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Coziron Resources Limited

The Company Announcements Office
ASX Limited via E-Lodgement

9 May 2017

Yarraloola Project – Maiden Inferred Resource for the P529 deposit from 2016 RC Drilling

HIGHLIGHTS

- **RC drilling of pisolitic ironstone (CID) on P08/528 reports a maiden inferred resource in the P529 deposit of 4.2 Mt @ 53% Fe (equivalent calcined iron, Fe_{Ca} of 59.2%) + 9.1% SiO_2 + 3.9% Al_2O_3 + 0.04% P + 10.4% LOI above a cut-off grade of 50% Fe (Fe_{Ca}>55%).**

- **The new ore-resource is located approximately 4km south-west of the Company's existing Robe Mesa Deposit.**

- **Goethitic mineralisation from the pisolitic ironstone in P529 is a low phosphorous, low alumina ore.**

- **Geological model suggests that the P529 deposit represents material that correlates with the lower zone of the Robe Deposit.**

- **The results from the initial drilling programme on P0/529 represent an addition to the CZR resource-base on the Company's Yarraloola project.**

Yarraloola Project

P529 Deposit

Prospecting licence P08/529 covers an area of gently undulating topography that is partly covered by outcrop of ferruginous breccia and detritus of pisolitic iron-stone (CID-type iron-ore) associated with the ancient trace of the Robe River at the southern end of the Yarraloola project area (Fig 1 and Fig 5). The tenement (P08/529) is approximately 150 metres wide with surface evidence for mineralisation extending along a north-south section for 1800 metres and 2200 metres in an east-west section (Fig 2). RC drilling of 17 vertical drill-holes on 200 metre spacing for a total of 617 metres intersected pisolitic iron-stone and ferruginous silts and sands within a palaeo-channel that is up to 50m thick (Fig 3 and Fig 4).

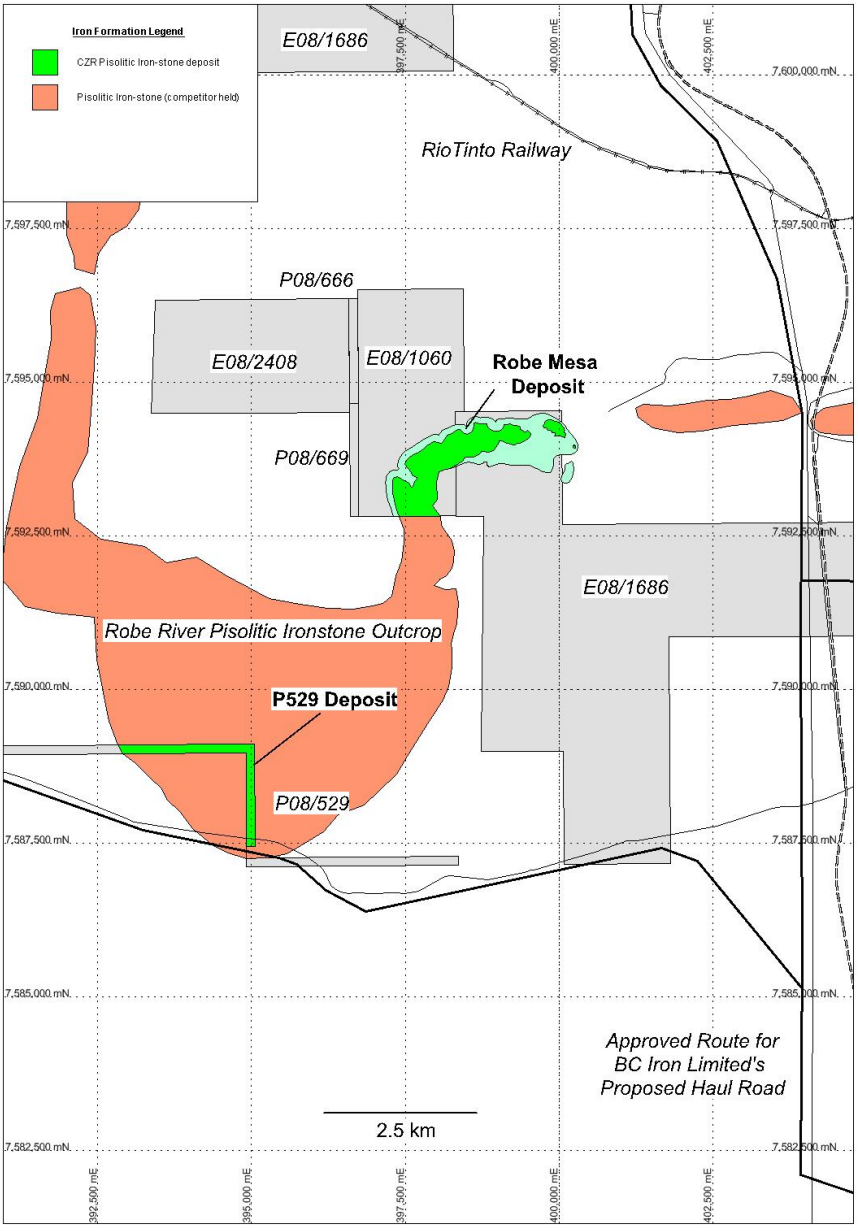

Fig 1. Location of the P529 and Robe Mesa deposits with the distribution of the pisolitic iron-stone outcrop and debris, the Coziron controlled tenements and the established and proposed infrastructure.

This announcement reports a JORC-compliant maiden inferred resource that was generated from the 2016 drilling of P08/529. The grade and tonnage at a Fe cut-off of 50% is summarised in Table 1 and fully described in Appendix 1.

Mineral Resource Commentary

For completeness, the JORC-tables in Appendix 1 attached to this announcement are summarised and commented on as follows.

The P529 deposit on prospecting licence P08/529 represents a more distal portion of pisolitic iron-stone in the alluvial material the filled an ancient channel of the Robe River and hosts the Robe Mesa deposit on E08/1060 and E08/1686 (Fig 5). The vitreous and powdery goethite mineralisation in the channel is modelled as flat-lying, bedded material. The intervals of pisolitic iron-stone are separated by ferruginous sands and silts. Representative schematic geological cross-sections are included to provide guidance on the interpreted relationships of the reported intercepts between the drill-holes and potential for lateral continuity (Figs 3 and 4).

This first phase of drilling on P08/529 completed 17 vertical reverse-circulation holes for 617 metres with the holes spaced 200 metres apart along two orthogonal grid-lines (Fig 2). The drill-holes are terminated when the underlying basement of Proterozoic-age schist is detected. The reverse circulation rig used a face sampling hammer and the chips passed over a stationary cone-splitter attached to the rig to recover 2-3 kilograms on 1 metre down-hole intervals. Approximately 20% of the total samples analysed represent field duplicates along with blanks and reference standards that were supplied from an independent laboratory.

Labelled samples were bagged and packed in bulka-bags and dispatched from site to Bureau Veritas Laboratories in Perth for basic iron-ore suite XRF analysis on fused disks with loss on ignition (LOI) determined by thermo-gravimetric analysis (TGA). The assay results received by electronic dispatch at Coziron were added to a project database which integrates all the spatial, geological and geochemical data for the deposit. The calcined-iron content (Fe_{ca}) which represents Fe-content after the loss of volatiles (mostly water) is calculated using the formula (Fe%/(100-LOI))*100.

Following the receipt of all results from the P08/529 drilling, the geological model and the assay database was provided to Payne Geological Services Pty Ltd (PayneGeo) for an independent assessment of grade and tonnage. The reported intervals in Table 3 are interpreted as true-thickness intercepts of pisolitic iron-stone. These intervals have been wire-framed to calculate volume and grade interpolated between drill-holes using ordinary kriging. The volume is converted to tonnages using an industry-standard bulk density of 2.6. The maiden inferred resource reported for P08/529 is reported in Table 1.

Any future mining operation would be by open-pit and although metallurgical studies have yet to be undertaken on the P528 deposit, the goethitic pisolitic iron-stone is widespread in the palaeo-Robe River drainage system and is mined to the east at Mesa J and to the west at Warramboo and Mesa A. No other modifying factors have been applied to the resource model.

Table 1. P529 – Mineral Resource Estimate reported above a Fe (iron) cut-off grade of 50% from the 2016 RC drilling programme.

Category	Tonnes Mt	Fe %	SiO_2 %	Al_2O_3 %	TiO_2 %	LOI %	P %	S %	Fe_{ca} %
Inferred	4.2	53.0	9.1	3.9	0.2	10.4	0.04	0.01	59.2
Total	**4.2**	**53.0**	**9.1**	**3.9**	**0.2**	**10.4**	**0.04**	**0.01**	**59.2**

The outcome of the 2016 RC-drilling programme on P08/528 has resulted in a maiden resource of CID-type (Channel-Iron) ore in the P528 deposit. This increases the overall low-phosphorous, low alumina CID-type ore resources delineated by Coziron at a Fe cut-off above 50% (Fe_{ca}>55%) on the

Yarraloola Project by a further 5%. Infill drilling will be required to increase the confidence of the resource above the *Inferred* category.

Future Work

The block model for the P529 deposit is being reviewed and evaluated to identify the areas where infill drilling within the deposit can increase the confidence from Inferred to Indicated and potentially identify higher grade intervals.

In addition, the Company has outlined further prospects with pisolitic iron-stone mineralisation on the Yarraloola Project that are currently being evaluated for exploratory drilling.

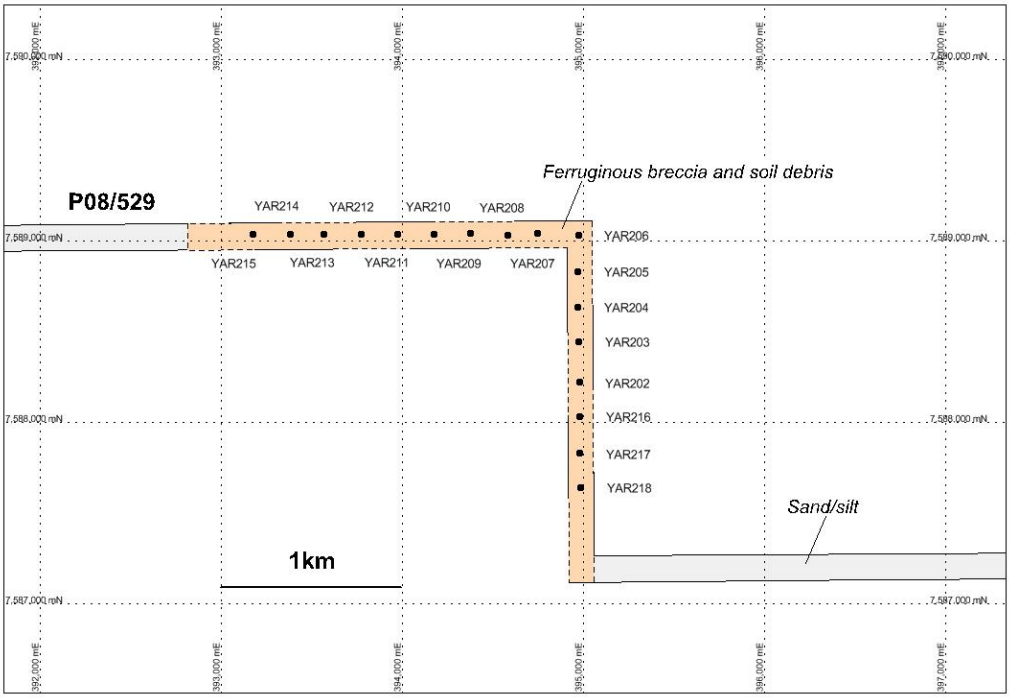

Fig 2. Location of the 2016 RC drill-collars on tenement P08/529 used in the resource model.

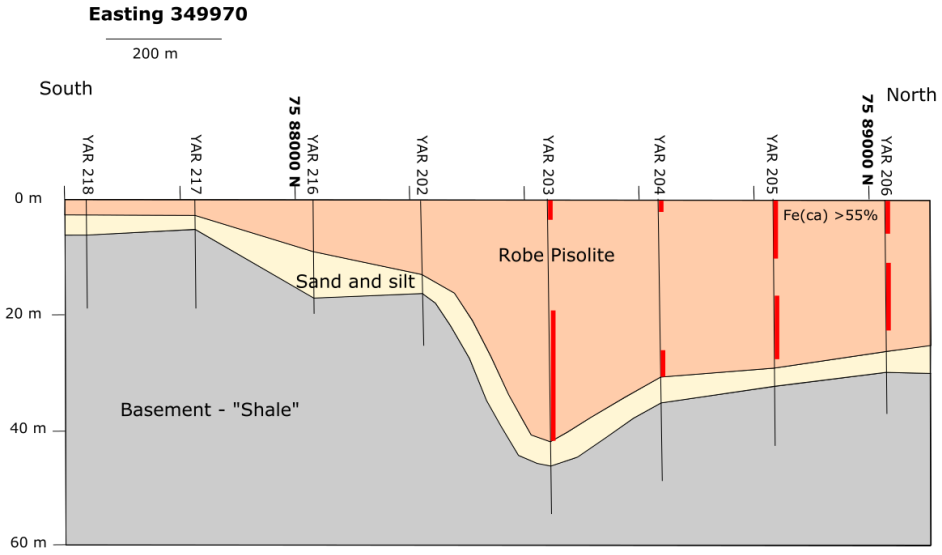

Fig 3. Interpreted south-north geological cross-section on 349970 E between YAR 218 and YAR 206 (from Fig 1) with a 10 times vertical exaggeration showing the down-hole intervals (in red) from the 2016 RC-drill-holes on the P08/528 reporting Fe>50% (calcined Fe>55%).

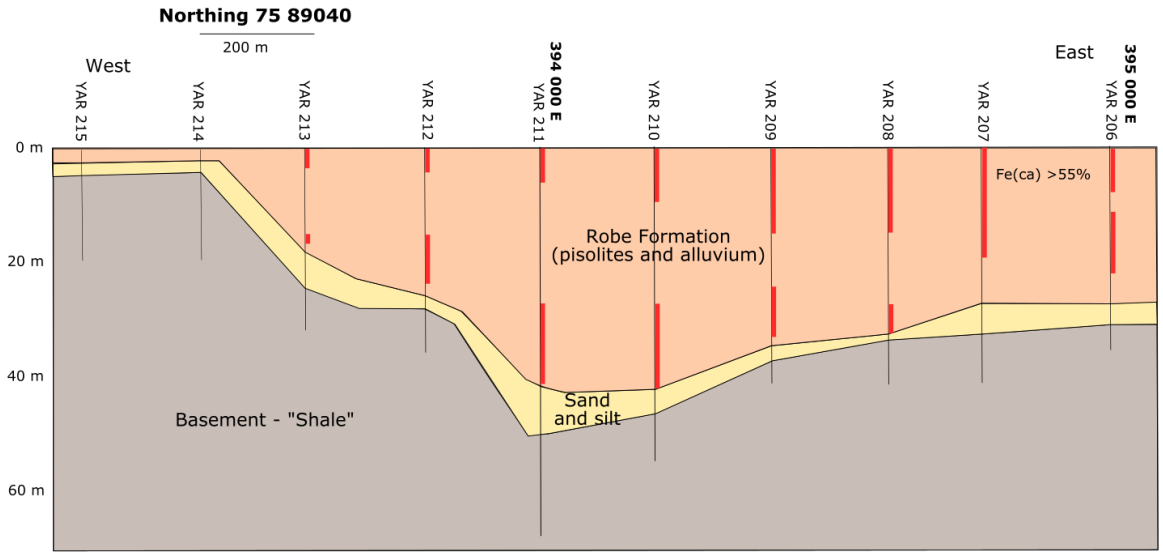

Fig 4. Interpreted west-east geological cross-section on 7589040 N between YAR 215 and YAR 206 (from Fig 1) with a 10 times vertical exaggeration showing the down-hole intervals (in red) from the 2016 RC-drill-holes on P08/528 reporting Fe>50% (calcined Fe>55%).

Table 2. Location of all 2016 RC drill-holes on the Robe Mesa as shown on Fig 1 (Easting and Northing in GDA, Zone 50).

Hole Number	Easting	Northing	Depth m
YAR202	394975	7588220	19
YAR203	394971	7588445	55
YAR204	394967	7588635	49
YAR205	394966	7588831	43
YAR206	394970	7589030	37
YAR207	394747	7589040	43
YAR208	394580	7589030	43
YAR209	394377	7589040	43
YAR210	394175	7589036	55
YAR211	393975	7589038	67
YAR212	393771	7589036	37
YAR213	393563	7589037	31
YAR214	393381	7589037	19
YAR215	393172	7589035	19
YAR216	394977	7588032	19
YAR217	394978	7587828	19
YAR218	394982	7587641	19

Table 3. 2016 RC drill-holes with intercepts that comprise the JORC inferred resource on P08/529. (Drill-holes in Table 4 without an intercept in Table 5 represent holes that are either null or with an intercept that was not utilised in the resource model).

Hole Number	Depth From	Depth To	Interval	Fe%	SiO_2%	Al_2O_3%	TiO_2%	LOI%	P%	S%	Fe_{ca}%
YAR203	0	3	3	47.28	12.68	6.89	0.24	11.32	0.03	0.02	53.32
YAR203	19	42	23	49.05	12.59	5.59	0.27	10.69	0.05	0.01	54.92
YAR204	0	2	2	48.42	12.26	6.43	0.29	10.98	0.04	0.01	54.39
YAR204	27	31	4	54.98	7.1	3.05	0.14	10.38	0.03	0.01	61.34
YAR205	0	10	10	45.99	15.59	7.16	0.28	10.42	0.03	0.01	51.34
YAR205	16	27	11	46.81	14.65	7.13	0.28	10.36	0.05	0.01	52.22
YAR206	0	8	8	46.37	14.52	5.75	0.27	11.38	0.03	0.01	52.35
YAR206	11	22	11	44.93	15.95	7.67	0.35	11.22	0.03	0.02	50.62
YAR207	0	19	19	47.47	11.57	6.35	0.23	12.03	0.03	0.02	53.97
YAR208	0	15	15	45.65	14.05	7.47	0.25	11.49	0.03	0.01	51.58
YAR208	27	32	5	53.14	10.33	2.98	0.13	9.87	0.03	0.02	58.97
YAR209	0	15	15	46.56	13.97	7.16	0.22	11.33	0.03	0.01	52.51
YAR209	24	33	9	45.9	16.92	6.46	0.32	9.89	0.03	0.01	50.91
YAR210	0	9	9	47.56	12.36	6.65	0.2	11.65	0.03	0.02	53.86
YAR210	22	41	19	53.7	8.59	3.44	0.16	10.51	0.04	0.02	60.01
YAR211	0	6	6	44.11	14.28	7.28	0.23	12.38	0.02	0.02	50.27
YAR211	27	41	14	56.3	6.13	2.55	0.11	10.23	0.03	0.01	62.7
YAR212	0	4	4	47.79	12.77	7.73	0.25	10.46	0.03	0.01	53.39
YAR212	15	23	8	45.38	15.76	7.33	0.3	10.84	0.05	0.03	50.89

Competent Persons Statement

The information in this report that relates to exploration results is based on information compiled by Dr Rob Ramsay (BSc Hons, MSc, PhD) who is a Member of the Australian Institute of Geoscientists. Dr Ramsay is a full-time Consultant Geologist for Coziron. The information that relates to the Mineral Resource Estimate has been compiled by Mr Graham de la Mare of PayneGeo Pty Ltd. who is a Member of the Australian Institute of Geoscientists.

Both Dr Ramsay and Mr de la Mare have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activities which they have undertaken to qualify as a Competent Persons as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Ramsay and Mr de la Mare have given their consent to the inclusion in this report of the matters based on the information in the form and context in which it appears.

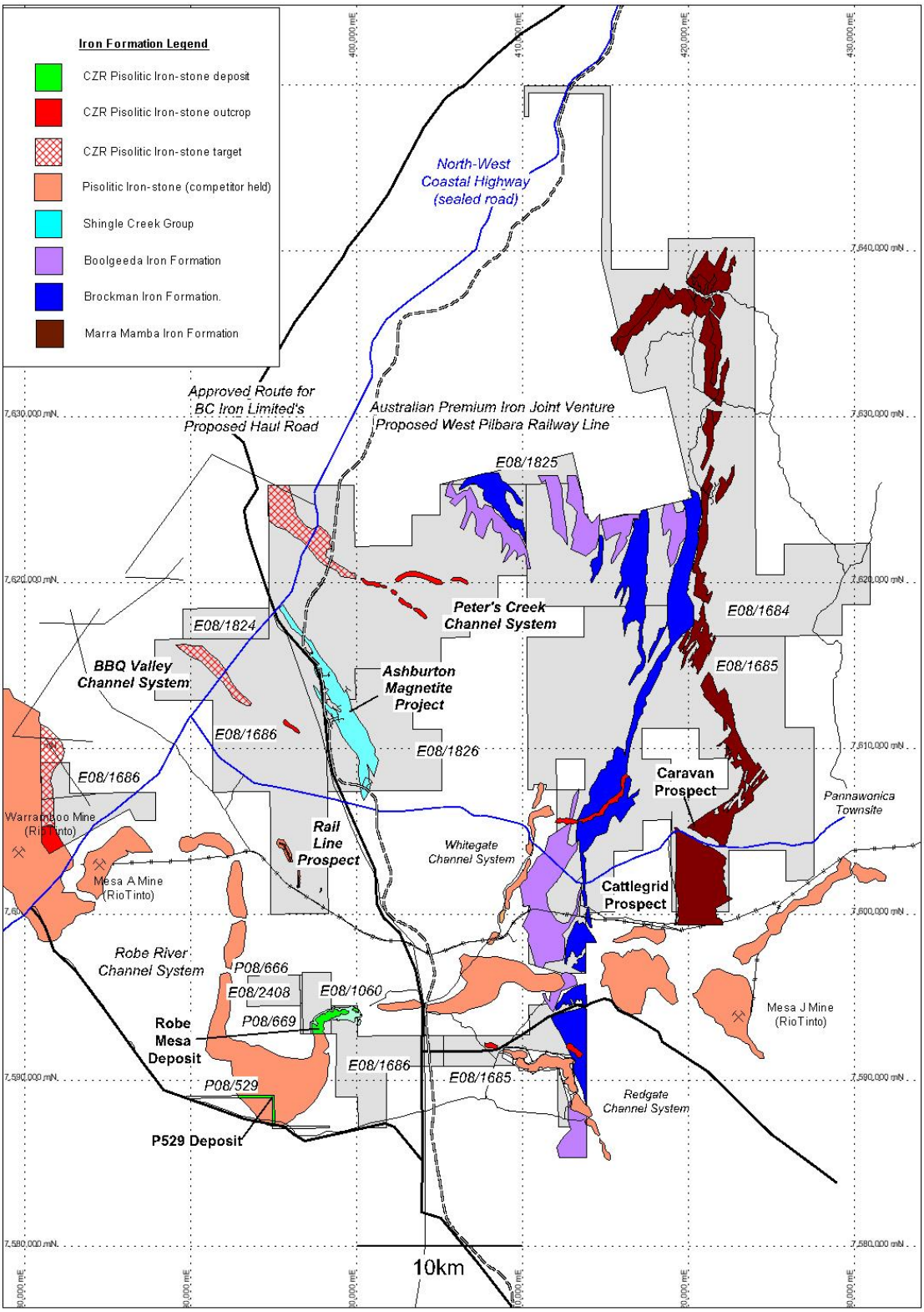

Fig 5. Yarraloola tenement package in the West Pilbara showing the location of the P529 pisolitic iron-stone deposit on P08/529 and the distribution infrastructure, banded iron-formations and other targets for CID mineralisation.

For further information regarding this announcement please contact Adam Sierakowski on 08 6211 5099.

Appendix 1 – Reporting of exploration results and ore-resources from P08/529 on the Yarraloola Project - JORC 2012 requirements.

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• The results presented are derived from a 5.5" (140mm) reverse circulation drilling programme with continuous down-hole sampling. • All drill cuttings were passed through a continuously operating static cone splitter attached to the drill-rig and collected on 1m intervals. During the drilling of each metre, 2-3kg of drill chips were split off and collected in a labelled calico sample bag. • The entire 2-3kg drill-chip sample was crushed, dried and pulverized at Bureau Veritas Laboratories in Perth, Western Australia. A sub sample was fused and the "basic iron-ore suite" of major oxide and selected trace-element analysis was obtained by XRF Spectrometry.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• All drill holes were drilled by reverse circulation (RC) technique, using a 5.5" (140mm) face-sampling percussion hammer.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Sample size was monitored by geologists during the drilling programme. The volume of sample derived from each metre drilled was approximately equal. • Standard RC sampling techniques were employed and deemed adequate for sample recovery. Some water was injected into the sample stream during drilling to minimise the loss of fine particles. • The loss of fine material has been minimised during drilling. Sample recovery is regarded as being representative.

Criteria	JORC Code explanation	Commentary
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Each metre of reverse circulation chips is described geologically for mineralogy, colour and texture. Geological consistency in the drilling meant the logging was sufficient to support a mineral resource estimation. • Logging is qualitative. • All drill holes were logged at 1m intervals, for the entire length of each hole.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• No diamond core was drilled. • Reverse circulation drill chip samples were collected dry and split by a continuously operating static cone splitter during drilling. • Reverse circulation drilling is an appropriate method of recovering representative samples though the interval of mineralisation. The drilling contractor used suitable sample collection and handling procedures to maintain sample integrity • Duplicate samples were simultaneously collected in mineralized intervals, using the static cone splitter. Duplicate samples were taken at a ratio of 1:20 and analysed using the same technique as the interval sample. • The reverse circulation method samples continuously and the static cone splitter selects a representative proportion of the sample, providing an indication of compositional variations associated with each lithology or mineralised interval. • The 2-3kg of homogenised drill chips that was recovered for each sample is sufficient to provide a representative indication of the material being sampled.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• All samples were analysed at Bureau Veritas Laboratories in Perth. A selected suite of major-element oxides and trace element oxides were determined by XRF analysis on fused disks. Loss on Ignition (LOI) was determined by thermogravimetric analysis at 1000° C • No hand-held geophysical tools or hand-held analytical tools were used for the reported results. • During drilling certified reference material packets were inserted amongst the samples at a ratio of 1:20. • Laboratory QAQC involves the use of internal lab standards using certified reference material, blanks, splits and replicates as part of their in-house procedures. Results highlight that sample assay values are accurate and that contamination has been contained.

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• No independent of alternative company personnel were used to verify the intersections. • No holes were twinned. • Assay data was received electronically and uploaded into an access database. Printed copies of analysis results was also received by post and filed in Perth. All hand-held GPS locations were checked against the field logs and plotted using GIS software to verify locations. • No adjustment or calibrations were made to any assay data presented.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Drill hole locations were initially derived from a hand held Garmin 72h GPS units, with an accuracy of ±3m. • The grid system is MGA GDA94, zone 50, all easting's and northing's are reported in MGA co-ordinates. • GeoImage 1m DTM data is used to provide topographic control and is regarded as being adequate for early stage exploration.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• The drilling is located on sites spaced approximately on a 200m grid over an area of outcropping mapped mineralisation. • The 200m spaced drilling across this style of mineralisation allowed the generation of an inferred resource. • Sample results represent 1m interval reverse circulation drill-chips and samples have not been composited.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Mineralisation is contained within a sub-horizontal sheet and the vertical drill-holes and associated sampling collects representative material through the mineralised zone. • The drill orientation was selected to minimise any sampling bias.
Sample security	• *The measures taken to ensure sample security.*	• Samples are collected, labelled and transported by CZR Geologists to RGR Transport Depot in Karratha from where they are transported directly to Bureau Veritas laboratories in Perth.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	Two company geologists have reviewed the results.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.*	• All exploration licenses and prospecting licenses owned 85% by Zanthus Resources Ltd and 15% by ZanF Pty Ltd. The tenements are covered by the Kuruma Marthudunera Native Title Claim and relevant heritage agreements are in place. • The tenements are in good standing and no known impediments exist.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• No previous work has been completed on this tenement.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The deposit described in this report is a Channel Iron Deposit ("CID") - a flat-lying Tertiary-aged palaeochannel of pisolitic iron-stone (the Robe Pisolite).

Drill hole information	• *A summary of all information material to the under-standing of the exploration results including a tabulation of the following information for all Material drill holes:*
	  • *easting and northing of the drill hole collar*
	  • *elevation or RL (elevation above sea level in metres) of the drill hole collar*
	  • *dip and azimuth of the hole*
	  • *down hole length and interception depth*
	  • *hole length*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• Drill hole collar Eastings and Northings are reported using map projection GDA Zone50, entered into an Access database and the map locations have been checked by the competent person.
		• Recorded eastings and northings were used to overlay the drill collars onto the SRTM30 DTM and RLs were assigned to each collar using GIS software.
		• All holes are vertical.
		• Down hole lengths and intercept depths are calculated from 1m interval samples that are progressively collected as the holes are drilled.
		• Hole lengths are reported both on the geological and driller logs, entered into the access database and have been checked by a competent person.

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Minimum intercept widths are defined as drill intervals greater than 5m with samples reporting calcined iron (CaFe)>50%. Some intercepts include a maximum of 2m of samples with CaFe<50%. Intercept values are numerical averages of the relevant 1m sample results. No cutting of high grades has been used. • All sample intervals used to calculate the intercepts are of equal length. • No metal equivalents are presented.

Criteria	JORC Code explanation	Commentary
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. down hole length, true width not known').*	• The vertical drill-holes are designed to intercept the true widths of the horizontally-oriented sheets of pisolitic iron-stone mineralisation. • The down-hole widths are regarded as true widths of the mineralisation.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Relevant diagrams have been included in previous ASX releases.
Balanced Reporting	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Drill collars were surveyed using a hand held GPS, with accuracy to ± 3m. • Intervals of samples with Fe>50% and the trace elements appropriate to the description of pisolitic iron-stone are reported.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples - size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• The RC drill chips and associated geological logging are the only data to have been collected.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large- scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Infill, extensional and diamond drilling are being planned.

Section 3 Estimation and Reporting of Mineral Resources

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• The database is created and validated by Coziron Resources Limited. • PayneGeo performed data audits in Surpac and checked collar coordinates, down hole surveys and assay data for errors. No errors were found.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• No site visit has been conducted. The initial drill program is complete and all drill crews have been demobilised.

Criteria	JORC Code explanation	Commentary
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• The confidence in the geological interpretation is considered to be good. Mineralised iron ore is visible at surface and easily identified in drill samples. • RC drill chips have been used to interpret the geology. • The interpretation of the iron domains based on assay results, observation of RC chips, and the well-known regional geological setting, makes the current interpretations robust. Alternative interpretations are not likely to have any effect on the Mineral Resource estimation. • Geological logging has been used to define oxide domains. No transitional or fresh material was intersected during recent drilling. • The iron mineralisation is horizontal. The interpretation is based on geological logging and assaying of RC chips.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• The mineralisation is flat lying and occurs from surface. The width extent of mineralisation along the east to west drill line is 1.4km, and the NS extent is 760m. Mineralisation has been modelled to the 145m width of the tenement and has been intersected to a vertical depth of 42m and has a maximum intersected width of 23m.
Estimation and modeling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).*	• Inverse distance squared (ID^2) was used to estimate average block grades within the domains using Surpac software. • Drill hole sample data was coded using mineralisation wireframes. Samples were composited to 1m as all sampling was undertaken at 1m intervals. • Two estimation passes were used in the model. A first pass search of 200m was used with a minimum of 6 samples and a maximum of 24 which resulted in 97% of the blocks being estimated. The search radius was increased to 300m for the second pass and the minimum number of samples reduced to 4 which resulted in the remaining 3% of blocks being estimated. A constraint of 6 samples per drill hole was imposed to limit grade smoothing where zonation of grades down hole was observed • The mineralisation has been extrapolated to the width extent of the tenement which is 145m. Along the drill lines the mineralisation was extrapolated to a distance of 100m which is half the drill spacing. • No previous estimate has been completed at the deposit. • No mining has occurred at the deposit. • No assumptions have been made with regards to by-products. • Non grade variables were not estimated. Only minerals of interest; Fe, SiO2, Al2O3, TiO2, LOI, P, and S were estimated. • The parent block size was 50m NS by 50m EW by 1m vertical with sub-cells of 12.5m by 12.5m by 0.5m. • Selective mining units were not modelled. The block size used in the Mineral Resource model was based on drill sample spacing and lode orientation.

Criteria	JORC Code explanation	Commentary
	• *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	• There is a strong correlation between Fe and the elements SiO_2, Al_2O_3, and TiO_2. • The deposit mineralisation was constrained by wireframes constructed using down hole assay results and associated lithological logging. A nominal grade cut-off of 50% CaFe was used for the mineralisation interpretations. The wireframes were used as hard boundaries in the interpolations at each deposit. • To assist in the selection of appropriate high grade cuts, log-probability plots and histograms were generated. No outliers were noted, therefore no high grade cuts were applied to the composite data. • A three step process was used to validate the models. A qualitative assessment was completed by slicing sections through the block model in positions coincident with drilling. A quantitative assessment of the estimate was completed by comparing the average grades of the composite file input against the block model output for the mineralised domains. A trend analysis was completed by comparing the interpolated blocks to the sample composite data within the domains. This analysis was completed for 5m bench heights. Validation plots showed good correlation between the composite grades and the block model grades.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Tonnages and grades were estimated on a dry in situ basis.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• Mineralisation cut-off grades were based on observed changes in statistical plots of the sample data. • The Mineral Resource has been reported at a 50% Fe cut-off grade to reflect the underlying geological boundaries of the mineralisation.
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• Mining of the deposits is anticipated to be by open pit methods involving mechanised mining techniques. No other assumptions on mining methodology have been made.

Criteria	JORC Code explanation	Commentary
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• No metallurgical test work has been completed.
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• There are no known environmental factors which would prevent the eventual economic extraction of the deposits.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• Bulk density value was assumed and applied based on industry recommendations for this style of mineralisation. A value of 2.6t/m^3 was applied to the model.
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• Mineral Resources were classified in accordance with the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC, 2012). • The Mineral Resource was classified as Inferred Mineral Resource on the basis of sample spacing, and number of drill holes defining the lodes. • The input data adequately covers the mineralisation and does not favour or misrepresent in-situ mineralisation. The definition of mineralised zones is based on a good geological understanding producing a robust model of continuous mineralised lodes. Validation of the block models show good correlation of the input data to the estimated grades. • The input data is considered reliable as CZR has implemented Quality Control measures which have confirmed the suitability of data for use in the Mineral Resource estimates. • The Mineral Resource estimate appropriately reflects the view of the Competent Person.

Criteria	JORC Code explanation	Commentary
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• Internal audits have been completed by PayneGeo which verified the technical inputs, methodology, parameters and results of the estimate.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• The P529 Mineral Resource estimate has been estimated with a high degree of confidence. The mineralisation geometry and continuity of the flat lying lodes, and marked stratigraphical mineralised zones is well understood in the area which is actively being mined by companies such as Rio Tinto. • The data quality is good and the drill holes have detailed logs produced by qualified geologists. Recognised laboratories have been used routinely. • The Mineral Resource statement relates to global estimates of tonnes and grade. • No mining has taken place at the deposit so no production data is available.