



CZR RESOURCES LTD
ACN 112 866 869

OFFER BOOKLET

For a renounceable pro-rata entitlement offer of New Shares at an issue price of \$0.012 each, on the basis of one (1) New Share for every five (5) Shares held on the Record Date (**Offer**).

This document is important and requires your immediate attention. It should be read in its entirety. If you do not understand its content or are in doubt as to the course you should follow, you should consult your stockbroker or other professional adviser without delay.

This Offer Booklet is not a prospectus. It does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding, or about the rights attaching to, the New Shares offered by this Offer Booklet.

The Entitlement Offer opens at 10:00am (AWST) on 13 October 2022 and closes at 5:00pm (AWST) on 27 October 2022. Valid acceptances must be received before the Entitlement Offer closes.

Please read the instructions in this document and on the accompanying Entitlement and Acceptance Form regarding the acceptance of your Entitlement.

**NOT FOR RELEASE INTO THE UNITED STATES OR TO U.S. PERSONS OR IN ANY JURISDICTION
WHERE THIS DOCUMENTATION DOES NOT COMPLY WITH THE RELEVANT REGULATIONS**

IMPORTANT INFORMATION

This Offer Booklet is issued pursuant to section 708AA of the Corporations Act 2001 (Cth) (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84) for the offer of New Shares without disclosure to investors under Part 6D.2 of the Corporations Act. This Offer Booklet has been prepared by CZR Resources Ltd ACN 112 866 869 and was lodged with ASX on 5 October 2022. ASX takes no responsibility for the content of this Offer Booklet.

No party other than the Company has authorised or cause the issue of this Offer Booklet, or takes any responsibility for, or make, any statements, representations or undertakings in this Offer Booklet.

No person is authorised to give any information or to make any representation in connection with the Offers which is not contained in this Offer Booklet. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offers.

Status of Offer Booklet

The Offers are being made pursuant to provisions of the Corporations Act which allows rights issues to be offered without a prospectus.

Neither this Offer Booklet nor the Entitlement and Acceptance Form are required to be lodged or registered with ASIC. This Offer Booklet is not a prospectus under the Corporations Act and no prospectus for the Offers will be prepared. This document does not contain, or purport to contain, all of the information that a prospective investor may require in evaluating an investment in the Company.

This Offer Booklet is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest, including the announcements made by the Company on the ASX platform. All announcements made by the Company are available at <https://www.czrresources.com/> and www.asx.com.au.

This Offer Booklet does not contain financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. Before deciding whether to apply for New Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. After reading the Offer Booklet (in particular, the "Risk Factors" referred to in Section 3), if you have any questions about the Offers, you should contact your stockbroker, accountant or other independent professional adviser.

Eligibility

The Acceptance Form accompanying this Offer Booklet is important. Applications for New Shares under the Offers can only be made by BPAY® or EFT payment in accordance with the instructions contained in the Acceptance Form, as sent with this Offer Booklet. Accordingly, there is no need to return an Acceptance Form. The Entitlement and Acceptance Form sets out an Eligible Shareholder's Entitlement. Please refer to the instructions in Section 2 regarding the acceptance of your Entitlement and completion of the Entitlement and Acceptance Form.

By making payment by BPAY® or EFT, you acknowledge that you have received and read this Offer Booklet and you have acted in accordance with the terms of the Offers detailed in this Offer Booklet.

No updates to Offer Booklet

The information in this Offer Booklet may not be complete and may be changed, modified or amended at any time by the Company, and is not intended to, and does not constitute representations and warranties of the Company. Neither the Company, nor any other advisor of the Company intends to update this Offer Booklet or accepts any obligation to provide the recipient with access to information or to correct any additional information or to correct any inaccuracies that may become apparent in the Offer Booklet or in any other information that may be made available concerning the Company. Potential investors should conduct their own due diligence investigations regarding the Company.

Ineligible Shareholders

Unless the Directors determine otherwise, the Offers are not being extended and any New Shares will not be issued to Shareholders with a registered address which is outside Australia and New Zealand. It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of New Shares those Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction.

No action has been taken to permit the offer of New Shares under this Offer Booklet in any jurisdiction other than Australia and New Zealand. The distribution of this Offer Booklet in jurisdictions outside Australia and New Zealand may be restricted by law and therefore persons outside of Australia and New Zealand should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. Applications from Shareholders with a registered address in a jurisdiction other than Australia and New Zealand will not be accepted.

This Offer Booklet does not constitute an offer of New Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Offer Booklet.

Notice to nominees and custodians

Shareholders with an address on the Share register in Australia and New Zealand holding Shares on behalf of persons who are resident in other jurisdictions are responsible for ensuring that taking up any New Shares does not breach regulations in the relevant jurisdiction. Payment made by BPAY® or EFT payment in accordance with the instructions contained in the Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

The Company is not required to determine whether or not any registered holder is acting as a nominee or custodian or the identity or residence of any beneficial owners of Shares. Where any holder is acting as a nominee for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Entitlement Offer is compatible with applicable foreign laws. The Company is not able to advise on foreign laws. Eligible Shareholders who are nominees, trustees or custodians are therefore advised to seek independent advice as to how to proceed.

Speculative investment

An investment in New Shares should be considered highly speculative. You should read this Offer Booklet and the Company's ASX announcements (including announcements which may be made by CRZ after publication of this Offer Booklet) carefully before deciding whether to invest. Refer to Section 3 for details of the key risks applicable to an investment in the Company.

This Offer Booklet does not take into account the investment objectives, financial or taxation or particular needs of any Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to his/her particular needs, their individual risk profile for speculative investments, investment objectives and individual financial circumstances. If persons considering applying for New Shares have any questions, they should consult their stockbroker, solicitor, accountant or other professional adviser.

There is no guarantee that New Shares will make a return on the capital invested, that dividends will be paid on the New Shares or that there will be an increase in the value of the New Shares in the future.

Privacy

The Company collects information about each Applicant provided on an Acceptance Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By making payment by BPAY® or EFT, each Applicant agrees that the Company may use the information provided by an Applicant on the Acceptance Form for the purposes detailed in this Offer Booklet and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not follow the instructions contained in the Acceptance Form, the Company may not be able to accept or process your Application. An Applicant has a right to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

Website

No document or information included in the Company's website is incorporated by reference into this Offer Booklet.

Currency

All financial amounts contained in this Offer Booklet are expressed as Australian dollars unless otherwise stated.

Rounding

Any discrepancies between totals and sums and components in tables contained in this Offer Booklet are due to rounding.

Glossary

Defined terms and abbreviations used in this Offer Booklet are detailed in the glossary of terms in Section 5.

CORPORATE DIRECTORY

Directors

Mr Russell Clark – Non-Executive Chairman

Mr Stefan Murphy – Managing Director

Ms Hui (Annie) Guo – Non-Executive Director

Chief Financial Officer & Company Secretary

Mr Trevor O'Connor

Registered Office

Suite 9, Level 3, 47 Havelock Street

West Perth, WA 6005

Telephone: +61 (08) 9468 2050

Website: <https://www.czrresources.com/>

Auditor*

BDO Audit (WA) Pty Ltd

38 Station Street

Subiaco, WA 6008

ASX Code: CZR

Share Registry*

Automic Registry Services

Level 5, 191 St Georges Terrace

Perth WA 6000

Telephone: 1300 288 664

Website

<https://www.czrresources.com/>

Corporate information and the CZR Annual Report can be found via the CZR website

at <https://www.czrresources.com/>

***This party is named for informational purposes only and was not involved in the preparation of this Offer Booklet.**

CHAIRMAN'S LETTER

5 October 2022

Dear Shareholder,

On behalf of the Board of CZR Resources Ltd (ASX:CRZ) (**CRZ** or the **Company**), I invite you to make a further investment in your Company.

The Company is pleased to offer Eligible Shareholders a renounceable pro-rata entitlement offer of fully paid ordinary shares (**New Share**) at an issue price of \$0.012 per Share on the basis of one (1) New Share for every five (5) Shares held on the Record Date, to raise approximately \$8.4 million (before costs) from Eligible Shareholders (**Entitlement Offer**).

I am pleased to advise that the Company's major shareholder, Mr Mark Creasy and his associates (the Creasy Group) have provided an undertaking to accept a minimum of \$2,000,000 of Entitlements. If the Creasy Group participates in the Entitlement Offer for more than \$2,000,000 of Entitlements it will be capped at a 3% increase in voting power as compared with its voting power in the Company six months prior to receiving New Shares under the Entitlement Offer.

CZR is a Western Australia focused mineral exploration and development company with five projects, all in joint-venture with its major shareholder, the Creasy Group. CZR holds an 85% interest in the Yarraloola and Buddadoo Projects, and a 70% interest in the Shepherd's Well, Croydon and Yarrie Projects.

All projects are strategically located, close to critical infrastructure and cover prospective geology with established iron ore, gold and base metal operating mines or recent, significant discoveries.

CZR's primary development asset is the Robe Mesa iron ore deposit, part of the larger Yarraloola project (**Robe Mesa Project**). The Company is progressing a Definitive Feasibility Study (**DFS**) and approvals for mining, with a focus on expanding the current JORC Resource and Reserve, developing a mine and targeting a production rate of 3Mtpa of direct shipping iron ore (**DSO**). In June 2022, the Company reported a 52% increase in Mineral Resources to 37.5Mt¹ (refer to CZR's ASX announcement dated 2 June 2022) and recently completed extensional drilling ahead of updated Resource and Reserve estimates, which is expected to be released in the December 2022 quarter.

The Robe Mesa Project sits within the Robe Valley Channel Iron Deposits, where the Robe River JV (Rio Tinto 53% and operator, Mitsui 33%, Nippon Steel 14%) has been mining since the 1970s, with rail linking to export facilities at Cape Lambert. The Robe River JV recently invested \$1.7B to replace production from existing mines at Mesa A, Warramboos and Mesa J, with production commencing at Mesa B, C and H in August 2021. Extensive drilling is also underway at Mesa F, effectively surrounding the Robe Mesa Project.

The Croydon Gold Project, located in the Mallina Basin between Karratha and Port Hedland, sits along strike from De Grey Mining Limited's Hemi gold deposit with a recently updated and increased JORC Resource of 8.5 Moz Au (refer to De Grey Mining Limited's ASX announcement dated 31 May 2022) (**Croydon Gold Project**). 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 70km south-east of Hemi.

Gold mineralisation at Hemi is hosted in a series of intrusions into the surrounding Mallina Basin sediments. The Croydon Gold Project has similar geology, with very strong gold and arsenic in soil anomalies, particularly at the Top Camp prospect where initial RC 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.

CZR will be back in the field at the Croydon Gold Project later in 2022 to complete a ground-based gravity survey to target the presence of large intrusions that may host gold mineralisation similar to Hemi, and considers the Croydon Gold Project to be a core gold exploration asset for the Company.

¹ In the case of Mineral Resource estimates, the material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed since CZR's ASX announcement dated 2 June 2022.

In addition to the development of Robe Mesa Project and exploration at the Croydon Gold Project, CZR is also progressing several prospective iron ore, gold and copper exploration projects – well located and in close proximity to major mines and discoveries.

The Entitlement Offer provides Eligible Shareholders the opportunity to increase their investment in CZR and will provide additional funding for the Company to deliver on the next phase of its growth strategy.

Funds raised from the Entitlement Offer will be used to complete the Resource and Reserve updates and advance the DFS for the Robe Mesa Project as well as advance exploration at the Croydon Gold Project and other exploration assets, and for general working capital and business development purposes. Accompanying this Offer Booklet is your personalised Entitlement and Acceptance Form which details your entitlement and sets out the instructions for participating in the issue.

Accordingly, I encourage your participation in the Entitlement Offer. Please note the Closing Date of 27 October 2022. Should you wish to discuss any aspect of this capital raising please do not hesitate to contact myself, my fellow Directors or the Company Secretary, Trevor O'Connor on +61 (8) 9468 2050.

Yours faithfully,



Russell Clark

Non-Executive Chairman

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1. Details of the Offers

1.1 The Entitlement Offer

The Company is making a renounceable pro-rata entitlement offer of New Shares at an issue price of \$0.012 per New Share, on the basis of one (1) New Share for every five (5) Shares held on the Record Date, in accordance with section 708AA of the Corporations Act, to raise approximately \$8.4 million (before costs) from Eligible Shareholders (**Entitlement Offer**).

The proceeds from the Entitlement Offer will be used by the Company for exploration and development activities on the Projects and for working capital purposes, as outlined in Section 1.3.

At the Record Date, the Company expects to have on issue approximately 3.49 billion Shares and approximately 173.86 million Options convertible into 173.86 million Shares at various different exercise prices and expiry dates. Refer to Section 1.4 for further information and details on the Company's capital structure. Assuming the Entitlement Offer is fully subscribed, approximately 0.70 million New Shares will be issued under the Entitlement Offer (assuming no Options are converted before the Record Date). If all of the existing Options are converted before the Record Date, and assuming that the Entitlement Offer is fully subscribed, a total of 0.73 million New Shares will be issued under the Entitlement Offer.

Where the determination of the Entitlement of any Eligible Shareholder results in a fraction of a New Share, such fraction will be rounded down to the nearest whole New Share.

All of the New Shares will rank equally with the Shares on issue at the date of this Offer Booklet. Refer to Section 4 for a summary of the rights attaching to New Shares.

This Offer Booklet is also for the offer of the Shortfall Shares to Eligible Shareholders. Refer to Section 1.27 for further information and details of the Shortfall Offer.

1.2 Proposed Timetable

Event	Date
Announcement of the Entitlement Offer (Pre-open)	5 October 2022
Lodgement of Offer Booklet and Appendix 3B with ASX	5 October 2022
"Ex" Date Rights trading commences on a deferred settlement basis	7 October 2022
Record Date (5:00pm AWST)	10 October 2022
Dispatch of Entitlement Offer Booklet and Entitlement and Acceptance Form to Eligible Shareholders	13 October 2022
Opening Date of Entitlement Offer	13 October 2022
Entitlements trading ends	20 October 2022
Securities quoted trading on ASX on a deferred settlement basis	21 October 2022
Last day to extend the Closing Date*	24 October 2022
Closing Date of Entitlement Offer (5:00pm AWST)	27 October 2022
Notification of Shortfall	3 November 2022
Announcement of results of Entitlement Offer	3 November 2022

Event	Date
Anticipated date for the issue of New Shares and deferred settlement trading ends	3 November 2022
Anticipated date for despatch of holding statements for New Shares	4 November 2022

This timetable is indicative only and subject to change

* Subject to the Corporations Act, Listing Rules and other applicable law and regulation, the Directors reserve the right to extend the Closing Date for the Offers. Any extension will have a consequential effect on the anticipated date of issue for the Securities.

1.3 Use of funds

If fully subscribed, the Entitlement Offer and Shortfall Offer (together, the **Offers**) will raise approximately \$8.4 million (before costs), assuming no Options are converted before the Record Date.

The funds raised from the Offers are proposed to be applied as follows:

Description of Cash Outflows	Amount (A\$)
The Robe Mesa Project - DFS	3,031,000
The Croydon Gold Project	1,268,000
Other ongoing exploration activities	894,000
Corporate and administration	1,199,000
Costs of the Offers	66,000
General working capital	1,909,176
Total funds raised under the Offers	8,367,176

Actual expenditure may differ significantly from the above estimates due to a number of factors including market conditions, the development of new opportunities and other factors (including the risk factors outlined in Section 3).

If less than \$8.4 million is raised pursuant to the Offers, the Company will firstly pay the associated expenses of the Offers and then scale back funds available for expenditure on exploration and development activities at the Projects.

1.4 Capital structure on completion of the Offers

	Number of Shares	Number of Options
Balance at the date of this Offer Booklet ⁽¹⁾	3,486,323,277	173,860,378 ⁽³⁾
To be issued under the Offers ⁽²⁾	697,264,655	Nil
Balance after the Offers	4,183,587,932	173,860,378

Notes:

- (1) This table does not include the performance rights and Options that will be issued to Mr Russell Clark and Ms Annie Guo subject to shareholder approval at a future general meeting of the Company, which is expected to be after the completion of the Offers (see ASX Announcement dated 18 May 2022 titled "Proposed Issue of Incentive Securities to Non-Executive Directors" for more details).
- (2) The maximum number of New Shares to be issued under the Offers and assumes that the Entitlement Offer is fully subscribed and that no Options are exercised before the Record Date.
- (3) Comprising:
 - 18,500,000 Options, with an exercise price of \$0.000001 and an expiry date of 22 March 2026;
 - 7,000,000 Options, with an exercise price of \$0.016 and an expiry date of 22 March 2026;
 - 7,000,000 Options, with an exercise price of \$0.031 and an expiry date of 22 March 2026;
 - 7,000,000 Options, with an exercise price of \$0.0165 and an expiry date of 13 April 2025;
 - 56,860,378 Options, with an exercise price of \$0.0216 and an expiry date of 29 June 2024;
 - 5,000,000 Options, with an exercise price of \$0.0318 and an expiry date of 18 September 2024;
 - 40,000,000 Options, with an exercise price of \$0.000001 and an expiry date of 9 November 2025;
 - 10,000,000 Options, with an exercise price of \$0.016 and an expiry date of 9 November 2025;

- 10,000,000 Options, with an exercise price of \$0.031 and an expiry date of 9 November 2025;
- 5,000,000 Options, with an exercise price of \$0.000001 and an expiry date of 9 November 2024; and
- 7,500,000 Options, with an exercise price of \$0.000001 and an expiry date of 16 September 2026.

1.5 Entitlements and acceptance

The Entitlement of Eligible Shareholders to participate in the Entitlement Offers is determined on the Record Date. Your Entitlement is shown on the Entitlement and Acceptance Form accompanying this Offer Booklet.

A BPAY® or EFT payment in accordance with the instructions contained in the Entitlement and Acceptance Form creates a legally binding contract between the Applicant and the Company for the number of New Shares accepted by the Company. The Entitlement and Acceptance Form does not need to be signed to be a binding acceptance of New Shares.

If the BPAY® or EFT payment is not completed in accordance with the instructions contained in the Entitlement and Acceptance Form, the Company may not be able to process or accept your Application for New Shares and any Application Monies received in connection with your Application will be returned to you (without interest).

1.6 Shortfall Shares

The Entitlement Offer is not underwritten. Eligible Shareholders may apply for Shortfall Shares by following the instructions set out in their Entitlement and Acceptance Form (refer to Section 2.1 for further details) (**Shortfall Offer**). The Directors reserve the right, subject to any restrictions imposed by the Corporations Act, the Listing Rules and other applicable law and regulation to issue any remaining Shortfall Shares at their sole discretion, including to certain investors who are not Eligible Shareholders and have completed the Shortfall Acceptance Form upon invitation from the Company (refer to Section 2.9). See Section 1.27 for further details of the Shortfall Offer.

1.7 Substantial holders

At the date of this Offer Booklet, the Company has the following substantial holders (based on the substantial holder notices that have been given to the Company and released to ASX):

Holder	Number of Shares	Voting Power
The Creasy Group	1,927,266,593	55.28%

1.8 Effect on control

The potential effect that the Offers will have on the control of the Company and the consequences of that effect will depend on a number of factors, including the level of participation by Shareholders in the Offers.

Whilst the Entitlement Offer is not underwritten, the Company's cornerstone investor, the Creasy Group, has provided an undertaking to accept a minimum of \$2,000,000 of Entitlements. If the Creasy Group participates in the Entitlement Offer for more than \$2,000,000 of Entitlements it will be capped at a 3% increase in voting power as compared with its voting power in the Company six months prior to receiving New Shares under the Entitlement Offer.

In aggregate, the commitment of the Creasy Group represents approximately 23.9% (or ~\$2 million) of the maximum approximate Entitlement Offer raising of \$8.4 million.

Based on this confirmation, the potential effect the Offers will have on the control of the Company is as follows:

- (a) if all Eligible Shareholders take up their Entitlements under the Entitlement Offer, the New Shares issued under the Entitlement Offer will have no effect on the control of the Company and all Shareholders will hold the same percentage interest in the Company (except for the Creasy Group, whose participation is subject to the restriction outlined in this Section 1.8), subject only to changes resulting from Ineligible Shareholders being unable to participate in the Entitlement Offer;
- (b) in the more likely event that there is a shortfall in the Entitlement Offer, Eligible Shareholders who do not subscribe for their full Entitlement of New Shares under the Entitlement Offer will be diluted relative to those Eligible Shareholders who subscribe for some or all of their Entitlement, and will be diluted by any take up of Shortfall Shares (refer to the table in Section 1.9 below); and
- (c) the voting power in the Company held by the Creasy Group, could increase from the current level of 55.28% to up to a maximum of 58.28%.

Accordingly, the potential consequences of the effect of the Offers on the control of the Company is that the Creasy Group may increase its ability to influence the composition of the Board and the Company's management and strategic direction and to impact the outcome of resolutions of Shareholders of the Company.

The impact of control of the Company as a result of the Offers will ultimately be affected by the level of Applications under the Offers. The final percentage interests held by Shareholders of the Company is dependent on the extent to which other Eligible Shareholders take up their Entitlement and whether any Shortfall Shares are issued.

No Shortfall Shares will be issued to an Eligible Shareholder if, in the view of the Directors, to do so would increase that Eligible Shareholder's voting power in the Company above 19.9% or otherwise result in a breach of the Listing Rules, the Corporations Act or any other applicable law.

The information in this Section 1.8 is the Company's estimates only, based on the information available to it. Actual outcomes may vary.

1.9 Potential Dilution Effect

Shareholders should note that if they do not participate in the Entitlement Offer, their holdings are likely to be diluted as a result of the Entitlement Offer (compared to their holdings and number of Shares on issue at the date of this Offer Booklet). Examples of how the dilution may impact Shareholders are detailed in the table below:

Holder	Shareholding at Record Date	% at Record Date	Entitlements under the Entitlement Offer	Shareholdings if the Entitlement Offer not taken up	% post Offer ⁽¹⁾
Example Shareholder 1	20,000,000	0.57%	4,000,000	20,000,000	0.48%
Example Shareholder 2	10,000,000	0.29%	2,000,000	10,000,000	0.24%
Example Shareholder 3	5,000,000	0.14%	1,000,000	5,000,000	0.12%
Example Shareholder 4	2,500,000	0.07%	500,000	2,500,000	0.06%
Example Shareholder 5	1,000,000	0.03%	200,000	1,000,000	0.02%

Note:

- (1) The dilutionary effect shown in the table is the maximum percentage on the assumption that any Entitlements not accepted are placed under the Shortfall Offer. If all Entitlements are not accepted and some or the entire resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

1.10 Directors' interests and participation

The relevant interest of each Directors in the securities of the Company at the date of this Offer Booklet, together with their respective Entitlements, is detailed in the table below:

Director	Shares Held	Options Held	Entitlement (Number of New Shares)
Russell Clark ⁽¹⁾	-	-	-
Stefan Murphy	-	60,000,000 ⁽²⁾	-
Hui (Annie) Guo ⁽¹⁾	-	-	-

Notes:

- (1) This table does not include the performance rights and Options that will be issued to Mr Russell Clark and Ms Annie Guo subject to shareholder approval at a future general meeting of the Company, which is expected to be after the completion of the Offers.
- (2) Options are held directly by Stefan Murphy, comprising:
- 40,000,000 Options, with an exercise price of \$0.000001 and an expiry date of 9 November 2025;
 - 10,000,000 Options, with an exercise price of \$0.016 and an expiry date of 9 November 2025; and
 - 10,000,000 Options, with an exercise price of \$0.031 and an expiry date of 9 November 2025.

At the date of this Offer Booklet, none of the Directors have any Entitlement under the Offers and as such the Directors will not participate in the Offers.

1.11 Minimum subscription

There is no minimum subscription for the Entitlement Offer.

1.12 Opening and closing dates

The Entitlement Offer opens on the Opening Date, namely 13 October 2022. Payment under the Entitlement Offer must be received by the Company by 5:00pm (AWST) on the Closing Date, namely 27 October 2022, or such other date as the Directors in their absolute discretion shall determine, subject to the Listing Rules.

It is the responsibility of all Eligible Shareholders to ensure that their BPAY® or EFT payments are received by the Company on or before the Closing Date.

1.13 Issue and despatch

The dates for issue of New Shares offered by this Offer Booklet and despatch of holding statements is expected to occur on the dates specified in the timetable detailed in Section 1.2.

It is the responsibility of Applicants to determine their allocation prior to trading in the New Shares. Applicants who sell New Shares before they receive their holding statements will do so at their own risk.

1.14 Application Monies held on trust

All Application Monies will be held on trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Offer Booklet until the New Shares are issued. All Application Monies will be returned (without interest) if the New Shares are not issued.

1.15 ASX quotation

Application will be made to the ASX for the official quotation of the New Shares on ASX. If the ASX does not grant quotation of the New Shares within 3 months after the date of this Offer Booklet (or such period as ASX allows), no New Shares will be issued and the Company will repay, as soon as practicable, without interest, all Application Monies received pursuant to the Offers.

ASX takes no responsibility for the contents of this Offer Booklet. The fact that ASX may grant quotation of the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares.

1.16 No cooling off rights

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw an application once it has been accepted.

1.17 Entitlements Trading

The Entitlements under the Entitlement Offer are renounceable. Accordingly, there will be trading of Entitlements (including on ASX) and you may dispose of your rights to subscribe for New Shares comprising part or all of your Entitlement to any other party (subject to compliance with applicable laws). Entitlement trading is expected to commence on 7 October 2022 and conclude on 20 October 2022. If you do not take up your full Entitlement and do not trade the Entitlements which you do not take up, those Entitlements that you do not take up or trade will lapse and you will not receive any payment or value for them. See Section 2 for further details.

There is no guarantee that there will be a liquid market in traded Entitlements. A lack of liquidity may impact your ability to sell your Entitlements on ASX and the price you may be able to achieve.

1.18 Rights and liabilities

The Shares offered under this Offer Booklet will rank equally in respect of dividends and have the same rights in all other respects (e.g. voting, bonus issues) as existing Shares.

A summary of the rights and liabilities attaching to Shares are detailed in Section 4.

1.19 Withdrawal

The Directors may at any time decide to withdraw this Offer Booklet and the Offers, in which case, the Company will return all Application Monies (without interest) in accordance with the Corporations Act.

1.20 CHESS

The Company participates in the Clearing House Electronic Subregister System, known as CHESS. ASX Settlement Pty Ltd (a wholly owned subsidiary of ASX) operates CHESS in accordance with the Listing Rules and ASXS Operating Rules.

Under CHESS in Australia, Applicants will not receive a certificate but will receive a statement of their holding of New Shares.

If you are registered on the Issuer Sponsored subregister, your statement will be despatched by the Share Registry and will contain the number of New Shares issued to you under this Offer Booklet and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their holding changes. Shareholders may request a statement at any other time. However, there may be a charge associated with the provision of this service.

1.21 Eligible Shareholders

This Offer Booklet contains an offer of New Shares to Eligible Shareholders who are persons:

- registered as a holder of Shares at the Record Date, being 5:00pm (AWST) on 10 October 2022;
- having a registered address, on the Company's share register, in Australia and New Zealand;
- not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such person holds Shares for the account or benefit of such person in the United States); and
- are eligible under all applicable securities laws to receive an offer under the Entitlement Offer without any requirement for a prospectus or disclosure document to be lodged or registered,

are eligible to participate in the Entitlement Offer (**Eligible Shareholders**).

If you are a Shareholder who does not satisfy each of the criteria listed above, you are an "Ineligible Shareholder" (refer to Section 1.22). Where the Offer Booklet has been despatched to Ineligible Shareholders, the Offer Booklet is provided for information purposes only. The Company reserves the right to determine whether a Shareholder is an Eligible Shareholder or an Ineligible Shareholder.

1.22 Ineligible Shareholders

Unless the Directors determine otherwise, no Offer will be made to Shareholders with a registered address outside Australia and New Zealand (**Ineligible Shareholders**).

The Company is of the view that it is unreasonable to make the Offers to Shareholders outside Australia and New Zealand due to a small number of such Shareholders and the number and value of New Shares these Shareholders would be offered, the cost of complying with applicable regulations in jurisdictions outside Australia and New Zealand and the administrative burden that will place on the Company in making the Offers available to Shareholders outside Australia and New Zealand.

This Offer Booklet and accompanying Entitlement and Acceptance Form do not, nor are they intended to, constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

The Company has appointed Bell Potter Securities Limited to act as nominee (**Nominee**) for the Ineligible Shareholders, to arrange the sale of the Entitlements which would have been offered to them had they been eligible to participate in the Entitlement Offer.

If there is a viable market for those Entitlements and a premium over the expenses of their sale can be made, the Nominee will arrange the sale of the Entitlements which would have been attributable to Ineligible Shareholders. The Nominee will distribute to the Share Registry or to the Company directly the net proceeds (if any) of the sale of the Entitlements of Ineligible Shareholders (after deducting costs and expenses), to be distributed in proportion to their respective Entitlements at the Record Date. The Nominee will charge a

fee of 1% (plus GST) on the proceeds from the sale of Entitlement of Ineligible Shareholders.

The Nominee will have absolute and sole discretion to determine the price for which the Entitlements of Ineligible Shareholders may be sold, as well as the timing and manner of such sale (if any). Neither the Company nor the Nominee will be subject to any liability to Ineligible Shareholders (or any other party) for failure to sell the Entitlements of Ineligible Shareholders or for failure to sell them at a particular price.

If, as a result of the Nominee selling the Entitlements of Ineligible Shareholders, there is no surplus of sale proceeds over the expenses of the sale, in such circumstances, no money will be payable to Ineligible Shareholders.

1.23 Taxation implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for New Shares under this Offer Booklet. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders.

Shareholders should consult their professional tax adviser in connection with subscribing for New Shares under this Offer Booklet.

1.24 Risk factors

An investment in New Shares should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are described in Section 3.

1.25 Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX and, as such, the Company is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules.

Specifically, the Company is required to notify ASX of information about specific events and matters as they arise for the purposes of ASX making that information available to the securities markets conducted by the ASX. In particular, the Company has an obligation under the Listing Rules (subject to certain exceptions) to notify the ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price of value of its securities.

This Offer Booklet is intended to be read in conjunction with the publicly available information in relation to the Company, which has been notified to ASX, and does not include information that would be included in a disclosure document or which investors ought to have regard to in deciding whether to subscribe for New Shares under the Offers. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

All announcements made by the Company are available from its website <https://www.czresources.com/> or the ASX website www.asx.com.au.

Additionally, the Company is required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a directors' statement and report, and an audit report or review. These reports are released to ASX and published on the Company's and ASX websites.

This Offer Booklet (including the Entitlement and Acceptance Form) and the contracts that arise from the acceptance of the Applications are governed by the laws applicable in Western Australia and each applicant submits to the non-exclusive jurisdiction of the courts of Western Australia.

1.26 Cleansing notice

The Company has lodged with ASX a notice in accordance with section 708AA of the Corporations Act. This notice may be reviewed on the websites of the Company and ASX.

1.27 Shortfall Offer

Any New Shares under the Entitlement Offer that are not applied for will form the Shortfall Shares. The Directors reserve the right, subject to any restrictions imposed by the Corporations Act and Listing Rules, to issue the Shortfall Shares at their sole discretion. The Entitlement Offer to issue Shortfall Shares is a separate offer under this Offer Booklet (**Shortfall Offer**).

Under this Offer Booklet, the Company offers to issue the Shortfall Shares to investors at the same price of \$0.012 per New Share as that offered under the Entitlement Offer. The Shortfall Shares will have the same rights as the New Shares as detailed in Section 4.

Eligible Shareholders may apply for Shortfall Shares by following the instructions set out in their Entitlement and Acceptance Form (refer to Section 2 for further details). Other investors may also apply for Shortfall Shares by completing the Shortfall Acceptance Form upon invitation from the Company (refer to Section 2.9).

Shortfall Shares may be allocated to any Eligible Shareholder or to other investors who apply for Shortfall Shares under the Shortfall Offer, at the absolute discretion of the Directors.

Shortfall Shares will not be offered or issued to any Applicant if, in the view of the Directors, to do so would increase that Applicant's voting power in the Company above 19.9% or otherwise result in a breach of the Listing Rules, the Corporations Act or any other applicable law.

An Application for Shortfall Shares accompanied by payment of Application Monies does not guarantee the allotment of any Shortfall Shares. The Shortfall Shares will be allocated within three months after the Closing Date.

In relation to the Shortfall Offer, the Company reserves the right to issue to an Applicant a lesser number of Shortfall Shares than the number applied for, reject an Application or not proceed with the issuing of the Shortfall Shares or part thereof. If the number of Shortfall Shares issued is less than the number applied for, surplus Application Monies will be refunded in full. Interest will not be paid on Application Monies refunded.

1.28 Shortfall allocation policy

If there is a Shortfall, the Company will allocate Shortfall Shares according to the following priority:

- (a) each Eligible Shareholder who has applied for Shortfall Shares through the Shortfall Offer will be allocated Shortfall Shares, subject to the allocation not resulting in an Eligible Shareholder's voting power in the Company increasing above 19.9% in breach of section 606 of the Corporations Act. If there is an oversubscription for Shortfall Shares, the Company will scale back allocations for Shortfall Shares pro rata between Eligible Shareholders applying for Shortfall Shares; and

- (b) if following the allocation in Section 1.28(a) there remains any Shortfall Shares, the Directors reserve the right, subject to any restrictions imposed by the Corporations Act and Listing Rules, to issue the unallocated Shortfall Shares at their sole discretion.

1.29 Enquiries concerning Offer Booklet

Any questions in relation to this Offer Booklet should be directed to the Company Secretary by telephone on +61 (0) 8 9468 2050.

2. Action Required by Shareholders

2.1 What Eligible Shareholders may do

The number of New Shares to which Eligible Shareholders are entitled to is shown on the accompanying personalised Entitlement and Acceptance Form. As an Eligible Shareholder, you may:

- (a) accept ALL of your Entitlement under the Entitlement Offer (refer to Section 2.2);
- (b) sell ALL or PART of your Entitlement under the Entitlement Offer and allow any balance to lapse (refer to Section 2.3);
- (c) accept PART of your Entitlement and sell the balance on ASX or allow the balance to lapse (refer to Section 2.4);
- (d) accept ALL of your Entitlement and apply for New Shares in excess of your Entitlement by applying for Shortfall Shares (refer to Section 2.5); or
- (e) not take up your Entitlement (refer to Section 2.6).

2.2 Accept ALL of your Entitlement under the Entitlement Offer

If you wish to accept all of your Entitlement to New Shares, you must make a payment of the number of New Shares you are entitled to (as shown on your personalised Entitlement and Acceptance Form) multiplied by the issue price of \$0.012 per New Share by BPAY® or EFT in accordance with the instructions set out on the Entitlement and Acceptance Form so that the funds are received no later than 5:00pm (AWST) on 27 October 2022.

Full details regarding these payment methods are set out in Section 2.8 below.

2.3 Sell ALL or PART of your Entitlement under the Entitlement Offer and allow any balance to lapse

The Entitlements under the Entitlement Offer are renounceable which means that all or part of an Eligible Shareholder's Entitlements under the Entitlement Offer may be traded on ASX. If you wish to sell part or all of your Entitlement on ASX, you should provide instructions to your stockbroker regarding the Entitlement you wish to sell on ASX. Trading of Entitlements will commence on ASX on 7 October 2022 and will cease on 20 October 2022 .

There is no guarantee that an Eligible Shareholder will be able to sell all or any part of their Entitlement on ASX or that any particular price will be paid for any Entitlements sold on ASX.

You may also elect to transfer all or a proportion of your Entitlement to another person other than on ASX. If the purchaser of your Entitlement is an Ineligible Shareholder or a person

that would be an Ineligible Shareholder if they were a registered holder of Shares, that purchaser will not be able to take up the Entitlement they have purchased.

If you wish to transfer all or a proportion of your Entitlement to or from another person on the CHES sub-register you must engage your CHES controlling participant (usually your stockbroker). If the transferee wants to exercise some or all of the Entitlement, you should follow your stockbroker's instructions as to the most appropriate way to take up the Entitlement on their behalf by no later than 2:00pm (AWST) on the Closing Date.

2.4 Accept PART of your Entitlement and sell the balance on ASX or allow the balance to lapse

If you wish to only take up part of your Entitlement and either sell the balance on ASX or allow the balance to lapse, you must make a payment of the number of New Shares of your Entitlement you wish to take up multiplied by the issue price of \$0.012 per Share by BPAY® or EFT in accordance with the instructions on the Entitlement and Acceptance Form so that the funds are received no later than 5:00pm (AWST) on 27 October 2022.

Full details regarding these payment methods are set out in Section 2.8 below.

If you wish to sell the balance of your Entitlement, please refer to the instructions in Section 2.3.

Alternately, if you take no further action, the balance of your Entitlement will lapse and you will have forfeited any potential benefit to be gained from taking up or selling that part of your Entitlement.

2.5 Accept ALL of your Entitlement and apply for New Shares in excess of your Entitlement by applying for Shortfall Shares

If you wish to accept all of your Entitlement and apply for New Shares in excess of your Entitlement by applying for Shortfall Shares, you must make a payment of the number of New Shares you are entitled to plus the number of Shortfall Shares you wish to apply for, multiplied by the issue price of \$0.012 per Share by BPAY® or EFT in accordance with the instructions on the Entitlement and Acceptance Form so that the funds are received no later than 5:00pm (AWST) on 27 October 2022.

Full details regarding these payment methods are set out in Section 2.8 below.

There is no limit to the amount of New Shares you may subscribe for under the Shortfall Offer. However, please note that the Shortfall Shares will be allocated in accordance with the policy set out in Section 1.28, and there is a chance you will be allocated less than the number of Shortfall Shares you have applied for (or none at all). The Directors will seek to ensure that no person will be issued Shortfall Shares if such issue will result in that person's voting power in the Company exceeding 19.9% or increasing at all, if they already hold voting power in the Company above 19.9%. Please read the instructions on the Entitlement and Acceptance Form carefully.

In the event you are allocated less Shortfall Securities than the number you have applied for, the excess Application Monies will be refunded to you (without interest).

2.6 Not take up your Entitlement

Shareholders should be aware that their Entitlement may have value. Entitlements are renounceable, which enables Eligible Shareholders who do not wish to take up part or all of their Entitlement to seek to sell or trade all or some of their Entitlement as detailed above.

If you do not wish to accept or trade any part of your Entitlement, you are not obliged to do anything. If you do not take up your Entitlement or dispose of your Entitlement by the Closing Date, your Entitlement will lapse and you will receive no benefit or New Shares and your Entitlement under the Entitlement Offer will become Shortfall Shares.

Eligible Shareholders who do not participate fully in the Entitlement Offer may have their percentage holding in CZR reduced by the Entitlement Offer.

2.7 Ineligible Shareholders

If you are an Ineligible Shareholder, you may not accept any of, or do anything in relation to, your Entitlement. Refer to Section 1.22 for treatment of Ineligible Shareholders.

2.8 Payments

The offer price of New Shares under the Entitlement Offer or Shortfall Offer is \$0.012 per New Share.

For Eligible Shareholders participating in the Entitlement Offer, Application Monies must be received by the Company by no later than 5:00pm (AWST) on 27 October 2022.

As noted above, you must pay by either BPAY® or EFT.

The Company shall not be responsible for any or delay in the receipt of the BPAY® or EFT payment.

Payment by BPAY®

Entitlements and any Shortfall Shares may be accepted electronically using BPAY® in accordance with the instructions set out in your Entitlement and Acceptance Form. You are not required to return the Entitlement and Acceptance Form. You can simply make payment for the total number of New Shares accepted by using the Biller Code and the personalised Reference Number set out in your Entitlement and Acceptance Form. You must ensure that payment by BPAY® is received no later than 5:00pm (AWST) on 27 October 2022.

You should be aware that your own financial institution may impose earlier cut-off times with regards to electronic payments and you should therefore take this into consideration when making payment. You can only make payment by BPAY® if you are the holder of an account with an Australian branch of a financial institution that supports BPAY® transactions.

Payment by EFT

To pay by EFT, you must follow the instructions on the Entitlement and Acceptance Form. You will be deemed to have accepted all or part of your Entitlement and subscribed for Shortfall Shares (as applicable) upon receipt of the EFT payment by the Company.

If paying via EFT, Eligible Shareholders should be aware that their own financial institution may implement earlier cut off times with regard to electronic payment and it is the responsibility of Eligible Shareholders to ensure that funds are received by no later than 5.00pm (AEST) on 27 October 2022. If you elect to pay via EFT, you must follow the instructions for EFT detailed in the Entitlement and Acceptance Form and you will not need to return the Entitlement and Acceptance Form.

2.9 Applications for Shortfall Shares under the Shortfall Offer

If you are not an Eligible Shareholder and, upon invitation from the Company, wish to apply for Shortfall Shares under the Shortfall Offer, you must complete the relevant sections on a Shortfall Acceptance Form provided to you by the Company, in accordance with the

instructions referred to in this Offer Booklet and on the Shortfall Acceptance Form, including the number of Shortfall Shares you wish to apply for under the Shortfall Offer and the total Application Monies (calculated at \$0.012 per Shortfall Share applied for under the Shortfall Offer). Please read the instructions carefully.

2.10 Actions by Applicants

By making a payment by BPAY® or EFT payment in accordance with the instructions set out in your personalised Entitlement and Acceptance Form, in addition to the representations set out elsewhere in this Offer Booklet and the Entitlement and Acceptance Form, you:

- (a) if participating in the Entitlement Offer, represent to the Company that you are an Eligible Shareholder;
- (b) acknowledge that you have received a copy of this Offer Booklet and an accompanying Acceptance Form, and read them both in their entirety;
- (c) agree to be bound by the terms of the Offers, the provisions of this Offer Booklet and the Constitution;
- (d) authorise the Company to register you as the holder(s) of the New Shares allotted to you;
- (e) declare that all details and statements in the Acceptance Form are complete and accurate;
- (f) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Acceptance Form;
- (g) acknowledge that once CZR receives your payment of Application Monies by BPAY® or EFT payment, you may not withdraw your applications or funds except as required by law;
- (h) agree to accept and be issued up to the number of New Shares specified in the Acceptance Form, or for which you have submitted payment of any Application Monies via BPAY® or EFT, at the issue price of \$0.012 per New Share;
- (i) authorise the Company and its respective officers or agents to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in the Acceptance Form;
- (j) if participating in the Entitlement Offer, declare that you were the registered holder at 5:00pm (AWST) on the Record Date of the Shares indicated on your personalised Entitlement and Acceptance Form as being held by you at 5:00pm (AWST) on the Record Date;
- (k) acknowledge the statement of risks in Section 3 and that an investment in the Company is subject to risk;
- (l) represent and warrant that the law of any place does not prohibit you from being given this Offer Booklet and the Acceptance Form, nor does it prohibit you from accepting New Shares and that if you participate in the Entitlement Offer, that you are eligible to do so; and
- (m) represent and warrant that you are not in the United States and you are not acting for the account or benefit of a person in the United States.

2.11 Brokerage

No brokerage or stamp duty is payable by Eligible Shareholders who accept their Entitlement.

2.12 Enquiries concerning your Entitlement

If you have any questions in relation to your Entitlement under the Entitlement Offer, please contact the Company Secretary by telephone on +61 (0) 8 9468 2050.

3. Risk Factors

The New Shares offered under this Offer Booklet are considered speculative. The Directors strongly recommend Eligible Shareholders examine the contents of this Offer Booklet and consult their professional advisers before deciding whether to apply for the New Shares pursuant to this Offer. In addition, Eligible Shareholders should be aware there are risks associated with investment in the Company. There are certain general risks and certain specific risks which relate directly to the Company's business and are largely beyond the control of the Company and its Directors because of the nature of the business of the Company.

The summary of risk factors described below ought not to be taken as exhaustive of the risks faced by the Company or by Eligible Shareholders. The risk factors described below, and others not specifically referred to below, may in the future materially affect the financial performance of the Company and the value of the New Shares offered under this Offer Booklet. The New Shares to be issued pursuant to this Offer Booklet carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those New Shares.

3.1 Risks specific to the Company, the Entitlement Offer and the Shortfall Offer

(a) Joint venture and contractual risk

The tenements comprising the Projects are subject to separate joint venture agreements. The ability of the Company to achieve its stated objective will depend on the performance by the Company and each relevant counterparty to the joint venture agreement of their respective obligations under that joint venture agreement. If any party defaults in the performance of its obligations under any of the joint venture agreements, it may be necessary for either party to approach a court to seek a legal remedy, which could be costly for the Company.

The operations of the Company require the involvement of a number of third parties, in addition to its joint venture partners, including consultants, contractors and suppliers. Financial failure, default or contractual non-compliance on the part of such third parties may have a material impact on the Company's operations and performance. It is not possible for the Company to predict or protect the Company against all such risks.

(b) Tenure

Interest in tenements in Australia is governed by State legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and has annual expenditure and reporting commitments, together with other conditions requiring compliance. The Company could lose its title to, or its interest in one or more of the tenements in which it has an interest if licence conditions are not met or if insufficient funds are available to meet the minimum expenditure commitments.

The Company's tenements, and other tenements in which the Company may acquire an interest in the future, will be subject to renewal, which is usually at the discretion of the relevant authority. If a tenement is not renewed the Company may lose the opportunity to discover mineralisation and develop that tenement.

(c) **Reliance on key personnel**

The Company is reliant on a number of key personnel employed or engaged by the Company. Loss of such personnel may have a material adverse impact on the performance of the Company.

The Board is aware of the need to have sufficient management to properly supervise the exploration and development of the Projects.

(d) **The Company has no history of earnings and no production revenues**

The success of the Company in the short to medium term is dependent upon a number of factors, including the successful exploration and development of the Projects.

Furthermore, as none of the Projects have commenced mining operations, there can be no guarantee that the business will operate in line with assumed cost structures. Should the level of costs required to operate the business be higher than anticipated then it may have a materially adverse effect on the future performance and prospects of the Company.

The Company expects to incur losses unless and until such time as any new projects or the Projects enter into commercial production and generate sufficient revenues to fund their continuing operations.

The development of the Projects will require the commitment of substantial resources. There can be no assurance that the Company will generate any revenues or achieve profitability.

(e) **New projects, acquisitions and joint ventures**

The Company has to date, and will continue to actively pursue and assess, other new business opportunities particularly those in the resources sector. These new business opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of tenements/permits, or direct equity participation.

If an acquisition is completed, the Directors will need to reassess, at the time, the funding allocated to the Projects and any new projects, which may result in the Company reallocating funds from other projects and/or the raising of additional capital (if available).

Furthermore, any new project or business acquisition may change the risk profile of the Company, particularly if the new project is located in another jurisdiction, involves a new commodity and/or changes the Company's capital/funding requirements.

(f) **Additional requirements for funding**

The future capital requirements of the Company will depend on numerous factors including the results of future exploration and business development activities.

If less than \$8.4 million is raised pursuant to the Entitlement Offer and Shortfall Offer, the Company will need to scale back funds available as outlined in Section 1.3. Furthermore, the Company may require further funding in addition to current

cash reserves and proceeds from the Entitlement Offer and Shortfall Offer to fund exploration activities.

Additional equity financing, if available, may be dilutive to Shareholders and at lower prices than the current market price. Debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion.

3.2 General risks associated with resource sector operations

The Company operates in the resources sector and is subject to risks relating to exploration, drilling and production of resources which may not generally be associated with other sectors.

The exploration and development of resources and successful project development is considered to be of a high risk nature and involves inherent risks.

(a) Exploration and development risks

Mineral exploration by its nature is a high risk activity and there can be no guarantee of exploration success on the Projects. There can be no assurance that exploration of the tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

Further, exploration involves certain operating hazards, such as failure and or breakdown of equipment, adverse geological, seismic and geotechnical conditions, industrial accidents, labour disputes, adverse weather conditions, pollution and other environmental hazards and risks.

(b) Reserve and resource estimates

Resource estimates are expressions of judgment based on knowledge, experience and resource modelling. As such, resource estimates are inherently imprecise and rely to some extent on interpretations made. Despite employing qualified professionals to prepare resource estimates, such estimates may nevertheless prove to be inaccurate. Furthermore, resource estimates may change over time as new information becomes available. Should the Company encounter mineralisation or geological formations different from those predicted by past drilling, sampling and interpretations, resource estimates may need to be altered in a way that could adversely affect the Company's operations.

(c) Results of studies

The Company may progressively undertake a number of studies in respect to the Projects. These studies may include scoping studies, pre-feasibility studies and bankable feasibility studies.

These studies (where necessary) would be completed within certain parameters designed to determine the economic feasibility of the relevant project within certain limits. There can be no guarantee that any of the studies will confirm the economic viability of the Projects or the results of other studies undertaken by the Company (e.g. the results of a feasibility study may materially differ to the results of a scoping study).

Further, even if a study determines the economics of the Projects, there can be no guarantee that the Projects will be successfully brought into production as

assumed or within the estimated parameters in the feasibility study, once production commences including but not limited to operating costs, mineral recoveries and commodity prices. In addition, the ability of the Company to complete a study may be dependent on the Company's ability to raise further funds to complete the study if required.

(d) **Payment obligations**

Under the exploration licences and certain other contractual agreements to which the Company is or may in the future become party, the Projects are, or may become, subject to payment and other obligations. Failure to meet these payments and obligations may render the Projects' claims liable to be cancelled. Further, if any contractual obligations are not complied with when due, in addition to any other remedies which may be available to other parties, this could result in dilution or forfeiture of interests held by the Company.

(e) **Operating risks**

The operations of the Company may be affected by various factors including failures in internal controls and financial fraud. To the extent that such matters may be within the control of the Company, the risks are managed through management and supervision controls. The exploration programs of the Company and project development and mining operations may be affected by numerous factors beyond the control of the Company. These may include adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, plant and equipment, and events involving fire or explosions and the occurrence of other incidents beyond the control of the Company.

(f) **Commodity price volatility**

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company including the international supply and demand for commodities, the quality of the minerals produced, actions taken by governments, forward selling activities and other macroeconomic factors.

(g) **Drilling risks**

The Company's future drilling operations may be curtailed, delayed or cancelled due to a number of factors including weather conditions, mechanical difficulties, shortage or delays in the delivery of rigs and/or other equipment and compliance with governmental requirements. While drilling may yield some resources there can be no guarantee that the discovery will be sufficiently productive to justify commercial development or cover operating costs. Completion of a drill hole does not assure a profit on the investment or recovery of drilling, completion and operating costs.

(h) **Approval risks**

The Company will be reliant on heritage, environmental, native title and other approvals required in Australia to enable it to proceed with the exploration and development of any of its tenements or the granting of any tenement applications or to access land for exploration and mining activities. There is no guarantee that the required approvals will be granted, and failure by the Company to obtain the relevant approvals, or any delay in the award or transfer of the approvals, may materially and adversely affect the Company's ability to proceed with its proposed

exploration and development programs. Inability or delays in gaining such access may adversely impact the Company's ability to undertake its proposed activities. The Company may need to enter into compensation and access agreements before gaining access to land.

(i) **Force majeure**

The Projects now or any projects in the future may be adversely affected by risks outside the control of the Company including weather conditions, pandemics, epidemics or quarantine restrictions (eg COVID-19 related disruptions), labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes.

(j) **Insurance**

The Company will, where possible and economically practicable, endeavour to mitigate some project and business risks by procuring relevant insurance cover. However, such insurance cover may not always be available or economically justifiable and the policy provisions and exclusions may render a particular claim by the Company outside the scope of the insurance cover.

(k) **Environmental risk**

Mineral extraction and processing is an industry that has become subject to increasing environmental responsibility and liability. Future legislation and regulations governing mineral production or environmental regulations applying to mining operations more generally may impose significant environmental obligations on the Company. The Company intends to conduct its activities in a responsible manner which minimises its impact on the environment, and in accordance with applicable laws

(l) **Occupational Health and Safety Risk**

The Company is committed to providing a healthy and safe environment for its personnel, contractors and visitors. However, mining activities have inherent risks and hazards. While the Company provides appropriate instructions, equipment, preventative measures, first aid information and training to all stakeholders through its occupational, health and safety management systems, health and safety incidents may nevertheless occur. Any illness, personal injury, death or damage to property resulting from the Company's activities may lead to a claim against the Company.

3.3 General risks

(a) **Market conditions and other economic risks**

General economic conditions, movements in interest and inflation rates, commodity prices and currency exchange rates may have an adverse effect on the Company's operations and any future development activities, as well as on its ability to fund those activities. The price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company

(b) **Changes in government legislation and regulation**

Changes in government, monetary policies, taxation and other laws can have a significant impact on the Company's assets, operations and ultimately the financial performance of the Company and its Shares. Such changes are likely to be beyond

the control of the Company and may affect industry profitability as well as the Company's capacity to explore and mine.

The Company is not aware of any reviews or changes that would affect its current or proposed interests in tenements. However, changes in political and community attitudes on matters such as taxation, competition policy and environmental issues may bring about reviews and possibly changes in government policies. There is a risk that such changes may affect the Company's exploration and/or development plans or its rights and obligations in respect of the tenements in which it holds interests. Any such government action may also require increased capital or operating expenditures and could prevent or delay certain operations by the Company.

(c) **Competition**

The Company will compete with other companies, including major resource companies. Some of these companies have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. Many of the Company's competitors not only explore for and produce resources, but also carry out refining operations and market their and other products on a worldwide basis. There can be no assurance that the Company can compete effectively with these companies.

(d) **Litigation Risks**

The Company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. To the best of the current Directors' knowledge, the Company is not currently engaged in any material litigation.

(e) **Taxation**

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation point of view and generally. To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of applying for Shares under this Offer Booklet.

(f) **Climate Change Risk**

Climate change is a risk the Company has considered, particularly related to its operations in the mining industry. The climate change risks particularly attributable to the Company include:

- (i) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and

- (ii) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

3.4 Investment highly speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Shares offered under this Offer Booklet. Therefore, the New Shares to be issued pursuant to this Offer Booklet carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those New Shares. Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for New Shares pursuant to this Offer Booklet.

4. Rights attaching to New Shares

4.1 General

The New Shares to be issued pursuant to this Offer Booklet are fully paid ordinary shares in the capital of the Company and will, as from their allotment, rank equally in all respects with all existing Shares.

The rights attaching to the Shares arise from a combination of the Constitution, statute and general law. Copies of the Constitution are available for inspection during business hours at the Company's registered office. The Constitution has been lodged with ASIC.

A summary of the more significant rights is detailed below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of Shareholders.

4.2 Reports and notices

Shareholders are entitled to receive all notices, reports, accounts and other documents required to be furnished to Shareholders under the Constitution, the Corporations Act and the Listing Rules.

4.3 General meetings

Directors may call a meeting of Shareholders whenever they think fit. All Shareholders are entitled to a notice of meeting. A quorum for a meeting of Shareholders is 3 eligible voters.

The Company will hold annual general meetings in accordance with the Corporations Act and the Listing Rules.

Shareholders are entitled to be present in person, or by proxy, attorney or representative (in the case of a company) to speak and to vote at general meetings of the Company.

4.4 Voting

Subject to any rights or restrictions at the time being attached to any class or classes of shares, at a general meeting of the Company on a show of hands, every Shareholder present in person, or by proxy, attorney or representative (in the case of a company) has one vote and upon a poll, every Shareholder present in person, or by proxy, attorney or

representative (in the case of a company) has one vote for any Share held by the Shareholder.

A poll may be demanded by the chairperson of the meeting, any 5 Shareholders entitled to vote in person or by proxy, attorney or representative or by any one or more Shareholders holding not less than 5% of the total voting rights of all Shareholders having the right to vote.

4.5 Dividends

Subject to the rights of persons (if any) entitled to Shares with special rights to dividend) the Directors may declare a final dividend subject to and in accordance with the provisions of the Corporations Act where:

- (a) the Company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of a dividend;
- (b) the payment of the dividend is fair and reasonable to the Shareholders as a whole; and
- (c) the payment of the dividend does not materially prejudice the Company's ability to pay its creditors,

and may authorise the payment or crediting by the Company to the Shareholders of such a dividend.

The Directors may also authorise the payment or crediting by the Company to the Shareholders of such interim dividends as appear to the Directors to be justified by the profits of the Company.

4.6 Winding up

Subject to any rights or restrictions attached to a class of shares, all monies and property that are to be distributed among Shareholders on a winding-up, shall be so distributed in proportion to the Shares held by them respectively, irrespective of the amount paid-up or credited as paid up on the Shares. Subject to any rights or restrictions attached to a class of shares, on a winding up of the Company, the liquidator may, with the sanction of a special resolution of the Shareholders:

- (a) divide among Shareholders the whole or any part of the property of the Company;
- (b) for that purpose set such values as the liquidator considers fair on any property to be so divided; and
- (c) determine how the division is to be carried out as between the holders of different classes of shares.

4.7 Transfer of Shares

Generally, Shares in the Company are freely transferable, subject to formal requirements, and to the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia.

4.8 Issue of further shares

The Directors may, subject to any restrictions imposed by the Constitution and the Corporations Act, allot, issue, grant options over, or otherwise dispose of, further shares with or without preferential rights on such terms and conditions as they see fit.

4.9 Directors

The business of the Company is to be managed by or under the direction of the Directors.

Directors are not required under the Constitution to hold any Shares.

Unless changed by the Company in general meeting, the minimum number of Directors is 3. The existing Directors may appoint a new Director to fill a casual vacancy or as an addition to the Board. Any such Director must retire at the next following annual general meeting of the Company (at which meeting he or she may be eligible for election as a Director).

The Constitution contains provisions relating to the rotation and election of directors. No Director other than the Managing Director of the Company may hold office later than the third annual general meeting after his or her appointment or election, without submitting himself or herself for re-election.

For a person to be eligible for election as a Director, a nomination for the office of Director and the written consent of the proposed director must be received at the Company's registered office 30 business days prior to the meeting.

Where a nominee is nominated by a Shareholder for the purposes of election as a Director that Shareholder must provide:

- (a) a notice signed by the nominee consenting to be a candidate for election at the meeting and consenting to act as a Director of the Company if elected; and
- (b) a notice signed by the nominating Shareholder stating that the Shareholder nominates the nominee for election at the meeting.

4.10 Offer of shares

Subject to the requirements of the Corporations Act and if applicable, the Listing Rules, the issue of shares by the Company is under the control of the Directors. Under the Constitution the Company is empowered, without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, to issue shares with preferred, deferred or other rights.

4.11 Variation of shares and rights attaching to shares

Subject to the Corporations Act, if at any time the share capital is divided into different classes of shares, the rights attached to any class may (unless otherwise provided by the terms of the issue of the shares of that class), whether or not the Company is being wound up, be varied or abrogated in any way with the consent in writing of the holders of three-quarters of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

4.12 Unmarketable parcels

The Company may procure the disposal of Shares where the member holds less than a marketable parcel of Shares within the meaning of the Listing Rules (being a parcel of Shares with a market value of less than \$500). To invoke this procedure, the Directors must first give at least 6 weeks' notice to the relevant member holding less than a marketable parcel of Shares, who may then elect not to have his or her Shares sold by notifying the Directors.

4.13 Indemnity and insurance of officers

Subject to the Corporations Act, every officer, auditor or agent of the Company shall be indemnified out of the property of the Company against any liability incurred by him or her in his or her capacity as officer, auditor or agent of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal.

4.14 Changes to the constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of the members present and voting at a general meeting of the Company. At least 28 days' written notice specifying the intention to propose the resolution as a special resolution must be given.

4.15 Listing Rules

Provided the Company remains admitted to the Official List of the ASX, then despite anything in the Constitution, no act may be done that is prohibited by the Listing Rules, and authority is given for acts required to be done by the Listing Rules. The Constitution will be deemed to comply with the Listing Rules, as amended from time to time.

5. Defined Terms

These definitions are provided to assist persons in understanding some of the expressions used in this Offer Booklet.

\$ means Australian dollars.

Acceptance Form means an Entitlement and Acceptance Form or Shortfall Acceptance Form (as applicable).

Applicant refers to a person who submits an Entitlement and Acceptance Form or Shortfall Acceptance Form.

Application means a valid application for New Shares under the Entitlement Offer made pursuant to an Entitlement and Acceptance Form or Shortfall Shares under the Shortfall Offer made pursuant to a Shortfall Acceptance Form (as applicable).

Application Monies means application monies for New Shares received by the Company from an Applicant.

ASIC means the Australian Securities and Investment Commission.

ASX means ASX Limited ACN 008 624 691 or, where the context permits, the Australian Securities Exchange operated by ASX Limited.

ASXS means ASX Settlement Pty Ltd ACN 008 504 532.

ASXS Operating Rules means the operating rules of ASXS, except to the extent of any relief given by ASXS.

AWST means Australian Western Standard Time, being the time in Perth, Western Australia.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

CHES means ASX Clearing House Electronic Subregistry System.

Closing Date means the closing date of the Entitlement Offer detailed in Section 1.2.

Company means CZR Resources Ltd ACN 112 866 869.

Constitution means the constitution of the Company.

Corporations Act means *Corporations Act 2001* (Cth).

Creasy Group means Mr Mark Creasy and his associates (including, Yandal Investments Pty Ltd (ACN 070 684 810) and Motwil Pty Ltd (ACN 076 409 884)).

Directors means the directors of the Company.

EFT means electronic funds transfer.

Eligible Shareholder has the meaning given in Section 1.21.

Entitlement means the entitlement of an Eligible Shareholder to participate in the Entitlement Offer.

Entitlement Offer has the meaning given in Section 1.1.

Entitlement and Acceptance Form means the Entitlement and Acceptance Form accompanying this Offer Booklet.

Ineligible Shareholder has the meaning given in Section 1.22.

Issuer Sponsored means securities issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker, or without the holder being admitted as an institutional participant in CHES.

Listing Rules means the Listing Rules of the ASX.

New Share means a new Share proposed to be issued pursuant to the Offers.

Nominee means Bell Potter Securities Limited.

Offers means the Entitlement Offer and Shortfall Offer.

Offer Booklet means this offer document dated 5 October 2022.

Option means an option to acquire a Share.

Opening Date means the opening date of the Entitlement Offer detailed in Section 1.2.

Projects means the Yarraloola Iron-Ore Project, Croydon Gold Project, Shepherds Well Project, Yarrie Iron-Ore Project and Buddadoo Project.

Record Date means 5:00pm (AWST) on the date detailed in Section 1.2.

Section means a section of this Offer Booklet.

Securities means a Share or Option.

Share means an ordinary fully paid share in the capital of the Company.

Share Registry means Automic Registry Services.

Shareholder means a holder of Shares.

Shortfall means New Shares not subscribed for under the Entitlement Offer before the Closing Date.

Shortfall Acceptance Form means the Shortfall Acceptance Form which is to accompany this Offer Booklet, to be used for the purposes of applying for Shortfall Shares.

Shortfall Offer has the meaning given in Section 1.27.

Shortfall Shares means those New Shares issued pursuant to the Shortfall Offer.

