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The Company Announcements Office, ASX Limited

5 October 2022

Capital raising to fund Pilbara iron ore and gold projects

Funds will be used to advance the Robe Mesa iron ore and Croydon gold project

CZR Resources Limited (ASX:CZR) (**Company**) is pleased to announce that it is undertaking a renounceable entitlement issue to raise funds to advance its exploration and development activities at its iron ore and gold projects in the Pilbara region.

The Company will undertake a renounceable entitlement issue offering eligible shareholders the opportunity to acquire one (1) New Share for every five (5) fully paid ordinary shares in the Company (**Shares**) held at the record date, at an issue price of 1.2 cents per New Share (**Renounceable Entitlement Issue**).

The Company's major shareholder, Mr Mark Creasy and his associates¹ (the **Creasy Group**) (55.28%), have provided an undertaking to accept a minimum of \$2,000,000 of entitlements under the Renounceable Entitlement Issue.

CZR Managing Director Stefan Murphy said: *"The Renounceable Entitlement Issue will enable us to continue unlocking the value of the two highly promising projects we have in the Pilbara."*

The Robe Mesa Iron Ore Project has a substantial inventory located between iron ore projects owned by Rio Tinto and Mineral Resources and we are on track to complete the Definitive Feasibility Study (DFS) in the March quarter, 2023.

The proceeds from this Renounceable Entitlement Issue will be used to fund the DFS at Robe Mesa and accelerate exploration at the Croydon Gold Project, along strike from De Grey Mining's 8.5Moz Hemi discovery".

Use of funds and upcoming activity

Funds raised under the Renounceable Entitlement Issue will primarily be used to complete the DFS on the Company's Robe Mesa Iron Ore Project, accelerate exploration on the Company's Croydon Gold Project and other gold exploration prospects and working capital purposes

¹ Mr Mark Creasy's interest in the Company is held directly in his personal capacity and through Yandal Investments Pty Ltd (ACN 070 684 810) and Motwil Pty Ltd (ACN 076 409 884).

CZR is also considering alternative production pathways including, but not limited to, partnering with strategic industry participants.

Robe Mesa Iron Ore Project

The DFS at the Robe Mesa Iron Ore Project is now well advanced, with the Company releasing a significant upgrade to its Mineral Resource in June 2022 (refer to the Company's ASX announcement dated 2 June 2022). Extensional and infill drilling has now been completed at Robe Mesa, including the recently granted northern extension.

Upcoming activity will include:

- updated Mineral Resource to include northern extension and southern infill drilling;
- updated Ore Reserve, pit designs and mine plans for the commencement of production at Robe Mesa;
- finalise Native Title Mining Agreement to allow Mining License applications to proceed to grant;
- Pit-port infrastructure access agreements; and
- a variety of environmental, mine-site, transportation and port-side engineering and financial studies as part of the DFS.

Croydon Gold Project

Exploration activities will now ramp-up at the Company's Croydon Gold Project, located along strike from De Grey Mining Limited's (**DEG**) 8.5Moz Hemi discovery (refer to DEG's ASX announcement dated 31 May 2022). The Mallina Basin has the potential to emerge as a major gold province and CZR's Croydon Gold Project covers approximately 30km strike of the Mallina Basin, about 50km south-east of Hemi.

CZR's Croydon Gold Project has a similar geochemical signature to Hemi, with very strong gold and arsenic in soil anomalies, particularly at the Top camp prospect, where initial drilling returned primary gold mineralisation, including:

- 8m at 10.2g/t Au from 135m in CRC007;
- 2m at 22g/t Au from 7m in CRC021; and
- 28m at 0.6g/t Au from 147m in CRC022.

Upcoming activity will include:

- ground-based gravity survey – results will be used to map structures and intrusions that have potential to host Hemi-style mineralisation;
- gravity inversion modelling to determine the depth and orientation of intrusions beneath the Mallina Basin sediments; and
- RC and diamond drilling intrusion targets based on gravity modelling with coincident geochemical (gold-arsenic) anomalism.

Renounceable Entitlement Issue

The Company plans to offer eligible shareholders the opportunity to acquire one (1) New Share for every five (5) Shares held at the record date under the Renounceable Entitlement Issue at the issue price of 1.2 cents per New Share, to raise a maximum of \$8.4 million (before costs).

Full details of the Renounceable Entitlement Issue are set out in the Offer Document and Appendix 3B, lodged with the ASX today. Eligible shareholders with registered addresses in Australia and New Zealand as at the record date will be sent an Offer Document and personalised entitlement and acceptance form on 13 October 2022.

The maximum amount of New Shares to be issued under the Renounceable Entitlement Issue is 697,264,655 Shares (based on the undiluted capital of the Company as at 4 October 2022, without taking into account rounding).

The Company's major shareholder, the Creasy Group (55.28%), has provided an undertaking to accept a minimum of \$2,000,000 of entitlements. If the Creasy Group participates in the Renounceable Entitlement Issue for more than \$2,000,000 of entitlements it will be capped at a 3% increase of the voting power compared with its voting power in the Company six months prior to receiving the New Shares under the Renounceable Entitlement Issue.

The Renounceable Entitlement Issue will be conducted without a prospectus, in accordance with section 708AA of the Corporations Act 2001 (Cth).

Consolidation of Capital

In addition, at the Company's annual general meeting to be held in November 2022 (**Meeting**), the Directors intend to seek shareholder approval to consolidate the issued capital of the Company on a one (1) for seventeen (17) basis (**Consolidation**). The Consolidation will occur after the completion of the Renounceable Entitlement Issue.

The Company is proposing the Consolidation to reduce the number of Shares on issue as the Company's board of Directors (**Board**) considers this will provide the best path forward for continued growth and a capital structure in a way that is comparable with CZR's size and peer group companies.

The Company currently has 3,486,323,277 Shares on issue. If the Consolidation is implemented, the current number of Shares on issue will be reduced from 3,486,323,277 to approximately 205,077,840 Shares (subject to the effects of rounding as discussed further below). If the Renounceable Entitlement Issue is fully subscribed, the Shares on issue prior to the Consolidation will be 4,183,587,932 which upon the Consolidation will be reduced to approximately 246,093,408.

As the Consolidation applies equally to all shareholders, individual shareholdings will be reduced in the same ratio as the total number of Shares (subject only to rounding up of fractions). Accordingly, the Consolidation will have no material effect on the percentage interest of each individual shareholder.

If the Consolidation is approved, then in accordance with ASX Listing Rule 7.22.1, all options in the Company (**Options**) currently on issue will be consolidated in the same ratio as Shares pursuant to the Consolidation, and the exercise price of the Options will be amended in inverse proportion to that ratio as directed by the ASX Listing Rules. The expiry dates of the Options will not change.

Indicative Timetable

The proposed key dates for the Renounceable Entitlement Issue and Consolidation are as follows*:

Event	Date
Announcement of Renounceable Entitlement Issue and Consolidation	5 October 2022
Lodgement of Offer Document and Appendix 3B with ASX	5 October 2022
"Ex" date for Renounceable Entitlement Issue	7 October 2022
Record date for Renounceable Entitlement Issue (5:00pm AWST)	10 October 2022
Dispatched of Offer Document and personalised entitlement acceptance forms to eligible shareholders	13 October 2022
Opening Date of Renounceable Entitlement Issue	13 October 2022
Entitlement trading ends	20 October 2022
Closing Date of Renounceable Entitlement Issue (5:00pm AWST) and final time for receipt of entitlement and acceptance forms and payment in full for New Shares	27 October 2022
Announcement of results and shortfall of the Renounceable Entitlement Issue	3 November 2022
Anticipated date for issue of New Shares	3 November 2022
Anticipated date for dispatch of holding statements	4 November 2022
Annual General Meeting (including to approve the Consolidation)	25 November 2022
Notification to ASX of results of Annual General Meeting	25 November 2022
Effective Date of Consolidation	25 November 2022
Last day for trading in pre-Consolidation securities	28 November 2022
Trading commences in the post-Consolidation securities on a deferred settlement basis	29 November 2022
Record Date for Consolidation	30 November 2022
Last day for Company to register transfers on a pre-Consolidation basis	30 November 2022
First day for the Company to update its register and to send a notice to each security holder reflecting the change to the number of securities they hold	1 December 2022

Last day for the Company to update its register and to send a notice to each security holder reflecting the change to the number of securities they hold and notify ASX that this has occurred	7 December 2022
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* These dates are indicative only and subject to change. The Company reserves the right to vary these times and dates in its absolute discretion.

Change of Terms for Proposed Issue of Incentive Securities to Non-Executive Directors that are subject to Shareholders Approval

The Company refers to its ASX announcement dated 18 May 2022 titled “*Proposed Issue of incentive Securities to Non-Executive Directors*” whereby the Company was proposing to issue, subject to shareholder approval the following securities (**Incentive Securities**):

Director	No of Performance Rights	No of Options
Russell Clark	2,500,000	40,000,000
Annie Guo	1,875,000	30,000,000

The existing vesting conditions for the Incentive Securities are as follows:

Incentive Securities	Existing vesting conditions
Performance Rights	<ul style="list-style-type: none"> 50% of Performance Rights vest 12 months after issue if the Director remains on the Board; and 50% of Performance Rights vest 24 months after issue if the Director remains on the Board.
Options	The Options will vest 36 months after issue if the Director remains on the Board.

Due to the delay in holding a general meeting of the Company's shareholders to approve the issue of the Incentive Securities it is proposed that all vesting terms be shortened by 6 months so that the new vesting conditions of the Incentive Securities are as follows:

Incentive Securities	Proposed vesting conditions
Performance Rights	<ul style="list-style-type: none"> 50% of Performance Rights vest 6 months after issue if the Director remains on the Board; and 50% of Performance Rights vest 18 months after issue if the Director remains on the Board.
Options	The Options will vest 30 months after issue if the Director remains on the Board.

All other terms and conditions of the Incentive Securities are to remain the same as that outlined in the Company's ASX announcement dated 18 May 2022.

Full terms and conditions of the proposed Performance Rights and Options will be included in the Notice of Meeting for the Company's Annual General Meeting to be held on 25 November 2022 whereby shareholders will consider the issue of Performance Rights and Options to Mr Clark and Ms Guo.

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

For further information, contact:

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