

Codrus increases land holding at Karloning REE Project by 16-fold

Codrus' land position at Karloning REE Project in WA has expanded more than sixteen-fold from an initial strategic 15km² position to now cover 246km² of highly prospective tenure

Highlights

- Codrus has moved swiftly to expand its strategic land-holding surrounding the Karloning REE Project in WA by securing additional highly prospective tenure in the region.
- Two additional tenements pegged (pending), following the outstanding results received from the Company's maiden 1,906m/13-hole Reverse Circulation (RC) drill program.
- Farm-in agreement entered into with Fleet Street Holdings, which holds ground directly to the north-east of the highly enriched clay-hosted REE's discovered recently.
- No historic drilling and only minor exploration has been undertaken on the new tenure.
- Increased land position will allow targeting for additional enriched clay-hosted REE's in the same geological setting as the results received from the maiden drill program, these outstanding assays included:
 - **24m grading 1,503ppm TREYO from 8m, including 12m grading 2,081ppm TREYO from 8m (KGRC008***)**
 - **28m grading 1,191ppm TREYO from 12m (KGRC007*)**
 - **16m grading 1,656ppm TREYO from 12m (KGRC011***)**
 - **36m grading 1,191ppm TRYO from 12m, including 16m grading 1,505ppm TREYO from 12m (KGRC010*)**
 - **11m grading 2,825ppm TREYO from 9m, including 2m grading 6,883ppm TREYO from 13m (KGRC001**)***(* 4m composite samples, **1m samples, ***1m and 4m composite samples reported)*
- Significantly, up to 25% of the mineralisation is contained in the high-value REE's which are critical in the supply chain for manufacturing magnets (MREO) for electric motors. This includes Neodymium (Nd), Praseodymium (Pr), Dysprosium (Dy) and Terbium (Tb) (MREO = Magnet Rare Earth Oxides).
- The expansion of the Karloning REE Project represents an excellent opportunity for Codrus to discover additional critical minerals and provide its shareholders with exposure to a commodity sector with outstanding fundamentals and a strong growth outlook.



ASX Announcement

2 August 2023

Directors

Andrew Radonjic

Non-Executive Chairman

Shannan Bamforth

Managing Director

Jamie Byrde

Non-Executive Director

& Company Secretary

Investment Highlights

ASX Code	CDR
Issued Capital	75,430,004
Share Price	\$0.089
Market Cap.	\$6.7M
Cash (Jun '23)	\$1.8M

Contact

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[@CodrusMinerals](https://twitter.com/CodrusMinerals)



[Codrus Minerals](https://www.linkedin.com/company/codrus-minerals)

Codrus Minerals (ASX: **CDR**, **Codrus** or the **Company**) is pleased to advise that it has significantly expanded its strategic footprint surrounding the acquired **Karloning REE Project** in WA's wheatbelt (*see Figure1*) following the recent discovery of a significant clay-hosted rare earth element (REE) system at the Project.

In light of the outstanding assay results received from the maiden RC drill program, which highlighted the significant potential of this exciting new REE district, the Company moved quickly to leverage the discovery by pegging two additional tenements - (100%) E70/6472 and E70/6462 (both pending approval) in the district.

Concurrently, the Company has been able to sign a Farm-In Agreement with Fleet Street Holdings on its granted tenement E70/5630. In combination, the addition of these new tenements expands Codrus' tenement holding more than sixteen-fold. The expanded Karloning REE Project now comprising a premier contiguous landholding of ~246km².

The Project offers compelling exploration potential to discover more of the high-value REE's already identified at Karloning which are used in the manufacture of high-strength permanent magnets namely Neodymium (Nd), Praseodymium (Pr), Dysprosium (Dy) and, Terbium (Tb). (MREO = Magnet Rare Earth Oxides)

These elements are in high demand due to the explosive growth in industries that rely on permanent rare earth magnets, such as electric vehicles, wind turbines and other renewable energy applications.



Figure 1. Location of the Karloning REE Project in Western Australia's Wheatbelt.

Codrus Managing Director, Shannan Bamforth, said:

"We are pleased to have been in a position to move swiftly to tie up what we believe to be all of the prospective rare earth ground surrounding and along strike from the Karloning REE discovery.

"Given that we are first movers in this district, it made strategic sense to expand our footprint quickly to make sure that Codrus is positioned to expand the scale of the mineralisation we have already discovered and potentially make additional discoveries in an area that we believe could emerge as a new rare earths' province.

"This is an important box to tick as we embark on the next phase of drilling to evaluate the broader scale of the mineralisation already drilled and begin to look further afield for possible new discoveries."

Increased Tenement Portfolio

The expanded Karloning REE Project can be easily accessed by sealed roads via the towns of Mukinbudin to the south, Bencubbin to the west and Wialki to the North.

The geology within the tenements comprises mainly medium-to-coarse grained biotite granite and adamellite with multiple quartz-microcline pegmatites, the largest of which is known as the Karloning Pegmatite. Tertiary lateritic duricrusts skirt the granite outcrops and are eroded by the Quaternary paleo drainages forming broad sheetwash areas consisting of sands, clays and silts. Drilling to date has identified high grade clay-hosted REE's sitting over a broader uniformly REE mineralised zones of widespread alkaline granite.

An Agreement has been completed with Fleet Street Holdings (Fleet Street) whereby the Company can Farm-in to Fleet Street's tenement E70/5630 (*see Figure 2*), which is located directly adjacent to the north and east of the Company's existing Karloning tenure. The geology encountered in the drilling on existing tenure that delivered exceptional results is interpreted to potentially continue to the north-east into this tenement. The key terms of the agreement between Codrus and Fleet Street are:

- Within 7 days, Codrus must pay Fleet Street \$30,000 cash and issue \$30,000 worth of Codrus shares at a 5-day VWAP (approximately 360,000 shares at \$0.083 to be issued from the company's ASX Listing Rule 7.1 placement capacity).
- Codrus will have a minimum expenditure of \$100,000 within 12 months of commencement.
- Codrus after completing the minimum spend may achieve a 51% Stage 1 interest by spending an additional \$250,000 within 24 months (which is to include a minimum of 1,500m of Air Core (AC) drilling).
- Codrus after earning the Stage 1 interest may achieve a 80% Stage 2 interest by spending an additional \$250,000.
- After reaching either the Stage 1 or Stage 2 interest, Codrus will utilise its best endeavours to define a resource, complete all applicable studies, and procure the completion of, a DFS in respect of the Tenement.
- Codrus, on completion of a DFS will free carry Fleet Street to c Decision to Mine.
- If a Decision to Mine is made Fleet Street may elect to contribute its share, Convert its share to a 1.5% Net Smelter Royalty, or sell its interest with Codrus maintaining a pre-emptive right.
- Upon a definition of an indicated or measured mineral resource on the tenement (within 36months) with over 15 million tonnes of Rare Earth Elements (REE) grading +1,000ppm (or metal equivalent) as defined by the relevant Competent Person, then CDR will issue 1,000,000 fully paid ordinary shares to Fleet Street (to be issued from the company's ASX Listing Rule 7.1 placement capacity).
- Upon completion of a Definitive Feasibility Study on the tenement (within 48months), CDR will issue 2,000,000 fully paid ordinary shares will be issued to Fleet Street (to be issued from the company's ASX Listing Rule 7.1 placement capacity).

Codrus has also applied for two new tenements, one (E70/6462) that sits within Fleet Street's E70/5630 and one (E70/6472) that sits to the north-west of Fleet Street's E70/5630. The additions to the tenure at Karloning provide ~246km² of contiguous prospective ground, which represents an increase of more than sixteen-fold on the Company's original ground position.

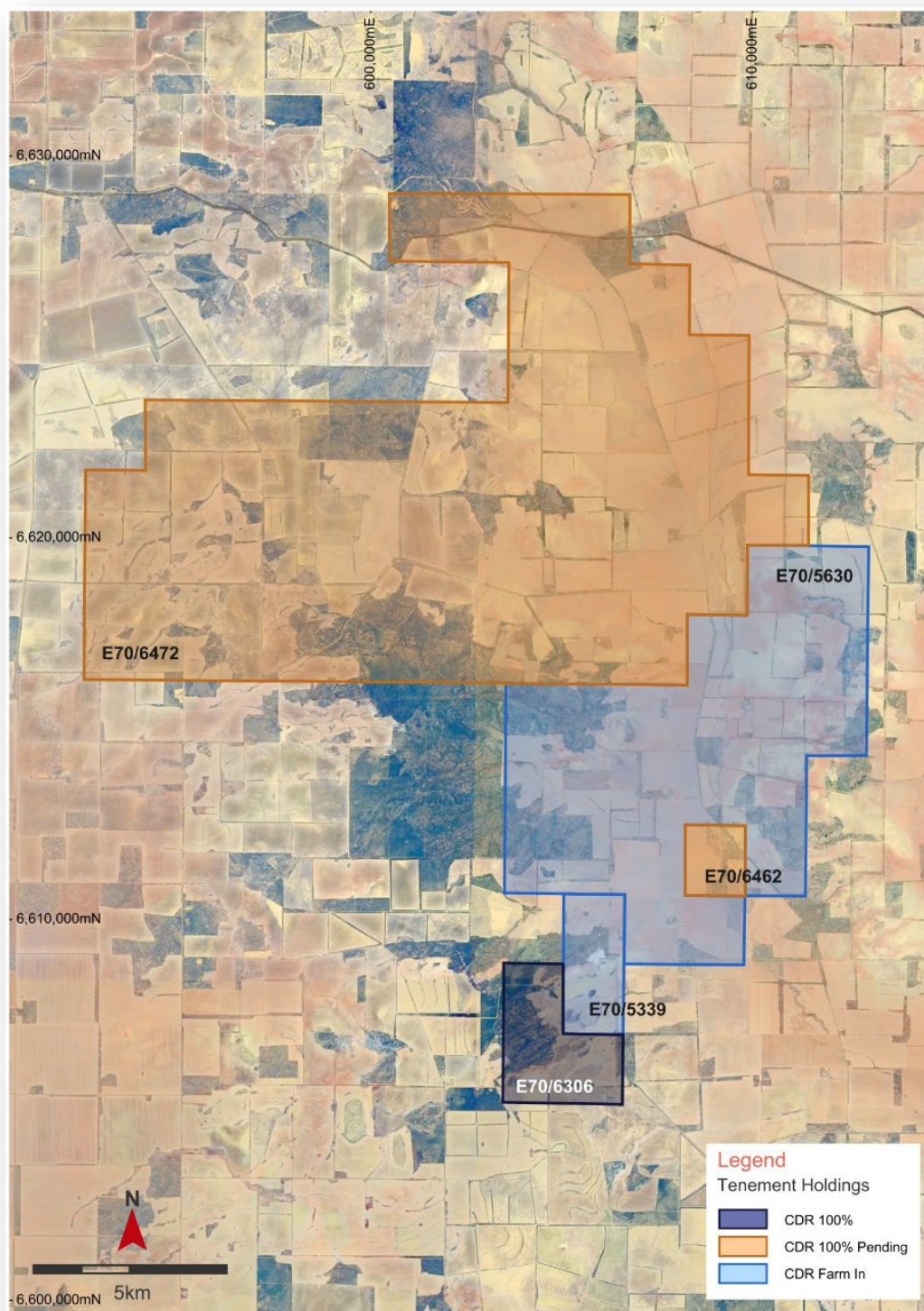


Figure 2. Karloning Project location showing the location of the new Fleet Street Farm-In tenement E70/5630, the new 100% CDR applications E70/6472, E70/6462, and existing E70/5339 (Talgomine Joint Venture CDR earning in), and E70/6306 (100% CDR).

Future Work

Following the outstanding results returned from the Company's maiden drilling program, an air-core (AC) drilling program is underway to allow the Company to rapidly investigate the potential scale of the clay-hosted mineralisation at the Karloning project. Following completion of this program, work will commence on the new tenure with baseline datasets to be collected in the coming months to inform drill targeting.

This announcement was authorised for release by the Board of Codrus Minerals.

ENDS

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About Codrus Minerals Limited

Codrus Minerals has secured an exciting new growth and diversification opportunity in the rare earths sector after entering into a farm-in and joint venture agreement with Talgomine Minerals Pty Ltd to earn up to a 90% interest in the Karloning Rare Earth Element (REE) Project, located in Western Australia's Wheatbelt. In addition to our REE project, Codrus has a portfolio of exciting projects in Western Australia (WA) and Oregon, United States of America (USA). All of our Australian assets are located in close proximity to existing operating mines and the Bull Run Project in the USA is located in a rich historic gold producing area. Codrus currently has four projects in WA, comprising 31 tenements with a total landholding of approximately 243km². The Karloning REE Project in the Wheatbelt, the Silver Swan South and Red Gate Projects are in the Eastern Goldfields, whilst the Middle Creek Project is located in the Eastern Pilbara. The tenements are prospective for rare earth elements and potential economic gold mineralisation, with Silver Swan South also being prospective for Nickel. In the USA, the company holds a 100% legal and beneficial interest for 79 claims and is party to an 'Option Agreement', which covers a further 11 claims in Baker County in Eastern Oregon. In total the claims cover approximately 7km² in the Ironside Mountain Inlier. The Bull Run project is prospective for gold and has been mined intermittently since approximately 1929.

Competent Persons Statement

The information in this report that relates to Exploration Results and Exploration Targets is based on information compiled by Mr. Shannan Bamforth who is a Member of the Australasian Institute of Mining and Metallurgy. Mr. Bamforth is a permanent employee of Codrus Minerals 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 Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Bamforth consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The Information in this announcement that relates to previous exploration results for the Projects is extracted from the following ASX announcement:

- *"Codrus Secures Large-Scale Niobium Rich REE Project in WA" 23rd November 2022*
- *"Codrus Confirms High Grades at Niobium-Rich REE Project" 12th December 2022*
- *"Exploration Update - Karloning REE Project, WA" 27th February 2023*
- *"Drilling commences at Niobium-Rich Karloning REE Project", 12th April 2023*
- *"High-grade clay REE mineralisation identified at Karloning" 5th May 2023*
- *"Codrus confirms Karloning clay hosted REE discovery" 9th June 2023*

The above announcement is available to view on the Company's website at codrusminerals.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant original market announcements. The Company confirms that the information and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Exploration and Resource Targets

Any discussion in relation to the potential quantity and grade of Exploration and Resource Targets is only conceptual in nature. While Codrus is continuing exploration programs aimed at reporting additional JORC compliant Mineral Resources, there has been insufficient exploration to define mineral resources and it is uncertain if further exploration will result in the determination of maiden JORC compliant Mineral Resources.

Forward-Looking Statements

Forward-looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside the control of Codrus. There is continuing uncertainty as to the full impact of COVID-19 on Codrus's business, the Australian economy, share markets and the economies in which Codrus conducts business. Given the high degree of uncertainty surrounding the extent and duration of the COVID-19 pandemic, it is not currently possible to assess the full impact of COVID-19 on Codrus' business or the price of Codrus securities. Actual values, results or events may be materially different to those expressed or implied in this presentation. Given these uncertainties, recipients are cautioned not to place reliance on forward-looking statements. Any forward-looking statements in this presentation speak only at the date of issue of this presentation. Subject to any continuing obligations under applicable law and the ASX Listing Rules, Codrus does not undertake any obligation to update or revise any information or any of the forward-looking statements in this presentation or any changes in events, conditions or circumstances on which any such forward-looking statement is based.