

June 2022 Quarterly Activities Report

Strong quarter puts CZR on track to grow inventory and production rate at Robe Mesa iron ore deposit

Highlights

Robe Mesa Iron-Ore Deposit, Pilbara

- JORC Mineral Resource increased from 24.7Mt to **37.5Mt at 56% Fe (62.6% Fe calcined) (55% Fe cut-off grade)**, representing a 52% increase in tonnes while maintaining the same iron ore grade
- CZR secured a key Heritage clearance, allowing it to drill immediately along strike to the north of the current Mineral Resource (Figure 3), extending the prospective strike length of the deposit to over 1.6km
- The growth in Mineral Resource and northern strike extension are consistent with CZR's objective to increase mine life and production rate in the Definitive Feasibility Study (DFS) compared to the Pre-feasibility Study (PFS)
- Drilling commenced during the quarter to expand the Resource and Reserves and collect diamond core for metallurgical test work
- Environmental surveys completed over mine, processing and proposed haulage routes as part of environmental submissions for the DFS

Croydon Gold Project

- Planning underway to expand the geochemical surface sample (soil and auger sampling) coverage and undertake a ground-based gravity survey
- Target intrusion-related gold mineralisation within the Mallina Basin, analogous to De Grey Mining's neighbouring 8.5Moz Hemi discovery.

Corporate

- \$3.1 million cash as at 30 June 2022

OVERVIEW

CZR is a Western Australia focused mineral exploration and development company with five projects, all in joint-venture with our major shareholder Creasy Group.

All projects are strategically located, proximal to infrastructure and cover prospective geology with established iron ore, gold and base metal endowment.

CZR's primary development asset is the Robe Mesa iron ore deposit, part of the Yarraloola project. The Company is progressing the DFS and approvals for mining, with a focus on expanding the current JORC Resource and Reserve and targeting a production rate of 3Mtpa.

In addition to the development of Robe Mesa, CZR is also progressing several prospective iron ore, gold and copper exploration projects – well located in close proximity to major mines and discoveries.

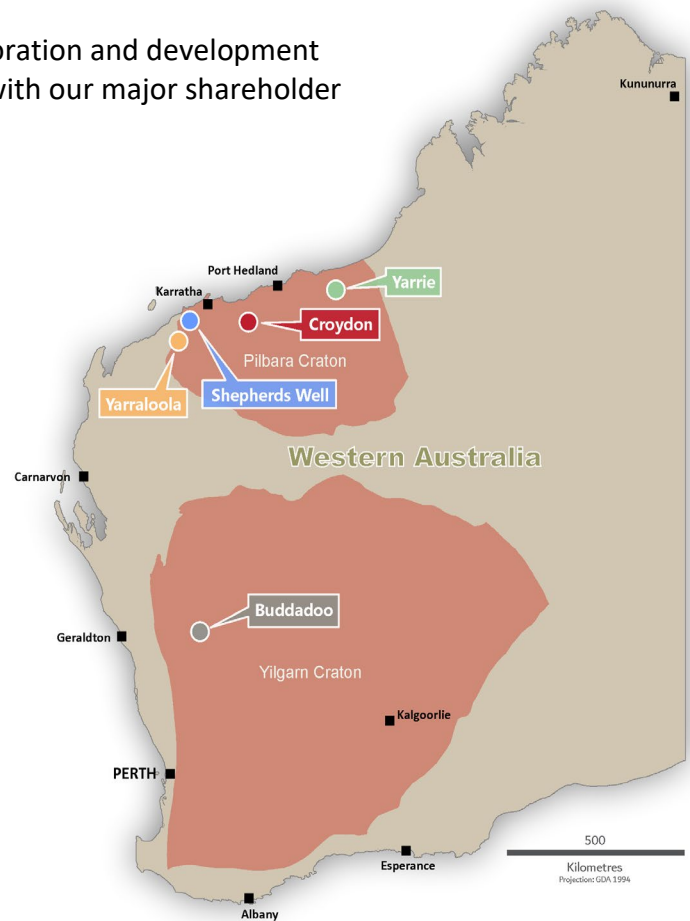


Figure 1. Location of the five CZR projects in Western Australia.

ROBE MESA IRON-ORE DEPOSIT (Yarraloola Project) – WEST PILBARA (CZR 85%)

The Robe Mesa deposit sits within the Robe Valley Channel Iron Deposits (Robe Valley CID), adjacent to the Robe River JV operations. The Robe River JV (Rio Tinto 53%, Mitsui 33%, Nippon Steel 14%), operated by Rio Tinto, has been mining Robe Valley CID since the 1970s and has current mining operations at Mesa A, Warrambo and Mesa J, with rail linking to export facilities at Cape Lambert (Figure 5).

The Robe River JV invested \$1.7B in the Robe Valley JV to replace production from existing mines at Mesa A, Warrambo and Mesa J. Production commenced at Mesa B, C and H in August 2021 and there is extensive drilling underway at Mesa F, effectively surrounding CZR's Robe Mesa deposit

CZR commenced a DFS on Robe Mesa in 2021, building off the positive PFS completed in December 2020.

During the quarter, CZR reported a material 52% increase in the JORC Resource from 24.7Mt to 37.5Mt. The expanded Mineral Resource reflects the strong assay results reported in the March Quarter, which revealed the presence of extensive direct shipping iron ore (DSO) outside the PFS pit designs.

The new Mineral Resource estimate is consistent with CZR's strategy to increase mine life and forecast production rate while maintaining similar iron ore specifications to its peers and the adjoining Robe Valley operations.

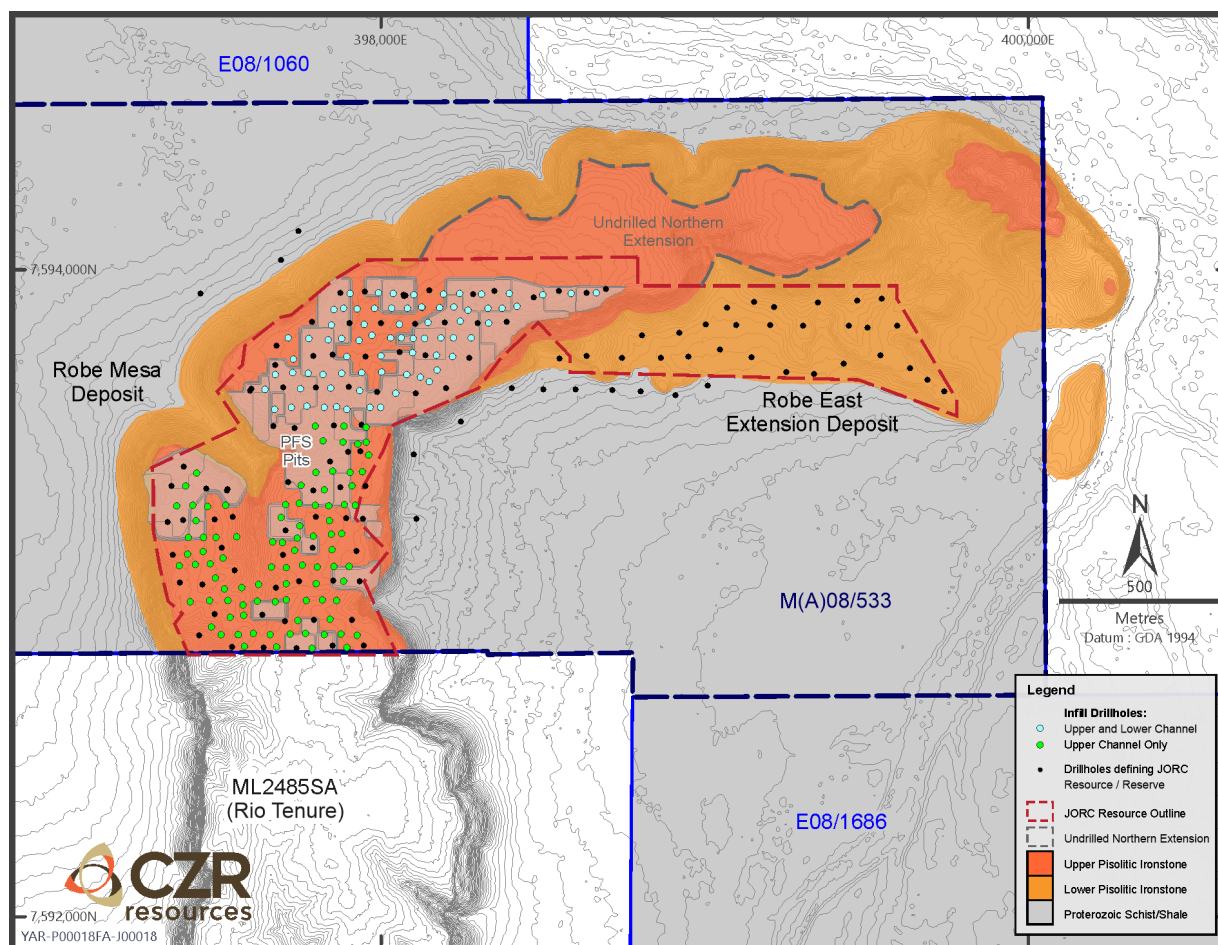


Figure 2. Robe Mesa Resource area with drill hole collars

Cut-Off Grade	Category	Tonnes Mt	Fe %	SiO ₂ %	Al ₂ O ₃ %	LOI %	P %	S %	Fe _{ca} %
55% Fe	Indicated	25.2	55.9	6.0	2.8	10.6	0.04	0.02	62.6
	Inferred	12.3	56.0	5.9	2.8	10.6	0.04	0.02	62.7
	Total	37.5	56.0	6.0	2.8	10.6	0.04	0.02	62.6
50% Fe	Indicated	47.4	54.5	7.4	3.2	10.7	0.04	0.02	61.1
	Inferred	22.2	54.5	7.5	3.2	10.6	0.04	0.02	60.9
	Total	69.6	54.5	7.5	3.2	10.7	0.04	0.02	61.0

Table 1. May 2022 updated Robe Mesa Mineral Resource (see ASX Announcement dated 2 June 2022 titled “CZR set for significant growth as Mineral Resource increases by 52%”)

During the June quarter, CZR undertook archaeological and ethnographic heritage surveys with Robe River Kuruma Traditional Owners, covering the northern strike extension of the Robe Mesa deposit and ancillary infrastructure (access roads, water bores).

On 23 June, CZR announced it had received Heritage clearance to commence drilling the northern strike extension, providing a significant boost to the company’s strategy to grow the mining inventory at Robe Mesa (Figure 3).

Late in the June quarter, CZR commenced diamond drilling to collect drill core samples for metallurgical test work. The Company also commenced an RC drilling program aimed at increasing Resources and Reserves along strike to the north where heritage clearance was received, and infill drilling to allow Reserve estimates and mine plans to be completed for the Lower channel iron deposit (CID), which was not included in the PFS.

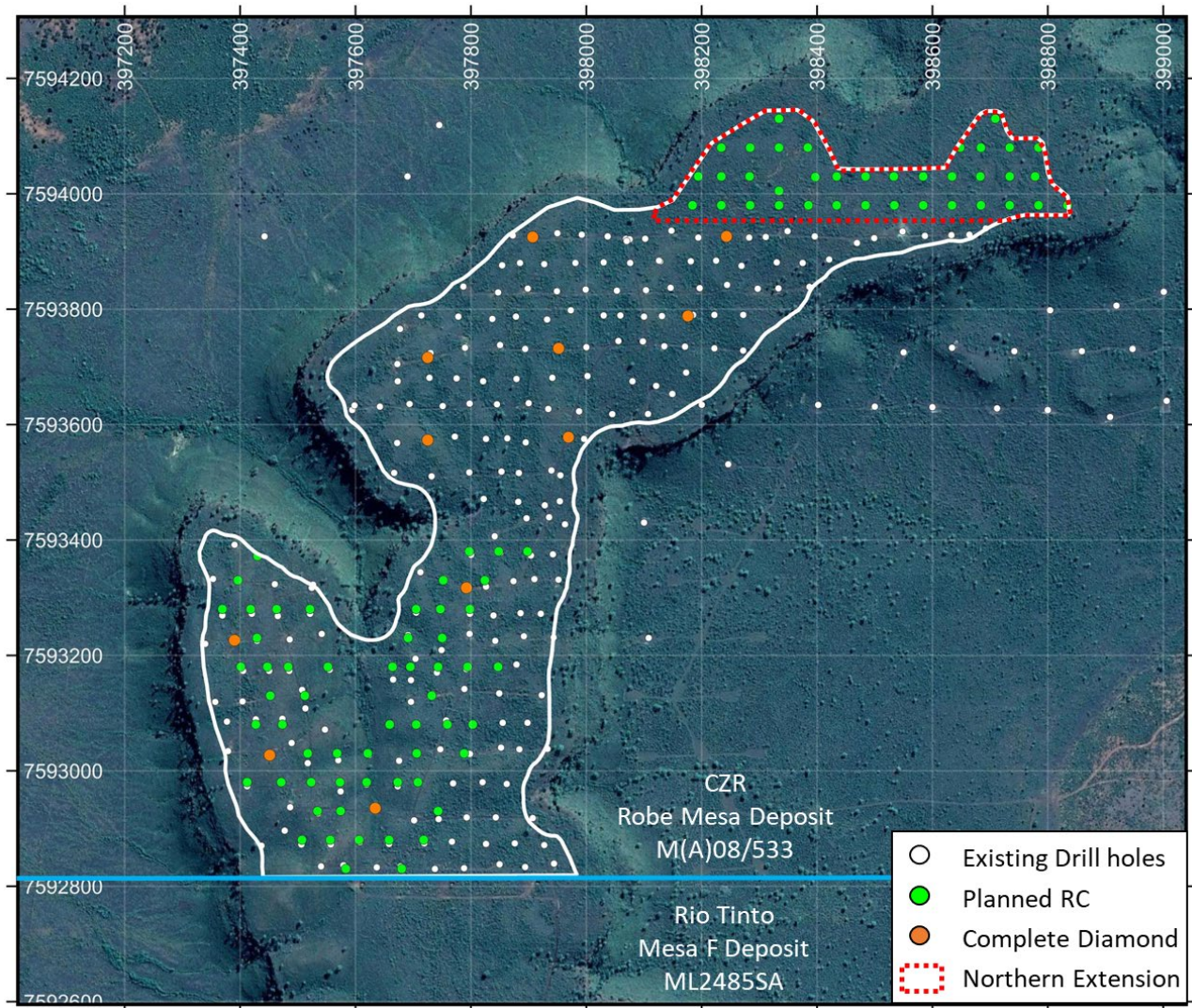


Figure 3. Robe Mesa deposit showing existing drill holes and planned RC and diamond drill holes. The white outline marks the proposed mining footprint and blue line is the CZR-Rio Tinto tenement boundary

Post-quarter end, CZR announced that diamond drilling had been completed and RC drilling was well advanced. CZR expects the remaining RC drilling to be completed in early August and assays received late in the September quarter.

In addition, CZR successfully completed environmental baseline studies covering the mine area, ancillary infrastructure and potential haul routes during June and July. These form part of the environmental reporting requirements and submissions to government regulators to allow mining to commence at Robe Mesa.

The Robe Mesa deposit is an extension of Rio Tinto’s Mesa F deposit. During the quarter there was a significant build-up of activity on CZR’s southern boundary, with extensive site works completed by Rio Tinto ahead of drilling (Figure 4). The amount of work underway at Mesa F gives CZR confidence in the potential of its Robe Mesa deposit.



Figure 4. CZR’s Robe Mesa deposit in the foreground with RC drill rig, with Rio Tinto drill lines and pads cleared to the CZR tenement boundary

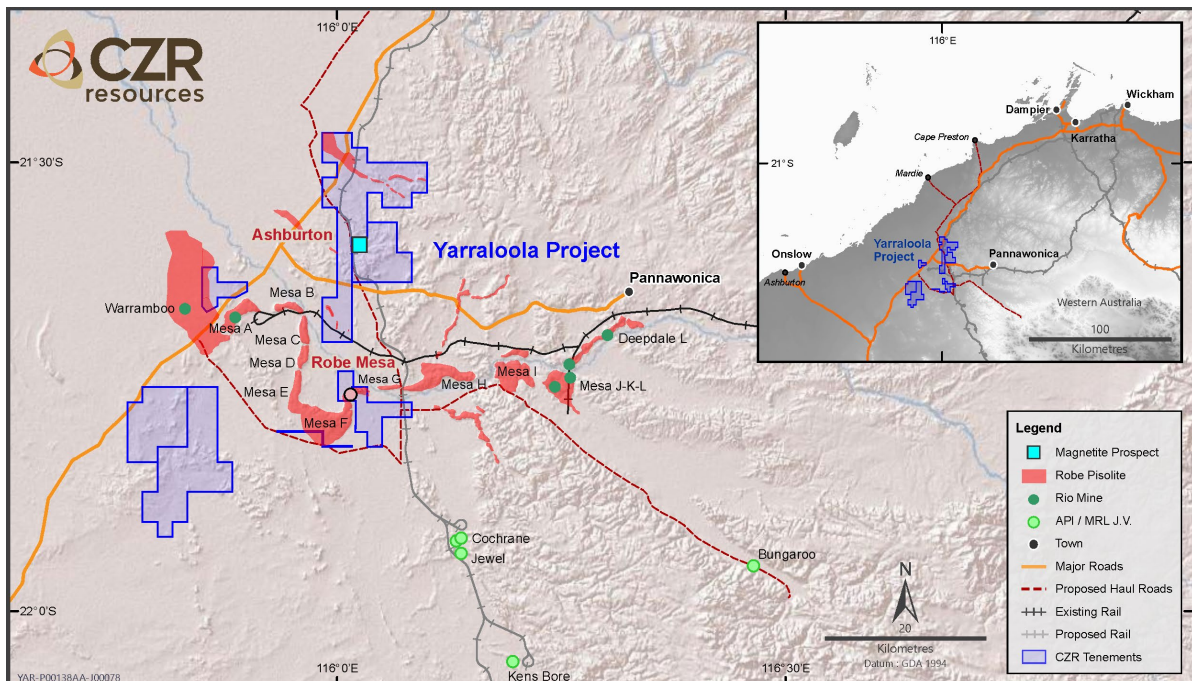


Figure 5. CZR’s Yarraloola project and Robe Mesa deposit showing local infrastructure and iron ore deposits.

CZR is assessing several port and logistics options for the export of 3Mtpa of Robe Mesa iron ore and will provide further updates on these plans as they develop, along with Resource and Reserve updates and metallurgical test work results.

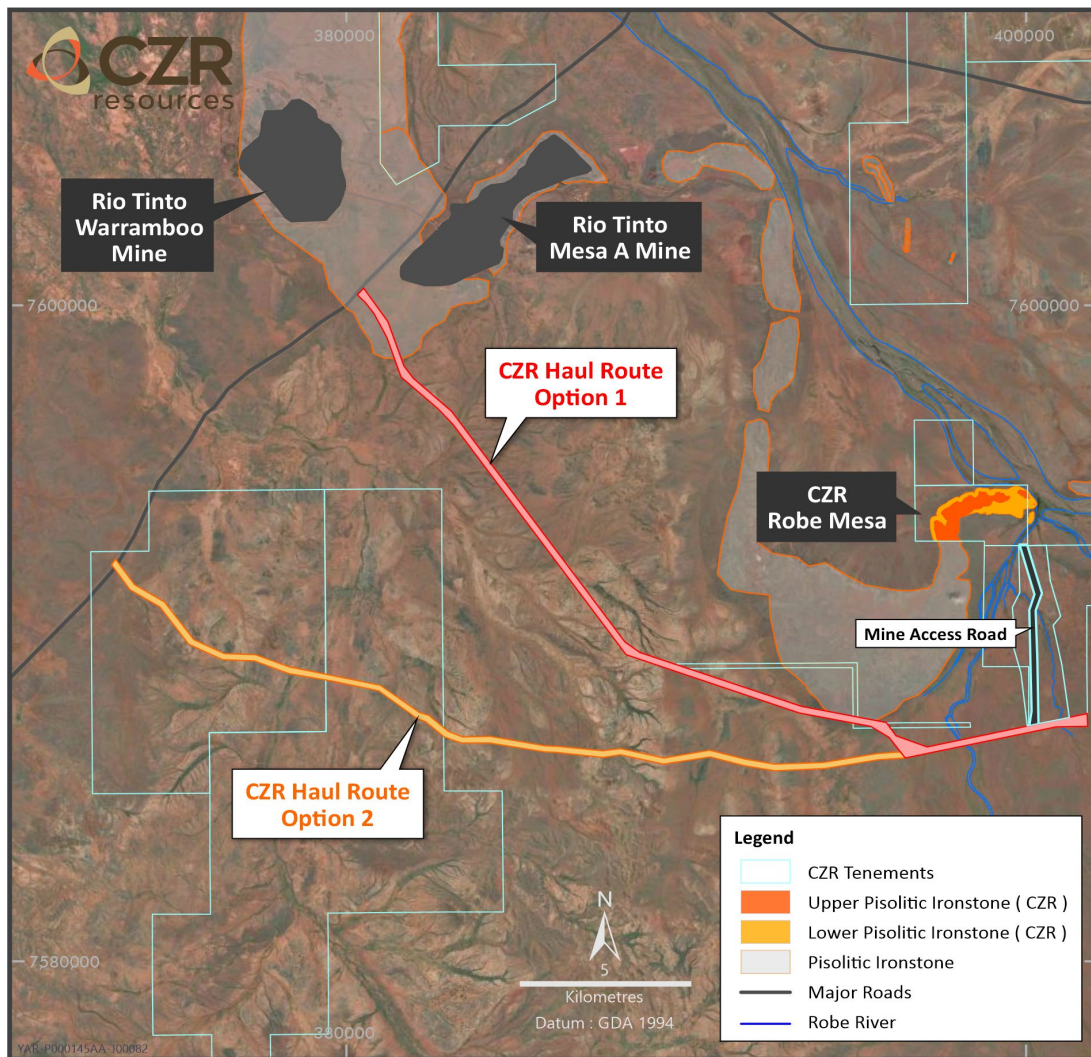


Figure 6. CZR miscellaneous licence applications for haulage routes and non-processing infrastructure

CROYDON GOLD PROJECT (CZR 70%)

The 320sqkm Croydon project is located in the Mallina Basin between Karratha and Port Hedland. The region contains De Grey Mining Limited’s Hemi gold deposit with a recently updated and increased resource of 8.5 Moz (DEG release to ASX; 31 May 2021). The Mallina Basin has the potential to emerge as a major gold province and CZR’s Croydon project covers approximately 40km strike of the Mallina Basin, about 50km south-east of Hemi (Figure 7).

Gold mineralisation at Hemi is hosted in a series of intermediate intrusions associated with sulphide (pyrite and arsenopyrite) stringers and disseminations within brecciated and altered quartz diorites that intrude into the surrounding Archaean aged Mallina Basin sediments. CZR’s Croydon project has a similar geochemical signature, with very strong gold and arsenic in soil anomalies, particularly at the Top camp prospect, where initial drilling returned primary gold mineralisation, including:

- **8m at 10.2g/t Au** from 135m in CRC007
- **2m at 22g/t Au** from 7m in CRC021; and
- **28m at 0.6g/t Au** from 147m in CRC022

No field activities were completed during the June quarter, but planning has commenced to complete infill surface sampling and undertake a ground-based gravity survey to identify the presence of large intrusions that may host gold mineralisation similar to Hemi. CZR anticipates commencing field activities at Croydon in the second half of 2022.

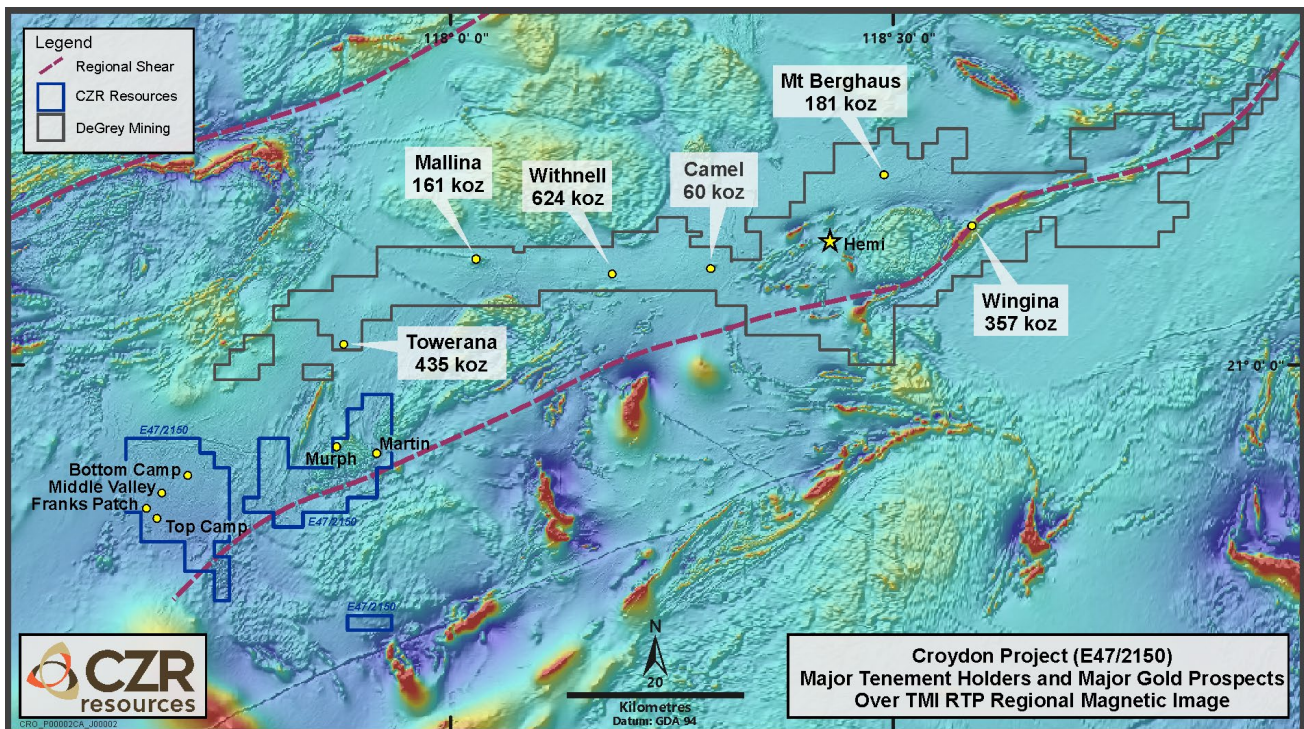


Figure 7. CZR Croydon project and De Grey Mining Hemi Gold Project over regional geology

BUDDADOO COPPER-GOLD PROJECT – YILGARN (CZR 85%)

The Buddadoo project (E59/1350 and E59/2349), with a surface area of 303 square kilometres, is located about 200 kilometres east of Geraldton Port and 60 kilometres from a rail siding at Morawa and is accessible all year by bitumen-road. The tenement is prospective for orogenic lode-style gold (Deflector Gold Mine – 5km west) and VMS style base metal deposits (Golden Grove 40km east).

No activities were undertaken at Buddadoo during the June quarter.

SHEPHERDS WELL PROJECT (CZR 70%)

Shepherd’s Well (E08/2361) is located 60 kilometres south-west of Karratha and covers 15 kilometres of a regional shear-zone. CZR completed a moving loop electro-magnetic (EM) survey at the Dorper prospect in the March quarter, targeting a mafic-ultramafic intrusion with anomalous nickel and PGE in soil and rock chip samples. The survey identified a NE-SW oriented stratigraphic conductor dipping steeply to the NW, that is much more conductive in the south and gets weaker towards the North.

No activities were undertaken at Shepherd’s Well during the June quarter.

YARRIE PROJECT – NORTH PILBARA (CZR 70%)

The Yarrie Project covers a total of 360 square kilometres, about 160 kilometres east of Port Hedland. Yarrie is serviced by bitumen and gravel roads, a natural gas pipeline between Pt Hedland and the Telfer copper-gold mine and a BHP-owned rail connection between Yarrie mining area and Port Hedland. The Yarrie tenements are held for their potential to host high-grade (+62% Fe) iron-ore and have historical high-grade RC drill intercepts in the Cabbage Tree and Kennedy Gap prospects (CZR release to ASX; 6 August 2014).

A small RC program was completed in April with no significant mineralisation intersected.

Information required by Listing Rule 5.3.1:

During the Quarter, the Company spent \$985k on exploration activities which included \$87k on Yarrie Project, \$79k on Buddadoo Project, \$70k on the Shepherd's Well Project and \$5k on the Croydon Project. Also included was \$744k of costs associated with advancing the Robe Mesa feasibility study and approvals.

Information required by Listing Rule 5.3.5:

During the quarter, the Company made payments to related parties of \$110k, encompassing Executive Director's salary, Directors' fees and associated superannuation costs.

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.

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.

CZR confirms that it is not aware of any new information or data that materially affects the information included in the CZR announcement dated 2 June 2022 and in the case of estimates of the 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 S

Mining Tenement changes during the Quarter

Project	Location	Tenement Number	Economic Entity's Interest at Start of Quarter	Economic Entity's Interest at Quarter End
Yarraloola	West Pilbara, WA	L08/298	0%	85%
Yarraloola	West Pilbara, WA	L08/299	0%	85%
Yarraloola	West Pilbara, WA	L08/302	0%	85%
Yarraloola	West Pilbara, WA	L08/303	0%	85%

Farm-in / Farm-out Agreement changes during the Quarter

Project	Location	Tenement Number	Economic Entity's Interest at Start of Quarter	Economic Entity's Interest at Quarter End
No change				

Interests in Mining Tenements & Joint Ventures

Project	Location	Tenement Number	Economic Entity's Interest at Quarter End	Comment
Yarraloola	West Pilbara, WA	E08/1060	85%	
Yarraloola	West Pilbara, WA	E08/1686	85%	
Yarraloola	West Pilbara, WA	E08/1826	85%	
Yarraloola	West Pilbara, WA	E08/3180	100%	
Yarraloola	West Pilbara, WA	M08/519	85%	Application
Yarraloola	West Pilbara, WA	M08/533	85%	Application
Yarraloola	West Pilbara, WA	E08/3399	100%	Application
Yarraloola	West Pilbara, WA	L08/281	85%	Application
Yarraloola	West Pilbara, WA	L08/295	85%	Application
Yarraloola	West Pilbara, WA	L08/296	85%	Application
Yarraloola	West Pilbara, WA	L08/297	85%	Application
Yarraloola	West Pilbara, WA	L08/298	85%	Application
Yarraloola	West Pilbara, WA	L08/299	85%	Application
Yarraloola	West Pilbara, WA	L08/302	85%	Application
Yarraloola	West Pilbara, WA	L08/303	85%	Application
Shepherds Well	West Pilbara, WA	E08/2361	70%	
Yarrie	East Pilbara, WA	E45/3725	70%	
Yarrie	East Pilbara, WA	E45/3728	70%	
Yarrie	East Pilbara, WA	E45/4065	70%	
Yarrie	East Pilbara, WA	E45/4604	70%	
Yarrie	East Pilbara, WA	E45/4605	70%	
Yarrie	East Pilbara, WA	E45/4433	100%	
Buddadoo	Mid-west, WA	E59/1350	85%	
Buddadoo	Mid-west, WA	E59/2349	85%	
Croydon	Pilbara WA	E47/2150	70%	

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

CZR Resources Ltd

ABN

91 112 866 869

Quarter ended ("current quarter")

30 June 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(985)	(4,196)
(b) development	-	-
(c) production	-	-
(d) staff costs	(33)	(61)
(e) administration and corporate costs	(197)	(908)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other	-	-
1.9 Net cash from / (used in) operating activities	(1,214)	(5,164)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	(20)
(c) property, plant and equipment	(24)	(36)
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(24)	(56)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	3,283
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(59)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	3,224
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,359	5,117
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,214)	(5,164)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(24)	(56)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	3,224

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,121	3,121

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	3,121	4,359
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (term deposits)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,121	4,359

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	110
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>6.1 Represents executive director salary, directors' fee and associated superannuation costs paid during the quarter.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Director Loans	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,214)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(1,214)
8.4 Cash and cash equivalents at quarter end (item 4.6)	3,121
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	3,121
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	2.57
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	
8.8.2	
Answer:	
8.8.3	
Answer	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 27 July 2022

Authorised by: Board
(Name of body or officer authorising release – see note 4)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.