

ASX RELEASE

ASX Announcement
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Catalina Resources is an Australian diversified mineral exploration and mine development company.

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NBR DSO Iron Ore Project Permitting Advances

Catalina Resources (“Catalina” or “the Company”) is pleased to provide an update on Nelson Bay River Iron (“NBR”) DSO project in Northwest Tasmania.

The Company has received communication from Department of Climate Change, Energy, the Environment and Water (“DCCEW” and or “the Department”) that the Department has successfully received our Referral Application (EPBC 2023/09571) regarding NBR DSO Project for consideration under the Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act).

Information about this proposed action has been published on the Department’s website for public consultation. The period of consultation will extend for 10 business days. At the end of the consultation period, the information included in the referral, along with any comments received, will be used to help decide whether this proposed action:

- is a controlled action (one that is likely to have a significant impact on matters protected under the EPBC Act and therefore needs to be assessed and approved by the Minister for the Environment and Energy before it can proceed), or
- is not a controlled action and may be undertaken but only as described in the referral, or
- does not require approval under the EPBC Act.

The Company has been progressing the re-permitting of its Nelson Bay River Iron Project over the last few years. While it has been a lengthy process and the delays have been quite frustrating, the Referral Application is now completed and the process progresses to the next stage, with a clear pathway to have the re-permitting process completed.

As per previous company announcements, the State Government’s process is advanced, and the process was put on hold until the resolution of the EPBC issues. The DPEMP version of August 2021 was accepted by EPA Tasmania to have been compliant with the guidelines and the public consultation process was completed in February 2022, with subsequent RFIs responded by way of supplementary DPEMPs.

On that basis, the Company hopes to be in a position to consider the decision for recommencement of the mine once the permitting process is completed.



NBR Project (Mining Lease 3M/2011) is located in the far north-west of Tasmania and is approximately 150km from the Burnie Port. The location of the Mining Lease 3M/2011 is shown in Figure 1. The Project is within an established mineral province in the region. Operating mines include Grange Resources' (ASX: GRR) Savage River Iron Ore.

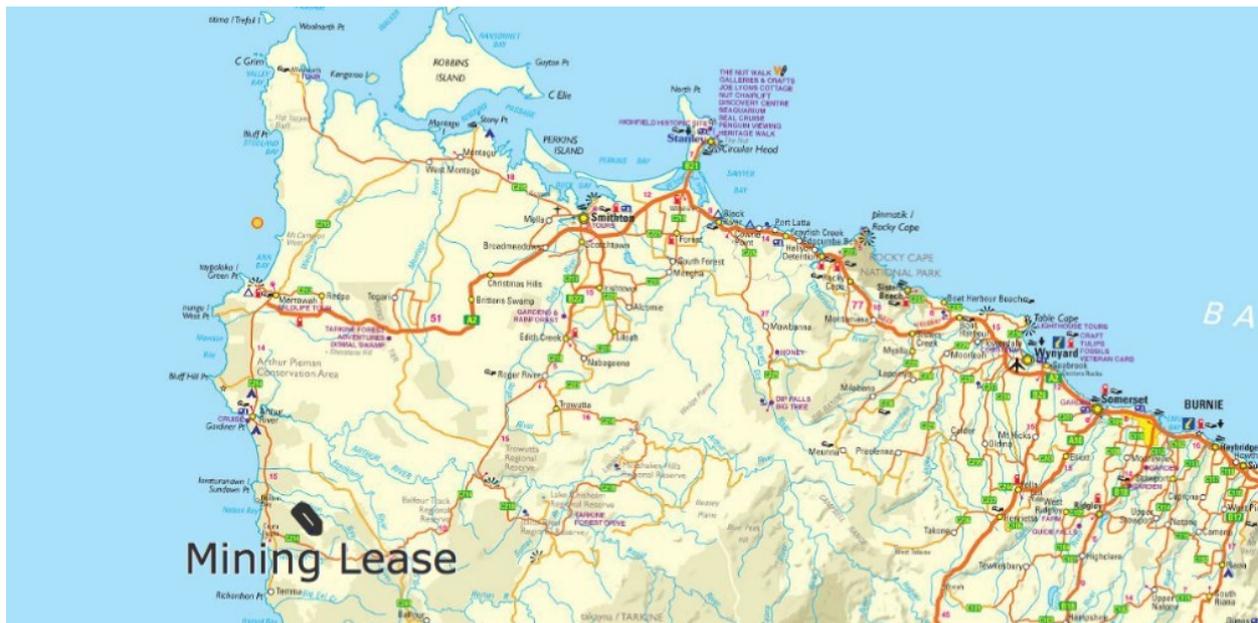


Figure 1: Location Plan – NW Tasmania

The Direct Shipping Ore (DSO) project at NBR is an all-contract mining, processing and haulage operation using local contractors in the region. It requires no major processing beyond crushing and screening after which the ore is then trucked to the port and shipped (Figure 2). It was developed in 2013 with the first shipment of ore leaving the Port of Burnie in January 2014. NBR project was placed on care and maintenance in June 2014 following sharp iron ore price falls.

Historical production from the previous mining campaign totalled 181,000 tonnes shipped with average grades of Fe 57.5%, SiO₂ 7.7%, Al₂O₃ 1.3%, P 0.07% and S 0.04%. Demand from historic customers was driven by positive metallurgy, specifically low impurities like alumina (Al₂O₃) and phosphorus (P).

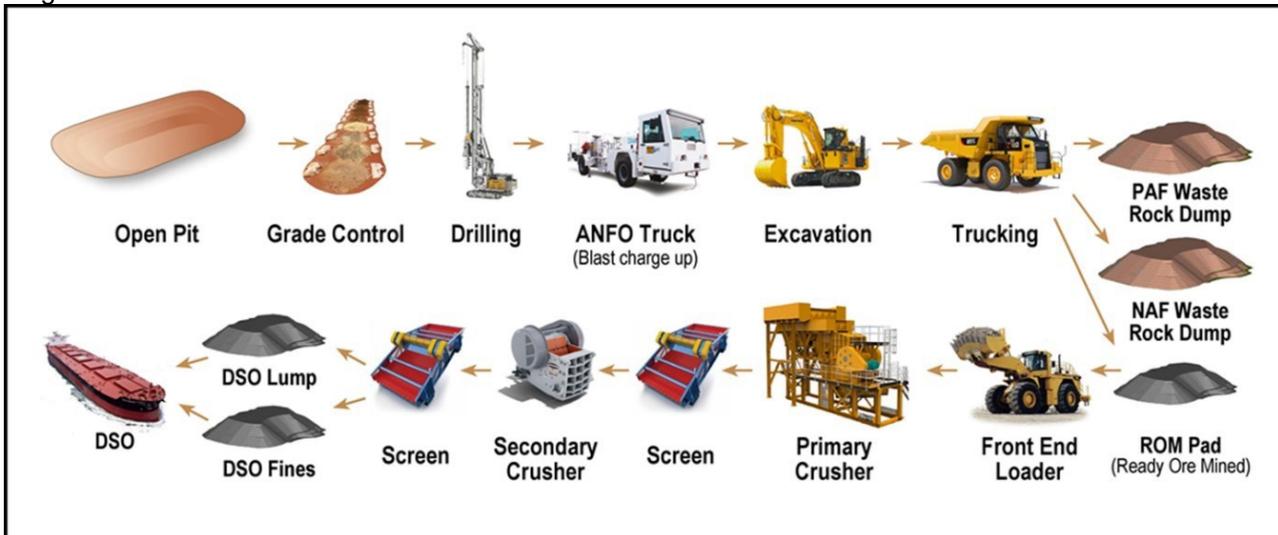
The historic price received for NBR ore was enhanced with premiums (in line with market benchmarks) for

- low Alumina; and
- Lump. (About 40% of the DSO Iron ore at NBR is Lumps with Iron ore Fines being approx. 60%)

Historic costs during FY 2014 when the mine was last in production was approximately AUD \$ 72 per ton FOB Burnie Port (as derived from 2014 Annual Report to Shareholders).

With the improvement in the iron ore price, the Company has been actively working to re-permit the NBR. The strategy has been to recommence the production of the DSO resources from the existing open pit at NBR. To resolve legal issues with the existing permit, in August 2018, the Company applied for a new Tasmanian environmental permit covering the DSO operations. After public consultation, the EPA issued guidelines for the preparation of a DPEMP. Working towards adopting this framework, the Company completed the requisite technical studies to develop the DPEMP.

Figure 2: NBR DSO Flowchart



The DSO pit is some 25% complete, with waste rock materials deposited in two dumps designated as the Non-Acid Forming (“NAF”) waste rock dump and the Potentially Acid Forming (“PAF”) waste rock dump.

Figure 3 shows the existing mine development on site. The main features are the DSO pit and waste dumps. Other elements are the mine water treatment dams, ROM stockpile area and the facilities area.



Figure 3: Existing development NBR DSO project (Source: Google Earth)

The next stage after completion of DSO pit will be the north pit that targets the main magnetite ore body. At the top of this pit, there is an approximate 20 metre section of higher-grade ore - the beneficial oxide resource (“BFO”). This will require only dry magnetic separation in addition to crushing and screening before shipping.

The BFO operation is a transition between the DSO operation and the magnetite production stage. The BFO circuit will require only a nominal capital expenditure of circa A\$1 million. The BFO section is fed by a -3mm size ore stream, which is upgraded by dry Low Intensity Magnetic Separation (“LIMS”). Test work by crushing and passing the ore over a coarse LIMS unit at 600 gauss pass produced an upgraded product with grades Fe 57.5%, SiO₂ 11.5% and Al₂O₃ 1.55% at 82.3% mass recovery.

For the magnetite project, completed studies have mine planning for an open pit that will extract ore for processing through a local plant that will include circuits to grind, mill, magnetically separate to produce high grade magnetite concentrate for Blast Furnace Pellets (“BFP”) and Dense Media Magnetite (“DMM”). Magnetite Pellets fetch a premium to hematite iron ore as they are higher grade and allow for less energy consumption in blast furnace.

Resources

NBR has a JORC compliant global iron Mineral Resource of 11.3Mt, including goethitic-hematite Mineral Resource of 1.4Mt and Magnetite Mineral Resource of 7.8Mt. (Refer Company’s ASX announcement released on 14th October 2021).

Where the Company refers to the Mineral Resources in this report (referencing previous releases made to the ASX), it confirms that it is not aware of any new information or data that materially affects the information included in that announcement and all material assumptions and technical parameters underpinning the Mineral Resource estimate with that announcement continue to apply and have not materially changed.

Competent Person Statement

The review of historical exploration activities and results contained in this report is based on information compiled by Michael Busbridge, a Member of the Australian Institute of Geoscientists, and a Member of the Society of Economic Geologists. He is a Director of Catalina Resources Ltd. He has sufficient experience which is relevant to the style of mineralisation and types of deposits 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 (the JORC Code).

Michael Busbridge has consented to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The Company confirms that it is not aware of any new information or data that materially affects the information in the original reports, and that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original reports.

ABOUT CATALINA RESOURCES LIMITED

Catalina Resources Ltd is an Australian diversified mineral exploration and mine development company whose vision is to create shareholder value through the successful exploration of prospective gold, base metal, lithium, REEs and iron ore projects and the development of these projects into production. The company’s portfolio of tenements is located in highly prospective terrains in NSW (Lachlan Fold Belt) and WA (Eastern Goldfields and Albany Fraser Belt).

The release of this document to the market has been authorised by the Board of Catalina Resources Ltd.