



CZR Resources Ltd

ABN: 91 112 866 869
Level 24, 44 St George's Terrace
Perth Western Australia 6000
PO Box Z5183
Perth WA 6831

Phone: +61 8 6211 5099

Facsimile: +61 8 9218 8875

Website: www.czrresources.com

The Company Announcements Office, ASX Limited

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Update on Robe Mesa Iron Ore Project, Pilbara

PFS set for completion this year after strong progress on several fronts

CZR Resources Limited (ASX: CZR) is pleased to announce that the Pre-Feasibility Study (PFS) on its Robe Mesa Iron Ore Project in WA's Pilbara is progressing well and is set for completion in December this year.

The strong outlook for Robe Mesa has been confirmed by the Company's recent discussions with leading Asian steel mills and trading houses regarding the acceptability of the product and likely pricing points based on an indicative ore-specification.

These discussions have involved potential customers which are already active buyers of ~56% Fe products from Australia. This style of product comprises approximately 10% of the present Australian export volume.

The feedback from customers has been very positive, revealing there is strong demand in the market for lower-grade ore. This is illustrated by the product discount applicable to the market-leading 56% Fe ore being at its lowest level since 2016.

These discount rates, which are derived from the price for benchmark 62% Fe ore, mean that 56% Fe product similar to that which would be produced at Robe Mesa, is currently selling for more than US\$100 DMT on a CFR basis.

Given the current strength of the iron ore market, CZR is assessing a direct shipping ore (DSO) mining operation of 1.5 to 2.5 million tonnes per annum, utilising road-trains to haul ore approximately 400km from Robe Mesa to Port Hedland.

The PFS is focused on a simple, low capex DSO iron-ore mine that aims to maximise the use of existing infrastructure and a trucking model for transport of product to port. Closer port options (within a 100km radius of Robe Mesa) between Onslow and Dampier may present an opportunity to reduce the haulage distance to port, as other companies look to develop new port infrastructure along the coastline (Figure 1).

Robe Mesa has a JORC 2012-compliant Indicated and Inferred Resource of 84.5Mt at 53.8% Fe using a cut-off of 50% Fe and calcining to Fe at 60.2% (CZR release to ASX 8 February 2016). This includes a higher-grade resource component of 24.7Mt at 56% Fe (that calcines to 62.7% Fe) that is the focus of the PFS.

Of the key study components, the following activities have passed critical points in the study pathway.

1. Mine planning, including mine layout, mine design, and scheduling is well advanced, with the independent mining engineer visiting site last month (90% complete)
2. Establishing operating cost estimates for mining, processing and haulage costs is well advanced (75% complete)
3. Civil contractor has visited site as part of capital works pricing
4. Laboratory metallurgical test-work is well advanced (80% complete)
5. Desktop reviews regarding flora and fauna (100% complete)
6. Planning for advancement of approvals process commenced

Further updates will be provided as studies are completed and the pathway for permitting and potential timeline for development is determined.

Robe Mesa Iron-Ore Deposit Background

The Robe Mesa Iron-Ore Deposit (Robe Mesa) on the 85% CZR owned Yarraloola Project is located 150 kilometres southwest of Karratha and 20 kilometres to the east of a bitumen sealed highway that connects to all ports and towns along the coast of the Pilbara (Figure 1). The deposit is a “CID” ore-type reflecting the depositional environment of the iron-rich pisolites and fragments of iron-replaced wood in an ancient river channel. Robe Mesa is not an isolated deposit but part of a regional province. Robe Mesa is located between the Mesa A and Mesa J-K CID mines operated by RioTinto Ltd, adjacent to a road transport corridor established by BCI Minerals Ltd for the 134Mt @ 56.7% Fe Bungaroo Valley CID deposit (BCI release to ASX 18 October 2020) which has recently been purchased by Mineral Resources Ltd (BCI release to ASX 31 March 2020). The deposit is also adjacent to the railway corridor to transport future ore-reserves from the 1.5Bt @ 56% Fe of ore-resources in the Australian Premium Iron Joint Venture CID deposits extending from Cochrane to Cartho Well to the proposed port at Anketell.

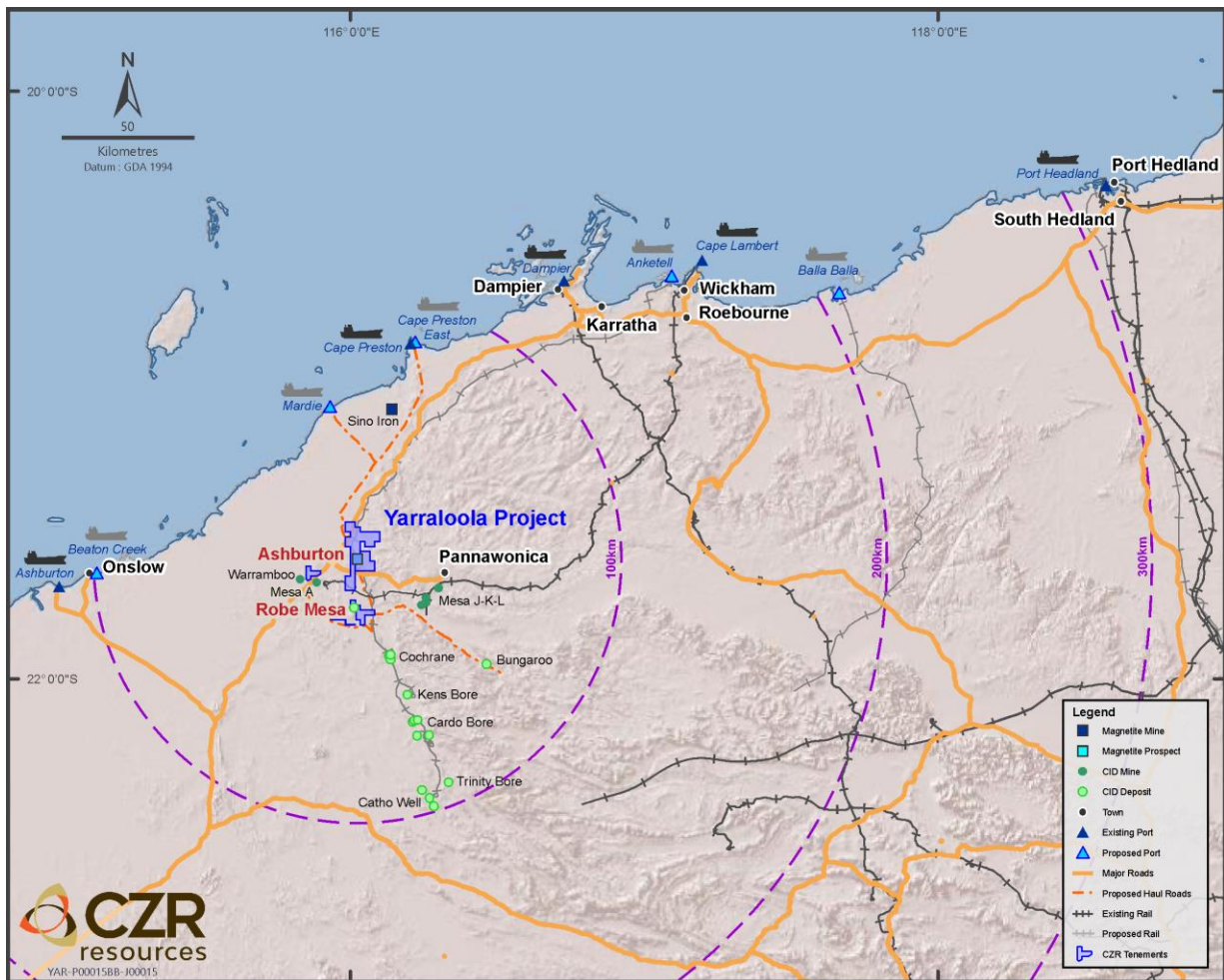


Figure 1 Location of the Robe Mesa in the West Pilbara.

CZR has completed three programmes of RC drilling at Robe Mesa that have delineated the geology and distribution of Fe (Figure 2; Figure 3). The pisolitic iron-stone which was deposited in a riverine channel consists of two cycles of deposition that are separated by variable thickness sandy and silty material with the Fe content of each cycle increasing towards its upper surface (Figure 3). The resulting independent JORC 2012-compliant resource for the Robe Deposit of 84.5Mt @ 53.8% Fe (calcining to 60.2% Fe) using a Fe cut-off of 50% includes material from both cycles of mineralisation (Table 1; (CZR release to ASX 8 February 2016). However at a 55% Fe cut-off, the higher grade 24.7Mt @ 56% Fe (calcining to 62.7%Fe) JORC 2012-compliant resource estimate is from the upper parts of depositional cycles and it is this material that is the focus of the PFS (Table 2).

Future work to bring the Robe Mesa into production will require the conversion of the Exploration License to a Mining Lease and the completion of a range of studies to obtain the statutory approvals for mining.

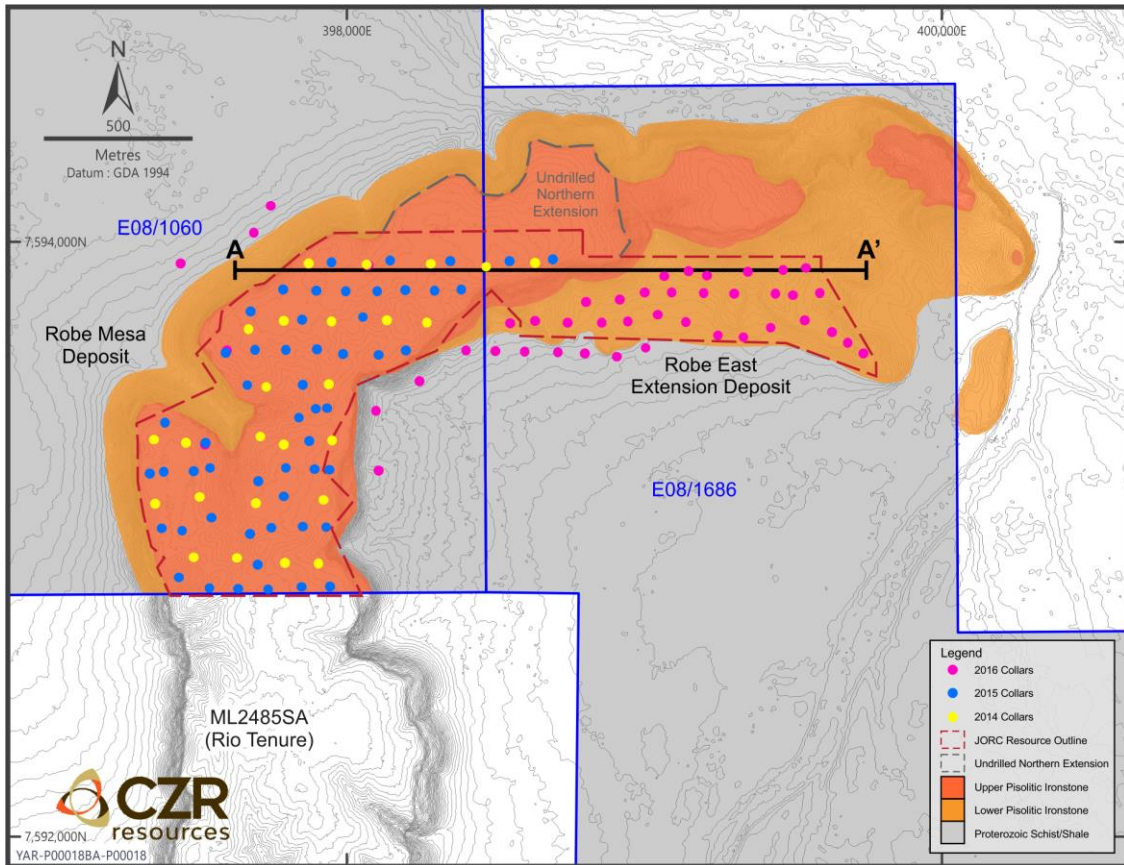


Figure 2 Location of the reverse circulation drill-collars on the Robe Mesa and Robe East Extension deposits that have been used to generate the JORC2012-compliant resource estimates (CZR release to the ASX 8 February 2016 and 26 April 2017).

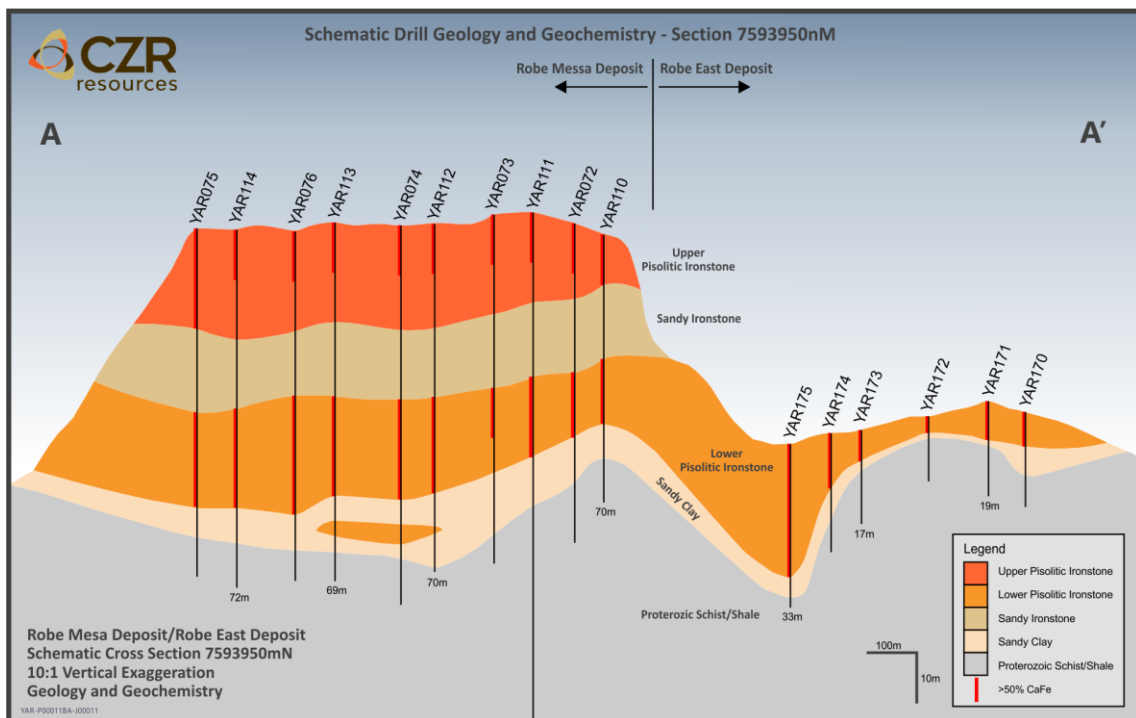


Figure 3 Representative cross-section of the Robe Mesa deposit showing the distribution and grade of the pisolitic iron-stone that contributes to the generation of the JORC2012-compliant resource estimate (CZR release to the ASX 8 February 2016).

Table 1 Total Robe Mesa JORC-compliant resource with the Fe cut-off greater than 50% as reported by CZR to the 8 February 2016.

Category	Tonnes	Fe	SiO ₂	Al ₂ O ₃	TiO ₂	LOI	P	S	Fe _{ca}
	Mt	%	%	%	%	%	%	%	%
Indicated	65.7	53.8	8.27	3.43	0.14	10.63	0.041	0.018	60.2
Inferred	18.8	53.8	8.22	3.42	0.14	10.71	0.046	0.017	60.3
Total	84.5	53.8	8.26	3.43	0.14	10.64	0.042	0.018	60.2

*Fe_{ca} is the calcined iron-content calculated as (Fe%/(100-LOI%))*100 and represents the amount iron after the volatiles (mainly held as weakly bound water in the structure of the hydrous iron-rich minerals) is excluded from the analysis.*

Table 2 Higher grade portion of the Robe Mesa JORC-compliant resource with the Fe cut-off greater than 55% as reported by CZR to the ASX 8 February 2016.

Category	Tonnes	Fe	SiO ₂	Al ₂ O ₃	TiO ₂	LOI	P	S	Fe _{ca}
	Mt	%	%	%	%	%	%	%	%
Indicated	19.5	56.0	5.95	2.72	0.10	10.71	0.043	0.017	62.7
Inferred	5.2	56.0	5.79	2.76	0.10	10.71	0.047	0.016	62.7
Total	24.7	56.0	5.92	2.73	0.10	10.71	0.044	0.016	62.7

*Fe_{ca} is the calcined iron-content calculated as (Fe%/(100-LOI%))*100 and represents the amount iron after the volatiles (mainly held as weakly bound water in the structure of the hydrous iron-rich minerals) is excluded from the analysis.*

This announcement is authorised for release to the market by the Board of Directors of CZR Resources Ltd.

Media

For further information, contact:

Paul Armstrong

Read Corporate

+61 8 9388 1474

Competent Persons Statement

The information in this report that relates to mineral resources, exploration activities and results is based on information compiled by Rob Ramsay (BSc Hons, MSc, PhD) who is a Member of the Australian Institute of Geoscientists. Rob Ramsay is the Managing Director of CZR Resources Ltd and a Geologist with over 35 years of experience and 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 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Rob Ramsay has given his consent to the inclusion in this report of the matters based on the information in the form and context in which it appears.

The Company confirms all material assumptions and technical parameters underpinning the resource estimates in the relevant market announcements continue to apply and have not materially changed.