

Robe Mesa Iron Ore Project, WA

Strong progress on Feasibility Study with major drilling program underway

Drilling is aimed at growing the Indicated Resource and further de-risking the project in parallel with technical and economic studies

CZR Resources Limited (ASX: CZR) is pleased to announce the start of a 7,800m infill RC drilling program which will form a key part of the Definitive Feasibility Study (DFS) underway on its 85 per cent-owned Robe Mesa iron ore project in WA's Pilbara.

The drilling is designed to continue upgrading Inferred Resources to the Indicated category and to close up the drill hole spacing to assist with the mine scheduling element of the Feasibility Study.

The program is expected to take approximately 5 weeks and samples will be transported to the assay laboratory at regular intervals.

The Pre-Feasibility Study (PFS) (CZR Announcement to the ASX 10 December 2020) showed Robe Mesa has potential to generate strong financial returns based on production of 2Mtpa of Direct Shipping Ore over +5 years. The project's reserves stand at 8.2Mt grading 56% Fe (Table A5).

The PFS found the project has a payback period of just 19 months based on C1 cash costs of A\$64.78/dmt and a benchmark iron ore price of US\$90/t.

Update on the Robe Mesa Feasibility Study

Since the release of the December 2020 PFS, CZR has been advancing a range of activities designed to de-risk the project in preparation for development. Some of the significant studies undertaken and milestones achieved include:

- Pegging and lodgement of mining lease application M08/533 to cover the proposed mining area on the Robe Mesa iron-ore deposit (CZR Announcement to the ASX 7 April 2021) has been completed.
- A desktop study to determine any hydrological impacts on the proposed mine and associated infrastructure layouts has been completed.
- A desktop review to identify targets for groundwater to support haul-road development, camp, plant-site and future dust-suppression requirements has been completed.
- Two of three field-based programmes of the flora, fauna and stygofauna studies have been completed over the proposed mine-site area as part of the base-line environmental surveys that are required for the future approval of mining (CZR release to the ASX: 11 March 2021).

- Topographic and heritage data has been acquired to cover potential locations of the 35 kilometre haul-road between the proposed mine-site and the North-west coastal highway.
- An introductory meeting in Karratha with the Robe River Kuruma (RRKAC) Native Title representative body provided a framework to discuss a process for the approval of the mining operation and the compensation agreement which will be required for grant of the mining lease.
- A heritage clearance survey for the infill RC drilling programme has been completed, followed by clearing of the access and pads that has allowed the commencement of RC drilling.
- The proposed processing site layout has been modified in response to heritage and environmental data from site and information being provided by potential mining and haulage contractors.
- Additional exploration tenure is being acquired to provide additional targets for iron-ore mineralisation and access to areas that might provide flexibility for project development.
- There is an ongoing discussion with the operators of the Onslow Marine Support Base 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 with the scale to support the export of 2Mt/annum from production from the Robe Mesa iron-ore deposit. The Onslow opportunity represents a 60% less haul distance than to Port Hedland.

Next Steps

Geological and assay data from the infill drilling will be used for a range of geotechnical, geochemical, metallurgical and mining-related studies that are being updated and extended. In addition to the field-based activities required to comprehensively define the project, a range of stakeholder meetings will be scheduled to discuss options and the timelines towards development.

As the more detailed technical, operational and capital-cost data flows into the project database, the financial model will be updated.

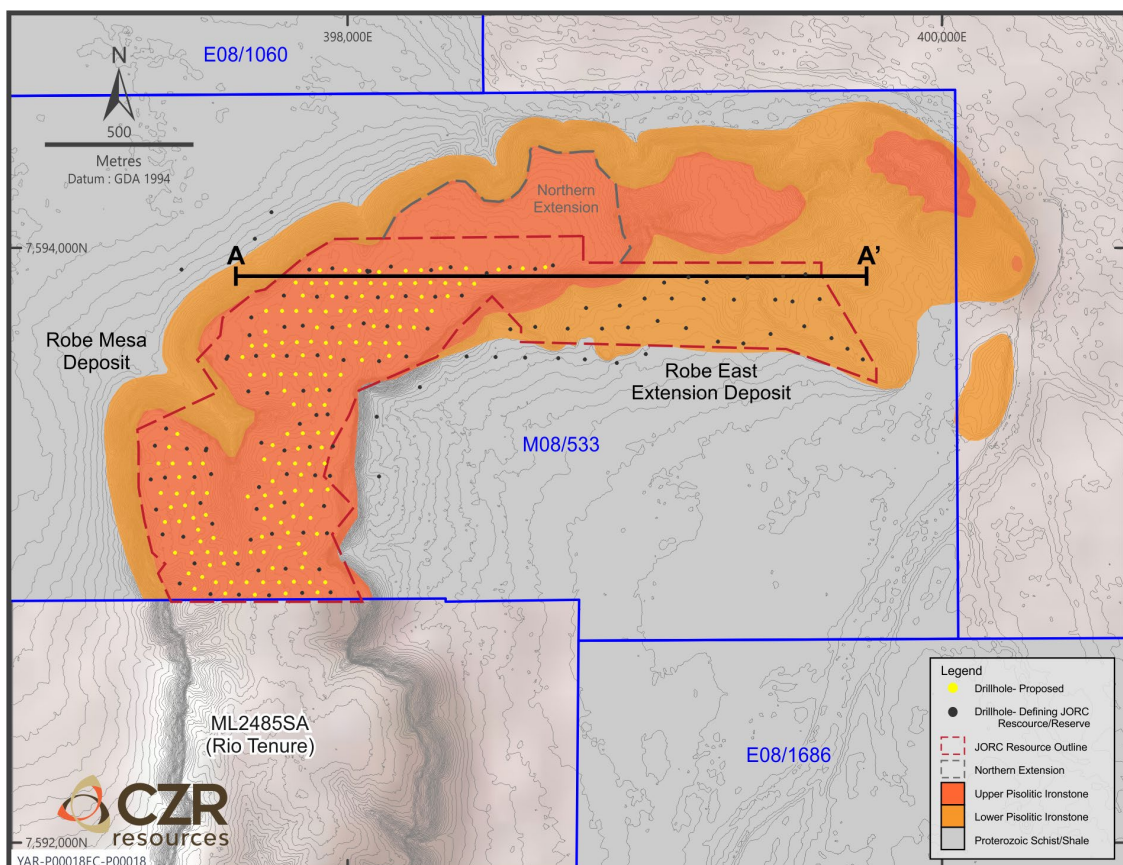


Figure 1. Location of the infill RC drill collars within the Robe Mesa iron-ore deposit.

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

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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 and studies; 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 any 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 prefeasibility study 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 Persons 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 Chief Operating Officer 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.

Background to the Robe Mesa Iron-Ore Deposit

The Robe Mesa iron-ore deposit is 85% owned by CZR Resources Ltd and is located 150 km southwest of Karratha and 30km to the east of a bitumen sealed highway that connects to all the ports and towns along the coast of the Pilbara (Figure 2).

The deposit which has been drilled in two sections and are referred to as Robe Mesa and Robe East (Figure 1), covers a portion of a geological unit that hosts the Warrambo, Mesa A and Mesa J-K mines operated by RioTinto Ltd (Figure 2). The combined Robe Mesa and Robe East extension deposits report a total JORC2012 Resource of 89.1Mt @ 53.7% Fe (calcining to 60.2% Fe) above a Fe50% cut-off, but include a near surface higher grade JORC2012 resource of 24.7Mt @ 56% Fe above a 55%Fe cut-off (Tables A1 to A4; CZR release to ASX; 8 February 2016, 26 April 2017).

Table A1. Robe Mesa JORC 2012 mineral resource reported above a 50% Fe cut-off grade (8 February 2016 ASX Announcement).

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

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

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

Table A3. Robe East JORC 2012 mineral resource reported above a 50% Fe cut-off grade (26 April 2017 ASX Announcement).

Category	Tonnes	Fe	SiO ₂	Al ₂ O ₃	TiO ₂	LOI	P	S	Fe _{ca}
	Mt	%	%	%	%	%	%	%	%
Inferred	4.6	51.8	9.7	3.8	0.20	10.9	0.1	0.02	58.2
Total	4.6	51.8	9.9	3.8	0.20	10.9	0.1	0.02	58.3

Table A4. Combined Robe Mesa and Robe East JORC 2012 mineral resource reported above a 50% Fe cut-off grade (26 April 2017 ASX Announcement).

Category	Tonnes	Fe	SiO ₂	Al ₂ O ₃	TiO ₂	LOI	P	S	Fe _{ca}
	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
Total	89.1	53.7	8.3	3.45	0.14	10.66	0.05	0.02	60.1

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) that has been scheduled to be mined from the +55% Fe ore-resource in Table A2.

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

The prefeasibility study completed in the December 2020 delivered a mining reserve of 8.2Mt at 56% Fe (Table A5) within the high-grade mineral resource (Table A2) and showed that the higher grade portion of the deposit has the potential to generate strong financial returns from an open-pit mine hauling direct-shipping ore to Pt Hedland ore at a benchmark iron-ore price of US\$90/tonne (CZR release to the ASX; 10 December 2020).

CZR is now advancing the feasibility study for the Robe Mesa iron-ore deposit using an optimisation of the mining and haulage operation, the capital expenditure and an evaluation of the developing port infrastructure at Onslow as an alternative shipping location to Pt Hedland. In addition, the studies and processes of acquiring all the approvals for mining have commenced.

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.

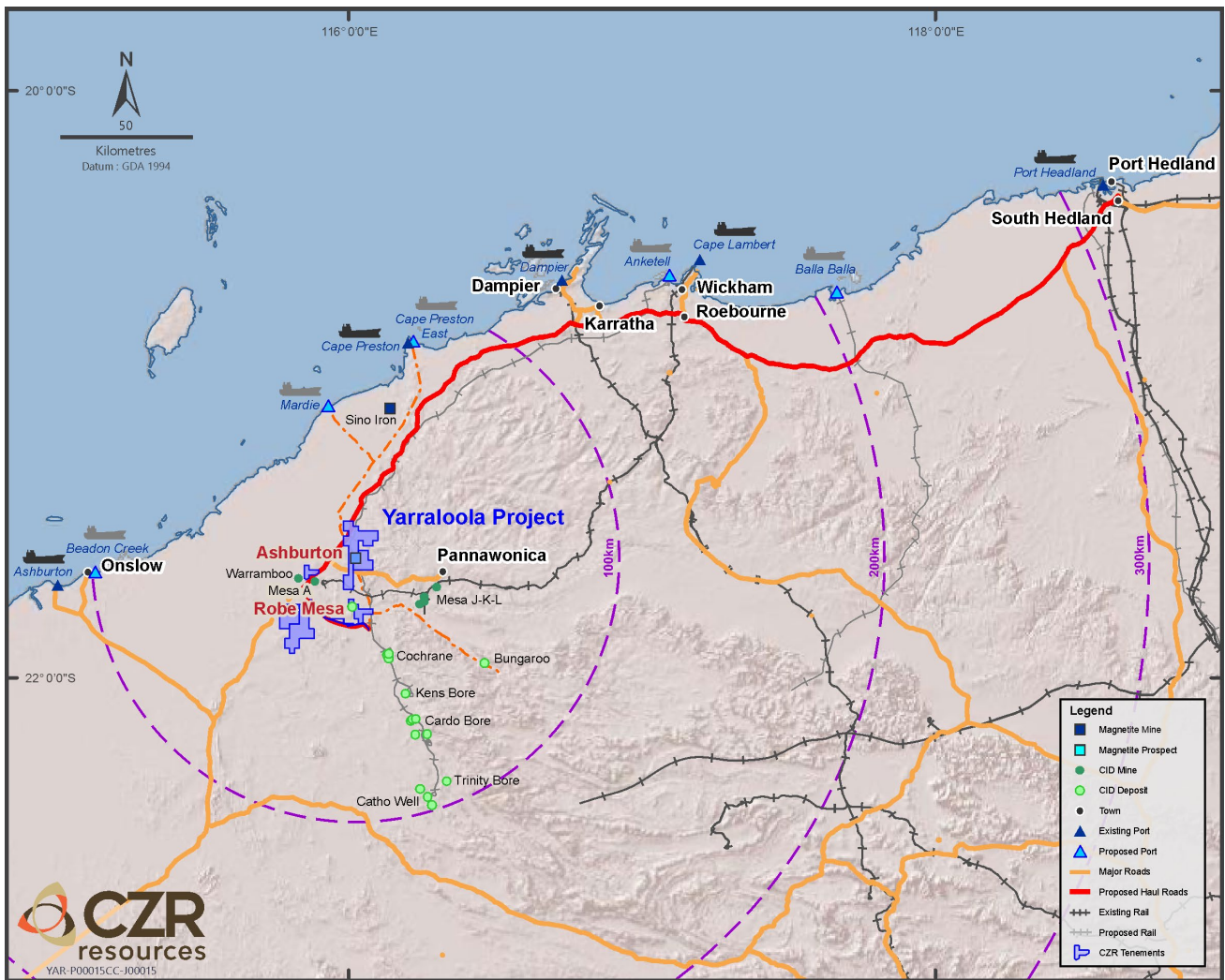


Figure 2. Regional location of the Robe Mesa iron-ore deposit within the tenements that outline the CZR Yarraloola Project in the West Pilbara of Western Australia.