



CZR Resources Ltd

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13 October 2022

Dear Shareholder

Renounceable Entitlement Offer – Ineligible Shareholders

I am writing to you as the registered holder of shares in CZR Resources Ltd (**Company**) with a registered address outside of Australia and New Zealand.

On 5 October 2022, the Company announced that it was conducting a one (1) for five (5) renounceable pro rata entitlement offer of new fully paid ordinary shares in the Company (**New Shares**) at an issue price of A\$0.012 per New Share (**Entitlement Offer**).

The Entitlement Offer is being made by way of an offer document in accordance with section 708AA of the *Corporations Act 2001* (Cth) (**Corporations Act**) as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84, meaning that no prospectus needs to be prepared.

An offer booklet in relation to the Entitlement Offer has been lodged with the ASX and will be mailed to Eligible Shareholders (as defined below) on or around 13 October 2022.

This is a letter to inform you that you are not an Eligible Shareholder for the purposes of the Entitlement Offer. This letter is not an offer to issue New Shares to you, nor an invitation to apply for New Shares. You are not required to do anything in response to this letter but there may be financial implications for you as a result of the Entitlement Offer that you should be aware of.

Eligibility Criteria

Shareholders who are eligible to participate in the Entitlement Offer (**Eligible Shareholders**) are those persons who:

- (a) are registered as a holder of fully paid ordinary shares in the Company (**Shares**) as at 5:00pm (AWST) on 10 October 2022 (**Record Date**); and
- (b) have a registered address, on the Company's share register, in Australia or New Zealand;

The Company has determined, pursuant to section 9A of the *Corporations Act 2001* (Cth) (**Corporations Act**) and ASX Listing Rule 7.7.1(a), that it would be unreasonable to make offers pursuant to the Entitlement Offer to shareholders of the Company who are not Eligible Shareholders (**Ineligible Shareholders**). This is due to the legal and regulatory requirements in countries other than Australia and New Zealand and the potential costs to the Company of complying with these requirements, compared with the relatively small number of shareholders in those countries and the relatively small number of existing Shares that they hold.

Unfortunately, according to our records, you do not satisfy the eligibility criteria for an Eligible Shareholder as stated above. Accordingly, in compliance with ASX Listing Rule 7.7.1(b) and section 9A(3) of the *Corporations Act*, the Company wishes to advise you that it will not be extending the Entitlement Offer to you and you will not be able to subscribe for New Shares under the Entitlement Offer, nor trade any entitlements

pursuant to the Entitlement Offer. You will not be sent the documents relating to the Entitlement Offer or be able to subscribe for New Shares under the Entitlement Offer.

Determination of eligibility of investors for the purposes of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of the Company. The Company and each of its advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law.

Ineligible Holder Nominee

Although you will not be entitled to participate in the Entitlement Offer, the Company has appointed a sale nominee, being Bell Potter Securities Limited (**Ineligible Holder Nominee**), to arrange for the sale of the entitlements that would otherwise have been offered to Ineligible Shareholders pursuant to the Entitlement Offer had they not been Ineligible Shareholders.

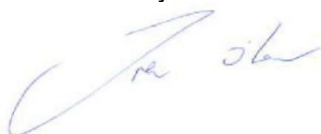
The Company will transfer the entitlements of each Ineligible Shareholder to the Ineligible Holder Nominee. The Ineligible Holder Nominee's role is to arrange the sale of those entitlements which would have been attributable to Ineligible Shareholders under the Entitlement Offer. The Ineligible Holder Nominee will distribute to the Company's share registry or to the Company directly the net proceeds (if any) of the sale of entitlements of Ineligible Shareholders (after deducting costs and expenses), to be distributed to the Ineligible Shareholders in proportion to their respective entitlements at the Record Date. The Ineligible Holder nominee will charge the Company a fee of 1% (plus GST) of the proceeds from the sale of entitlements in its capacity as nominee of Ineligible Shareholders and the Company may reimburse to the Ineligible Holder Nominee the expenses of the Ineligible Holder Nominee.

The Ineligible Holder 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 Ineligible Holder 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. There is no guarantee that the proceeds from the sale of the entitlements of Ineligible Shareholders will result in any sale proceeds being distributed to Ineligible Shareholders after deducting costs and expenses. In such circumstances, no money will be payable to Ineligible Shareholders.

If you have any questions in relation to any of the above matters, please contact the Company on (08) 9468 2050 (within Australia) or +61 8 9468 2050 (outside Australia) from 8.30am to 5.00pm (AWST), Monday to Friday during the Entitlement Offer period. For other questions, you should consult your broker, solicitor, accountant, financial adviser, or other professional adviser.

On behalf of the Company, we regret that you are not eligible to participate in the Entitlement Offer and thank you for your continued support.

Yours sincerely



Trevor O'Connor
Company Secretary