



Coziron Resources Limited

ABN: 91 112 866 869
Level 24, 44 St George's Terrace
Perth Western Australia 6000
PO Box Z5183
Perth WA 6831
Phone: +61 8 6211 5099
Facsimile: +61 8 9218 8875
Website: www.coziron.com

The Company Announcements Office
ASX Limited Via E Lodgement

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Update on Exploration – Field Operations at Yarraloola, Shepherds Well and Yarrie – Plans for Exploration and Metallurgical Drilling Programmes – Focus on extensions to Robe Mesa high-grade zone

HIGHLIGHTS

Yarraloola

- **Heritage clearance and works approval for 87 drill-pads for about 2,600m testing extensions to the Robe Mesa Channel Iron Deposit and 39 pads for about 1,600m on highly magnetic areas of the Ashburton prospect.**
- **Four pads on the upper Robe Mesa identified for a total of 300m of core recovery by sonic drilling for metallurgical test-work.**
- **Site preparation expected to be completed early in September and drilling will follow.**

Shepherds Well

- **48 Infill and extensional soil samples were collected from an area associated with the base-metal (lead, zinc, nickel) and gold anomalism.**
- **Work is focusing on identifying targets for drilling.**

Yarrie

- **Twelve drill-sites at four magnetic/gravity anomalies for around 2,400m with prospectivity for iron-ore have been pegged for drilling.**
- **82 soils and 20 rock-chip samples collected from a large-scale N-trending structure with pyrite and carbonate alteration and later stage silicification which is prospective for gold mineralisation.**
- **Work is focussed on generating targets for drilling.**

Yarraloola Project

Background

Yarraloola covers units from the Hammersley, Ashburton and Carnarvon Basin that are all prospective for iron-ore deposits. Exploration during the 2016 field season is focussed on assessing extensions to the pisolitic iron-stone (CID) in the Robe Mesa Deposit and magnetite mineralization in the Ashburton Trough. Both prospects are in proximity to the BC Iron Limited transportation corridor (Fig 1). The 2014 and 2015 RC programmes on the Robe Mesa have delineated a JORC-compliant resource reported at cut-off grades of Fe at 50% and Fe at 55% (Tables 1 and 2). Core recovery using a sonic rig is being planned to provide material for a metallurgical test-work programme.

The magnetite in the Ashburton Trough is hosted by a felsic to rhyolitic volcanic sequence. Drill-intercepts up to 200m in length have yielded a mass recovery of magnetite over 30% with silica at less than 5%. The 2016 drilling is planned to examine the potential for high-grade extensions to the system.

Table 1. Robe Mesa Deposit – Updated Mineral Resource Estimate from February 2016 – **Fe cut-off grade of 50%** (Fully reported to the ASX on 7th December 2015 and 8th of February 2016).

Category	Mt	Fe%	SiO ₂ %	Al ₂ O ₃ %	TiO ₂ %	LOI%	P%	S%	Fe _{ca} %
Indicated	65.7	53.8	8.3	3.4	0.14	10.6	0.04	0.02	60.2
Inferred	18.8	53.8	8.2	3.4	0.14	10.7	0.05	0.02	60.3
Inferred	84.5	53.8	8.3	3.4	0.14	10.6	0.04	0.02	60.2

Table 2. Robe Mesa Deposit – Updated Mineral Resource Estimate from February 2016 – **Fe cut-off grade of 55%** (Fully reported to the ASX on 7th December 2015 and 8th of February 2016).

Category	Mt	Fe%	SiO ₂ %	Al ₂ O ₃ %	TiO ₂ %	LOI%	P%	S%	Fe _{ca} %
Indicated	19.5	56.0	6.0	2.7	0.10	10.7	0.04	0.02	62.7
Inferred	5.2	56.0	5.8	2.8	0.1	10.7	0.05	0.02	62.7
Inferred	24.6	56.0	5.9	2.7	0.1	10.7	0.04	0.02	62.7

Activities – Robe Mesa

The 2016 activities on the Robe Mesa involve first-stage drilling of the mapped and projected extensions to the east and west of the Robe Mesa.

During the past month, CZR has completed the following.

1. Mapping.
2. Pegging of 87 drill-pads for around 2,600m.
3. Works and heritage approval for new access tracks and drill-pads (Figs 1 and 2).
4. Pegging of four sites for core-recovery by sonic drilling for about 300m.

Drill-site preparation is being planned for early September following the receipt of heritage clearance documentation and drilling will follow.

Activities – Ashburton Magnetite

The 2016 activities on the Ashburton are working towards extensional drilling of the Spinifex Hill and Discovery areas and first-stage drilling of a high-order magnetic feature interpreted as the southern extension of Spinifex Hill.

During the past month, CZR has completed the following.

1. Mapping.
2. Pegging of 39 drill-pads of which the most prospective eight will be drilled for a total of about 1,600m.
3. Works and heritage approval for access tracks and drill-pads (Figs 1 and 3).

Shepherds Well Project

Background

The Shepherds Well tenement is contiguous with the northern boundary of Yarraloola and covers units in the lower part of the Hamersley Basin and the underlying basement of the Pilbara Craton (Fig 6). The tenement is prospective for iron-ore mineralisation but also has evidence for base-metal (lead-zinc-silver) mineralisation and prospectivity for nickel and gold.

Activities – Shepherds Well base-metals

Activity on the Shepherds Well Project focussed on the generation of first-stage drilling targets for base-metals and gold.

During the past month, 48 soil-samples were collected from a priority area of the grid which was established in 2015 (Fig 4). These have been dispatched to Bureau Veritas Laboratories in Perth. Details of the methods and results will be fully reported when they are available.

Yarrie Project

Background

The Yarrie Project is located about 160km east of Port Hedland and the area is serviced by bitumen and gravel roads and a natural gas pipeline between Pt Hedland and the Telfer copper-gold mine (Fig Fig 6). Yarrie has the potential to host high-grade (+62% Fe) iron-ore deposits associated with the magnetically active Archaean-age Nimingarra Iron Formation. The Nimingarra is part of an Archaean-aged sequence of volcanics and silici-clastics of the Cleaverville Formation. The regional magnetics suggest the distribution of the Cleaverville on the western portion of E45/3728 has been impacted by a north-east trending, regional scale structure which offers prospectivity for gold and base-metals.

Activities – Yarrie Iron-ore

Following from the detailed interpretation of the available magnetic and gravity data, 12 sites have been pegged for about 2,400m of exploratory RC drilling.

Activities – Yarrie gold and base-metals

Mapping along the western portion of E45/3728 has identified a broad NE-trending zone with a variety of alteration styles including carbonate, silica and pyrite. A total of 82 soil samples have been collected at 20 to 40m intervals from four east-west lines approximately 400m long and spaced 400m apart

across the structure (Fig 5). In addition, 20 rock-chip samples have been collected from sites which had historical reports of mineralization. All the samples have been dispatched to Bureau Veritas Laboratories in Perth. Details of the methods and results will be fully reported when they are available.

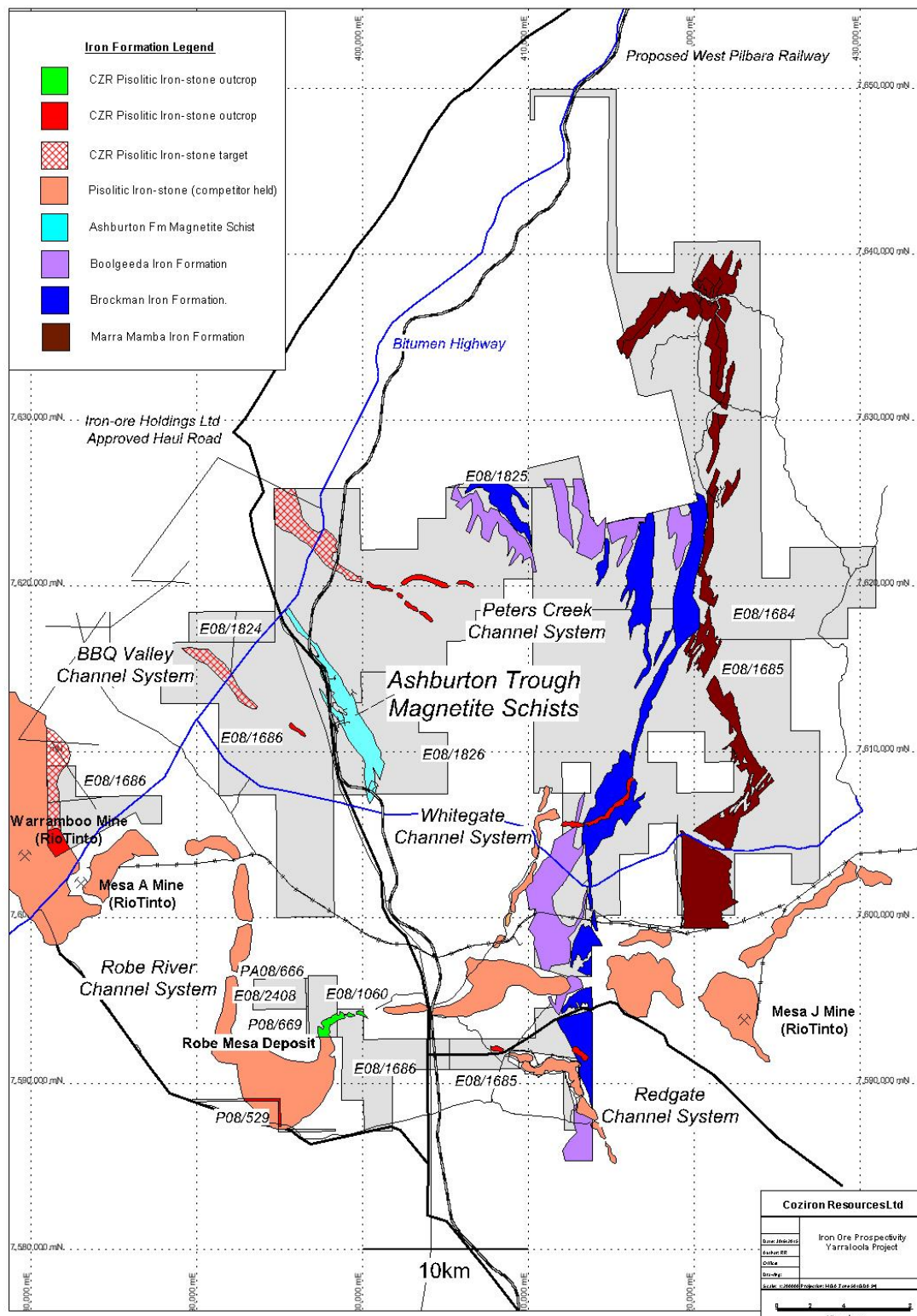


Fig 1. Yarraloola Iron-ore project showing the location of the Robe Mesa deposit, magnetite schists associated with the Ashburton magnetite prospect and iron-formations of the Hamersley Basin.

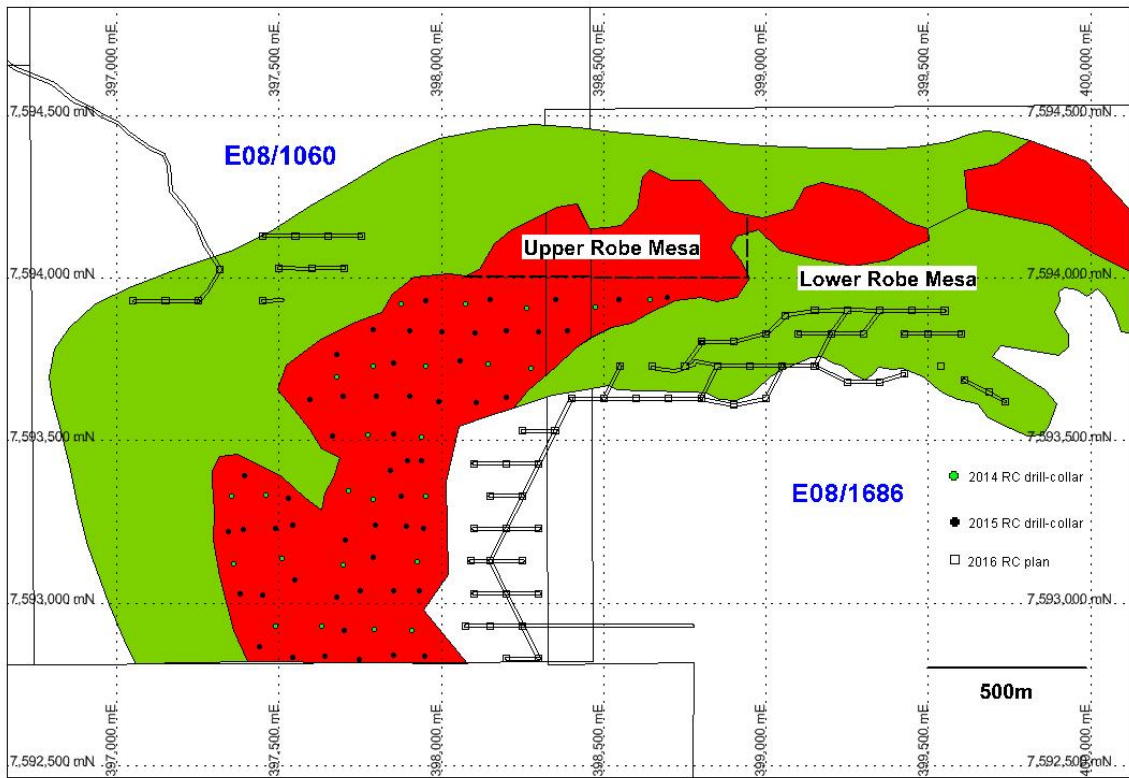


Fig 2. Robe Mesa channel-iron deposit showing previous drill locations and the RC drill-pads for 2016 on tenements E08/1060 and E08/1686 with heritage and works clearance.

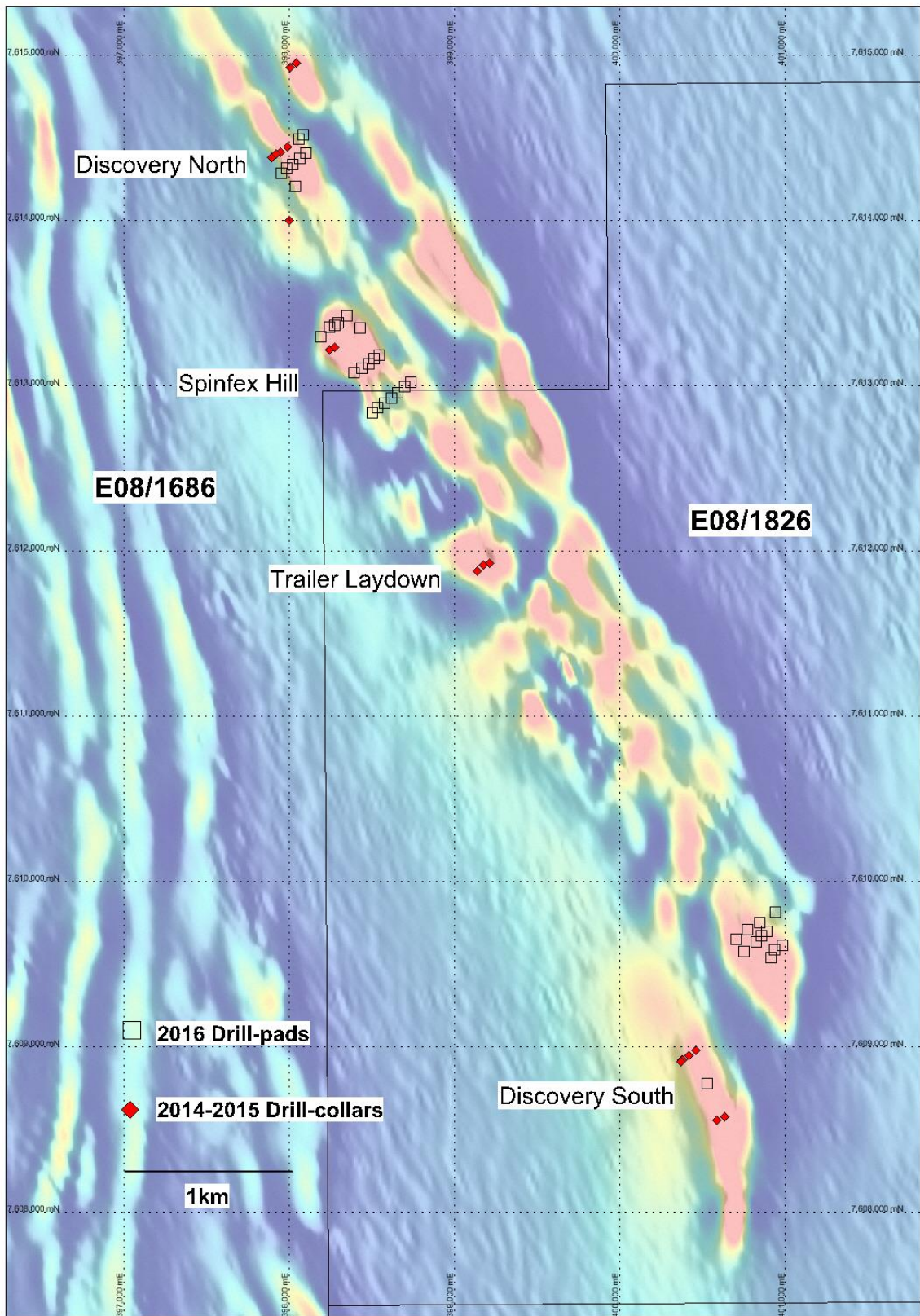


Fig 3. Ashburton magnetite prospect showing the previous CZR drill-collars and 2016 drill-pad locations with heritage and works-approval overlain on the first vertical derivative of the magnetic response.

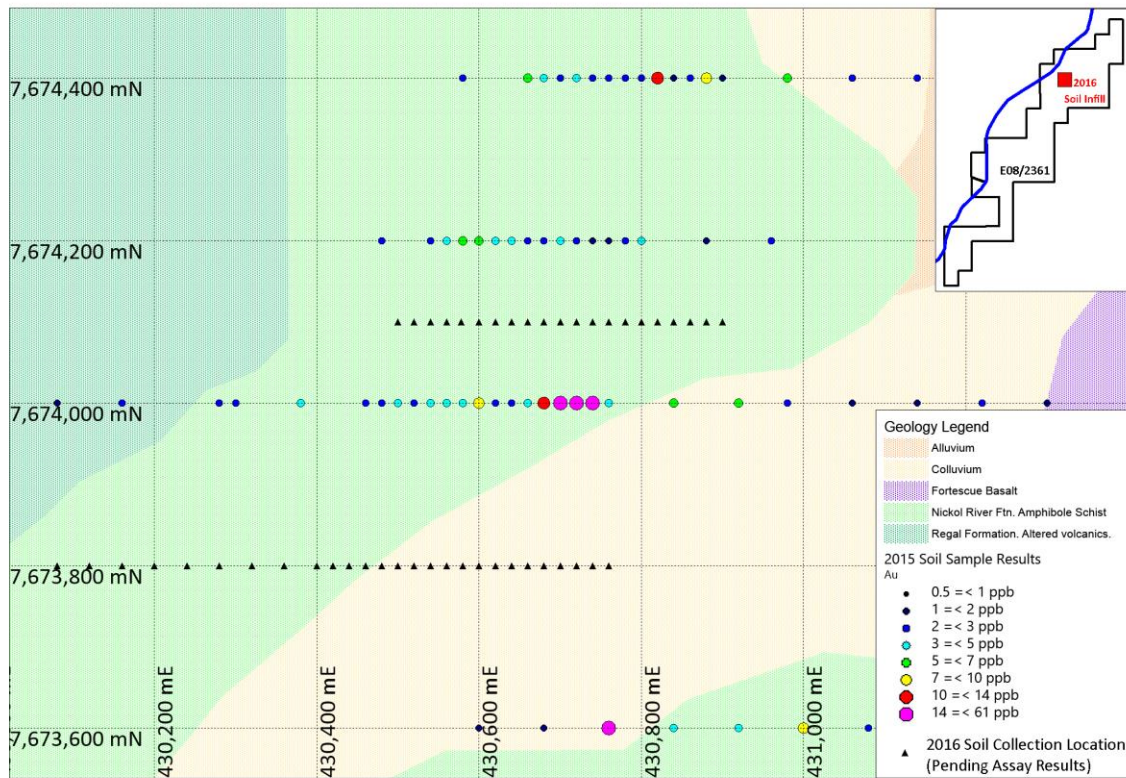


Fig 4 Location of the first priority infill and extensional soil samples on the Shepherds Well soils grid.

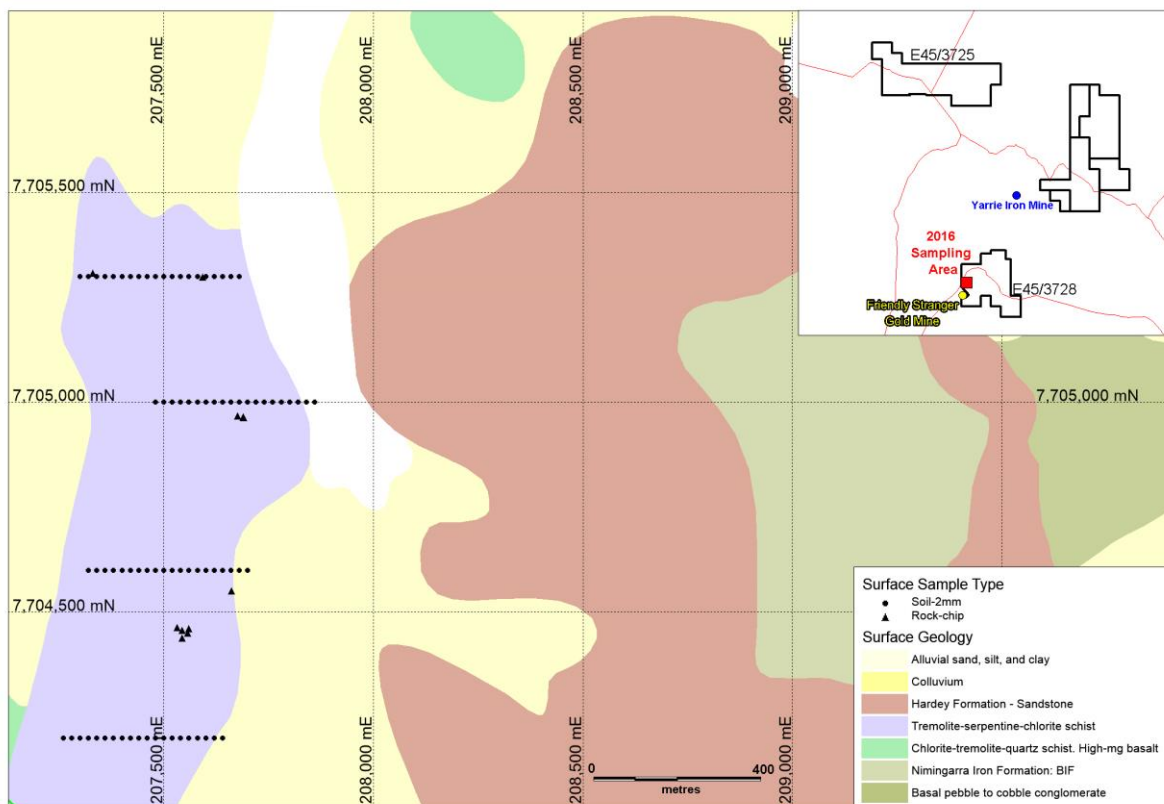


Fig 5 Yarrrie Project showing the location of the reconnaissance soil grid covering a regional structure with sulphide and silica alteration on E45/3278.

ABOUT COZIRON RESOURCES LIMITED

Coziron Resources Limited has exploration focussed on the Yarraloola (853km² of granted tenements) and Buddadoo (210km² granted) Projects and an option over Shepherd Well (193km²) and Yarrie (841km²). The Yarraloola, Buddadoo, Shepherds Well and Yarrie projects have iron-ore as the principal exploration target (Fig 6).

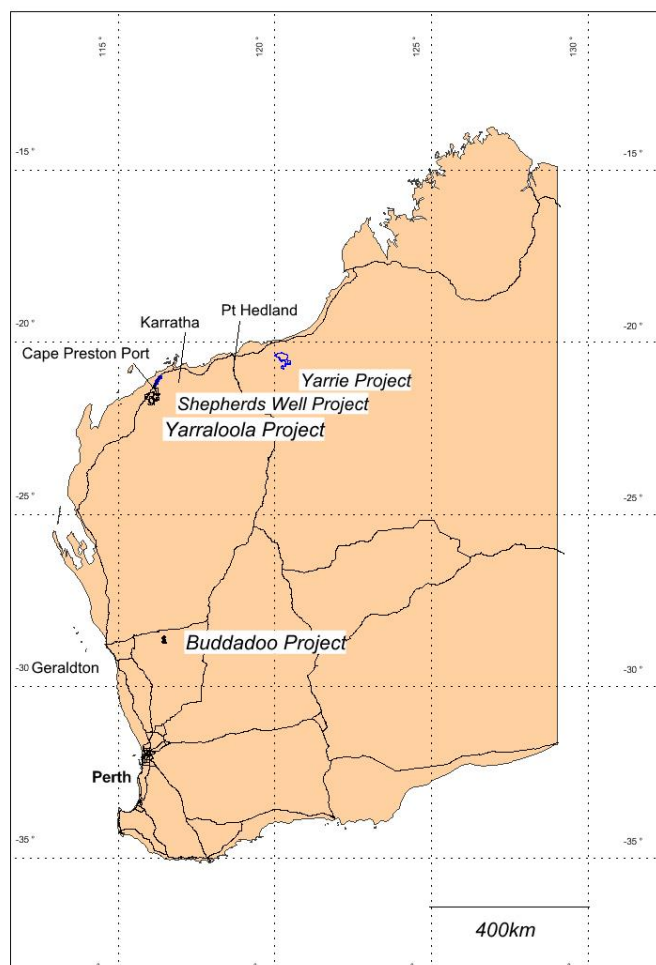


Fig 6. Location of the Coziron Resources Ltd projects in Western Australia.

For further information regarding this announcement please contact Adam Sierakowski on 08 6211 5099.

Competent Persons Statement

The information in this report that relates to mineral resources and exploration results is based on information compiled by Rob Ramsay (BScHons, MSc, PhD) who is a Member of the Australian Institute of Geoscientists. Rob Ramsay is a full-time Consultant Geologist for Coziron and has sufficient experience which 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". Rob Ramsay has given his consent to the inclusion in this report of the matters based on the information in the form and context in which it appears.