



COZIRON RESOURCES LIMITED & CONTROLLED ENTITIES
ABN 91 112 866 869

CONSOLIDATED INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

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CORPORATE DIRECTORY

DIRECTORS

Adam Sierakowski (Chairman)
Stephen Lowe
Robert Ramsay

COMPANY SECRETARY

Stephen Hewitt-Dutton

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STOCK EXCHANGE LISTING

Australian Securities Exchange
(Home Exchange: Perth, Western Australia)
Code: CZR

DIRECTORS' REPORT

Your directors submit the financial report of the consolidated group for the half-year ended 31 December 2015.

DIRECTORS

The names of directors who held office during or since the end of the half-year:

Adam Sierakowski (Chairman)
Stephen Lowe
Robert Ramsay

REVIEW OF OPERATIONS

Introduction

Coziron Resources Ltd (CZR) has exploration focussed primarily on feed-stock materials for steel-making but also investigates any other opportunities for mineralisation particularly in commodities such as gold, copper and base-metals. CZR holds and 85% interest in the Yarraloola, Shepherds Well and Buddadoo Iron Ore Projects and a 70% interest in the Yarrie Iron Ore Project. During the period, the Company withdrew from its 85% interest in the Earraheedy Manganese Project.

The Yarraloola Iron-ore project in the West Pilbara which is located in the hub of an iron-ore mining and processing region with the potential for shipping options is the main focus of activity (Fig 1).

Details of the projects and an overview of results from the past six months are presented in the following sections.

Yarraloola Iron-ore Project

The Yarraloola Project consists of seven exploration licences which have been progressively undergoing compulsory year 6 reductions in area of 40% and three prospecting licenses that now have a total area of 853 km² (Fig 2).

The Yarraloola Project has a basement of Archean and Proterozoic-aged rocks that are in parts overlain by younger sediments of the Carnarvon Basin. All the sequences are prospective for iron mineralisation. In the east, Archaean-age sediments in the Hamersley Basin include iron-rich members of the Marra Mamba, Brockman and Boolgeeda Iron Formations. In the central and western parts, Proterozoic-age metasediments of the Ashburton Trough contain interbedded iron formation. In the south, the Coziron tenements are transected by the Robe River pisolitic iron-stone. The pisolitic iron-stones are hosted by feeder channels to the Carnarvon Basin and currently support large-scale mining operations at Warrambo, Mesa A and Mesa J (Fig 2).

Logistically, the Yarraloola tenements are well serviced by established infrastructure that includes bitumen roads and gas-pipelines and these provide opportunities to lower the cost of development for any ore discoveries. There are also proposals for additional facilities to be developed within the region. BC Iron Ltd has approval for a new haul-road and port at Cape Preston East, while the API joint-venture is preparing a feasibility study for a railway through the West Pilbara to a port at Anketell Point. Both of these planned infrastructure projects traverse the Coziron tenements and have the potential to improve the economics of any iron-ore deposits discovered within the project area.

Coziron currently has exploration focussed on two prospects.

1. A pisolitic ironstone deposit on the Robe Mesa that has been delineated by the Company on E08/1060 and E08/1686 (Fig 2)
2. Outcrop and subcrop of magnetite-bearing schists in the Proterozoic-aged, Ashburton Trough on tenements E08/1686 and E08/1826 (Fig 2).

DIRECTORS' REPORT (Continued)

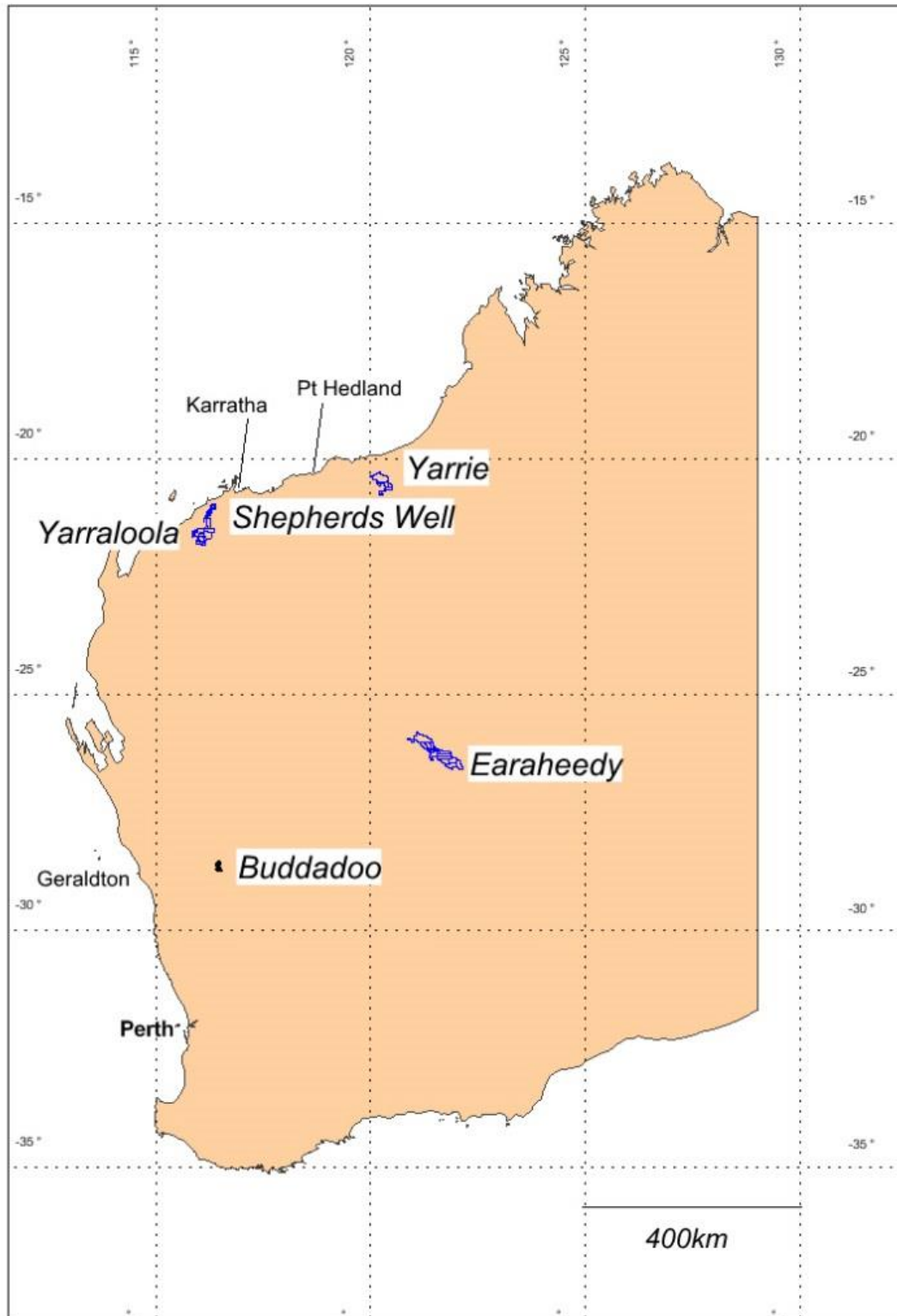


Fig 1 – Location of the Coziron Resources Ltd tenements in Western Australia.

DIRECTORS' REPORT (Continued)

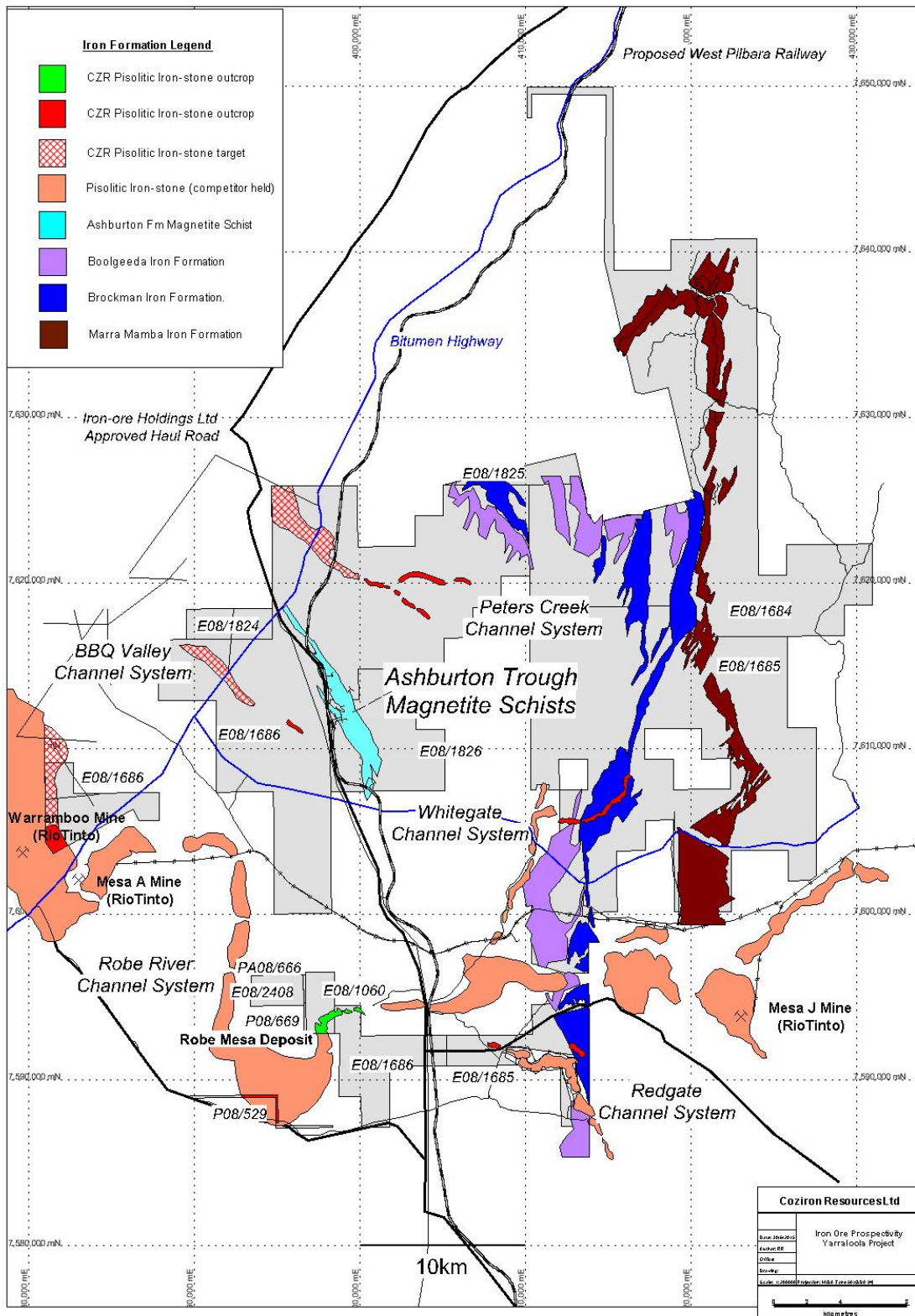


Fig 2 - Yarraloola tenements showing the distribution of the Robe Mesa Deposit, pisolithic iron-stone outcrop and sub-surface targets, the Ashburton Magnetite Schist, the Marra Mamba, Brockman and Boolgeeda Iron Formations.

DIRECTORS' REPORT (Continued)

Robe Mesa Deposit

In late 2014, the Company commenced exploration with 23 RC holes into the Robe Mesa and intersected an upper and lower interval of pisolitic iron-stone with Fe>50%. The geology and geochemistry from the initial drilling resulted in an independently calculated *Inferred Resource*. This was announced in detail on the ASX on 3 February 2015 and is summarised in the following tables.

February 2015 Robe Mesa Deposit – Maiden Mineral Resource Estimate – reported above a **Fe cut-off grade of 50%**.

Category	Mt	Fe%	SiO ₂ %	Al ₂ O ₃ %	TiO ₂ %	LOI%	P%	S%	Fe _{ca} %
Inferred	73	53.9	8.0	3.4	0.13	10.8	0.04	0.02	60.4

February 2015 Robe Mesa Deposit – Maiden Mineral Resource Estimate – reported above a **Fe cut-off grade of 55%**.

Category	Mt	Fe%	SiO ₂ %	Al ₂ O ₃ %	TiO ₂ %	LOI%	P%	S%	Fe _{ca} %
Inferred	20	55.7	6.2	2.9	0.11	10.6	0.04	0.02	62.3

During the past 6 months, an additional 53, vertical, RC drill-holes for a total of 1562 metres were completed into the Robe Mesa Deposit (Fig 3). The new holes confirmed the geological model which proposed an upper and lower zone of flat-lying, pisolitic ironstone with Fe>50% (or calcined iron Fe_{ca}>55%; Fig 4 and 5). Upper zone mineralisation extends entirely across the surface of the mesa, while lower zone mineralisation is more localised in a broad channel that only outcrops in part. Samples with Fe>50% are characterised by low phosphorous (P<0.04%) and high loss on ignition (LOI~10%).

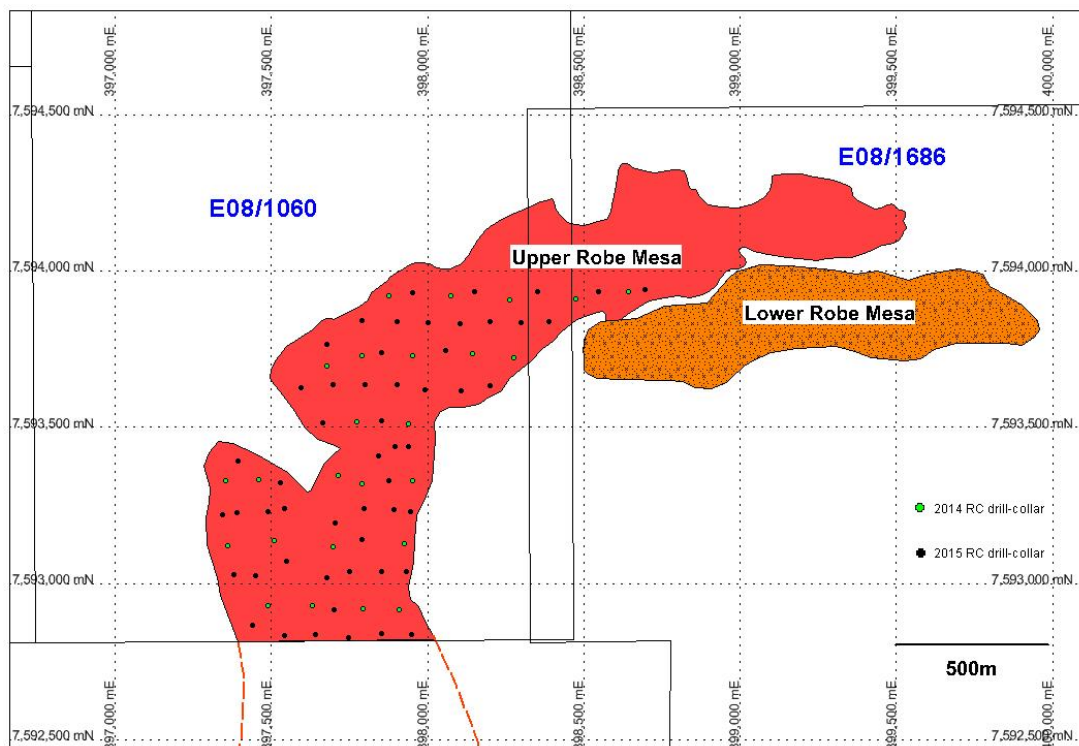


Fig 3. Robe Mesa RC drill-plan showing the completed 2014 and 2015 holes utilised in the ore-resource review.

DIRECTORS' REPORT (Continued)

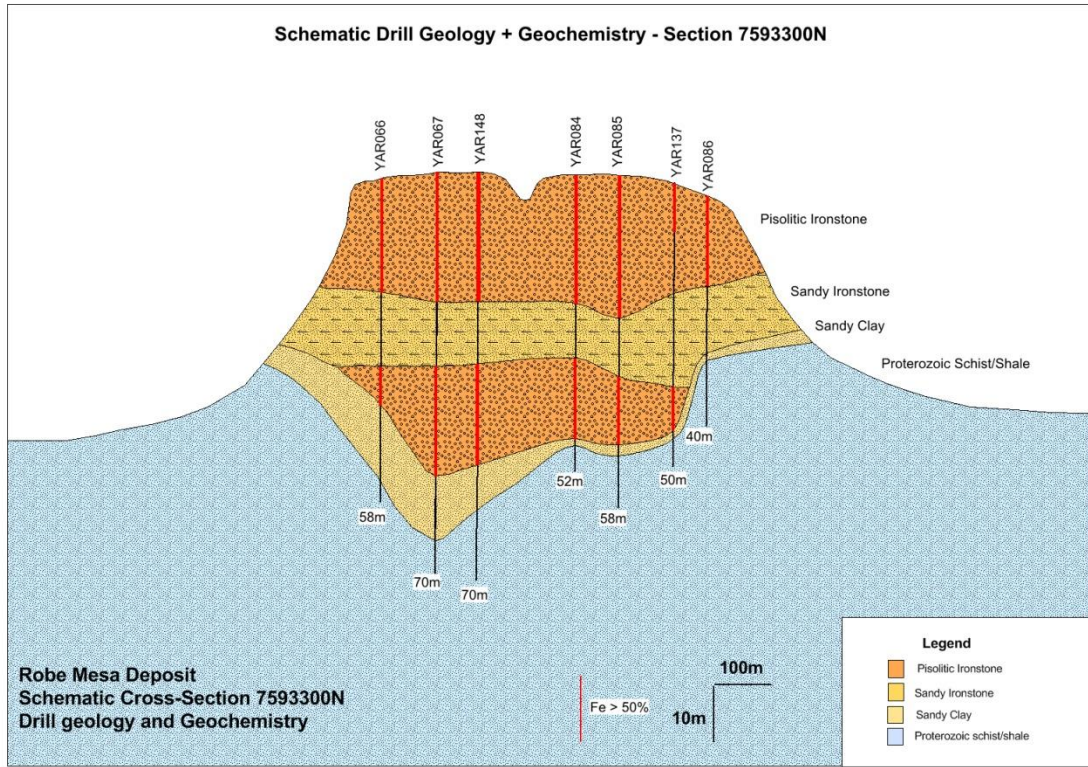


Fig 4. Geological section at 7593300N (from Fig 3) showing red down-hole intervals for drill holes with pisolitic ironstone reporting Fe>50% (ie calcined iron or $Fe_{ca}>55\%$).

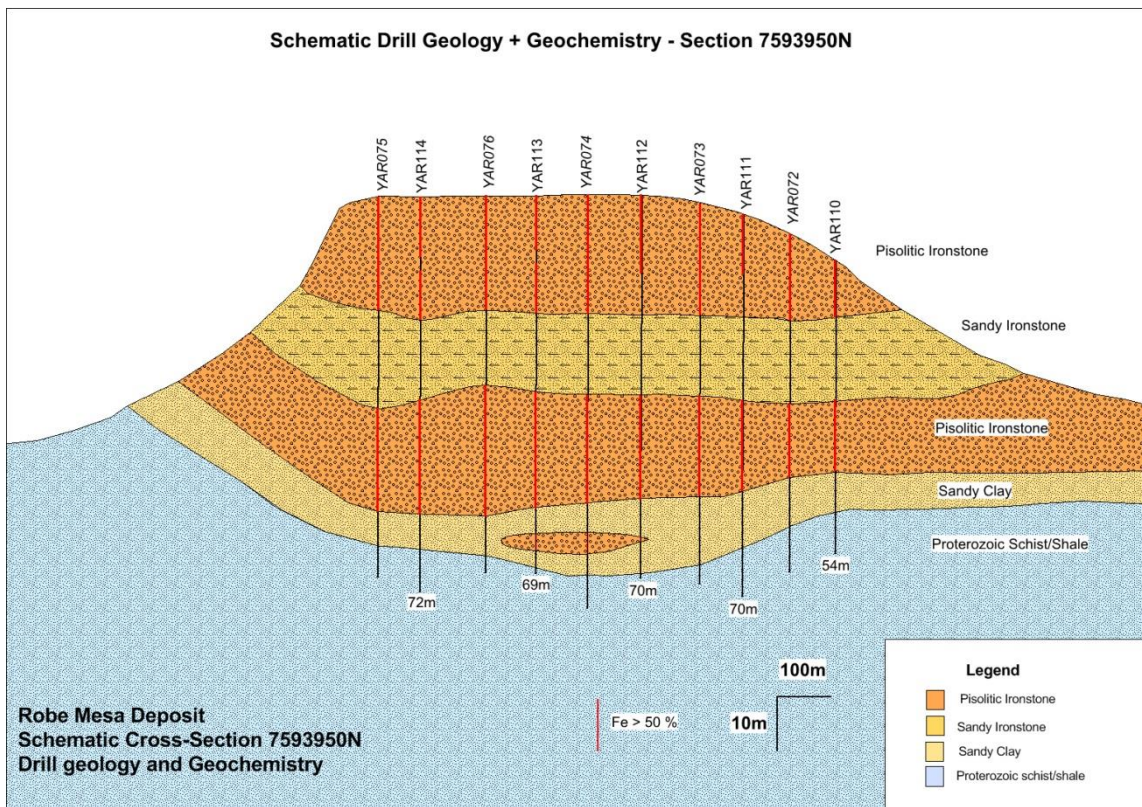


Fig 5. Geological section at 7593950N (from Fig 3) showing red down-hole intervals drill holes with pisolitic ironstone reporting Fe>50% (ie calcined iron or $Fe_{ca}>55\%$).

DIRECTORS' REPORT (Continued)

Following the receipt of accurate survey locations for the RC collars, the geological model and assay database was provided to Optiro Pty Ltd (Optiro) for an independent review of the maiden *Inferred Resource*. Using Surpac and detailed parameters that were reported to the ASX on the 7th of December 2015, Optiro reported revised tonnage estimates at a Fe cut-off of 50% and 55% in the following tables.

December 2015 Robe Mesa Deposit – Updated Mineral Resource Estimate – above a **Fe cut-off grade of 50%**.

Category	Mt	Fe%	SiO ₂ %	Al ₂ O ₃ %	TiO ₂ %	LOI%	P%	S%	Fe _{ca} %
Inferred	84.5	53.8	8.3	3.4	0.14	10.6	0.04	0.02	60.2

December 2015 Robe Mesa Deposit – Updated Mineral Resource Estimate – above a **Fe cut-off grade of 55%**.

Category	Mt	Fe%	SiO ₂ %	Al ₂ O ₃ %	TiO ₂ %	LOI%	P%	S%	Fe _{ca} %
Inferred	24.6	56.0	5.9	2.7	0.1	10.7	0.04	0.02	62.7

Activities by the Company over the past 6 months have increase the total tonnage of the *Inferred Resource* at Fe > 50% by about 16% and the higher grade resource with Fe > 55% by 25% without any significant changes to the contaminant levels.

Ashburton Trough Magnetite Schists

The magnetite schists in the Ashburton Trough are represented by a 12 km long by 800 m wide area hosting high-order magnetic anomalies that are only partly exposed beneath a capping of sands and conglomerates from the Carnarvon Basin (Fig 2). RC drilling in 2014 intersected magnetite-rich metasediments between intervals that were interpreted to be intermediate and rhyolitic volcanics. The implication is that rather than an outlier of the Hamersley Basin, the Ashburton magnetic anomalies represent mineralisation associated with a deeper water oceanic basin and volcanism in an Algoma-style setting.

The mineralisation in the Ashburton has a suite of characteristics that may be favourable for larger-scale magnetite recovery, including the following.

1. A transition from weathered to fresh rock which is only 20-30m below the surface which would minimise the amount of pre-strip for development.
2. No evidence of blue asbestos (crocidolite) in the system.
3. Coarser grain size than the Hamersley Basin iron formations which is potentially an advantage for liberation from the host-rock.
4. Generally low phosphorous and sulphur contents.
5. Mass yields that are in excess of 30%
6. High rates of RC drilling and short mill times for the Davis Tube magnetite recovery that suggest the host-rocks are relatively soft.

During the past 6 month an addition sixteen (16) inclined (-60°) holes, each to about 200 metres depth and oriented at 050° for a total of 3168m, along with three, inclined, diamond drill-holes for a total of about 1500 metres were completed (Fig 6). All the drill-holes contained intervals of high magnetic susceptibility in the range of 1,000 to 60,000 SI units which reflects the abundance of magnetite. Some drill-holes either commence or complete in rocks with high magnetic susceptibility and the intercepts represent the minimum down-hole thickness of magnetite-bearing rocks. Average Fe (iron) contents of the intercepts on the RC drill-holes range up to 34.5%, while the broadest down-hole RC intercepts with Fe-contents around 30% are associated with the Trailer Laydown and Spinifex Hill drill-sections (Fig 7; Fig 8). In the south, the magnetic susceptibility measurements are generally lower and less consistent, suggesting lower-grade material, while in the north, younger overburden increases in depth from about 5m to 50 m. Logging of the diamond drill-holes confirms that the magnetite schists are hosted by a sequence which includes andesitic to rhyolitic volcanics.

DIRECTORS' REPORT (Continued)

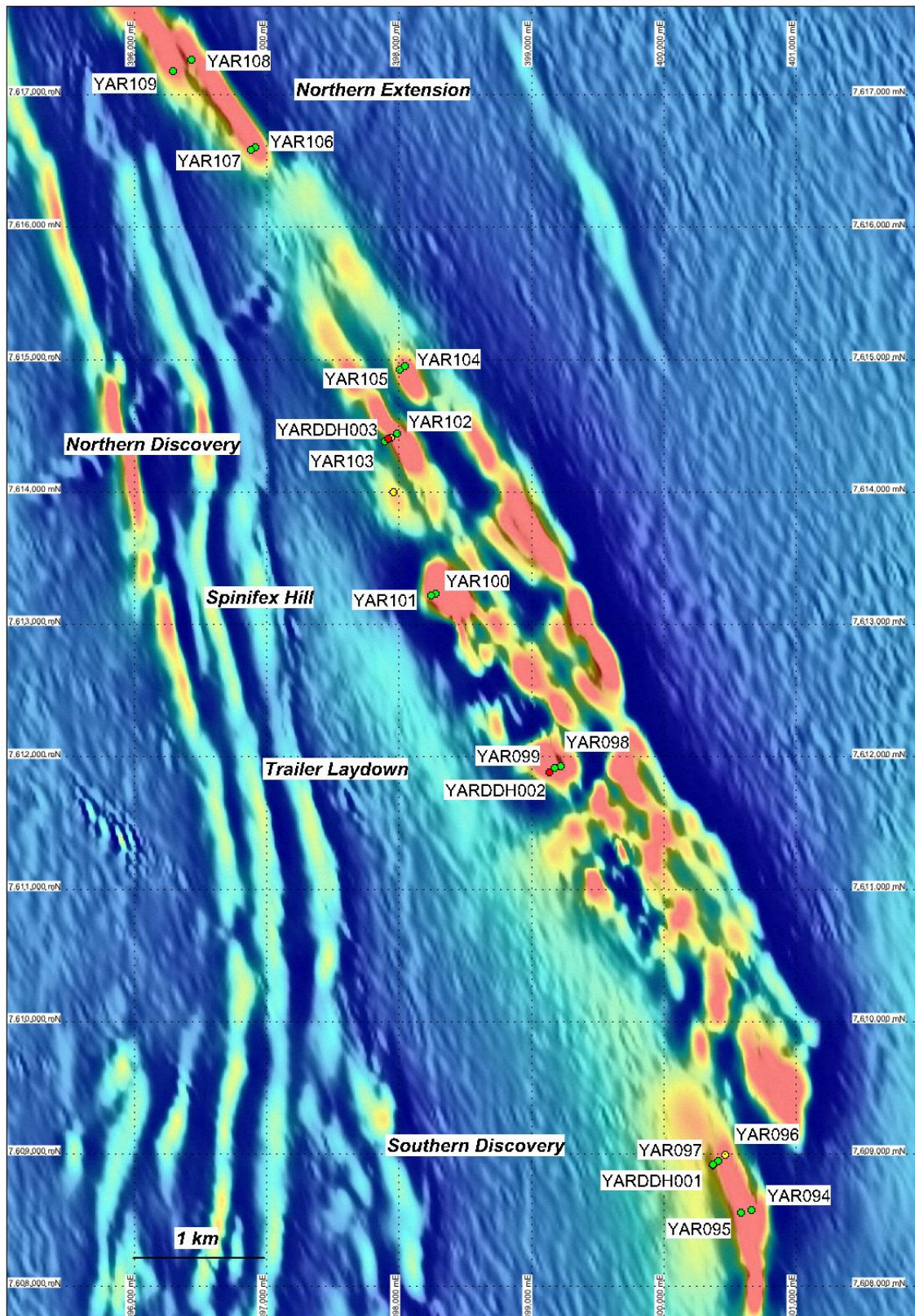


Fig 6. RC and diamond drill-collars for the magnetite-bearing sequence in the Ashburton Trough overlain on the 1VD magnetic imagery. (Green circles = 2015 RC, Yellow = 2014 RC, Red = 2015 diamond hole).

DIRECTORS' REPORT (Continued)

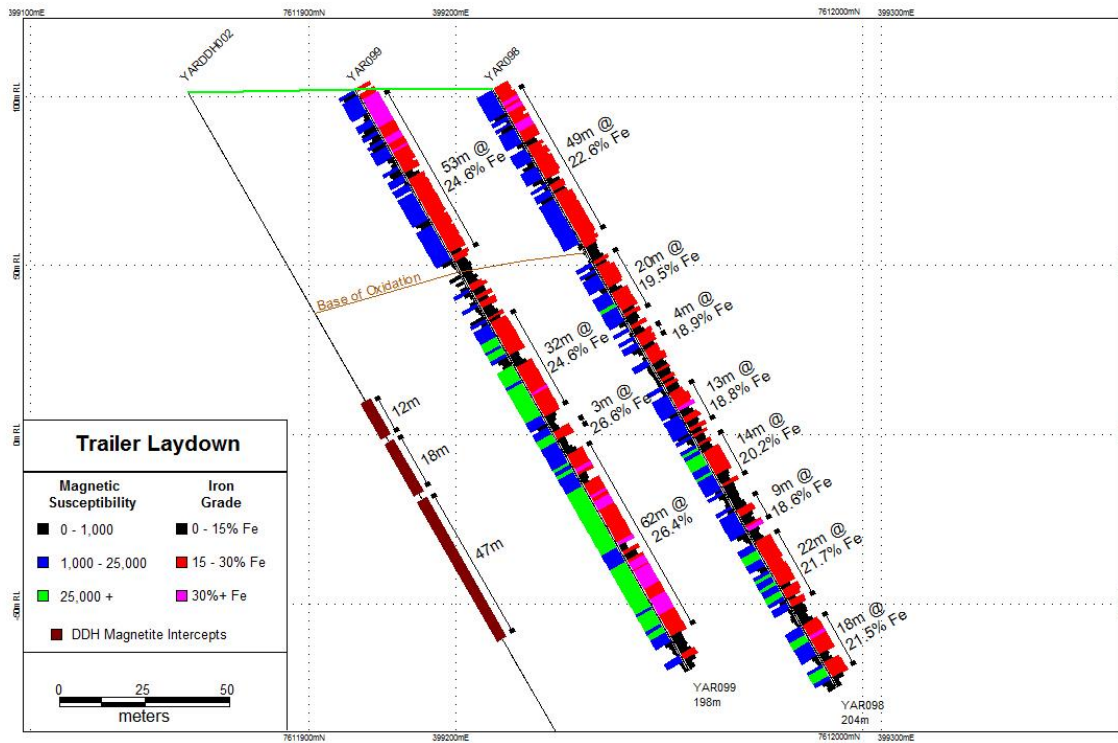


Fig 7 Trailer Laydown Cross-Section – YAR098, YAR099 and YARDDH002 showing magnetic susceptibility on the lower and Fe-content with a calculated down-hole intercept interval on the upper sides of the drill-hole traces

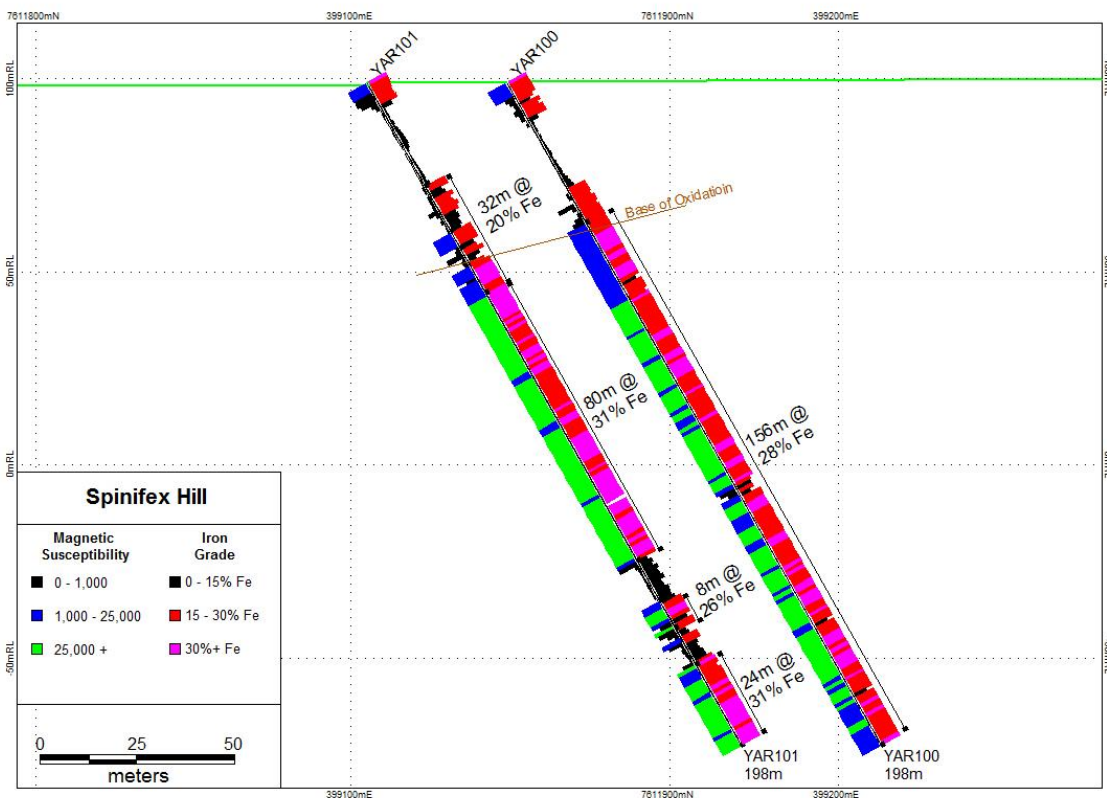


Fig 8 Spinifex Hill Cross-Section – YAR100 and YAR101 showing magnetic susceptibility on the lower and Fe-content with a calculated down-hole intercept interval on the upper sides of the drill-hole traces.

DIRECTORS' REPORT (Continued)

Yarraloola Gold and base-metal prospectivity

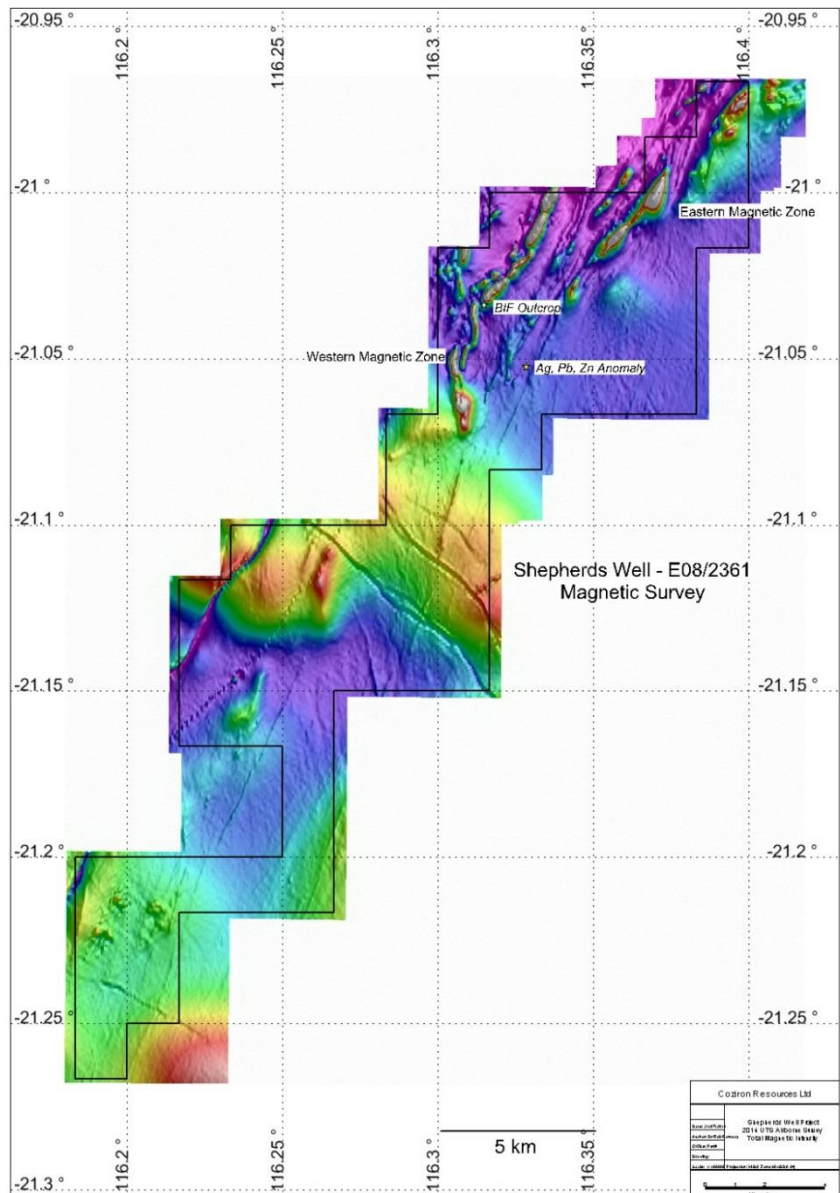
As part of the on-going assessment, gold and base-metal targets are continuously reviewed and are progressively soil and rock-chip sampled. Follow-up work is planned with a focus on identifying targets for drilling.

SHEPHERDS WELL

The Shepherds Well Project is a 60 block (192.2km²) exploration license (E08/2361) located 60-100 km southwest of Karratha (Fig 1). The tenement is serviced by bitumen road access from the Great Northern Highway, is contiguous with the Yarraloola Project and is located only 25-50km from the proposed public access port at Cape Preston (Fig 1). The project has iron-formations within a sequence of ocean-floor basalts and associated sediments that are part of an accretionary domain that is older than the Hamersley Basin. The iron-formations in the Cleaverville terrain are up to 500m thick and are associated with base-metal (Cu-Au-Pb-Zn) occurrences attributed to a sea-floor volcanogenic origin.

In the past 6 months the Company has undertaken a programme of reconnaissance mapping and gridded soil sampling in an area where previously announced rock-chip samples were anomalous in silver (Ag), lead (Pb) and Zinc (Zn; Fig 9). Results will be reported when the complete result set is available.

Fig 9 - Map of the total magnetic intensity over the Shepherds Well Project (E08/2361) showing the traces of the main magnetic anomalies in the north, a locality identified by the Company with outcropping banded iron formation and a site of anomalous Ag, Pb and Zn.



DIRECTORS' REPORT (Continued)

Yarrie

The Yarrie Iron-Ore Project consists of five contiguous exploration licences held by XFE Pty Ltd (three granted, E45/3725, E45/3728, E45/4065 and two tenement applications E45/4604 and E45/4605) covering a total of 1022.2km² and located 160km east of Port Hedland (Fig 10). The Yarrie tenements are largely underexplored. They share boundaries in the central part with the Yarrie-Goldsworthy mining project which was until recently, operated by BHP Billiton PLC (BHP). The tenements are serviced by a bitumen road and natural gas pipeline between Pt Hedland and the Telfer copper-gold mine and major regional roads which service the cattle industry and other mining towns in the region.

In the North Pilbara, high-grade iron-ore (Fe>62%) is hosted by Archaean-age sequences of volcanics and sediments termed the Cleaverville Terrain. These rocks unconformably overlie a granite basement and underlie units of the Hamersley Basin. The Yarrie project covers outcrop extensions of the Cleaverville in the central and southern areas. In addition, there is significant tenement coverage to the east and north where interpretations of magnetic surveys indicate the presence of highly magnetic iron-formation subcrop beneath shallow cover. Within the sequence, the priority exploration targets are the parts of the Nimingarra Iron Formation which may be altered to high-grade haematite. Previously, the Company acquired detailed gravity surveys coverage over areas of sub-cropping iron-formation and has generated targets for future drilling.

During the past 6 months, no significant work has been undertaken.

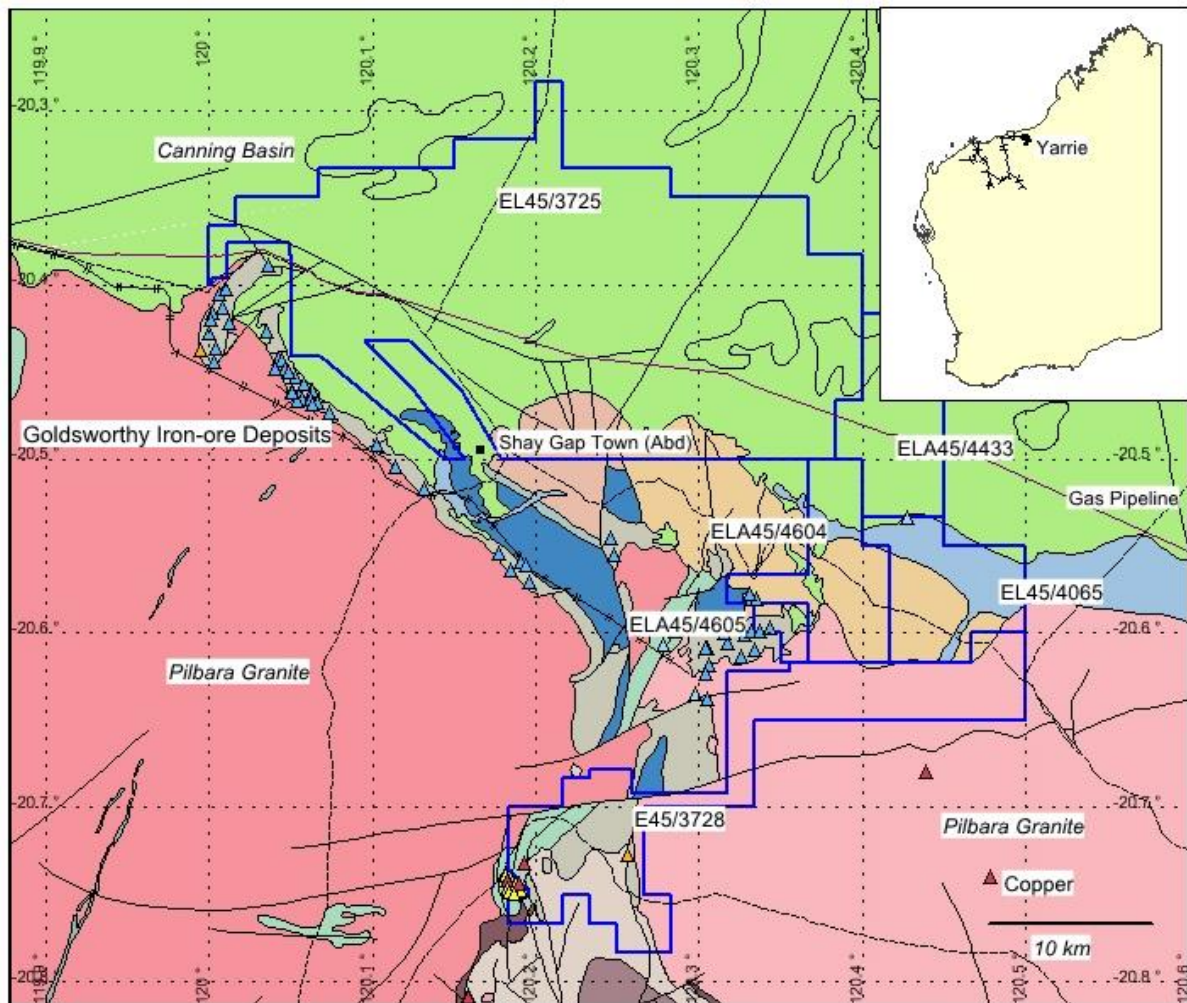


Fig 10 - Location map for the Yarrie Project in the North Pilbara showing the location of the BHPB iron-ore mine and deposit locations as blue triangles.

DIRECTORS' REPORT (Continued)

BUDDADOO

The Buddadoo Project in the mid-west of Western Australia is located about 200km east of Geraldton and covers an area of 210km² on part of the Gullewa Greenstone Belt (Fig 1). The project hosts vanadiferous titanomagnetite, copper and gold mineralisation in different geological settings. The coarse-grained, vanadiferous titanomagnetite outcrops as bands up to 10m thick in a 250m wide zone within a 7km by 1.5km gabbro in the Buddadoo Range (Fig 11). Previously the Company has undertaken programmes of mapping, soil sampling and soil geochemistry.

During the past 6 months, no significant work has been undertaken.

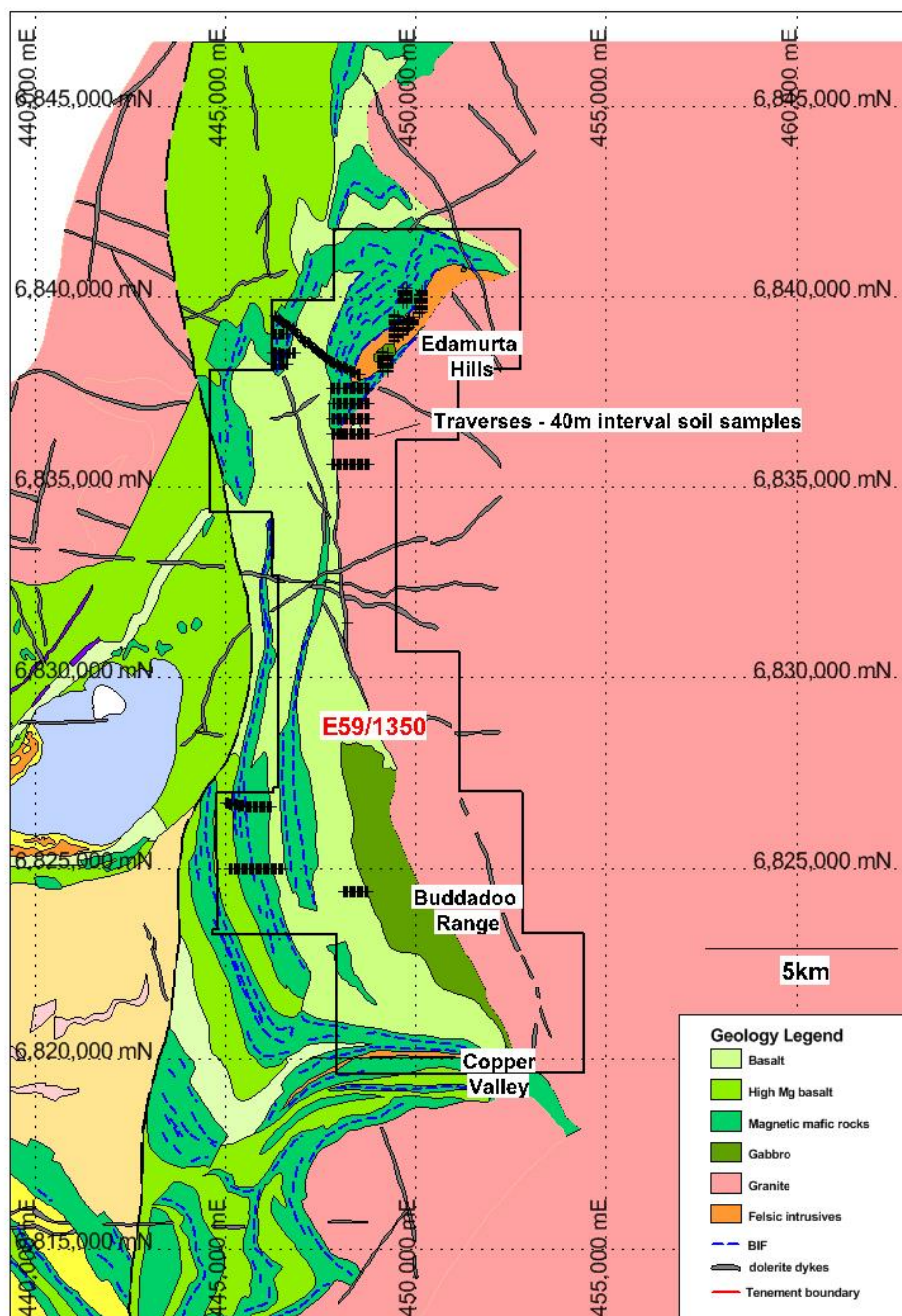


Fig 11 - Location of the Buddadoo project showing proximity to local infrastructure.

DIRECTORS' REPORT (Continued)

KING-X Manganese Project

After an extensive review of commercial conditions in the manganese market and the prospectivity of tenement package in the Earraheedy Basin (Fig 1), the Company's subsidiary KingX Pty Ltd withdrew from the Joint Venture with KingF Pty Ltd on the 29th of September 2015.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Other than as outlined in the review of operations, there were no significant changes in the state of affairs of the Group during the half year.

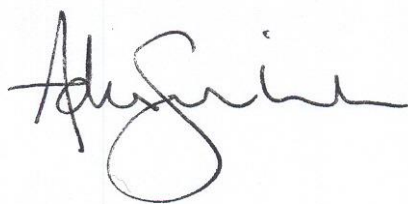
SUBSEQUENT EVENTS

Other than as disclosed elsewhere in this financial report, there has been no significant events subsequent to the end of the reporting period.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* for the half-year ended 31 December 2015 is set out on page 16.

This report is signed in accordance with a resolution of the Board of Directors.



Adam Sierakowski
Chairman

Dated this 15th day of March 2016

Competent Persons Statement

The information in this report that relates to mineral resources and exploration results is based on information compiled by Rob Ramsay BScHons, MSc PhD, 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.

DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF COZIRON RESOURCES LIMITED

As lead auditor for the review of Coziron Resources Limited for the half-year ended 31 December 2015, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Coziron Resources Limited and the entities it controlled during the period.



Dean Just

Director

BDO Audit (WA) Pty Ltd

Perth, 15 March 2016

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	Note	Half-Year 31 December 2015 \$	Half-Year 31 December 2014 \$
Revenue		3,350	6,199
Exploration costs		(1,409,954)	(746,362)
Employee benefits expense		(65,022)	(59,000)
Compliance and professional fees		(185,639)	(201,275)
Depreciation		(3,715)	(3,522)
Occupancy costs		(12,000)	(12,000)
Administration expenses		(25,530)	(41,318)
Interest expense		-	-
Share based payments		-	(159,158)
(Loss) before income tax	2	(1,698,510)	(1,216,436)
Income tax expense		-	-
(Loss) from continuing operations after related income tax expense for the half year attributable to members of Coziron Resources Limited		(1,698,510)	(1,216,436)
Other comprehensive income		-	-
Total comprehensive loss attributable to the members of Coziron Resources Limited		(1,698,510)	(1,216,436)
(Loss) per share for the half year attributable to members of Coziron Resources Limited			
Basic loss per share (cents)		(0.13)	(0.11)
Diluted loss per share (cents)		(0.13)	(0.11)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Note	As At 31 December 2015 \$	As At 30 June 2015 \$
ASSETS			
Current Assets			
Cash and cash equivalents		3,010,428	1,632,883
Trade and other receivables		145,140	103,129
Total Current Assets		3,155,568	1,736,012
Non-Current Assets			
Property, plant and equipment		34,890	38,605
Exploration assets	3	11,481,916	10,397,422
Total Non-Current Assets		11,516,806	10,436,027
TOTAL ASSETS		14,672,374	12,172,039
LIABILITIES			
Current Liabilities			
Trade and other payables	4	223,929	89,578
Total Current Liabilities		223,929	89,578
TOTAL LIABILITIES		223,929	89,578
NET ASSETS		14,448,445	12,082,461
EQUITY			
Contributed equity	5	28,333,286	24,268,792
Reserves		159,158	159,158
Accumulated losses		(14,043,999)	(12,345,489)
TOTAL EQUITY		14,448,445	12,082,461

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	Ordinary Shares \$	Reserves	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2015	24,268,792	159,158	(12,345,489)	12,082,461
Total comprehensive loss for the half-year	-	-	(1,698,510)	(1,698,510)
Shares issued – Placement	2,980,000	-	-	2,980,000
Shares issued – Acquisition	1,084,494	-	-	1,084,494
Share issue costs	-	-	-	-
Balance at 31 December 2015	28,333,286	159,158	(14,043,999)	14,448,445
Balance at 1 July 2014	18,661,733	-	(6,984,274)	11,677,459
Total comprehensive loss for the half-year	-	-	(1,216,436)	(1,216,436)
Shares issued – Placement	767,500	-	-	767,500
Shares issued – Acquisition	878,517	-	-	878,517
Shares issued – Repayment of loan	2,000,000	-	-	2,000,000
Options Issued	-	159,158	-	159,158
Share issue costs	(50,990)	-	-	(50,990)
Balance at 31 December 2014	22,256,760	159,158	(8,200,710)	14,215,208

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	Half-Year 31 December 2015 \$	Half-Year 31 December 2014 \$
Cash flows from operating activities		
Receipts from customers	-	-
Payments to suppliers and employees	(174,107)	(384,057)
Payment for exploration expenditure	(1,431,698)	(999,961)
Interest received	3,350	6,199
Net cash flows used in operating activities	(1,602,455)	(1,377,819)
Cash flows from investing activities		
Acquisition of plant and equipment	-	(6,122)
Net cash flows used in investing activities	-	(6,122)
Cash flows from financing activities		
Proceeds from issue of ordinary shares	2,980,000	767,500
Payment of share issue costs	-	(50,990)
Net cash flows used in financing activities	2,980,000	716,510
Net increase/(decrease) in cash held	(1,377,545)	(667,431)
Cash and cash equivalents at the beginning of the half-year	1,632,883	1,079,641
Cash and cash equivalents at the end of the half-year	3,010,428	412,210

The above consolidated statement of cash flow should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

1. STATEMENT OF SIGNIFICANT ACCOUNT POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of Preparation

The half-year consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standard AASB 134 *Interim Financial Reporting*, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2015 and any public announcements made by Coziron Resources Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

The half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the group as in the full financial report.

The accounting policies and methods of computation adopted in the preparation of the half-year financial statements are consistent with those adopted and disclosed in the Group's annual financial report for the financial year ended 30 June 2015 other than the Group's policy in relation to exploration and evaluation costs in relation to mineral exploration. The Group's revised policy is shown below.

It has been determined by the Group that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies.

Accounting Standards Issued

In the half-year ended 31 December 2015, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for reporting periods beginning on or after 1 July 2015. It has been determined by the Group that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to the Group's accounting policies.

Reference	Title	Summary	Impact on Company's financial report	Application date for Company
AASB 9	Financial Instruments	<p>Amends the requirements for classification and measurement of financial assets. The available-for-sale and held-to-maturity categories of financial assets in AASB 139 have been eliminated.</p> <p>Under AASB 9, there are three categories of financial assets:</p> <ul style="list-style-type: none"> • Amortised cost • Fair value through profit or loss • Fair value through other comprehensive income. <p>AASB 9 requires that gains or losses on financial liabilities measured at fair value are recognised in profit or loss, except that the effects of changes in the liability's credit risk are recognised in other comprehensive income.</p>	<p>Adoption of AASB 9 is only mandatory for the year ending 30 June 2018.</p> <p>The Company has not yet made an assessment of the impact of these amendments.</p>	1 July 2017

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

Reference	Title	Summary	Impact on Company's financial report	Application date for Company
IFRS 15	Revenue from contracts with customers	An entity will recognise revenue to depict the transfer of promised good or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This means that revenue will be recognised when control of goods or services is transferred, rather than on transfer of risks and rewards as is currently the case under IAS 18 Revenue.	Due to the recent release of this standard, the Company has not yet made an assessment of the impact of these amendments.	1 July 2017

Reporting basis and conventions

The half-year statements have been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Exploration and evaluation

Exploration and evaluation costs including costs of studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities along with those for general and administrative costs are expensed in the period they are incurred. Acquisition costs of acquiring are capitalised until the viability of the area of interest is determined. Those acquisition costs are carried forward when the following conditions are satisfied:

- (i) the rights to tenure of the area of interest are current; and
- (ii) at least one of the following conditions is also met:
 - a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
 - b) exploration and evaluation activities in the area of interest have not at the balance date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

2. LOSS BEFORE INCOME TAX

	Half-Year 31 December 2015 \$	Half-Year 31 December 2014 \$
The following revenue and expense items are relevant in explaining the financial performance for the half-year:		
Interest revenue	3,350	6,199
Expenses		
Exploration costs	(1,409,954)	(746,362)
Compliance and professional fees	(185,639)	(201,275)
Share based payments	-	(159,158)

3. EXPLORATION ASSETS

A reconciliation of the movements in the capitalised exploration assets per tenement or exploration right is detailed below:

	31 December 2015 \$	30 June 2015 \$
Opening balance at the beginning of the half-year	10,397,422	12,744,804
Add: Acquisition of Shepherds Well tenement	-	1,000,000
Acquisition of Yarrie Project	1,084,494	-
Less: Exploration expenditure impaired	-	(3,397,422)
Closing Balance	11,481,916	10,397,422

The Yarrie Project was acquired for consideration of 100,000,000 shares issued to XFE Pty Ltd (or its nominee) and the issue of a further 35,561,700 shares as reimbursement of prior expenditure.

During the prior period, the Shepherd's Well tenement was acquired for consideration of 10,000,000 shares issued to Croydon Gold Pty Ltd and payment of the \$121,483 in cash consideration. On 9 March 2015 Coziron issued 6,074,150 shares to Creasy Group. The shares were issued in satisfaction of the cash consideration of \$121,483 owing in relation to the acquisition of Shepherd's Well.

During the prior period, the Directors resolved that they will not be conducting further exploration of the KingX Manganese project. Accordingly the carrying value of the project was fully impaired at 30 June 2015. During the period the Group resolved to withdraw from the KingX joint Venture and retains no interest in the KingX Manganese project.

Exploration costs are only carried forward to the extent that they are expected to be recouped through the successful development or sale of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

4. TRADE AND OTHER PAYABLES

	31 December 2015 \$	30 June 2015 \$
Trade payables	191,371	43,889
Accruals	16,025	38,333
Employee entitlements	16,533	7,356
	223,929	89,578

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

5. ISSUED CAPITAL

	As At 31 December 2015 \$	As At 30 June 2015 \$
Ordinary shares	28,960,026	24,268,792

	2015 No.	2015 \$	2014 No.	2014 \$
<i>Movements in ordinary shares on issue</i>				
Shares on issue at 1 July	1,318,656,235	24,268,792	1,102,743,654	18,661,733
- Shares issued – Placement	298,000,000	2,980,000	38,375,000	767,500
- Shares issued – Acquisition	135,561,700	1,084,494	10,000,000	878,517
- Shares issued – Repayment of loan	-	-	66,666,666	2,000,000
- Issue costs	-	-	-	(50,990)
At 31 December	1,752,217,935	28,333,286	1,223,859,470	22,256,760

6. SHARE BASED PAYMENTS

Ordinary Shares

	As At 31 December 2015 \$	As At 30 June 2015 \$
Shares provided in respect of acquisition of Shepherds Well tenement	-	1,000,000
Shares provided in respect of acquisition of the Yarrie Project	1,084,494	
Shares provided in respect of the repayment of the Creasy Group liability	-	2,000,000
Total share based payments	1,711,234	3,000,000

Yarrie Project

The acquisition of the Yarrie Project is accounted as a share based payment under AASB 2. A share based payment transaction arises whereby Coziron Resources Limited has issued 100 million shares in exchange for a 70% interest in the project, and a further 35,561,700 shares in settlement of the cash consideration. The amount recognised as issued equity instruments in the consolidated financial statements has been determined by adding the share based payment to the issued capital of Coziron Resources Limited on the date of the acquisition. The value of the share based payment is based on the fair value of the acquisition as determined by reference to the Company's share price on the day the acquisition was approved by shareholders, being \$0.008 per share.

Shepherds Well

The acquisition of the Shepherds Well tenement is accounted as a share based payment under AASB 2. A share based payment transaction arises whereby Coziron Resources Limited has issued 10 million shares in exchange for a 70% interest in the tenement, and a further 6,074,150 shares in settlement of the cash consideration. The amount recognised as issued equity instruments in the consolidated financial statements has been determined by adding the share based payment to the issued capital of Coziron Resources Limited on the date of the acquisition. The value of the share based payment is based on the fair value of the acquisitions as determined by an external valuation that was performed during the acquisition process.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

Creasy Group Liability

Under the terms of the acquisition of Zanthus Resources Pty Ltd, Buddadoo Metals Pty Ltd and KingX Pty Ltd from the Creasy Group, the Group was required to pay the Creasy Group \$2,000,000. The amount represented prior exploration expenditure by the Creasy Group on the projects acquired by the Group. Under the terms of the Agreement the amount was to be repaid through the issue of shares. The Company issued a Notice of General Meeting and at a meeting of Shareholders on 28 October 2014 the Shareholders approved the issue of shares to the Creasy Group in satisfaction of the full amount payable.

7. SEGMENT INFORMATION

The Group operates predominantly in one geographical segment, being Western Australia, and in one industry, being mineral exploration. The reporting segment is represented by the primary statements forming this financial report.

CONTINGENT LIABILITIES

As at the date of the report, the Directors are not aware of any material contingent liabilities that would require disclosure.

8. COMMITMENTS

Exploration commitments

Payable:

Within one year

Later than one year but not later than 5 years

Later than 5 years

31 December 2015	30 June 2015
\$	\$
1,149,698	1,418,793
2,254,722	2,869,865
-	-
3,404,419	4,288,659

9. RELATED PARTY TRANSACTIONS

Transactions with related parties

During the period the Company issued shares to the Creasy Group in consideration for the acquisition of the Yarrie Project, details of which are shown in Note 6.

Other than as disclosed above, transactions with related parties during the half-year were on the same basis as the prior period.

10. SUBSEQUENT EVENTS

Other than as disclosed elsewhere in this financial report, there has been no significant events subsequent to the end of the reporting period.

11. FAIR VALUE OF FINANCIAL INSTRUMENTS

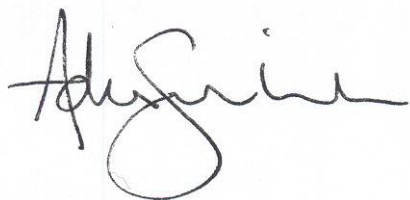
Due to their short term nature, the carrying amounts of the current receivables and current payables are assumed to approximate their fair value.

**DIRECTORS' DECLARATION
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 17 to 25:
 - (a) comply with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (b) give a true and fair view of the economic entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Adam Sierakowski
Chairman

Dated this 15th day of March 2016

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Coziron Resources Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Coziron Resources Limited, which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Coziron Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Coziron Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Coziron Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*

BDO Audit (WA) Pty Ltd

A handwritten signature in blue ink, appearing to read 'Dean Just', written over a faint, larger 'BDO' watermark.

Dean Just

Director

Perth, 15 March 2016