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The Company Announcements Office
ASX Limited Via E Lodgement

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Shepherds Well Project – Exploration Update
Gold and Base Metals Anomalism Identified in Soil Samples

HIGHLIGHTS

- **Soil sampling extends the prospectivity for base-metals (lead, zinc and silver) associated with felsic and meta-sedimentary rocks and identifies new prospectivity for gold and nickel from meta-volcanic rocks in the Cleaverville Terrain.**
- **Lead (Pb) to 786 ppm, zinc (Zn) to 1150 ppm and silver anomalism in soils over felsic rocks is more extensive than historical results suggested and extends beyond the scope of the 2015 programme which covered an area of 8 km by 1 km.**
- **A rock-chip sample showing evidence of epidote alteration reports lead (Pb) at 0.9% and silver (Ag) at 6g/t from the margin of a new soil-based anomaly and extends evidence for base-metal mineralisation to a strike length of over 2.5km.**
- **Gold (Au) to 61 ppb in soil is associated with a less magnetic zone in the interpreted basaltic meta-volcanic footwall of the base-metal anomaly.**
- **Nickel (Ni) to 1100 ppm in soil is associated with elevated chromium (Cr to 1350 ppm) and indicates potential for mineralised ultramafic rocks within the mafic meta-volcanic rock suite.**
- **Follow-up work to include infill and extensional sampling with a focus on generating drill-targets is planned for the 2016 field season.**

SHEPHERDS WELL EXPLORATION UPDATE

Background

Shepherds Well is a 192.2 km^2 multi-commodity exploration license (E08/2361) located 50 km southwest of Karratha (Fig 1). The tenement is contiguous with Coziron's Yarraloola Iron-ore Project, serviced by bitumen road access from the Great Northern Highway, located only 25-50 km from a new proposed public access port at Cape Preston East and crossed in part by an easement for the proposed West Pilbara railway (Fig 1). This planned infrastructure has the potential to improve the economics of any mineral deposits identified within the project area.

Geologically, Shepherds Well compliments Yarraloola with prospectivity for iron-ore mineralization both as high-grade haematite and magnetite in either Archaean-age metasediments of the Cleaverville Terrain, or potentially in outliers of the Hammersley Basin overlying the Fortescue Basalt. The Cleaverville is the basement terrain in the Pilbara Craton which consists of a sequence of ocean-floor basalts and associated sediments that are part of an accretionary domain that pre-dates the formation of the Hamersley Basin and is intruded by granite.

Regionally, the Cleaverville Terrain hosts iron-formations up to 500m thick among which the North Star deposit is being developed into a magnetite mining operation by Fortescue Metals Ltd. The Cleaverville Terrain also hosts a number of base-metal (Cu-Au-Pb-Zn) occurrences attributed to a sea-floor volcanogenic origin. These are typically short strike-length lensoidal deposits with high-grade cores that occur in clusters. Unconformably overlying the Cleaverville Terrain are flat-lying and relatively undisturbed flows of the Archaean-age, Fortescue Flood Basalts. These have the potential to preserve outliers of the overlying Hamersley Group.

To date, exploration on Shepherds Well has included the acquisition and processing of a low level magnetic-radiometric survey, along with some early stage mapping, rock-chip and soil sampling. The focus of this work is to identify areas that have an anomalous geophysical and geochemical response and represent targets for systematic sampling and future drilling. In late 2014, the most significant results were the recovery of two rock-chip samples of muscovite schist adjacent to some shallow prospecting pits which reported silver (Ag) to 9.8g/t, lead (Pb) to 4.4% zinc (Zn) to 0.5% and are anomalous in gold (Au) to 23ppb (CZR: ASX 29-July-2014).

Work Programmes and Results

Data Review

During 2015, Coziron compiled and undertook a systematic review of previous exploration activities and results on the Shepherds Well Project. The silver-lead-zinc rock-chip samples collected by Coziron in 2014 are located within a broad zone identified as being prospective and anomalous by Arimco in 1989 and CRA Exploration (now RioTinto Ltd) in 1994. The anomalism is associated with a suite of felsic rocks which are hosted by a mafic suite. Best historical drill-results were reported by Arimco to the Geological Survey of Western Australia in DCRC 6 as 7 m @ 3.0 % Zn and 1.7% Pb and 1m @ 0.2 g.t Au (WAMEX Report No A42464: First Annual Report for Shepherds Well Prospect – E47/619, E47/627 & E08/718). However, other reconnaissance drill-holes report intercepts of iron-rich sulphides (pyrrhotite and pyrite) suggesting a wider distribution of a horizon which may have the potential to host mineralisation.

Field Work

In the latter part of the 2015 field season, Coziron initially completed a prospect-scale soil sampling programme using 80 m spaced samples on lines that are 400 m apart and oriented East-West. Three lines were then infilled to 200m x 20m when the initial samples appeared to identify intervals that were anomalous in lead (Pb) and gold (Au). Representative rock-chip samples were also collected at some locations where alteration was identified. The initial grid was developed to cover both a significant strike-length of the felsic rocks and the contact with the adjacent mafic rocks in the Cleaverville Terrain. This setting is the preferred location for volcanic-hosted base-metal mineralization.

After collection, the samples were transported to Perth and analysed at Bureau Veritas laboratories for a suite of major elements by XRF, a full suite of trace-elements by laser ablation ICPMS and gold platinum and palladium by fire assay (as fully described in Appendix 1). This provides an opportunity to identify anomalism across a broad suite of metals.

Results from the 2015 soil sampling programme have identified anomalism in three commodity suites.

1. Lead (Pb), zinc (Zn) and silver (Ag).
2. Nickel (Ni).
3. Gold (Au).

The geochemical data from the soil samples high-lights the following.

1. Ten soil lines across the felsic sequence highlight anomalism in lead (Pb) with a peak value of 786 ppm (Fig 3). The anomalous zone is associated with zinc (Zn) to 1150 ppm and detectable silver (Ag). The lead-zinc-silver anomalism is subdivided into two zones. An eastern zone that is associated with historical drilling reported by Arimco and the pits sampled with rock-chips by CZR in 2014 that reported lead and silver mineralisation (Fig 3; Fig 4). A western zone which has evolved from the 2015 sampling and also reports a rock-chip with epidote alteration with lead (Pb) at 0.9% and silver (Ag) at 6g/t (Fig 3; Fig 4).
2. Three soil lines across an area with surficial carbonate (calcrete and magnesite) crossing from the felsics into the mafics report nickel (Ni) to 1100 ppm. The carbonate and anomalous nickel is also associated with chromium (Cr) to 1350 ppm and suggests that the area is underlain by more ultramafic rocks (Fig 3).
3. One line of soil samples across a less magnetic zone with quartz veining cross-cutting basalts from the Cleaverville Terrain reports a peak gold (Au) value of 61 ppb (Fig 5).

Results from the 2015 programme provide additional support for the utilization of soil sampling and mapping as a cost-effective technique for identifying prospective areas. The 2016 programme will focus on extending the line coverage over the prospective terrain and increasing the sampling density in the cores of the anomaly systems with a focus on identifying targets for drilling.

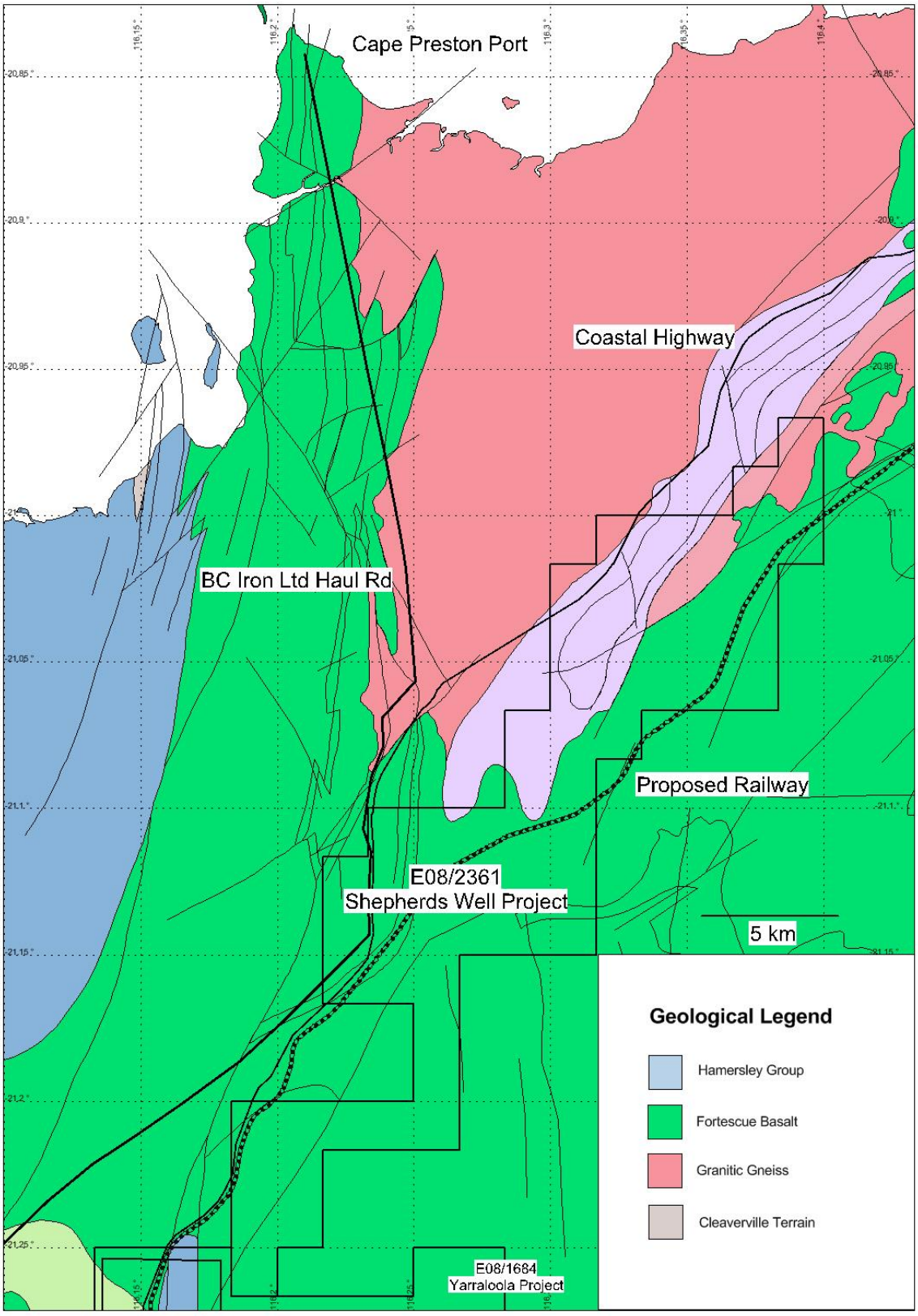

Figure 1. Regional geological setting of the Shepherds Well Project showing the distribution of the Cleaverville Terrain which are the more prospective rocks for iron-ore and base-metal mineralization.

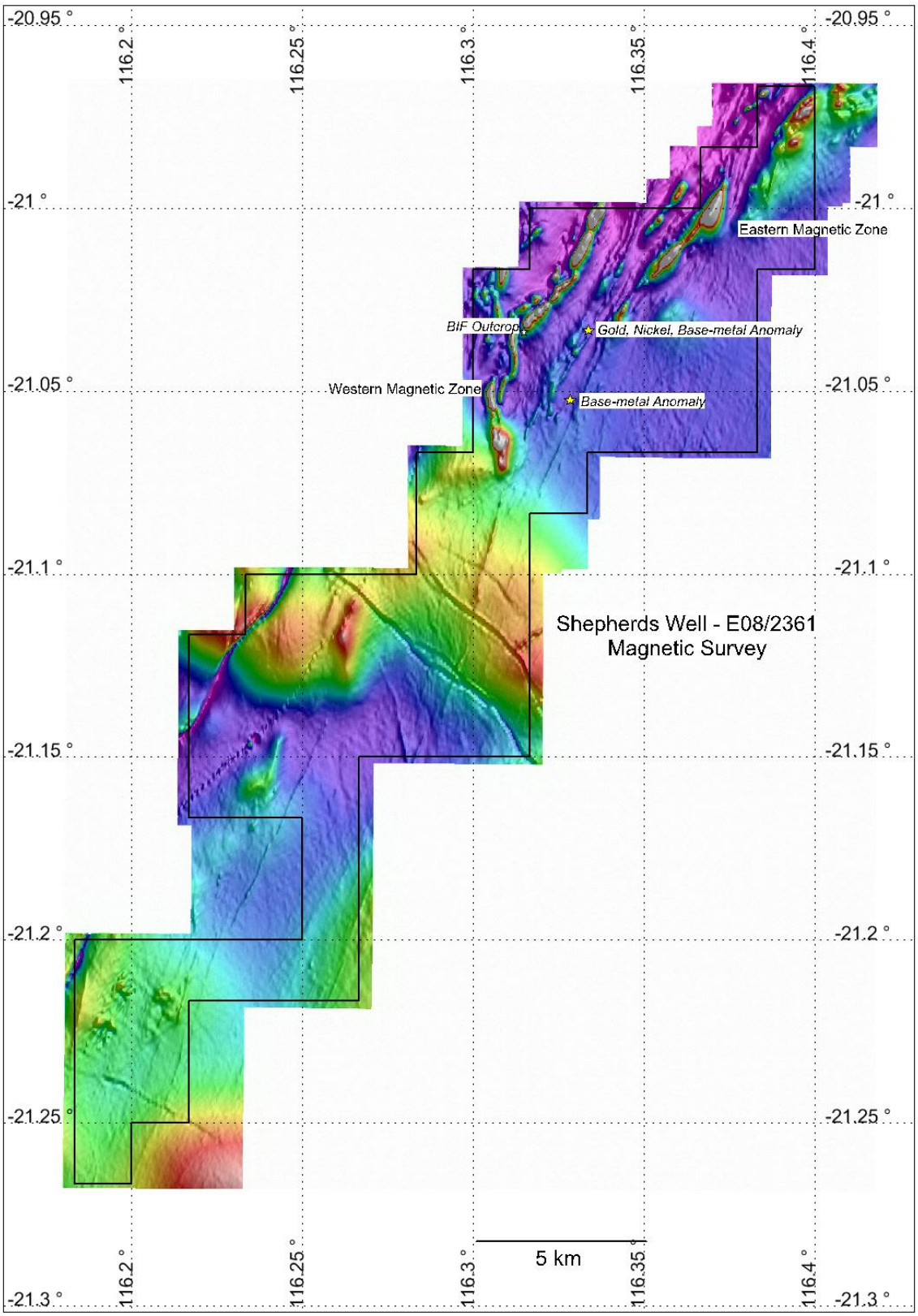

Figure 2. Total Magnetic intensity from the 50m height, 100m spaced, E-W oriented lines over the Shepherds Well tenement. The eastern and western magnetic zones with outcropping iron-formation are hosted by metasediments in the Cleaverville Terrain. Plotted are the locations of the gold, nickel and base-metal (lead, zinc, silver) anomalies.

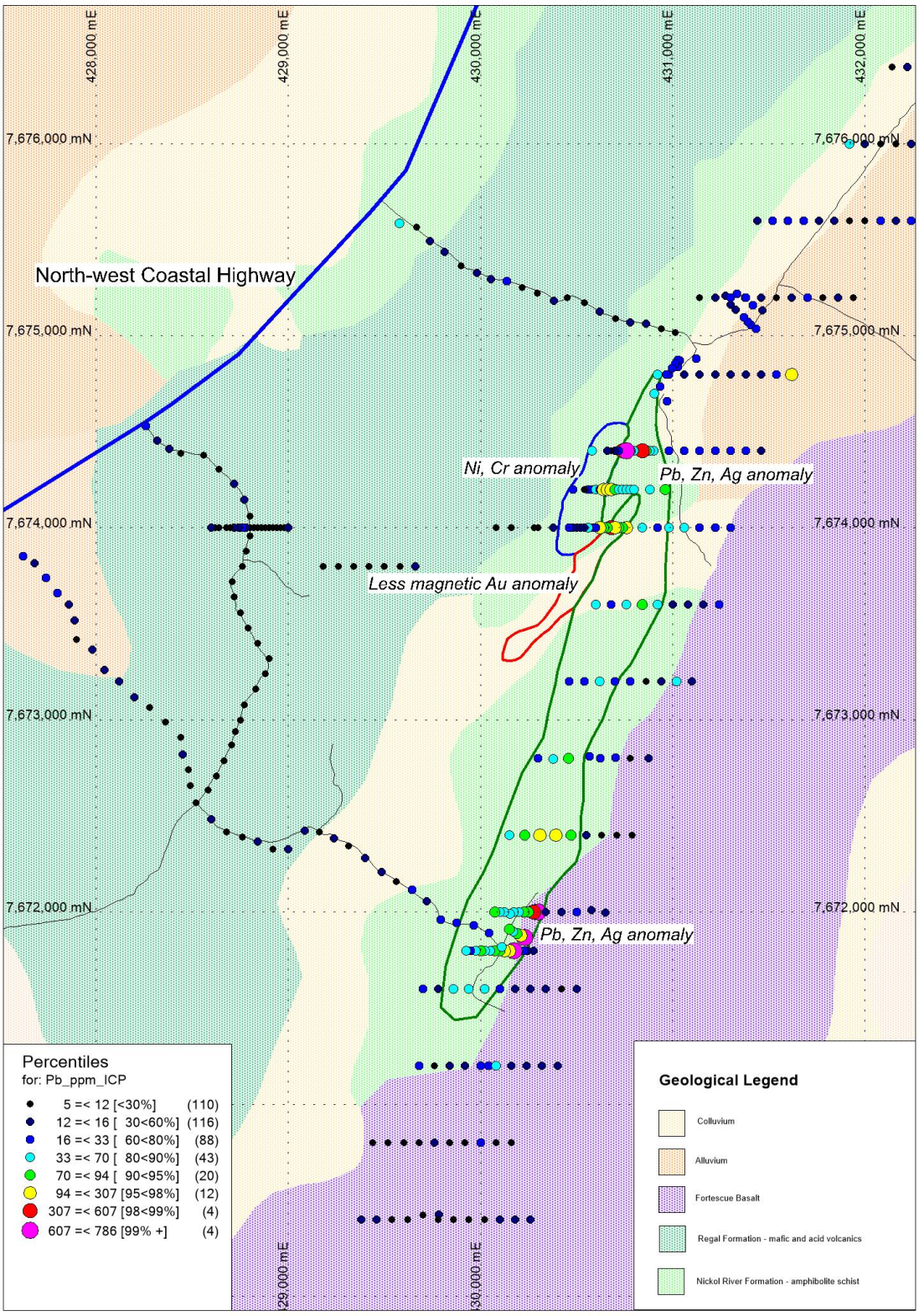

Figure 3 - Location of the 2015 soil samples showing the lead (Pb) distribution overlain on the regional geology and outlines the zone of low magnetic response with gold and areas that are anomalous with either nickel (Ni) and chromium (Cr) or lead (Pb), zinc (Zn) and silver (Ag).

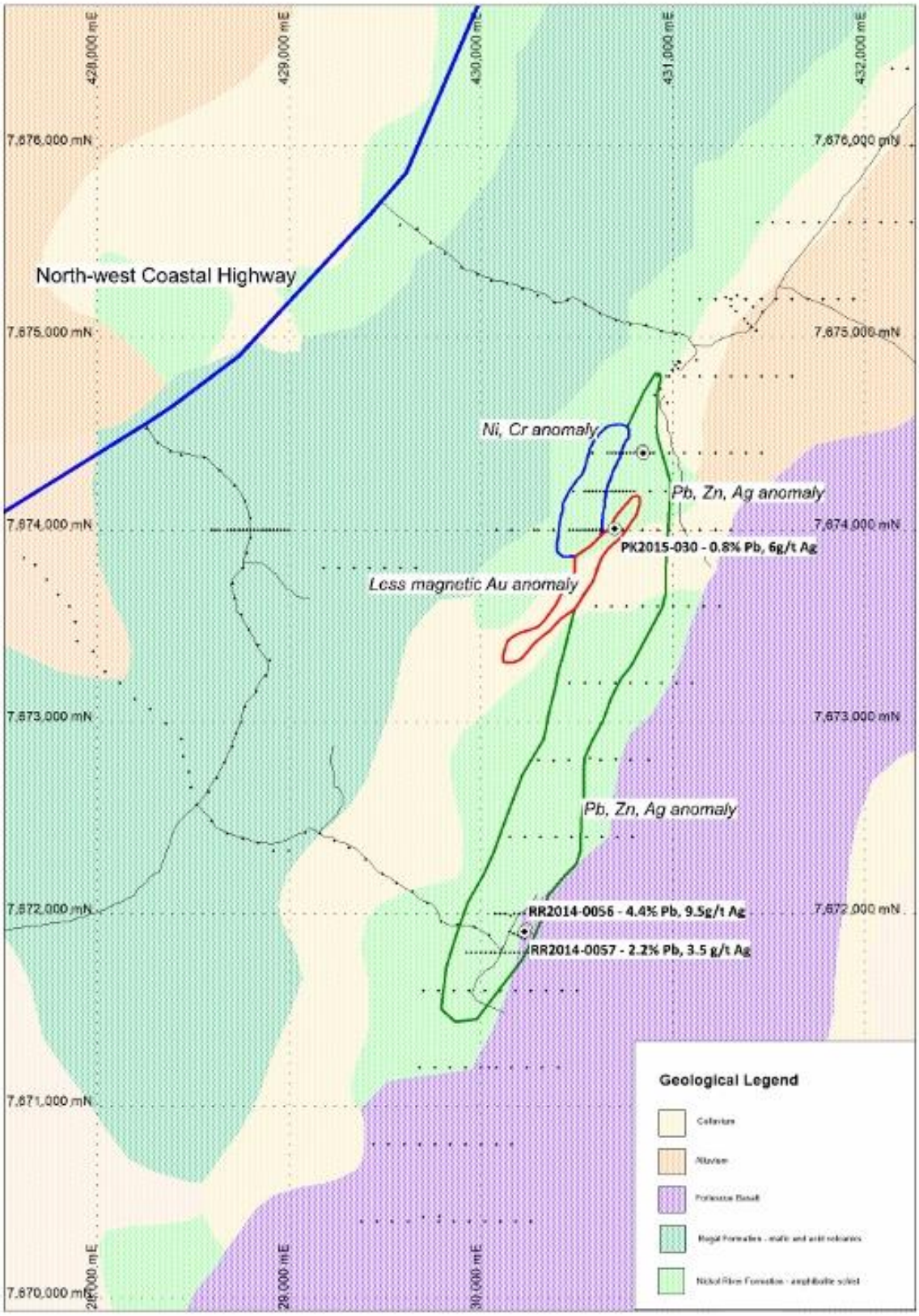

Figure 4 – Geochemical anomaly outlines and the location of rock-chip samples with the associated lead (Pb) and silver (Ag) results collected in 2014 (RR2014-0056 and RR2014-0057, fully reported to ASX by CZR on 29th July 2014), and 2015 (PK2015-030).

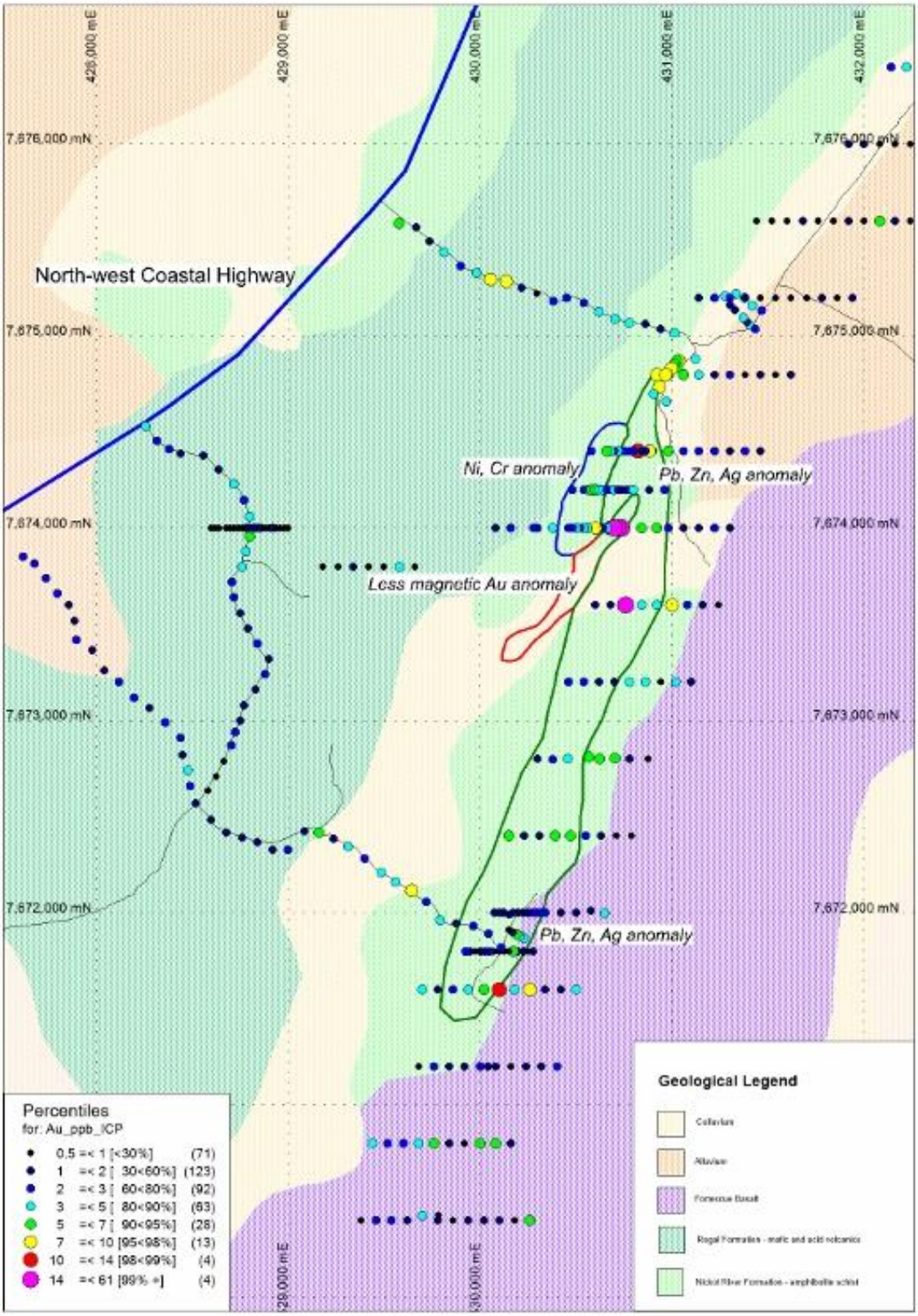

Figure 5 - Location of the 2015 soil samples showing the gold (Au) distribution overlain on the regional geology, an outline of the zone of low magnetic response and prospects with either anomalous nickel (Ni) and chromium (Cr) or lead (Pb), zinc (Zn) and silver (Ag).

ABOUT COZIRON LIMITED

Coziron Resources Limited (ASX:CZR) owns 85% of the Yarraloola Iron-ore Project in the West Pilbara (853 km^2), a 70% interest of the adjacent Shepherds Well project (192 km^2), 70% of the Yarrie Iron-ore Project (988 km^2) in the North Pilbara, and 85% of the Buddadoo iron-ore project (125 km^2) in the West Yilgarn (Figure 6).

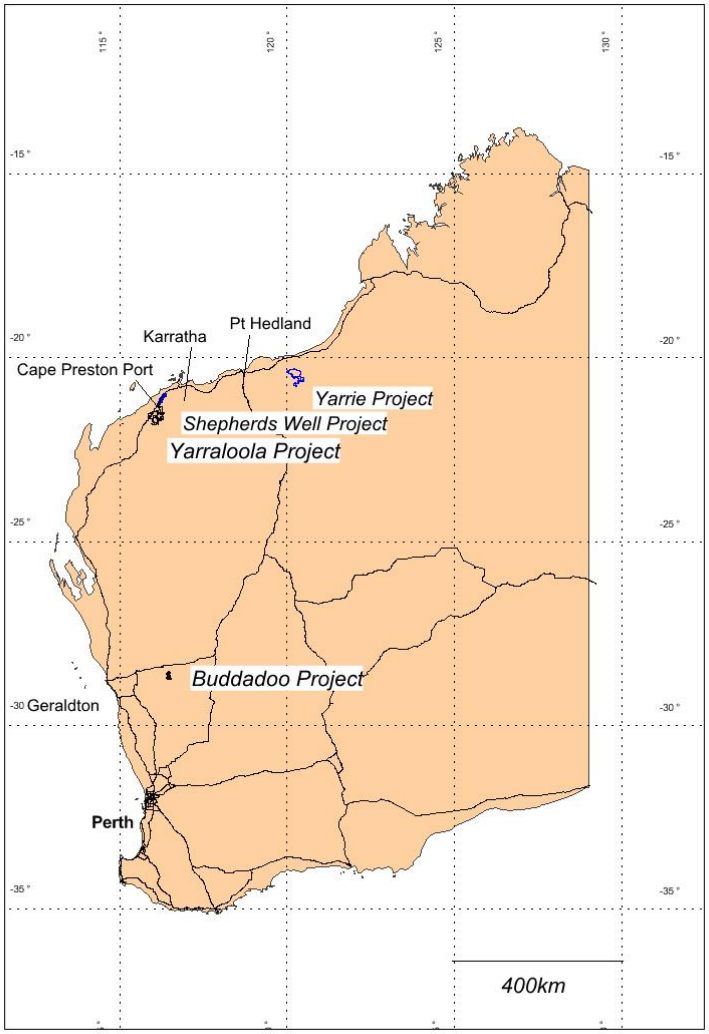

Figure 6. Location of the Coziron Resources Ltd projects in Western Australia.

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 mineral resources and exploration results is based on information compiled by Rob Ramsay (BScHons, 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 2004 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.

Appendix 1 – Reporting of exploration results from 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.*	Coziron Geologists collect 1-2kg of either -2mm screened soil from 5 to 10 cm beneath the surface or 1-2kg of representative rock-chips from outcrop.
	• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*	1-2kg of material is collected is collected according to physical features such as lithology, grain-size and alteration.
	• *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.*	1-2kg of rock-chips were crushed, dried and pulverized. A sub sample was fused and the major oxides and selected trace-element analysis are collected using XRF Spectrometry or laser ablation digest and ICP finish. Gold, platinum and palladium are measured using a fire-assay on a 50g sample with an ICP finish to 1ppb detection. All analytical work was undertaken at Bureau Veritas Laboratories in Perth, Western Australia.
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).*	No drill samples were included in this phase of exploration
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.*	No drill chips or drill core have been recovered in this phase of exploration.
	• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*	
	• *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.*	
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.*	No drill core or drill chips were logged in this part of the exploration
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*	Rock-chips are described for colour, rock-type, and grainsize.
	• *The total length and percentage of the relevant intersections logged.*	No core was obtained in this phase of exploration

Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.*	No core was collected for this study
	• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*	No core drill material was collected for this study
	• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*	Rock chip sampling is a method of providing representative surface samples with indications of mineralization to high-light mapped lithologies which require future drill assessment. Soil samples are 1-2kg of -2mm field screened material collected 5 to 10 cm beneath the surface.
	• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*	Multiple samples are collected from each lithology
	• *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.*	In early stage exploration, a number of 1-2kg rock-chip samples are collected at different outcrops to provide an indication of compositional variations associated with each lithology.
	• *Whether sample sizes are appropriate to the grain size of the material being sampled.*	In fine grained rocks, 1-2kg is sufficient to provide an indication of lithological composition.
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.*	All analyses at Bureau Veritas Laboratories in Perth. Major-element oxides and s suite of 62 minor elements were determined by XRF and laser ablation ICPMS on fused disks. Precious metal (Au, Pt, Pd) is determined by fire assay with ICP finish at a detection limit of 1ppb.
	• *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.*	No hand-held geophysical tools or hand-held analytical tools were used for the reported results.
	• *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.*	Laboratory QAQC involves the use of internal lab standards using certified reference material, blanks, splits and replicates as part of their in-house procedures. Results highlight that sample assay values are accurate and that contamination has been contained.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.*	No intersections are reported.
	• *The use of twinned holes.*	No drilling was undertaken
	• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*	Assay data is received electronically and uploaded into an access database. All hand-held GPS locations are checked against the field logs.
	• *Discuss any adjustment to assay data.*	No adjustment or calibrations were made to any assay data presented.
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.*	Sample locations were determined using hand held Garmin 72h GPS units, with an average accuracy of ±3m.
	• *Specification of the grid system used.*	The grid system is either Latitude-longitude or MGA GDA94, zone 50, local easting's and northings are in MGA
	• *Quality and adequacy of topographic control.*	SRTM90 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.*	Reconnaissance rock-chip and soil sampling is being used to examine prospects with the potential for mineralisation.
	• *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.*	Rock-chip and soil sampling data is not being used to generate either Mineral Resources or Ore Reserve estimations.

	• *Whether sample compositing has been applied.*	No data compositing has been applied.
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 lithologically controlled and sampling collects representative material from different lithologies.
	• *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.*	No drilling was undertaken
Sample security	• *The measures taken to ensure sample security.*	Samples are collected labelled and transported by Coziron Geologists to Toll-Express in Karratha from where they are transported directly to Bureau Veritas laboratories in Perth.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	

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.*	E08/2361 is held by 70% by Coziron and 30% by Croydon Gold Pty Ltd. The tenement is covered by the Yaburara and Mardudhunera Native Title Claim and a relevant heritage agreement is 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 1998-1990, Cyprus Gold and Arimco explored the area for Au and base-metals using stream sediment, rock-chip and soil samples based mainly on local grids. Three RC drill holes were drilled on the area of E08/2361 but the area was then relinquished. RC drill results reported up to 3.0% Zn, 1.7% Pb, 0.2g/t Au, In 1994, CRA Exploration explored the area for gold and base-metals collecting soil samples on local grids and some rock-chip samples. There are 4 RC drill holes from the exploration programme on the current tenement area but the area was relinquished. In 2009, Ord River Diamonds collected two rock-chip samples within the tenement but there was no follow-up reported.

Geology	• *Deposit type, geological setting and style of mineralisation.*	The tenement has a basement of Archaean-age meta-volcanics and metasediments of the Cleaverville Terrain which is intruded by granite and overlain by the Fortescue Flood basalt. The tenement is prospective for iron-ore in the metasediments, base-metals and gold associated with the meta-volcanics.
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:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	No drill holes are reported
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.* • *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.*	No weighting or truncation has been applied to the geochemical data and no intercept values are reported.
	• *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	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *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').*	Magnetite mineralization is hosted within bedded lithologies the style and geometry of other styles of mineralization have yet to be determined. No drill-hole intercepts are reported.
Diagrams	• *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.*	Refer to Figures… in body of text
Balanced reporting	• *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.*	All relevant samples on the maps and in the text are reported

Other substantive exploration data	• *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.*	Relevant geological information is reported on the maps and analysis tables in the text.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Mapping, soil and rock-chip sampling of the base-metal and gold targets is proposed.