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The Company Announcements Office
ASX Limited Via E Lodgement

11th October 2017

Gold along the basal contact of the Fortescue Group at Shepherds Well (E08/2361) in the West Pilbara

HIGHLIGHTS

- **Soils (-2mm) underlying basalts at the base of the Fortescue Group report gold (between 5 ppb and 737 ppb) over 23km at Shepherds Well, representing an emerging target for coarse-grained “melon-seed” gold in conglomerate in the Pilbara.**
- **The horizon on E08/2361 maps an ancient topography of ridges along with broad and narrow valleys. Higher numbers of samples and higher grades of gold are reported from the broad valleys.**
- **Coziron has an advanced understanding of the prospective targets and exploration techniques that can effectively explore areas with prospectivity for conglomeratic gold in the Pilbara.**
- **Future work will systematically map and sample the interval under the basalts at the base of the Fortescue Group investigating opportunities for conglomeratic rocks with “melon-seed” gold particles in ancient valleys at Shepherds Well.**
- **Coziron is also reviewing the distribution of gold on its other tenements located in the Pilbara that host the Fortescue Group to identify targets along the basal contact with the potential to host coarse-grained “melon-seed” gold in conglomerate.**

SHEPHERDS WELL EXPLORATION UPDATE

Background

Although Coziron is mainly focused on delivering feed-stock for the steel industry, it examines all potentially mineralised targets, with gold as a priority, on each of its exploration projects. Shepherds Well (E08/2361), in the West of the Pilbara, is located about 60km south-west of Karratha (Fig 1). The project covers an area only 25-50 km from a new proposed public access port at Cape Preston East, is serviced by tracks from the Great Northern Highway and is crossed in part by an easement for the proposed West Pilbara railway. The region has a basement of basaltic, felsic and metasedimentary rocks unconformably overlain by mainly basaltic rocks from the Fortescue Group and then by clastic and chemical sediments of the Hamersley Basin (Fig 1).

Recent announcements by Novo Resources Corp (TSX.V:NVO), De Grey Minerals Ltd (ASX:DEG), DGO Gold Ltd (ASX: DGO), Venturex Resources Ltd (ASX:VXR) and others suggests that conglomeratic rocks which are widely distributed in the Pilbara and underlie the Mt Roe Basalt at the base of the Fortescue Group, contain an abundance of coarse-grained, “melon-seed” gold particles. The potential for this setting is evident at Shepherds Well in the publicly available distribution of the 500K-scale geological polygons for the Fortescue Group from the Geological Survey of Western Australia.

In response, Coziron has undertaken a review of all the available soil-sample results as fully reported to the ASX on 29th July 2014, 28th June 2016 and 13th Sept 2016, but excluded areas where the gold is associated either with nickel, cobalt copper (Dorper Rise) or lead, zinc and silver (Suffolk Ridge, Fig 2). The resulting anomalous gold distribution, with only a very small portion of the prospective area sampled, correlates well with the contact between the Fortescue Group and underlying crystalline basement.

Summary of Previous Work and Areas of Gold Prospectivity

Coziron has progressively acquired 1170 gridded -2mm soil samples over the Shepherds Well Project and has been mapping and modifying the most recently released 500K-scale outcrop polygons from the Geological Survey of Western Australia (Fig 2). The grids are centred over potential sites for mineralisation in the deformed and hydrothermally altered rocks from the Pilbara basement. Many grid-lines extend across areas of cobble-filled soil and onto units of the Fortescue Group. Mapping has extended the interpreted aerial extent of the Mt Roe Basalt at the base of the Fortescue Group southwards. The unconformity surface traces an ancient topography with ridges, narrow and broad valleys. Areas of cobble-rich soil in the ancient valleys in the basement beneath the basalt are sites that might represent areas where a basal conglomerate to the Fortescue Group is exposed.

At Shepherds Well, there is a population of soil samples with gold between 5 and 737 ppb that are not associated with typical pathfinder elements, such as nickel, arsenic or antimony, located in the interval between the Fortescue Basalt and the underlying basement (Fig 2). Among these samples, a significant proportion are located within a broad ancient valley that are interpreted to represent a preferred site for the historical accumulation of detrital gold. Most of this area, which is between Dorper Rise and Suffolk Ridge and extends northwards, is periodically covered by a section 41 Prospecting License. Recent holders have prospected with metal detectors. The area also contains historical evidence of dry-blower sampling.

Future Work

Previous reports by CZR with full details to the ASX of the soil geochemistry from Shepherds Well highlighted nickel (Ni) potential within talc carbonate schist at Dorper Rise and base-metals (Pb + Zn) in a structural target at Suffolk Ridge (ASX: CZR 28th June 2016 and 13th Sept 2016). This review highlights that the soil-sampling and mapping approach used by Coziron has identified high prospectivity zones that would underlie the basalt at base for the Fortescue Group and may be the preferred sites for the accumulation of coarse gold particles.

Future work will initially focus on gridded soil sampling and mapping of the interval between the Pilbara basement outcrop and the lowermost basaltic units of the Fortescue Group. The contact between the basement and Fortescue Group extends for some 23km on Shepherds Well, but there is a high priority area some 12km long and up to 2km wide that appears to represent an interval that has underlain the Mt Roe Basalt. This area has good potential for the preservation of conglomeratic rocks with irregularities in the Pilbara basement that can be better outlined through mapping, soil-sampling, pitting and drilling.

Coziron is also reviewing its other tenement holdings in the Pilbara that host the Fortescue Group and investigating opportunities for conglomeratic rocks with the potential to contain coarser grained “melon-seed” gold.

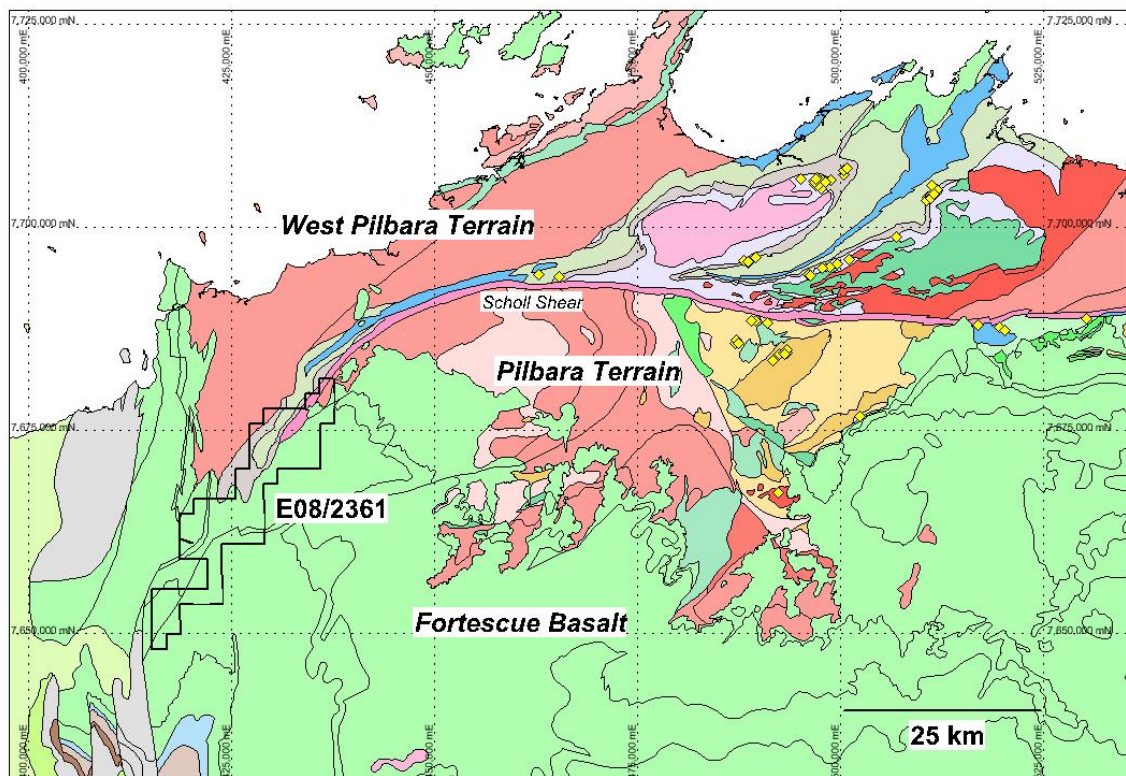


Figure 1 Regional geological setting of the Shepherds Well Project (E08/2361) showing the distribution of the Fortescue Volcanics, the underlying basement rocks from the West Pilbara and Pilbara Basement Terrains that are separated by the Scholl Shear and the distribution of gold occurrences and deposits on the area as shown by the yellow diamonds.

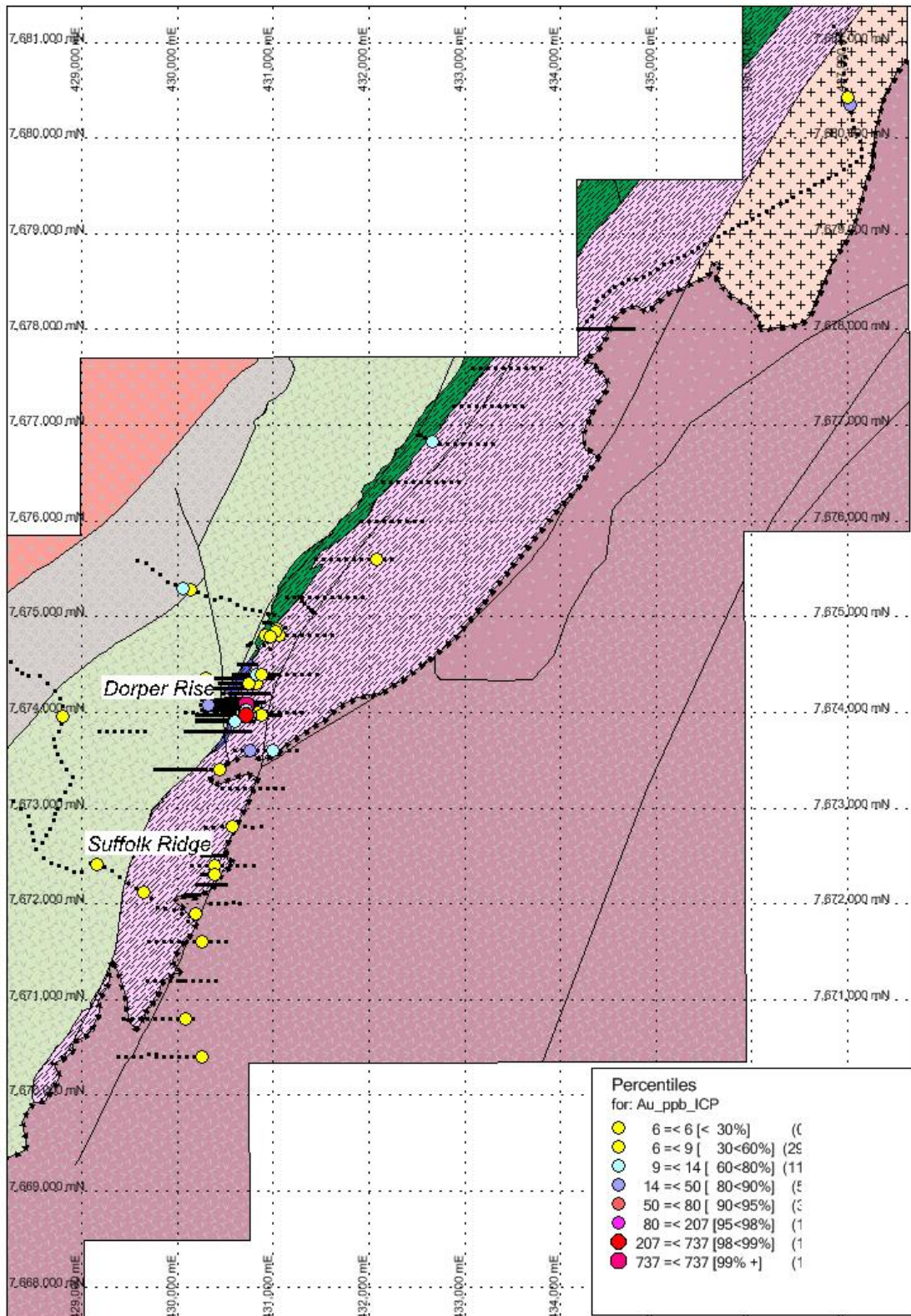


Figure 2 Soil sample locations showing the percentile gold (Au in ppb) distribution adjacent to the Dorper Rise and Suffolk Ridge Prospects that are not associated with high Cr-Ni or Zn and overlay on geological polygons from Geological Survey of Western Australia that have been updated by Coziron using field mapping and publically available Bing satellite imagery.

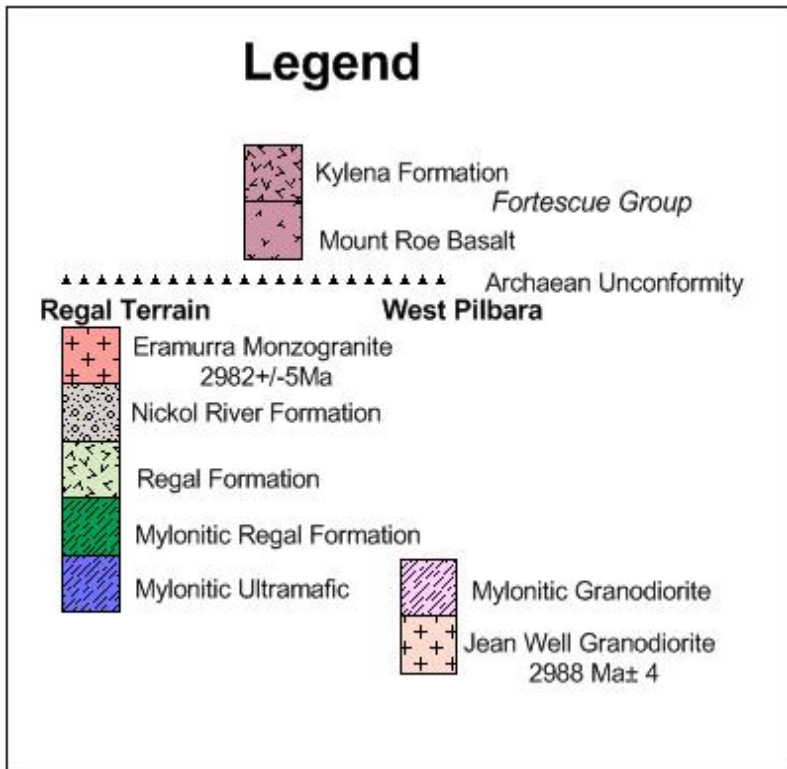


Figure 3 - Soil samples locations showing the percentile gold (Au) distribution on the Dorper Rise Prospect overlain on geological polygons from Geological Survey of Western Australia that have been updated by Coziron and the Google satellite imagery.

ABOUT COZIRON 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 (419km²). The Yarraloola, Buddadoo, Shepherds Well and Yarrie projects all have iron-ore as the principal exploration target (Fig 5).

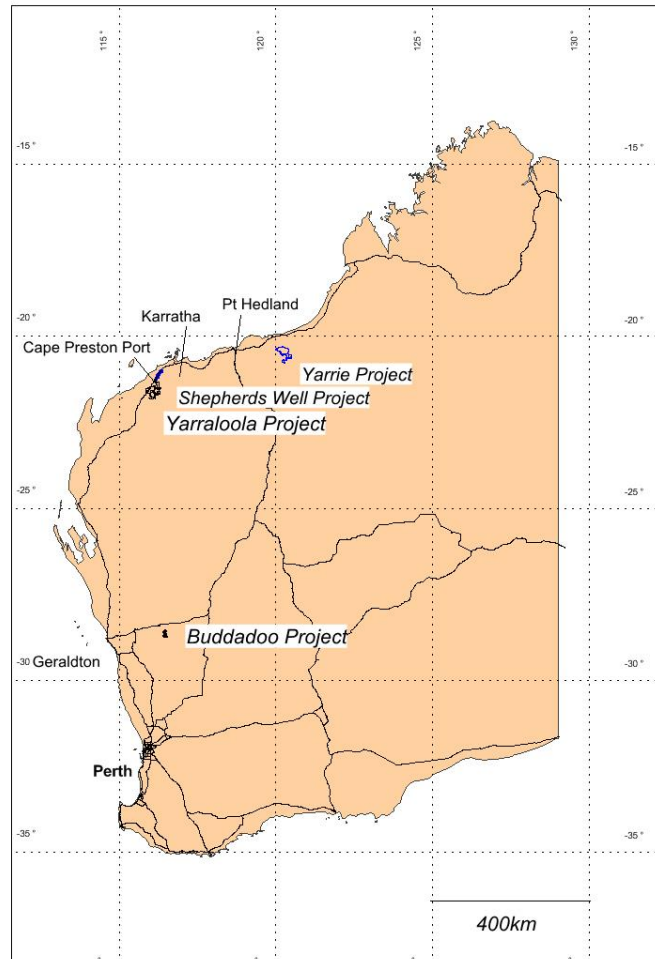


Figure 5. Location of the Coziron Resources Ltd projects in Western Australia.

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.