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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 Update

Catalina Resources ("Catalina" or "the Company") has received communication from the Department of Climate Change, Energy, the Environment and Water ("DCCEW" or "the Department") in relation to the Company's referral application to undertake completion of a partially mined DSO open-cut pit and associated activities to allow for extraction and sale of hematite ore in north-west Tasmania (EPBC 2023/09571).

The Department has advised the Company that a delegate of the Minister has decided that the proposed action is a controlled action, requiring further assessment under the EPBC Act 1999.

The delegate has also decided, under section 87 of the EPBC Act, that the proposed action will be assessed by an Environmental Impact Statement (EIS).

Each assessment approach requires different levels of information and involves different steps. All levels of assessment include a public consultation phase, in which any third parties can comment on the proposed action.

The first instance of consultation will occur when the draft EIS guidelines are published for public comment. Twenty (20) business days after this public comment period, the department will issue the finalised tailored EIS guidelines. These guidelines are to be used to develop the draft EIS.

Details on the assessment process are set out in the Department's website as EPBC Act - Environment Assessment process fact sheet.

ABOUT NBR PROJECT

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%, SiO_2 7.7%, Al_2O_3 1.3%, P 0.07% and S 0.04%. Demand from historic customers was driven by positive metallurgy, specifically low impurities like alumina (Al_2O_3) 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 tonne 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.

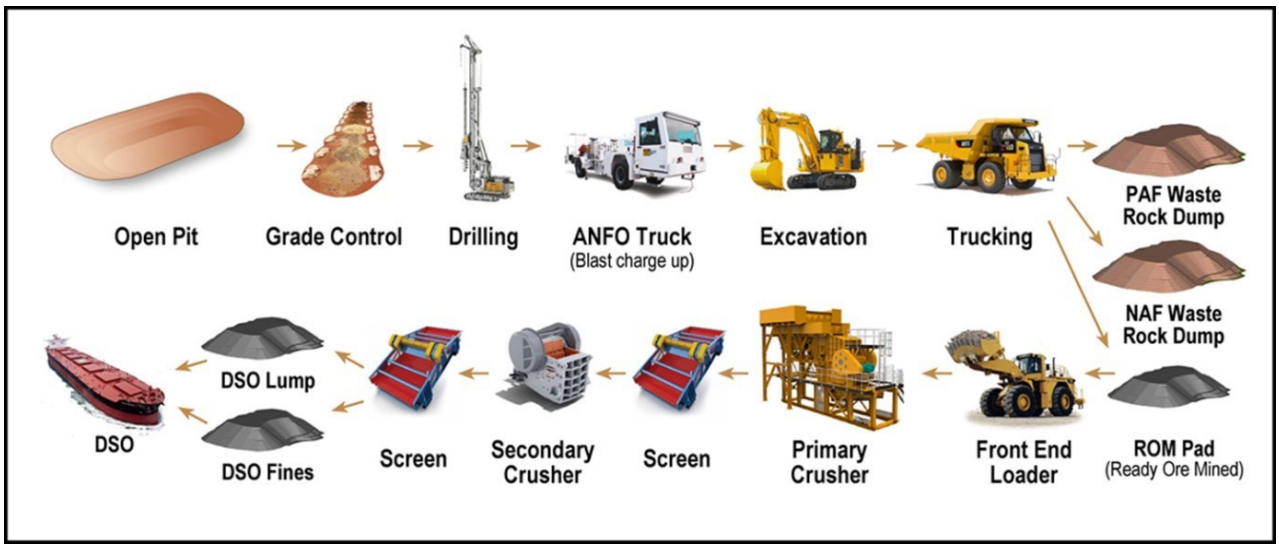

Figure 2: NBR DSO Flowchart

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%, SiO_2 11.5% and Al_2O_3 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.