



CZR 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.czrresources.com

The Company Announcements Office, ASX Limited

30 October 2020

September 2020 Quarterly Activities Report

CZR makes significant progress at Pilbara gold and iron ore projects

Highlights

Croydon Gold Project

- 17-hole RC drilling programme for 3,400m completed at three prospects at the Croydon Project, which covers 40km of the key regional structures just 50km from De Grey's (ASX: DEG) Hemi discovery
- All 12 RC holes from Top Camp prospect at Croydon intersected significant mineralisation with results including 2m at 22 g/t Au from 7m in CRC021 and broader lower grade intercepts of up to 28m at 0.59 g/t Au from 147m in CRC022

Robe Mesa Iron Ore Project

- The strategic review of the Robe Mesa iron-ore deposits has progressed to a prefeasibility study (PFS) following customer feed-back indicating that circa 56% Fe ore is currently selling for more than US\$100 DMT on a CFR basis
- The Robe Mesa PFS model is focussed on assessing the feasibility of mining the upper high-grade cap that contains the JORC-compliant 24 Mt at 56% Fe (calcining to 62.7% Fe) for direct-shipping using a production range of 1.5 to 2Mt a year and trucking the product 400km to public port facilities at Port Hedland¹
- Robe Mesa PFS is expected to be completed before the end of this calendar year and will deliver CAPEX, OPEX, a potential mining reserve and provide a pathway, timeline and indicative costing to move the project forward

Corporate

- Following shareholder approval on 15 September 2020, CZR finalised the \$702,000 fundraising from Directors and major shareholder Creasy Group which was part of the \$5m (before costs) raised in June 2020, leaving it well-funded to pursue its exploration programmes

CZR Resources Limited (ASX: CZR) is pleased to present its Quarterly Activities Report for the September 2020 quarter.

Corporate

As part of the Company's capital raising of \$5 million at 1.2c per share during the June 2020 quarter, the Company received commitments from Directors and major shareholder Creasy Group for \$702,000 (58,500,000 New Shares). Following shareholder approval on 15 September 2020 and receipt of the \$702,000, the shares were issued on 18 September 2020 and the capital raising finalised.

Coziron Resources Limited has a controlling interest in five exploration projects in Western Australia but activities for the quarter were primarily focussed on the Croydon Gold Project and the Robe Mesa Iron-Ore project.

CROYDON PROJECT

Background

The 320 square kilometres Croydon project (E47/2150) is located in the Mallina Basin region between Karratha and Port Hedland. In the period since the announcement of the Hemi gold discovery the area appears to be emerging as a major gold province with the potential to be of world-class scale (Fig 1; DEG releases to ASX; 6 February 2020 and subsequent announcements). Croydon covers approximately 40 kilometres of the key regional structures that developed along the major regional shear zone about 50 kilometres south-west of Hemi and has geology dominated by granitic, mafic and ultramafic rocks in the east and sediments of the Mallina Basin in the west (Fig 2).

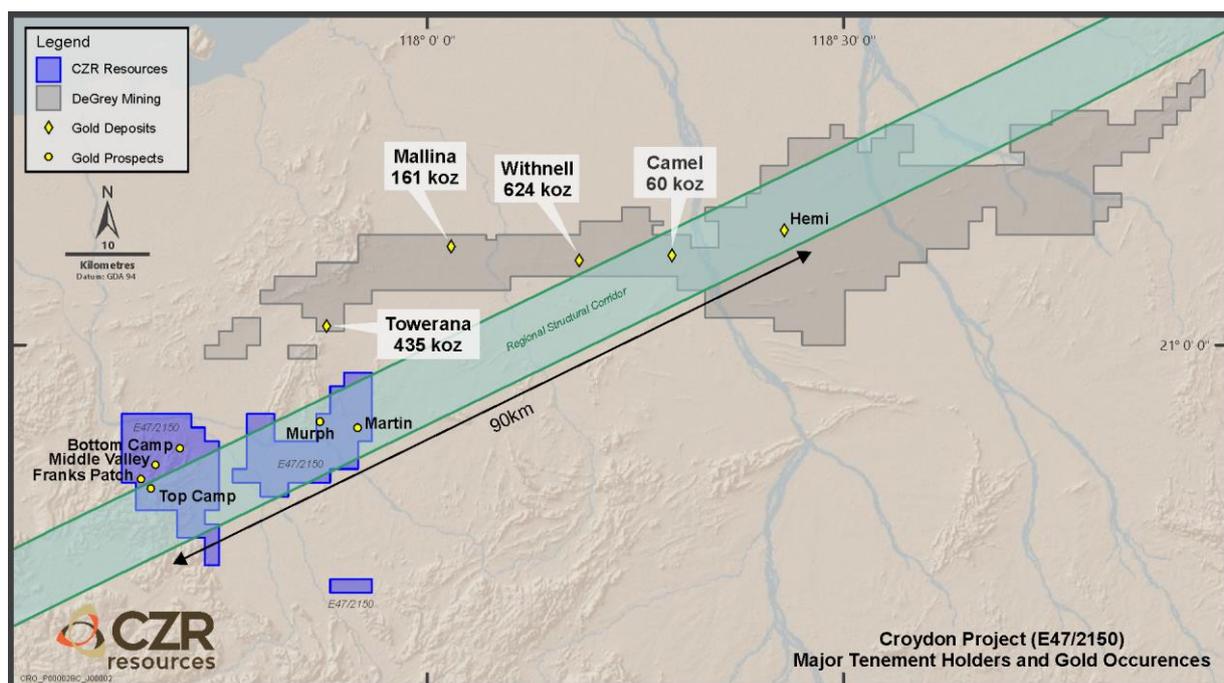


Fig 1. Location of the CZR prospects on the Croydon Project, gold deposits and the emerging Hemi gold-discovery along the south-easterly trend of the regional shear-zone.

In late 2019, CZR completed a maiden RC drill campaign on the 1400 metres by 400 metres Top Camp prospect (Fig 2) that reported 1m samples at greater than 0.5 g/t Au from 9 of the 13 holes drilled to 200 metres on 300 metre spaced sections. The best downhole intercept of 8 metres at 10.2g/t Au in CRC007 from 135 metres was supported in other holes by broad zones of alteration and mineralisation that included 19 metres at 0.69 g/t Au in CRC013 from 51 metres, and 7 metres at 1.4g/t Au from 58 metres in CRC009, (CZR release to ASX: 6 February 2020).

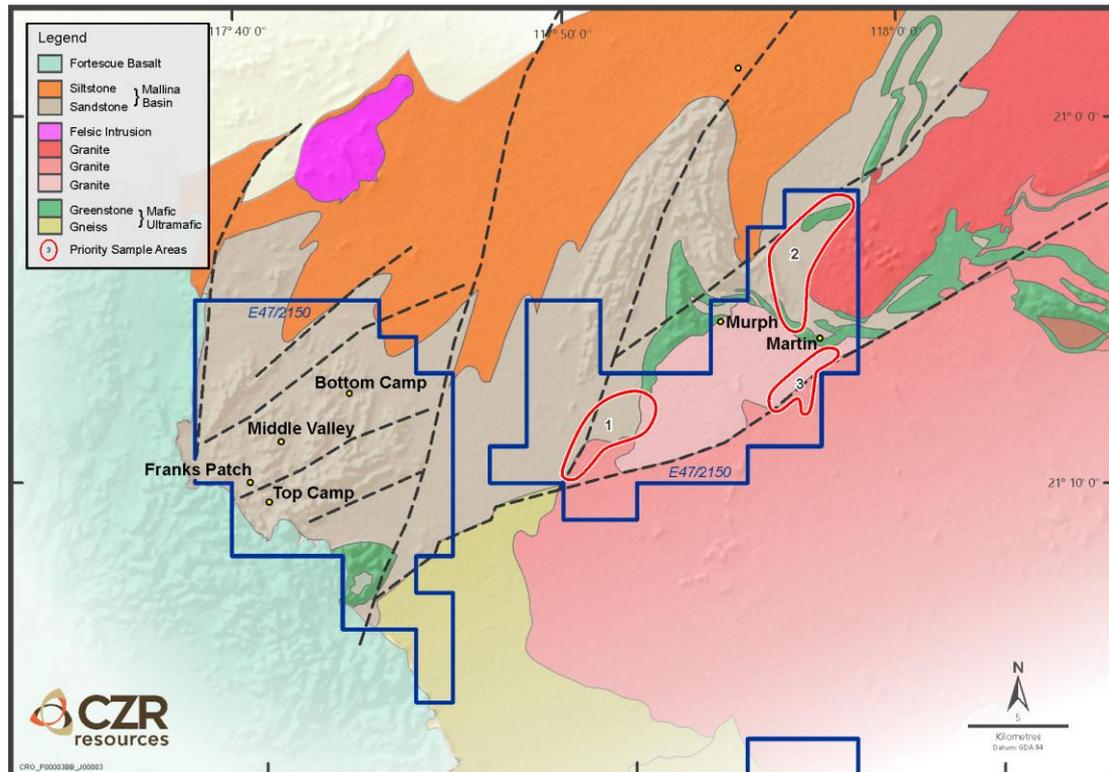


Fig 2: Location of the RC-drilled Top Camp, Franks Patch and Bottom Camp prospects on a summary of the Geological Survey of Western Australia published 500K-scale regional geological framework of the Croydon Project (E47/2150) in the Pilbara of Western Australia.

Activities and Results

During the quarter, CZR conducted a successful exploration program at Croydon.

The focus of activity during the Quarter was the completion of 17 RC drill-holes for 3500 metres into the Top Camp prospect (12 holes), an area 2 kilometres to the northwest of Top Camp that is now named Franks Patch (2 holes) and the Bottom Camp Prospect (3 holes; Fig 2; CZR release to ASX; 10 August 2020).

The holes at Top Camp infilled and extended the area of coverage adjacent to the CRC007 discovery hole (ASX release, 27 February 2020). The maiden drilling at Franks Patch and Bottom Camp was supported by soil samples with anomalous gold and widespread evidence of historical prospector disturbance over rocks that are strongly altered by carbonate and veined by quartz (CZR release to ASX; 11 November 2019, 27 February 2020). The company has also continued mapping and soil sampling across the major structures and as follow-up to results being received and historical results.

All assay results for the 12 RC holes and the 3 diamond drill-holes that were completed in the previous Quarter from Top Camp have been received from Bureau Veritas and reported.

All the holes that now provide drill coverage from an area of about 1400 metres by 400 metres report significant intercepts with at least one metre sample reporting Au greater than 0.5 g/t within samples above a cut-off grade of Au at 0.3 g/t (Fig 3). Higher grade downhole intercepts from the programme include:

- **CRC018, 1 metre at 9.44g/t Au from 66 metres;**
- **CRC021, 2 metres at 22g/t Au from 7 metres, including 1 metre at 42.2g/t Au from 7 metres;**

- CRC022, 1 metre at 8.47 g/t Au from 54 metres, and 28 metres at 0.59g/t Au from 147 metres, including 9 metres at 0.95g/t Au from 148 metres
- CRC036, 2 metres at 6.08g/t Au from 74 metres, including 1 metre at 10.1g/t Au from 74 metres
- CRC032, 5 metres at 3.21 g/t Au from 132 metres.

There is also a broad low-grade downhole intercept in **CRC022** of **28 metres @ 0.59 g/t** from 147 metres and the cross-sections continue to indicate that the drilling has intersected a steeply eastwards dipping sequence of strongly altered rock that hosts the intercepts that have been reported (Fig 4, CZR releases to ASX; 2 September 2020, 6 October 2020).

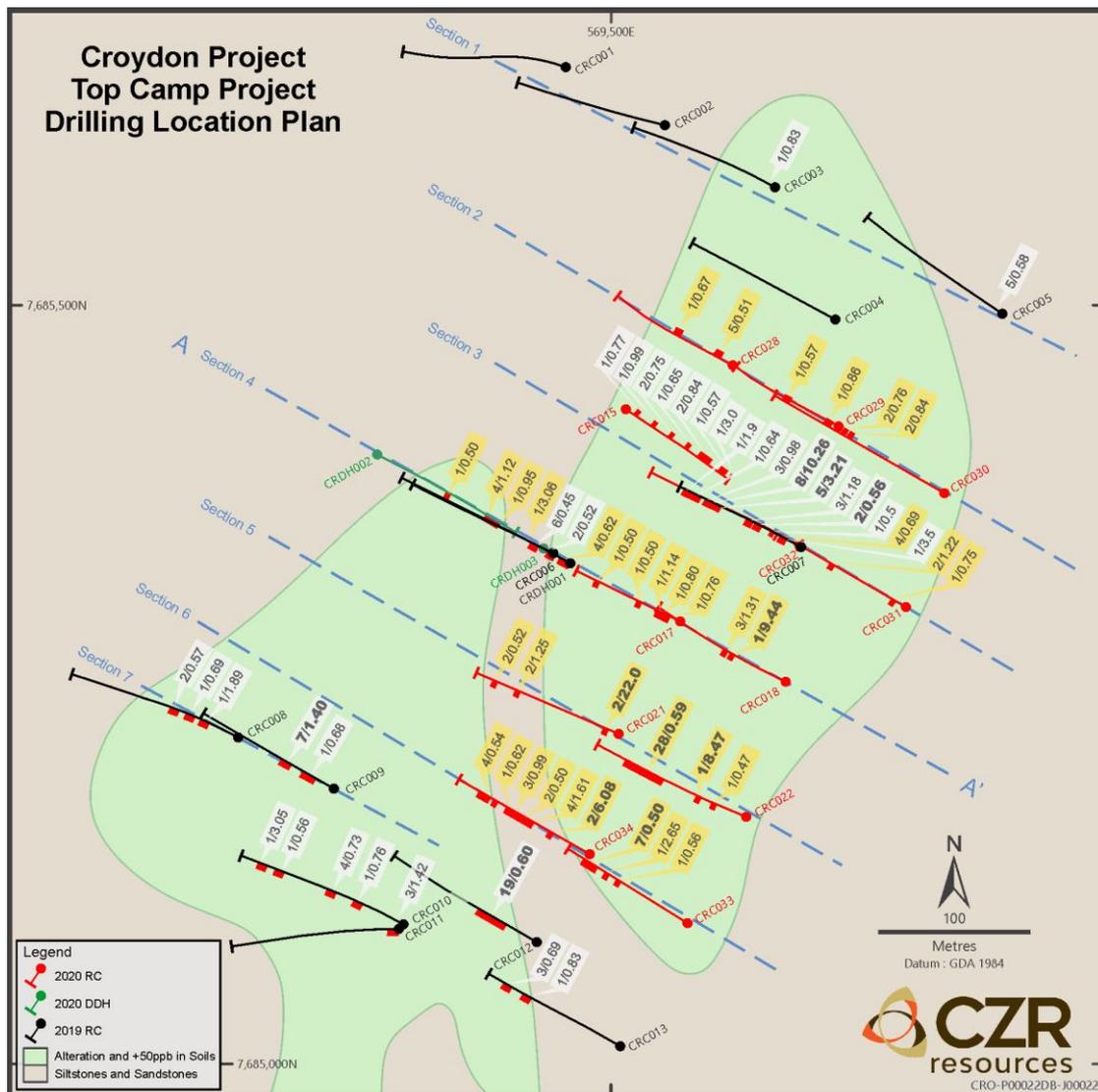


Fig 3. Location and down-hole traces of the diamond and RC drill-holes at Top Camp from 2019 and 2020 with significant intercepts (cut-off >0.3g/t and including 1m>0.5g/t Au) in each drill-hole reported as metres at grams/tonne Au. Results are in a white background - CZR releases to ASX 6 February 2020, 2 September 2020 and results in a yellow background - CZR release to ASX 6 Oct 2020. The map also shows the traces of section line 3 that is presented in the cross-section on Figs 4 below.

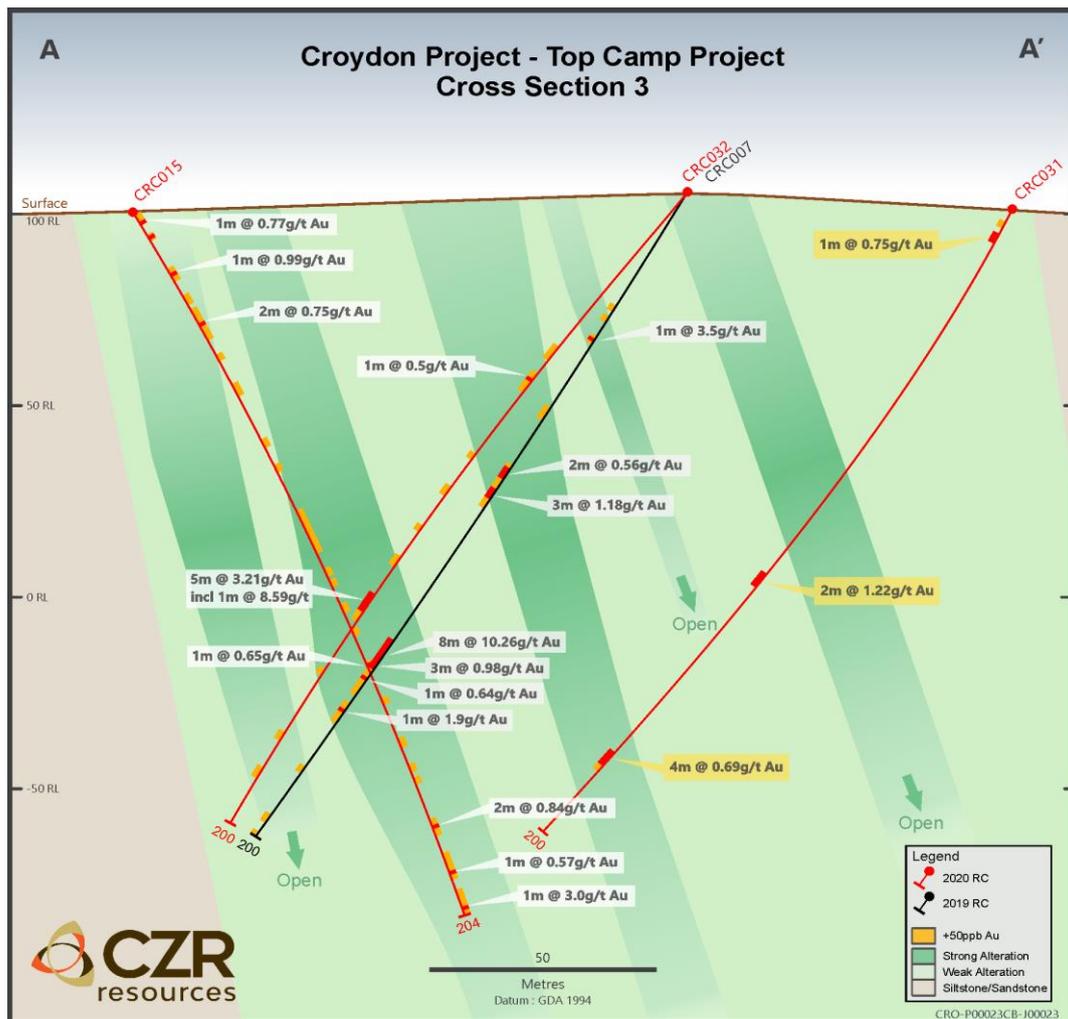


Fig 4. Section 3 from Fig 3 showing down-hole traces marked with significant downhole intercepts (cut-off >0.3g/t and including 1m>0.5g/t Au). Results are in a white background - CZR releases to ASX 6 February 2020, 2 September 2020 and results in a yellow background - CZR release to ASX 6 Oct 2020.

The drilling at Top Camp confirms that gold in soils is an effective exploration tool and have delivered several drill intercepts containing significant gold intercepts. Mineralisation which is hosted by a suite of poorly sorted sandstones and siltstones that have been extensively folded, faulted and altered. Drilling has yet to define the limits of the mineralised system, which appears to be sulphide-associated and is potentially hosted by both favourable fault structures by or in proximity to preferred rock types. Further areas both along the projected structures and adjacent to the drilled sections at Top Camp with strong RC soil anomalism and historical workings remain to be drill-tested. Further structural documentation of the diamond-core and an induced polarization survey of the Top Camp area and follow-up drilling are being planned.

ROBE MESA IRON ORE PROJECT – WEST PILBARA

The Yarraloola project (E08/1060, E08/1686, E08/1826 MLA08/519) covers an area of 206 square kilometres and is located 100 kilometres southwest of Karratha with bitumen highway access (Fig 5). The project contains deposits of direct-shipping pisolitic iron-stone (CID) in the Robe deposits and magnetite mineralisation in the Ashburton which requires down-stream processing before shipping but represents a new style of volcanic-hosted mineralisation in the West Pilbara that has a similar geological setting to the Fortescue Metals Group’s (FMG) Iron Bridge Project.

In response to the increased demand and pricing for direct-shipping iron-ore, CZR has completed a strategic review and initiated a prefeasibility study on its Robe Mesa CID deposit. These include Robe Mesa, Robe East Extension and P529 that contain **+90Mt @ 53% Fe (calcining to 60% Fe) of indicated and inferred JORC compliant CID** with a higher grade surface interval on the Robe Mesa of **24.9Mt @ 56% Fe (calcining to 62.7% Fe**; CZR releases to ASX: 7 December 2015, 8 February 2016, 26 April 2017, 9 May 2017).

The review established a number of mining, product marketing and transport logistics solutions around road transport and shipping that would provide options for review in a prefeasibility study. The review concluded road transport to the existing public owned port facilities in Port Hedland were the preferred choice in the short to medium term. The strategic review also highlighted that a range of other port options in close proximity to the Robe Mesa Deposits are likely to be available between Onslow and Dampier over the next 2 to 3 years, all of which present closer and potentially more profitable port options within a 150km radius of Robe Mesa (Fig 4).

The prefeasibility study (PFS) will assess the viability of a direct shipping ore (DSO) mining operation of 1.5 to 2.5 million tonnes per annum, with initial trucking of ore to Port Hedland.

It is not yet clear that the project will generate sufficient cashflows to warrant development. There has not yet been a full assessment of all economic, environmental and heritage and other permitting which are all required for completion prior to final development.

The PFS is focussed on the extraction of material from the higher grade 24.9 million tonnes of surface interval on the Robe Mesa and utilising road-trains to haul ore approximately 400 kilometres to Port Hedland (CZR release to ASX; 8 September 2020). The PFS will complete preliminary studies into key components relevant to development and operation of a potential mine at Robe Mesa. In addition to starting to build a more detailed understanding of the major components of the project, the study is aimed at outlining a pathway and timeline to development and will also target a maiden Ore Reserve.

The key components of the study include:

1. Operating Costs and Capital Costs (Port Hedland export basis)
2. Mine Planning – including mine layout, mine design, production rate, mine schedule
3. Logistics – Haulage and Port
4. Ore characterisation and market price analysis
5. Approvals – including heritage, flora and fauna
6. Development path and timeline

Since the study commenced, the strong outlook for Robe Mesa has been confirmed by the Company's discussions with leading Asian steel mills and trading houses regarding the acceptability of the product and likely pricing points based on an indicative ore-specification (CZR release to ASX: 21 October 2020). These discussions have involved potential customers which are already active buyers of ~56% Fe products from Australia. This style of product comprises approximately 10% of the present Australian export volume.

The feedback from customers has been very positive, revealing there is strong demand in the market for lower-grade ore. This is illustrated by the product discount applicable to the market-leading 56% Fe ore being at its lowest level since 2016. These discount rates, which are derived from the price for benchmark 62% Fe ore, mean that 56% Fe product similar to that which would be produced at Robe Mesa, is currently selling for more than US\$100 DMT on a CFR basis.

Of the key study components, the following activities passed critical points in the study pathway (CZR release to ASX: 21 October 2020).

1. Mine planning, including mine layout, mine design, and scheduling is well advanced, with the independent mining engineer visiting site last month (90% complete)
2. Establishing operating cost estimates for mining, processing and haulage costs is well advanced (75% complete)
3. Civil contractor has visited site as part of capital works pricing
4. Laboratory metallurgical test-work is well advanced (80% complete)
5. Desktop reviews regarding flora and fauna (100% complete)
6. Planning for advancement of approvals process commenced

Further updates will be provided as studies are completed and the pathway for permitting and potential timeline for development is determined. The results from the prefeasibility study will provide the CZR Board with further information to consider several options including a full or partial sale, the potential for a joint-venture development and other scenarios in which it may retain a free carried interest are expected before the end of the calendar year.

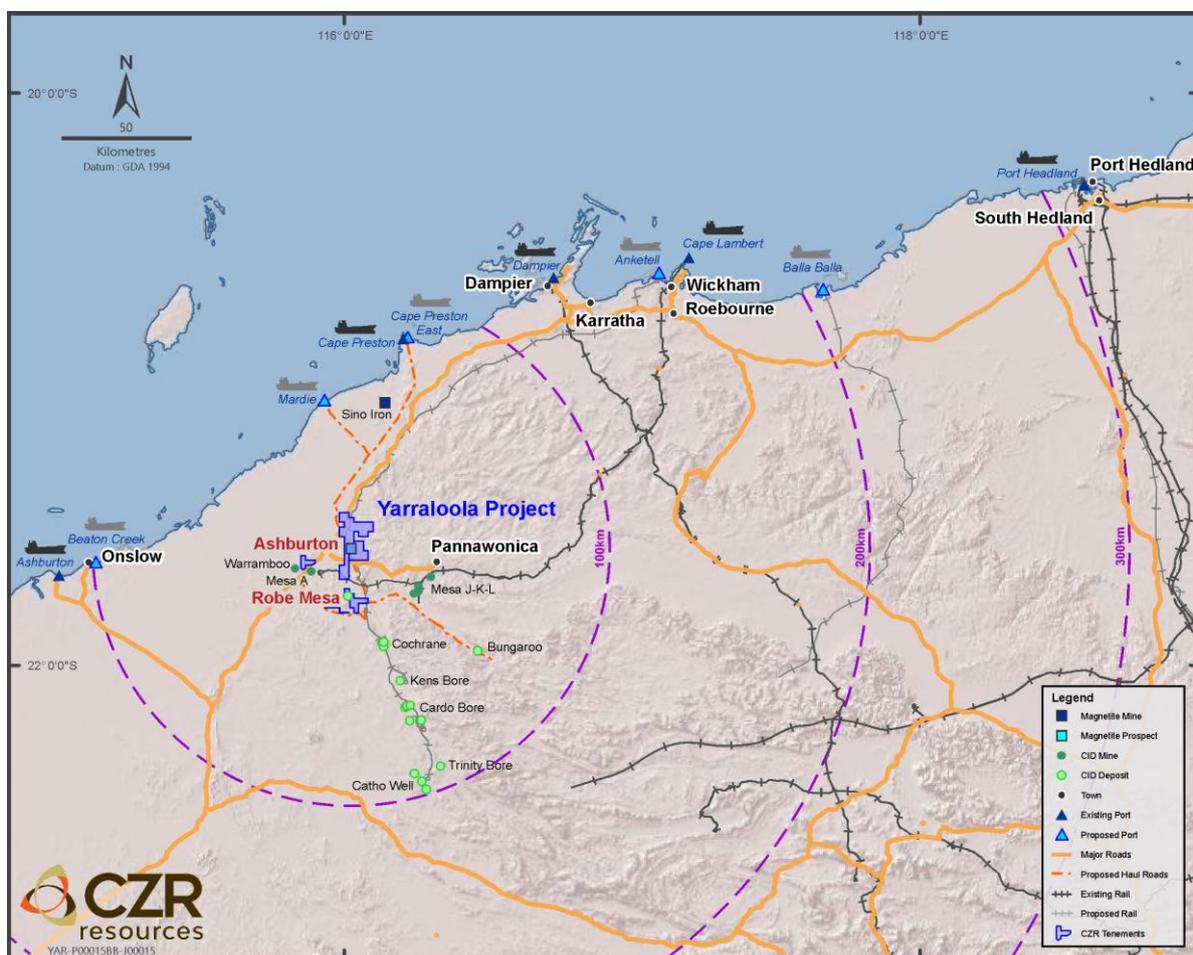


Fig 5 Location of the Robe Mesa deposits and Ashburton magnetite prospect on the Yarraloola project in the West Pilbara

SHEPHERDS WELL PROJECT – WEST PILBARA

Shepherd’s Well (E08/2361), with an area of 77 square kilometres, is located 60 kilometres south-west of Karratha and covers 15 kilometres of a regional shear-zone. CZR has completed programmes of soil and rock-chip sampling and mapping and along sections of the shear-zone and identified has an advanced nickel prospect at Dorper Rise, a base-metals prospect (lead-zinc-silver) at Suffolk Ridge and an emerging rare-

earth prospect at Awassi (Fig 6; CZR releases to ASX; 21 March 2017, 13 September 2016, 11 October 2017, 25 November 2019, 25 November 2019). In addition, where soil and drainage samples typically report anomalous gold when they have been collected from near the base of the Fortescue Basalt.

During the Quarter, CZR completed follow-up work on the main prospects using mapping and the collection of 357 soil samples and 17 rock-chip samples over the core areas with a focus on identifying drill-targets for the next round of work. All the samples have been submitted to Bureau Veritas in Perth for analysis and results will be reported when they are available.

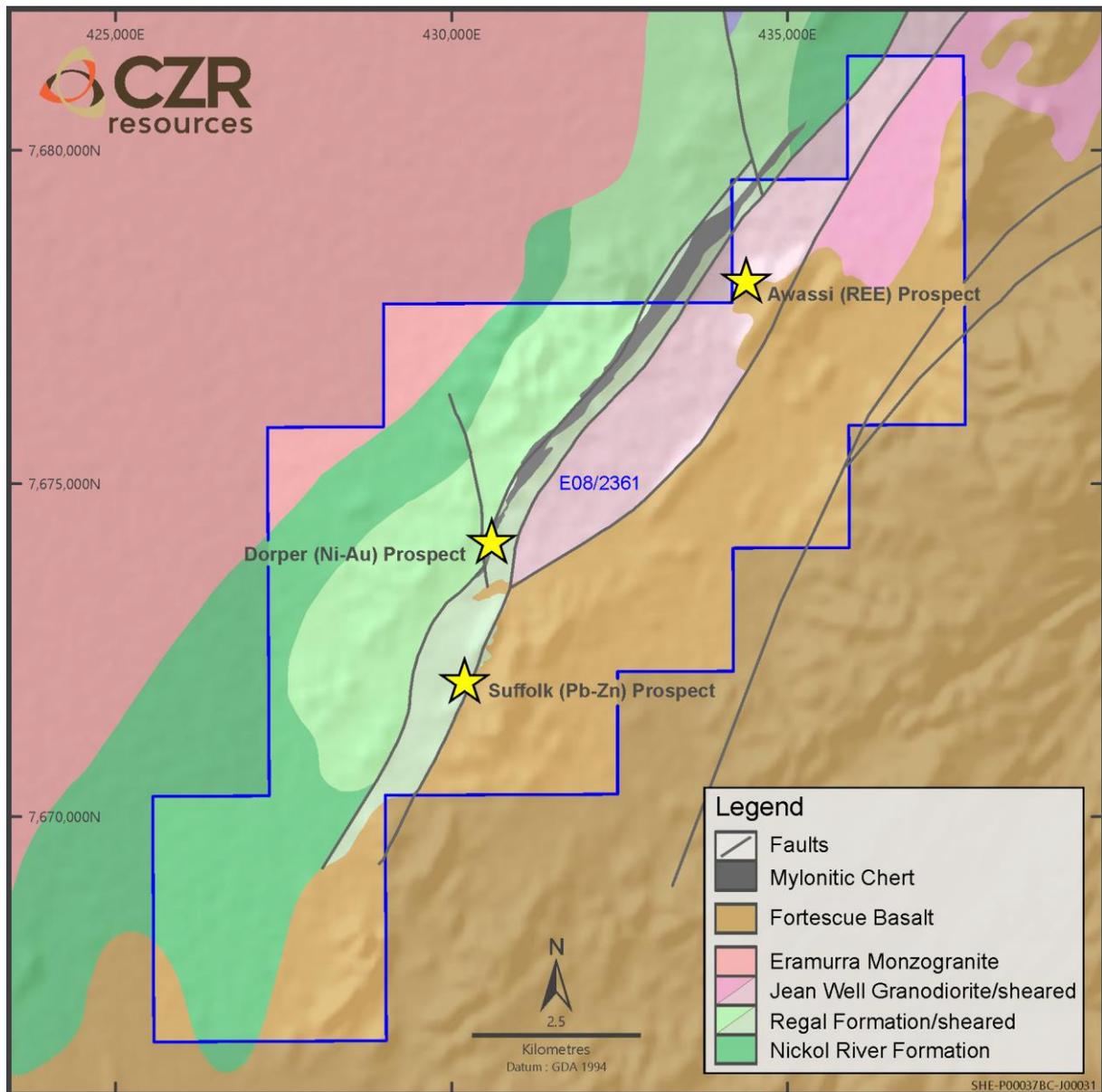


Fig 6 Location of the Awassi, Dorper and Suffolk prospects on the Shepherds Well Project overlain on CZR modified 500,000 scale mapping polygons of the Pilbara as published by the Geological Survey of Western Australia.

YARRIE PROJECT – NORTH PILBARA

The Yarrie Project consists of six granted exploration licences (E45/3725, E45/3728, E45/4065, E45/4433, E45/4604, and E45/4605) that cover 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).

No fieldwork was undertaken at Yarrie during the Quarter.

BUDDADOO PROJECT – YILGARN

The Buddadoo Project (E59/1350 and E59/2349) with a surface area of 3030 square kilometres covers part of the Gullewa Greenstone Belt about 200 kilometres east of Geraldton Port and 60 kilometres from a rail siding at Morawa and is accessible by bitumen-road. The Gullewa Greenstone belt is located within the Youanmi terrain of the Yilgarn and this is the region that hosts large gold deposits near Mt Magnet, Cue and Meekatharra and the Deflector Gold Mine owned by Silver Lake Resources is approximately 5 kilometres from the western boundary of the tenement.

CZR initially investigated part of a 6 kilometre long and 300 metre wide gabbro within the greenstone belt that contains bands of coarse-grained, massive and disseminated, vanadiferous titanomagnetite as a potential source of iron-ore for vanadium (CZR releases to ASX; 29 July 2013, 17 October 2017 and 21 November 2018). At a P80 grind-size of -45 microns the concentrate report Fe from 66-68%, V₂O₅ from 0.8 to 1.86%, TiO₂ from 1.4 to 5.7%, and SiO₂ and Al₂O₃ are less than 1% and is a potential feedstock for the direct smelting of vanadiferous steel from iron-ore pellets (CZR releases to ASX; 28 February 2018, 21 March 2018, 5 April 2018 and 7 February 2019).

More recently, CZR has focussed on the gold potential of Buddadoo because the tenement covers approximately 25 kilometres of the regional-scale Salt Creek shear zone and up to a 10 kilometre wide area of greenstone belt. Assays from gridded soil samples across the structures and greenstone have generated gold and copper anomalies that require follow-up by drilling and the company has DMIRS permission for a drilling programme.

No fieldwork has been completed on the Buddadoo tenement during the Quarter.

Information required by Listing Rule 5.3.1:

During the quarter the Company spent \$1,259k on exploration activities which was primarily costs associated with the drilling conducted at the Croydon Project. Included in the total of \$1,259 was \$60k of costs associated with the Robe Mesa PFS at Yarraloola and \$156k for tenement rent and maintenance.

Information required by Listing Rule 5.3.5:

During the quarter the Company made the following payments to related parties and their associates: Directors' Fees, Legal fees and company secretarial fees. Includes amounts paid to Trident Capital, Trident Management Services and Price Sierakowski, entities associated with Mr Sierakowski.

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

Media

For further information, contact:

Paul Armstrong
Read Corporate
+61 8 9388 1474

Competent Persons Statement

The information in this report that relates to 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 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

Note 1: The Statement that the Company is assessing a direct shipping ore (DSO) mining operation of 1.5 to 2.5 million tonnes per annum, utilising road-trains to haul ore approximately 400km from Robe Mesa to Port Hedland is included in the Quarterly Report as the Company believes that it is a material parameter that is being assessed in the PFS. The PFS is an early phase assessment and the Company currently has no timeframe with respect to any expectation that the Company will be producing iron ore from the Robe Mesa. Accordingly readers of the Quarterly Report should not treat the Statement as a production target.

Coziron Resources Ltd – Changes to the Tenement Schedule in the past Quarter

Project	Location	Tenement Number	Economic Entity's Interest at Quarter End	Change in Economic Entity's Interest During Quarter
Yarraloola	West Pilbara, WA	E08/1060	85%	No Change
Yarraloola	West Pilbara, WA	E08/1686	85%	No Change
Yarraloola	West Pilbara, WA	E08/1826	85%	No Change
Yarraloola	West Pilbara, WA	M08/519	85%	Application
Shepherds Well	West Pilbara, WA	E08/2361	70%	No Change
Yarrie	East Pilbara, WA	E45/3725	70%	No Change
Yarrie	East Pilbara, WA	E45/3728	70%	No Change
Yarrie	East Pilbara, WA	E45/4065	70%	No Change
Yarrie	East Pilbara, WA	E45/4604	70%	No Change
Yarrie	East Pilbara, WA	E45/4605	70%	No Change
Yarrie	East Pilbara, WA	E45/4433	100%	No change
Buddadoo	Mid-west, WA	E59/1350	85%	No Change
Buddadoo	Mid-west, WA	E59/2349	85%	No change
Croydon	Pilbara WA	E47/2150	70%	No Change