Pacific National Bulk Rail* as its preferred Rail Haulage provider for the line haul task from the rail head to the terminal at the Port of Kwinana.

Pacific National is a wholly owned subsidiary of Asciano Limited. Asciano is Australia's leading ports and rail company with annual revenue of approximately \$3 billion. Asciano is a listed entity that sits in the top fifty companies on the ASX. The combination of the Pacific National Bulk Rail business and the Patrick Ports business makes Asciano Australia's only independent provider of a fully integrated Port and Bulk Rail logistics solution. Pacific National has a significant presence on Western Australia's standard gauge network and operates the largest rail freight terminal in Australia at Kewdale which will be the operational base used to support the PRIOP.

This arrangement now completes a full mine to market solution for the project. The Company's partners will initially assist in the finalisation of the Definitive Feasibility Study (DFS) and will provide for the project as follows:

- **HWE Mining:** to provide financing for and the operation of the construction, mining, processing and transport of the ore to the rail head.
- **Pacific National Bulk Rail:** provision of capital items (locomotives, wagons) and rail haulage services from rail head to the Port at Kwinana.
- **Euromin/Tennant:** provision of a \$30million facility, primarily to fund the remaining capital costs of the project being the port facilities, and to jointly provide marketing for the product.

Contracts with the Company's preferred partners are currently being prepared and are subject to the economic allocation of port access, due diligence and relevant board approvals.

These arrangements are a major step forward for the potential development of the PRIOP. On the assumption that final agreements are successfully negotiated then they will provide a framework that will greatly reduce the capital requirements of the company whilst giving Cazaly access to highly credentialed and experienced operating partners.

The board of Cazaly looks forward to working very closely with its preferred partners as we progress the development of the Parker Range project.

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