

Robe Mesa Iron Ore Project, Pilbara WA

Strategic acquisition expands CZR's Robe Mesa Project

**Acquisition to expand CZR's resource and exploration potential
immediately south of Rio Tinto's Mesa F deposit**

Highlights

- CZR has agreed to acquire from FMG Pilbara Pty Ltd (Fortescue), a subsidiary of Fortescue Metals Group Ltd (ASX: FMG), the tenement (E08/2137) which sits immediately south of Rio Tinto's Mesa F iron ore project in the Pilbara
- CZR's Robe Mesa Project sits immediately north of Mesa F; CZR also holds the P529 Deposit which sits in between the tenement it has just acquired from Fortescue and Rio Tinto's Mesa F deposit
- The P529 Mineral Resource, located on CZR's M(A)08/519 tenement, contains 4.2Mt at 53% Fe (59.2% Fe.ca) at a 50% Fe cut-off grade (see ASX Announcement dated 9 May 2017)
- A higher-grade zone of the P529 deposit extends into E08/2137, with this transaction now consolidating a 1.1km strike length of the higher-grade zone
- Resources at CZR's Robe Mesa Project now stand at 42.5Mt at 56% Fe (62.7% Fe.ca) following the recent Mineral Resource upgrade (see ASX release dated 12 December, 2022)

CZR Resources Limited (ASX: CZR) is pleased to announce it has entered into a binding agreement to acquire granted exploration licence E08/2137 from Fortescue. The Fortescue tenement covers the southern flank of Rio Tinto's Mesa F deposit and is contiguous with CZR's P529 deposit.

The combined Fortescue Tenement and P529 deposit (Robe South) are located only 5km south of CZR's existing Robe Mesa deposit. CZR recently announced a further upgrade to its Robe Mesa Mineral Resource, which is now 45.2Mt at 56% Fe (62.7% Fe.ca)

Consolidating Robe South provides CZR with a potential second source of iron ore for its Robe Mesa project, either as a standalone source or blended with the Robe Mesa deposit, and is consistent with CZR's strategy of growing mine life and production rates for the broader Robe Mesa project.

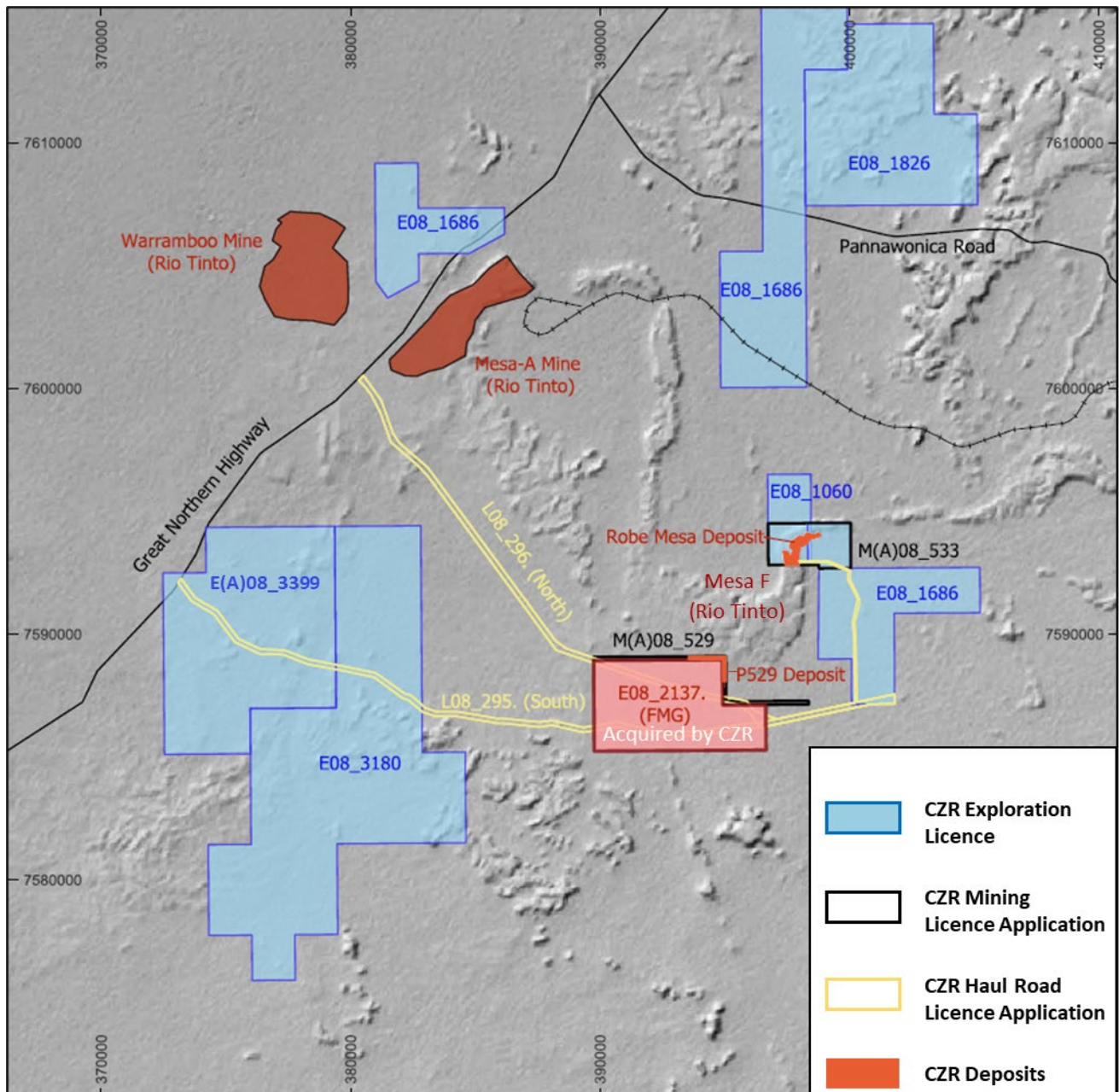


Figure 1. CZR's Robe Mesa iron ore development, including P529 deposit and newly acquired Fortescue Tenement E08/2137

CZR Managing Director, Stefan Murphy, said "Securing E08/2137 from Fortescue is a good strategic fit, both for additional Direct Shipping Ore (DSO) tonnes and infrastructure planning."

"While our P529 deposit is small in comparison to the Robe Mesa ore body, we recognised a higher grade zone that crosses into E08/2137 which has the potential to develop into a satellite deposit to feed the Robe Mesa processing plant," Mr Murphy said.

"E08/2137 has heritage clearance over drill lines in the target higher-grade zone and we hope to be drilling early in the new year in preparation for a P529 Resource update."

"In addition to the resource potential on E08/2137, CZR has pegged two tenements as potential haul routes that cross through the tenement. Securing the potential for road construction materials on the southern flank of Rio Tinto's Mesa F deposit made the acquisition even more attractive to CZR".

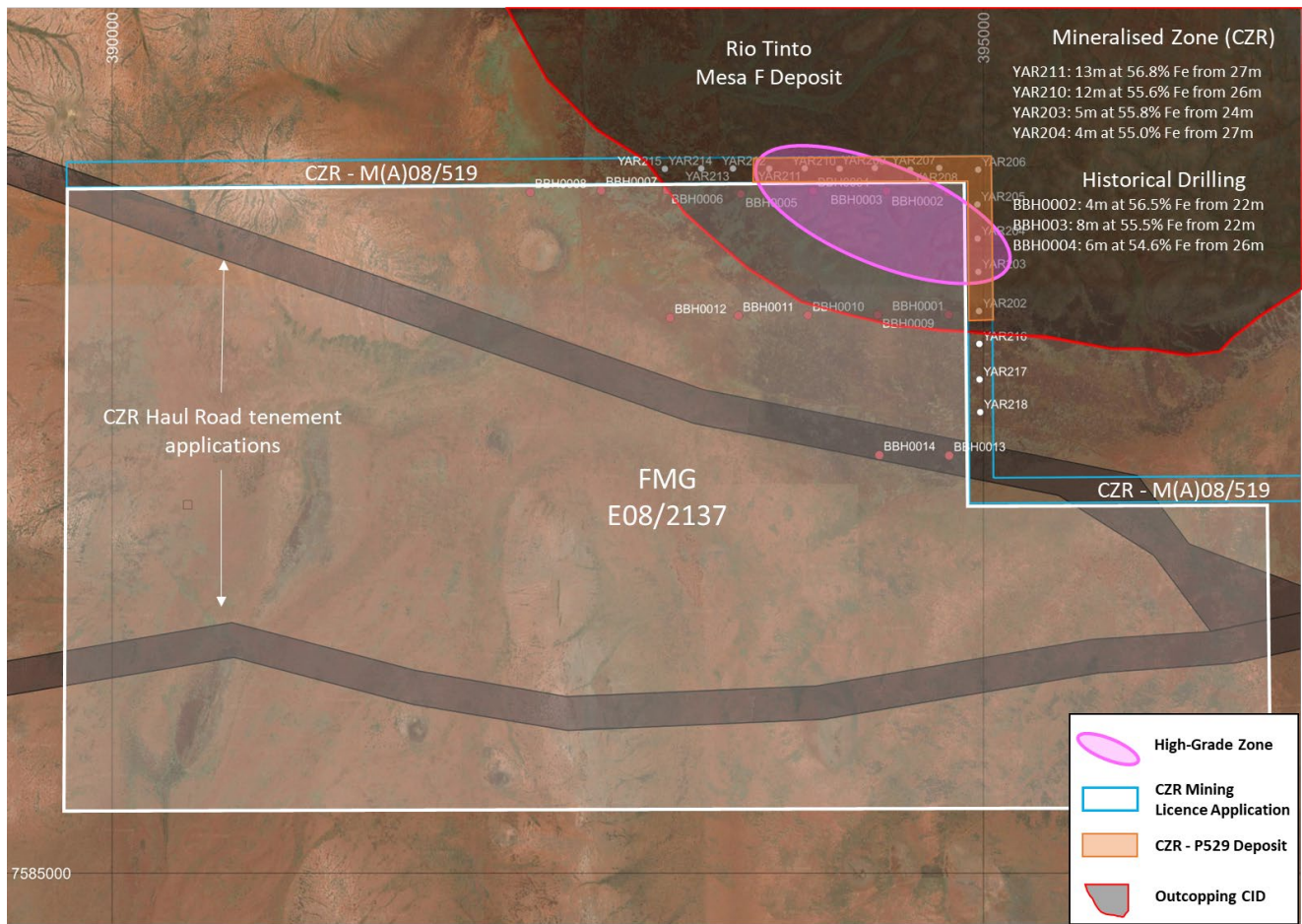


Figure 2. E08/2137 location relative to CZR's P529 deposit and higher-grade zone (magenta) on the southern flank of Rio Tinto's Mesa F deposit

CZR drilled 17 reverse circulation (RC) drill holes on M(A)08/519 (previously prospecting licence P08/529) in 2016, intersecting extensive Channel Iron Deposit (CID) mineralisation (ASX announcement 22 December 2016). Drilling was completed on two lines with drill holes spaced approximately 200m apart. CZR announced a maiden Inferred Mineral Resource for the P529 deposit of 4.2Mt at 53% Fe (59.2% Fe.ca), based on a 50% Fe cut-off grade (ASX Announcement 9 May 2017).

The geological model suggests that the P529 deposit represents iron ore that correlates with the lower CID of the nearby Robe Mesa deposit, with some minor iron ore enrichment near-surface that is believed to represent the base of the upper CID unit at Robe Mesa.

The only previous drilling completed on E08/2137 was in 2009 by Red Hill Iron Limited (RHI) under the Cullen Joint Venture, known then as the Rose Bore project (open file WAMEX report A81868). RHI completed 11 aircore drill holes to test the Rose Bore CID, on a very wide 800m line and 400m drill hole spacing.

RHI intersected CID in 5 of the 11 drill holes, with a maximum thickness of 32m, with the best result 4m at 56.5% Fe from 22m in BBH0002, and thickest intersection of 8m at 55.5% Fe from 22m in BBH0003. These results align with CZR drilling of the P529 deposit and indicate the presence of a higher-grade channel trending over 1.1km of strike within the larger CID system.

Following completion of the transaction CZR intends to commence resource definition drilling on E08/2137. CZR will initially close the drill spacing to 100m in order to better define the higher-grade zone within the CID.

Key Transaction Terms:

Subject to satisfaction of completion of the sale occurring:

- CZR cash payment to Fortescue of \$150,000
- 3.3 million CZR shares
- 1% FOB Revenue royalty covering any future production from the area of E08/2137 and mining licence application M(A)08/519
- Transaction completion is subject to condition precedent (Assignment of Access Agreement which Fortescue has the right to waive)

The 3.3 million shares will be issued pursuant to the Company's capacity under Listing Rule 7.1.

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

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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.

No New Information or Data

This announcement contains references to Resource estimates, all of which have been cross referenced to previous market announcements made by the Company. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements and, in the case of estimates of Mineral Resources, 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.

Appendix A– Robe Mesa Resource and Reserves

Table A1. Robe Mesa Mineral Resource Estimate CZR release to ASX; 12 December 2022).

Cut-Off Grade	Category	Tonnes Mt	Fe %	SiO ₂ %	Al ₂ O ₃ %	LOI %	P %	S %	Fe _{ca} %
55% Fe	Indicated	36.0	56.0	5.9	2.8	10.6	0.04	0.02	62.7
	Inferred	9.2	56.1	5.6	2.7	10.8	0.04	0.02	62.9
	Total	45.2	56.0	5.8	2.8	10.7	0.04	0.02	62.7
50% Fe	Indicated	71.8	54.4	7.5	3.3	10.7	0.04	0.02	61.0
	Inferred	17.8	54.3	7.6	3.3	10.8	0.04	0.02	60.8
	Total	89.6	54.4	7.5	3.3	10.8	0.04	0.02	61.0

Table A2 Robe East JORC 2012 Mineral Resource estimate reported above a 50% Fe cut-off grade (CZR release to ASX; 26 April 2017).

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

Table A3 P529 JORC 2012 mineral resource reported above a 50% Fe cut-off grade (9 May 2017 ASX Announcement).

Category	Tonnes Mt	Fe %	SiO ₂ %	Al ₂ O ₃ %	LOI %	P %	S %	Fe _{ca} %
Inferred	4.2	53.0	9.1	3.9	10.4	0.04	0.01	59.2

Table A4 – Robe Mesa JORC 2012 Ore Reserve reported above a cut-off grade of 55% Fe (CZR release to ASX; 10 December 2020).

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

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.

Note: CZR confirms that it is not aware of any new information or data that materially affects the information included in the CZR announcements to the ASX on 26 April 2017, 9 May 2017, 10 December 2020 and 2 June 2022 and, in the case of estimates of the Mineral Resources in Tables A1, A2, A3, and Ore Reserves in Table A4, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.