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The Company Announcements Office, ASX Limited

26 July 2021

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**June 2021 Quarterly Activities Report**

**Robe Mesa iron ore project advancing rapidly with feasibility study underway.**

**Plus drilling for gold at Buddadoo has started.**

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**Highlights:**

**Corporate**

- \$7.28 million raised (before costs) through private share placement and share purchase plan

**Robe Mesa Iron-Ore Project – Pilbara**

- \$5 million budget allocated to progress the conversion of the exploration licences to appropriate mining tenure, optimize the prefeasibility study and acquire approvals for mining
- Pre-feasibility Study showed Robe Mesa has potential to generate strong financial returns based on production of 2Mtpa

**Yarrie Iron-ore – Pilbara**

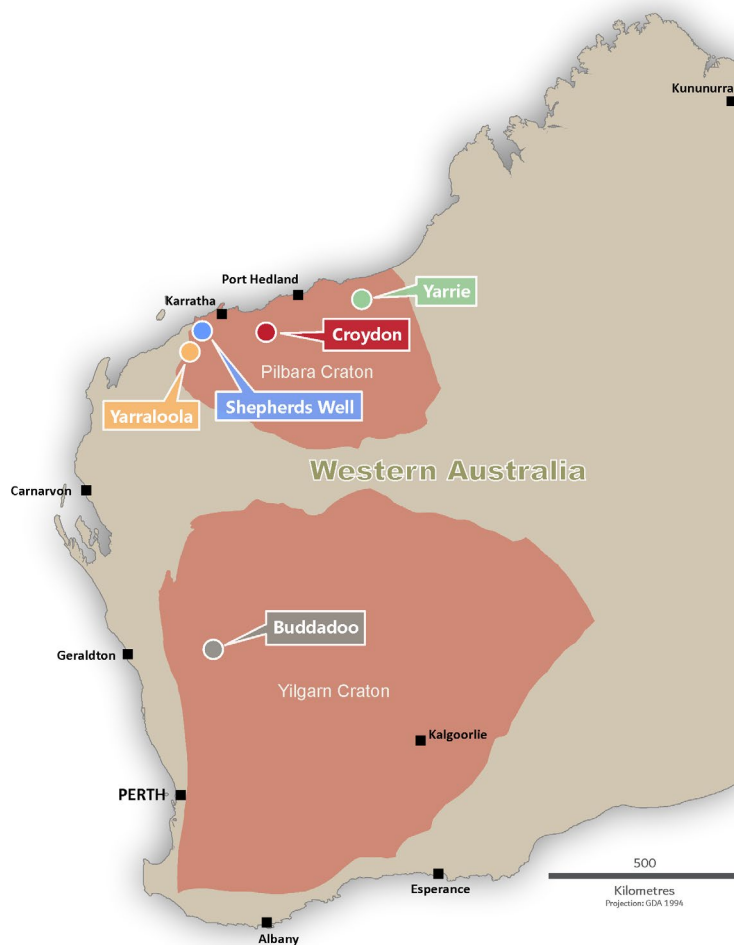
- Field inspection, mapping and sampling of key prospects has commenced

**Buddadoo Gold – Yilgarn**

- Heritage clearance completed on seven targets for up to 5000 metres of RC drilling
- 24 RC holes for 2,298 metres completed on first target prior to a weather interruption
- Drilling set to resume when conditions allow

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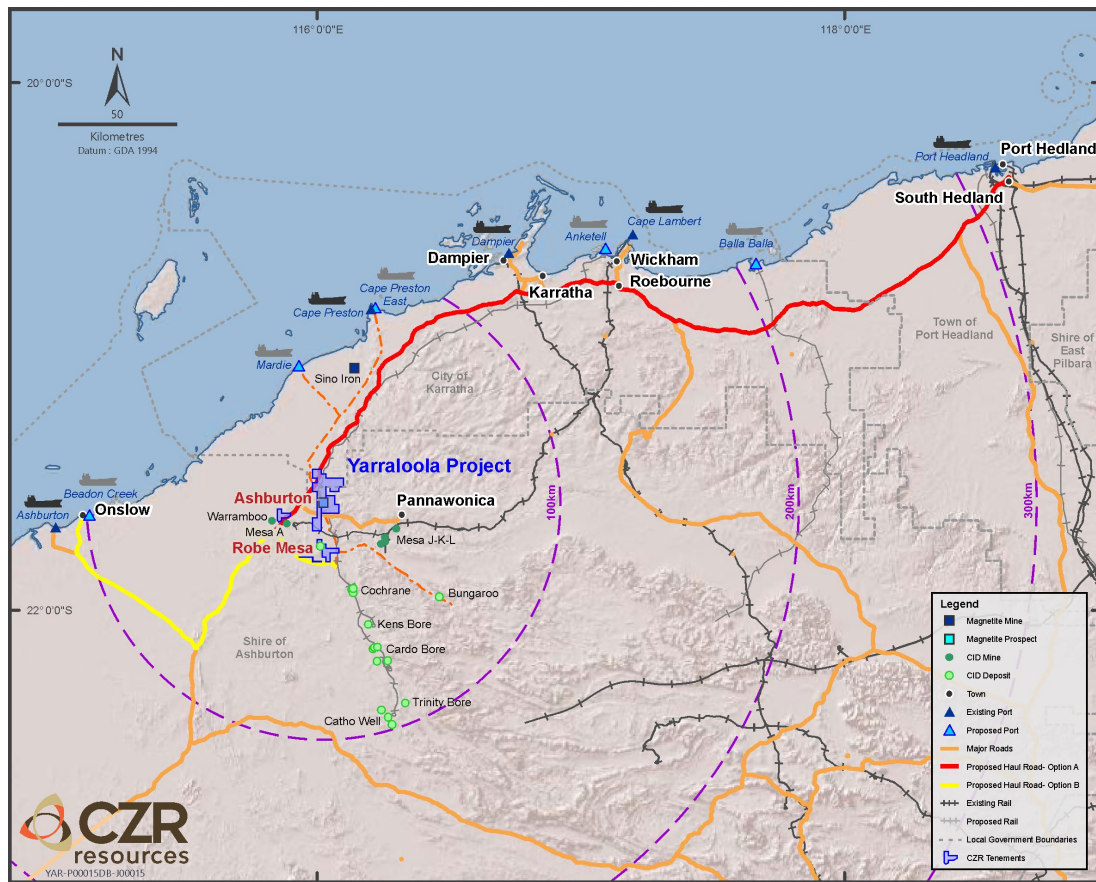
CZR Resources Ltd (ASX: CZR) (“**CZR**” or “**Company**”) has a controlling joint-venture interest in five exploration projects in Western Australia with Creasy Group. Activities during the quarter were distributed across the Robe Mesa iron-ore deposit on the Yarraloola Project and the Yarrie iron ore project, both in the Pilbara, and the Buddadoo project in the Murchison Province of the Yilgarn (**Figure 1**).



**Figure 1.** Location of the five CZR exploration projects in Western Australia with the Robe Mesa deposit hosted by the Yarraloola Project.

**ROBE MESA IRON-ORE DEPOSIT (Yarraloola Project) – WEST PILBARA (CZR 85%)**

The Robe Mesa is a channelised deposit of iron-ore (CID; **Appendix A**) with the potential to deliver strong financial returns based on a maiden JORC2012 Probable Ore Reserve of 8.2Mt at 56 % Fe and a two million tonne per annum mining operation, hauling by road to Port Hedland at an assumed benchmark iron ore price of US\$90/dmt and an assumed Australian dollar exchange rate of US70c (**Figure 2**; CZR release to the ASX 10 December 2020).



**Figure 2** Location of the Robe Mesa deposit on the Yarraloola project in the West Pilbara and the proposed PFS haul-route for the iron-ore from the Robe Mesa CID deposit to Pt Hedland and an alternate haul-route to Beadon Creek at Onslow.

### Activities and Results

In the period since the release of the prefeasibility study on the Robe Mesa iron-ore deposit, CZR had been advancing a range of activities that provide milestones to bring the project into production and opportunities to optimise the project economics. Work that has been completed includes the following.

- The proposed mine-site and processing area has been covered by mining lease application M08/533 and this is progressing through the statutory process (CZR release to the ASX: 7 April 2021).
- Potential hydrological impacts from the Robe River and adjacent drainage systems on the proposed mine and infrastructure layout has been assessed.
- Potential sources of groundwater to support the development, process-site, camp and for dust-suppression have been identified.
- First-stage surveys of flora and fauna for the base-line impact assessment that are required for the future approval for mining have been completed (CZR release to the ASX: 11 March 2021).
- Topographic and heritage data has been acquired to outline the preferred route of the 35 kilometre haul-road between the proposed mine-site and the North-west coastal highway.
- An introductory meeting with the Robe River Kuruma Native Title representative body in Karratha in late May discussed a framework for the approval of the mining operation and a compensation agreement which will be required for grant of the mining lease (CZR release to the ASX: 29 June 2021).
- Engagement with the Onslow Marine Support Base has provided a base-line for discussions with the operators around the environmental constraints, materials handling engineering, approvals process and timelines and commercial parameters relevant to the development of the Beadon Creek facility

into an iron-ore transshipping operation which represents a 60% less haul distance than to Pt Hedland (CZR release to the ASX: 29 June 2021).

Following from the capital raising announced on 7 June 2021, the Board of Directors approved a budget of \$5 million and the appointment of Increva as Project Managers towards the delivery of a definitive feasibility study for mining, haulage and export of iron-ore from the Robe Mesa deposit.

Field programmes scheduled to commence in the September Quarter include:

- Establishment of the drill-access and infill drill sites on areas previously cleared for heritage.
- A heritage clearance survey for the new infill drill-access on the Robe Mesa and a temporary mobile field-camp.
- Groundwork for the camp establishment and new drill-access.
- Follow-up surveys of the flora and fauna studies at the optimal sampling times.
- Commencement of RC drilling for the resource and reserve upgrade.

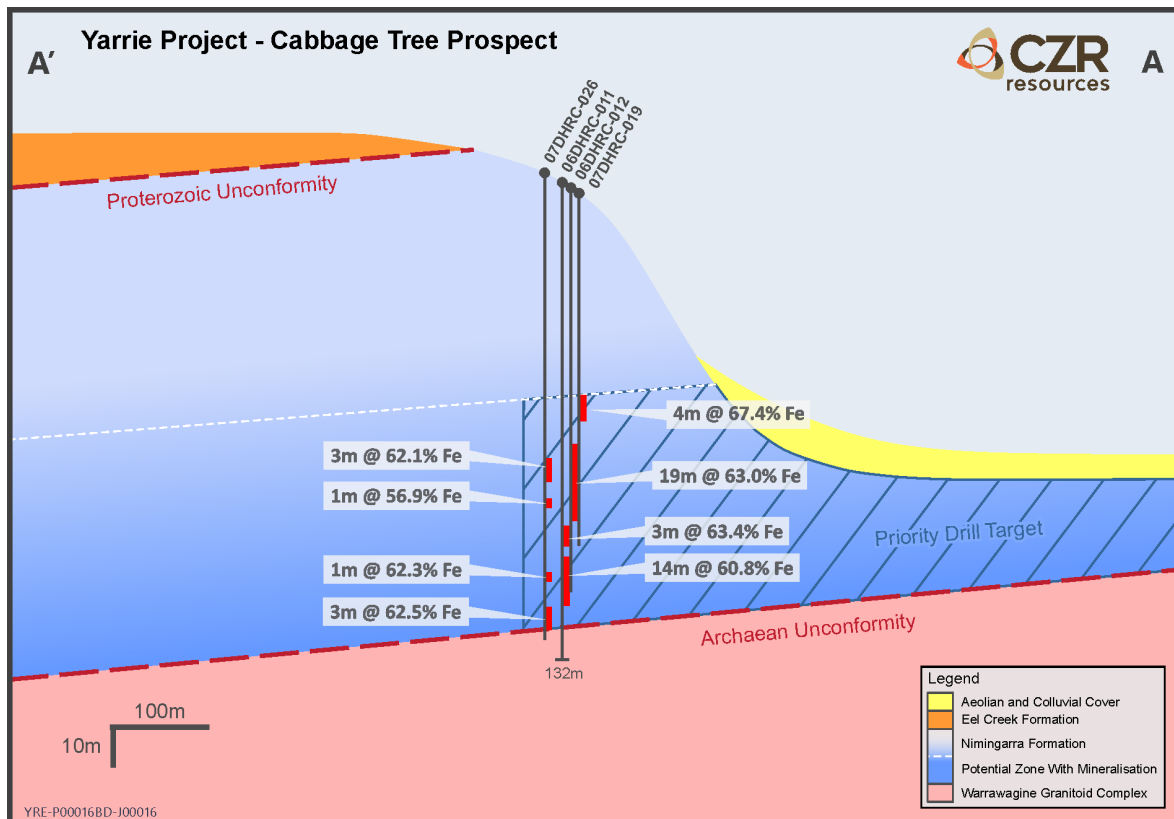
#### ***YARRIE PROJECT – NORTH PILBARA (CZR 70%)***

The Yarrie Project consists of six granted exploration licences (E45/3725, E45/3728, E45/4065, E45/4433, E45/4604, and E45/4605) that cover a total of 360 square kilometres, about 160 kilometres east of Port Hedland. Yarrie is serviced by bitumen and gravel roads, a natural gas pipeline between Pt Hedland and the Telfer copper-gold mine and a BHP-owned rail connection between Yarrie mining area and Port Hedland. The Yarrie tenements are held for their potential to host high-grade (+62% Fe) iron-ore and have historical high-grade RC drill intercepts in the Cabbage Tree and Kennedy Gap prospects (CZR release to ASX; 6 August 2014).

#### ***Activities and Results***

Late in the Quarter, CZR completed a field-trip to Yarrie to review access to the Cabbage Tree prospect which includes historical intercepts of up to 19 metres at 63% Fe from 67 metres downhole (CZR release to ASX, 6 August 2014, **Figure 3**). In addition, some areas with favourable geophysical responses were visited, mapped and any rocks with evidence of mineralisation were rock-chip sampled and any targets showing potential for mineralisation under cover were pegged for drilling.

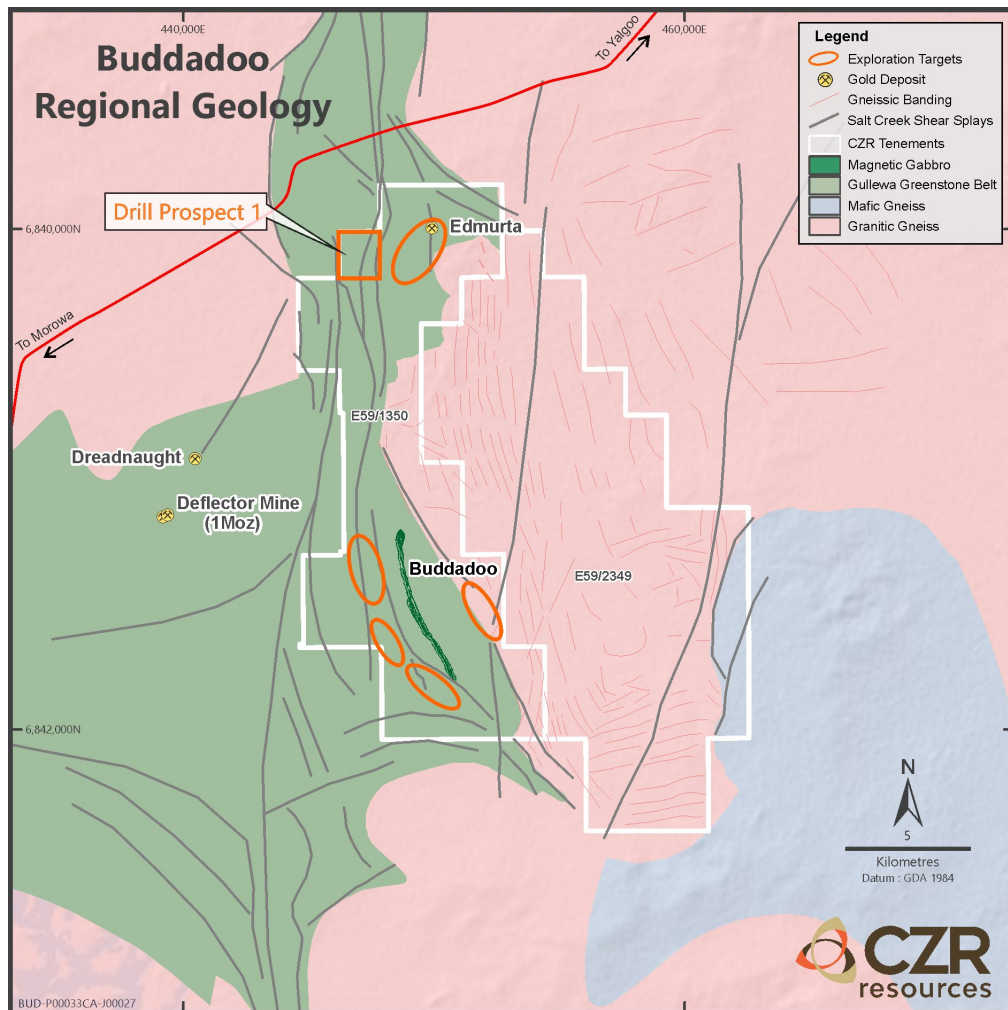
During the programme, a total of 55 rock-chip samples were collected and have been submitted to Bureau Veritas laboratories for analysis. Follow-up activities will be scheduled as results become available.



**Figure 3** Interpreted cross-section for the Cabbage Tree prospect at Yarrie.

**BUDDADOO GOLD PROJECT – YILGARN (CZR 85%)**

The Buddadoo project (E59/1350 and E59/2349) with a surface area of 303 square kilometres is located about 200 kilometres east of Geraldton Port and 60 kilometres from a rail siding at Morawa and is accessible all year by bitumen-road. The tenement is prospective for orogenic lode-style gold deposits as it covers 25 kilometres of the regional-scale Salt Creek shear zone where it cuts through an area up to a 10 kilometre wide of the under-explored Gullewa greenstone belt. This greenstone hosts the high-grade Deflector Gold Mine owned by Silver Lake Resources approximately 5 kilometres from the western boundary of the tenement (**Figure 4**) and as part of the Youanmi terrain of the Yilgarn, is the region that hosts large gold deposits near Mt Magnet, Cue and Meekatharra.



**Figure 4** Location of the five priority areas for lode-style gold mineralisation in the Gullewa greenstone belt on the Buddadoo project overlain on a CZR modified summary of the Geological Survey of Western Australia 500k scale mapping of the area.

### Activities and Results

During the Quarter, CZR executed a heritage access agreement with the Native Title holders and completed a heritage clearance survey along priority RC drill lines over seven targets for lode-style gold that have supporting surface geochemical anomalism for mineralisation. A slim-line RC drilling programme then commenced on drill prospect 1 at Edmurta, which covers a flexure in the fault splays near the core of the Salt Creek shear (CZR release to the ASX; 24 May 2021). A total of 24 holes for 2,298 metres were completed before successive rainfall events determined that it was more efficient to suspend activities and minimise damage to the roads and tracks (CZR release to the ASX; 15 June 2021).

The drilling generated three, 300 metre spaced sections of inclined (-60°) RC holes that extended to depths of between 72 and 99 metres. Each hole typically collared in transported cover and regolith but intersected a mixed sequence of mafic and felsic rocks that are typical of greenstone belt geology in the Yilgarn (**Figure 5**).

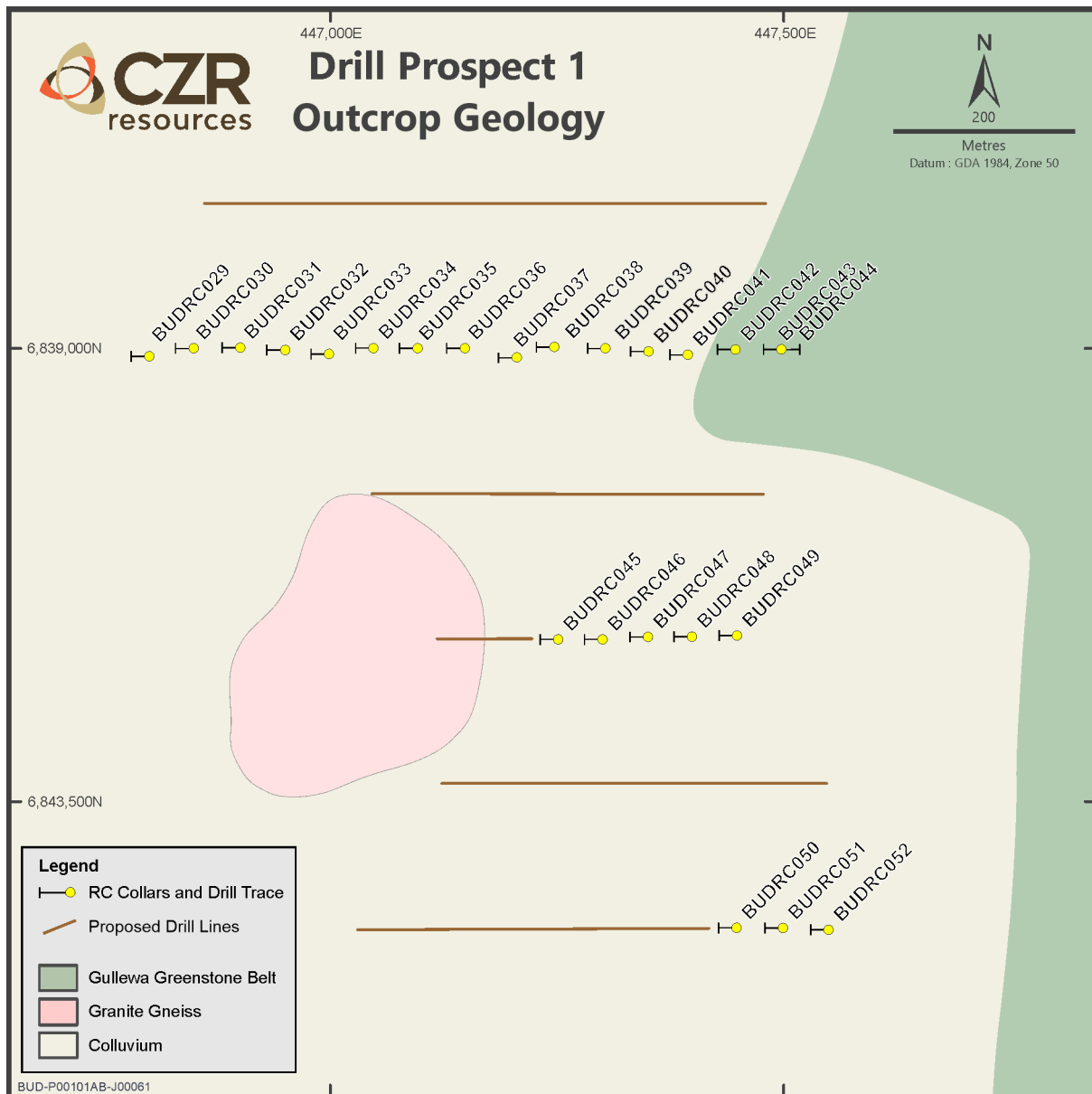
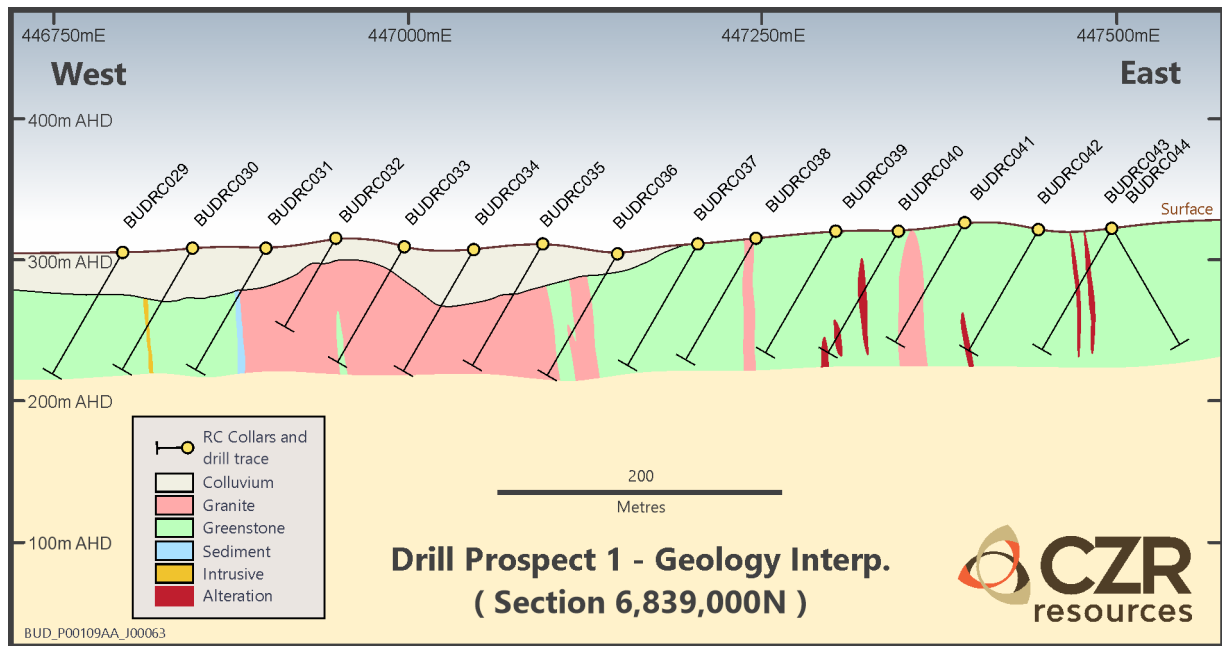


Figure 5 Drill-hole and outcrop geology over drill prospect 1 at Buddadoo.

The drill-holes also intersected intervals of sheared rocks that contain a variety of alteration types which are not evident as outcrop and are typical of alteration systems that can be gold-bearing. The first completed section on 6839000N outlines a zone of high interest where trace to moderate amounts of sulphide are reported in the drill-chips over an interval of about 200 metres wide between BUDRC040 and BUDRC043 (Figure 6).



**Figure 6** Interpreted geology for section 6839000N on drill prospect 1 at Buddadoo

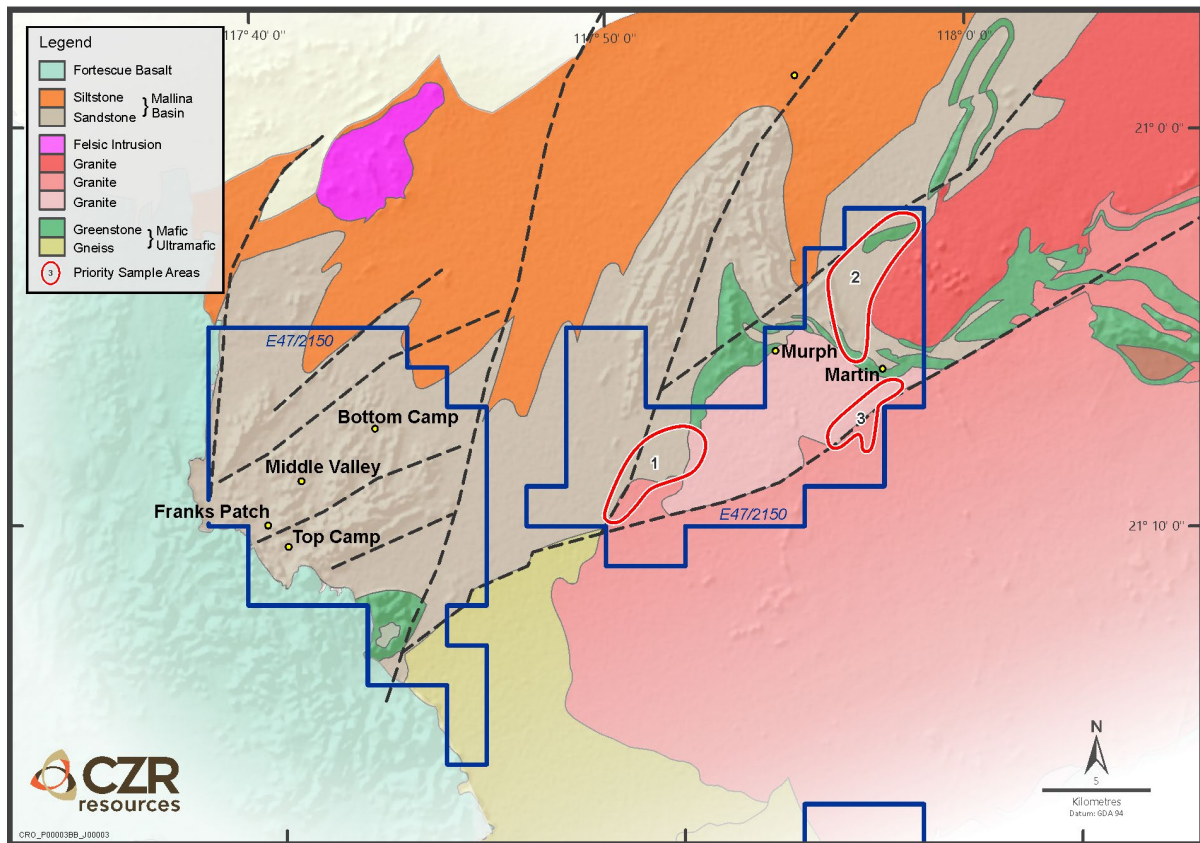
All the RC holes have been first-pass sampled on 4 metre composites and are at Bureau Veritas laboratories in Perth awaiting fire-assay for gold. Drilling will recommence when conditions allow.

**CROYDON GOLD PROJECT (CZR 70%)**

The 320 square kilometres Croydon project (E47/2150) is located in the Mallina Basin between Karratha and Port Hedland. The region now contains De Grey Mining Limited’s Hemi gold deposit with an announced world-class scale maiden resource of 6.8 Moz (DEG release to ASX; 23 June 2021) in an area that has the potential to emerge as a major gold province. Croydon covers approximately 40 kilometres strike of the key regional structures, about 50 kilometres south-east of Hemi (**Figure 7**). The Company, has a compilation of historical drainage, rock-chip and gridded soils assays and been extending the amount of surface sampling on the project since 2018. There has also been selected follow-up RC and diamond drilling in 2019 and 2020 focussed on the Top Camp Prospect but with some initial work at Bottom Camp and Franks Patch. All prospects require follow-up drilling of intercepts that report gold at greater than 0.5g/t (CZR release to ASX: 6 February 2020; 2 September 2020, 6 October 2020, 31 March 2021).

The work to date at Top Camp has confirmed there is an effective relationship between gold in soils and significant gold intercepts in the underlying bedrock but as yet, neither the surface sampling nor the drilling has defined the limits of the mineralised system.





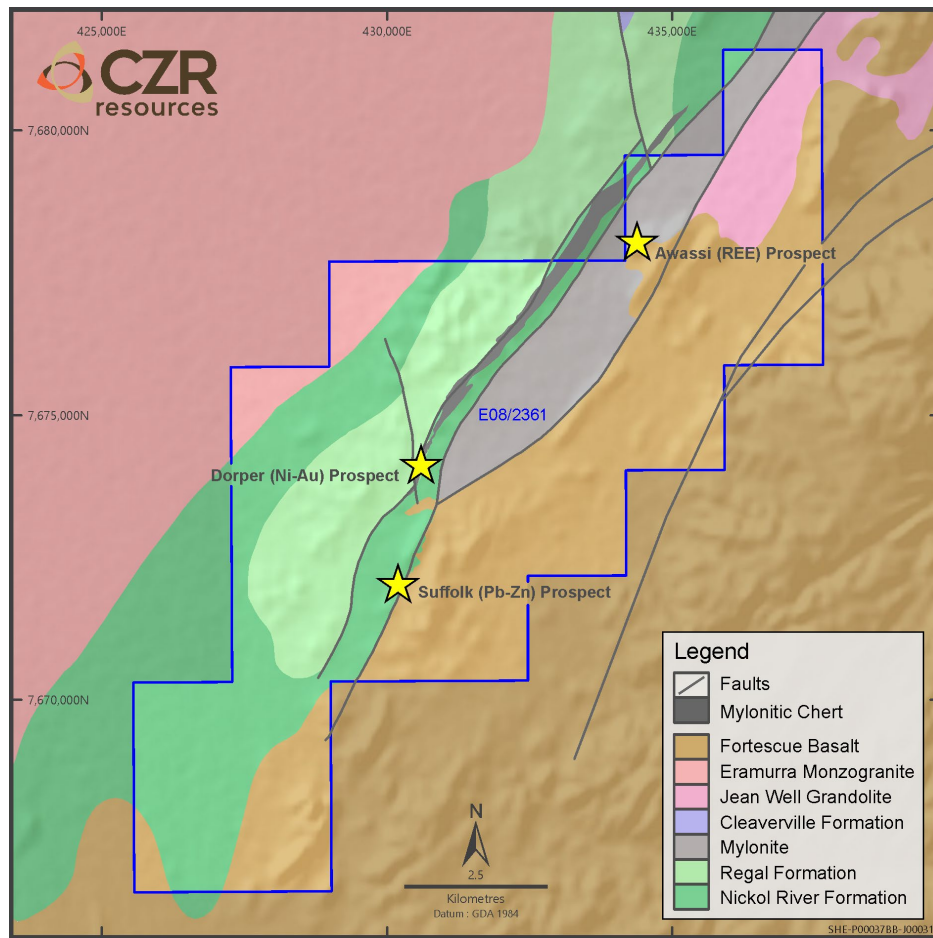
**Figure 7** Location of the Top Camp and Bottom Camp prospects on a summary of the Geological Survey of Western Australia published 500K-scale regional geological framework of the Croydon Project (E47/2150) in the Pilbara of Western Australia.

### Activities and Results

CZR is progressing a heritage access agreement for the tenement so that the next round of drilling can be undertaken.

### **SHEPHERDS WELL PROJECT – WEST PILBARA (CZR 70%)**

Shepherd’s Well (E08/2361), with an area of 77 square kilometres, is located 60 kilometres south-west of Karratha and covers 15 kilometres of a regional shear-zone and shares much of its geological history and prospectivity with the Croydon project. Shepherds Well is under-explored by modern exploration concepts and techniques and assay results from CZR sampling to date suggest that surface sampling provides an effective tool for identifying mineralisation. Amongst a focus on identifying targets for gold mineralisation, the Company has identified prospects for nickel sulphide at Dorper, base-metals prospect (lead-zinc-silver) at Suffolk and rare-earths at Awassi (**Figure 8**; CZR releases to ASX; 21 March 2017, 13 September 2016, 11 October 2017, 25 November 2019).



**Figure 8** Location of the Awassi, Dorper and Suffolk prospects on the Shepherds Well Project overlain on the Geological Survey of Western Australia 500k scale mapping of the Pilbara.

## Activities and Results

No fieldwork was completed during the Quarter.

## Corporate

On the 7 June 2021, the Company announced that it has received firm commitments for a two tranche placement to sophisticated and professional investors to raise \$7,000,000 at 1.15 cents a share (**Placement**). Tranche 1 of Placement totalling \$4,000,000 was settled on 11 June 2021 and resulted in 347,826,100 shares being issued on 15 June 2021.

The Placement was also supported by the Company's major shareholder, the Creasy Group, whom participated in Tranche 2 of the Placement for \$3,000,000 and subscribed for 260,869,600 shares, subject to shareholder approval. A shareholders meeting was held on 22 July 2021 approving all resolutions put forward at the meeting, including the issue of the Tranche 2 Placement. Following receipt of the funds subsequent to quarter end, the Tranche 2 Placement shares are to be issued on 26 July 2021.

In addition to the Placement, the Company offered eligible existing shareholders the right to participate in a Share Purchase Plan (**SPP**) to raise up to a further \$500,000 at the same price as the Placement. The SPP closed subsequent to quarter end on 6 July 2021 and the Company issued 24,608,683 shares at 1.15 cents per share to raise \$283,000 on 13 July 2021.

**Information required by Listing Rule 5.3.1:**

During the Quarter, the Company spent \$620k on exploration activities which included \$340k on Buddadoo Project, \$74K on Yarrie Project and \$10k each on the Croydon Project and Shepherd's Well Project. Also included was \$185k of costs associated with advancing the feasibility study and approvals for the Robe Mesa iron-ore deposit at Yarraloola.

**Information required by Listing Rule 5.3.5:**

During the quarter, the Company made payments to related parties of \$124k as Directors' Fees.

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

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**Forward Looking Statements**

This announcement contains "forward-looking information" that is based on CZR's expectations, estimates and projections as of the date on which the statements were made. This forward-looking information includes, among other things, statements with respect to the pre-feasibility study, CZR's business strategy, plan, development, objectives, performance, outlook, growth, cashflow, projections, targets and expectations, mineral resources, ore reserves, results of exploration and related expenses. Generally, this forward looking information can be identified by the use of forward-looking terminology such as 'outlook', 'anticipate', 'project', 'target', 'likely', 'believe', 'estimate', 'expect', 'intend', 'may', 'would', 'could', 'should', 'scheduled', 'will', 'plan', 'forecast', 'evolve' and similar expressions. Persons reading this announcement are cautioned that such statements are only predictions, and that CZR's actual future results or performance may be materially different. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause CZR's actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information.

Forward-looking information is developed based on assumptions about such risks, uncertainties and other factors set out herein, including but not limited to general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices and demand of iron and other metals; possible variations of ore grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accident, labour disputes and other risks of the mining industry; and delays in obtaining governmental approvals or financing or in the completion of development or construction activities. This list and the further risk factors detailed in the remainder of this announcement are not exhaustive of the factors that may affect or impact forward-looking information. These and other factors should be considered carefully, and readers should not place undue reliance on such forward-looking information. CZR disclaims any intent or obligations to revise any forward-looking statements whether as a result of new information, estimates, or options, future events or results or otherwise, unless required to do so by law.

Statements regarding plans with respect to CZR's mineral properties may contain forward-looking statements in relation to future matters that can only be made where CZR has a reasonable basis for making those statements. Competent Person Statements regarding plans with respect to CZR's mineral properties are forward looking statements. There can be no assurance that CZR's plans for development of its mineral properties will proceed as expected. There can be no assurance that CZR will be able to confirm the presence of mineral deposits, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of CZR's mineral properties.

CZR believes it has a reasonable basis for making the forward looking statements in this Announcement, including with respect to any production targets and economic evaluation, based on the information contained in CZR's ASX announcement entitled "Pre-Feasibility Study finds Robe Mesa iron ore project is technically robust with potential to generate strong financial returns" dated 10 December 2020. CZR confirms that it is not aware of any new information or data that materially affects the production targets contained in the previous announcement of the PFS and all material assumptions underpinning the production targets and economic valuation in the previous market announcement continue to apply and have not materially changed.

## Competent Person Statement

The information in this report that relates to ore reserves, 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.

## Appendix A

Tabulated estimates of the JORC2012 ore-resources for Robe Mesa deposit and Robe East extension deposit which contribute to the combined Robe Mesa deposit and are inclusive of the +55%Fe ore-reserve estimate with relevant CZR releases to the ASX.

**Table A1** Robe Mesa JORC 2012 mineral resource estimate reported above a 50% Fe cut-off grade (CZR announcement to ASX; 8 February 2016) and outlined on **Figures A1 and A2**.

Category	Tonnes	Fe	SiO <sub>2</sub>	Al <sub>2</sub> O <sub>3</sub>	TiO <sub>2</sub>	LOI	P	S	Fe <sub>ca</sub>
	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
<b>Total</b>	<b>84.5</b>	<b>53.8</b>	<b>8.26</b>	<b>3.43</b>	<b>0.14</b>	<b>10.64</b>	<b>0.042</b>	<b>0.018</b>	<b>60.2</b>

**Table A2** Robe Mesa JORC 2012 mineral resource estimate reported above a 55%Fe cut-off grade (CZR release to ASX; 8 February 2016) and within the +50%Fe ore-resource and is inclusive of the +55%Fe ore-reserve estimate in Table A5.

Category	Tonnes	Fe	SiO <sub>2</sub>	Al <sub>2</sub> O <sub>3</sub>	TiO <sub>2</sub>	LOI	P	S	Fe <sub>ca</sub>
	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
<b>Total</b>	<b>24.7</b>	<b>56.0</b>	<b>5.92</b>	<b>2.73</b>	<b>0.10</b>	<b>10.71</b>	<b>0.044</b>	<b>0.016</b>	<b>62.7</b>

**Table A3** Robe East JORC 2012 mineral resource estimate reported above a 50% Fe cut-off grade (CZR release to ASX; 26 April 2017) and is outlined on **Figures A1 and A2**.

Category	Tonnes	Fe	SiO <sub>2</sub>	Al <sub>2</sub> O <sub>3</sub>	TiO <sub>2</sub>	LOI	P	S	Fe <sub>ca</sub>
	Mt	%	%	%	%	%	%	%	%
Inferred	4.6	51.8	9.7	3.8	0.20	10.9	0.1	0.02	58.2
<b>Total</b>	<b>4.6</b>	<b>51.8</b>	<b>9.9</b>	<b>3.8</b>	<b>0.20</b>	<b>10.9</b>	<b>0.1</b>	<b>0.02</b>	<b>58.3</b>

**Table A4** Combined Robe Mesa and Robe East JORC2012 mineral resource reported above a 50% Fe cut-off grade (CZR release to ASX; 26 April 2017) and are outlined on **Figures A1 and A2**.

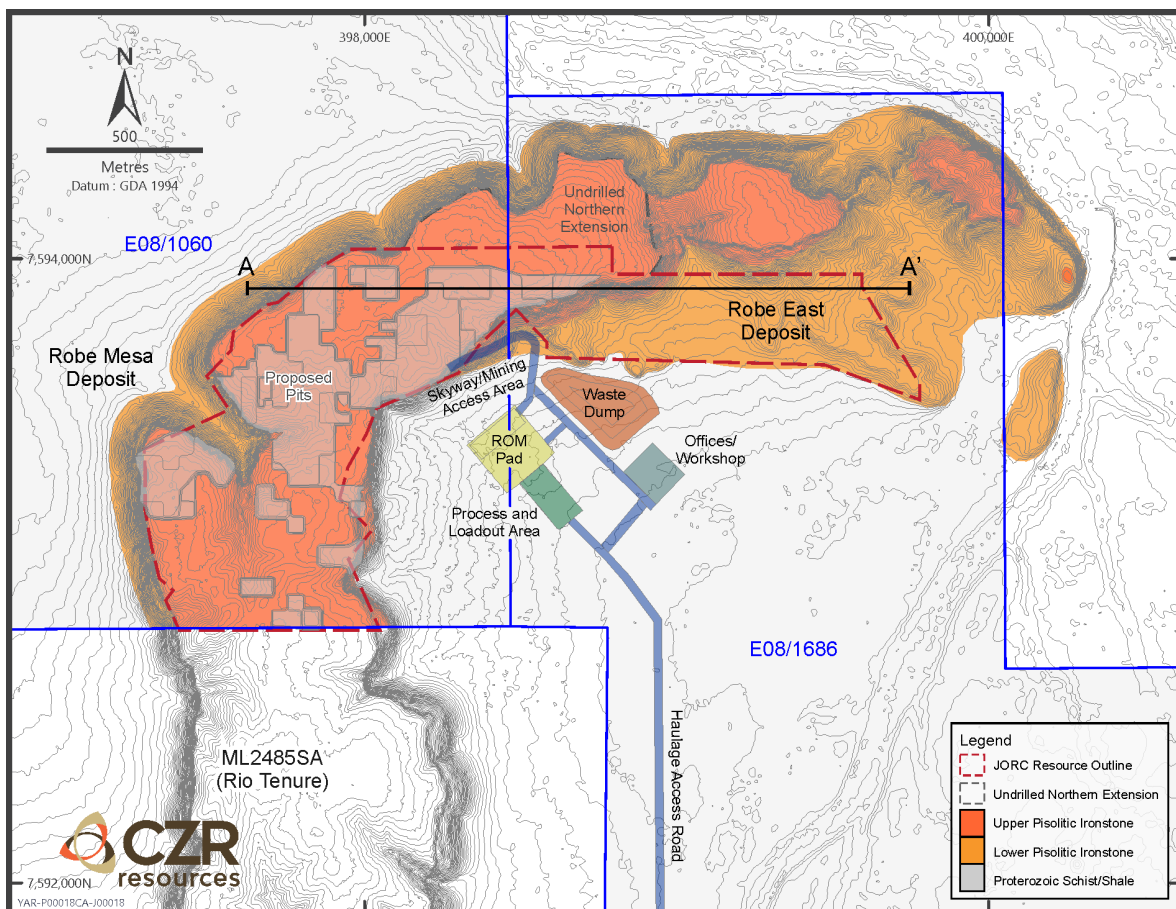
Category	Tonnes	Fe	SiO <sub>2</sub>	Al <sub>2</sub> O <sub>3</sub>	TiO <sub>2</sub>	LOI	P	S	Fe <sub>ca</sub>
	Mt	%	%	%	%	%	%	%	%
Indicated	65.7	53.8	8.3	3.43	0.14	10.63	0.04	0.02	60.2
Inferred	23.4	53.4	8.5	3.49	0.15	10.75	0.06	0.02	59.9
<b>Total</b>	<b>89.1</b>	<b>53.7</b>	<b>8.3</b>	<b>3.45</b>	<b>0.14</b>	<b>10.66</b>	<b>0.05</b>	<b>0.02</b>	<b>60.1</b>

$Fe_{ca}$  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.

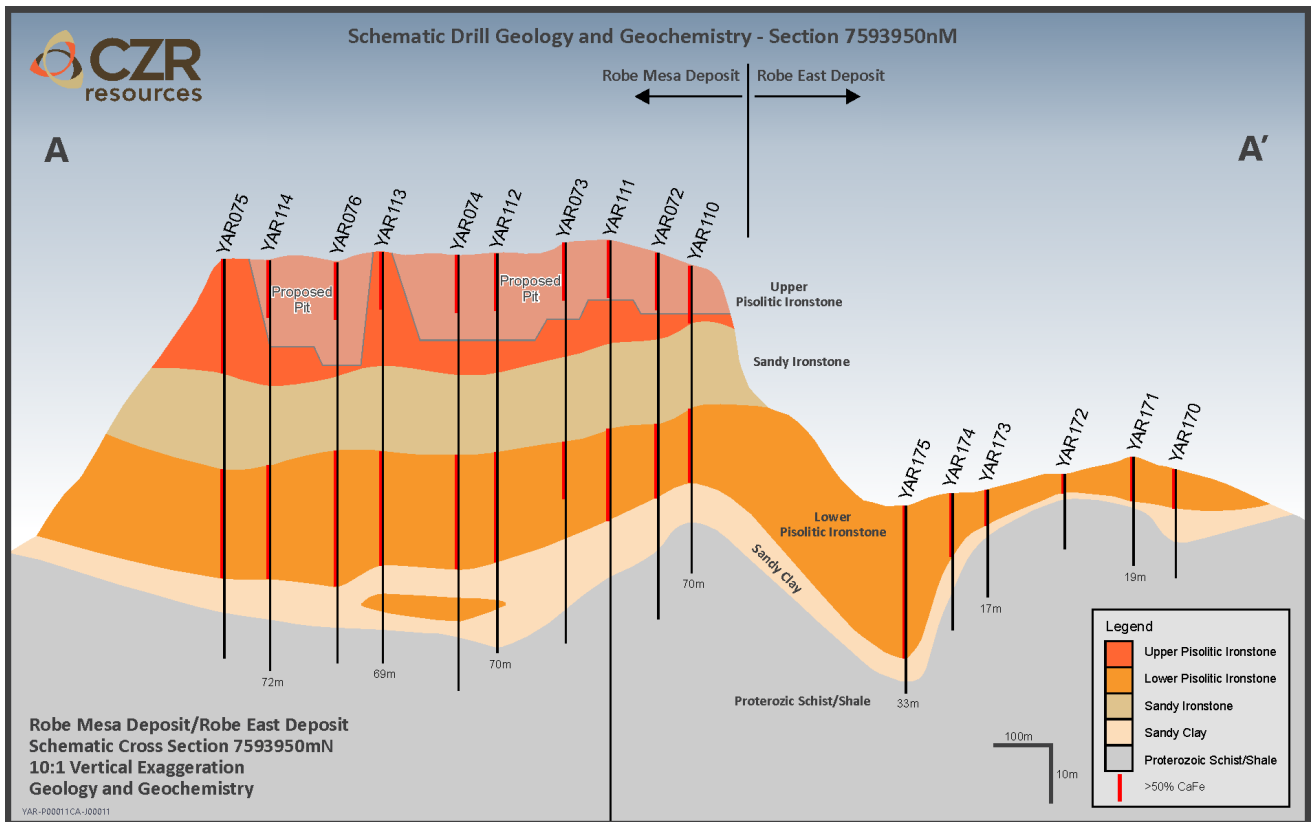
**Table A5** – Robe Mesa JORC2012 ore-reserve reported above a cut-off grade of 55% Fe (CZR release to ASX; 10 December 2020) with the proposed pit outlines to recover the ore-reserve shown on **Figures A1 and A2**.

Category	Mt	Fe %	Al <sub>2</sub> O <sub>3</sub> %	P%	SiO <sub>2</sub> %	S%	LOI%
Probable	8.2	56.0	2.7	0.039	5.9	0.020	10.9
<b>Total</b>	<b>8.2</b>	<b>56.0</b>	<b>2.7</b>	<b>0.039</b>	<b>5.9</b>	<b>0.020</b>	<b>10.9</b>

**Note 1:** CZR confirms that it is not aware of any new information or data that materially affects the information included in the CZR announcements to the ASX on 8 February 2016, 26 April 2017 and 10 December 2020 and, in the case of estimates of the mineral resources in Tables A1 to A4 and the ore reserves in Table A5, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.



**Figure A1** Outline of the Robe Mesa and Robe East +50%Fe JORC2012 resource model (CZR releases to the ASX; 8 February 2016, 26 April 2017) showing the proposed pit outlines on the +55%Fe probable ore-reserve and the proposed site layout (CZR release to the ASX; 10 December 2020).



**Figure A2** Representative cross-section across the Robe Mesa and Robe East deposits on 7593950N showing the RC drill-locations, intercepts with calcined Fe>50% and the interpreted geology (CZR releases to the ASX; 8 February 2016, 26 April 2017) showing the proposed pit outlines on the +55%Fe probable ore-reserve (CZR release to the ASX; 10 December 2020).

*CZR Resources Ltd – Changes to the Tenement Schedule in the past Quarter*

Project	Location	Tenement Number	Economic Entity's Interest at Quarter End	Change in Economic Entity's Interest During Quarter
Yarraloola	West Pilbara, WA	E08/1060	85%	No Change
Yarraloola	West Pilbara, WA	E08/1686	85%	No Change
Yarraloola	West Pilbara, WA	E08/1826	85%	No Change
Yarraloola	West Pilbara, WA	M08/519	85%	Application
Yarraloola	West Pilbara, WA	M08/533	85%	Application
Shepherds Well	West Pilbara, WA	E08/2361	70%	No Change
Yarrie	East Pilbara, WA	E45/3725	70%	No Change
Yarrie	East Pilbara, WA	E45/3728	70%	No Change
Yarrie	East Pilbara, WA	E45/4065	70%	No Change
Yarrie	East Pilbara, WA	E45/4604	70%	No Change
Yarrie	East Pilbara, WA	E45/4605	70%	No Change
Yarrie	East Pilbara, WA	E45/4433	100%	No Change
Buddadoo	Mid-west, WA	E59/1350	85%	No Change
Buddadoo	Mid-west, WA	E59/2349	85%	No Change
Croydon	Pilbara WA	E47/2150	70%	No Change