

Robe Mesa Iron Ore Project, Pilbara

**CZR and Red Hill Iron to co-operate on
shared haul road and port infrastructure**

Plan to unlock synergies and lower costs

Highlights

- CZR Resources Limited (CZR) and Red Hill Iron Limited (RHI) will jointly assess the feasibility of shared iron ore export routes from their respective iron ore developments, located only 12km apart in the Pilbara (Figure 1)
- By jointly developing road and port infrastructure, CZR and RHI have the potential to make significant cost savings
- CZR is developing the Robe Mesa iron ore deposit, which is an extension of Rio Tinto's Mesa F deposit; RHI owns the Pannawonica Project comprising the Redgate and Whitegate deposits
- CZR recently updated the Robe Mesa Mineral Resource to 37.5Mt at 56% Fe (62.6% Fe calcined)¹ and is in the process of drilling the northern strike extension ahead of a revised Mineral Resource and Ore Reserve estimate
- RHI's Pannawonica Project has a Mineral Resource of 62.5Mt at 53.4% Fe² and Ore Reserve of 4.7Mt at 56% Fe³ (61.0% Fe calcined⁴)
- CZR and RHI recently completed joint environmental and topographic surveys of potential haul routes

CZR Resources (ASX: CZR) is pleased to announce that it has signed a co-operation agreement with Red Hill Iron (ASX: RHI) under which the two companies will assess and potentially develop shared road and port infrastructure to support their neighbouring Pilbara iron ore development projects.

The Robe Mesa and Pannawonica Projects are located in close proximity and stand to benefit from shared infrastructure.

The pair recently completed a joint environmental and topographic survey as part of studies to assess a single haulage route linking both projects to the North West Coastal Highway.

The co-operation agreement contains a cost-sharing mechanism through the study phase for the proposed haulage route and (subject to study outcomes) is intended to facilitate the conclusion of an access agreement providing both parties with access to a joint haulage route. The co-operation agreement also provides a framework for the parties to reach agreement on a further co-operation agreement to assess and potentially develop joint port export facilities.

Establishing a single, jointly developed road and port potentially provides both CZR and RHI with significant capital savings and operating cost synergies.

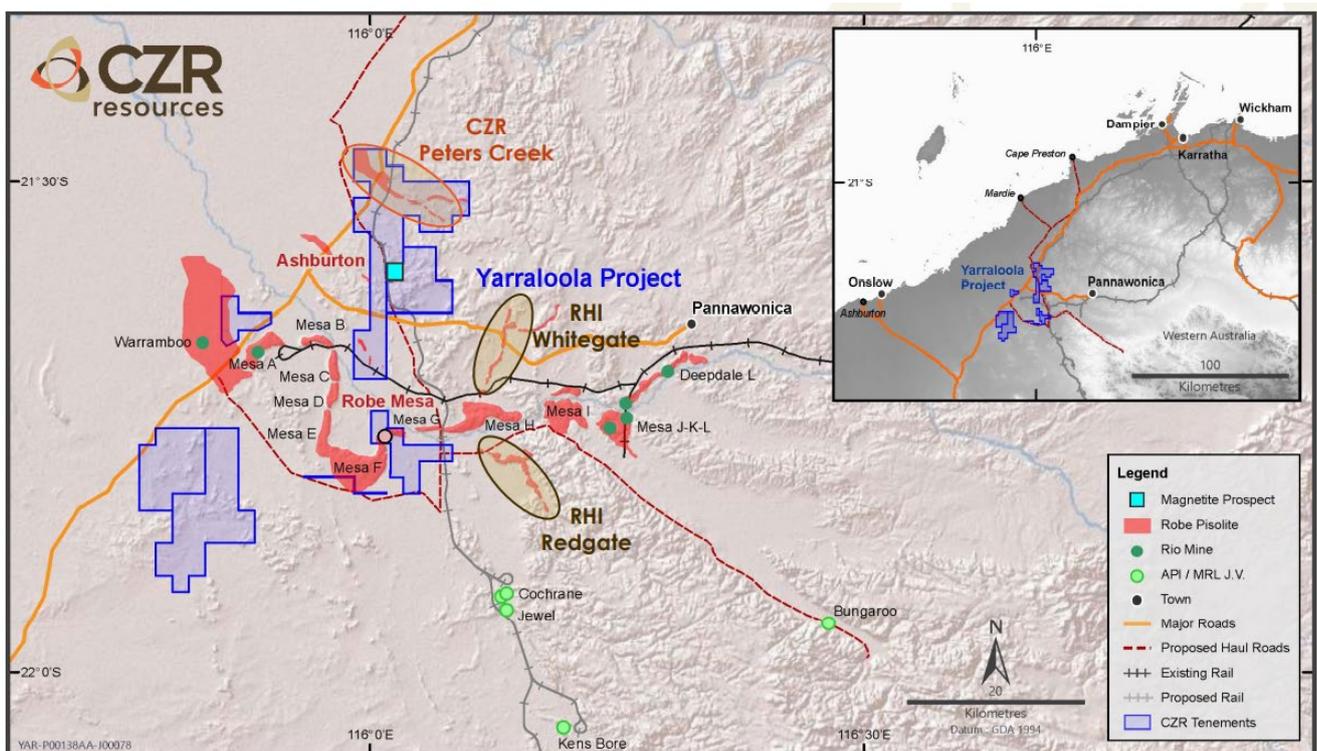


Figure 1. CZR’s Yarraloola project and Robe Mesa deposit and Red Hill Iron’s Whitegate and Redgate deposits (Pannawonica Project), showing local infrastructure and iron ore deposits. Insert map showing regional infrastructure

CZR Managing Director Stefan Murphy and RHI Chief Executive Officer Michael Wall agree that jointly developing a single export route made a lot of sense for both companies.

“Given we are both developing projects in the same area, a single export route would deliver significant savings through efficiency gains and removing duplicated infrastructure,” Mr Murphy said.

“Increased iron ore export volumes, delivered from both operations, also allows us to explore larger, more cost-effective export solutions”.

Mr Wall said: “We are excited to be working with Stefan and his team to make the most of these efficiencies to progress our projects.

“Working together has had the added benefit of being able to secure and share consultants in a competitive market.”

Robe Mesa Overview

The Robe Mesa deposit sits within the Robe Valley Channel Iron Deposits (Robe Valley CID), adjacent to the Robe River JV operations. The Robe River JV (Rio Tinto 53%, Mitsui 33%, Nippon Steel 14%), operated by Rio Tinto, has been mining Robe Valley CID since the 1970s and has current mining operations at Mesa A, Warrambo and Mesa J, with rail linking to export facilities at Cape Lambert (Figure 1).

The Robe River JV invested \$1.7B in the Robe Valley JV to replace production from existing mines at Mesa A, Warrambo and Mesa J. Production commenced at Mesa B, C and H in August 2021 and there is extensive drilling underway at Mesa F, effectively surrounding CZR’s Robe Mesa deposit.

CZR commenced a Definitive Feasibility Study (DFS) on Robe Mesa in 2021, building off the positive Prefeasibility Study (PFS) completed in December 2020.

During the June quarter, CZR reported a material 52% increase in the JORC Resource from 24.7Mt to 37.5Mt. The expanded Mineral Resource reflects the strong assay results reported in the March Quarter, which revealed the presence of extensive direct shipping iron ore (DSO) outside the PFS pit designs.

The new Mineral Resource estimate is consistent with CZR’s strategy to increase mine life and forecast production rate while maintaining similar iron ore specifications to its peers and the adjoining Robe Valley operations.

This announcement is authorised for release to the market by the Board of Directors of CZR Resources Limited.

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1. Refer CZR ASX Announcement dated 2 June 2022 titled “CZR set for significant growth as Mineral Resource increases by 52%”.
2. Refer Red Hill Iron ASX “Independent Mineral Resource Estimate for the Pannawonica Iron Ore Project Compliant with JORC Code (2012)” Announcement Dated 18 February 2014.
3. Refer Red Hill Iron ASX “Pannawonica Iron Ore Project – Ore Reserve Statement Update” Announcement Dated 23 July 2021.
4. Fe calcined is the calcined iron-content calculated as $(Fe\% / (100 - LOI\%)) * 100$ and represents the amount of iron after the volatiles (mainly held as weakly bound water in the structure of the hydrous iron-rich minerals) is excluded from the analysis.

Forward Looking Statements

This announcement contains “forward-looking information” that is based on CZR’s expectations, estimates and projections as of the date on which the statements were made. This forward-looking information includes, among other things, statements with respect to the pre-feasibility study, CZR’s business strategy, plan, development, objectives, performance, outlook, growth, cashflow, projections, targets and expectations, mineral resources, ore reserves, results of exploration and related expenses. Generally, this forward looking information can be identified by the use of forward-looking terminology such as ‘outlook’, ‘anticipate’, ‘project’, ‘target’, ‘likely’, ‘believe’, ‘estimate’, ‘expect’, ‘intend’, ‘may’, ‘would’, ‘could’, ‘should’, ‘scheduled’, ‘will’, ‘plan’, ‘forecast’, ‘evolve’ and similar expressions. Persons reading this announcement are cautioned that such statements are only predictions, and that CZR’s actual future results or performance may be materially different. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause CZR’s actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information.

Forward-looking information is developed based on assumptions about such risks, uncertainties and other factors set out herein, including but not limited to general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices and demand of iron and other metals; possible variations of ore grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accident, labour disputes and other risks of the mining industry; and delays in obtaining governmental approvals or financing or in the completion of development or construction activities. This list and the further risk factors detailed in the remainder of this announcement are not exhaustive of the factors that may affect or impact forward-looking information. These and other factors should be considered carefully, and readers should not place undue reliance on such forward-looking information. CZR disclaims any intent or obligations to revise any forward-looking statements whether as a result of new information, estimates, or options, future events or results or otherwise, unless required to do so by law.

Statements regarding plans with respect to CZR’s mineral properties may contain forward-looking statements in relation to future matters that can only be made where CZR has a reasonable basis for making those statements. Competent Person Statements regarding plans with respect to CZR’s mineral properties are forward looking statements. There can be no assurance that CZR’s plans for development of its mineral properties will proceed as expected. There can be no assurance that CZR will be able to confirm the presence of mineral deposits, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of CZR’s mineral properties.

CZR believes it has a reasonable basis for making the forward looking statements in this Announcement, including with respect to any production targets and economic evaluation, based on the information contained in CZR’s ASX announcement entitled “Pre-Feasibility Study finds Robe Mesa iron ore project is technically robust with potential to generate strong financial returns” dated 10 December 2020. CZR confirms that it is not aware of any new information or data that materially affects the production targets contained in the previous announcement of the PFS and all material assumptions underpinning the production targets and economic valuation in the previous market announcement continue to apply and have not materially changed.

CZR confirms that it is not aware of any new information or data that materially affects the information included in the CZR announcement dated 2 June 2022 and in the case of estimates of the Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

Competent Person Statement

The information in this announcement that relates to exploration activities and exploration results is based on information compiled by Stefan Murphy (BSc), a Competent Person who is a Member of the Australian Institute of Geoscientists. Stefan Murphy is Managing Director of CZR Resources, holds options in the Company and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a ‘Competent Person’ as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’ (JORC Code).

Stefan Murphy has given his consent to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.