

**Robe Mesa Iron Ore Project, Pilbara**

# Strategic Partnership to Develop Iron Ore Export Facility

**CZR partnering with transshipment specialists CSL and iron ore producer Strike Resources to develop iron ore export facility at Port of Ashburton**

## Highlights

- CZR Resources Ltd (**CZR**), Strike Resources Limited (**SRK**) and CSL Australia Pty Ltd (**CSL**) have executed a binding Memorandum of Understanding (**MoU**) to form a consortium to secure approvals for the construction of a bulk loading facility for export of iron ore from the Port of Ashburton, Onslow (**POA Facility**)
- The parties are undertaking preliminary designs for an integrated facility at the Port of Ashburton, including road train unloading, storage shed, transshipment vessel (TSV) loader and ancillary fixed and mobile infrastructure
- If approvals are granted, the parties will then enter into an agreement to construct the POA Facility to provide a **~5 Mtpa** capacity low-cost, environmentally sustainable iron ore and bulk material export solution from the existing Port of Ashburton
- CSL shall, as part of its obligations under the MoU, provide the other Parties with a feasibility study, assessing the method, costs and requirements of the seaside transshipment and marine operations for the proposed operations at such facility and shall have a first right of refusal to provide transshipment services from such facility
- The participating interest, ownership and capital cost contribution of each party in the consortium is:
  - CZR : 50%
  - SRK : 25%
  - CSL : 25%
- The MoU contemplates that once the POA Facility is completed, each of CZR and SRK will have access to export capacity in the following proportions:
  - CZR : 66.67%
  - SRK : 33.33%

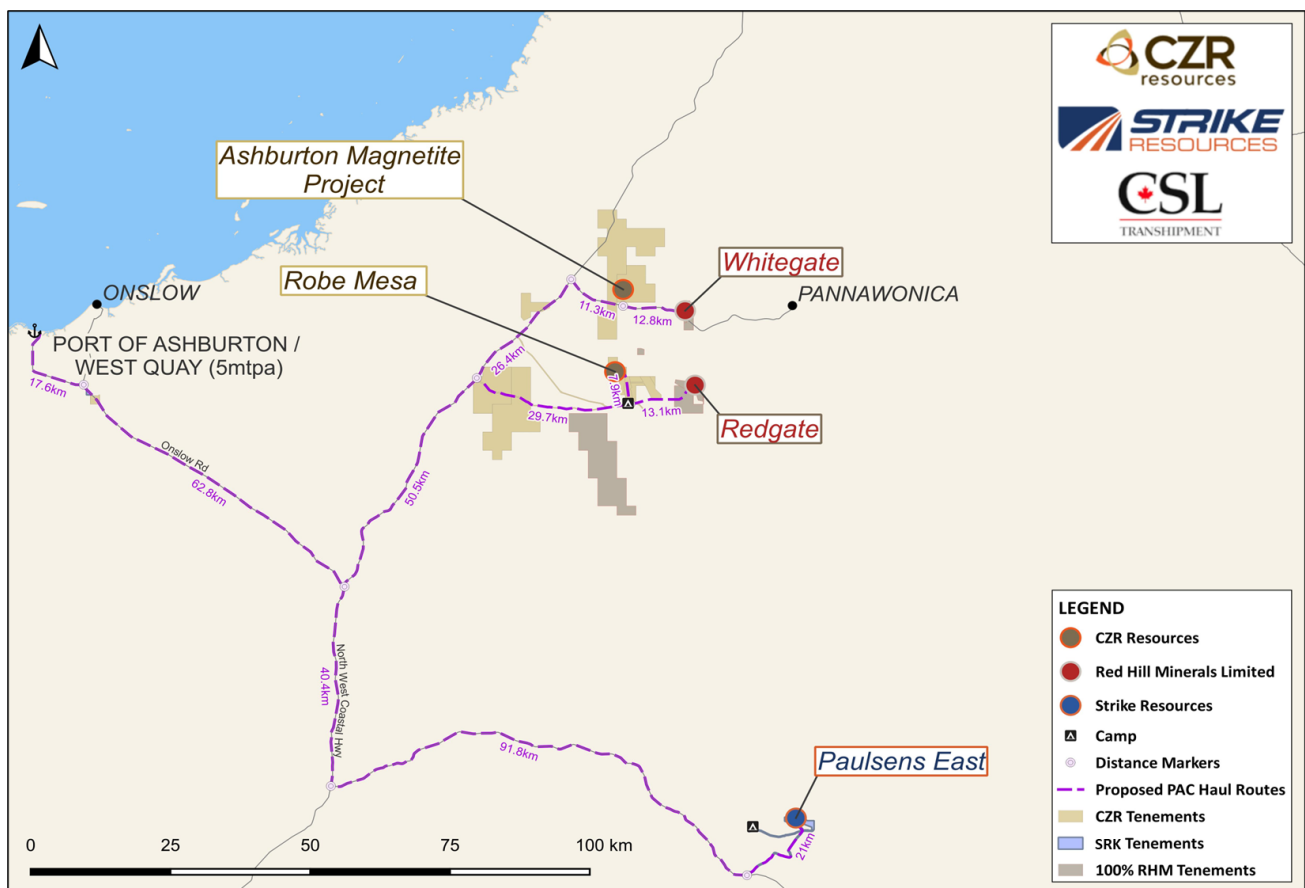
CZR Resources Ltd (ASX: CZR) is pleased to announce it has entered into a binding MoU with WA Iron Ore producer Strike Resources Ltd (ASX: SRK) and CSL Australia Pty Ltd (CSL) with the aim of building an iron ore export facility in WA's West Pilbara region.

CSL Australia Pty Ltd is a division of CSL Group Inc, which is the world’s largest owner and operator of self-unloading vessels.

The MoU has been formed with the objective of working with relevant authorities to obtain approvals to add infrastructure to the Port of Ashburton to create a low-cost, multi-user bulk export facility for up to 5 million tonnes of iron ore per annum.

The creation of the proposed bulk export facility will consist of all landside facilities including but not limited to road train unloader, conveyor, storage shed, non-process infrastructure, jetty, fixed point transshipment vessel loader and ancillary infrastructure at the Port of Ashburton to facilitate the export of iron ore.

The POA Facility is an important step in CZR securing a low cost and sustainable export solution, in close proximity to its Robe Mesa iron ore project. CZR recently announced that its upgraded Mineral Resource now stands at 42.5Mt at 56% Fe (62.7% Fe.ca)<sup>1</sup> (ASX Announcement 12 December 2022), and the POA facility will be incorporated in the Definitive Feasibility Study (DFS) and mine production scheduling, currently underway. CZR continues to assess value accretive options to grow mine life and production rates at Robe Mesa, including strategic partnerships such as the Cooperation Agreement with Red Hill Minerals Limited (ASX Announcement 1 August 2022).



**Figure 1.** CZR’s Yarraloola project and Robe Mesa iron ore deposit, Strike Resource’s Paulsens East iron ore mine and Red Hill Minerals’ Redgate and Whitegate deposits – Distances shown to the Port of Ashburton.

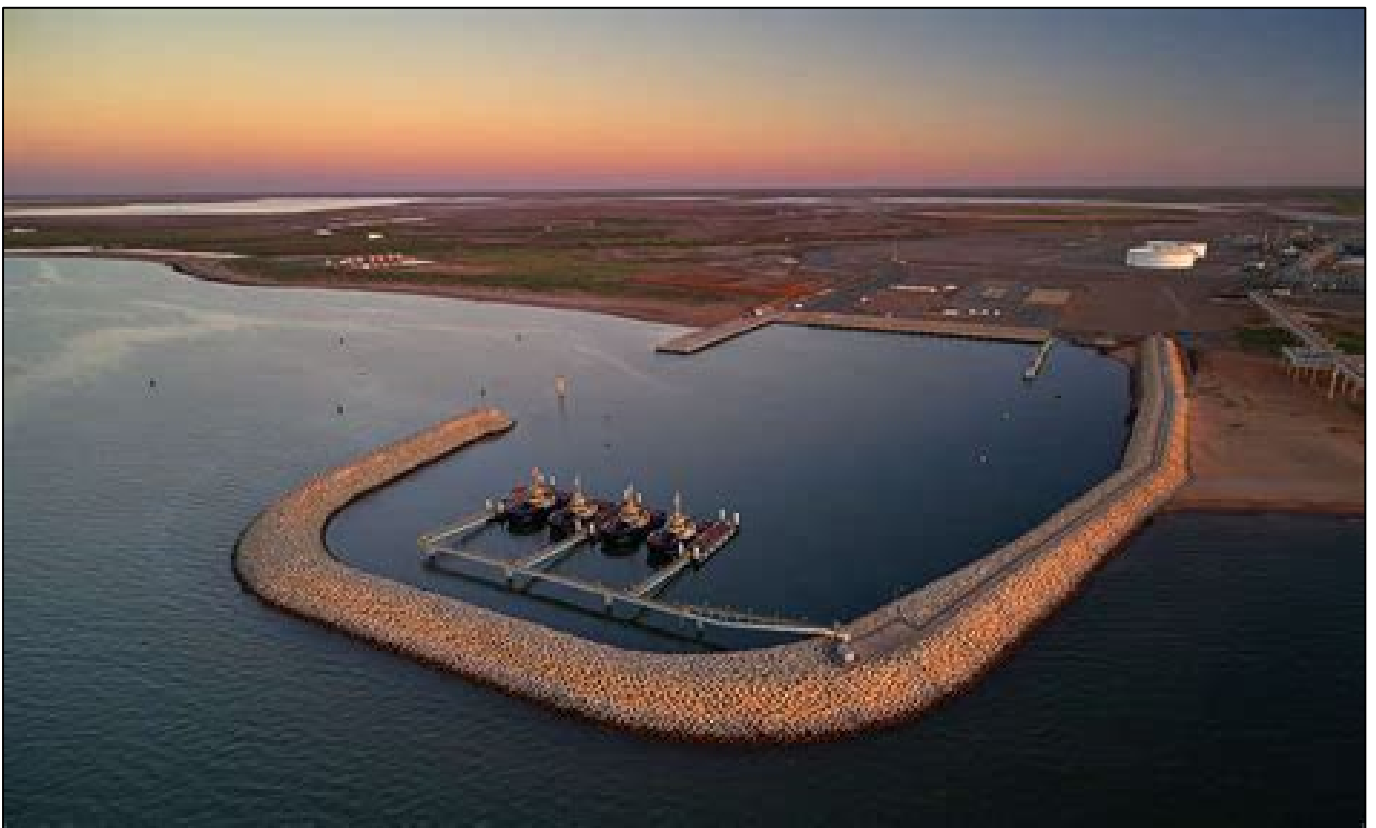
The Strike Resources Paulsens East direct shipping iron ore (DSO) project is an existing mine, having already exported through the Utah Point facility in Port Hedland in mid-2022.

1.  $Fe_{ca}$  is the calcined iron-content calculated as  $(Fe\% / (100 - LOI\%)) * 100$  and represents the amount iron after the volatiles (mainly held as weakly bound water in the structure of the hydrous iron-rich minerals) is excluded from the analysis.

CSL operates globally and has considerable experience in the loading and transportation of bulk materials. CSL has agreed to join the consortium as a part owner of the facility and to provide transshipment and marine services from it. CSL has existing iron ore transshipment operations in Cape Preston (Western Australia) and Whyalla (South Australia).

CZR Managing Director, Stefan Murphy, said “The three-way partnership has the potential to be a highly successful means of establishing a new export facility at the Port of Ashburton. By joining forces, we increase our ability to secure necessary approvals and funding as well as significantly reducing capital and operating costs for each partner.”

“The export facility would unlock substantial value for CZR, creating many jobs and generating substantial State and Native Title revenue in the process”.



**Figure 2:** Port of Ashburton - Onslow

## Background

CZR and Strike have looked at various alternatives for the collaborative export of iron ore from their current and proposed iron ore mines and believe that the Port of Ashburton provides an attractive location for the export of iron ore. Its close proximity to both operations has the potential to significantly lower trucking costs than those afforded through the export of iron ore from Utah Point in Port Headland.

Strike has already received a Works Approval from the WA Department of Water and Environmental Regulation (**DWER**) under the *Environmental Protection Act 1986* for the export of up to 1.8 Mtpa (10,000 tonnes per day) of iron ore from the Port of Ashburton in Onslow.

CZR is seeking to produce and export 3-3.5Mtpa of DSO iron ore from its Robe Mesa Iron Ore deposit where it is currently completing a DFS.

Both parties believe that combining their export operations through the addition of infrastructure at the Port of Ashburton West Quay provides considerable economies of scale and cost reductions in shipping and transport costs.

CSL has agreed to join the consortium formed with CZR and SRK as it has considerable expertise in the shipment of iron ore including transshipment operations such as those proposed at the Port of Ashburton.

The parties have been in discussions with the PPA in relation to installing multi-user infrastructure at the Port of Ashburton and based on those discussions the parties have agreed to enter into a binding MoU to undertake the works required to secure a development approval with the PPA for the creation of the POA Facility at the western section of the existing quay infrastructure.

### **Key Terms of MOU**

- The Parties have entered into a binding MoU for the purposes of securing necessary approvals for the construction and operation of the Port of Ashburton West Quay Facility.
- The Parties agree to share the costs and expenses of the approvals process in proportion to their interests in the consortium
- CSL shall provide the other Parties with a feasibility study, assessing the method, costs and requirements of the seaside transshipment and marine operations for the proposed operations at such facility and shall have a first right of refusal to provide transshipment services from such facility
- The participating interest, ownership and capital cost contribution of each party in the consortium is as follows:
  - SRK : 25%
  - CSL : 25%
  - CZR : 50%
- The MoU contemplates that once the POA Facility is completed each of CZR and SRK will have access to export capacity at such facility in the following proportions:
  - SRK : 33.33%
  - CZR : 66.67%

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

**Stefan Murphy**  
**Managing Director**  
**CZR Resources Ltd**  
**+61 8 9468 2050**

**Media**  
**Paul Armstrong**  
**Read Corporate**  
**+61 8 9388 1474**

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## Forward Looking Statements

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

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

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

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

This announcement contains a reference to a Mineral Resource estimate, which has been cross referenced to a previous market announcement. The Company confirms that it is not aware of any additional information or data that materially affects the information included in the relevant market announcement and, in the case of the Mineral Resource estimate, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

## Competent Person Statement

The information in this announcement that relates to exploration activities and exploration results is based on information compiled by Stefan Murphy (BSc), a Competent Person who is a Member of the Australian Institute of Geoscientists. Stefan Murphy is Managing Director of CZR Resources, holds options in the Company and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a ‘Competent Person’ as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’ (JORC Code).

Stefan Murphy has given his consent to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.