Coziron Resources Ltd: ASX - CZR

Pilbara Iron-Ore

Maiden JORC Resource & New Volcanic Hosted Magnetite Discovery

February 2015

www.coziron.com
Disclaimer

This presentation has been prepared by Coziron Resources Limited ("CZR"). The information contained in this presentation is a professional opinion only and is given in good faith. Certain information in this document has been derived from third parties and though CZR has no reason to believe that it is not accurate, reliable or complete, it has not been independently audited or verified by CZR. Any forward-looking statements included in this document involve subjective judgment and analysis and are subject to uncertainties, risks and contingencies, many of which are outside the control of, and may be unknown to, CZR. In particular, they speak only as of the date of this document, they assume the success of CZR’s strategies, and they are subject to significant regulatory, business, competitive and economic uncertainties and risks. Actual future events may vary materially from the forward-looking statements and the assumptions on which the forward-looking statements are based. Recipients of this document (Recipients) are cautioned not to place undue reliance on such forward-looking statements. CZR makes no representation or warranty as to the accuracy, reliability or completeness of information in this document and does not take responsibility for updating any information or correcting any error or omission which may become apparent after this document has been issued. To the extent permitted by law, CZR and its officers, employees, related bodies corporate and agents (Agents) disclaim all liability, direct, indirect or consequential (and whether or not arising out of the negligence, default or lack of care of CZR and/or any of its Agents) for any loss or damage suffered by a Recipient or other persons arising out of, or in connection with, any use or reliance on this presentation or information.

This presentation is not an offer, invitation, solicitation or recommendation with respect to the subscription for, purchase or sale of any security, and neither this presentation nor anything in it shall form the basis for any contract or commitment whatsoever.

All amounts in Australian dollars unless stated otherwise.

Competent Persons Statement

The information in this report that relates to mineral resources, exploration activities and results is based on information compiled by Rob Ramsay (BSc Hons, MSc, PhD) who is a Member of the Australian Institute of Geoscientists. Rob Ramsay is a full-time Consultant Geologist for Coziron and has sufficient experience which 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”. Rob 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.
5 exploration projects acquired from leading Australian prospector – Mark Creasy

Acquired 85% interest in Yarraloola, KingX and Buddadoo Projects for total issue of 500M shares @ deemed value of $15M and 70% interest in Yarrie Project for 100m shares @ $0.02/share and $711k for prior expenses

Currently holds option to acquire 70% of the Shepherds Well Project

Focus on exploration for direct shipping iron-ore and new magnetite sources from the Pilbara projects
Yarraloola Project
Strategically located, infrastructure rich, large scale Pilbara Iron-Ore Potential

- **1,436km² tenement package** within 20km - 100km of Cape Preston East and bisected by embedded and emerging iron-ore transport infrastructure solutions
- Surrounded by major (500Mt+ DSO deposits) iron-ore producers and explorers – adjacent to CITIC Pacific’s Sino Iron project, Rio Tinto’s Mesa A and Mesa J Mines, Baosteel / API JV and adjacent to BCI’s Bungaroo South Project
- Multiple, large-scale exploration targets covering 4 different styles of iron-ore mineralisation with prospective iron formation extending over a strike length of ~50km
- BC Iron (ASX:BCI) have approval for a new haul-road through Yarraloola and Shepherds Well from their Buckland Project to a new port at Cape Preston East
- Baosteel / Aurizon aiming to develop a new railway through Yarraloola
- Abundant energy with natural gas pipelines crossing the project and fresh ground water
Yarraloolo Project – Maiden JORC DSO Resource at Robe Mesa

- 25 RC drill hole program in late 2014 resulted in maiden JORC compliant resource of 73.1Mt @ 53.1% Fe (equivalent FeCa* of 60.4%)# in the Robe Mesa Channel Iron Deposit (CID)

- Highlights from the 25 RC drill hole program included
  - Multiple 20m+ zones of 60%+ FeCa.
  - Two zones of mineralisation, with each of the upper and lower zones typically ~10-20m thick
  - Low phosphorus (<0.05%)
  - Thickest interval reported was 43m at 54.1% Fe (FeCa = 60.02%).
  - Extensions to current resource to be tested on 3 sides.

* FeCa = iron content after volatiles (mostly crystalline water) are lost in early stage preparation for smelting

# Full details of the Mineral Resource are contained in the Company’s ASX announcement dated 3 February 2015
Yarraloola Project – Resource Development
Potential for multiple CID deposits

- Planned work to advance the Robe Mesa project from indicated to measured and test for resource extensions over next 6 months
  - 100 RC drill-holes totaling 3,000m to extend resource definition & confidence and outline higher grade zones
  - 6 diamond drill-holes totaling 500m for metallurgy and mineralogy
  - Commence mine plan studies – DTM, hydrology, environmental
  - Commission updated independent transport study
  - Commence reconnaissance drilling on 5 new CID targets as highlighted in red on the map adjacent
• 3 RC drill holes in late 2014 tested targets within magnetically active zones over a 12km strike length up to 1km wide.

• The 3 RC drill hole program intersected magnetite mineralisation in chloritic schists with geochemical signatures of intermediate to rhyolitic volcanics. Highlights included:
  
  • YAR091: 91m @ 25.4% Fe from surface.
  
  • YAR093: 29m @ 31.9% Fe (28-57m down-hole) and 55m @ 31.8% Fe (77-132m down-hole).
  
  • No asbestos minerals detected during drilling.

• Geological setting indicates magnetite mineralisation in an “Algoma” (volcanic) setting rather than a Hamersley-style.
Yarraloola Project – Indicative Magnetite Results

- Approximately 40km from CITIC’s Sino project and 70kms to the Cape Preston Port
- Grind-size analysis for Davis Tube studies indicate Yarraloola host-rock is “soft” and produces a high-quality concentrate recovered at <63 microns
- The implication is a potentially lower work-index with a lower production cost for magnetite concentrate
- Best result from the initial 5m-interval Davis Tube samples is 36.9% mass recovery @ 69.4% Fe and 3.36% SiO₂
- Depth to fresh rock < 30m
- Planned work to advance the magnetite discovery includes:
  - 20 RC holes totaling 4,000m; and
  - 3 diamond holes totaling 1,200m to determine true thickness, continuity, mass recovery and grade, compressive strength and mill-index

<table>
<thead>
<tr>
<th></th>
<th>Yarraloola (Indicative only)</th>
<th>Sino Iron (CITIC / Mineralogy)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Head grade</td>
<td>25-32%</td>
<td>32%</td>
</tr>
<tr>
<td>Grind size (microns)</td>
<td>&lt;63</td>
<td>14-28</td>
</tr>
<tr>
<td>Mass yield</td>
<td>31%</td>
<td>32%</td>
</tr>
<tr>
<td>Work index (kWh/t)</td>
<td>5 - 10⁴</td>
<td>18 - 20</td>
</tr>
<tr>
<td>Host unit</td>
<td>June hill volcanics</td>
<td>Brockman iron formation</td>
</tr>
<tr>
<td>Host rock</td>
<td>Greywacke / Schist</td>
<td>Band Iron Formation</td>
</tr>
<tr>
<td>Asbestiform minerals</td>
<td>No</td>
<td>Yes</td>
</tr>
</tbody>
</table>

1 Yarraloola figures to be confirmed from additional RC and diamond drill-core. Refer to ASX announcement dated 11 Feb 2015 for full assay results

4 Initial drill results indicate that the Yarraloola magnetite is in a similar host-rock to that found in Carpentaria Explorations ASX: CAP) Hawsons Project - [http://www.breakawayresearch.com/_literature_160984/Carpentaria_Exploration_Limited_-_March_Report_2014](http://www.breakawayresearch.com/_literature_160984/Carpentaria_Exploration_Limited_-_March_Report_2014)
Yarraloola Project is surrounded by significant iron-ore mines and projects

- CITIC / Sino (~$12B project)
- RIO (Multi $B Pilbara projects)
- FMG (Multi $B Pilbara projects)
- RHI (~$30M market cap)
- Boasteel (Forecast capex spend Multi $B)

And is in a strategic location that has attracted recent takeover activity:

- AQA (~$1.4B takeover by Baosteel / Aurizon )
- IOH (~$250M takeover by BCI)

CZR current value is approximately $24m the lowest in neighbourhood and closest potential DSO producer to port, with a new magnetite discovery.
Strategic Pilbara Opportunity – Minnow amongst majors

Location:

- Yarraloola has significant existing and proposed infrastructure and a natural gas pipeline traversing its project area. It is contiguous with CITIC’s Sino project and the Rio Tinto Mesa A and Mesa J Mines and is entirely within 20km-100km of Cape Preston East.

Maiden JORC CID resource at Yarraloola:

- 73.1Mt @ 53.1%Fe (equivalent FeCa of 60.4%) in the Robe Mesa Channel Iron Deposit (CID), a target that retains potential for resource extensions. The Yarraloola tenement holding also has a number of additional priority targets with the potential for further large-scale discoveries.

New volcanic-hosted discovery (Ashburton schist) has only shallow oxidation, low-moderate communciation strength, good mass yield, low impurities, no asbestos minerals and potential for a large-scale deposit with a strike extent of over 12 kms.

Cheap transport costs: Preliminary scoping study by Engenium in 2013 estimates that total transport operating cost for a DSO iron-ore operation at Yarraloola could be as low as AUD$24.33/tonne FOB using the proposed Cape Preston East multi user facility.

Scale prospective ground: Yarraloola and Yarrie projects comprise significant land packages with large scale exploration potential and advanced geological targeting.

Future funding: Seeking interest from strategic funding partners.
Directors & Management

Adam Sierakowski – Director (Chairman)

Adam Sierakowski is the co-founder and director of both Perth based corporate advisory business, Trident Capital and the corporate legal firm Price Sierakowski. He has over 17 years’ experience in legal practice, much of which he has spent as a corporate lawyer consulting and advising on a range of transactions to a variety of large private and listed public entities. Mr Sierakowski has held a number of board positions with ASX listed companies. He is a member of the Australian Institute of Company Directors and the Association of Mining and Exploration Companies.

Rob Ramsay – Director

Dr Rob Ramsay is a Geologist with over 30 years of industry experience. He has worked across a range of commodities, which include; iron-ore, gold, base-metals, platinum group metals, fluorite, mineral sands and diamonds, in Australia and elsewhere in the World. He is a past Director of Striker Resources NL (now North Australian Diamonds) and has previously worked with, and consulted to, a range of companies that include CRA Exploration (now Rio Tinto Ltd), BHP-Billiton Ltd, Gravity Diamonds, Mineral Securities Ltd and Speewah Metals Ltd. Dr Ramsay is a Member of the Australian Institute of Geoscientists. He manages the target generation process and assists with field follow-up of exploration targets for Coziron Resources.

Stephen Lowe – Director

Mr. Lowe is currently the Business Manager for major shareholder and joint venture partner, Mark Creasy and is responsible for managing all aspects of Mr Creasy's business interests and investments. He is also currently a non-executive director of ASX Listed Windward Resources Limited and former chairman of ASX Listed Sirius Resources NL. Mr Lowe is a taxation and business management specialist with over 15 years’ experience in a variety of different roles. He is a former director of the Perth based specialist taxation firm MKT - Taxation Advisors. Mr Lowe has a Bachelor of Business from ECU, a Post Graduate Diploma in Advanced Taxation and a Masters of Taxation from the UNSW and is a Certified Taxation Advisor and a Member of the Australian Institute of Company Directors.

Stephen Hewitt-Dutton – Company Secretary

Mr. Hewitt-Dutton has over 20 years of experience in corporate finance, accounting and company secretarial matters. He is an Associate Director of Trident Capital and holds a Bachelor of Business from Curtin University and is an affiliate of the Institute of Chartered Accountants. Before joining Trident Capital, Mr. Hewitt-Dutton was an Associate Director of Carmichael Corporate where he assisted clients by providing equity market, IPO and M&A advice and assistance. He has also held Financial Controller and Company Secretary positions for both public and private companies for in excess of 15 years.