COZIRON RESOURCES LIMITED & CONTROLLED ENTITIES
ABN 91 112 866 869

CONSOLIDATED INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

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CORPORATE DIRECTORY

DIRECTORS
Adam Sierakowski (Chairman)
Stephen Lowe
Robert Ramsay

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Stephen Hewitt-Dutton

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

Your directors submit the financial report of the consolidated group for the half-year ended 31 December 2017.

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 an 85% interest in the Yarraloola and Buddadoo Projects, a 70% interest in the Shepherds Well and Yarrie Iron Ore Project and is acquiring a 70% interest in the Croydon Top-Camp project.

Each project is located in proximity to transport infrastructure (Fig 1). Details of the projects and an overview of results from the past six months are presented in the following sections.

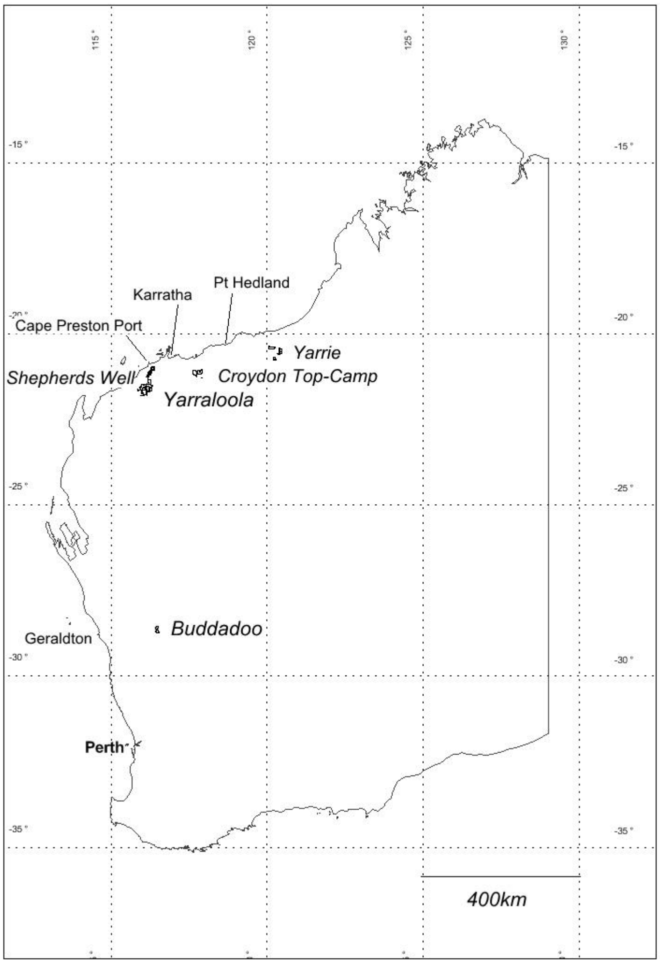


Fig 1 – Location of the Coziron Resouces Ltd tenements in Western Australia.

Yarraloola Iron-ore Project

The Yarraloola Project consists of eight exploration licences and three prospecting licenses with a total area of 896 km^2 (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 metasedimentary and metavolcanic rocks of the Ashburton Basin contain an iron formation. In the south, the Coziron tenements cover parts of the Robe River pisolitic iron-stone that was deposited in paleo-river channels associated with the Carnarvon Basin and this system currently support large-scale mining operations at Warramboo, Mesa A and Mesa J (Fig 2).

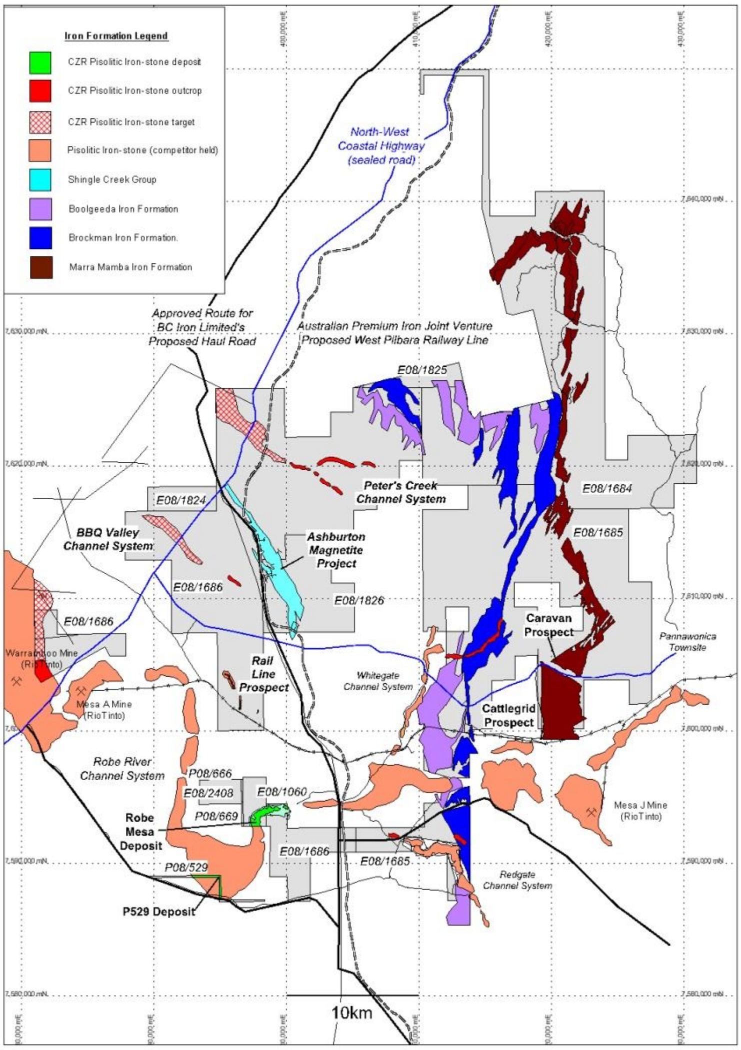


Fig 2 - Yarraloola tenements showing the Robe Mesa, extension to the east and the P529 Deposits, distribution of the pisolitic iron-stone, the Ashburton magnetite project, the Marra Mamba, Brockman and Boolgeeda Iron Formations.

Logistically, the Yarraloola tenements are 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 in the project area.

Coziron currently has activities focussed onto the following targets.

1. Pisolitic ironstone that represents deposits of alluvial material deposited into ancient channels of the Robe River system and where drilling by the Company has delineated the Robe Mesa and Robe Extension deposits on E08/1060 and E08/1686 and the P529 deposit on P08/529 (Fig 2)
2. Magnetite-bearing schists in the Proterozoic-aged, Ashburton Basin on tenements E08/1686 and E08/1826 (Fig 2).
3. Haematitic and goethitic rock associated with the Marra Mamba, Brockman and Boolgeeda Iron Formations on E08/1684 and E08/1685 (Fig 2).

Robe Mesa Deposit

In late 2014 and again in mid-2015, the Company completed programmes of RC drilling that totalled 67 holes into the Robe Mesa (Fig 2). These intersected an upper and lower interval of pisolitic iron-stone with Fe>50% (Fig 3 and 4). The independently calculated mineral resources were revised after the 2015 drilling and reported to the ASX on the 7th of December 2015 and 8th of February 2016 using Fe cut-offs of 50% and 55%. The results are summarised in the following tables.

February 2016 Robe Mesa Deposit – Updated Mineral Resource Estimate – above a Fe cut-off grade of 50%.

Category	Mt	Fe%	SiO_2%	Al_2O_3%	TiO_2%	LOI%	P%	S%	Fe_{ca}%
Indicated	65.7	53.8	8.3	3.4	0.14	10.6	0.04	0.02	60.2
Inferred	18.8	53.8	8.2	3.4	0.14	10.7	0.05	0.02	60.3
Total	**84.5**	**53.8**	**8.3**	**3.4**	**0.14**	**10.6**	**0.04**	**0.02**	**60.2**

February 2016 Robe Mesa Deposit – Updated Mineral Resource Estimate – above a Fe cut-off grade of 55%.

Category	Mt	Fe%	SiO_2%	Al_2O_3%	TiO_2%	LOI%	P%	S%	Fe_{ca}%
Indicated	19.5	56.0	6.0	2.7	0.10	10.7	0.04	0.02	62.7
Inferred	5.2	56.0	5.8	2.8	0.1	10.7	0.05	0.02	62.7
Total	**24.6**	**56.0**	**5.9**	**2.7**	**0.1**	**10.7**	**0.04**	**0.02**	**62.7**

In late 2016, the company completed a further 42 holes on pisolitic outcrop and debris that to the east and west of the area contained within the Robe Mesa ore resource (Fig 3). Drill-holes to the east reported intercepts with Fe>50% that correlate with the lower zone of mineralisation (Fig 5). An independently generated JORC-compliant Inferred resource for the drill holes in the Robe East extension has been reported as follows.

April 2017 Robe East Extension – Mineral Resource Estimate - above a Fe cut-off grade of 50%.

Category	Tonnes Mt	Fe %	SiO_2 %	Al_2O_3 %	TiO_2 %	LOI %	P %	S %	Fe_{ca} %
Inferred	4.6	51.8	9.7	3.8	0.2	10.9	0.1	0.02	58.2
Total	**4.6**	**51.8**	**9.7**	**3.8**	**0.2**	**10.9**	**0.1**	**0.02**	**58.2**

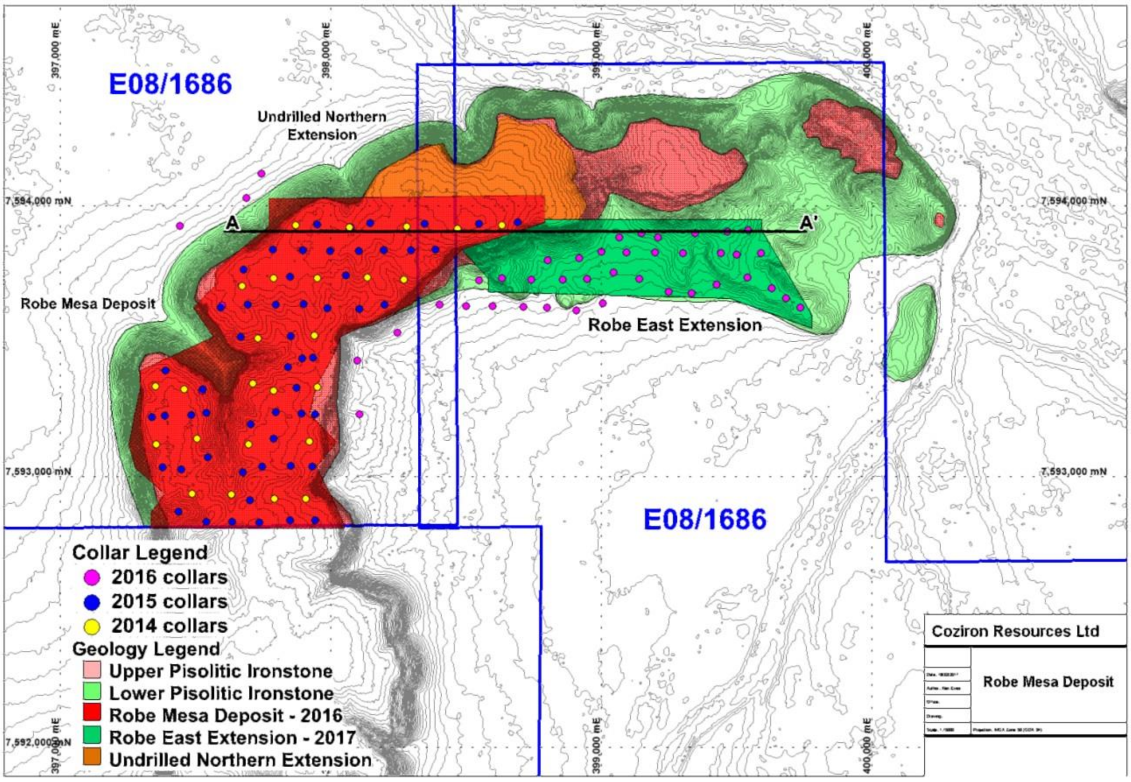


Fig 3. Robe Mesa and Robe east Extension on tenements E08/1060 and E08/1686 with 1m interval elevation contours showing the distribution of the upper and lower Robe Mesa pisolitic ironstones with the locations of the 2014, 2015 and 2016 RC and Sonic drill-holes.

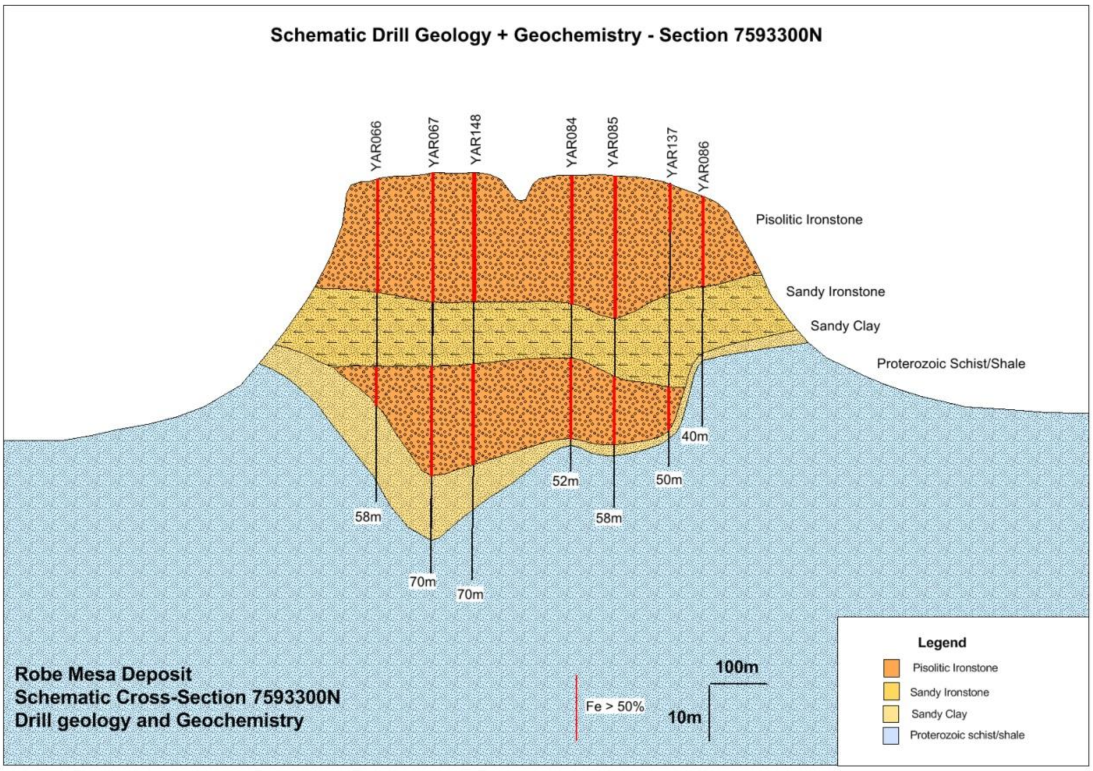


Fig 4. Geological section at 7593300N (from Fig 3) showing red down-hole intervals for drill holes with pisolitic ironstone reporting Fe>50% (ie calcined iron or Fe_{ca}>55%).

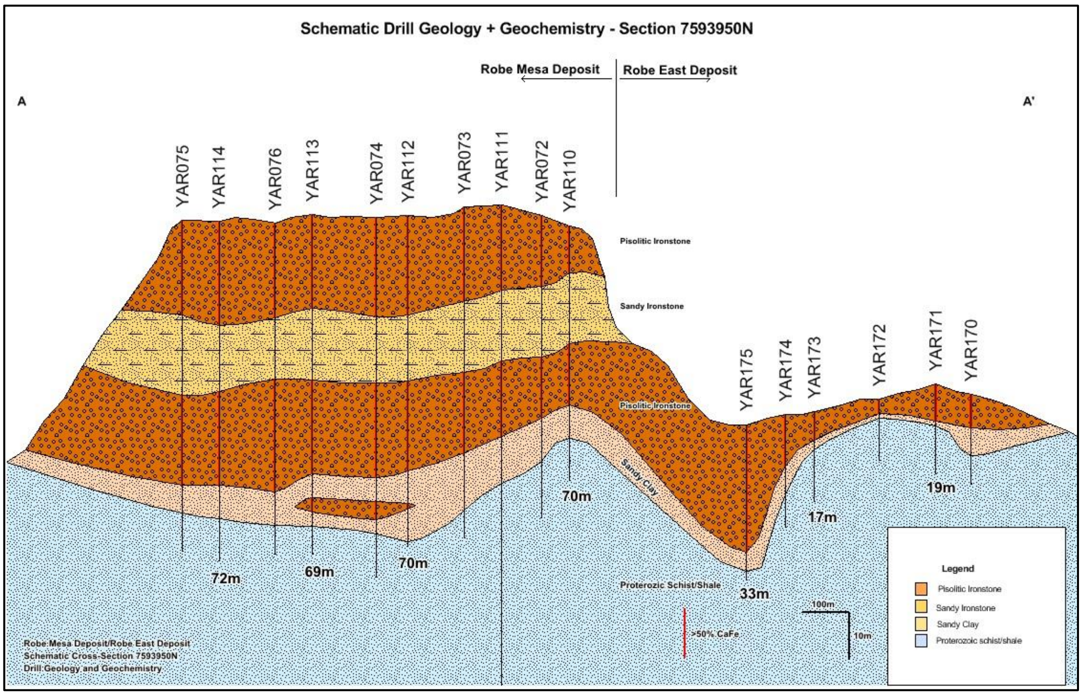


Fig 5. Interpreted geological cross-section on 75933950N (from Fig 3) with a 10 times vertical exaggeration showing the down-hole intervals from the 2014 and 2015 RC-drill-holes on the Robe Mesa deposit 2016 RC drill-holes on the Robe Mesa Extension reporting Fe>50% (calcined Fe>55%).

P529 Deposit

Prospecting license P08/529 is located on the south-western margin of the Yarraloola Project and covers an area of ferruginous detritus associated with the Robe Pisolite system (Fig 2). A total of 17 vertical RC drill-holes for 617 metres were completed (Fig 6). Intercepts with pisolitic iron-stone mineralisation were sampled on 1m intervals and assayed at Bureau Veritas Laboratories in Perth. The assay data-base and a geological model were then provided to Payne Geological Services Pty Ltd (PayneGeo) for assessment (Fig 7). The review produced a maiden inferred resource estimate for the P529 deposit that is summarised in the Table below with full details reported to the ASX by CZR on 9th May 2017.

May 2017 P529 Deposit – Mineral Resource Estimate – above a Fe cut-off of 50% (calcined Fe>55%).

Category	Tonnes Mt	Fe %	SiO_2 %	Al_2O_3 %	TiO_2 %	LOI %	P %	S %	Fe_{ca} %
Inferred	4.2	53.0	9.1	3.9	0.2	10.4	0.04	0.01	59.2
Total	**4.2**	**53.0**	**9.1**	**3.9**	**0.2**	**10.4**	**0.04**	**0.01**	**59.2**

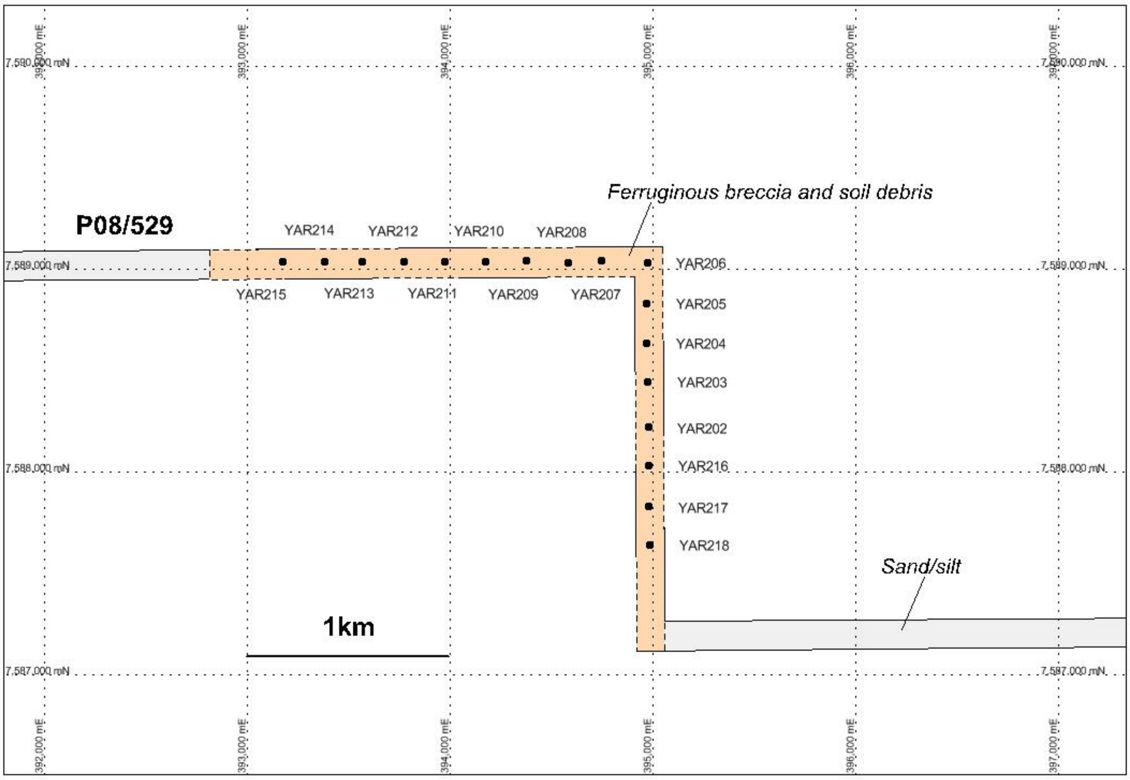


Fig 6. Location of the 2016 RC drill-collars on prospecting licence P08/529.

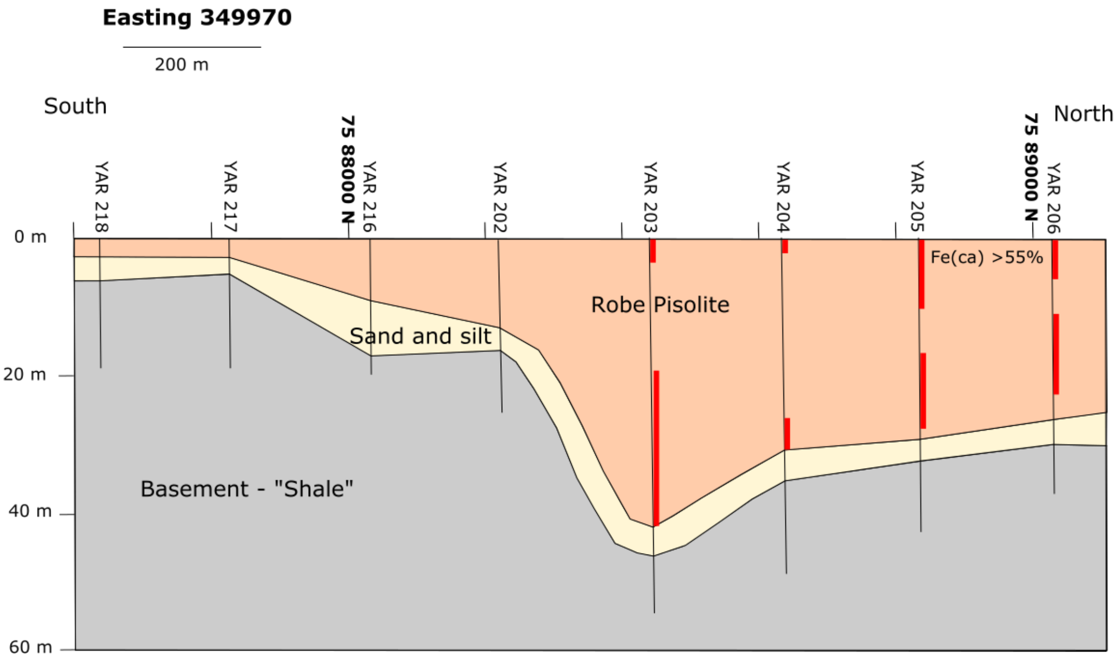


Fig 7. Interpreted south-north geological cross-section on 349970 E between YAR 218 and YAR 206 (from Fig 6) with a 10 times vertical exaggeration showing the down-hole intervals (in red) reporting Fe>50% (calcined Fe>55%).

Ashburton Magnetite Schists

The Ashburton Magnetite Project covers a high-order, magnetic target some 12km long and 1km wide on tenements E08/1826 and E08/1686 in the West Pilbara (Fig 2). The project lies in the Ashburton Basin some 15km west of the contact with metasediments of the Hammersley Basin. Mapping, drilling and petrographic studies have established that the magnetite in the iron formation is associated with chlorite, sericite and carbonate-bearing siliceous rocks (ASX: report 15th March 2017). The weathering interface is shallow and typically ends at about 30 m below surface. The drill-intercepts to date are also characterised by low sulphide content and an absence of asbestiform minerals.

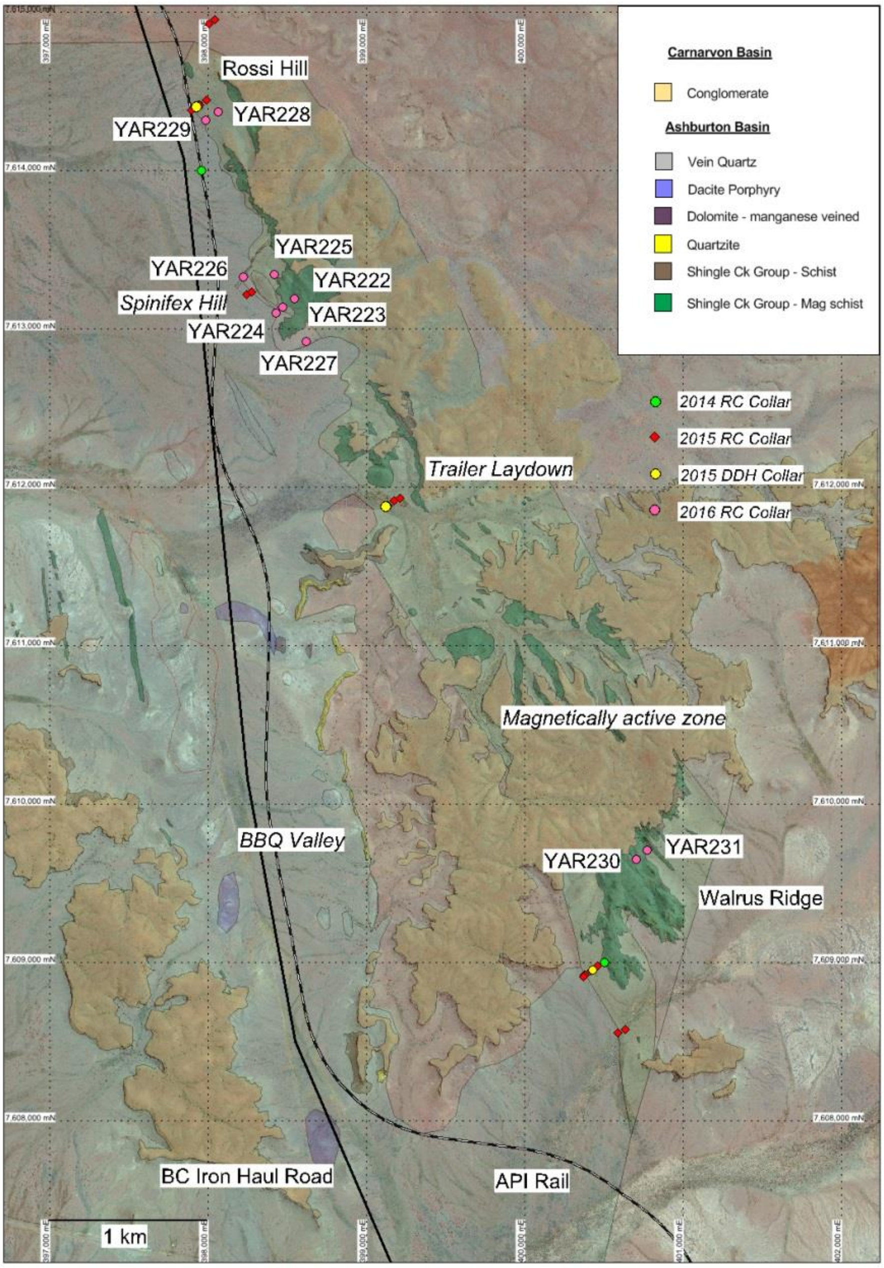


Fig 8. RC and diamond drill-collars for the magnetite-bearing sequence in the Ashburton Trough overlain on the 1VD magnetic imagery. (Green circles = 2014 RC, Yellow = 2015 diamond-hole, Red = 2015 RC and Purple = labelled 2016 RC).

Assay intercepts with Fe>20% are produced from down-hole intervals with magnetic susceptibility ranging from 10,000-60,000 SI units. These intervals report magnetite mass-recovery up to 42% with Fe greater than 67% and SiO_2 less than 5% at a measured P80 of 22 microns. Of the prospects within the magnetite project that are being evaluated, drill-holes into Spinifex Hill and Rossi Hill report the broadest intercepts, higher mass yields (greater than 25%) and better quality concentrates (Fe greater than 76% and SiO_2 less than 5%; ASX: reports 28th April 2016, 3rd August 2016).

In late 2016 a RC drill programme on the Ashburton magnetite project completed 10 inclined (-60) holes to 200m deep to compliment previously reported results and better determine the distribution and grade of mineralisation at the Spinifex Hill, Rossi (previously Discovery North) and Walrus Ridge (previously Discovery South) prospects (Fig 8). During drilling, samples were logged for geology and magnetic susceptibility and sampled for geochemistry on 1m intervals. Drill-hole locations and a summary of the iron-suite assay down-hole intercepts through intervals with magnetic susceptibility greater than 10,000 SI units and sub-divided into the Spinifex Hill, Rossi and Walrus Ridge prospects were fully reported by CZR to ASX on 1-June-2017 and a representative cross-section from Spinifex Hill is presented as Figs 9.

At Spinifex Hill, the interpreted geology and down-hole intercepts indicates that the zone of higher grade (Fe >25%) magnetite mineralisation is at least 300m wide (Fig 9) and intercepts are now reported along a strike length of about 500m. At Rossi Hill, two holes drilled on a new section of the prospect produced down-hole intercept across a zone of mineralisation that is at least 150m wide. While at Walrus Ridge, towards the southern portion of the Ashburton magnetite project, results from the 2014 to 2016 drilling programmes indicate an intercalation of magnetite-bearing intervals with volcaniclastic rocks extends across a zone that is over 500m wide.

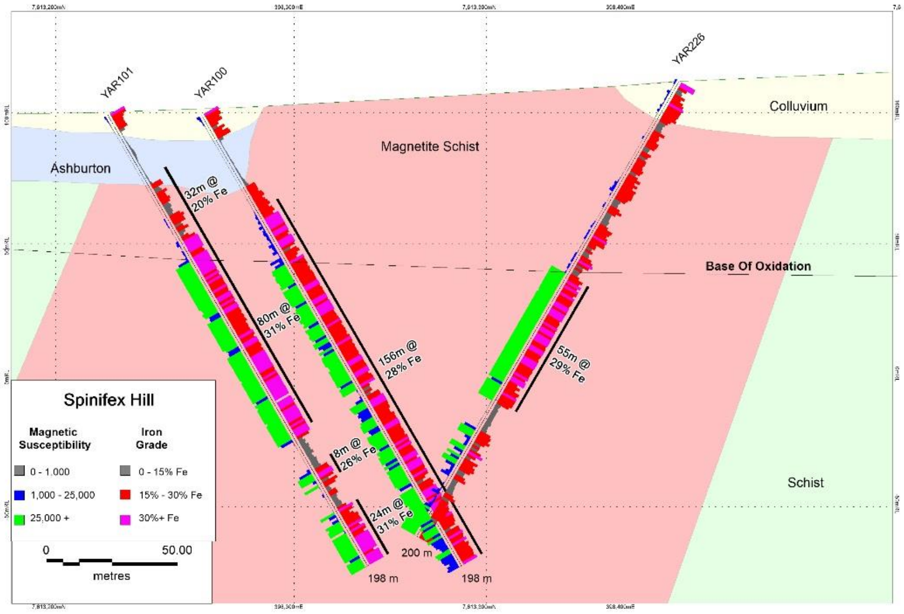


Fig 9. Spinifex Hill interpreted geological cross-section with YAR100 and YAR101 from 2015 RC programme and YAR226 from the 2016 programme showing the magnetic susceptibility and Fe-grade as down-hole intercepts.

Shepherds Well Project

The Shepherds Well Project consists of exploration license E08/2361 covering an area of 192.2km^2 and is 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 only 25-50km from the proposed public access port at Cape Preston. 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 that are attributed to a sea-floor volcanogenic origin.

Programmes of soil and rock-chip sampling and mapping have identified nickel (Ni), copper (Cu) and gold (Au) anomalism associated with an outcrop of talc-carbonate rock at Dorper Rise and lead (Pb), zinc (Zn) and silver

(Ag) associated with a linear magnetic anomaly at Suffolk Ridge (Fig 10). In addition, where soil and drainage samples have been collected near the base of the Fortescue Basalt, they typically report anomalous gold (Fig 10; Full details were reported to the ASX on 11th of October 2017).

Follow-up programmes are being planned for 2018. These will include RC drilling of the advanced prospects for nickel and zinc and additional sampling for gold along the basal portion of the Fortescue Group.

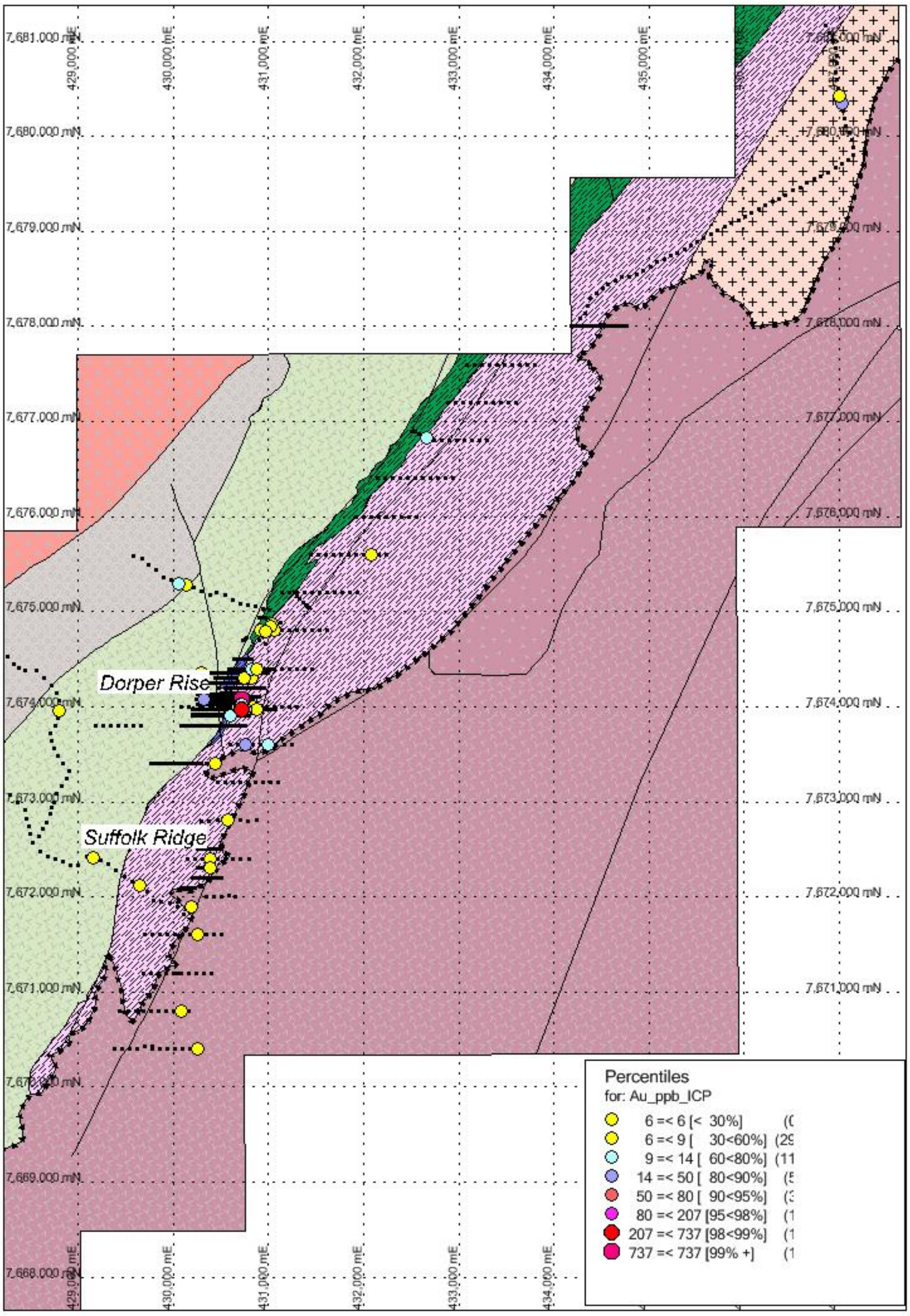


Fig 10 - Map of the total magnetic intensity over the Shepherds Well Project (E08/2361) showing the traces of the main magnetic anomalies in the north, a locality identified by the Company with outcropping banded iron formation and a site of anomalous Ag, Pb and Zn.

Yarrie Project

The Yarrie Project consists of six granted exploration licences (E45/3725, E45/3728, E45/4065, E45/4433, E45/4604, and E45/4605) that cover a total of 419km^2, about 160km east of Port Hedland (Fig 11). Yarrie is serviced by bitumen and gravel roads and a natural gas pipeline between Pt Hedland and the Telfer copper-gold mine. The BHPB-owned rail connection between the Yarrie mining area and Port Hedland also services this area.

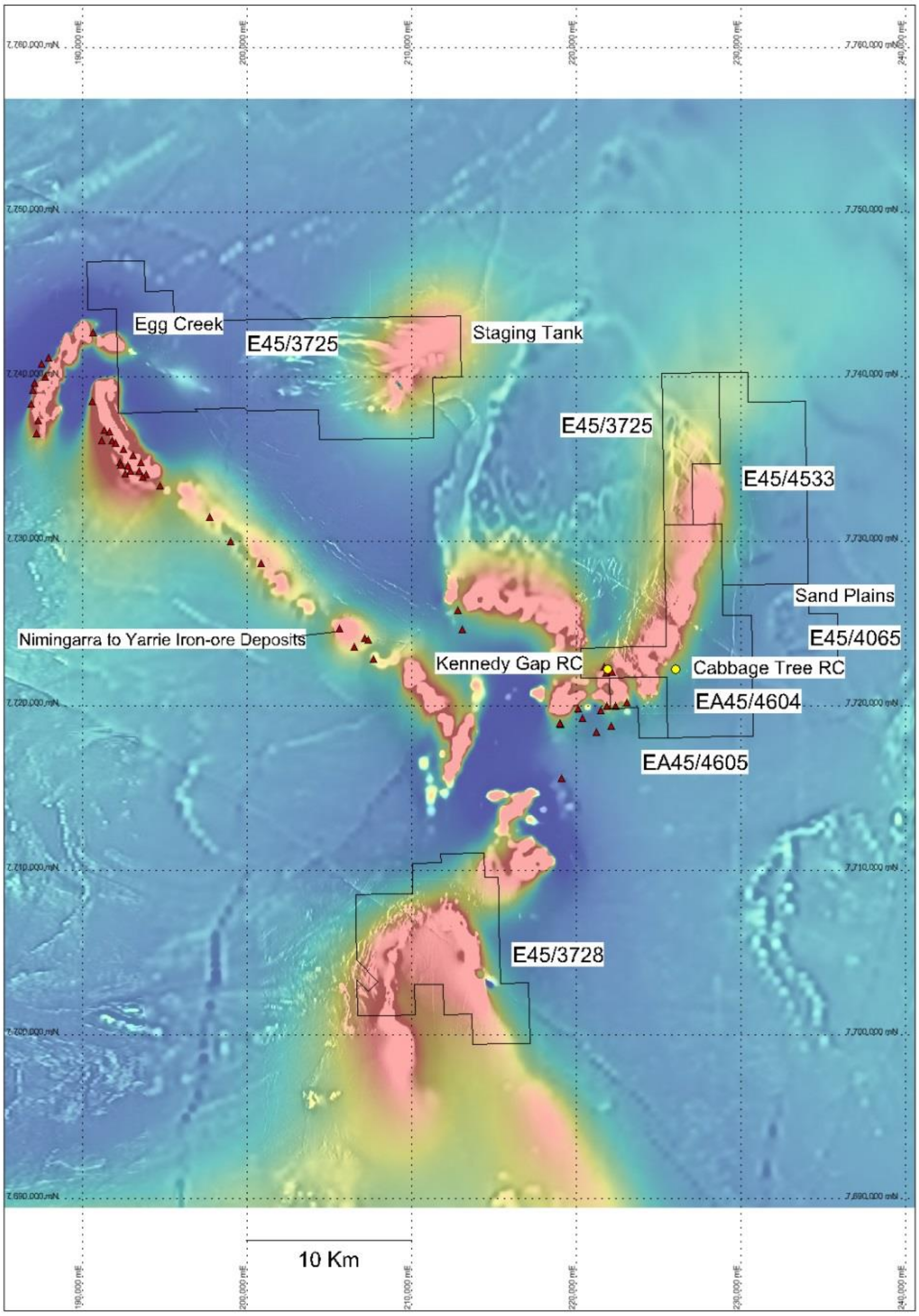


Fig 11 - Regional setting of the Yarrie Project and the Yarrie-Goldsworthy iron-ore deposits overlain onto the magnetic intensity with the most intense responses attributed to the Nimingarra Iron Formation.

The Yarrie tenements have the potential to host high-grade (+62% Fe) iron-ore deposits within the magnetically active Archaean-age Nimingarra Iron Formation. There is also the potential for gold and base-metals associated with the strongly deformed, mixed mafic to ultramafic volcanic rocks that have interbedded metasediments in the Pilbara basement. In addition, E45/3278 covers a portion of the basal interval of the Fortescue Group that is prospective for gold in conglomerate.

After the acquisition of the project, CZR acquired detailed gridded gravity data in areas where the Nimingarra Iron Formation is covered by soil and other detritus. During 2017, 8 vertical, 200m deep RC drill-holes were completed as follow-up to gravity anomalies generated at the Egg Creek anomaly. However, all the intersected meta-basalt that is perhaps part of the Fortescue Basalt sequence that unconformably overlies the rocks that might include the Nimingarra Iron Formation.

Follow-up programmes for 2018 are being planned to RC drill the Cabbage Tree and Kennedy Gap prospects where historical drilling reported Fe assays greater than 62% (Fig 11). Additional sampling for gold mineralisation is being planned for the basal portions of the Fortescue Group that outcrop on E45/3728.

Buddadoo Project

The 192 km^2 Buddadoo Project (E59/1350) is located about 200km east of Geraldton Port and 60km from a rail siding at Morawa that connects to Perth and Geraldton (Fig 12). The area is also serviced by a bitumen-road between the towns of Morawa and Yalgoo and a number of station tracks (Fig 12). The tenement covers part of the Gullewa Greenstone Belt which is cut by major faults and intruded by granitic and gabbroic rocks. Historical exploration on E59/1350 identified mineralisation at two sites. Edamurta, in the north, has gold, copper and zinc associated with felsic and mafic volcanics of the Gullewa Greenstone Belt. In the south, the Buddadoo Gabbro has copper and bands of vanadiferous magnetite in intrusive gabbroic rocks (Fig 12).

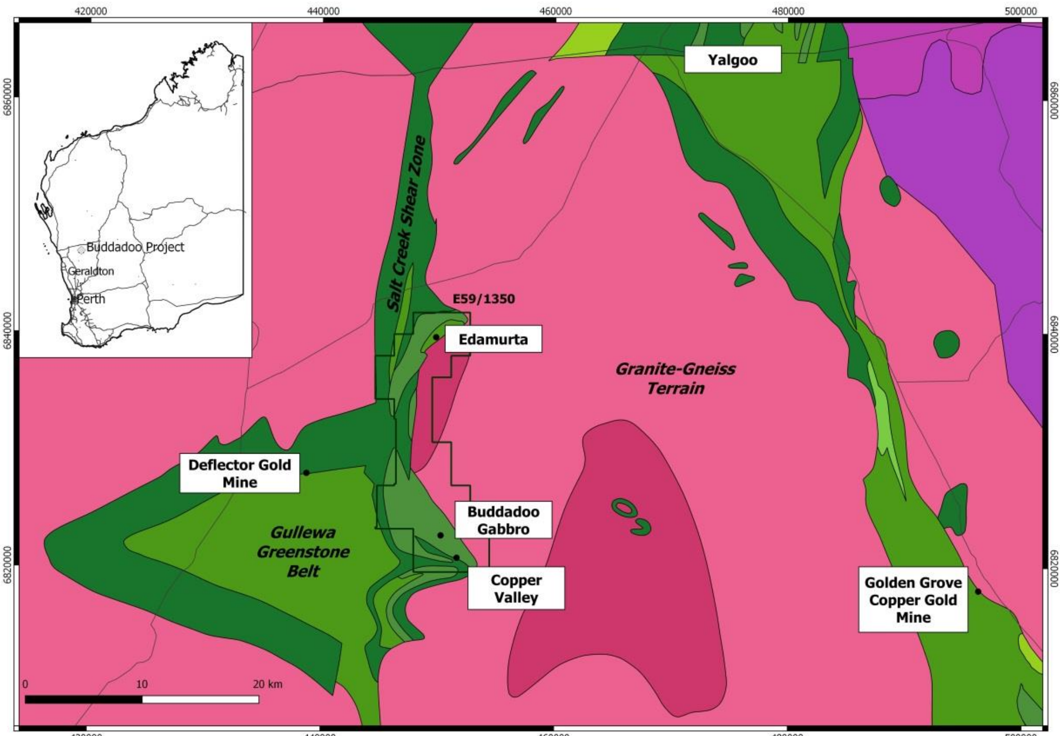


Fig 12 - Location and main exploration prospects for the Buddadoo Project (E59/1350) on the Geological Survey of Western Australia 1:500,000 scale map of the regional geology.

During 2017, CZR used mapping, soil and rock-chip sampling over the Buddadoo Gabbro to highlight the prospectivity of a 6km long and 350m wide high-order magnetic anomaly for vanadiferous titanomagnetite mineralisation. The soil results also highlighted prospectivity for nickel and copper associated with lower order magnetic anomalies to the east of the magnetite zone (Full details and results were reported to the ASX on 17th Oct 2017).

Recently the Company received statutory approval of a 3800m RC drill programme (Fig 13). The proposal includes 18 holes to examine cross-sections across the magnetic features associated with the copper and nickel anomalism and 10 holes to determine the distribution and grade of the vanadiferous titanomagnetite. Drilling will commence in early March.

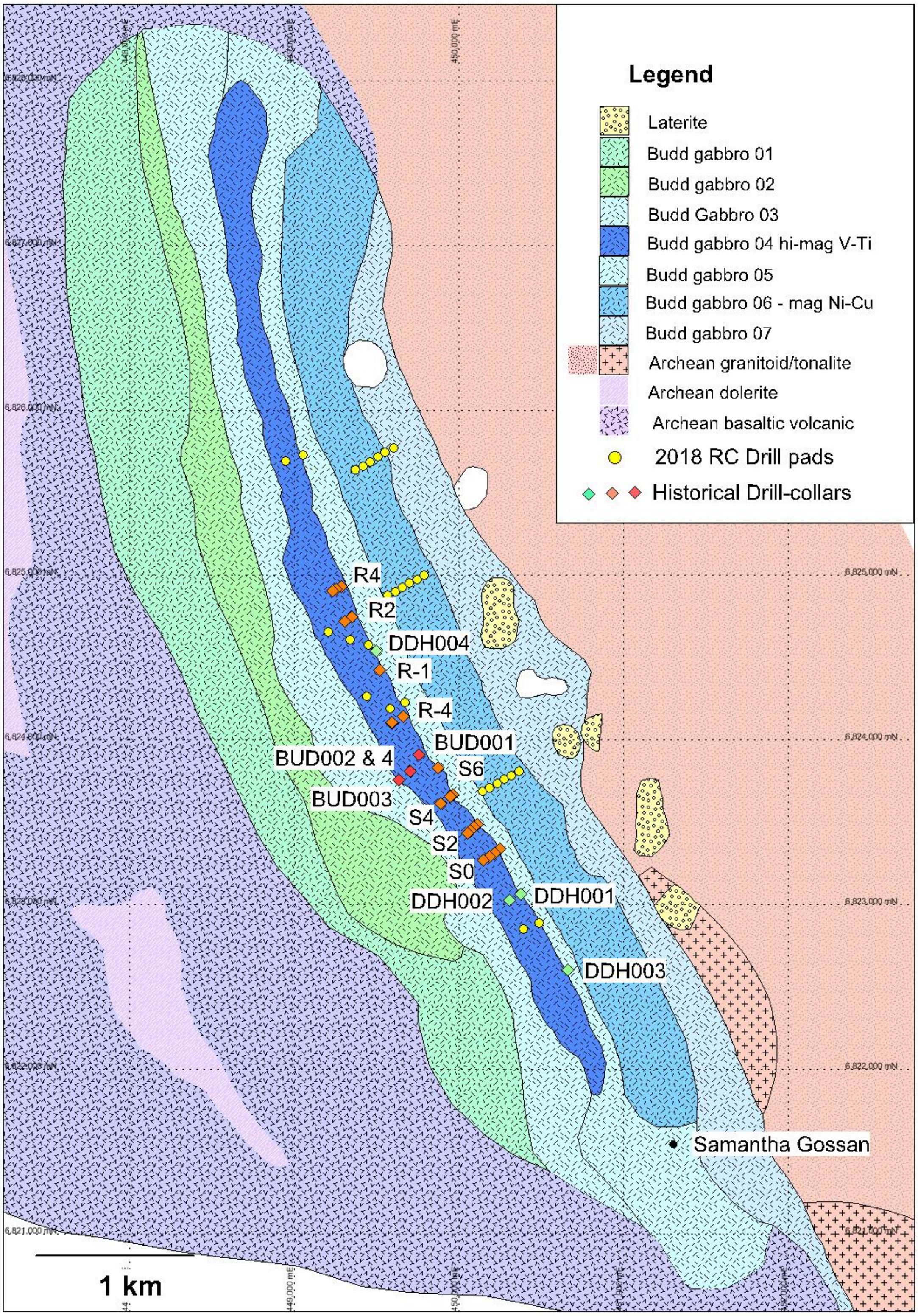


Fig 13 Location of the proposed RC drill-pads for the approved 2018 programme on the interpreted geological map for the Buddadoo Gabbro with the location of historical drill-collars.

<u>Croydon Top-Camp Project</u>

Coziron has entered into an agreement with Creasy Group to acquire a 70% interest in Croydon Top-Camp (E47/2150) project. This tenement covers 317 km^2 in the West Pilbara is located about 80 km south-east of Karratha (Fig 14). A summary of historical activities and results was reported to the ASX on 8th and 28th of November 2017. The region has a basement of metasediments of the De Grey Superbasin with intercalated mafics from the Millindinna intrusives that were then deformed and intruded by major suite of granitic rocks. These rocks are then unconformably overlain by the conglomerates and volcanics of the Fortescue Group.

Prospectivity for gold on Top-Camp can be attributed to at least two settings on the western portion of the tenement.

1. Conglomerates at the base of the Fortescue Group which have the potential to host detrital deposits.
2. Structurally complex, turbiditic, meta-sediments of the De Grey Superbasin with the potential for hydrothermal vein and replacement styles of mineralisation.

Geochemical results from reconnaissance drainage and soil sampling indicate that the material derived from the basal parts of the Fortescue Group is anomalous in gold (>5ppb). Follow-up sampling is required to determine whether the source of the anomalism can be located.

There are more advanced prospects for gold mineralisation represented within the structurally complex, turbiditic metasediments of the De Grey Super Basin. In particular, gridded soil and auger samples highlight a 1.5km long by 500m wide area with anomalous gold, arsenic and antinomy values that represents a very high-priority target for further work.

A programme of works is being prepared for the 2018 field season.

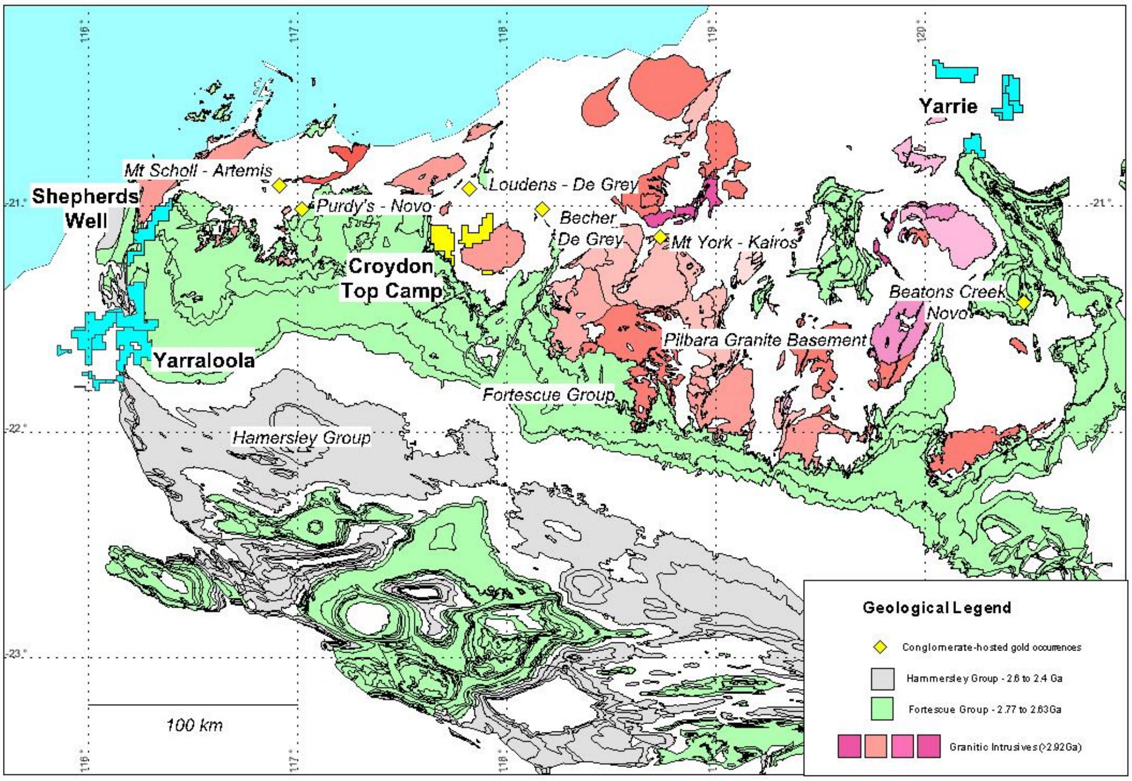


Fig 14. Regional geological setting of the Croydon Top-Camp project (E47/2150 in yellow) with other Coziron projects (Yarraloola, Shepherds Well and Yarrie in blue) showing their spatial relationship to the major geological units in the Pilbara using the Geological Survey of Western Australia 2.5million-scale map and the reported occurrences of conglomerate-hosted gold.

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

On 30 January 2018 the Company announced that it had secured a debt facility of $1.0m from the Company's largest shareholder, the Creasy group. The funds are to be used to cover exploration works to be undertaken at the Company's Buddadoo project near Geraldton, WA and working capital as the Company finalises other funding initiatives. The debt facility has the following terms:

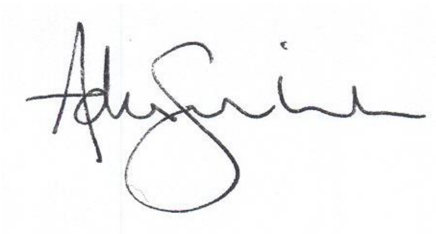
1. The funds have been received in a single advance of $1,000,000;
2. Interest at 10% is payable on any advance;
3. The loan has a term of 6 months from the date of the advance;
4. The Lender has the option of securing the loan over the Company's assets;
5. Repayment of the Loan (and any accrued interest) must be made in cash unless the lender elects, at its sole discretion, that repayment be made in shares or a combination of both. The shares to be issued will be at an issue price of $0.015 and be subject to shareholder approval; and
6. The Company may repay the advance at any time prior to the last repayment date, which is 6 months after the advance is made, unless an extension is agreed in writing by both parties.

Other than as outlined above, there has not been any matter or circumstance that has arisen after reporting date that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial periods.

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 2017 is set out on page 18.

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



Adam Sierakowski
Chairman

Dated this 13th day of March 2018

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.

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DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF COZIRON RESOURCES LIMITED

As lead auditor for the review of Coziron Resources Limited for the half-year ended 31 December 2017, 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.

Glyn O'Brien

Director

BDO Audit (WA) Pty Ltd

Perth, 13 March 2018

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

	Note	Half-Year 31 December 2017 $	Half-Year 31 December 2016 $
Other income		676	13,000
Exploration costs		(499,691)	(954,298)
Employee benefits expense		(59,000)	(60,624)
Compliance and professional fees		(138,241)	(116,159)
Depreciation		(2,456)	(3,078)
Occupancy costs		(12,000)	(12,000)
Administration expenses		(17,154)	(21,310)
Finance costs	2	(12,329)	-
(Loss) before income tax		**(740,195)**	**(1,154,469)**
Income tax expense		-	-
(Loss) from continuing operations after related income tax expense for the half year attributable to members of Coziron Resources Limited		**(740,195)**	**(1,154,469)**
Other comprehensive income		**-**	**-**
Total comprehensive loss attributable to the members of Coziron Resources Limited		**(740,195)**	**(1,154,469)**
(Loss) per share for the half year attributable to members of Coziron Resources Limited			
Basic loss per share (cents)		(0.04)	(0.07)
Diluted loss per share (cents)		(0.04)	(0.07)

The above consolidated 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 2017

	Note	As At 31 December 2017 $	As At 30 June 2017 $
ASSETS			
Current Assets			
Cash and cash equivalents		52,979	369,923
Trade and other receivables		194,193	123,630
Total Current Assets		**247,172**	**493,553**
Non-Current Assets			
Property, plant and equipment		23,442	25,898
Exploration assets	**3**	11,481,916	11,481,916
Total Non-Current Assets		**11,505,358**	**11,507,814**
TOTAL ASSETS		**11,752,530**	**12,001,367**
LIABILITIES			
Current Liabilities			
Trade and other payables	**4**	241,232	249,874
Total Current Liabilities		**241,232**	**249,874**
TOTAL LIABILITIES		**241,232**	**249,874**
NET ASSETS		**11,511,298**	**11,751,493**
EQUITY			
Contributed equity	**5**	28,833,286	28,333,286
Reserves		159,158	159,158
Accumulated losses		(17,481,146)	(16,740,951)
TOTAL EQUITY		**11,511,298**	**11,751,493**

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 2017

	Note	Ordinary Shares $	Reserves	Accumulated Losses $	Total Equity $
Balance at 1 July 2017		**28,333,286**	**159,158**	**(16,740,951)**	**11,751,493**
Total comprehensive loss for the half-year		-	-	(740,195)	(740,195)
Shares issued – Repayment of loan	6	500,000	-	-	500,000
Share issue costs		-	-	-	-
Balance at 31 December 2017		**28,833,286**	**159,158**	**(17,481,146)**	**11,511,298**
Balance at 1 July 2016		**28,333,286**	**159,158**	**(14,703,891)**	**13,788,553**
Total comprehensive loss for the half-year		-	-	(1,154,469)	(1,154,469)
Balance at 31 December 2016		**28,333,286**	**159,158**	**(15,858,360)**	**12,634,084**

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 2017

	Half-Year 31 December 2017 $	Half-Year 31 December 2016 $
Cash flows from operating activities		
Receipts from customers	-	-
Payments to suppliers and employees	(192,165)	(254,234)
Payment for exploration expenditure	(625,570)	(1,044,372)
Interest received	791	13,000
Net cash flows used in operating activities	**(816,944)**	**(1,285,606)**
Cash flows from investing activities		
Acquisition of plant and equipment	-	-
Net cash flows used in investing activities	**-**	**-**
Cash flows from financing activities		
Proceeds from issue of ordinary shares	-	-
Payment of share issue costs	-	-
Proceeds from borrowings	500,000	-
Net cash flows used in financing activities	**500,000**	**-**
Net increase/(decrease) in cash held	(316,944)	(1,285,606)
Cash and cash equivalents at the beginning of the half-year	369,923	2,308,836
Cash and cash equivalents at the end of the half-year	**52,979**	**1,023,230**

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

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 2017 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 a full 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 2017.

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 2017, 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 2017. 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.

New Accounting Standards not yet mandatory or early adopted

Reference	Title	Summary	Application date	Expected Impact
AASB 15	*Revenue from Contracts with Customers*	This Standard establishes principles (including disclosure requirements) for reporting useful information about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.	Financial years beginning on or after 1 January 2018	No expected impact
AASB 2014-5	*Amendments to Australian Accounting Standards arising from AASB 15*	AASB 2014-5 incorporates the consequential amendments arising from the issuance of AASB 15.	Financial years beginning on or after 1 January 2018	No expected impact

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

Reference	Title	Summary	Application date	Expected Impact
AASB 2016-3	*Amendments to Australian Accounting Standards – Clarifications to AASB 15*	Clarifies AASB 15 application issues relating to: • Identifying performance obligations • Principal vs. agent considerations • Licensing • Practical expedients	Financial years beginning on or after 1 January 2018	No expected impact
AASB 9	*Financial Instruments*	AASB 9 (December 2014) is a new standard which Replaces AASB 139. This new version supersedes AASB issued in December 2009 (as amended) and AASB 9 (issued in December 2010) and includes a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially reformed approach to hedge accounting. AASB 9 is effective for annual periods beginning on or after 1 January 2018. However, the Standard is available for early adoption. The own credit changes can be early adopted in isolation without otherwise changing the accounting for financial instruments.	Financial years beginning on or after 1 January 2018	No expected impact
AASB 16	*Leases*	AASB 16 eliminates the operating and finance lease classifications for lessees currently accounted for under AASB 117 Leases. It instead requires an entity to bring most leases onto its balance sheet in a similar way to how existing finance leases are treated under AASB 117. An entity will be required to recognise a lease liability and a right of use asset in its balance sheet for most leases. There are some optional exemptions for leases with a period of 12 months or less and for low value leases. Lessor accounting remains largely unchanged from AASB 117.	Financial years beginning on or after 1 January 2019	No expected impact

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

Reference	Title	Summary	Application date	Expected Impact
AASB 2016-5	Classification and Measurement of Share-based Payment Transactions [Amendments to IFRS 2	This standard amends to IFRS 2 Share-based Payment, clarifying how to account for certain types of share-based payment transactions. The amendments provide requirements on the accounting for: • The effects of vesting and non-vesting conditions on the measurement of cash settled share-based payments • Share-based payment transactions with a net settlement feature for withholding tax obligations A modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled	1 January 2018	No expected impact

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.

Going Concern

The Group has incurred a net loss after tax for the half year ended 31 December 2017 of $740,195 (2016: $1,154,469) and experienced net cash outflows from operating activities of $816,944 (2016: $1,285,606). At 31 December 2017, the Group had current assets of $247,172 (30 June 2017: $493,553).

The ability of the Group to continue as a going concern is dependent on securing additional funding through debt or equity issues or partial sale of its mineral properties as and when the need to raise working capital arises, to continue to fund its operational activities.

These conditions indicate a material uncertainty that may cast a significant doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Management believe there are sufficient funds to meet the Group's working capital requirements as at the date of this report. Subsequent to period end the Group expects to receive additional funds through debt or equity issues.

The financial statements have been prepared on the basis that the Group is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

- The Group has a proven history of successfully raising capital.
- The Directors believe that there is sufficient cash available for the Group to continue operating until it can raise sufficient further capital to fund its ongoing activities.
- The fact that future exploration and evaluation expenditures are generally discretionary in nature and may be slowed or suspended as part of the management of the Group's working capital and other forecast commitments.

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements and that the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Group not continue as a going concern.

2. LOSS BEFORE INCOME TAX

	Half-Year 31 December 2017 $	Half-Year 31 December 2016 $
The following revenue and expense items are relevant in explaining the financial performance for the half-year:		
Interest revenue	676	13,000
Expenses		
Exploration costs	(499,691)	(954,298)
Compliance and professional fees	(138,241)	(116,159)
Interest paid or payable	(12,329)	-

3. EXPLORATION ASSETS

A reconciliation of the movements in the capitalised exploration assets is detailed below:

	31 December 2017 $	30 June 2017 $
Opening balance at the beginning of the half-year	11,481,916	11,481,916
Closing Balance	11,481,916	11,481,916

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 2017 $	30 June 2017 $
Trade payables	170,612	235,620
Accruals	69,449	12,000
Employee entitlements	1,171	2,254
	241,232	249,874

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

5. ISSUED CAPITAL

	As At 31 December 2017 $	As At 30 June 2017 $
Ordinary shares	28,833,286	28,333,286

	2017 No.	2017 $	2016 No.	2016 $
Movements in ordinary shares on issue				
Shares on issue at 1 July	1,752,217,935	28,333,286	1,752,217,935	28,333,286
- Shares issued – Repayment of Loan	33,333,333	500,000	-	-
- Issue costs	-	-	-	-
At 31 December	1,785,551,268	28,833,286	1,752,217,935	28,333,286

Options

	2017 No.	2017 Weighted average exercise price	2016 No.	2016 Weighted average exercise price
Outstanding at beginning of year	17,500,000	0.0325	17,500,000	0.0325
Issued during the year	-	-	-	-
Expired during the period	(8,750,000)	-	-	-
Outstanding at the end of the year	8,750,000	0.035	17,500,000	0.0325
Exercisable at the end of the year	8,750,000	0.035	17,500,000	0.0325

6. SHARE BASED PAYMENTS

Ordinary Shares

	As At 31 December 2017 $	As At 30 June 2017 $
Shares provided in repayment of loan	500,000	-
Total share based payments	500,000	-

Loan Agreement – Yandal Investments Pty Ltd
On 30 August 2017 the Company entered into a Loan Agreement with Yandal Investments Pty Ltd under which the Company was advanced $500,000. The loan had a period of six months with the option of early repayment. Under the terms of the Loan agreement Yandal could elect to be repaid by the issue of shares at $0.015 per share. At the Company's Annual General Meeting held on 22 November 2017 the shareholders approved the issue of 33,333,333 Shares at an issue price of $0.015 per Share in full repayment of the principal amount of the loan. During the period of the loan, interest of $12,329 (10% pa) accrued and will be paid in cash by the Company.

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.

8. CONTINGENT LIABILITIES

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

9. COMMITMENTS

Exploration commitments	**31 December 2017 $**	**30 June 2017 $**
Payable:		
Within one year	1,266,942	1,379,913
Later than one year but not later than 5 years	913,074	1,236,370
Later than 5 years	-	-
	2,180,016	**2,616,283**

10. RELATED PARTY TRANSACTIONS

Transactions with related parties

During the period the Company entered into a Loan Agreement with its major shareholder Yandal Investments Pty Ltd and issued shares in repayment of the loan as disclosed in Note 6.

Other than as disclosed above, transactions with related parties during the half-year were on the same basis as stated in the 30 June 2017 Annual Report.

11. SUBSEQUENT EVENTS

On 30 January 2018 the Company announced that it had secured a debt facility of $1.0m from the Company's largest shareholder, the Creasy group. The funds are to be used to cover exploration works to be undertaken at the Company's Buddadoo project near Geraldton, WA and working capital as the Company finalises other funding initiatives. The debt facility has the following terms:

1. The funds have been received in a single advance of $1,000,000;
2. Interest at 10% is payable on any advance;
3. The loan has a term of 6 months from the date of the advance;
4. The Lender has the option of securing the loan over the Company’s assets;
5. Repayment of the Loan (and any accrued interest) must be made in cash unless the lender elects, at its sole discretion, that repayment be made in shares or a combination of both. The shares to be issued will be at an issue price of $0.015 and be subject to shareholder approval; and
6. The Company may repay the advance at any time prior to the last repayment date, which is 6 months after the advance is made, unless an extension is agreed in writing by both parties.

Other than as outlined above, there has not been any matter or circumstance that has arisen after reporting date that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial periods.

12. 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 2017

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 19 to 28:

   (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 2017 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 13th day of March 2018

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Coziron Resources Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Coziron Resources Limited(the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2017, 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 then ended, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

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 the Group is not in accordance with the *Corporations Act 2001* including:

(i) Giving a true and fair view of the Group's financial position as at 31 December 2017 and of its financial performance for the half-year ended on that date; and

(ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001.*

Emphasis of matter – Material uncertainty relating to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

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 Group's financial position as at 31 December 2017 and its financial 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 the Group, 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 the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO Audit (WA) Pty Ltd

BDO

Glyn O'Brien

Glyn O'Brien

Director

Perth, 13 March 2018