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Coziron Resources Limited

The Company Announcements Office
ASX Limited via E-Lodgement

11th Feb 2015

Yarraloola Project – Ashburton Schist

First drill-holes identify a new volcanic-hosted style of high-grade magnetite mineralization in the West Pilbara.

HIGHLIGHTS

- **Three 202m deep RC holes for 606m intersected magnetite mineralisation hosted mainly by chloritic and schistose, intermediate to rhyolitic volcanics and carbonaceous phyllite.**
- **Geological setting is confirmed as being Ashburton Trough with an "Algoma" (volcanic) setting rather than an outlier of the Hamersley basin sequence.**
- **YAR091 in the south reports 91m @ 25.4% Fe down hole from surface overlying rhyolitic to dacitic rocks.**
- **YAR093 intercepted 29m @ 31.9% Fe (28-57m down-hole) and 55m @ 31.8% Fe (77-132m down-hole) in schists with basaltic to andesitic compositions.**
- **No crocidolite (blue asbestos) was intersected during drilling.**
- **Initial grind-size analysis for Davis Tube recovery indicates schistose chloritic host-rock is "soft" with high-quality concentrate recovered from -63 microns.**
- **Best result from the initial 5m-interval Davis Tube samples was 36.9% mass recovery @ 69.4% Fe + 3.36% SiO_2.**
- **The Fe-contents and Davis Tube mass yields from YAR091 in the south and YAR093 towards the north of 12 km long the magnetically active zones are typical of siliceous iron-formation but RC drill-rates in excess of 150m/shift and grinds-size recovery test-work suggest a lower work-index that should reflect in a lower production cost for magnetite concentrate.**

- **First stage follow-up includes diamond drilling to provide representative sections through the mineralization and material for physical properties measurements including grind-index.**
- **A co-funded exploration incentive grant from the WA Department of Mines and Petroleum to cover 50% or up to $150,000 of the direct diamond drilling costs of 3 holes has recently been awarded to Coziron subsidiary Zanthus Resources Pty Ltd.**

Yarraloola Project

New Style of Magnetite Discovery

The Company is pleased to announce that it has discovered a new style of magnetite mineralisation from its first up exploration drilling in the Ashburton Schist on the Yarraloola project. Chairman Adam Sierakowski stated: *"The board of the Company is delighted to present its initial drilling results which have identified a new style of magnetite mineralization hosted in a soft volcanic host-rock on the Yarraloola project. The Ashburton Schist project is 12 kilometres long and 1 kilometre wide so these drill results are just scratching the surface. In addition, the Ashburton Schist is immediately adjacent to the proposed Baosteel railway and approximately 40 kilometres from CITC's SINO project and 60 kilometres from Cape Preston, which could provide the Company with a number of potential infrastructure solutions and commercialisation opportunities"*

Background

The Yarraloola Project covers an area of 1437km^2 in the western section of the Hamersley and an adjacent portion of the Ashburton Trough in the West Pilbara. During the 2014 field season, Coziron focussed on the selection, mapping, sampling, prioritisation and completion of the statutory obligations to implement RC drilling on the Robe Mesa and the Ashburton Trough magnetic anomalies (Fig 1). This represents the first drilling reported by any tenement holder on these targets.

A total of 25 RC holes into a sequence of pisolitic iron-stone on the Robe Mesa delivered a recently announced global "CID" resource of **73.1Mt @ 53.9% Fe + 8% SiO_2 + 3.4% Al_2O_3 + 0.04% P + 10.8% LOI** (CZR:ASX on 3rd Feb 2015).

In addition, three inclined (-60) RC holes for a total of 606m (Table 1) were completed on the Ashburton schist to provide representative sections into and adjacent to an area of intense magnetic responses from an airborne survey that was completed in 2006. This magnetic anomaly on tenements E08/1686 and E08/1826 was previously interpreted in 2009 as an outlier of the Brockman Iron Formation (Fig 2). However, mapping and rock-chip sampling during 2014 delineated intervals of intermittently outcropping magnetite-bearing schist over about 6km of the 12km strike length reporting Fe grades to 36% and are now attributed to rock-types in the Ashburton Trough.

Geological, geochemical and mineralogical results from the first drilling programme into the Ashburton schists are presented in the sections below.

Table 1. Location of the three exploratory RC drill-holes into the Ashburton sequence.

Hole Number	***Prospect***	***Easting GDA Zone 50****	***Northing GDA Zone 50****	***RL (AHD) Nom***	***Angle***	***Direction***	***Depth***
YAR091	Ashburton	400460	7608978	140	-60	090	202
YAR092	Ashburton	397996	7614000	140	-60	090	202
YAR093	Ashburton	397947	7614412	140	-60	090	202

**Easting and Northing by a hand held Garmin GPS ±3m accuracy, AHD nominal at 140m from SRTM90*

Down-hole Geology and Interpreted Geological Setting

Drill samples for geochemistry were collected at 1 metre intervals using a face-sampling percussion hammer and a rig-mounted rotary splitter. Samples were logged geologically and the magnetic susceptibility measured using a hand-held meter which highlighted strongly magnetic zones.

Details of the sampling and analytical methodology are presented in Appendix 1, as per JORC 2012 requirements.

At the southern end of the Ashburton Prospect, YAR091 intersected magnetite-bearing schist from surface to 90m downhole and these show a decreasing effect of weathering (oxidation) below 50m (Table 2).

Below the magnetite schist, the hole intersected a richly chloritic sequence with geochemistry typical of dacitic and rhyolitic rocks (Fig 3).

Further north and to the west, YAR092 intersected a sequence dominated by richly carbonaceous phyllites with a 3m intercept of magnetite schist.

In the northern section of the magnetic anomaly, YAR093 intercepted two units of magnetite schist (Table 2) within richly chloritic schists showing geochemical features that include basaltic, andesitic and dacitic rocks (Fig 3).

The most significant outcome from the geological study of the RC-drilling in the Ashburton is that it clearly shows the magnetite is hosted by a sequence of schistose and chloritic mafic to rhyolitic rocks. This volcanic association implies the mineralization is likely to have an ***Algoma-style*** *(volcanic-hosted deeper water) rather than a shallow-water* ***Hamersley-style*** *origin. While the mineralogical and metallurgical features of the fine grained, siliceous, Hamersley-style magnetite mineralisation are well known,* ***the Algoma-style mineralisation in the Ashburton represents a new discovery****.*

Table 2. Intercept summary from magnetite-bearing schists in the Ashburton Trough from which samples for Davis Tube magnetite recovery were selected.

Hole Number	***Depth From***	***Depth To***	***Interval m***	***Geol****	***Fe%***	***SiO_2%***	***Al_2O_3%***	***P%***	***S%***	***LOI% 1000***
YAR091	0	56	56	ox	23.5	53.1	6.48	0.07	0.06	3.11
YAR091	56	90	34	fr	28.7	51.5	2.48	0.14	0.04	1.85
YAR091	90	105	15	M-MI	12.9	61.6	7.61	0.07	0.08	5.14
YAR093	28	57	29	fr	31.9	47.5	2.80	0.11	0.15	1.61
YAR093	76	132	56	fr	31.6	44.8	2.68	0.12	0.05	1.34

*- ox = oxidised/weathered, fr = fresh; M-Mi = moderate magnetic intensity

Preliminary Grind-Size Liberation for Davis Tube Recovery

Prior to commencing the Davis Tube recovery programme, bulked RC-samples were processed through a grind-size analysis to determine the optimal size-fraction for a magnetite concentrate with Fe @ 67%. The upper part of YAR091 (0-45m) and the upper interval in YAR093 (28-53m) produced a good quality concentrate in the grind-size range of 63 and 45 microns, while the lower part of YAR091 (45-105) and the lower interval of YAR093 (76-129m) required grinding to 38 microns to produce a concentrate of the same quality. As a result, all Davis Tube recovery was undertaken at -38 micron to standardise the results.

Once a proposed diamond-drilling programme through the Ashburton magnetite schists is completed, a more systematic review of the grind-size recovery will be undertaken using the diamond-core.

Davis Tube Recovery

From this initial RC-drill programme, 1-2kg of chips from 1m samples were composited to 5m intervals to provide indications of the variations in magnetite yield and concentrate quality across the three intervals of magnetite schist intersected during drilling. Results for all samples are presented in Table 3.

In YAR091, in the south, the upper zone shows evidence of weathering and as a result, lower magnetite mass-yields were achieved for the intervals tested in this zone. However, yields increased to 26% in the fresh rock.

In YAR093 in the north, where the effects of weathering are less apparent in the logging of the drill-chips, mass yields range from about 20% to almost 40%, with an overall average above 20% for the intervals sampled.

Table 3. Davis Tube mass-yield and magnetite concentrate compositions from intervals of magnetite schist in YAR091 and YAR093 as reported from Bureau Veritas Laboratories in Perth.

Hole	**From**	**To**	**Geol**	**Head Grade Fe%**	***Mass Rec %***	**Fe %**	**SiO2 %**	**Al2O3 %**	**P %**	**S %**	**LOI 371 %**	**LOI 371-650 %**	**LOI 650-1000 %**
YAR091	0	5	ox	24.31	*8.2*	67.85	2.16	0.58	0.015	0.007	0.32	-0.04	-0.18
YAR091	5	10	ox	24.95	*12.3*	68.55	2.02	0.34	0.009	0.005	0.27	-0.07	-0.5
YAR091	10	15	ox	22.09	*10.7*	67.67	2.62	0.38	0.007	0.005	0.29	-0.01	-0.49
YAR091	15	20	ox	21.31	*13.4*	67.66	3.01	0.41	0.007	0.005	0.32	-0.02	-0.68
YAR091	20	25	ox	15.87	*5.1*	67.08	3.27	0.48	0.007	0.004			
YAR091	25	30	ox	26.11	*16.7*	67.85	2.5	0.4	0.008	0.003	0.29	-0.04	-0.72
YAR091	30	35	ox	22.8	*13.1*	67.95	2.27	0.36	0.017	0.004	0.3	-0.08	-0.68
YAR091	35	40	ox	20.52	*5.5*	67.93	3.2	0.28	0.014	0.005	0.32	-0.39	-0.76
YAR091	40	45	ox	27.21	*13.4*	67.8	3.02	0.19	0.017	0.004	0.11	-0.3	-0.54
YAR091	45	50	ox	28.57	*15.2*	66.65	4.98	0.24	0.02	0.003	0.12	-0.23	-0.53
YAR091	50	55	ox	29.85	*14*	66.94	5.13	0.2	0.012	0.025	-0.02	-0.82	-0.51
YAR091	55	60	fr	30.22	*26.4*	67.03	6.2	0.15	0.015	0.007	-0.26	-1.43	-0.97
YAR091	60	65	fr	32.62	*19.1*	68.23	3.61	0.13	0.018	0.005	-0.11	-0.72	-0.58
YAR091	65	70	fr	30.32	*5.9*	67.6	3.26	0.17	0.055	0.005	0.25	-0.48	-0.48
YAR091	70	75	fr	29.36	*6.5*	68.73	2.48	0.13	0.026	0.004	0.04	-0.49	-0.45
YAR091	75	80	fr	29.31	*7.9*	66.87	4.53	0.19	0.039	0.009	0.25	-0.45	-0.33

Hole	From	To	Geol	Head Grade Fe%	*Mass Rec %*	Fe %	SiO2 %	Al2O3 %	P %	S %	LOI 371 %	LOI 371-650 %	LOI 650-1000 %
YAR091	80	85	fr	28.76	*13*	68.3	3.03	0.17	0.014	0.006	0.06	-0.57	-0.55
YAR091	85	90	fr	19.46	*18.5*	64.72	8.92	0.35	0.023	0.007	-0.21	-1.38	-0.87
Av		**90**		**25.76**	***12.49***	**67.52**	**3.68**	**0.29**	**0.018**	**0.006**			
Low Grade (moderate magnetic susceptibility													
YAR091	90	95	M-MI	15.63	*8*	64.44	8.5	0.45	0.024	0.013	-0.2	-1.01	-0.77
YAR091	95	100	M-MI	12.97	*7.3*	56.21	20.6	0.46	0.042	0.027	-0.38	-1.18	-0.7
YAR091	100	105	M-MI	8.97	*0.3*	-							

Upper Zone

YAR093	28	33	fr	33.98	*22*	66.47	5.31	0.24	0.019	0.003	0.16	-0.37	-0.46
YAR093	33	38	fr	33.79	*21.9*	66.92	4.65	0.15	0.014	0.003	0.11	-0.4	-0.44
YAR093	38	43	fr	32.83	*23.2*	68.57	2.7	0.19	0.011	0.003	0.09	-0.43	-0.63
YAR093	43	48	fr	29.7	*18.6*	67.65	2.99	0.34	0.012	0.003	0.15	-0.18	-0.57
YAR093	48	53	fr	28.46	*20.5*	68.33	2.69	0.24	0.015	0.002	0.11	-0.36	-0.58
Av		**25**		**31.75**	***21.24***	**67.59**	**3.67**	**0.23**	**0.014**	**0.003**			

Lower Zone

YAR093	76	81	fr	31.29	*30.9*	66.62	5.97	0.33	0.02	0.003	-0.18	-1.19	-0.95
YAR093	81	86	fr	30.41	*38.4*	66.56	6.48	0.49	0.02	0.005	-0.27	-1.46	-1.09
Av		**10**		**30.85**	***34.65***	**66.59**	**6.23**	**0.41**	**0.02**	**0.00**			
YAR093	89	94	fr	32.24	*39.2*	62.29	12.4	0.32	0.017	0.006	-0.36	-1.48	-0.79
YAR093	94	99	fr	35.39	*21.4*	69.24	3.64	0.11	0.008	0.002	-0.35	-1.54	-1.25
YAR093	99	104	fr	34.23	*28.8*	68.26	4.89	0.22	0.02	0.003	-0.34	-1.52	-1.17
YAR093	104	109	fr	35.27	*28.6*	68.2	4.63	0.23	0.019	0.002	-0.36	-1.58	-1.17
YAR093	109	114	fr	34.58	*27.4*	68.81	4.34	0.19	0.014	0.002	-0.29	-1.59	-1.16
YAR093	114	119	fr	30.09	*34.3*	67.01	5.88	0.49	0.032	0.015	-0.35	-1.52	-1.13
YAR093	119	124	fr	31.44	*34.1*	66.06	7.11	0.42	0.02	0.009	-0.31	-1.5	-1.16
YAR093	124	129	fr	30.28	*36.9*	69.44	3.36	0.22	0.012	0.006	-0.34	-1.54	-1.34
Av		**40**		**32.94**	***31.34***	**67.41**	**5.78**	**0.28**	**0.018**	**0.006**			

Future Work

The first drill results from the magnetite schists in the Ashburton Trough show significant down-hole thicknesses which are poorly exposed in outcrop. Although the Fe-grades and mass-yields are typical of the siliceous iron-formations in the Pilbara, RC-drill rates in excess of 150m per shift and recently completed grind-size recovery studies suggests the schist will have a lower work-index that should reflect in a lower production cost for concentrate recovery.

The following follow-up work is required to assess the commercial significance of the discovery.

1. Select additional RC drill-sites to determine the true thickness and continuity of the magnetite-rich schists.
2. Complete at least three diamond drill-holes of up to 400m each to obtain representative geological sections for which the Company has been awarded up to 50% of the direct drilling cost - or $150,000 - as a co-funded exploration incentive scheme drilling grant from the WA Department of Mines and Petroleum.

3. Obtain physical properties measurement from the diamond-core such as compressive testing and bond work-index which will enable cost-recovery factors for the magnetite concentrate to be evaluated.
4. Review and update the preliminary ore-transportation study for the Yarraloola project with site specific parameters and options.
5. Undertake a more detailed review of the trace element geochemistry from the chlorite-rich schists showing geochemical affinities with arc-related volcanic systems and determine whether the units are prospective for gold and base-metals (Cu-Pb-Zn) mineralization.

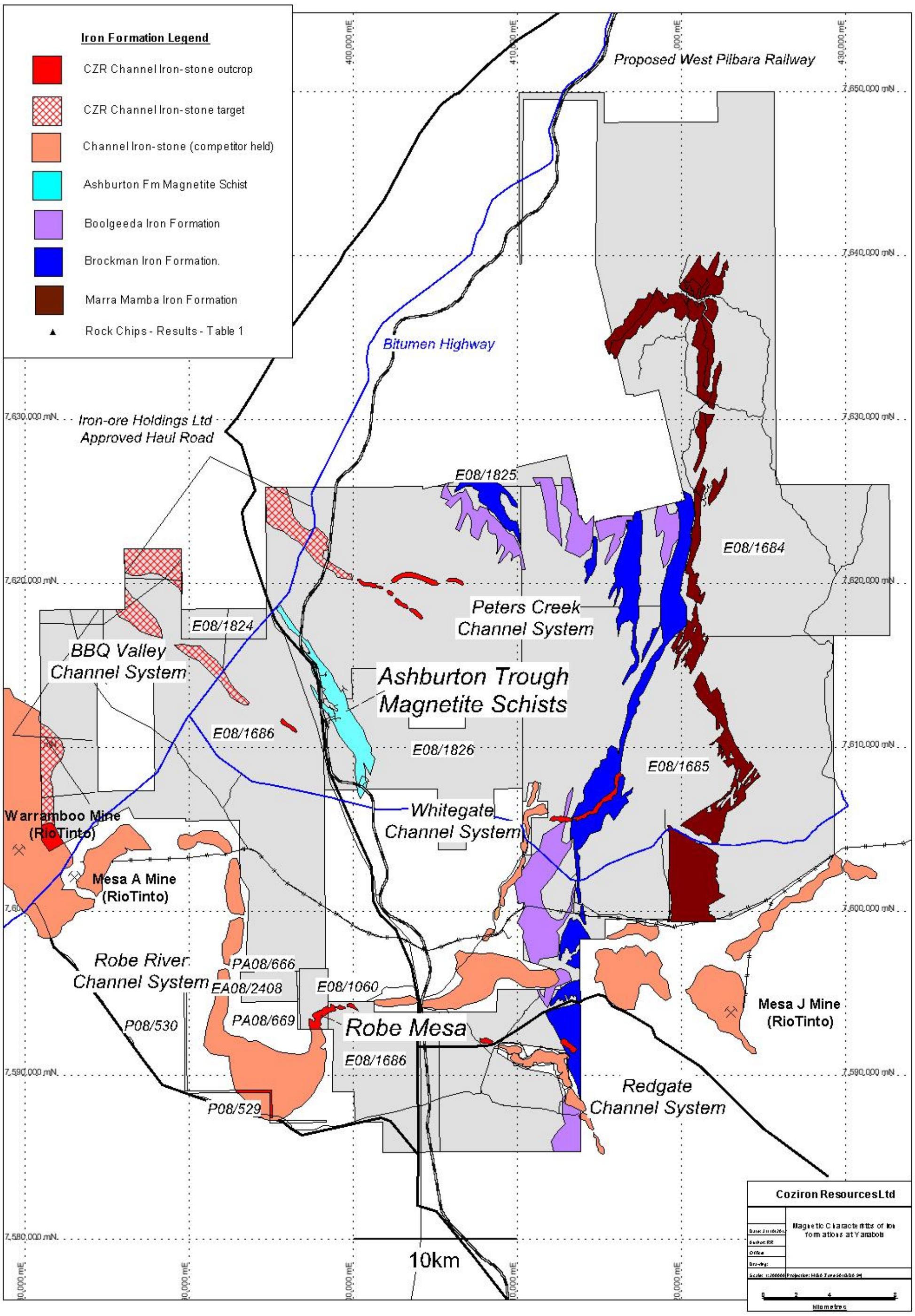

Fig 1. Location of Robe Mesa and Ashburton Trough magnetite schist drill-targets, Yarraloola Project, West Pilbara of Western Australia.

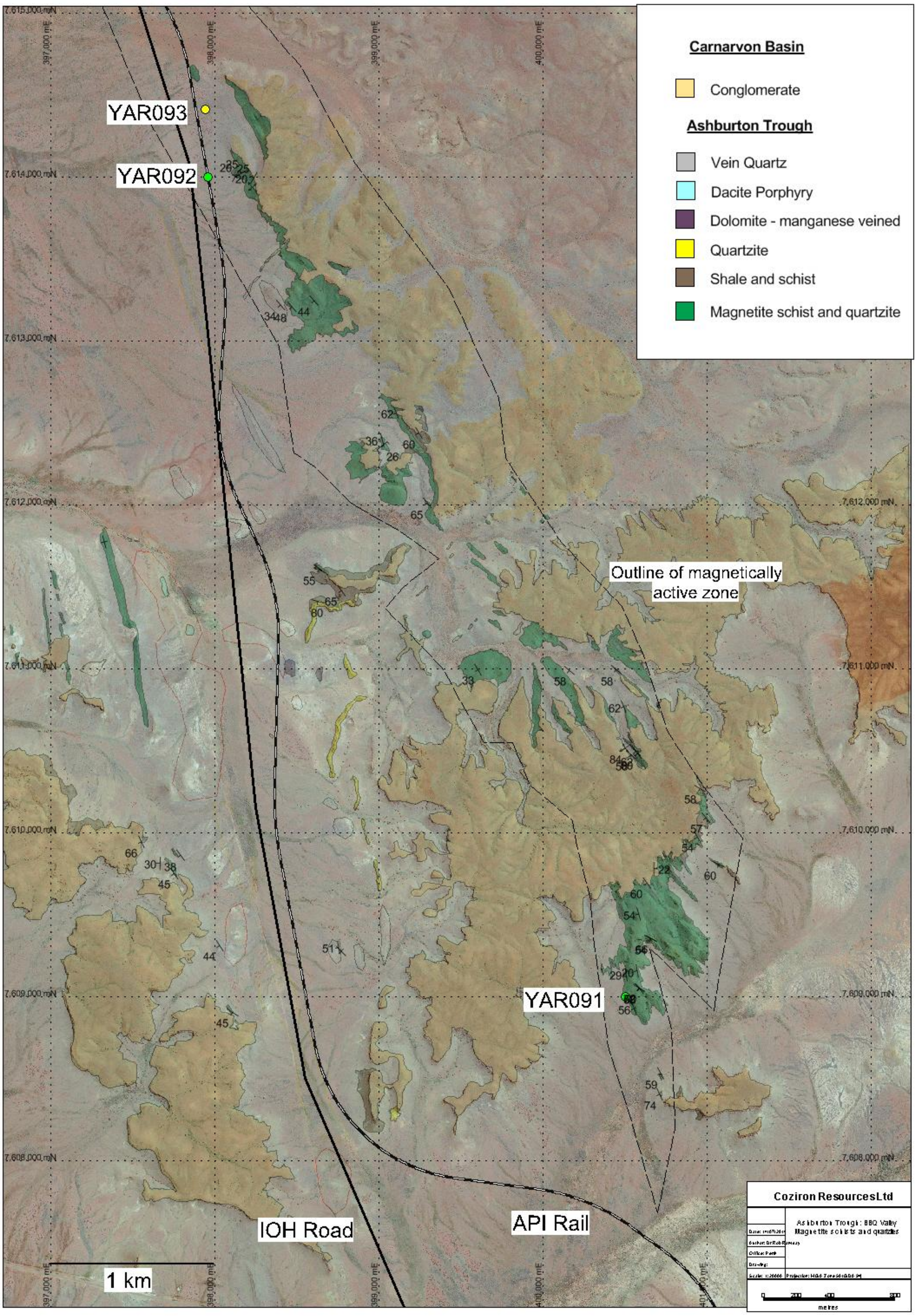

Fig 2. Locations of the three RC drill holes on the mapped outcrop geology of the Ashburton schists.

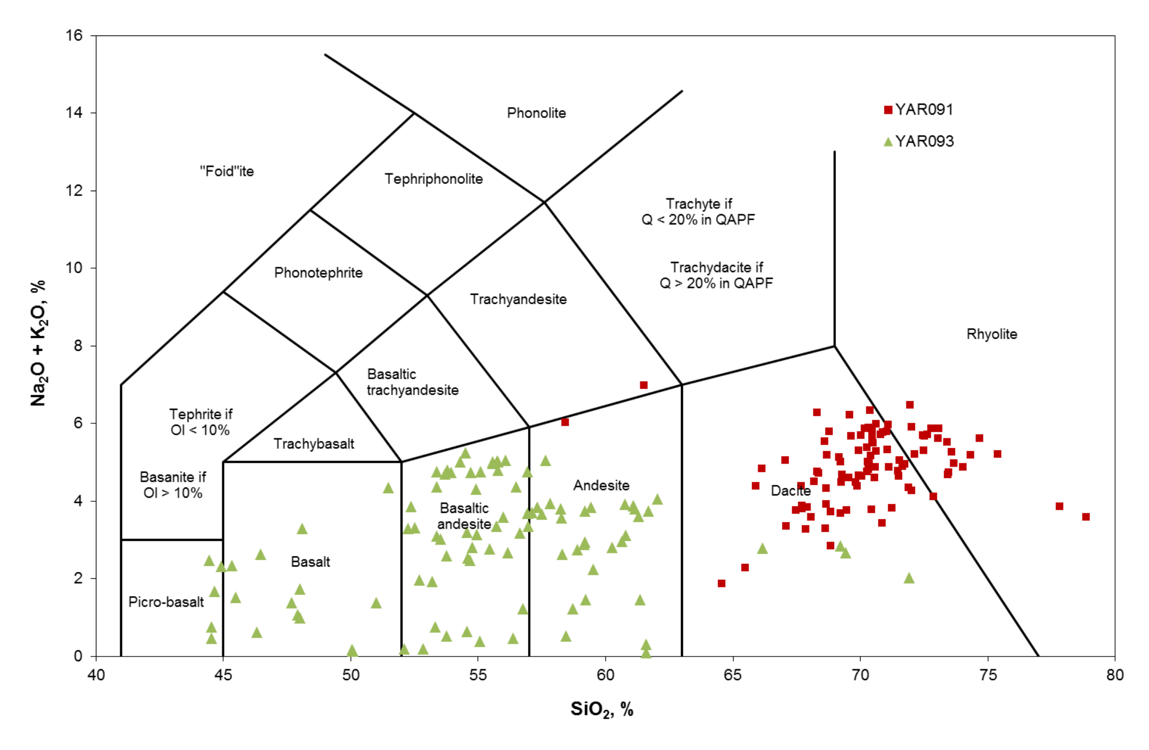

Fig 3. Total alkali (Na_2O+K_2O) versus silica (SiO_2) classification plot with fields for common volcanic rocks showing the compositional ranges of the chlorite-rich schists in YAR091 and YAR093.

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

Competent Persons Statement

The information in this report that relates to exploration results and mineral resources 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. Dr Ramsay has 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 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.

Appendix 1 – Reporting of exploration results from the Ashburton Prospect in 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.*	The results presented are derived from a 5.5" (140mm) reverse circulation drilling programme with continuous down-hole sampling.
	• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*	All drill cuttings were passed through a continuously operating rotary cone splitter and collected on 1m intervals. During the drilling of each meter, 2-3kg of drill chips were split off and collected in a labelled calico sample bag.
	• *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 entire 2-3kg drill-chip sample was crushed, dried and pulverized at Ultratrace Laboratories (Bureau Veritas) in Perth. Western Australia. A sub sample was fused and the "extended iron-ore suite" of major oxide and selected trace-element analysis was obtained by XRF Spectrometry. A full suite of up to 59 trace elements was also measured by ICP 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 3 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.*	Sample size was monitored by Geologists during the drilling programme. The volume of sample derived from each meter drilled was approximately equal.
	• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*	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.
	• *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.*	The loss of fine material has been minimized during drilling. Sample recovery is regarded as being representative.
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.*	Each metre of reverse circulation chips is described geologically for mineralogy, colour and texture. No mineral resource estimates are included in this report.
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*	Logging is qualitative.
	• *The total length and percentage of the relevant intersections logged.*	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.*	No core was collected for this study
	• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*	Reverse circulation drill chip samples were collected dry and split by a continuously operating rotary cone splitter during drilling.
	• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*	Reverse circulation drilling is an appropriate method of recovering representative samples though the interval of mineralization. The drilling contractor used suitable sample collection and handling procedures to maintain sample integrity.
	• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*	Duplicate samples were simultaneously collected in mineralized intervals, using the rotary cone splitter. Approximately 1 in 20 duplicate samples were analysed to ensure representivity.
	• *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.*	The reverse circulation method samples continuously and the rotary splitter selects a representative proportion of the sample, providing an indication of compositional variations associated with each lithology or mineralized interval.
	• *Whether sample sizes are appropriate to the grain size of the material being sampled.*	The 2-3kg of homogenized 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.*	All samples were analysed at Ultratrace Laboratories in Perth. A selected suite (the extended iron ore 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. In some samples, minor elements may be determined by a 4-acid mixed digest on either milled rock powder or lazer ablation on the fused disk with an ICP MS or OES finish to determine concentrations at lower detection limits.
	• *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.*	A hand-held magnetic susceptibility meter was used to record the response from the drill-chips and the response highlights the highly magnetic intercepts of magnetite schist in drill-holes.
	• *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	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.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.*	No independent of alternative company personnel were used to verify the intersections.
	• *The use of twinned holes.*	The drill intercepts reported are from a first-phase exploratory drill programme.
	• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*	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.
	• *Discuss any adjustment to assay data.*	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.*	Drill hole locations were derived from a hand held Garmin 72h GPS units, with an average accuracy of ±3m.
	• *Specification of the grid system used.*	The grid system is MGA GDA94, zone 50, all easting's and northing's are reported in MGA co-ordinates
	• *Quality and adequacy of topographic control.*	SRTM90 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.*	The first-stage drilling of three holes were located to examine the sub-surface geology associated with different magnetic targets within the Ashburton Trough sequence.
	• *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.*	No Mineral Resources or Ore Reserve estimations are being presented in this report.
	• *Whether sample compositing has been applied.*	Geochemical sample results represent 1m interval reverse circulation drill-chips and samples have not been composited. Grind-size liberation studies were undertaken on representative samples which were composited across down-hole intercepts of magnetite-rich schist. Davis Tube recovery was completed on 5m down-hole intercepts of magnetite-rich schist.
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.*	Mineralization is contained within a sub-horizontal sheet and the vertical drill-holes and associated sampling collects representative material through the mineralized zone.
	• *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.*	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 Coziron Geologists to Toll-Express in Karratha from where they are transported directly to Ultratrace laboratories in Perth.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	No audits or reviews of the sampling techniques and data have been obtained.

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.*	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 security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	The tenements are in good standing and no known impediments exist.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	In 1990-1991, Aberfoyle Resources held tenements covering the Ashburton Trough which partially overlapped Yarraloola. They collected 26 rock-chip and 73 stream sediment samples for gold and base-metal exploration but encountered no significant results and surrendered the ground.

		In 1991-1992, Poseidon Exploration Ltd held exploration tenements covering the Ashburton Trough which partially overlapped Yarraloola for base-metals, gold and iron-ore. They collected 54 rock-chips, 236 soil samples, 492 stream sediment samples and completed 159 RAB holes for 2410m but encountered no significant mineralisation and surrendered the tenements.
		In 1997-1998, Sipa Resources NL held tenements over the Ashburton Trough that partially covered Yarraloola for gold and base-metals. A field trip after the interpretation of LANDSAT and air-photos collected six rock-chip samples which failed to detect mineralisation and the tenements were surrendered.
		In 2005-2009, Red Hill Iron Ltd held a tenement 15km northwest of Pannawonica which partially overlapped Yarraloola for gold and base-metal prospectivity. Following and aeromagnetic survey and air-photo interpretation, 16 rock-chips and 207 soil samples were collected but no targets were generated and the ground was surrendered.
Geology	• *Deposit type, geological setting and style of mineralisation.*	The eastern section of the Yarraloola tenements covers Archaean-age chemical and clastic sediments overlying basalts in the Hamersley Basin. The western part of the tenements covers deformed Palaeoproterozoic mostly clastic sediments of the Ashburton Trough which are overlain by more recent undeformed detritus associated with the Carnarvon Basin. Sediments of the Hamersley and Carnarvon Basins are known to host economic deposits of iron-ore. The magnetite mineralization described in this report is hosted within graphitic and chloritized volcanic schists of the Ashburton Trough.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*	
	○ *easting and northing of the drill hole collar*	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.
	○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*	The area has only minor relief and a nominal RL of 140m above sea level from the SRTM90 is used for results in this report. A differential GPS survey is planned to provide future surface control.
	○ *dip and azimuth of the hole*	All holes are -60 to the east.
	○ *down hole length and interception depth*	Down hole lengths and intercept depths are calculated from 1m interval samples that are progressively collected as the holes are drilled.
	○ *hole length.*	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 (eg cutting of high grades) and cut-off grades are usually Material and should be stated.*	Minimum intercept widths are defined as drill intervals greater than 5m with samples reporting Fe>20% and high magnetic susceptibility. The reported intervals provide guidance for future drilling to determine true thickness. No upper cut has been applied.

	• *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.*	All sample intervals used to calculate the geochemical intercepts are of equal length.
	• *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	No metal equivalents are presented
Relationship between mineralisation widths and intercept lengths	• *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*	The -60 inclined drill-holes are designed to intercept the moderately to steeply dipping geology and obtain sections across the geological units.
	• *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	The relationship of the down-hole widths and the true thickness is yet to be determined.
	• *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.*	A map of drill-hole locations is shown in Figure 2. There is insufficient data to yet be able to construct geological cross sections.
Diagrams	• *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.*	The intervals reported represent the down-hole intercepts of magnetite rich rocks which are the target zones for future work..
Balanced reporting	• *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.*	Intervals of samples with elevated magnetic susceptibility and Fe typically greater than 20%.
Other substantive exploration data	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*	DGPS surveying over the mineralized area, quantitative mineralogical studies, along with infill and extensional drilling are being planned.
Further work	• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Areas of outcropping mineralization have been identified in Fig 2.