
Update on the Robe Mesa iron ore feasibility study in the West Pilbara

CZR Resources Limited (ASX: CZR) is pleased to advise that following the recent capital raising announced on 7 June 2021, the Board of Directors has approved a budget of \$5 million for the delivery of a definitive feasibility study for its 85% owned Robe Mesa iron-ore deposit. The study will focus on the mining, haulage and transshipment of iron-ore through a facility that is being developed at Beadon Creek in Onslow in the West Pilbara region of WA (**Figure 1**).

The CZR Board has also approved the appointment of Increva as Project Managers for the feasibility study. Increva was established in 2015 and is a Perth-based project management consultant experienced with owners' representative feasibility and implementation management for projects in Western Australia and other jurisdictions. Increva's recent Western Australian experience includes services for Kalium Lakes Ltd, Bellevue Gold Ltd, Lynas Corporation, Red5 Limited and Rio Tinto.

Update on the Robe Mesa Activities

The December 2020 announcement of the prefeasibility study for the Robe Mesa iron-ore deposit demonstrated robust economics over a +5 year mine-life that was constrained to a production profile of 2Mt/annum from a +55%Fe product at a sale price of US\$90/tonne (62%Fe pricing, but reduced for the appropriate value in use discounts) and delivery over 400km to Pt Hedland (CZR release to the ASX; 10 December 2020).

In the period since the release of the prefeasibility study, CZR had been advancing a range of activities, that are designed to de-risk project development. They will also be significant milestones required to bring the project into production and potentially provide significant optimisation for the project economics. This work that has been underway includes the following.

- Pegging and lodgement of mining lease application M08/533 to cover the proposed mining area on the Robe Mesa iron-ore deposit (CZR release to the ASX: 7 April 2021).
- A desktop review of the potential for hydrological impacts on the proposed mine and associated infrastructure layouts.
- A desktop review for potential groundwater sources to support haul-road development, camp, plant-site and future dust-suppression requirements.
- First-stage field collections for the base-line environmental surveys of flora and fauna that will be required for the future approval for mining (CZR release to the ASX: 11 March 2021).
- Acquisition and interpretation of topographic and heritage data to outline the potential location of a 35 kilometre haul-road between the proposed mine-site and the North-west coastal highway.

- An introductory meeting in Karratha with the Robe River Kuruma Native Title representative body to discuss a framework for approval of the mining operation and the compensation agreement which will be required for grant of the mining lease.
- A site visit and discussions with the operators of the Onslow Marine Support Base around the environmental constraints, materials handling engineering, approvals process and timelines and commercial parameters relevant to the development of the Beadon Creek facility into an iron-ore transshipping operation with the scale to support the export of 2Mt/annum from production from the Robe Mesa iron-ore deposit which represents a 60% less haul distance than to Pt Hedland.

Next Steps

Once an initial programme for heritage site-clearance is completed, a field-camp will be established and infill drilling for a range of geotechnical, geochemical, metallurgical and mining-related studies will commence. The camp will also provide support for other field-based activities that will be required for the feasibility study and the approvals for mining.

In addition, to the field-based activities required to more comprehensively define the project, a range of stakeholder meetings will be scheduled to discuss options and the timelines towards development. As the more detailed technical, operational and capital-cost data flows into the project database, the financial model will be updated and used to determine the significance of the mining operation for shareholders.

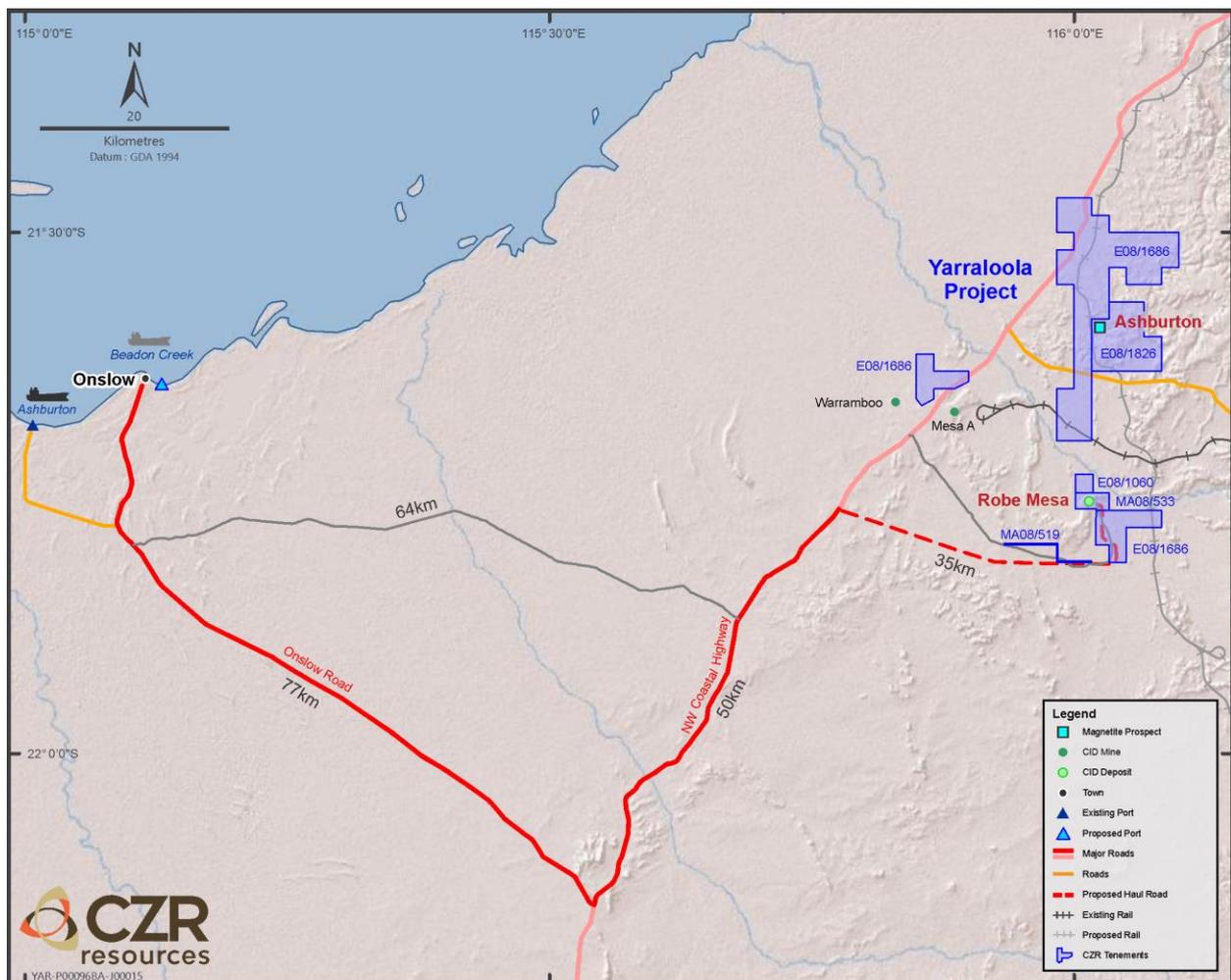


Figure 1. Location of the Robe Mesa iron-ore deposit, the proposed haulage route and transshipment location that will be used as the principal components for the Robe Mesa feasibility study.

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

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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 and studies; 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 any 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 prefeasibility study and all material assumptions underpinning the production targets and economic valuation in the previous market announcement continue to apply and have not materially changed.

Competent Persons Statement

The information in this report that relates to ore-reserves, mineral resources, exploration activities and 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 the Managing Director of CZR Resources Ltd and a Geologist with over 35 years of experience 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 to the Robe Mesa Iron-Ore Deposit

The Robe Mesa iron-ore deposit is 85% owned by CZR Resources Ltd and is located 150 km southwest of Karratha and 30km to the east of a bitumen sealed highway that connects to all the ports and towns along the coast of the Pilbara (Figure 2). The prefeasibility study completed in the December Quarter 2020 showed that the deposit has the potential to generate strong financial returns from an open-pit mine hauling direct-shipping ore to Pt Hedland ore at current iron-ore prices (Figure 2; CZR release to the ASX; 10 December 2020). CZR has now committed to advancing the evaluation of the Robe Mesa iron-ore deposit towards a definitive feasibility study which involves optimisation of the mining and haulage operation, the capital expenditure and an evaluation of the developing port infrastructure at Onslow as an alternative shipping location to Pt Hedland. In addition, the studies and processes of acquiring all the approvals for mining have commenced.

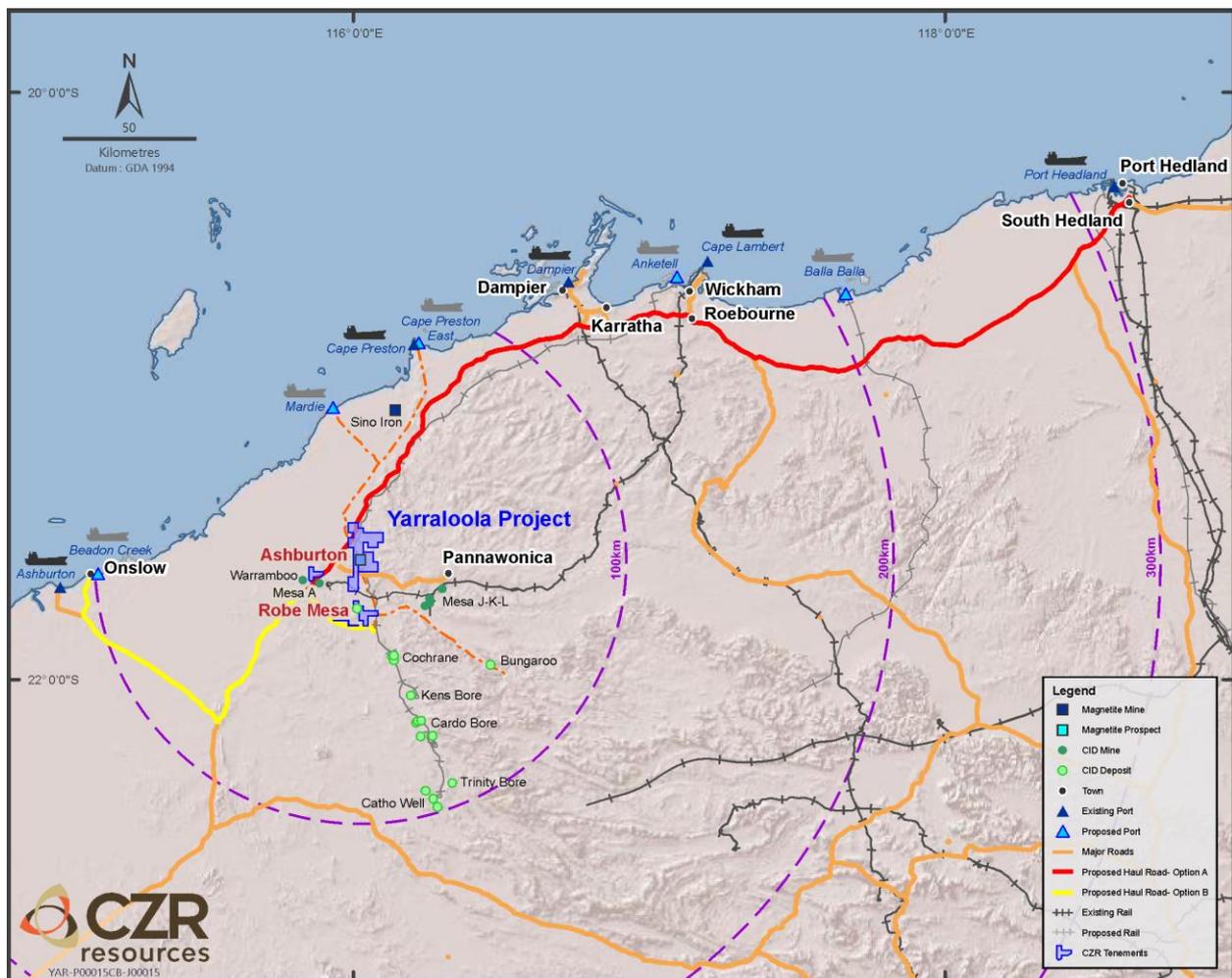


Figure 2. Regional location of the Robe Mesa iron-ore deposit within the tenements that outline the CZR Yarraloola Project in the West Pilbara of Western Australia.