



Coziron Resources Limited

The Company Announcements Office
ASX Limited via E-Lodgement

22 November 2016

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Drilling update Yarraloola Project – Robe Mesa CID Deposit and Ashburton Magnetite

HIGHLIGHTS

- **Sonic drill recovers three representative 100mm diameter intercepts through the upper and lower ore-zones in the Robe Mesa for a metallurgical test-work programme.**
- **RC drilling on potential extension to the Robe Mesa CID deposit has commenced and field logging has initially identified up to 10m of pisolitic iron-stone beneath outcrop to the east of the resource area.**
- **RC drilling to the west of the Robe Mesa and extensions to the Ashburton magnetite system remain to be drilled within the next month.**
- **The Ashburton RC drilling will provide further data on magnetite distribution and concentrate quality.**

Yarraloola Project

Robe Mesa Deposit

The focus of the 2016 exploration activity has been to acquire representative drill-samples from Robe Mesa Deposit for metallurgical studies. In addition, extensional RC drilling has been planned on areas of mapped pisolitic iron-stone with aboriginal heritage-clearance that are currently outside of the indicated and inferred ore-resource envelope.

The Company's chairman Adam Sierakowski commented "*CZR has continued to focus its exploration efforts on growing its high grade iron ore resource at Robe Mesa and the unique volcanic magnetite formations in the Ashburton Schist adjacent to CITIC's Sino project. The company continues to position itself as a potential low cost producer of high grade iron ore and looks forward to announcing the results of the current drilling program early in 2017*"

Robe Mesa – Metallurgical Sampling by Sonic Drilling

As part of the current exploration programme, CZR contracted Core Drilling to provide a sonic drill-rig as a lower-cost alternative to recover representative material from the Robe Mesa Deposit for a metallurgical test-work programme (Fig 1).

In total, three holes as twins of previously drilled RC holes have each been completed to a depth of about 55m. The geology of the sonic holes is consistent with the interpretive logging in the RC holes. Both the upper and lower zones of pisolitic iron-stone have intervals with vitreous goethite cement intercalated with less consolidated material (Fig 2). The zone that separates the pisolitic ironstones includes a variety of siltstones, sandstones, conglomerates and lesser claystones with either a fluvial or perhaps an intertidal origin.

All the material recovered by the sonic rig has been photographed, bagged and weighed and is packed ready for transport to a laboratory in Perth for the metallurgical test-work programme. Results will be reported when they are available.



Fig 1. Sonic rig on the Robe Mesa.



Fig 2. Samples of pisolitic iron-stone recovered by the sonic-rig from the Robe Mesa Deposit for the metallurgical test-work programme.

Robe Mesa and Ashburton Extensional RC Drilling

RC drilling of the potential extensions to the Robe Mesa deposit commenced in the north-east of the prospect (Fig 3). Some holes have logged intercepts of up to 10m of pisolitic iron-stone and samples will be submitted to a laboratory in Perth for analysis. Results will be reported when they are available.

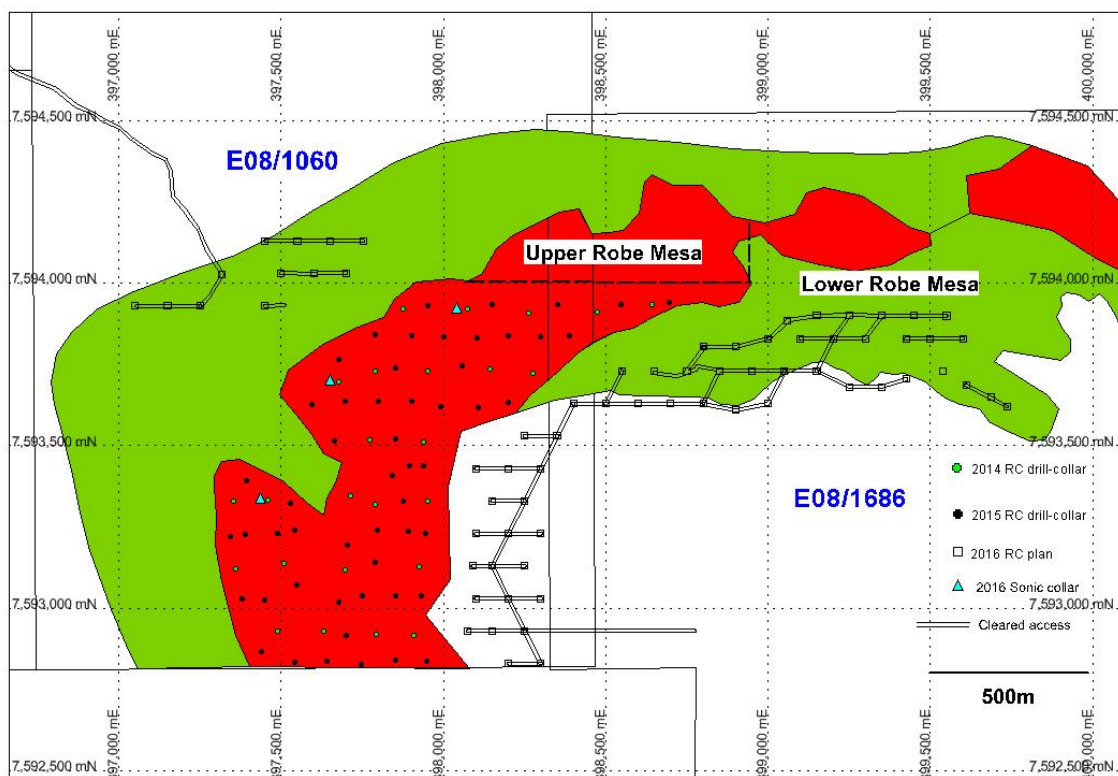


Fig 3. Location of 2014 and 2015 RC holes on the upper Robe pisolitic ironstone and 2016 RC holes on the lower Robe pisolitic iron-stone and the 2016 sonic drill-collars on tenements E08/1060 and E08/1686 from the Yarraloola Project.

Ashburton Magnetite Drilling

When the RC drilling around the Robe Mesa is completed the rig will move to the Ashburton magnetite prospect to complete the programme of 8 holes for 1600m as announced on 24th August 2016. Results will be reported when they are available.

Background

The Robe Mesa is an elevated region at the southern end of the Yarraloola Project on the Company's tenements E08/1060 and E08/1686 (Fig 5). The Mesa has a total length of about 2.5 kilometres and a width of between 400 to 600 metres that hosts two intervals of pisolitic iron-stone (CID-type iron-ore) separated by an interval of silty sandstone (Figs 3 and 4). During 2014 and 2015, a total of 78 vertical RC drill-holes were completed for a total of 4,936 m on an approximately 100m grid and the geology and geochemistry have been used to independently generate and update an ore-resource model that was fully reported to the ASX on 3rd February 2015, 10th of December 2015 and 29th of January 2016. The most recently reported ore-resource statements for the Robe Mesa Deposit with cut-offs at Fe > 50% and Fe > 55% are summarised in Tables 1 and 2.

Table 1. Robe Mesa Deposit – Updated Mineral Resource Estimate above a Fe (iron) cut-off grade of 50% as of 29th of January 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
Total	84.5	53.8	8.3	3.4	0.14	10.7	0.04	0.02	60.2

Table 2. Robe Mesa Deposit – Updated Mineral Resource Estimate above a Fe cut-off grade of 55% as of 29th of January 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	0.10	10.7	0.05	0.02	62.7
Total	24.7	56.0	5.9	2.7	0.10	10.7	0.04	0.02	62.7

Iron (Fe) is reported both as a total XRF value and also as a calculated calcined iron (Fe_{ca}) that reflects the Fe-content after the loss of volatiles (mostly water) which occurs during smelting. The calcined-iron content is calculated using the formula $(Fe\% / (100 - LOI)) * 100$.

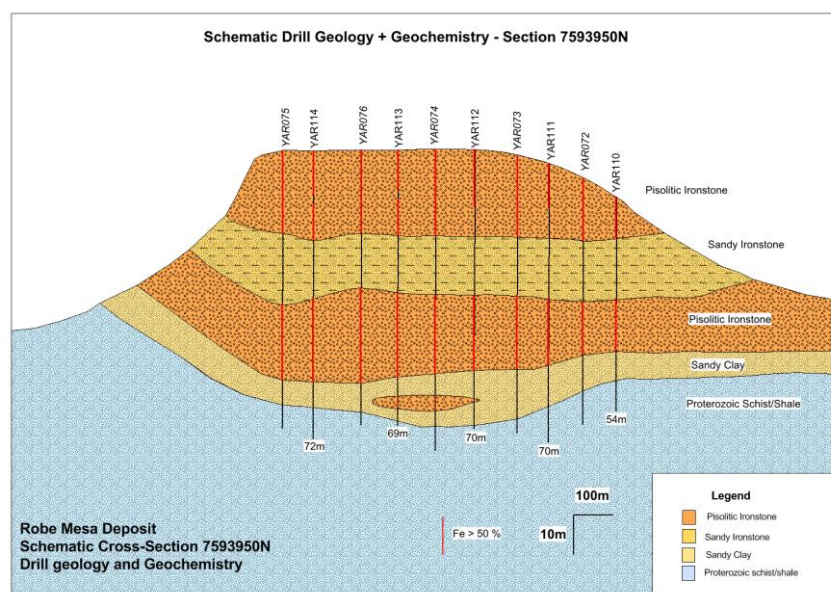


Fig 4. Interpreted geological cross-section on 7593950N (from Fig 3) showing the down-hole intervals (in red) of pisolitic ironstone from the 2014 and 2015 RC drill-holes that report Fe>50% (calcined Fe>55%).

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 (BSc Hons, 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.

Background – Prospect Locations and Iron Formation targets on the Coziron Resources, Yarraloola tenement package.

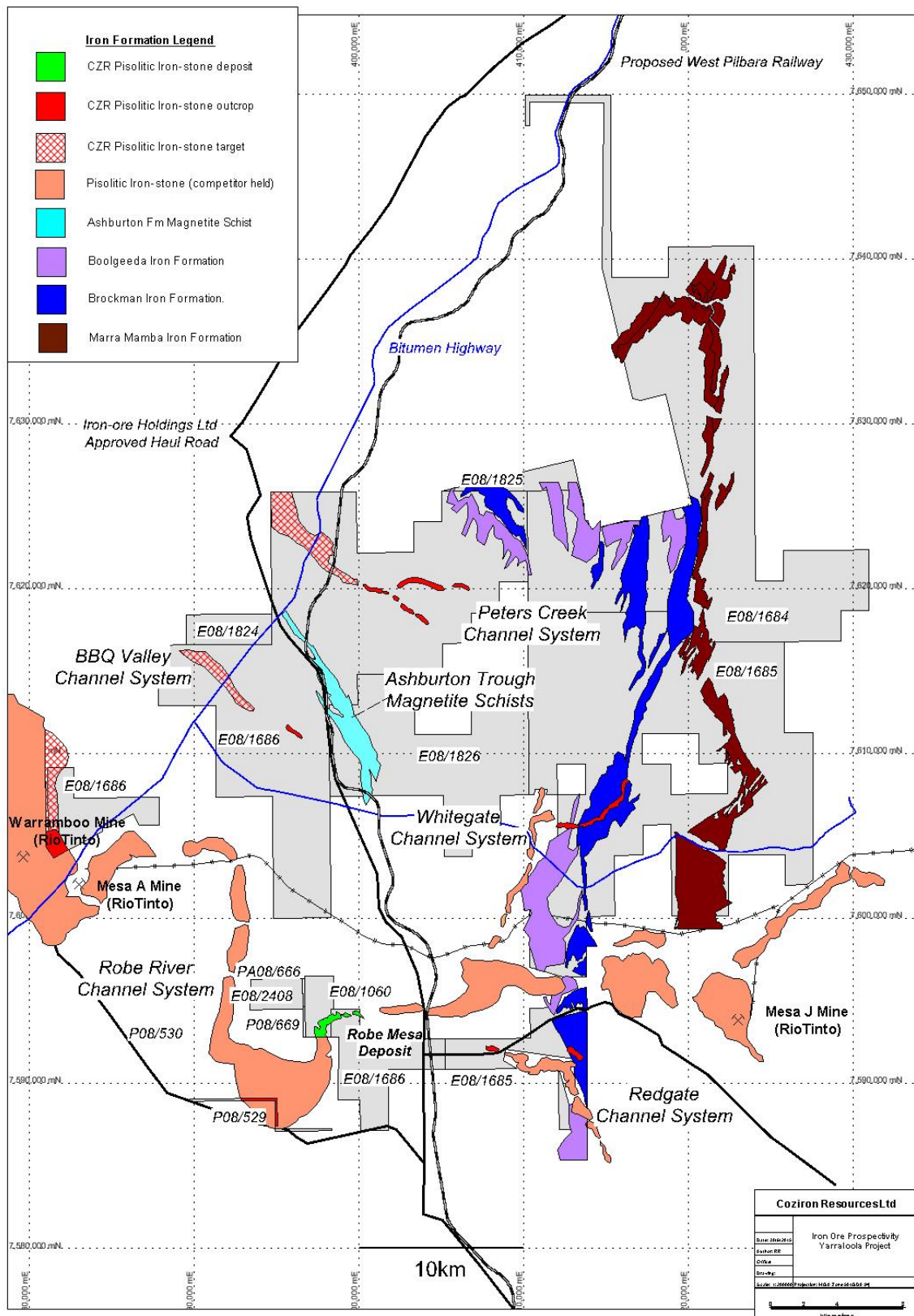


Fig 5. Distribution of banded iron-formations and targets for CID mineralisation on the Yarraloola Iron-ore project in the West Pilbara and highlighting the Robe Mesa deposit on E08/1060.