



COZIRON RESOURCES LIMITED & CONTROLLED ENTITIES
ABN 91 112 866 869

CONSOLIDATED INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

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CORPORATE DIRECTORY

DIRECTORS

Adam Sierakowski (Chairman)
Stephen Lowe
Robert Ramsay
Simon Jackson

COMPANY SECRETARY

Stephen Hewitt-Dutton

PRINCIPAL OFFICE

Level 24
44 St George's Terrace
PERTH WA 6000
Telephone: (08) 6211 5099
Facsimile: (08) 9218 8875

REGISTERED OFFICE

Level 24
44 St George's Terrace
PERTH WA 6000
Telephone: (08) 6211 5099
Facsimile: (08) 9218 8875
Website: www.coziron.com

AUDITORS

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008
Telephone: (08) 6382 4600
Facsimile: (08) 6382 4601

SHARE REGISTRAR

Automic Registry Services
Level 2, 267 St George's Terrace
Perth, Western Australia 6000
Telephone: 1300 288 664

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 2019.

DIRECTORS

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

Adam Sierakowski (Chairman)
Stephen Lowe
Robert Ramsay
Simon Jackson

RESULTS OF OPERATIONS

The Company realised a net loss of \$1,841,733 (2018: \$844,999) for the half-year ended 31 December 2019.

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 Shepherd's Well and Yarrie Iron Ore Projects 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.

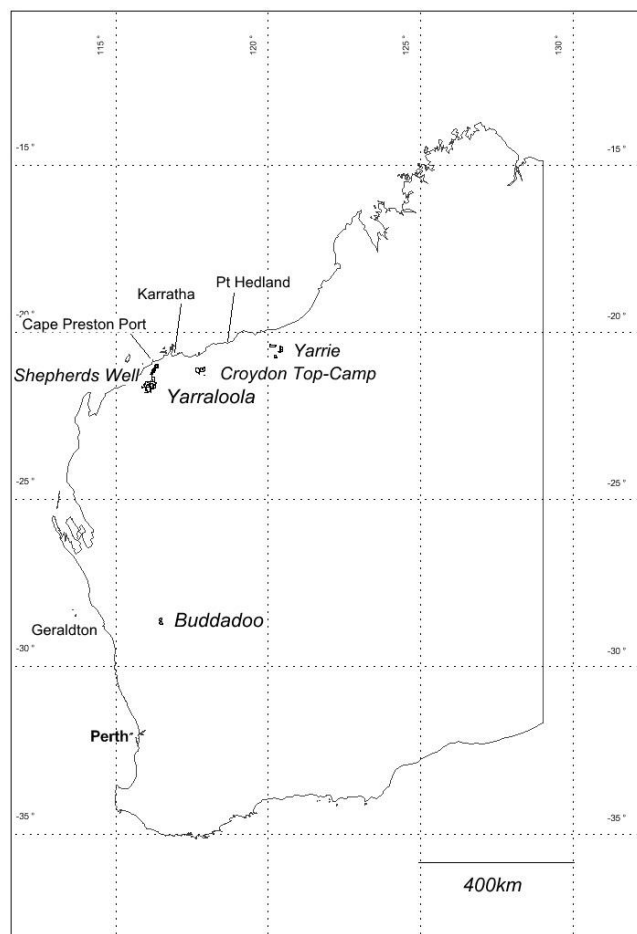


Fig 1. Location of the Coziron Resources Ltd tenements in Western Australia.

DIRECTORS' REPORT (Continued)

Croydon Top-Camp Project

CZR is acquiring a 70% interest in the 317 km² Croydon Top-Camp project which is located about 100km south-east of Karratha in the Pilbara (CTCP, E45/2150) from the Creasy Group. The tenement is subdivided into three discrete blocks that cover a crustal-scale north-east trending fault-system which separates granitic rocks of the Pilbara Craton from deformed, metasedimentary rocks of the Mallina Basin. CZR is focussed on the discovery of lode-style and related gold deposits which are the major source of production in Western Australia. The project has a database of historical exploration and this has been increased by the acquisition of high-resolution magnetic and radiometric coverage, re-assay of selected auger pulps to verify and increase the geochemical coverage and commencement of infill and extensional sampling of more prospective areas (ASX Releases: 10 October 2018 and 6 December 2018; 1 April 2019).

Top Camp Prospect - Gold Recovered by Prospectors

In the half, CZR received further notifications of gold by being recovered by prospectors on E47/2150 with the total for 2018-2019 being 190.7 grams (ASX Releases: 20 September 2018; 25 July 2019; 11 October 2019). Photographic evidence suggests that the recovered gold is being released from quartz-carbonate veins hosted by calcareous turbidites (Fig 2). The gold nuggets, which are not the property of the CZR, are being recovered from 40E Prospecting permits that cover the central parts of the CTCP. The permits allow prospectors to undertake small-scale exploration for gold on the surface using hand-tools such as panning, dry-blowing or metal-detecting. A condition of the issue of these permits is that the prospectors must report the amount of gold recovered to WA Department of Industry and Safety, with a copy of the report supplied to the underlying holder of the Exploration License.

Although the recovery of coarse gold particles by prospectors is not in itself economically significant, the locations as reported are being plotted and integrated with other geological and geochemical data from CTCP and the results are being used to identify and prioritise targets for further work. While the recovered gold is not the property of CZR, the ongoing reports from the prospectors are important because they are identifying areas where there are no historical records of gold being recovered and the precisely located nuggets can be used to identify geological structures with the potential to host coarser-grained gold.



Fig 2 Photographs of the gold nuggets being recovered from the core of the Top Camp area (216 nuggets for 36 grams) and an example of a gold particle intergrown with laminated vein consisting of a core of iron-oxide and a margin of lighter coloured quartz and carbonate (photos are provided by P Gower and the gold is not the property of Coziron Resources Ltd).

DIRECTORS' REPORT (Continued)

Top Camp Prospect - Surface sampling

During the half, CZR soil sampled and mapped in the Top Camp to Middle Valley areas of the CTCP where prospectors were reporting the recovery of gold by metal detector to extend the historical soil and auger grid across areas with newly identified prospectivity (Fig 3). Approximately 700 soil-samples sieved in the field at -2mm were collected and fully analysed by Bureau Veritas Laboratories in Perth for gold by fire-assay, whole-rock XRF and lazer-ablation ICP for trace-elements on a fused disk (ASX Release: 11 October 2019). The results infilled and extended the gold and path-finder element anomalism over all the major prospects. Of greatest significance, is an extension of the gold and pathfinder-element anomalism to the west and north-west of Top Camp into areas where prospectors are recovering gold-nuggets but have not previously been soil-sampled (Fig 3; ASX release 11 November 2019).

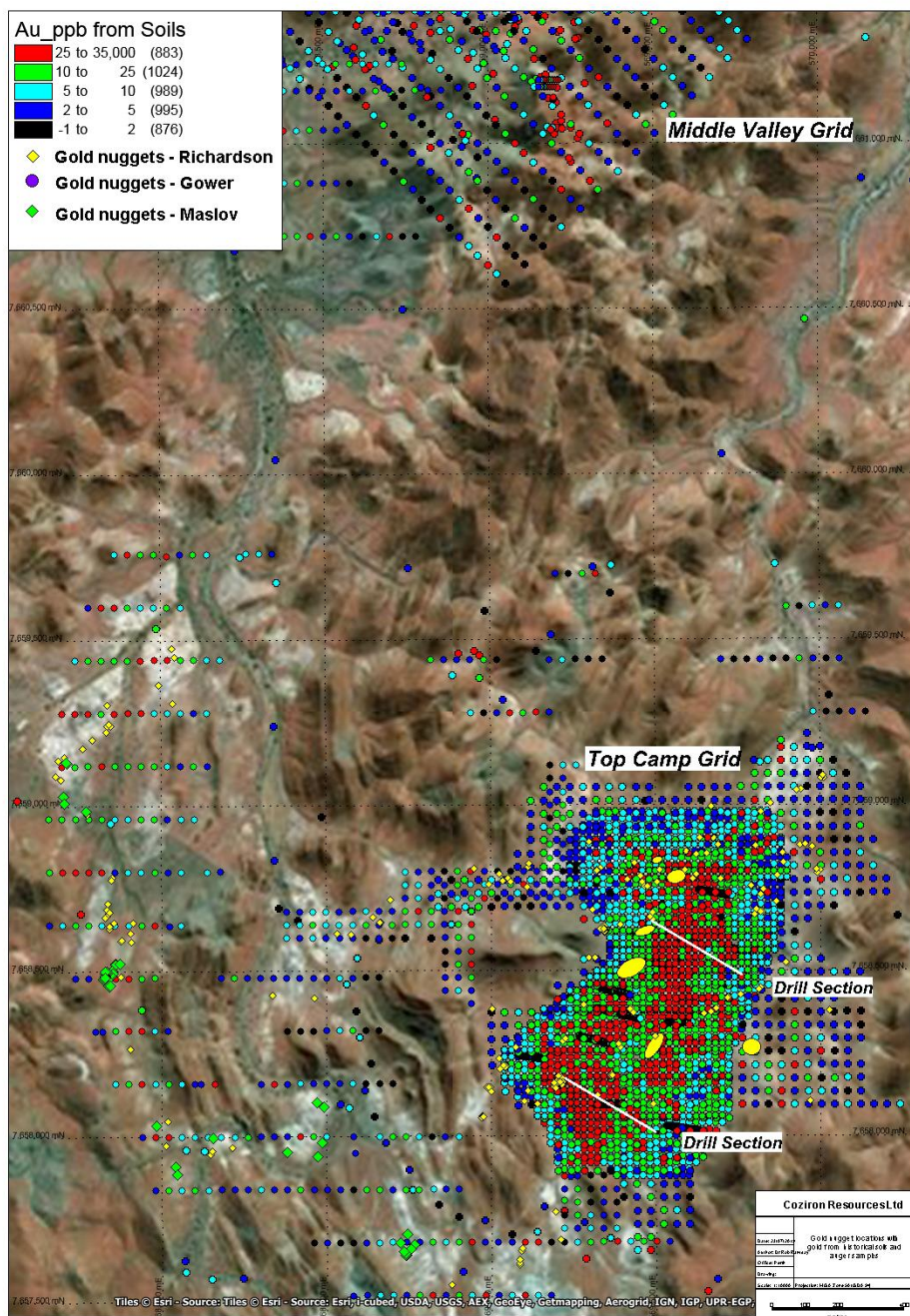


Fig 3. Distribution of gold in all the soil and auger-samples from the Top Camp and Middle Camp Prospect and the distribution of prospector-recovered gold nuggets overlain on the ESRI satellite imagery.

DIRECTORS' REPORT (Continued)

Top Camp Prospect - Drilling

In early November, earthmoving equipment was mobilised and completed an upgrade of the access tracks and pad preparation and this was followed immediately by the drilling of 13 inclined (-60°) 200m deep reverse circulation (“RC”) holes for 2600m from mid-November to mid-December (ASX release: 18 December 2019; Fig 4). The drill-holes targeted broad zones of anomalous gold in soils, fault structures with the potential hosts of gold nuggets being recovered by prospectors and intervals beneath historical workings (Fig 5; ASX releases; 20 September 2018, 25 July 2019, 11 October 2019, 11 November 2019).



Fig 4 RC drill rig on location at the Top Camp gold prospect.

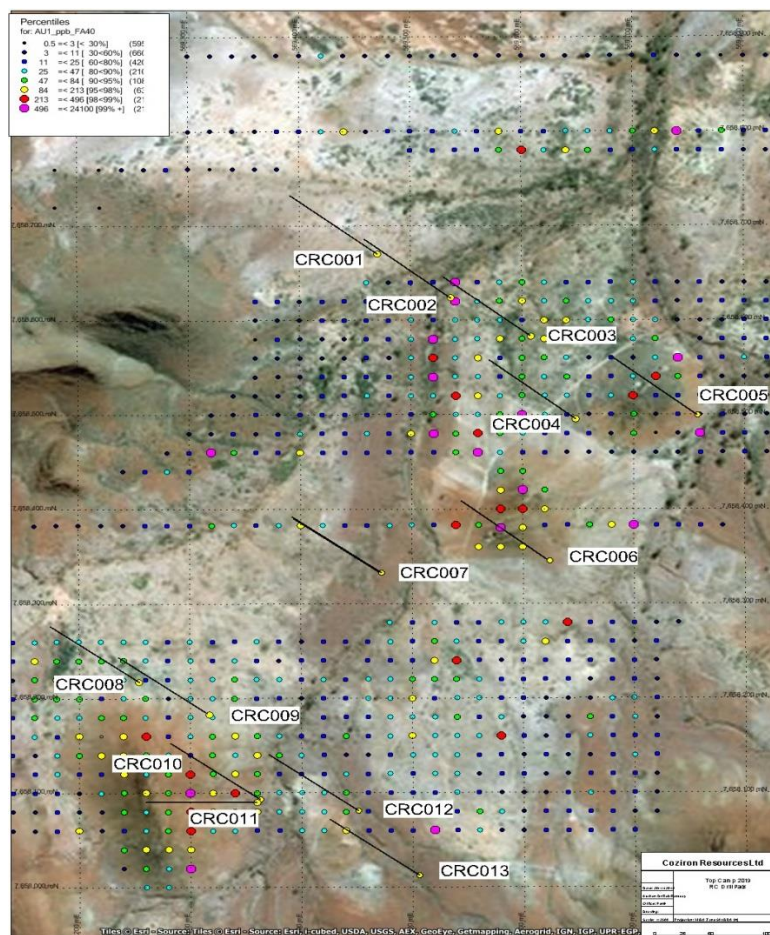


Fig 5 Location and projected traces of the 13 inclined (-60°) 200 m deep RC drill-holes overlain onto selected fire-assayed gold from soil and auger samples and the ESRI satellite image of the area.

DIRECTORS' REPORT (Continued)

The drill-holes intersected and sampled intervals of calcareous sands and silts in the turbidite sequence that contain variable amounts and grain-sizes of sulphide and intervals with quartz and sulphide veining. The relative abundance of sulphide in these rocks is generally regarded as a positive indicator of alteration systems associated with gold mineralisation.

All the 1 metre interval samples from the drilling were dispatched during the programme to Bureau Veritas in Perth for analysis of gold by fire assay. Results will be fully reported when they have been compiled and interpreted.

Martin Prospects - Sampling and Drill-site Selection

Soil sampling and mapping in the Martin area of the CTCP has focussed on the generation of a sample grid around a small historical pit on the Prospect A gold and base-metal gossan and a drainage sample among published records from the Geological Survey of Western Australia that reported particles of gold. The Prospect A gossan is hosted by a greenstone sequence of mafic and ultramafic rocks and CZR is exploring the area for gold-rich volcanic-hosted massive sulphide and related deposits. In the half, approximately 400 soil samples were collected and submitted to Bureau Veritas Laboratories in Perth for full-suite analysis (Fig 6; ASX Release: 11 October 2019). Drill sites have also been planned to test the down-dip extension of the gold-copper gossan at Martin Prospect A.

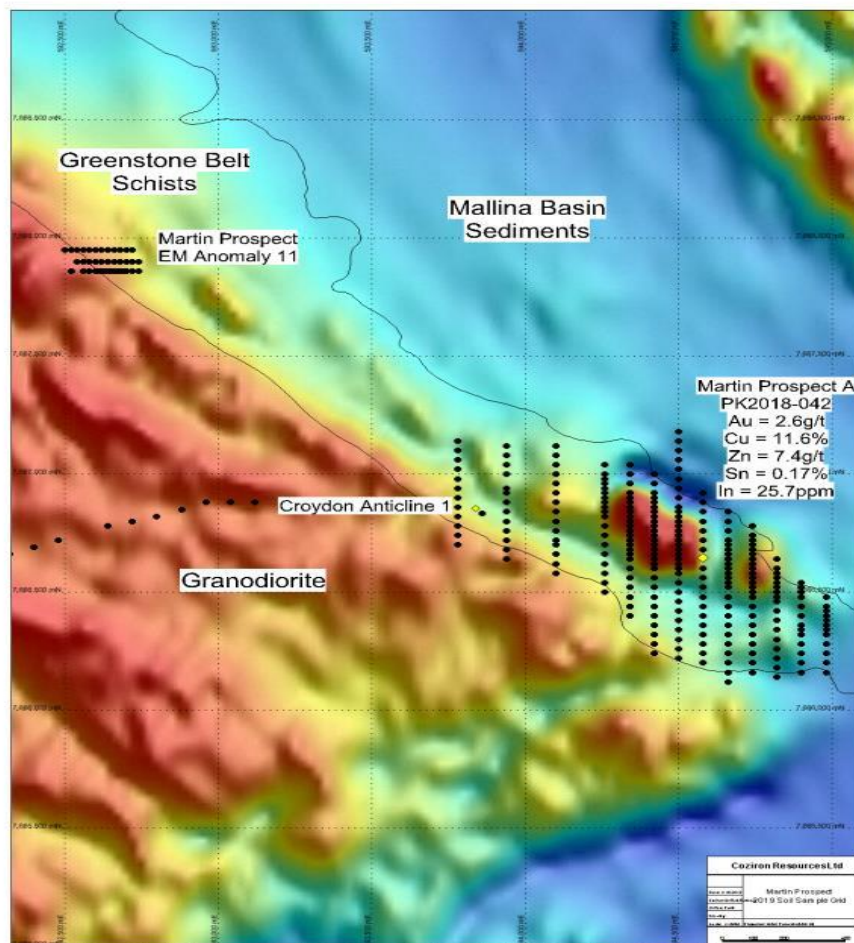


Fig 6. Location of soil samples collected in September 2019 from the Martin Prospect with the locations of the Martin A gossan and the historical conductive EM-anomaly 11, and Croydon Anticline 1 site from the Geological Survey of Western Australia gold occurrences overlain on the total magnetic intensity with outlines of the geological units as mapped by CZR.

DIRECTORS' REPORT (Continued)

Yarraloola Project

The Yarraloola project is located 100km southwest of Karratha and contains **+90Mt @ 53% Fe (calcining to 60% Fe) of indicated and inferred JORC compliant CID** (Pisolitic ironstone) in the Robe Mesa, Robe East Extension and P529 deposits (Fig 7). The resource includes a higher grade surface interval on the Robe Mesa of 24.9Mt @ 56% Fe (calcining to 62.7% Fe; ASX Release: 7 December 2015, 8 February 2016, 26 April 2017, 9 May 2017). During the half, a metallurgical study of stored sonic drill-core (ASX Release: 22 November 2016) was completed and the results will be released when they have been interpreted. CZR also continues to evaluate opportunities for the development of the Robe Mesa, including discussions with potential partners, against the backdrop of the improved demand and pricing for iron ore.

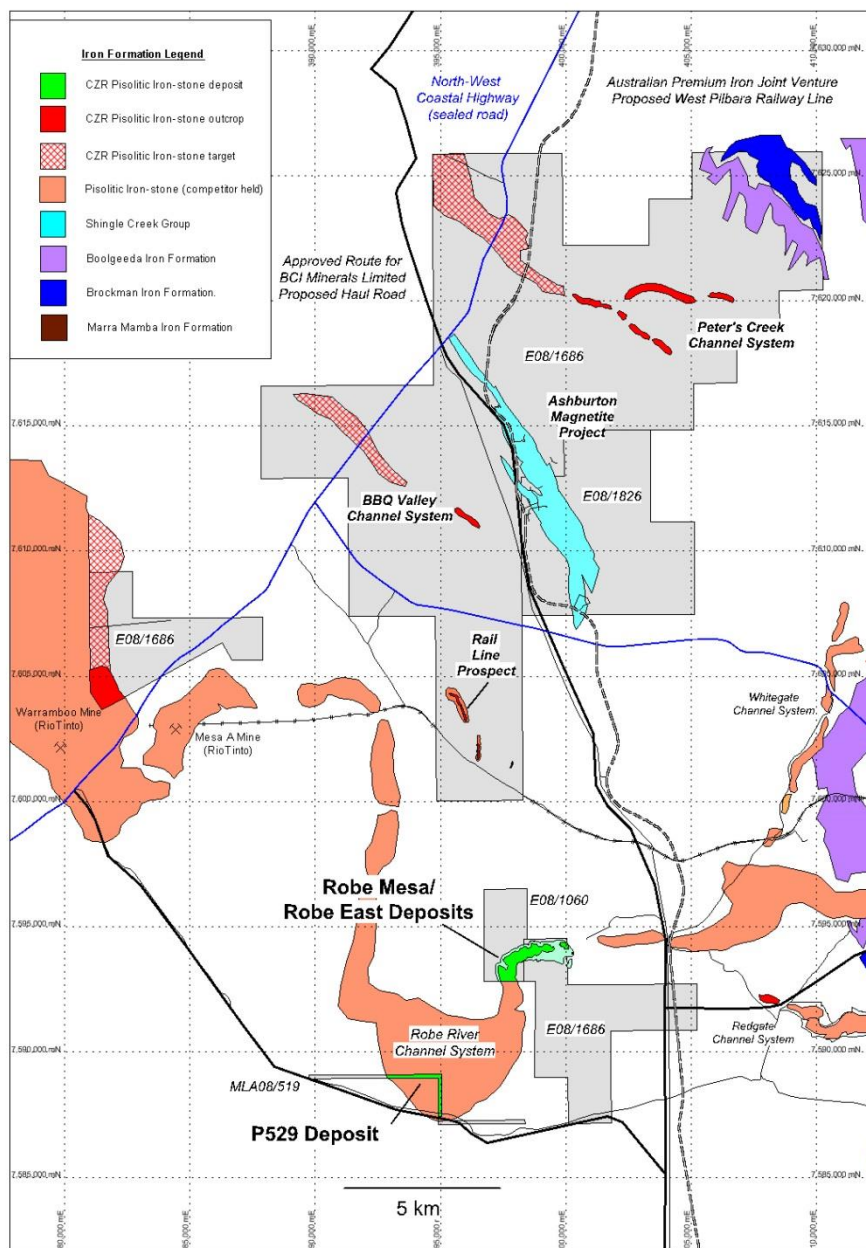


Fig 7 Yarraloola tenements with the location of Robe Mesa, Robe East Extension and P529 pisolitic ironstone deposits, the Ashburton magnetite project and the traces of the major iron-formations in the West Pilbara of Western Australia.

CZR is also exploring a new style of volcanic-hosted magnetite mineralisation in the West Pilbara that has a similar geological setting to the Fortescue Metals Group's (FMG) Iron Bridge Project. The Ashburton reports

DIRECTORS' REPORT (Continued)

mass recoveries of magnetite from Davis tube on RC chips and diamond-core up to 42%, at a P80-grainsize of 22 microns with Fe greater than 67% and SiO₂ less than 5% (ASX Release: 28 April 2016, 3 August 2016, 1 June 2017). In the half, CZR sampled intercepts with magnetic susceptibility greater than 10,000 SI units for Davis Tube processing from 10 stored RC holes and generated a total of 252 predominantly 5 m interval samples (Fig 8; ASX Release 10 October 2019). The maximum intercepts were from holes in Spinifex Hill with YAR223 containing 121 m @ 26.4% Fe between 64 and 121 m and YAR 227 intersecting 137 m @ 28.3% Fe between 44 and 181 m (ASX Release: 1 June 2017). Davis tube processing at Bureau Veritas Laboratories in Perth is now complete and results for magnetite mass-yield and quality are being compiled and interpreted.

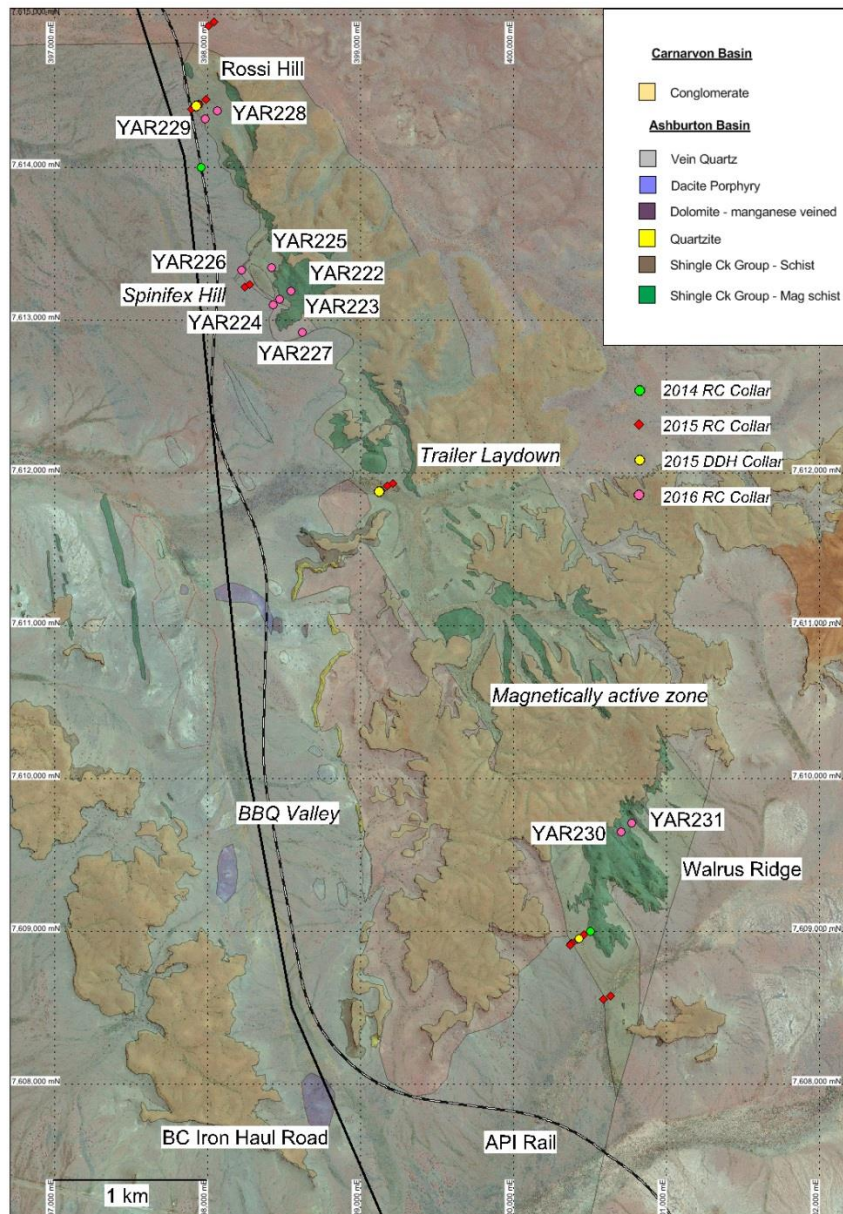


Fig 8. Location of 2016 RC drill-collars in the Ashburton Project that have been sampled for the recovery and analysis of magnetite by Davis Tube overlain on the mapped geology and the location of the proposed road and rail infrastructure solutions for the area

CZR also contracted a gridded gravity and seismic survey to cover the Ashburton Project (Fig 9 ASX Release 10th October 2019). Results are being processed and interpreted and will provide additional constraints for the selection of the RC and diamond drill targets within the Ashburton magnetite project and contribute to the generation of a JORC-compliant resource.

DIRECTORS' REPORT (Continued)

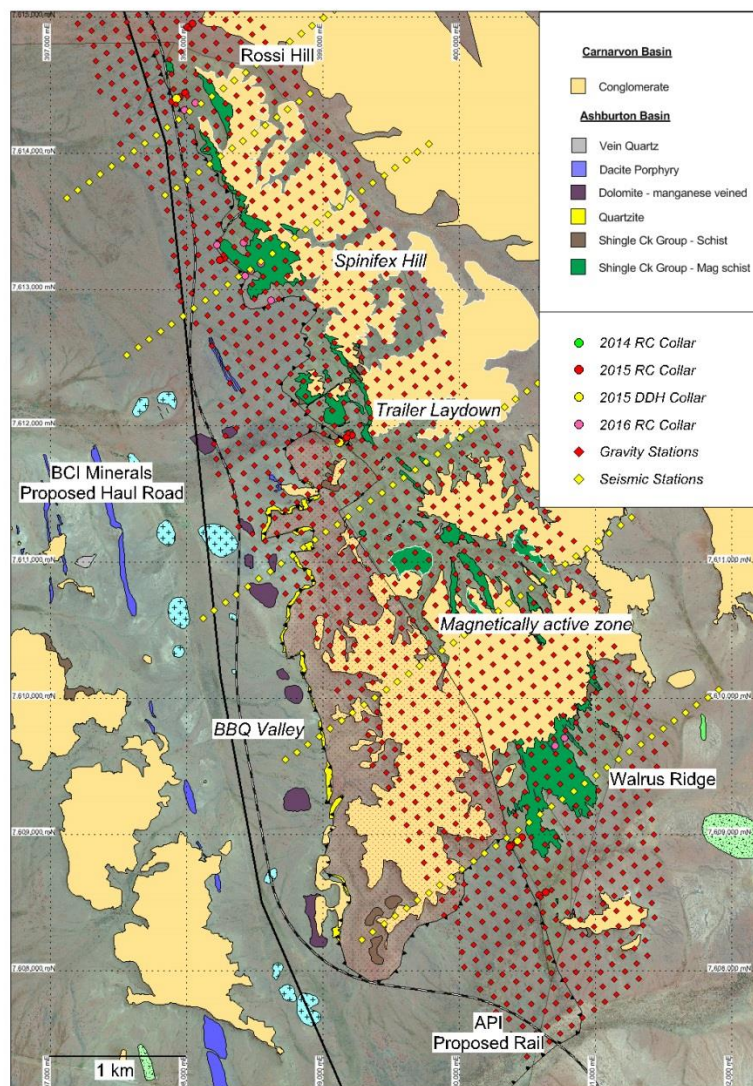


Fig 9 Location of the drill-hole collars and the completed gravity and seismic survey stations on the Ashburton Project overlain onto the geology as mapped by Coziron Resources.

Buddadoo Project

The 303 km² Buddadoo Project (E59/1350 and E59/2349) is located 200km east of Geraldton Port and 60km from a rail siding at Morawa that connects to Perth and Geraldton. The area is also serviced by a bitumen-road between the towns of Morawa and Yalgoo and a number of station tracks (Fig 1). The tenement covers part of the Gullewa Greenstone Belt. The tenements are dissected by faults and shears associated with the north-trending Salt Creek Shear Zone and western splays from the system host the Sliver Lake Resources owned Deflector Gold Mine (2.2 Mt @ 11g/t Au + 0.6 % Cu) on an adjacent tenement (Fig 10). Historical exploration on E59/1350 identified mineralisation at two sites. In the north at Edamura, gold, copper and zinc are associated with felsic and mafic volcanics, while in the south adjacent to the Buddadoo Hills, copper and bands of vanadiferous magnetite are hosted by gabbroic rocks).

A RC drilling programme completed by CZR in 2018 reported bands of massive mineralisation in all the holes that intersected the 300m wide by 6km long strongly magnetic feature that represents the trace of the Buddadoo Gabbro (ASX release: 22 August 2018). Additional but thinner zones of vanadiferous magnetite were also intercepted in mafic rocks to the east of the gabbro. Metallurgical test-work on RC chips from BUDRC027 showed an upgrade by low intensity magnetic separation to iron (Fe) greater than 62% and silica (SiO₂) and alumina (Al₂O₃) less than 5% at relatively coarse grainsizes. However, at a P80 grain-size of -45 microns, the iron (Fe) upgrades to 66-67% with vanadium (V₂O₅) at 0.8 to 1.86%, titanium (TiO₂) from 1.4 to 5.7% and the

DIRECTORS' REPORT (Continued)

contaminants silica (SiO₂) and alumina (Al₂O₃) combined are less than 1% (7th February 2019). The finer grained concentrate is a potential feed-stock for iron-ore pellets used in the direct smelting of vanadiferous steel. Further assessment of the vanadiferous magnetite in the gabbro is being planned.

During the past half, CZR has focussed exploration onto the identification of drill-targets for gold in areas with either historical reports of mineralisation or independently generated targets with a high probability for gold endowment (ASX release: 22nd August 2018) and a programme of soil and rock-chip sampling has been completed. CZR has obtained DMIRS permission for RC drilling of the more advanced targets.

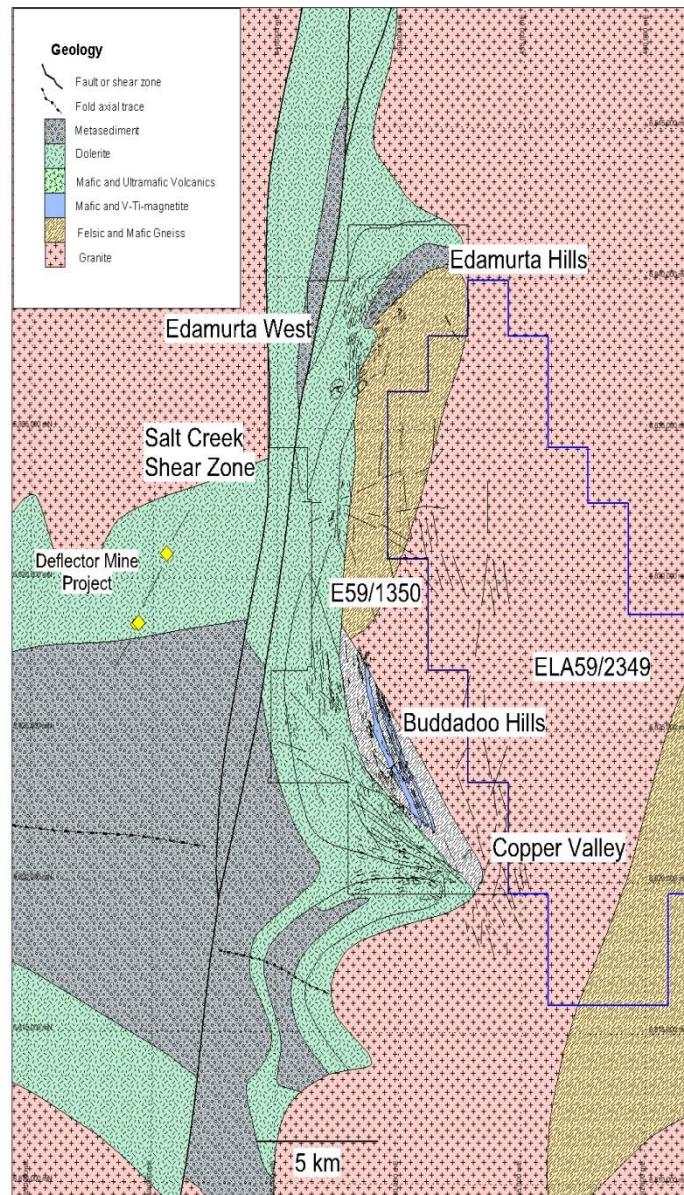


Fig 10. Major exploration prospects on the Buddadoo Project (E59/1350 and EA59/2349 over the Geological Survey of Western Australia 1:500,000 scale regional geology.

Shepherds Well Project

Shepherd's Well (E08/2361) with an area of 77km², is located 60km south-west of Karratha and covers 15 km of a regional shear-zone that separates the Regal Terrane from the Jean Well Granodiorite and 22 km of the unconformity at the base of the Fortescue Basalt (Fig 11). The shear-zone is prospective for a range of mineralisation types, while the unconformity is being explored over a wide area of the Pilbara as a source of

DIRECTORS' REPORT (Continued)

detrital gold mineralisation. 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 (ASX Release: 21 March 2017, 13 September 2016, 11 October 2017). In addition, where soil and drainage samples have been collected near the base of the Fortescue Basalt, they typically report anomalous gold.

During the quarter, 373 soil samples, screened at -2mm in the field were collected to infill and extend the grids from the Dorper and Suffolk anomalies. The samples were transported to Perth and submitted to Bureau Veritas Laboratories for comprehensive analysis. The compilation of results now outlines several clusters of soil samples with anomalous gold (Au > 5 ppb to 1g/t) that require follow-up work, while the infill work at the Dorper nickel prospect and the Suffolk base-metal prospect has outlined potential drill-targets (Fig 11).

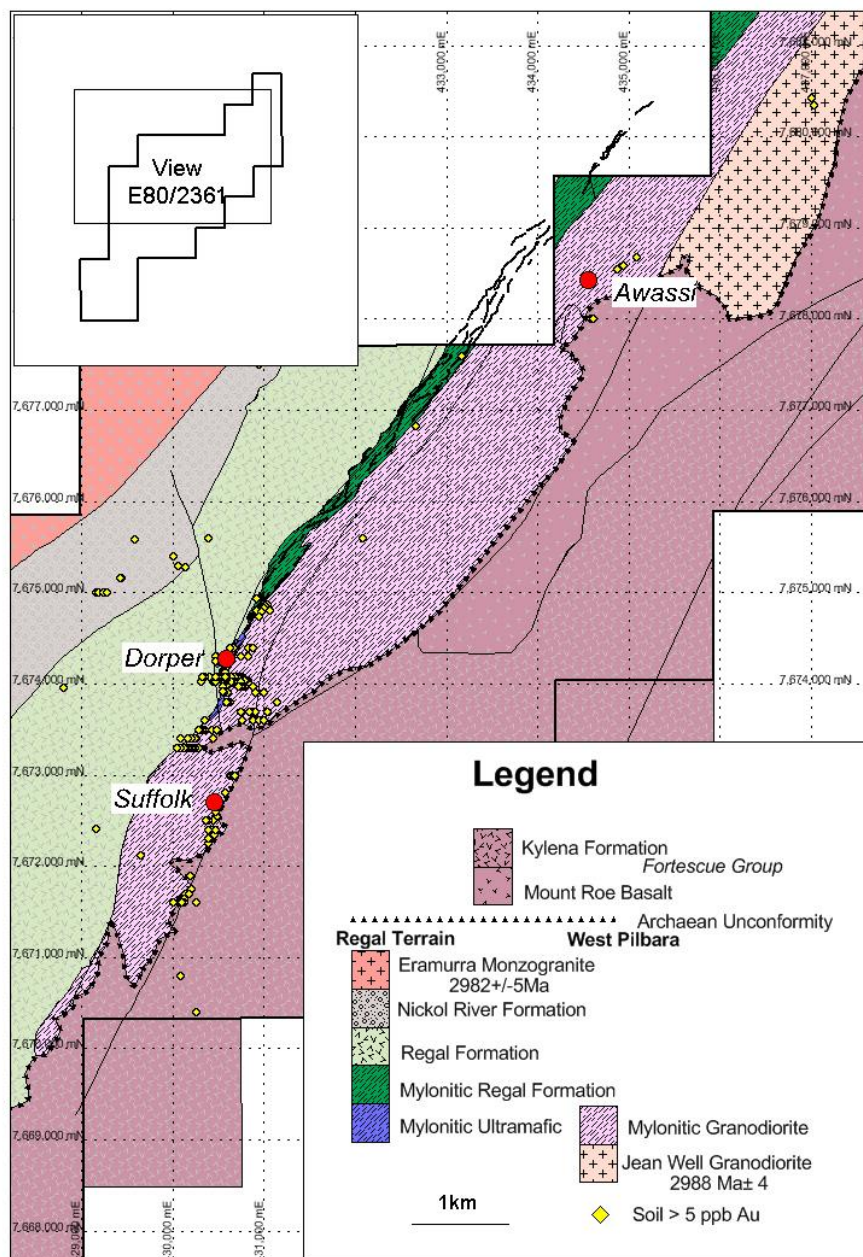


Fig 11 The location of Coziron soil samples with gold between 5 ppb and 1 g/t and the mineralised prospects overlain on the Geological Survey of Western Australia mapped 500,000 scale geology of the Shepherds Well project (E08/2361).

DIRECTORS' REPORT (Continued)

In addition to the Dorper and Suffolk anomalies, the northwards extension of soil sampling along the regional shear zone has identified rare-earth anomalism from Awassi (Fig 11). This prospect covers a 400m diameter radiometric anomaly where soil samples are potassic ($K_2O > 4\%$) and low phosphorus (100 ppm) but report anomalous total rare-earth contents up to 500 ppm with cerium to 318 ppm, lanthanum to 123 ppm and praseodymium to 30 ppm (Fig 12). The phosphorous-poor geochemistry from the samples reflects the potential for rare-earth carbonates and perhaps an alkaline igneous or carbonatitic source and follow-up is planned because rare-earth metals have become of strategic importance for the efficient generation and use of electrical energy.

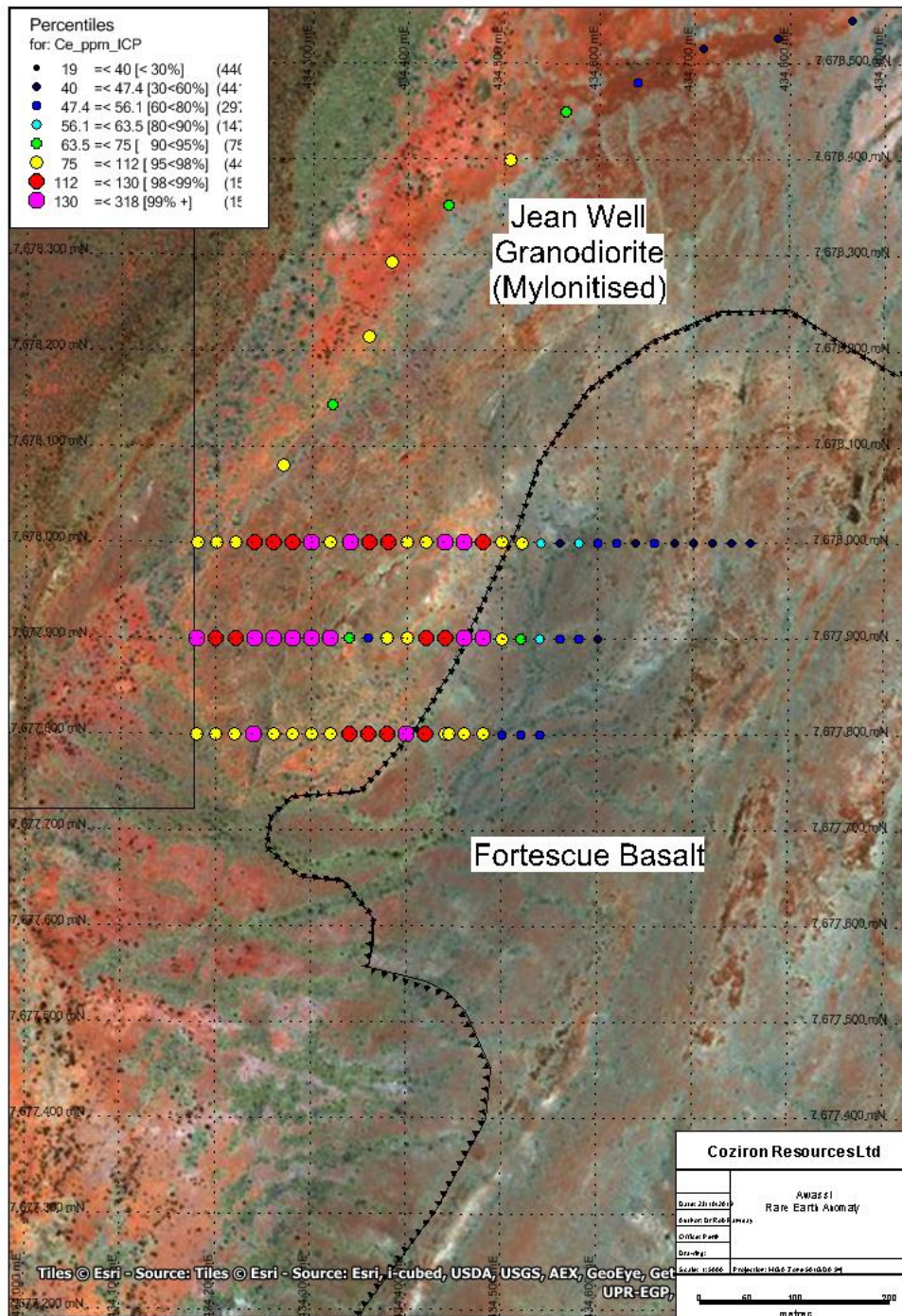


Fig 12 Distribution of cerium on the Awassi soils grid at Shepherds Well overlain on the ESRI satellite imagery with the trace of the edge of the almost flat-lying Fortescue Basalt over the older basement of the Jean Well Granodiorite.

DIRECTORS' REPORT (Continued)

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 419km², about 160km east of Port Hedland. 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.

The Yarrie tenements have two prospects reporting historical drill-intercepts of high-grade (+62% Fe) iron-ore from the Nimingarra Iron Formation. There is also the potential for gold and base-metals on the tenements. No fieldwork has been undertaken at Yarrie for the past 6 months but the focus of exploration will be a RC drilling programme at the Kennedy Gap prospect (Fig 13).

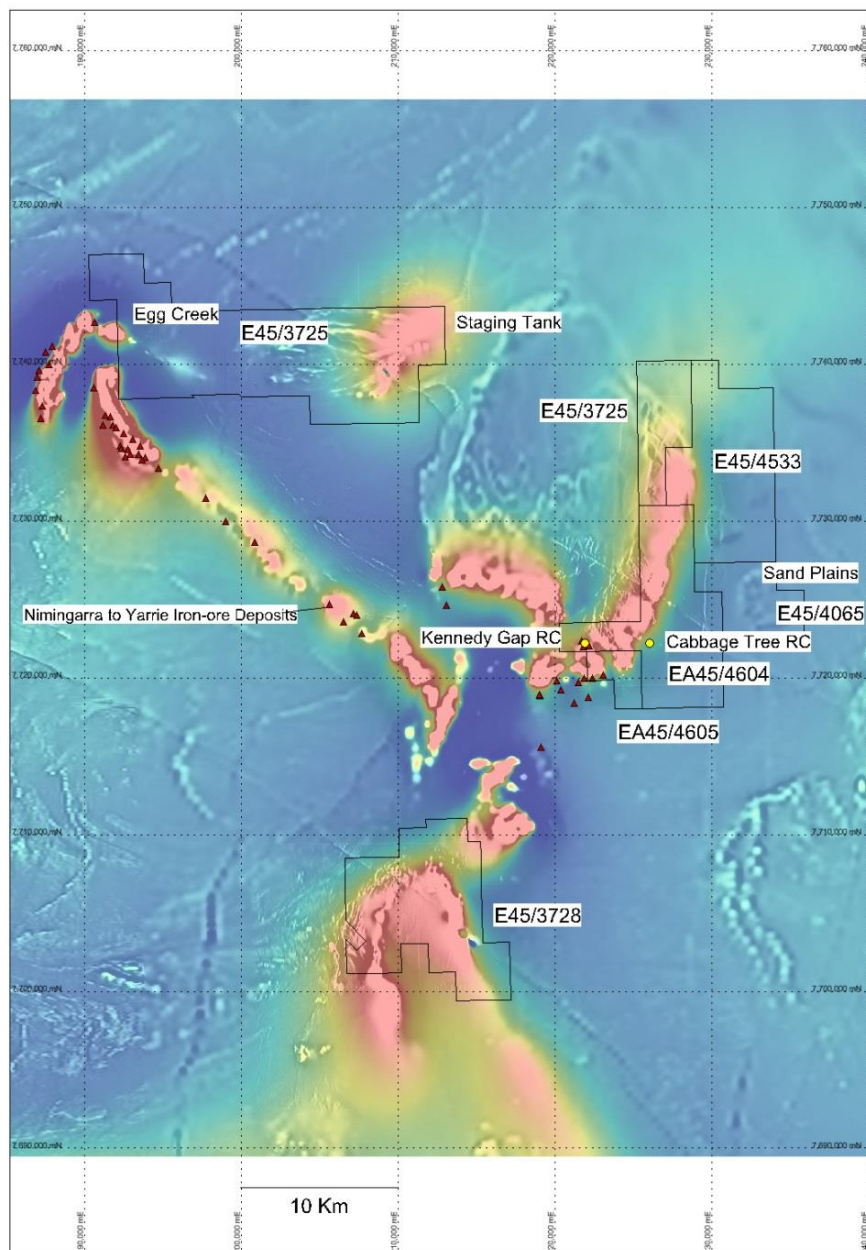


Fig 13. Regional setting of the Yarrie Project and the Yarrie-Goldsworthy iron-ore deposits overlain onto the magnetic intensity with the most intense responses attributed to the Nimingarra Iron Formation.

DIRECTORS' REPORT (Continued)

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.

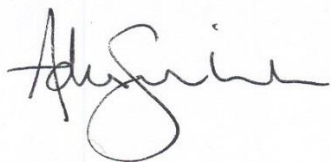
SUBSEQUENT EVENTS

Subsequent to the end of the reporting period 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 2019 is set out on page 17.

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



Adam Sierakowski
Chairman

Dated this 12th day of March 2020

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.

Cautionary Statements

There are some historical exploration results included that have not been collected and reported in accordance with the JORC Code 2012 and the Competent Person has not done sufficient work to disclose the exploration results in accordance with JORC Code 2012. However, there is nothing that has come to the attention of the acquirer that causes it to question the accuracy or reliability of the former owner's Exploration Results but the acquirer has not independently validated the former owners Exploration Results and therefore is not to be regarded as reporting, adopting or endorsing those results. The announcement is not otherwise misleading.



Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

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 2019, 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.

A handwritten signature in black ink, appearing to read 'Glyn O'Brien', is written over a light blue horizontal line.

Glyn O'Brien

Director

BDO Audit (WA) Pty Ltd

Perth, 12 March 2020

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	Note	Half-Year 31 December 2019 \$	Half-Year 31 December 2018 \$
Other income		8,628	493
Exploration costs		(1,151,924)	(524,883)
Director fees		(83,000)	(59,000)
Compliance and professional fees		(150,009)	(116,830)
Depreciation		(1,967)	(1,887)
Administration expenses		(62,547)	(49,082)
Finance costs		(109,113)	(93,810)
Share Based Payments		(291,801)	-
(Loss) before income tax		(1,841,733)	(844,999)
Income tax expense		-	-
(Loss) from continuing operations after related income tax expense for the half year attributable to members of Coziron Resources Limited		(1,841,733)	(844,999)
Other comprehensive income		-	-
Total comprehensive loss attributable to the members of Coziron Resources Limited		(1,841,733)	(844,999)
(Loss) per share for the half year attributable to members of Coziron Resources Limited			
Basic loss per share (cents)		(0.09)	(0.05)
Diluted loss per share (cents)		(0.09)	(0.05)

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 2019

	Note	As At 31 December 2019 \$	As At 30 June 2019 \$
ASSETS			
Current Assets			
Cash and cash equivalents		1,301,624	3,736
Other receivables		411,183	124,562
Total Current Assets		1,712,807	128,298
Non-Current Assets			
Property, plant and equipment		18,281	18,694
Exploration assets	3	11,481,916	11,481,916
Total Non-Current Assets		11,500,197	11,500,610
TOTAL ASSETS		13,213,004	11,628,908
LIABILITIES			
Current Liabilities			
Trade and other payables	4	159,670	805,507
Borrowings	5	100,000	2,125,000
Total Current Liabilities		259,670	2,930,507
TOTAL LIABILITIES		259,670	2,930,507
NET ASSETS		12,953,334	8,698,401
EQUITY			
Contributed equity	6	34,638,151	28,833,286
Reserves		450,959	159,158
Accumulated losses		(22,135,776)	(20,294,043)
TOTAL EQUITY		12,953,334	8,698,401

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 2019

Note	Ordinary Shares \$	Reserves	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2019	28,833,286	159,158	(20,294,043)	8,698,401
Total comprehensive loss for the half-year	-	-	(1,841,733)	(1,841,733)
Shares issued – placement	2,975,000	-	-	2,975,000
Share Issue costs	(203,145)	-	-	(203,145)
Options issued	-	291,801	-	291,801
Conversion of loans	3,033,010	-	-	3,033,010
Balance at 31 December 2019	34,638,151	450,959	(22,135,776)	12,953,334
Balance at 1 July 2018	28,833,286	159,158	(18,624,527)	10,367,917
Total comprehensive loss for the half-year	-	-	(844,999)	(844,999)
Balance at 31 December 2018	28,833,286	159,158	(19,469,526)	9,522,918

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 2019

	Half-Year 31 December 2019 \$	Half-Year 31 December 2018 \$
Cash flows from operating activities		
Payments to suppliers and employees	(548,030)	(319,111)
Payment for exploration expenditure	(1,596,474)	(734,910)
Interest received	7,091	493
Net cash flows used in operating activities	(2,137,413)	(1,053,528)
Cash flows from investing activities		
Acquisition of plant and equipment	(1,554)	(1,448)
Net cash flows used in investing activities	(1,554)	(1,448)
Cash flows from financing activities		
Proceeds from issue of ordinary shares	2,975,000	-
Share issue costs	(203,145)	-
Proceeds from borrowings	665,000	1,000,000
Net cash inflows from financing activities	3,436,855	1,000,000
Net increase/(decrease) in cash held	1,297,888	(54,976)
Cash and cash equivalents at the beginning of the half-year	3,736	117,897
Cash and cash equivalents at the end of the half-year	1,301,624	62,921

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 2019

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 2019 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 2019 except for the impact (if any) of the new and revised Standards and Interpretations effective 1 July 2019 as discussed 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 2019, 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 2019.

New accounting standards reflected under AASB16 Leases have no impact on the Group as no leases are held.

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 as set out in the Annual Report for the year ended 30 June 2019.

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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

Going Concern

The Group has incurred a net loss after tax for the half year ended 31 December 2019 of \$1,841,733 (2018: \$844,999) and experienced net cash outflows from operating activities of \$2,137,413 (2018: \$1,053,528). At 31 December 2019, the Group had current assets of \$1,712,807 (30 June 2019: \$128,298).

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 2019 \$	Half-Year 31 December 2018 \$
The following revenue and expense items are relevant in explaining the financial performance for the half-year:		
Interest revenue	8,628	493
Expenses		
Exploration costs	(1,151,924)	(524,883)
Compliance and professional fees	(150,009)	(116,830)
Interest paid or payable	(109,113)	(93,810)
Share based payments	(291,801)	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

3. EXPLORATION ASSETS

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

	31 December 2019 \$	30 June 2019 \$
Opening balance at the beginning of the half-year	11,481,916	11,481,916
Closing Balance	<u>11,481,916</u>	<u>11,481,916</u>

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 2019 \$	30 June 2019 \$
Trade payables	116,900	536,662
Accruals	42,770	268,845
	<u>159,670</u>	<u>805,507</u>

5. BORROWINGS

	31 December 2019 \$	30 June 2019 \$
Secured		
Other loans – Director	100,000	2,125,000

Movement in Loan Funds

	31 December 2019 \$	31 December 2018 \$
Opening Balance – 01 July	2,125,000	1,000,000
Borrowings – Director loans	185,000	-
Borrowings – Yandal Investments	500,000	1,000,000
Less: Loans converted to shares (see note 7)	(2,710,000)	-
	<u>100,000</u>	<u>2,000,000</u>

- Interest at 10% is payable on the remaining loan balance if repaid in cash;
- The term is 12 months
- Repayment of the Loan must be made in cash, unless the Lender elects, at its sole discretion, that repayment be made in Equities or a combination of both. The shares to be issued will be at the lower of \$0.01, or the price at which the Company completes a capital raising during the term of the Loan. The new loans received during the reporting period include one free attaching Option for every share to be issued in lieu of interest if the loan is repaid in shares (together “the Equities”). The Options are exercisable at \$0.015 per share and expire on 30 June 2022. The issue of the Equities was subject to shareholder approval.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

6. ISSUED CAPITAL

	As At 31 December 2019 \$		As At 30 June 2019 \$	
Ordinary shares	34,638,151		28,833,286	
	2019	2019	2018	2018
	No.	\$	No.	\$
<i>Movements in ordinary shares on issue</i>				
Shares on issue at 1 July	1,785,551,268	28,833,286	1,785,551,268	28,833,286
- Shares issued – placement	297,500,000	2,975,000	-	-
- Issue costs	-	(203,145)	-	-
- Shares issued – loan repayment	303,300,959	3,033,010	-	-
At 31 December	2,386,352,227	34,638,151	1,785,551,268	28,833,286

Options

	2019	2019	2018	2018
	No.	Weighted average exercise price (\$)	No.	Weighted average exercise price (\$)
Outstanding at beginning of period	-	-	8,750,000	0.0325
Issued during the period – Loan repayment	58,500,000	0.015	-	-
Issued during the period – Placement	148,750,000	0.02	-	-
Expired during the period	-	-	(8,750,000)	-
Outstanding at the end of the period	207,250,000	0.019	-	-
Exercisable at the end of the period	207,250,000	0.019	-	-

During the period, the Company conducted a placement under which it raised \$2,975,000 (before costs) through the issue of 297,500,000 new Shares at an issue price of \$0.01 per share. Applicants also received one new option for every two shares issued. The new options have an exercise price of \$0.02 per share and an expiry date of 8 August 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

7. SHARE BASED PAYMENTS

Ordinary Shares

	As At 31 December 2019 \$	As At 30 June 2019 \$
Shares provided in repayment of loan	3,033,010	-

On 27 November 2019 approval was given for the issue of shares at an issue price of \$0.01 per share and options as repayment of loans and accrued interest to both Yandal Investments Pty Ltd and to directors; Adam Sierakowski, Stephen Lowe and Simon Jackson. The details of these share-based payments are set out in the table below:

	Loan Principal Outstanding \$	Accrued Interest to 29/11/19 \$	Total Repayment \$	Number of shares
Yandal Investments Pty Ltd	2,500,000	314,247	2,814,247	281,424,657
Adam Sierakowski	115,000	3,482	118,482	11,848,220
Stephen Lowe	50,000	3,575	53,575	5,357,534
Simon Jackson	45,000	1,705	46,705	4,670,548
	2,710,000	323,009	3,033,009	303,300,959

Options

During the half year, \$291,801 (2018: \$Nil) was recognised as a share based payment made to the Directors of the Company and Yandal Investments Pty Ltd. The issue of options was as approved at the General Meeting held on 27 November 2019. The fair value of the options as determined using the Black-Scholes option valuation methodology and applying the following inputs:

	<u>1.5c Options</u>
Exercise Price	1.5c
Expiry Date	30 June 2022
Risk Free Rate	0.87%
Volatility	135%
Value per Option	\$0.0035
Total Value of Options	\$291,801
Amount Expensed in Current Year	\$291,801
Amount to be Expensed in Future Years	\$-

8. 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.

9. CONTINGENT LIABILITIES

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

10. COMMITMENTS

Exploration commitments	31 December 2019 \$	30 June 2019 \$
<i>Payable:</i>		
Within one year	919,947	1,113,062
Later than one year but not later than 5 years	1,363,476	1,853,708
Later than 5 years	-	780
	<u>2,283,423</u>	<u>2,967,550</u>

11. RELATED PARTY TRANSACTIONS

Transactions with related parties

As detailed in Note 7, Director loans were repaid during the period through the issue of shares. At 31 December 2019 \$100,000 remains due to an entity associated with Stephen Lowe.

Also during the period the Company issued options to Directors, details of which are shown in Note 7. A breakdown of the value of the options issued to each Director is shown in the table below:

Options valuation	31 December 2019 \$	31 December 2018 \$
Adam Sierakowski	32,423	-
Simon Jackson	9,976	-
	<u>42,399</u>	-
Yandal Investments Pty Ltd	249,402	-
	<u>291,801</u>	-

Other than as disclosed above, transactions with related parties during the half-year were on the same basis as stated in the 30 June 2019 Annual Report.

12. SUBSEQUENT EVENTS

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.

13. FAIR VALUE OF FINANCIAL INSTRUMENTS

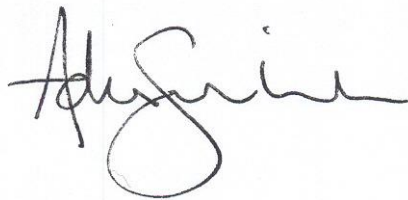
Due to their short term nature, the carrying amounts of the current receivables and current payables are assumed to approximate their fair value.

**DIRECTORS' DECLARATION
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 18 to 27:
 - (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 2019 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.

A handwritten signature in black ink, appearing to read 'Adam Sierakowski', written over a light grey grid background.

Adam Sierakowski
Chairman

Dated this 12th day of March 2020

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 2019, 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 2019 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 2019 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

A handwritten signature in black ink, appearing to read 'Glyn O'Brien', is written over the printed name. The signature is fluid and cursive.

Glyn O'Brien

Director

Perth, 12 March 2020