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# *Coziron Resources Limited*

The Company Announcements Office
ASX Limited via E-Lodgement

6 October 2015

## Confirmation of broad down-hole intervals reporting high magnetic susceptibility from Fe-rich schists in the Ashburton Trough on the Yarraloola Project.

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**Highlights**

- **RC programme of 16 inclined (-60°) holes, each to a depth of 198m, for a total of 3168m is complete and all 1m XRF extended iron-ore suite assays have been received.**
- **All RC holes contain intervals with high magnetic susceptibility and elevated Fe-contents. Maximum RC down-hole intercept width is 156m @ 28.3% Fe in YAR100, which ended in mineralization.**
- **Other broad intercepts include 53m @ 24.6% Fe and 63m@ 26.3% Fe in YAR099, 80m @ 31.1% Fe in YAR100 and 62m @ 34.5% Fe in YAR102.**
- **Diamond programme which was EIS cofounded consisted of 3 inclined (-60°) holes, ranging from 510m to 530min depth, for a total of 1560m and all three holes contain intercepts with magnetite mineralization.**
- **Holes provide further confirmation of the "Algoma-setting" with mineralization related to an oceanic basin with volcanic activity, shallow levels of (<30m) of weathering, no asbestiform minerals and low sulphide content.**

**ASHBURTON DRILLING PROGRAM**

Background and Activities

Previous exploration by Coziron identified outcrop containing magnetite mineralization in schistose rocks from the Ashburton Trough in tenements E08/1826 and E08/1686 (Fig 1) located on the Yarraloola Project in the West Pilbara of Western Australia. These intermittently outcropping Proterozoic rocks are associated with a 12km long, 1km wide high-order airborne magnetic anomaly

that are in parts covered by a younger, essentially flat-lying sequence of sands and conglomerates that were deposited in the Carnarvon Basin. The Ashburton represents an oceanic basin between the Pilbara and Yilgarn Cratons. The basin contains intervals of felsic to rhyolitic volcanic rocks which suggest the magnetite was deposited in an "Algoma-style" setting. This oceanic setting contrasts with the "Hamersley-style" setting that overlies the adjacent Pilbara Craton where iron-oxides were deposited on a broad continental shelf.

In early 2015, Coziron reported results from two 200m deep exploratory RC holes in the northern and southern parts of the Ashburton magnetic anomaly. Each contained a down-hole intercept of approximately 100m of highly magnetic rocks. These intercepts reported Fe-contents around 30% and magnetite mass-yields of up to about 30% (CZR reported to ASX on 11th February 2015). These results, which were highly encouraging, required follow up work to better understand the geology of the sequence.

The recently completed 2015 RC drilling programme on the Ashburton sequence consisted of 8 paired (16 in total) and overlapping (50m apart), inclined (-60°) holes to 200m depth (Table 1; Fig 2; Initial activities reported by CZR to the ASX on 4th August 2015). The objective of the RC drilling was to provide more detail about the down-hole extent and grade of mineralization and obtain material for further mass-yield studies.

Coziron also received joint-venture funding as an EIS grant from the Government of Western Australia to complete three inclined (-60°) holes to a depth of approximately 500m to provide representative intersections through the mineralization and associated host-rocks.

During RC drilling, the 1m interval samples were described geologically and the magnetic susceptibility of each interval was recorded using a hand-held Mag-Rock meter. Representative material from each metre was dispatched to Bureau Veritas Laboratories in Peth for geochemical analysis and all results have been received. Intercepts with magnetic susceptibility >1000SI units and Fe (iron) typically greater than 15% were calculated (Table 2) and representative cross-sections have been plotted (Figures 3, 4, 5).

Diamond core has been logged geologically in the field and then transported to Perth for further mark-up and orientation. Once the core has been sawn in half along its length, it will be sampled for mineralogical and geochemical studies.

Results

1. RC Drilling

All the RC holes intercepted intervals with magnetic susceptibility ranging from 1,000-60,000 SI units and an average Fe (iron) content up to 34.5% (Table 2). Drill-holes on sections in the central portion of the anomaly (Trailer laydown, Spinifex Hill and Northern Discovery) have reported the broadest down-hole intercepts with magnetic susceptibility typically in the range of 10,000-60,000 SI units and Fe-contents typically around 30%.

The broadest intercept is reported from YAR100 on the Spinifex Hill section and is represented by 156m @ 28.3% Fe. YAR100 finished in mineralization and therefore is open at depth (Fig 2, 4 and Table 2), as are holes YAR098, YAR099, YAR102, YAR103 and YAR109.

A feature of the RC drilling has been the variation in the thickness and Fe-grade of the magnetite mineralization in adjacent drill-holes. This is attributed to a combination of factors that include the following.

1. The cross-sections potentially representing different parts of a mineralized system that extends over a strike length of about 12km.
2. The adjacent drill-holes potentially reflecting an inter-fingering of the magnetite-bearing rocks with volcanic and associated clastic intervals and/or the tight folding and small-scale faulting.

Other significant geological results from the drilling impacting the planning of follow-up exploration programmes include:.

1. The western margin of the magnetite-bearing schists appears to be truncated by an unconformity in the Palaeo-Proterozoic rocks of the Ashburton Trough.
2. To the north of YAR104-YAR105, the "over-burden" thickness of flat-lying sands and conglomerates associated with the development of the Carnarvon Basin increases to about 50m thick in the area of YAR108-YAR109.
3. The effects of weathering (surface oxidation) in areas which have outcropping magnetite mineralisation decrease markedly at about 30m below surface.
4. The magnetite-rich intervals have low sulphide content and no asbestiform minerals.

Further drilling will be required to establish the true thickness, grade and extent of magnetite mineralization within each of the high priority magnetic anomalies which typically cover a surface area of about 200-500m by 1000-2000m.

2. Diamond Drilling

The three diamond drill-holes were located at accessible sites in proximity to some of the RC drill-holes (Fig 2; Table 1). The diamond-core provides the first direct evidence of the host for the magnetite mineralization and the associated rock-types in the sequence which the surface evidence suggests has an overall dip steeply (approximately 70°) to the south-west. All the holes recovered intervals with magnetite mineralization in variably siliceous and chloritic metasediments (Table 3). The thickest intercept is reported as 66.6m in YARDDH003 from 385.3 to 451.8m. The core also records strong evidence of tight folding in units which show well developed bedding features.

<u>Further Work</u>

Intervals from the RC drill samples have been sampled for magnetite mass-recovery by Davis Tube and will be submitted to Bureau Veritas for analysis. The diamond drill-core is currently being orientated between the marker blocks and the planar geological structures are being measured. The results from this work will assist with the development of a more comprehensive three dimensional geological model. Sample intervals for physical properties such as specific gravity, compressive strength and representative geochemistry and larger scale recovery of magnetite by crushing and LIMS recovery are also being selected.

Results will be reported as they become available.

Comments

*Dr Rob Ramsay, the Company's Senior Geologist made the following comments. "This recently completed drilling in the Ashburton provides an improved geological framework to prioritise intervals within the magnetically active zone for further work. The results confirm a shallow (<50m) interval of weathering and an absence of asbestiform minerals. The broad down-hole intercepts with high magnetic susceptibility and Fe-contents greater than 15% require metallurgical studies to assist with selecting the most prospective portions of the large-sale magnetic anomaly for follow-up exploration."*

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 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.

Table 1. Summary of the 2015 RC and diamond drill-hole locations within the Ashburton Prospect.

| Drill-hole | Section | Easting | Northing | Declination | Azimuth | Depth |
|---|---|---|---|---|---|---|
| YAR094 | Southern Discovery | 400633 | 7608578 | 60 | 50 | 198 |
| YAR095 | Southern Discovery | 400584 | 7608557 | 60 | 50 | 198 |
| YAR096 | Southern Discovery | 400413 | 7608950 | 60 | 50 | 198 |
| YAR097 | Southern Discovery | 400374 | 7608921 | 60 | 50 | 198 |
| YAR098 | Trailer Laydown | 399221 | 7611930 | 60 | 50 | 204 |
| YAR099 | Trailer Laydown | 399172 | 7611914 | 60 | 50 | 198 |
| YAR100 | Spinifex Hill | 398272 | 7613234 | 60 | 50 | 198 |
| YAR101 | Spinifex Hill | 398240 | 7613217 | 60 | 50 | 198 |
| YAR102 | Northern Discovery | 397986 | 7614443 | 60 | 50 | 198 |
| YAR103 | Northern Discovery | 397893 | 7614380 | 60 | 50 | 197 |
| YAR104 | Northern Discovery | 398042 | 7614951 | 60 | 50 | 198 |
| YAR105 | Northern Discovery | 398004 | 7614925 | 60 | 50 | 198 |
| YAR106 | Northern Extension | 396914 | 7616607 | 60 | 50 | 198 |
| YAR107 | Northern Extension | 396887 | 7616587 | 60 | 50 | 198 |
| YAR108 | Northern Extension | 396429 | 7617269 | 60 | 50 | 198 |
| YAR109 | Northern Extension | 396291 | 7617182 | 60 | 50 | 198 |
| YARDDH001 | Southern Discovery | 400368 | 7608912 | 50 | 50 | 528.6 |
| YARDDH002 | Trailer Laydown | 399135 | 7611881 | 60 | 50 | 510.8 |
| YARDDH003 | Northern Discovery | 397920 | 7614400 | 60 | 50 | 531.6 |

Eastings and Northings in GDA, Zone 50.

Table 2. Summary of the down-hole intervals with elevated magnetic susceptibility readings.

| Drill Line | Hole No | From | to | Interval | Fe_% | Max Fe_% | Comment |
|---|---|---|---|---|---|---|---|
| Southern Discovery | YAR094 | 5* | 42 | 37 | 20.59 | 31.97 | Oxidised |
| | YAR094 | 56 | 129 | **68** | **20.13** | 31.95 | |
| | YAR094 | 128 | 134 | 6 | 11.94 | 16.41 | |
| | YAR094 | 144 | 163 | 18 | 16.12 | 24.2 | |
| | | | | | | | |
| Southern Discovery | YAR095 | 36 | 81 | 45 | 26.22 | 33.8 | Oxidised |
| | YAR095 | 83 | 147 | **64** | **21.46** | 31.35 | |
| | | | | | | | |
| Southern Discovery | YAR096 | 19 | 51 | 32 | 21.41 | 35.8 | Oxidised |
| | YAR096 | 62 | 102 | **40** | **25.51** | 31.73 | |
| | YAR096 | 162 | 168 | 6 | 18.48 | 16.81 | |
| | | | | | | | |
| Southern Discovery | YAR097 | 100 | 102 | 3 | 11.20 | 17.2 | |
| | YAR097 | 107 | 113 | 6 | 19.18 | 21.67 | |
| | YAR097 | 118 | 132 | **14** | **22.99** | 32.93 | |
| | | | | | | | |
| Trailer Laydown | YAR098 | 3* | 52 | **49** | **22.60** | 30.16 | Open/Oxidised |
| | YAR098 | 59 | 79 | 20 | 19.52 | 26.21 | |
| | YAR098 | 84 | 88 | 4 | 18.85 | 20.65 | |
| | YAR098 | 104 | 117 | 13 | 18.76 | 30.74 | |
| | YAR098 | 121 | 136 | 14 | 20.18 | 28.49 | |
| | YAR098 | 142 | 151 | 9 | 18.62 | 30.07 | |
| | YAR098 | 155 | 177 | 22 | 21.71 | 27.46 | |
| | YAR098 | 183 | 201* | 18 | 21.54 | 28.91 | Open |
| | | | | | | | |
| Trailer Laydown | YAR099 | 5* | 58 | **53** | **24.62** | 33.87 | Open/Oxidised |
| | YAR099 | 80 | 112 | 32 | 24.58 | 29.08 | |
| | YAR099 | 117 | 120 | 3 | 26.63 | 28.4 | |
| | YAR099 | 125 | 187 | **62** | **26.35** | 34.8 | |
| | | | | | | | |
| Spinifex Hill | YAR100 | 42 | 198* | **156** | **28.30** | 35.56 | Open |
| | | | | | | | |
| Spinifex Hill | YAR101 | 31 | 63 | 32 | 20.10 | 36.99 | Oxidised |
| | YAR101 | 63 | 143 | **80** | **31.10** | 38.67 | |
| | YAR101 | 155 | 163 | 8 | 25.49 | 32.74 | |
| | YAR101 | 174 | 198* | 24 | 31.07 | 34.38 | Open |
| | | | | | | | |
| Northern Discovery | YAR102 | 3* | 65 | **62** | **34.54** | 43.42 | Open/Oxidised |
| | YAR102 | 72 | 96 | 24 | 24.85 | 35.63 | |
| | YAR102 | 107 | 111 | 4 | 23.68 | 32.22 | |
| | YAR102 | 119 | 132 | 13 | 17.95 | 24.86 | |
| | YAR102 | 139 | 155 | 16 | 18.79 | 24.74 | |
| | YAR102 | 174 | 180 | 6 | 23.14 | 27.54 | |

| Drill Line | Hole No | From | to | Interval | Fe_% | Max Fe_% | Comment |
|---|---|---|---|---|---|---|---|
| | YAR102 | 184 | 190 | 6 | 15.23 | 17.88 | |
| | YAR102 | 194 | 198* | 4 | 15.75 | 16.66 | Open |
| | | | | | | | |
| Northern Discovery | YAR103 | 66 | 76 | 10 | 24.79 | 31.39 | Oxidised |
| | YAR103 | 148 | 197* | **49** | **26.94** | 37.56 | Open |
| | | | | | | | |
| Northern Discovery | YAR104 | 35 | 52 | 16 | 30.72 | 34.78 | |
| | YAR104 | 82 | 105 | **23** | **19.87** | 28.77 | |
| | | | | | | | |
| Northern Discovery | YAR105 | 71 | 106 | **35** | **33.27** | 37.53 | |
| | YAR105 | 134 | 143 | 9 | 18.40 | 23.79 | |
| | | | | | | | |
| Northern Extension | YAR106 | 73 | 89 | **16** | **32.44** | 36.83 | |
| | YAR106 | 118 | 138 | 20 | 19.84 | 29.99 | |
| | | | | | | | |
| Northern Extension | YAR107 | 98 | 132 | **34** | **31.69** | 36.31 | |
| | YAR107 | 139 | 144 | 6 | 20.36 | 30.24 | |
| | YAR107 | 168 | 177 | 9 | 17.28 | 20.71 | |
| | | | | | | | |
| Northern Extension | YAR108 | 108 | 126 | **18** | **28.51** | 35.23 | |
| | YAR108 | 134 | 138 | 4 | 22.16 | 31.34 | |
| | YAR108 | 168 | 187 | 19 | 19.26 | 24.76 | |
| | | | | | | | |
| Northern Extension | YAR109 | 169 | 198* | **29** | **20.41** | 27.74 | Open |

Table 3 Summary of the magnetite-bearing intercepts from the 2015 diamond drill-holes into the Ashburton schists.

| Hole Number | From | To | Interval | Description |
|---|---|---|---|---|
| YARDDH001 | 122.6 | 126.7 | 4.1 | Magnetite chlorite quartz schist |
| | 198.5 | 225.4 | 26.9 | Magnetite chlorite quartz schist |
| | 299.4 | 313.1 | 13.7 | Magnetite chlorite quartz schist |
| | 414.7 | 420.5 | 5.8 | Magnetite quartz schist |
| | 424.4 | 425.7 | 1.3 | Magnetite chlorite schist |
| | 438.1 | 490.2 | 52.1 | Magnetite quartz schist. |
| | 496.1 | 498.2 | 2.1 | Magnetite chlorite quartz schist |
| | 501.3 | 502.8 | 1.5 | Magnetite quartz schist |
| | 511.2 | 516.1 | 4.9 | Magnetite quartz schist |
| YARDDH002 | 70.5 | 117.7 | **47.2** | Magnetite chlorite quartz schist |
| | 119.2 | 136.8 | 17.6 | Magnetite chlorite quartz schist |
| | 138.8 | 186.3 | **47.5** | Magnetite chlorite quartz schist |
| | 225 | 226.8 | 1.8 | Magnetite chlorite quartz schist |
| | 321.3 | 336.1 | 14.8 | Magnetite chlorite quartz schist |
| | 337.9 | 338.9 | 1 | Magnetite chlorite schist |
| | 386.9 | 406.6 | 19.7 | Magnetite chlorite quartz schist |
| | 415.8 | 416 | 0.2 | Magnetite chlorite quartz schist |

| Hole Number | From | To | Interval | Description |
|---|---|---|---|---|
| | 419.1 | 419.5 | 0.4 | Magnetite chlorite quartz schist |
| | 435.2 | 440.6 | 5.4 | Magnetite chlorite quartz schist |
| | 510.1 | 510.8* | 0.7 | Magnetite chlorite quartz schist |
| YARDDH003 | 35.1 | 56 | 20.9 | Magnetite quartz |
| | 103.5 | 146.1 | 42.6 | Magnetite chlorite quartz schist |
| | 152.3 | 153.6 | 1.3 | Magnetite chlorite quartz schist |
| | 213.9 | 233.8 | 19.9 | Magnetite chlorite quartz schist |
| | 237.7 | 241.3 | 3.6 | Magnetite chlorite schist |
| | 249.6 | 256.7 | 7.1 | Magnetite chlorite schist |
| | 267.3 | 288.2 | 20.9 | Magnetite chlorite schist |
| | 315.8 | 316.9 | 1.1 | Magnetite chlorite schist |
| | 328.5 | 343.6 | 15.1 | Magnetite chlorite schist |
| | 375.4 | 384.2 | 8.8 | Magnetite chlorite quartz schist |
| | 385.3 | 451.8 | **66.5** | Magnetite chlorite quartz schist |
| | 451.8 | 492.6 | 40.8 | Magnetite chlorite quartz schist |
| | 496.4 | 506.4 | 10 | Magnetite chlorite schist |
| | 506.9 | 522.6 | 15.7 | Magnetite chlorite quartz schist |
| | 529 | 531.6* | 2.6 | Magnetite chlorite quartz schist |

*= End of hole open intercept in magnetite mineralization.

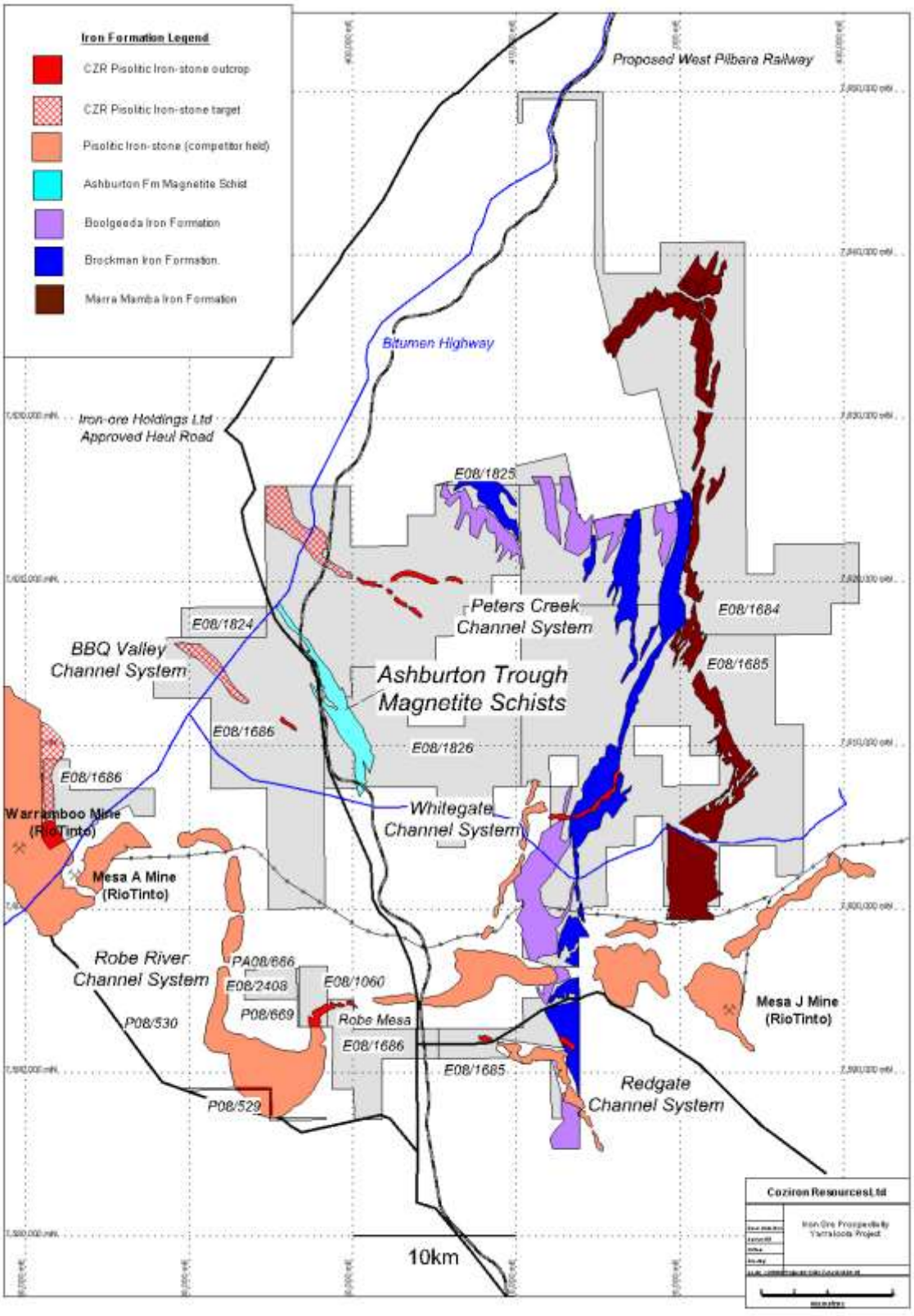


Fig 1. Location of Robe Mesa within the Robe River Channel system and the magnetite-schists in the Ashburton Trough on the Yarraloola Project, West Pilbara of Western Australia.

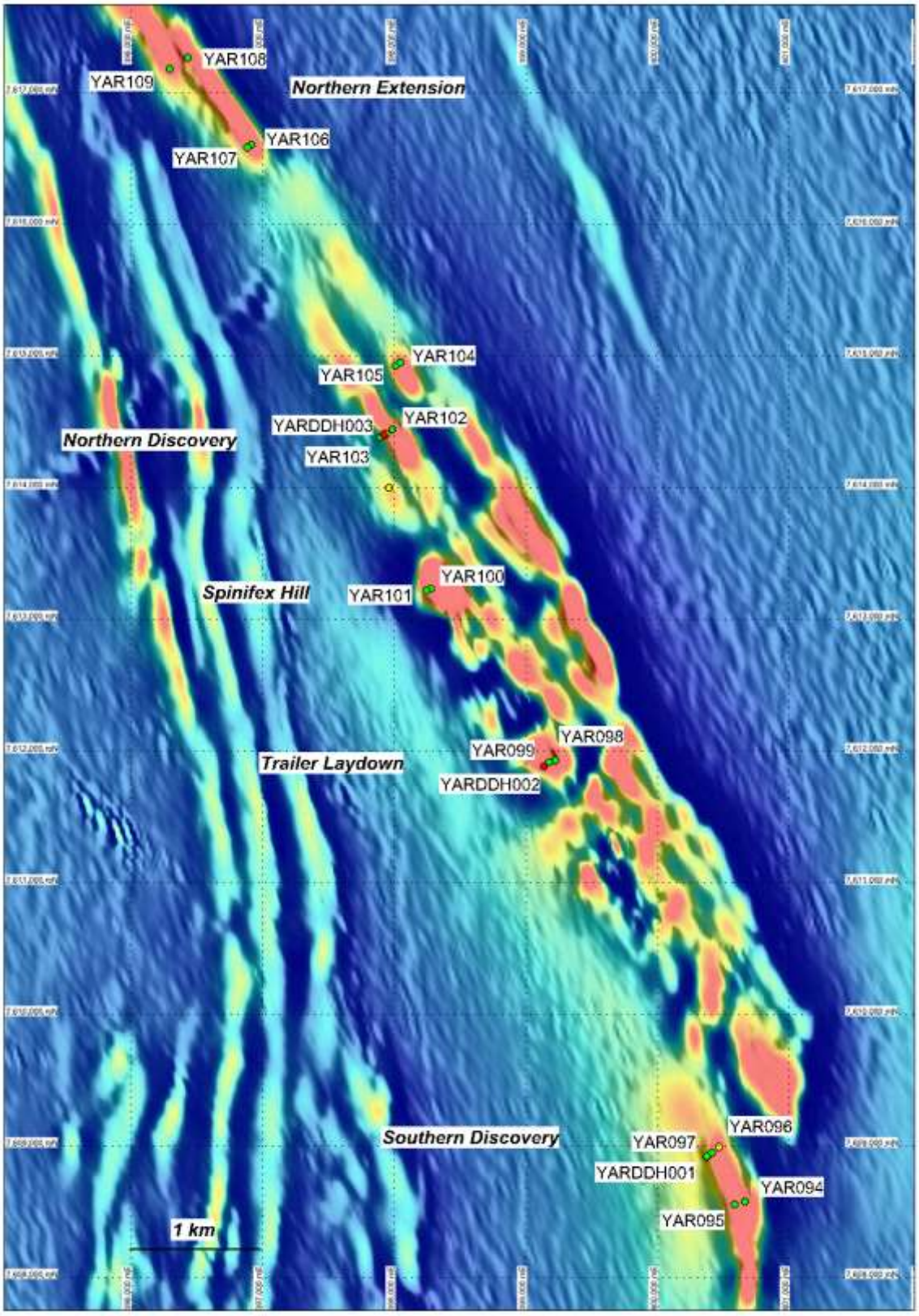


Fig 2. RC and diamond drill-collars for the magnetite-bearing sequence in the Ashburton Trough overlain on the 1VD magnetic imagery. (Green circles = 2015 RC, Yellow = 2014 RC, Red = 2015 diamond hole).

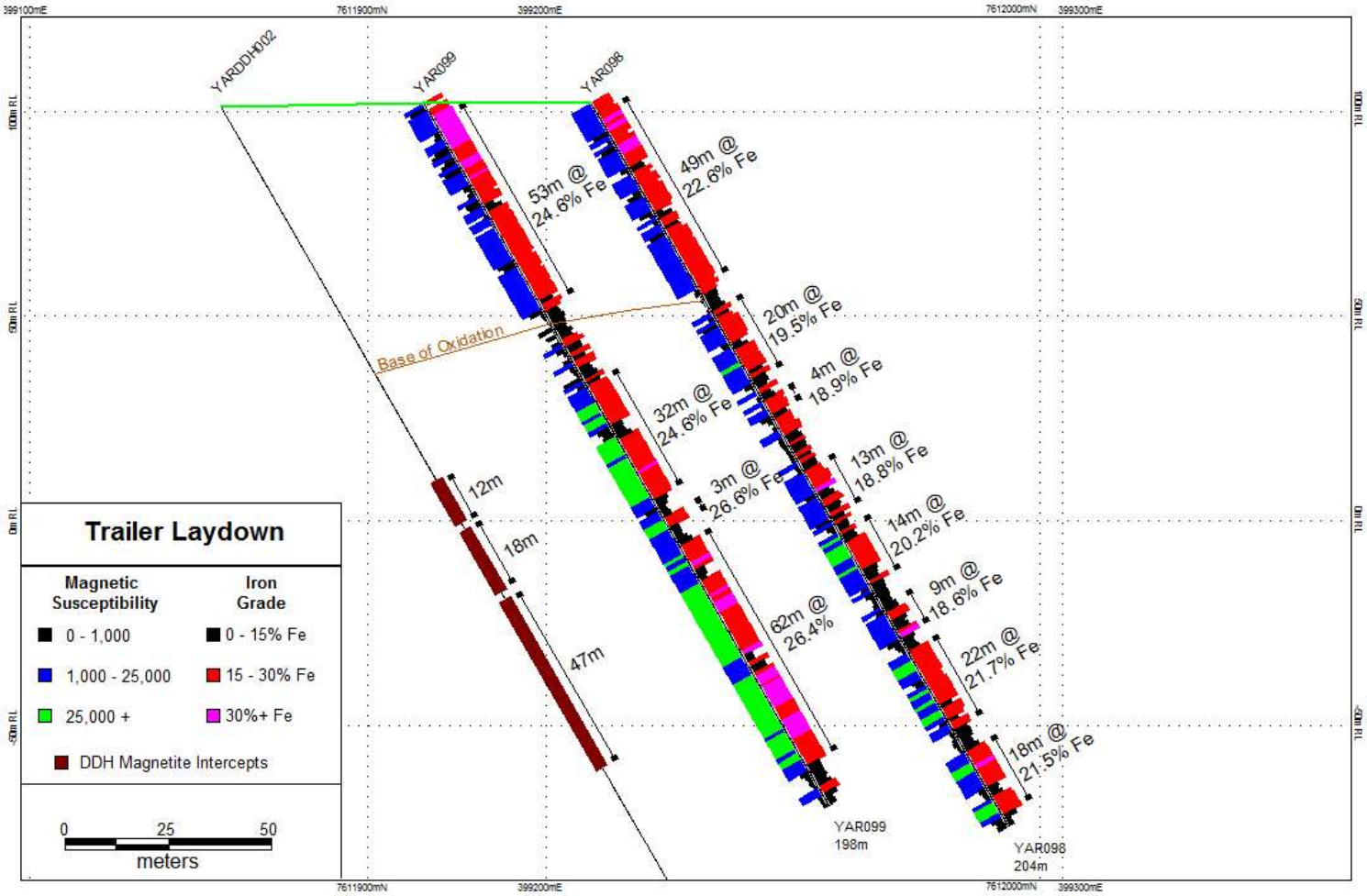


Fig 3 Trailer Laydown Cross-Section – YAR098, YAR099 and YARDDH002 showing magnetic susceptibility on the lower and Fe-content on the upper sides of the drill-hole traces

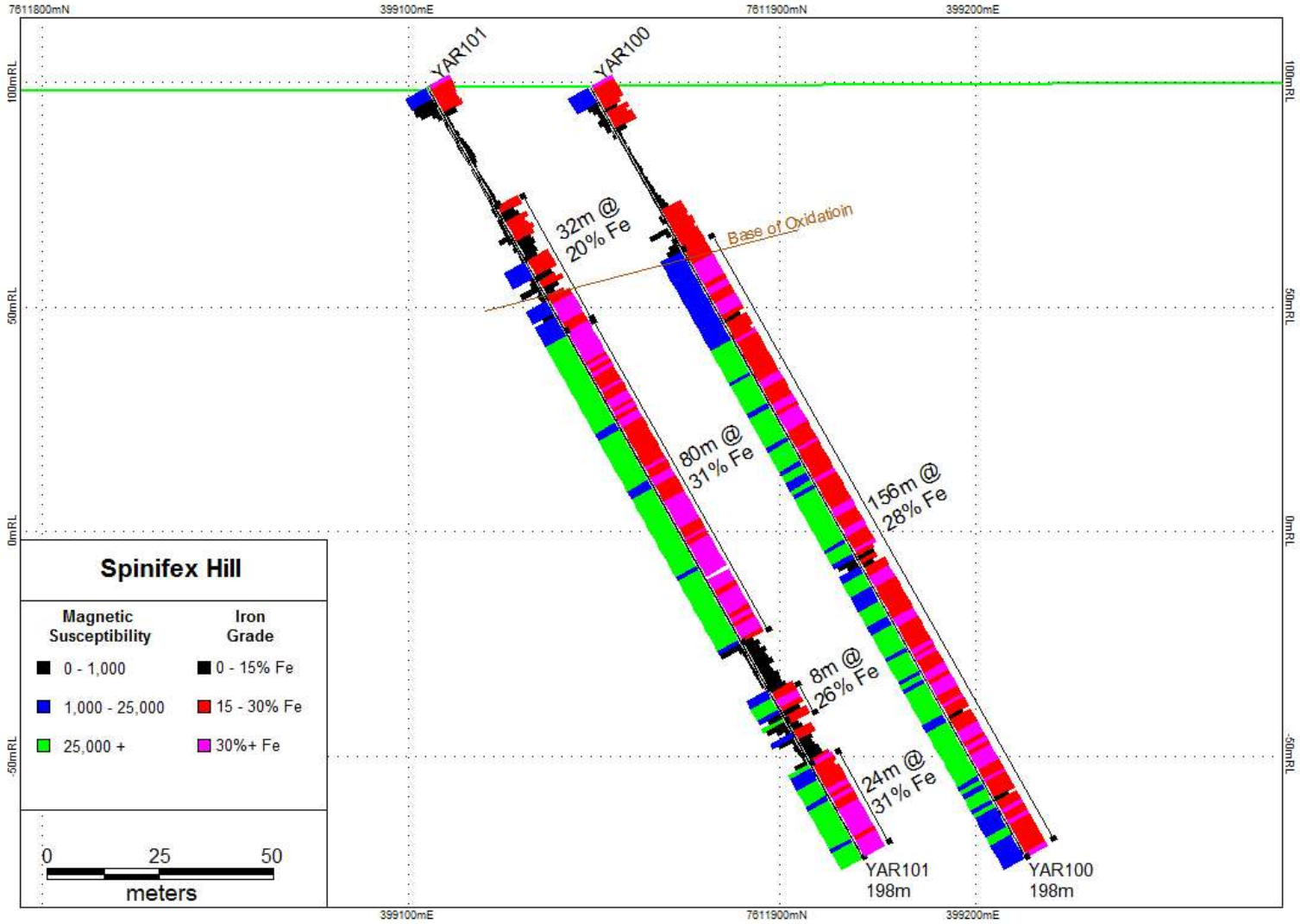


Fig 4 Spinifex Hill Cross-Section – YAR100 and YAR101 showing magnetic susceptibility on the lower and Fe-content on the upper sides of the drill-hole traces.

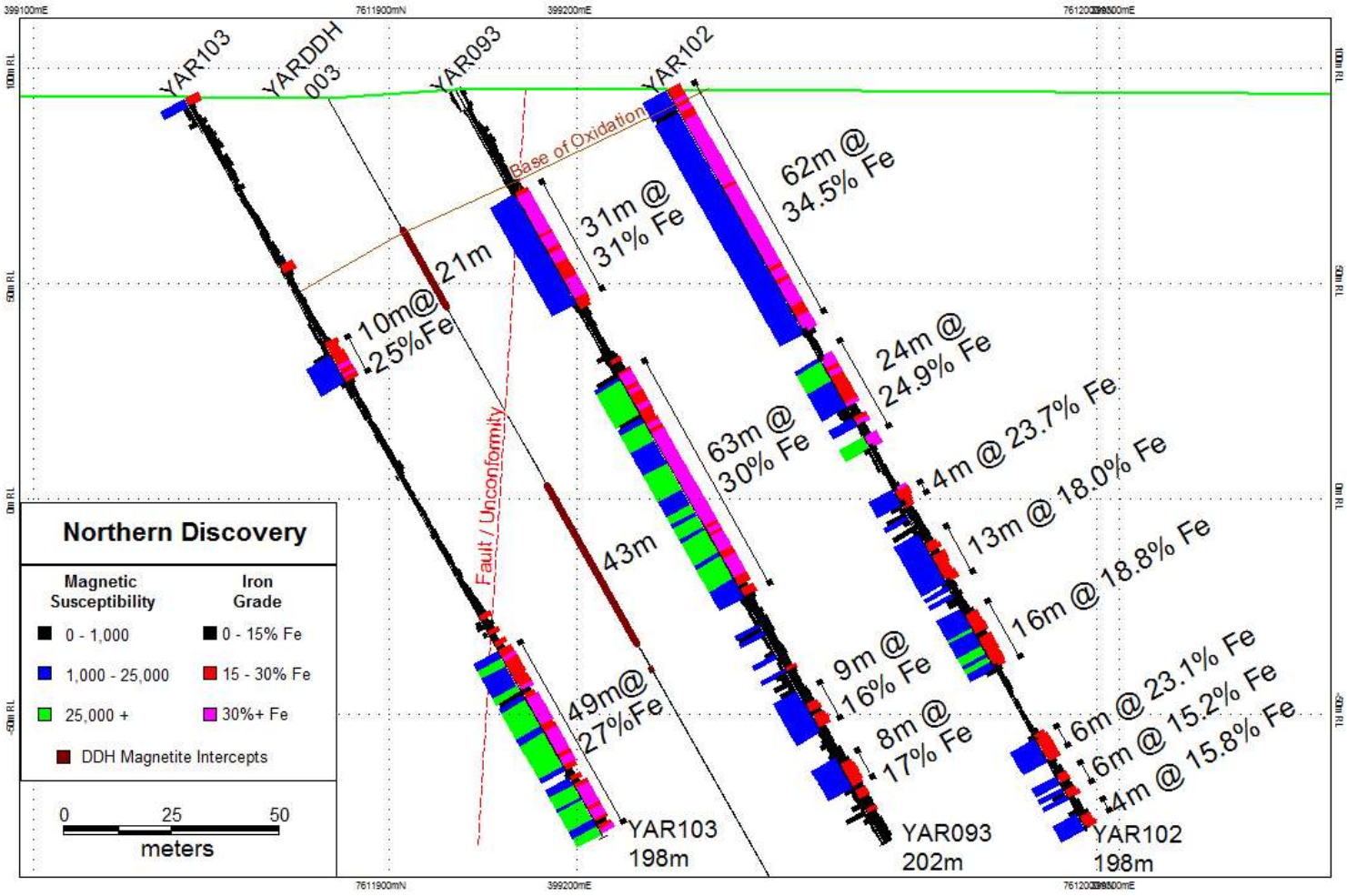


Fig 5. Northern Discovery Cross-section - YAR102, YAR093 (drilled 2014), YARDDH003 and YAR103 showing magnetic susceptibility on the lower and Fe-content on the upper sides of the drill-hole traces.

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.* | RC samples are derived from 5.5" (140mm) reverse circulation drilling holes with continuous down-hole sampling and HQ and NQ diamond drill-core is available for future work. |
| | • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* | All RC drill cuttings pass through a cone splitter and samples are 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. Diamond core is continuous and yet to be sampled |
| | • *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 RC drill-chip sample was dried and pulverized at Bureau Veritas Laboratories in Perth. Western Australia. A sub sample was fused with a lithium carbonate flux and the "extended iron-ore suite" of major oxide and selected trace-element analysis obtained by XRF Spectrometry on the disk. Au, Pt Pd has also been obtained by fire assay on a 50g sample charge. |
| *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).* | Reverse circulation (RC) holes using a 5.5" (140mm) face-sampling percussion hammer. Diamond drilling uses HQ to approximately 200m and NQ recovery to the end of hole. |
| *Drill sample recovery* | • *Method of recording and assessing core and chip sample recoveries and results assessed.* | RC 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. Measurements indicate diamond core recovery beneath the uppermost interval of intense weathering is excellent. |
| *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 and magnetic susceptibility measured by hand held MagRock metre. 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 RC drill holes are logged at 1m intervals, for the entire length of each hole. All diamond core is measured to check the recovery and the entire hole is described for geology |

| | | |
|---|---|---|
| *Sub-sampling techniques and sample preparation* | • *If core, whether cut or sawn and whether quarter, half or all core taken.* | Geochemical sampling of the core has not commenced only geological and physical properties of whole core are being reported at this stage. |
| | • *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 cone splitter attached to the drill rig. 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 cone-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.* | The geochemical data being reported is whole rock XRF on fused disk and is a total assay method for major element oxide analysis.. |
| | • *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.* | Coziron introduces field-collected duplicates at a ratio of about 1:20. |
| *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 an early stage exploratory drill programme. |
| | • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* | Data is delivered as both an electronic file and in pdf format by Bureau Veritas and the data is loaded into a Microsoft access database. The loaded data is regularly checked by a competent person against the pdf file to ensure all the oxides and elements are loaded into the correct fields. |
| | • *Discuss any adjustment to assay data.* | Assay data is not adjusted. |
| *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 drill holes are located to examine the sub-surface geology associated with a series of 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.* | All geochemical data reported is derived from the 1m interval samples. |
| *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 sequence that dips at about 70 to the south-west |
| | • *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, packed in bulka bags and transported by RGR Transport from site directly to Bureau Veritas 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. |

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| | | 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.<br><br>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 will provide future surface control. |
| | ○ *dip and azimuth of the hole* | All holes in the Ashburton are -60 to 050. |
| | ○ *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. |
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| *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.* | Reported down-hole intercepts have magnetic susceptibility greater than 5000 times the host-rock sequence. 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.* | The aggregate intercepts reported are calculated averages of 1m interval samples. |

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| | • *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. Three representative sections are reported showing down-hole magnetic susceptibility and iron-content. |
| *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 focus 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. |
| *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, geochemical analysis, 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 with high magnetic responses have been identified in Fig 2. |
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