



**Coziron Resources Ltd
ACN 112 866 869
to be renamed**

CZR Resources Ltd

Notice of General Meeting

**General Meeting of Shareholders to be held at Level 9,
40 St Georges Terrace, Perth, Western Australia at
10.30am (WST) on 15 September 2020.**

Important

This Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their professional adviser prior to voting.

Shareholders should refer to the Independent Expert's Report contained inside this Notice. The Independent Expert has determined that the control transaction referred to in this Notice is **not fair but reasonable** to the non-associated Shareholders.

In accordance with subsection 5(1)(f) of the Corporations (Coronavirus Economic Response) Determination (No. 1) 2020, the Company will not be dispatching physical copies of this Notice of Meeting. For shareholders that the Company has email addresses on records, the Company will send a copy of this Notice and material relating to the Meeting or provide a link to where the Notice and other material can be viewed or downloaded by email. To the other Shareholders, the Company will send a letter or postcard setting out a URL for viewing or downloading the Notice and other material. If you are unable to attend the Meeting, please complete the form of proxy enclosed and return it in accordance with the instructions set out on that form.

Notice of General Meeting

Notice is given that the General Meeting of Shareholders of Coziron Resources Ltd (ACN 112 866 869) (“**Company**”) will be held at Level 9, 40 St Georges Terrace, Perth, Western Australia at 10.30am (WST) on 15 September 2020.

The Board has made the decision that it will hold a physical Meeting with the appropriate social gathering and physical distancing measures in place to comply with the Federal Government’s and State Government’s current restrictions for physical gatherings at the location specified above.

Circumstances relating to COVID-19 are changing rapidly. The Company will update shareholders if changing circumstances will impact planning or the arrangements for the Meeting by way of announcement on ASX and the details will also be made available on our website at www.coziron.com.

Business

1. Resolution 1 – Change of Name

To consider and, if thought fit, pass the following as a Resolution as a **special resolution**:

“That for the purposes of section 157(1) of the Corporations Act, and for all other purposes, the name of the Company be changed from “Coziron Resources Ltd” to “CZR Resources Ltd” with effect from the date that ASIC alters the Company’s registration and that, for the purpose of section 136(2) of the Corporations Act and for all other purposes, all references to “Coziron Resources Ltd” in the Company’s Constitution be replaced with references to “CZR Resources Ltd.”

2. Resolution 2 - Approval of issue of Securities to Colchis Resources under the Colchis Agreement

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, under and for the purposes of ASX Listing Rules 10.1 and section 208 and item 7 of section 611 of the Corporations Act, and for all other purposes, Shareholder approval is given for:

- (a) the Company to issue 40,000,000 Shares and 200,000,000 Colchis Options to Colchis Resources Pty Ltd (or its nominees); and*
- (b) the Creasy Group and Colchis Resources Pty Ltd (and/or their nominees) to acquire a Relevant Interest in the Shares as a result of being issued Shares at completion of the Colchis Agreement, and any Shares issued upon the exercise of the Colchis Options, which increases Colchis Resources Pty Ltd or the Creasy Group’s Voting Power in the Company:*
 - (i) from 20% or below to more than 20%; and*
 - (ii) from a starting point that is above 20% and below 90%,*

as the consideration for the Company acquiring 70% of the Colchis Tenement in accordance with the Colchis Agreement, as set out in the Explanatory Statement.”

Voting exclusion statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- Colchis Resources Pty Ltd, the Creasy Group and any other person who will obtain a material benefit as a result of the transaction (except a benefit solely by reason of being a holder of ordinary securities in the entity); or
- an associate of those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or

- the Chair of the meeting as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair to vote on this Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this Resolution; and
 - the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

3. Resolution 3 – Approval to issue Placement Shares to the Creasy Group

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

“That, under and for the purposes of item 7 of section 611 of the Corporations Act and for all other purposes, approval is given for:

- (a) *the Company to issue up to 41,500,000 Placement Shares to the Creasy Group at an issue price of \$0.012; and*
- (b) *the Creasy Group (and/or its nominees) to acquire a Relevant Interest in the Shares as a result of being issued Placement Shares under the Placement, which increases the Sellers’s Voting Power in the Company:*
 - (i) *from 20% or below to more than 20%; and*
 - (ii) *from a starting point that is above 20% and below 90%,*

as described in the Explanatory Statement.”

Voting exclusion statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- the Creasy Group or a person who participated in the issue; or
- an associate of those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chair of the meeting as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair to vote on this Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this Resolution; and
 - the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

4. Resolution 4 – Ratification of Placement Securities

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

“That, under and for the purposes of Listing Rule 7.4 and for all other purposes, approval is given to ratify the prior issue of 358,166,667 Shares issued under Listing Rule 7.1 and 7.1A to institutional and professional investors on 30 June 2020 as described in the Explanatory Statement.”

Voting exclusion statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- a person who participated in the issue; or

- an associate of those persons.
- However, this does not apply to a vote cast in favour of the Resolution by:
- a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
 - the Chair of the meeting as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair to vote on this Resolution as the Chair decides; or
 - a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this Resolution; and
 - the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

5. Resolutions 5(a), (b), (c), (d) and (e) – Right for Directors to participate in the Placement

To consider and, if thought fit, to pass, with or without amendment, each of the following Resolutions as **ordinary resolutions**:

“That under and for the purposes of Listing Rule 10.11 and all other purposes, approval is given for the Company to issue up to:

- (a) 4,150,000 Shares to David Flanagan (and/or his nominees);
- (b) 4,150,000 Shares to Adam Sierakowski (and/or his nominees);
- (c) 4,150,000 Shares to Simon Jackson (and/or his nominees);
- (d) 2,500,000 Shares to Stephen Lowe (and/or his nominees); and
- (e) 2,050,000 Shares to Robert Ramsay (and/or his nominees),

at an issue price of \$0.012 each under the Placement, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of; Resolution 5(a) by David Flanagan; Resolution 5(b) Adam Sierakowski; Resolution 5(c) Simon Jackson, Resolution 5(d) Stephen Lowe and Resolution 5(e) by Robert Ramsay and any other person who will obtain a material benefit as a result of the Resolution (except a benefit solely by reason of being a holder of ordinary securities in the entity), and any associate of those persons (as applicable).

However, this does not apply to a vote cast in favour of the Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chair of the meeting as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair to vote on this Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this Resolution; and
 - the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

6. Resolution 6 - Approval of issue of Loan Repayment Shares to Stephen Lowe

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, under and for the purposes of Listing Rule 10.11 and section 208 of the Corporations Act and for all other purposes, approval be and is hereby given to issue of up to 10,000,000 Shares at an issue price of \$0.01 per Share and up to 10,000,000 Loan Repayment

Options to Mr Stephen Lowe and Mrs Suzanne Lowe as trustees for the Tahlia Family Trust (and/or its nominee) as payment of the amount outstanding under the Loan Agreement on the terms and conditions as outlined in the Explanatory Statement."

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of; Resolution 6 by Stephen Lowe and Suzanne Lowe as trustees for the Tahlia Family Trust and any other person who will obtain a material benefit as a result of the Resolution (except a benefit solely by reason of being a holder of ordinary securities in the entity), and any associate of those persons (as applicable).

However, this does not apply to a vote cast in favour of the Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chair of the meeting as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair to vote on this Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this Resolution; and
 - the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

7. Resolution 7 - Ratification of the issue of the Broker Options

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

"That, under and for the purposes of Listing Rule 7.4 and for all other purposes, approval is given to ratify the prior issue of 56,860,378 Broker Options issued under Listing Rule 7.1 to Bell Potter on 30 June 2020 as described in the Explanatory Statement."

Voting exclusion statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- Bell Potter; or
- an associate of those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chair of the meeting as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair to vote on this Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this Resolution; and
 - the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

8. Resolution 8 - Approval of issue of Managing Director Incentive Options to Robert Ramsay

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, under and for the purposes of Listing Rule 10.11 and section 208 of the Corporations Act and for all other purposes, approval be and is hereby given to issue of up to 60,000,000 Managing Director Incentive Options to Dr Robert Ramsay (and/or its nominee) on the terms and conditions as outlined in the Explanatory Statement."

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of; Resolution 8 by Robert Ramsay and any other person who will obtain a material benefit as a result of the Resolution (except a benefit solely by reason of being a holder of ordinary securities in the entity), and any associate of those persons (as applicable).

However, this does not apply to a vote cast in favour of the Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chair of the meeting as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair to vote on this Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this Resolution; and
 - the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

9. Other business

In accordance with section 250S(1) of the Corporations Act, Shareholders are invited to ask questions about or make comments on the management of the Company and to raise any other business which may lawfully be brought before the General Meeting.

By order of the Board

Stephen Hewitt-Dutton
Company Secretary
Coziron Resources Ltd

13 August 2020

Explanatory Statement

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Company's General Meeting.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions in the accompanying Notice.

This Explanatory Statement should be read in conjunction with the Resolutions set out in this Notice. Capitalised terms used in this Notice and Explanatory Statement are defined in the Glossary.

1. Proxies and Voting Entitlements

Please note that:

- (a) a Shareholder entitled to attend and vote at the General Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company;
- (c) a Shareholder may appoint a body corporate or an individual as its proxy;
- (d) a body corporate appointed as a Shareholder's proxy may appoint an individual as its representative to exercise any of the powers that the body may exercise as the Shareholder's proxy; and
- (e) Shareholders entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms. If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the body corporate should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company or its share registry in advance of the General Meeting or handed in at the General Meeting when registering as a corporate representative.

To vote by proxy, please complete and sign the Proxy Form enclosed and return in accordance with the instructions on the Proxy form so that it is received by no later than 10.30am (WST) on Sunday, 13 September 2020. Proxy Forms received later than this time will be invalid.

In accordance with Regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth), the Board has determined that a person's entitlement to vote at the General Meeting will be the entitlement of that person set out in the register of Shareholders as at 5.00pm (WST) on Sunday, 13 September 2020. Accordingly, transactions registered after that time will be disregarded in determining Shareholder's entitlement to attend and vote at the General Meeting.

2. Virtual Meeting

If you wish to virtually attend the Meeting (which will be broadcast as a live webinar), please pre-register in advance for the virtual Meeting here:

https://us02web.zoom.us/webinar/register/WN_kB5EaQw4RQaCoX1LFnUNJQ

After registering, you will receive a confirmation containing information on how to attend the virtual Meeting.

Shareholders will be able to vote and ask questions at the virtual Meeting. Shareholders are also encouraged to submit any questions in advance of the Meeting to the Company. Questions must be submitted in writing to the Company at admin@czresources.com at least 48 hours prior to the Meeting.

The Company will also provide Shareholders with the opportunity to ask questions during the Meeting in respect of the formal items of business.

Voting Virtually

Shareholders who wish to vote virtually on the day of the meeting will need to login to the Automic website (<https://investor.automic.com.au/#/home>) with their username and password.

Shareholders who do not have an account with Automic are strongly encouraged to register for an account as soon as possible and well in advance of the Meeting to avoid any delays on the day of the Meeting.

To create an account with Automic, please go to the Automic website (<https://investor.automic.com.au/#/home>), click on 'register' and follow the steps. Shareholders will require their holder number (Shareholder Reference Number (SRN) or Holder Identification Number (HIN)) to create an account with Automic.

Shareholders who have an existing account with Automic are advised to take the following steps to attend and vote on the day of the Meeting:

1. Login to the Automic website (<https://investor.automic.com.au/#/home>) using your username and password.
2. If registration for the virtual Meeting is open, click on 'Meeting open for registration' and follow the steps.
3. If live voting for the virtual Meeting is open, click on 'Meeting open for voting' and follow the steps.

3. Resolution 1 – Change of Name

Resolution 1 is a special resolution which seeks approval to change the name of the Company to “CZR Resources Ltd”.

Section 157 of the Corporations Act

The change of name requires Shareholder approval for the purposes of section 157 of the Corporations Act by way of special resolution, meaning that at least 75% of votes must be cast in favour of the Resolution in order for it to be passed.

The change does not affect the legal status of the Company. The change will take effect upon a new certificate of registration being issued by ASIC.

3.1 Additional information

- (a) Resolution 1 is a special resolution.
- (b) The Board unanimously recommends that Shareholders vote in favour of Resolution 1.
- (c) The Chair intends to exercise all available proxies in favour of Resolution 1.

4. Resolution 2 – Issue of Colchis Consideration Securities to Creasy Group

4.1 Resolution 2

The Company is seeking Shareholder approval as required under, and for the purpose of, ASX Listing Rules 10.1 and section 208 and item 7 of section 611 of the Corporations Act in order to effect the completion of the sale and purchase of 70% of the Croydon Top Camp Gold Project and terms and conditions of the Colchis Agreement.

4.2 Background to proposed transaction

Pursuant to the Colchis Agreement, Colchis Resources Pty Ltd (“**Colchis Resources**”) has agreed to sell, and Coziron has agreed to purchase, 70% of the Croydon Top Camp Project (“**Colchis Agreement**”).

Under the terms of the Colchis Agreement, Coziron must pay consideration of 40,000,000 Shares and 200,000,000 Colchis Options (together the “**Colchis Consideration Securities**”). The Colchis Consideration Securities will be subject to mandatory escrow for a period of 12 months from the date of issue pursuant to clause 5 of ASX Appendix 9B.

Colchis Resources forms part of the Creasy Group and is therefore a related party of the Company as Mark Creasy holds a controlling interest in both the Company and Colchis Resources. Accordingly, the Company is seeking Shareholder approval to the issue of Colchis Consideration Securities in accordance with section 208 and item 7 of section 611 of the Corporations Act and ASX Listing Rule 10.1.

4.3 Croydon Top Camp Project

Location

The 317 km² Croydon Top-Camp project (Croydon, E47/2150) held by Colchis Resources is located 100km south-east of Karratha and about 120km southwest of Pt Hedland in the Pilbara of Western Australia.

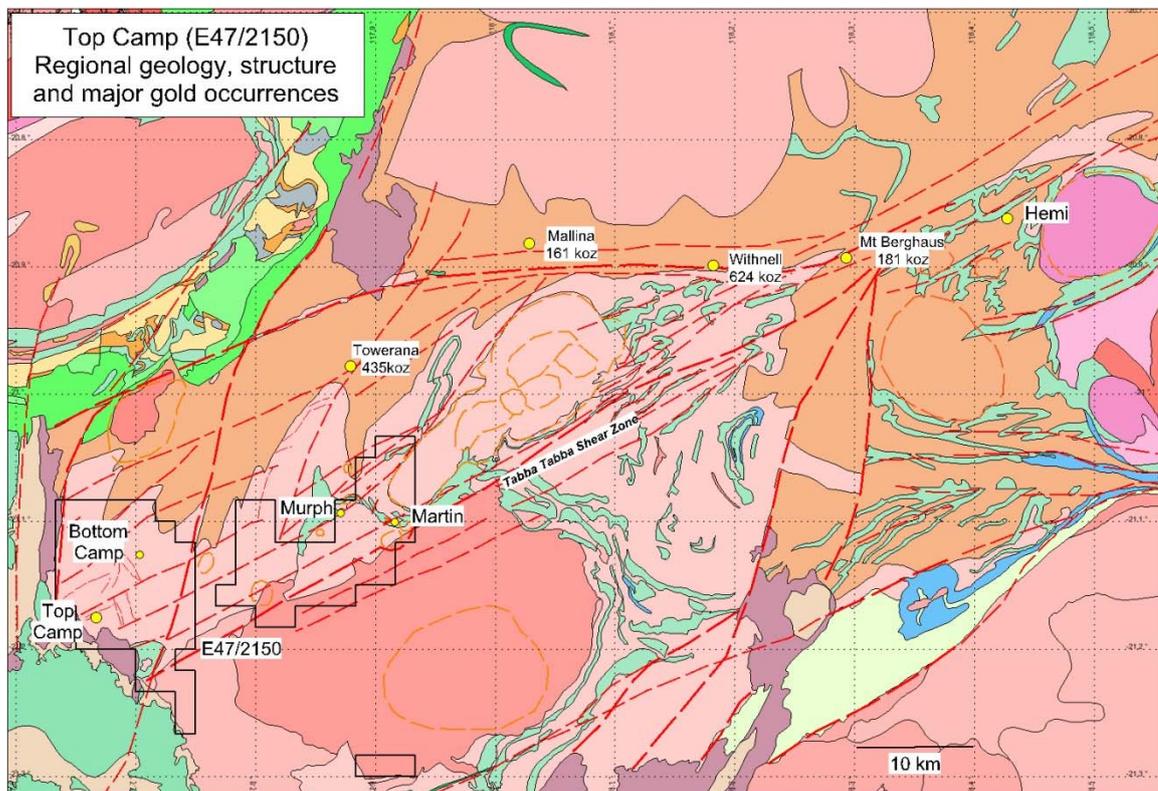


Fig 1 Regional view of the Croydon Project overlain onto the Geological Survey of Western Australia, 1:500,000 scale geological map of the Mallina region and structural interpretation with the location of gold deposits and selected gold occurrences.

Regional Geology

The Croydon Project covers a section of the Tabba Tabba regional shear zone where it separates a block of predominately granitic and gneisses rocks to the south from a terrain that is dominated by metasediments in the Mallina Basin (Fig 1). The geological history for the Mallina Basin proposes that that it formed at about 2970Ma in an intracontinental setting and accumulated a suite of turbiditic siliciclastic sandstones and siltstones up to 10km thick until about 2955Ma. During basin development, the sediments were intruded by a suite of mafic to ultramafic sills.

It then appears that sedimentation ceased in response to an orogenic event that peaked with the intrusion of a suite of granites and related felsic porphyries from about 2955Ma and 2925Ma. After the orogenic event, erosional remnants of the Fortescue Group indicate that a transgression allowed the deposition of shallow marine sediments and flood basalts from about 2780Ma and these rocks have not been disturbed by any major regional orogenic events.

Prospectivity

The regional geological setting is prospective for intrusion-related and structurally-controlled, orogenic, lode-style gold deposits which are common in many of Archean-age terrains across the World. Published studies of the mineralisation in the Mallina Basin region describe the Withnell deposit as being structurally controlled, turbidite hosted and associated with a zone of sericite-carbonate-pyrite alteration that formed at about 2900 Ma which is late in the orogenic cycle.

Records from the Geological Survey of Western Australia indicate that the first gold was recovered on E47/2150 in the 1880's and there has been episodic and ongoing prospector activity which is reflected by widespread evidence of ground disturbance on the Google and ESRI satellite imagery. The tenement also has widespread evidence of carbonate-rich rocks in those areas where gold has been recovered by the prospectors suggesting the tenement has prospectivity over a wide area.

Exploration Activities

In the period since the tenement was granted, Colchis Resources created a database of historical exploration activities and results. The package contains a broad suite of publicly available geological and geophysical data along with maps of areas with historical workings, the locations and geochemical results surface samples that include stream-sediments, gridded-soils and costeans and the locations and results from the limited number of drill-holes (Company announcement to ASX 27 November 2017).

Colchis Resources had also completed some programmes of exploration after the tenement was granted on 13 October 2011 and results from these activities were included in the database. These programmes included a grid of soil samples over the Middle Valley prospect, a grid of auger samples to cover the Top Camp prospect (Fig 1; Company announcement to ASX 27 November 2017). There are also results from rock-chip samples, a grid of soil samples, an electromagnetic survey and some RC drilling that were completed over parts of the mafic to ultramafic rock suite and adjacent tocks in the Martin area.

Following the decision of the Company to acquire the Croydon Project (Company announcement to ASX 8 November 2017), 503 stored residues from auger samples have been progressively re-assayed to extend the element suite and improve the analytical precision (Company announcement to ASX 10 October 2018; 11 November 2019). The company also acquired remotely sensed data that includes flying and processing of a high-resolution magnetic and radiometric survey and purchasing multi-spectral coverage of the tenement. Activities in the field commenced with mapping and the collection of surface samples that now total 1352 soil

and 53 rock-chip samples (Company announcement to ASX 6 December 2018; 1 April 2019; 16 September 2019; 11 November 2019). During 2019, the Company also received reports from prospectors working in the Top Camp area that detailed the weights, counts and precise locations of a large number of gold nuggets that could be overlain on the available geological and geochemical data (Company announcement to ASX 25 September 2019; 11 October 2019). Then, on the most advanced prospect, the Company has completed a maiden programme of RC drilling with 13 holes for 2600m (Company announcement to ASX 18 December 2019) and a three hole diamond-drilling programme for 600 m (Company announcement to ASX 9 June 2020).

Exploration Prospects

The historical exploration samples from E47/2150 contain many results over a wide area of the tenement with anomalous concentrations of gold but there are more localized prospects such as, Top Camp, Middle Valley, Bottom Camp, Martin and Murph where the amount of work completed has generated coherent distribution patterns that can quickly generate drill-discoveries. A summary of the geology and prospectivity of the most advanced prospects are summarized below.

Top Camp to Middle Valley

The Top Camp to Middle Valley area has extensive areas visible on satellite imagery where the colluvial and alluvial material that has been disturbed by prospectors and there are also some deeper shafts and adits that have been excavated. There are also ongoing reports for the recovery of gold nuggets from the area that forwarded to the Company by prospectors who use metal detectors to recover gold from the short-term 40E prospecting permits (Company announcement to ASX 25 July 2019; 3 October 2019). Typically, the disturbed areas and sites where nuggets are reported overlie the quartz-rich sediments in the Mallina Basin that are carbonate-rich and contain veinlets and scattered boxworks of iron-oxide that appear to have replaced sulphide and provide a focus for more systematic exploration.

The Top Camp prospect has advanced from grass-roots exploration to a drill discovery. The core of the prospect covers a broad valley of quartz-veined, carbonate-rich rocks and there are an abundance of gold results covering an area of approximately 1400m by 400m from the 40 by 40m grid of soil samples that are overlain by the 20 by 20m grid of auger samples. The results generate a number of coherent +25ppb anomalies that represent targets for drilling (Fig 2; Company announcement to ASX 3 October 2019).

In late 2019 at Top Camp, 13 inclined (-60) RC holes (CRC001 to CRC013), each to a depth of 200m reported significant down-hole intercepts with Au>0.5g/t in 9 holes and a best downhole intercept from CRC007 of 8 metres at 10.3g/t Au from 135m (Fig 3; Company announcement to ASX 6 February 2020). A three hole follow-up programme of 600m of diamond drilling adjacent to CRC007 has been completed (Company announcement to ASX 9 June 2020) and sampling and assay work is underway.

Middle Valley also has areas of carbonate-rich sediments that have been disturbed by shallow historical pits in parts and an abundance of stream-sediment samples that report anomalous concentrations of gold. A 1km² area that was covered with and 80 by 40 m grid of soil samples that has been selectively infill in parts includes a number of samples with anomalous gold that require follow-up (Fig 2; Company announcement to ASX 3 October 2019).

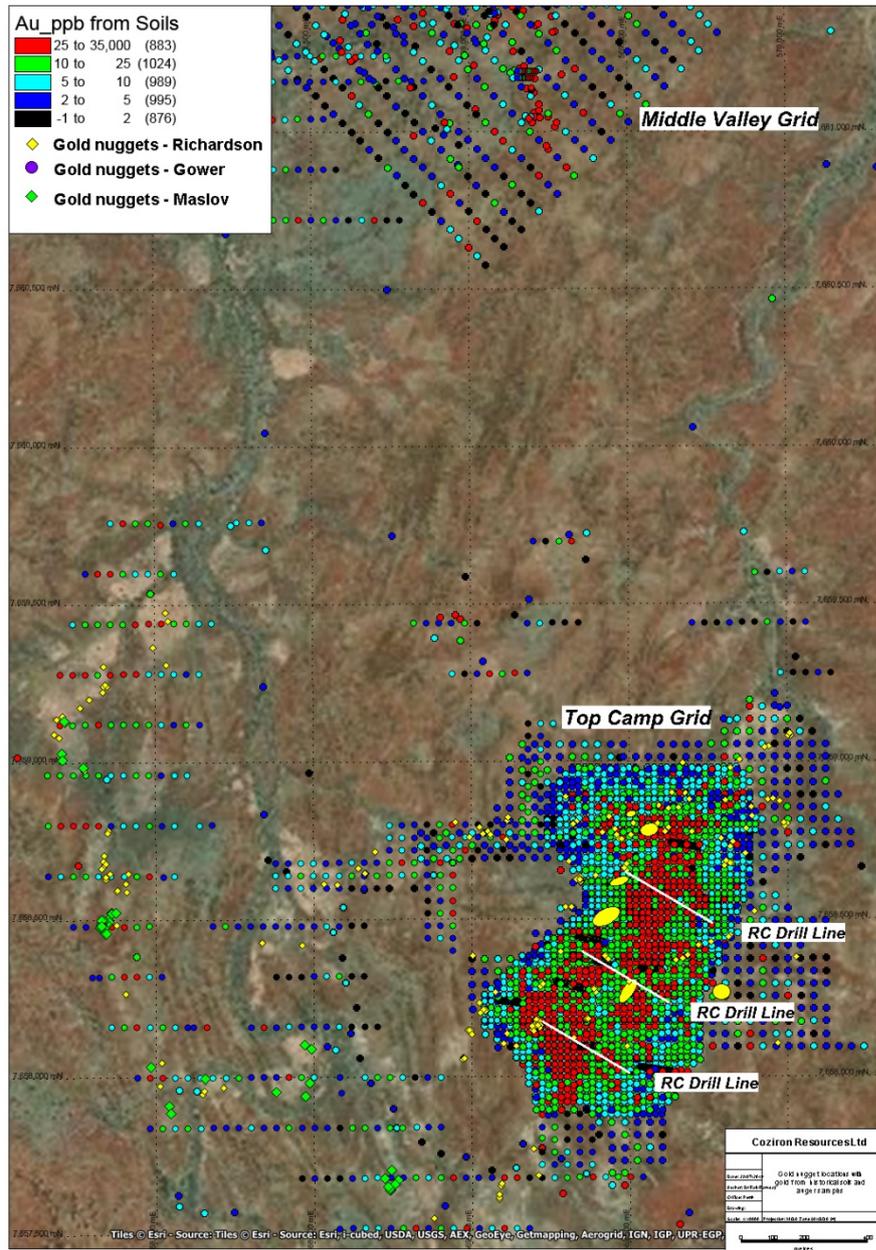


Fig 2 Distribution of gold nuggets and gold in soil and auger samples from the Top Camp and Middle Valley areas of the Croydon project.

Bottom Camp

The Bottom Camp area is focussed on an area of Mallina Basin rocks between two streams that were extensively worked by prospectors for alluvial gold. The area has outcrops of carbonate-bearing rock with veinlets and boxworks of limonite after sulphide and quartz veining. Programmes of gridded soil sampling between the streams has generated coherent anomalism in gold and associated pathfinder elements such as, arsenic, antimony and tungsten, and the prospect is approaching drill-ready (Company announcement to ASX 6 December 2018; 27 February 2020).

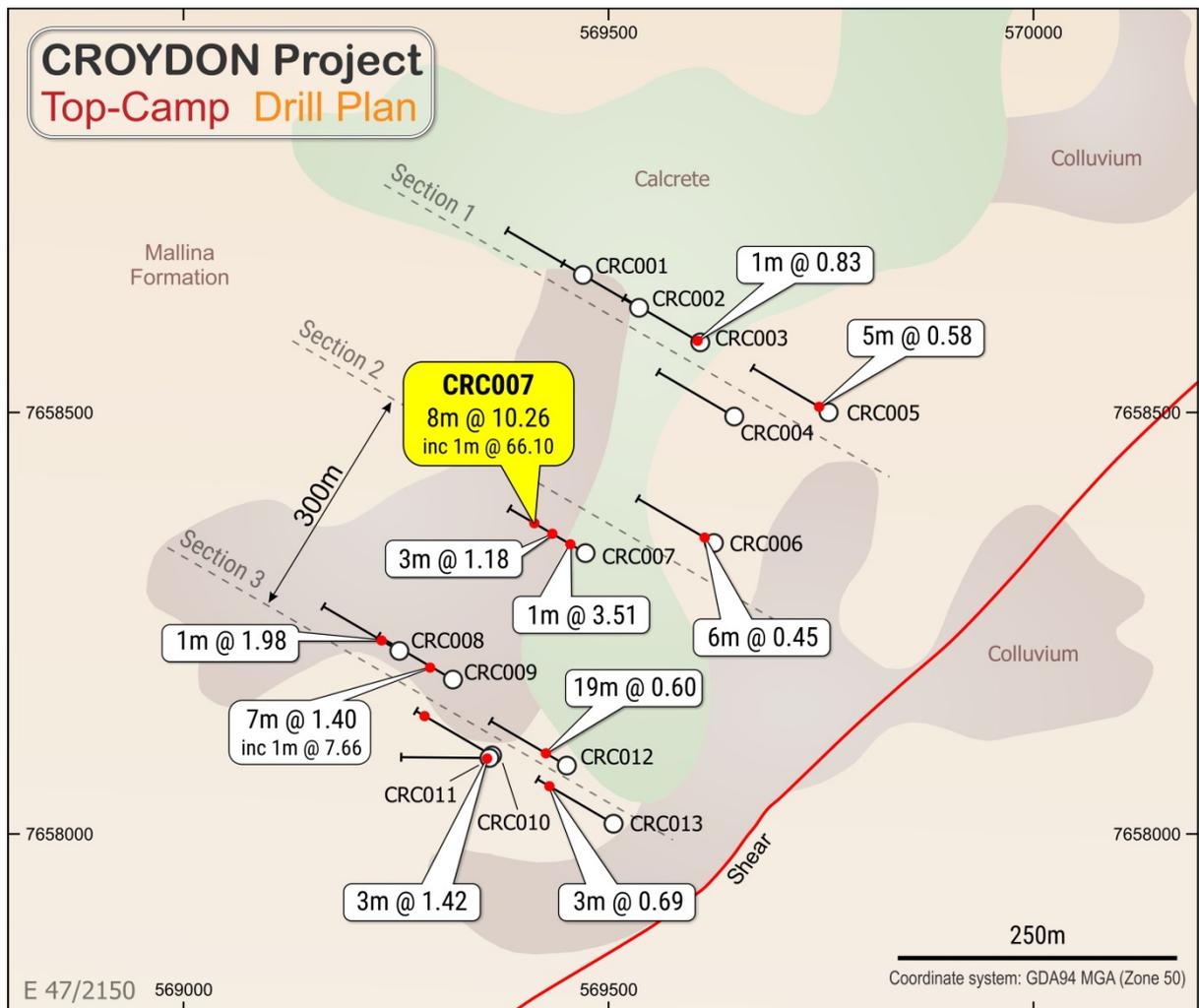


Fig 3. Location and down-hole traces of RC drill-holes CRC001 to CRC013 with significant intercepts in each drill-hole reported as metres at grams/tonne and the traces of the section lines in figures 3 to 5 below overlain on the Mt Wohler 1:100,000 geology.

Martin and Murph

The Martin prospect has a historical pit on copper mineralisation and reports of alluvial gold from the mafic to ultramafic rocks that outcrop between granitic rocks and sedimentary rocks in the Mallina Basin. Colchis Resources commenced exploration with soil and rock-chip sampling and an electromagnetic survey over an area that was broader than the exposure of the mafic rocks. The electromagnetic survey generated results that indicated the presence of a suite of conductive plates beneath the areas where the mafic to ultramafic rocks were covered. Three of the larger plates with characteristics that potentially indicated the presence of sulphidic rocks were selected as targets for RC drilling but the holes did not intersect any zones of mineralisation.

The Company has focused fieldwork in the Martin area onto the areas of outcropping mafic to ultramafic rocks and has used mapping and soil sampling to identify targets of interest. The historical pit into the Martin Prospect-A copper-gold gossan is associated with a localized north-west to south-east zone of anomalism in soils and rock-chips which has a down-dip conductive anomaly that represents a target for up to 500m of RC drilling (Fig 4; Company announcement to ASX 1 April 2019).

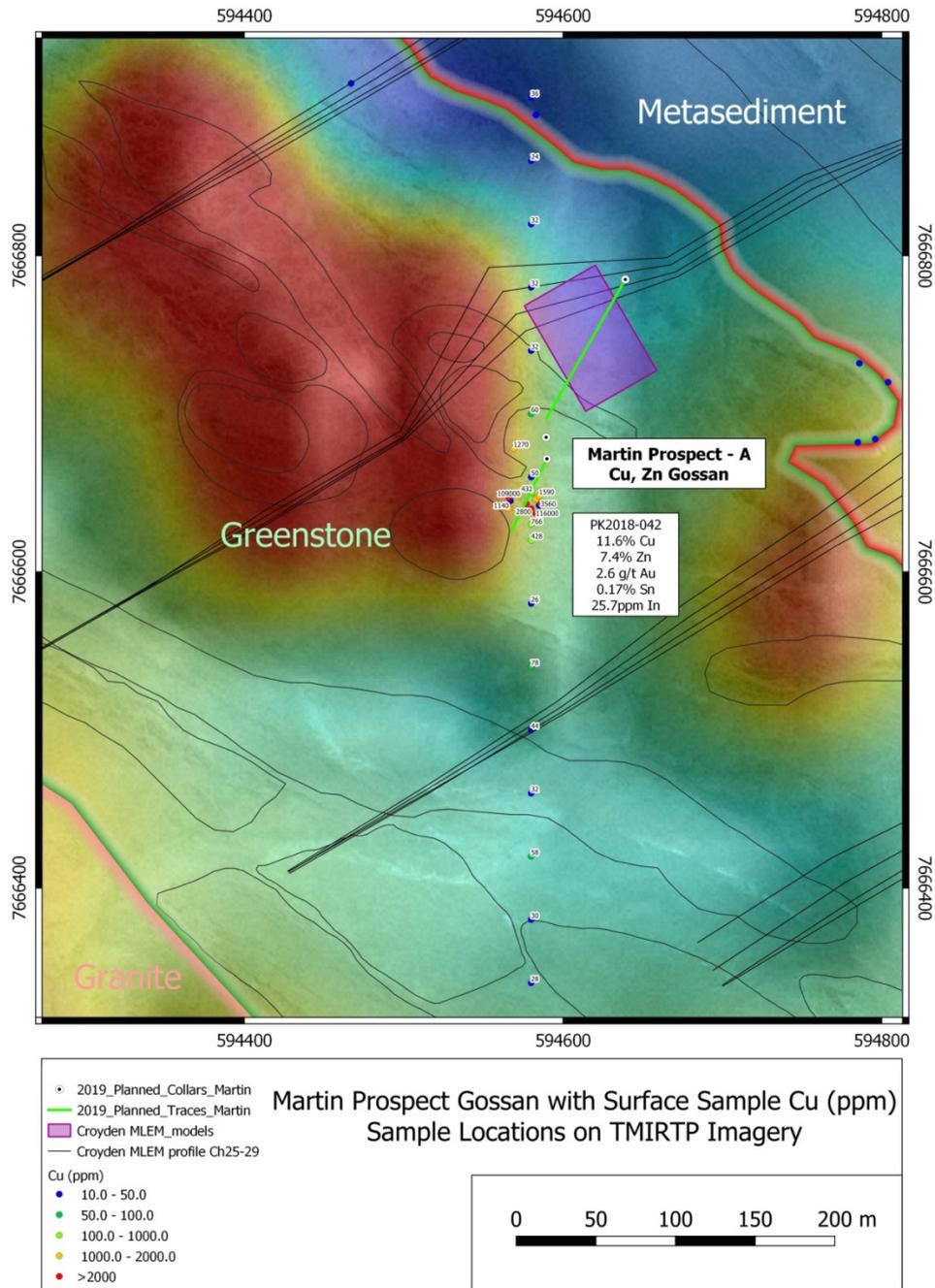


Fig 4. Outlines of changes in rock-type adjacent to the Martin Prospect-A copper-gold gossan overlain on the high resolution magnetics with traces of the electromagnetic responses, the interpreted position of the conductive target and three proposed RC drill traces (two inclined and one vertical).

The grid of soil samples that covers an area of mafic and ultramafic rocks approximately 1.5km long by 800m wide from the Martin Prospect-A gossan has also identified gold anomalism along zones of shearing and quartz-veining and the contact between the granitic and mafic rocks. As soil sampling has extended from Martin to cover other structures within the mafic to ultramafic rocks with evidence of historical workings, gold anomalism has also been identified at Murph along the contact between the mafic rocks and granite (Company announcement to ASX 27 February 2020). The Murph prospect is being targeted with detailed mapping and rock-chip sampling prior to the selection of pad-sited for RC drilling.

Competent Persons Statement

The information in this Notice that relates to mineral resources, exploration activities and results is based on information compiled by Rob Ramsay (BSc Hons, MSc, PhD) who is a Member of the Australian Institute of Geoscientists. Rob Ramsay is the Managing Director of the Company and a Geologist with over 35 years of experience 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 Notice of the matters based on the information in the form and context in which it appears.

4.4 Key terms of the Colchis Agreement

The key terms of the Colchis Agreement are as follows:

- (a) completion of the Colchis Agreement will be subject to the satisfaction or waiver of the following conditions by 30 September 2020:
 - (i) the Company obtaining all necessary shareholder approval to give effect to the Transaction (defined below at paragraph 4.5);
 - (ii) the Company completing a capital raising in the amount of not less than \$6,000,000, and obtaining the requisite regulatory and/or shareholder approvals that may be required for that capital raising;
 - (iii) all necessary waivers and consents being obtained;
 - (iv) the Company completing due diligence to its sole satisfaction; and
 - (v) the parties obtaining written consent of the Minister or an officer of the Mines Department acting with the authority of the Minister providing written consent to the sale of the sale interest, where such consent is required under the Mining Act.

As at the date of this Notice, conditions (ii) and (iv) above have been satisfied.

- (b) If required by ASX, Colchis Resources must enter into an escrow agreement restricting the disposal of the Colchis Consideration Shares in accordance with Appendix 9A of the ASX Listing Rules.
- (c) Completion will occur 5 business days after the conditions are satisfied or waived.
- (d) The Company must issue the Colchis Consideration Securities to Colchis Resources (or its nominee) at completion.
- (e) Upon completion, the Company and Colchis Resources will form an unincorporated joint venture with the Company holding a 70% interest and Colchis Resources holding a 30% free carried interest.
- (f) From completion and until the Bankable Feasibility Study is achieved, the Company will be responsible for all exploration costs.
- (g) Once the Bankable Feasibility Study is achieved, Colchis Resources will have 90 days to elect to either:
 - (i) participate in the mining operations and contribute to costs in proportion to its interest in the Colchis Tenement;
 - (ii) not participate in the mining operations; or
 - (iii) attempt to sell its entitlement to participate in the mining operations.

- (h) If Colchis Resources does not participate in the mining operations, or is unable to find a buyer for its entitlement, then its interest in the mining area the subject of the BFS will be converted into a 2% net smelter royalty. Colchis Resources interest in the area of the Colchis Tenement that is outside the mining area will be unaffected.
- (i) If work on the mining operation has not commenced within 3 years (i.e. 70% of the first 2 years' budget or 20% of the total budget in respect of the BFS has not been incurred) then Colchis Resources percentage interest in the area will be restored and the royalty will terminate.
- (j) If a party's interest in a mining operation falls below 5% then its interest will automatically be converted into a 2% net smelter royalty.
- (k) The Company will continue to be responsible for 100% of exploration costs in respect of the area of the Colchis Tenement which is outside a mining area.
- (l) If a party defaults under the Colchis Agreement and such default is not remedied within 60 days of notice thereof, then the non-defaulting party will be entitled to buy the defaulting party's interest in the Colchis Tenement for 90% of its fair value based on 2 independent valuations. If the non-defaulting party does not acquire the defaulting party's interests then the defaulting party's participation in the Joint Venture shall be terminated but it shall retain its interest in the Colchis Tenement..
- (m) The Colchis Agreement will otherwise be on terms considered standard for tenement sale and joint venture agreements.

4.5 **ASX Listing Rule 10.1**

The Company is proposing to acquire an interest in the Croydon Top Camp Project and entering into a joint venture with Colchis Resources ("**Transaction**").

Listing Rule 10.1 provides that a listed company must not acquire or agree to acquire a substantial asset from, or dispose of or agree to dispose of a substantial asset to:

- (a) a related party;
- (b) a child entity;
- (c) a person who is, or was at any time in the 6 months before the transaction, a substantial (10%+) holder in the company;
- (d) an associate of a person referred to in Listing Rules 10.1.1 to 10.1.3; or
- (e) a person whose relationship with the company or a person referred to in Listing Rules 10.1.1 to 10.1.4 is such that, in ASX's opinion, the issue or agreement should be approved by shareholders,

unless it obtains the approval of its shareholders.

The Transaction falls within Listing Rule 10.1.4 and involves the acquisition of a substantial asset. It therefore requires the approval of the Company's shareholders under Listing Rule 10.1.

Resolution 2 seeks the required shareholder approval to the Transaction under and for the purposes of Listing Rule 10.1.

If Resolution 2 is passed, the Company will be able to proceed with the Transaction and, subject to the completion of the conditions precedent outlined in Section 4.4(a) above, complete the acquisition of 70% of the Croydon Top Camp Project.

If Resolution 2 is not passed, the Company will not be able to proceed with the Transaction and will not be able to acquire 70% of the Croydon Top Camp Project.

4.6 Section 208 of the Corporations Act

Resolution 2 requires Shareholder approval under section 208 of the Corporations Act with respect to related party transactions.

Section 208 of the Corporations Act states that a public company cannot give a “financial benefit” (including an issue of shares or options) to a “related party” of the Company unless one of the exceptions set out in section 210 to 216 of the Corporations Act apply, or the holders of ordinary securities have approved the giving of the financial benefit to the related party in a general meeting.

Colchis Resources and the Creasy Group are related parties of the Company as a result of their Relevant Interest in voting shares of the Company, and the control that this allows it to have in determining decisions in relation to the Company’s financial and operating policies. The financial benefit being obtained by the Creasy Group pursuant to Resolution 2 is the issue of the Colchis Consideration Securities to Colchis Resources, a related party.

Resolution 2 therefore requires Shareholder approval under section 208 of the Corporations Act to allow the Directors to issue the Colchis Consideration Securities to a member of the Creasy Group as related parties, on the terms set out in this Explanatory Statement.

4.7 Section 219 of the Corporations Act

Section 219 of the Corporations Act requires the following information be provided to Shareholder for approval to be granted under section 208 of the Corporations Act for Resolution 2:

(a) **The related parties to whom financial benefits will be given**

The related party to which Colchis Consideration Securities are being issued under Resolution 2 is Colchis Resources as a member of the Creasy Group.

(b) **The nature of the financial benefits**

The financial benefit being obtained by the Creasy Group is set out in the table below:

Creasy Group	Securities to be issued	Value of Securities
Colchis Resources	40,000,000 Shares	\$440,000
	200,000,000 Colchis Options	\$1,156,431

* Market Price is \$0.011 being the closing market sale price of Shares on the ASX on 12 August 2020.

Each Colchis Option is exercisable at \$0.015 and expires on 30 June 2022. Full terms of the Colchis Options are included in Appendix A.

(c) **Valuation of Financial Benefits**

The value of the Shares being issued to the Creasy Group is set out in the table below:

Creasy Group	Shares to be issued	Value of Shares at Deemed Issue Price	Value of Shares at Current Market Price
Colchis Resources	40,000,000	\$400,000	\$440,000

* Market Price is \$0.011 being the closing market sale price of Shares on the ASX on 12 August 2020.

The value of the benefit of the Colchis Options is determined by the Black-Scholes valuation in accordance with the following assumptions and inputs on 12 August 2020:

Colchis Options	Value
Number of Colchis Options	200,000,000
Underlying share price	\$0.011
Exercise price	\$0.015
Expected volatility	120%
Expiry date (years)	30 June 2022
Expected dividends	Nil
Risk free rate	0.25%
Value per Colchis Option	\$0.0058
Total value	\$1,156,431

Accordingly, the value of the Colchis Options to be issued to Colchis Resources is \$1,156,431.

(d) **Directors' Recommendation**

The Directors recommend that Shareholders approve Resolution 2 for the reasons set out in Section 6.4(e). However, Shareholders must decide how to vote on this Resolution based on the contents of the Notice of Meeting, the Independent Expert's Report and this Explanatory Statement.

(e) **Interest of Directors**

None of the Directors have a material personal interest in the outcome of Resolution 2.

(f) **Terms of the Financial Benefits**

The Colchis Agreement giving rise to the financial benefit is summarised in section 4.2. All Shares to be issued pursuant to Resolution 2 will rank equally in all respects with existing fully paid ordinary shares on issue. The Colchis Options to be issued will form a new class of security, on the terms and conditions set out in Appendix A.

(g) **Other Information**

Other than as set out in this Explanatory Statement, there is no further information that is known to the Company or any of the Directors which Shareholders would reasonably require in order to decide whether or not to vote in favour of Resolution 2.

(h) **Independent Expert's Report**

The Independent Expert's Report assesses whether the acquisition of the Croydon Top Camp Project by the Company under the Colchis Agreement is fair and reasonable to the Shareholders who are not associated with the Creasy Group. The Independent Expert's Report also contains an assessment of the advantages and disadvantages of

the proposed acquisition under the Colchis Agreement. This assessment is designed to assist Shareholders in reaching their voting decision.

HLB Mann Judd Corporate (WA) Pty Ltd has prepared the Independent Expert's Report and has provided an opinion that it believes the proposal as outlined in the Colchis Agreement is, on balance, not fair but reasonable to Shareholders not associated with the Creasy Group. It is recommended that all Shareholders read the Independent Expert's Report in full which is enclosed as Annexure 1 of this Notice.

(i) **Effect of issue of securities contemplated by Resolution 2**

At the date of this Notice, the Creasy Group has a Relevant Interest in 1,584,896,993 Shares, giving it Voting Power in the Company of 57.754%.

The maximum Voting Power that the Creasy Group may obtain in the Company as a result of being issued Shares the subject of this Resolution 2 is 58.35%.

The maximum Voting Power that the Creasy Group may obtain in the Company as a result of being issued Shares and upon the exercise of the Colchis Options the subject of this Resolution 2 is 61.15% assuming no further issue of shares (including those contemplated in Resolutions 3, 5 and 6) or conversion of convertible securities into Shares occurs.

The table below sets out the potential effect of the issue of Shares on the Creasy Group's Voting Power in the Company.

	Creasy Group Relevant Interest in Shares	Total Shares on issue³	Creasy Group Voting Power
Existing position	1,584,896,993	2,744,518,894	57.75%
Issue of Colchis Consideration Shares ¹	1,624,896,993	2,784,518,894	58.35%
Exercise of Colchis Options ²	1,824,896,993	2,984,518,894	61.15%

Notes:

1. 40,000,000 Colchis Considerations Shares
2. 200,000,000 Colchis Options.
3. Assumes no further issue of Shares (including those contemplated by Resolutions 3, 5 and 6) or conversion of convertible securities into Shares occurs

4.8 Additional information

- (a) Resolution 2 is an ordinary resolution.
- (b) The Board unanimously recommends that Shareholders vote in favour of Resolution 2.
- (c) The Chair intends to exercise all available proxies in favour of Resolution 2.

5. Resolution 3 – Issue of Shares to Creasy Group in the Placement

5.1 Resolution 3

The Company is seeking Shareholder approval as required under section 611 (Item 7) of the Corporations Act in order to allow the Creasy Group (and/or his nominees) to apply for, and be issued, up to 41,500,000 Shares in the Company at an issue price of \$0.012 per Share

("Creasy Placement Shares"). The Creasy Group is a related party of the Company by virtue of it owning a controlling interest in the Company.

5.2 Background to proposed transaction

The Company undertook a capital raising in June 2020 to raise \$5,000,000. The Creasy Group advised the Company that they would like to participate in the raising up to a maximum of \$498,000.

Section 208 of the Corporations Act

Section 208(1)(a) of the Corporations Act prohibits a company from giving a financial benefit (including an issue of securities) to a related party of the company without the approval of shareholders by a resolution passed at a general meeting at which no votes are cast in relation to the resolution in respect of any shares held by the related party or by an associate of the related party.

As noted above, the Creasy Group is a related party of the Company under section 228 of the Corporations Act. However, the Company considers that the proposed issue of Creasy Placement Shares under Resolution 3 falls within the 'arm's length' exception in section 210 of the Corporations Act for the following reasons and, therefore, Shareholder approval is not required:

- (a) the Creasy Group will only be entitled to apply for Shares under the Placement on the same terms (including the offer price of \$0.012 per Share) as those that apply to other applicants who are not related parties of the Company;
- (b) the ability of the Creasy Group to participate in the Placement assisted the Company with raising funds under the Placement. Therefore, the participation of the Creasy Group in the Placement helped to facilitate the Company's ability to complete the Placement;
- (c) the dilutionary impact on existing Shareholders would be the same irrespective of whether the Shares are issued to Creasy Group or any other person under the Placement;
- (d) the issue of Shares to the Creasy Group under the Placement would be reasonable in the circumstances if the Company were dealing at arm's length; and
- (e) there are benefits to the Creasy Group holding or otherwise having an interest in Shares in the Company as this will help to further align their interests with those of Shareholders.

5.3 Recommendation by Directors

The Directors do not have a material personal interest in Resolution 3. The Directors have considered the potential advantages and disadvantages of issuing the Placement Shares to the Creasy Group and consider that it is in the best interests of the Company to proceed with the issue of the Placement Shares to the Creasy Group for the reasons set out in Section 6.4(e).

The Directors recommend that Shareholders approve Resolution 3. However, Shareholders must decide how to vote on this resolution based on the contents of the Notice of Meeting, this Explanatory Statement and the Independent Expert's Report.

5.4 Additional information

- (a) Resolution 3 is an ordinary resolution.
- (b) The Chair intends to exercise all available proxies in favour of Resolution 3.

6. Regulatory Requirements s606 and Item 7 of s611 Corporations Act – Resolutions 2 and 3

6.1 Section 606 of the Corporations Act

Section 606 of the Corporations Act prohibits a person from acquiring a Relevant Interest in issued voting shares of an unlisted company with more than 50 members that would cause that persons (or another person's) Voting Power to increase above 20%, or from a starting point above 20% and below 90%, unless the acquisition is made under an exception in section 611.

(a) Voting Power

The Voting Power of a person in a company is determined in accordance with section 610 of the Corporations Act. It is aimed at grouping together and counting the percentage of all voting shares in a company that are controlled by a person and its associates (i.e. their **Relevant Interests**).

(b) Relevant Interests

Section 608(1) of the Corporations Act provides that a person has a Relevant Interest in securities if that person:

- (i) is the holder of the securities;
- (ii) has power to exercise, or control the exercise of, a right to vote attached to the securities; or
- (iii) has power to dispose of, or exercise control over the disposal of, the securities.

It is immaterial whether the power or control is direct or indirect, and it does not matter how remote the Relevant Interest is or how it arises. If two or more people can jointly exercise one of these powers, each of them is taken to have that power.

In addition, section 608(3) of the Corporations Act provides that, if a body corporate has a Relevant Interest in securities, a person will also have a Relevant Interest in those securities if:

- (i) the person has Voting Power in the body which is above 20%; or
- (ii) the person controls the body.

6.2 Associates

In determining who is an associate for the purposes of calculating a person's Voting Power, section 12(2) of the Corporations Act provides that:

- (a) the following entities are associates of a body corporate:
 - (i) another body corporate which it controls;
 - (ii) another body corporate which controls it; and
 - (iii) another body corporate that is controlled by the same entity which controls it;
- (b) a person will be an associate of another person if they have, or propose to enter into, a relevant agreement for the purpose of controlling or influencing:
 - (i) the composition of a body's board; or
 - (ii) the conduct of the body's affairs; and
- (c) a person will be an associate of another person if they are acting, or propose to act, in

concert in relation to the affairs of a body.

6.3 Section 611 of the Corporations Act

Item 7 of section 611 of the Corporations Act provides an exception to the prohibition in section 606 where the acquisition of the Relevant Interest has been approved by shareholders in general meeting, provided that:

- (a) no votes are cast in favour of the resolution by the person proposing to make the acquisition or their associates; and
- (b) shareholders are given all information known to the acquirer or the company that was material to the decision on how to vote.

Resolutions 2 and 3 (inclusive) seek Shareholder approval under Item 7 of section 611 of the Corporations Act for the issue of the Colchis Consideration Securities to Colchis Resources, issue of shares pursuant to the exercise of the Colchis Options and the Placement Shares to the Creasy Group.

Under section 610 of the Corporations Act, a person's voting power is defined as the percentage of the total voting shares in a company held by the person and the person's Associates.

Mark Creasy is the sole shareholder and director of Colchis Resources. Yandal, and Motwil, which individually and combined form the Creasy Group.

Prior to any issue of Placement Shares and Colchis Consideration Securities to the Creasy Group pursuant to Resolutions 2 and 3 (inclusive) the Creasy Group holds 1,584,896,993 Shares, being 57.75% of the existing Shares on issue.

In the event that Resolutions 2 and 3 (inclusive) are approved by Shareholders and the relevant transaction completes, the Relevant Interest in the voting Shares of the Company held by the Creasy Group will increase from 57.75% to 58.97%.

In the event that Resolutions 2 and 3 (inclusive) are approved by Shareholders, the relevant transaction completes and the Creasy Group exercises the Colchis Options, the Relevant Interest in the voting Shares of the Company held by the Creasy Group will increase from 57.75% to 62.54%.

Number of Shares held by Creasy Group				
Creasy Group	Shares held at the date of this Notice	Shares to be issued under this Notice and upon exercise of Colchis Options	Total Shares in Company held by Creasy Group following approval of Resolutions 2 and 3	% Voting Power in the Company
Yandal	1,233,857,684	-	1,233,857,684	43.67%
Motwil	310,844,653	-	310,844,653	11.00%
Mark Creasy	40,194,656	-	40,194,656	1.42%
Creasy Group		81,500,000	81,500,000	2.88%
Total shares issued to creasy group under this notice	1,584,896,993	81,500,000	1,666,396,993	58.97%
Total shares including	1,584,896,993	281,500,000	1,866,396,993	62.54% ¹

Number of Shares held by Creasy Group				
Creasy Group	Shares held at the date of this Notice	Shares to be issued under this Notice and upon exercise of Colchis Options	Total Shares in Company held by Creasy Group following approval of Resolutions 2 and 3	% Voting Power in the Company
exercise of the Colchis Options that can be issued				

Notes:

1. Voting power does not take into account the issue of the Shares contemplated in resolutions 5 and 6.

The Directors of the Company are seeking Shareholder approval pursuant to section 611 Item 7 of the Corporations Act to issue Colchis Consideration Securities and Placement Shares as contemplated by Resolutions 2 and 3 (inclusive) and approval for the issue of Shares pursuant to the exercise of the Colchis Options and as otherwise on the terms and conditions set out in this Explanatory Statement.

As set out in the voting exclusion statements in the Notice, it is a condition of approval under Item 7(a) of section 611 of the Corporations Act that no votes are cast in favour of Resolutions 2 and 3 (inclusive) by:

- (a) the person proposing to make the acquisition or their Associates; and
- (b) the persons (if any) from whom the acquisition is to be made and their Associates.

6.4 **ASIC Regulatory Guide 74**

The following information is included in accordance with the requirements of Item 7 of section 611 of the Corporations Act and ASIC Regulatory Guide 74 to the extent that it applies pursuant to ASIC Regulatory Guide 6:

(a) **Identity of persons who will hold a relevant interest in the securities to be issued**

If Resolutions 2 and 3 (inclusive) are passed and the Colchis Options are exercised, up to 281,500,000 Shares will be issued to members of the Creasy Group as set out in the table in section 6.1 above.

(b) **Impact of issue of the Colchis Consideration Securities and Placement Shares on the voting power in the Company's Shares**

(i) *Current voting power of the Creasy Group and/or its nominees*

As at the date of this Notice, the Creasy Group and or its Associates have a 57.75% Relevant Interest in the existing Shares and Shareholders, other than the Creasy Group, hold a 42.25% Relevant Interest in the Existing Shares. Please see the table below.

(ii) *Voting power of Creasy Group after the issue of Shares and Colchis Options are not exercised*

Once all the securities referred to in Resolutions 2 and 3 (inclusive) have been issued, the maximum number of Shares in which the Creasy Group will have a Relevant Interest in is 1,666,396,993 Shares and its voting power will be a maximum of 58.97%. This represents an increase in the voting power of the Creasy Group of 1.22%.

- (iii) *Voting power of Creasy Group after the issue of Shares and Colchis Options are exercised*

Once all the securities referred to in Resolutions 2 and 3 (inclusive) have been issued and the Colchis Options exercised, the maximum number of Shares in which the Creasy Group will have a Relevant Interest in is 1,866,396,993 Shares and its voting power will be a maximum of 62.54%. This represents an increase in the voting power of the Creasy Group of 4.79%

Company Shareholding	Current		If Resolutions 2 and 3 are approved and Colchis Options not exercised		If Resolutions 2 and 3 are approved and Colchis Options are exercised	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Creasy Group	1,584,896,993	57.75%	1,666,396,993	58.97%	1,866,396,993	62.54%
Other Shareholders	1,159,621,901	42.25%	1,159,621,901	41.03%	1,159,621,901	37.46%
Total Shares on an undiluted basis	2,744,518,894	100%	2,826,018,894	100%	3,026,018,894	100%

Note: The numbers and percentages in the table above assume that the Company does not issue any other Shares to any person (including those contemplated in Resolutions 5 and 6) other than those proposed in Resolutions 2 and 3 and no Options other than the Colchis Options are exercised.

(c) **Intentions as to the Future of the Company**

Other than as disclosed in this Explanatory Statement and changes pursuant to the Resolutions, the Company understands that the Creasy Group:

- (i) intends to maintain the Company's current business, which is focused on exploration and the development of mining projects;
- (ii) has no intention to otherwise redeploy the fixed assets of the Company;
- (iii) does not propose that any property will be transferred between the Company and the Creasy Group or any person associated with the Creasy Group;
- (iv) does not intend to make any changes with regards to the employees or directors of the Company; and
- (v) does not presently propose to inject further capital in the Company.

(d) **Financial and Dividend Policies of the Company**

The Board has not adopted a formal dividend distribution policy since being re-admitted to the ASX on 1 March 2011. Since then the Company has not declared a dividend distribution to Shareholders.

There is no immediate intention on the part of the Creasy Group or the Directors to change the financial and dividend policies of the Company or to declare a dividend.

(e) **Reasons to vote in favour of Resolutions 2 and 3**

The Directors recommend that Shareholders vote in favour of Resolutions 2 and 3 for the reasons set out below.

- (i) Without the approval of the issue of the Colchis Consideration Securities (and Shares following the exercise of the Colchis Options) the Company would not

be able to complete its acquisition of the Colchis Tenements and as such may lose a key asset and potentially suffer risk of significant share price depreciation.

- (ii) Currently, access to capital is limited for junior resources companies in light of low investor sentiment resulting from the COVID-19 pandemic. The Colchis Agreement and Placement represents a unique and attractive opportunity for the Company which will significantly strengthen its financial position.
- (iii) The additional funds will provide the Company with sufficient capital moving forward to continue the exploration of the projects. The Company has made promising progress at its Croydon Top Camp Project and it is confident with adequate funding, it can progress exploration of the Company's portfolio of tenements.
- (iv) Without the approval of the issue of Shares following the exercise of the Colchis Options the Company will have to convene a subsequent General Meeting of the Shareholders as well as commission a new independent experts report to allow the issue of these shares which will result in considerable cost to the Company.

(f) **Reasons to vote against Resolutions 2 and 3**

Although the Directors recommend that Shareholders vote in favour of Resolutions 2 and 3, the Directors consider that Shareholders may consider voting against Resolutions 2 and 3 for the reasons set out below.

- (i) The issue of Placement Shares the Colchis Consideration Securities and Shares following the exercise of the Colchis Options will dilute Shareholders interests in the Company.
- (ii) Following the issue of Placement Shares the Colchis Consideration Securities and Shares following the exercise of the Colchis Options, due to the increased shareholding that the Creasy Group will hold in the Company (up to approximate maximum 62.54% of the Company, depending on share issues made before the exercise of the Colchis Options), this may reduce the likelihood of a third party takeover of the Company, which means the non-associated Shareholders of the Company may miss the potential share price premium that is usually associated with takeover offers.

(g) **Independent Expert's Report**

The Independent Expert's Report has been provided to assist Shareholders in assessing Resolutions 2 and 3 (inclusive) and concludes that the issue of the Colchis Consideration Securities and Placement Shares as contemplated by Resolutions 2 and 3 (inclusive) is not fair, but reasonable to non-associated Shareholders.

The Directors recommend all Shareholders carefully read the Independent Expert's Report before considering and deciding on how to vote on Resolutions 2 and 3.

(h) **ASIC and ASX's Role**

For the purposes of Resolutions 2 and 3 (inclusive), in accordance with ASIC Regulatory Guide 74, the Company must lodge the Notice of Meeting and this Explanatory Statement with ASIC before the Notice of Meeting can be dispatched.

The fact that the Notice of Meeting, Explanatory Statement and other relevant documentation has been received by ASX and ASIC is not to be taken as an indication of the merits of the Resolutions or the Company. ASIC, ASX and their respective officers take no responsibility for any decision a Shareholder may make in reliance on any of that documentation.

(i) **Recommendation by Directors**

The Directors recommend that Shareholders approve Resolutions 2 and 3 (inclusive) for the reasons set out in Section 6.4(e). However, Shareholders must decide how to vote on these Resolutions based on the contents of the Notice of Meeting, this Explanatory Statement and the Independent Expert's Report.

7. Resolution 4 – Ratification of Placement Shares

Resolution 4 seeks Shareholder approval to ratify the 358,166,667 Shares previously issued to institutional and professional investors on 30 June 2020.

7.1 Background

On 24 June 2020, the Company announced that it had completed a placement raising \$5 million through the issue of 416,666,667 Shares at \$0.012 per share ("**Placement Shares**") to institutional and professional investors ("**Placement**").

Under the Placement, the Company issued a total of 358,166,667 Shares utilising the Company's available capacity under Listing Rule 7.1 (298,166,667 Shares) and Listing Rule 7.1A (60,000,000 Shares). A further 58,500,000 Shares are to be issued subject to approval by Shareholders under Resolutions 3 and 5.

7.2 General

Resolution 4 seeks Shareholder approval, under and for the purposes of Listing Rule 7.4, for the ratification of the issue the Placement Shares to exempt investors under the Placement.

7.3 Listing Rule 7.1

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over a 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The issue of the Placement Shares does not fall within any of those exceptions and, as it has not been approved by the Company's shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without shareholder approval under Listing Rule 7.1 for the 12 months following the date of issue of the Placement Shares.

7.4 Listing Rule 7.4

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue has been taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues under Listing Rule 7.1.

If Resolution Number 4 is passed, the issue of the Placement Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following the date of issue of the Placement Shares.

If Resolution Number 4 is not passed, the issue of the Placement Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the date of issue of the Placement Shares.

7.5 ASX Listing Rule 7.5

Listing Rule 7.5 requires that the following information be provided to the Shareholders in relation to obtaining approval of Resolution 4 for the purposes of Listing Rule 7.4:

- (a) A total of 358,166,667 Shares were issued. 298,166,667 Shares under Listing Rule 7.1 and 60,000,000 Shares under listing Rule 7.1A.
- (b) The Shares had an issue price of \$0.012 per Share.
- (c) The Shares issued were fully paid ordinary shares in the capital of the Company and rank equally in all respects with the existing fully paid ordinary shares on issue.
- (d) The Shares and Placement Options under the Placement were issued to institutional and professional clients of Bell Potter and were not related parties of the Company.
- (e) The funds are being used for additional drilling at the Top Camp gold prospect, administration costs, costs of the Offer, continued exploration of the Company's other projects and for general working capital.

7.6 Additional information

- (a) Resolution 4 is an ordinary resolution.
- (b) The Board unanimously recommends that Shareholders vote in favour of Resolution 4.
- (c) The Chair intends to exercise all available proxies in favour of Resolution 4.

8. Resolutions 5(a) to (e): Right for Directors to participate in the Public Offer

8.1 Background

Resolutions 5(a) to (e) seek Shareholder approval, under and for the purposes of Listing Rule 10.11, to enable each Director to apply for, and the Company to issue to each Director (and/or its nominees), Shares at an issue price of \$0.012 each under the Placement.

If Resolutions 5(a) to (e) are approved, and each Director were to apply for, and be issued, Shares under the Placement, then this would raise approximately \$204,000 for the Company.

David Flanagan, Adam Sierakowski, Simon Jackson, Stephen Lowe and Robert Ramsay are related parties of the Company for the purposes of section 228 of the Corporations Act as they are all directors of the Company.

8.2 Section 208 of the Corporations Act

Section 208(1)(a) of the Corporations Act prohibits a company from giving a financial benefit (including an issue of securities) to a related party of the company without the approval of shareholders by a resolution passed at a general meeting at which no votes are cast in relation to the resolution in respect of any shares held by the related party or by an associate of the related party.

As noted above, the Directors are related parties of the Company under section 228 of the Corporations Act. However, the Company considers that the proposed issues of Shares under Resolutions 5(a) to (e) fall within the 'arm's length' exception in section 210 of the Corporations Act for the following reasons and, therefore, Shareholder approval is not required:

- (a) Directors who wish to participate in the Placement will only be entitled to apply for Shares under the Placement on the same terms (including the offer price of \$0.012 per Share) as those that apply to other applicants who are not related parties of the Company;

- (b) the dilutionary impact on existing Shareholders would be the same irrespective of whether the Shares are issued to Directors or any other person under the Placement;
- (c) the issue of Shares to the Directors under the Placement would be reasonable in the circumstances if the Company were dealing at arm's length; and
- (d) there are benefits to the Directors holding or otherwise having an interest in Shares in the Company as this will help to incentivise their performance as Directors and, in doing so, further align their interests with those of Shareholders.

8.3 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- (a) a related party;
- (b) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- (c) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- (d) an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- (e) a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of Shares to the Directors falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of the Company's shareholders under Listing Rule 10.11.

Resolutions 5(a) to (e) seeks the required shareholder approval to the issue of Shares to the Directors under and for the purposes of Listing Rule 10.11.

If Resolutions 5(a) to (e) are passed, the Company will be able to proceed with the issue of Shares to the Directors and the Company will raise an additional \$204,000 in the Placement.

If Resolutions 5(a) to (e) are not passed, the Company will not be able to proceed with the issue of Shares to the Directors and will not raise the additional \$204,000 in the Placement. Further the inability of the Directors to participate in the Placement will reduce the funds available to the Company to apply to the Company's operations.

Further, exception 14 of Listing Rule 7.2 states that approval pursuant to Listing Rule 7.1 is not required if shareholder approval is obtained under Listing Rule 10.11.

As set out above, each Director is a related party of the Company for the purposes of section 228 of the Corporations Act. Accordingly, Shareholder approval is sought under Listing Rule 10.11 to permit the issue of Shares to the Directors under the Placement.

Resolutions 5(a) to (e) seek approval for the issue of Shares to each Director for the purpose of satisfying the requirements of Listing Rule 10.11. If Resolutions 5(a) to (d) are approved, the Shares issued will not affect the capacity of the Company to issue securities in the next 12 months under Listing Rule 7.1 as those securities, once issued, will be excluded from the calculations under Listing Rule 7.1.

8.4 ASX Listing Rule 10.13

For the purposes of Listing Rule 10.13, the following information is provided to Shareholders in relation to Resolutions 5(a) to (e):

(a) **Names of the persons**

David Flanagan, Adam Sierakowski, Simon Jackson, Stephen Lowe and Robert Ramsay (and/or their nominees).

(b) **Maximum number of securities to be issued**

The maximum number of securities that may be issued pursuant to Resolutions 5(a) to (e) is as follows:

Recipient	Shares
David Flanagan	4,150,000
Adam Sierakowski	4,150,000
Simon Jackson	4,150,000
Stephen Lowe	2,500,000
Robert Ramsay	2,050,000
Total	17,000,000

(c) **Date by which the entity will issue the securities**

The Shares are to be issued as soon as practicable after Shareholders approve Resolution 5. In any event, however, no Shares will be issued to Directors (and/or their nominees) later than 1 month after the Meeting (other than to the extent permitted by any waiver or modification of the Listing Rules).

(d) **Relationship that requires shareholder approval**

David Flanagan, Adam Sierakowski, Simon Jackson, Stephen Lowe and Robert Ramsay are related parties of the Company under section 228 of the Corporations Act by virtue of being Directors.

(e) **Issue price of the securities**

\$0.012 per Share.

(f) **Terms of the issue**

The Shares will rank equally in all respects with existing Shares on issue.

(g) **Intended use of funds raised**

The funds are being used for additional drilling at the Top Camp gold prospect, administration costs, costs of the Offer, continued exploration of the Company's other projects and for general working capital.

(h) **Directors' recommendations**

Other than to the extent that a Director has a material personal interest in the outcome of the Resolution as the proposed recipient of Shares, the Directors recommend that Shareholders vote in favour of Resolutions 5(a) to (e).

8.5 Additional information

- (a) Resolutions 5(a) to (e) are ordinary resolutions.

(b) The Chair intends to exercise all available proxies in favour of Resolutions 5(a) to (e).

9. Resolution 6 – Issue of Loan Repayment Securities to Stephen Lowe

9.1 Resolution 6

Resolution 6 seeks the approval of Shareholders, under and for the purposes of Listing Rule 10.11 and Section 208 of the Corporations Act, to issue a total of up to 10,000,000 Shares and 10,000,000 Loan Repayment Options (“**Loan Repayment Securities**”) to Mr Stephen Lowe and Mrs Suzanne Lowe as trustees for the Tahlia Family Trust (“**Lender**”) in repayment of the sums outstanding under the Loan Agreement.

9.2 Background

The Loan Repayment Securities to be issued to the Lender are in repayment of loans in the amount of \$100,000 advanced to the Company in July 2019. Details of the loans under the Loan Agreement were included in the Company's ASX announcement on 22 July 2019. Pursuant to the terms of the loan agreement, the Lender may elect at its sole discretion to be repaid the loan in equity or cash (or a combination of both). Subject to Shareholder approval, the securities to be issued in lieu of repayment in cash will be issued at the lower of \$0.01 per Share or the price at which the Company completed a capital raising during the term of the loan, and will have one free attaching option for every Share issued on the terms of the Loan Repayment Options set out in Appendix A. Noting that the Placement Shares recently issued under the Placement were issued at an issue price of \$0.012 per Share, the lower price of the Shares comprising the Loan Repayment Securities is \$0.01 per Share.

Assuming full conversion his loans, the maximum number of Loan Repayment Securities proposed to be issued to Stephen Lowe, and/or his nominee(s), is 10,000,000 Shares and 10,000,000 Loan Repayment Options.

9.3 Section 208 of the Corporations Act

Section 208(1)(a) of the Corporations Act prohibits a company from giving a financial benefit (including an issue of securities) to a related party of the company without the approval of shareholders by a resolution passed at a general meeting at which no votes are cast in relation to the resolution in respect of any shares held by the related party or by an associate of the related party.

Resolution 6 therefore requires Shareholder approval under section 208 of the Corporations Act to allow the Directors to issue the Loan Repayment Securities to the Lender, being an associated entity of Mr Lowe (and or their nominees), on the terms set out in this Explanatory Statement.

9.4 Section 219 of the Corporations Act

Section 219 of the Corporations Act requires the following information be provided to Shareholder for approval to be granted under section 208 of the Corporations Act for Resolution 6:

(a) The related parties to whom financial benefits will be given

The related party to which Loan Repayment Securities are being issued under Resolution 6 is the Lender (and or their nominees).

(b) The nature of the financial benefits

The financial benefit being obtained by the Lender is set out in the table below:

Securities to be issued	Value of Securities
10,000,000 Shares	\$110,000

10,000,000 Loan Repayment Options	\$57,822
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* Market Price is \$0.011 being the closing market sale price of Shares on the ASX on 12 August 2020.

Each Loan Repayment Option is exercisable at \$0.015 and expires on 30 June 2022.

Full terms of the Loan Repayment Options are included in Appendix A.

Stephen Lowe also receives annual director fees of \$54,000.

(c) **Valuation of Financial Benefits**

The value of the Shares being issued to the Lender is set out in the table below:

Shares to be issued	Value of Shares at Deemed Issue Price	Value of Shares at Current Market Price
10,000,000	\$100,000	\$110,000

* Market Price is \$0.011 being the closing market sale price of Shares on the ASX on 12 August 2020.

The value of the benefit of the Loan Repayment Options is determined by the Black-Scholes valuation in accordance with the following assumptions and inputs on 12 August 2020:

Loan Repayment Options	Value
Number of Loan Repayment Options	10,000,000
Underlying share price	\$0.011
Exercise price	\$0.015
Expected volatility	120%
Expiry date (years)	30 June 2022
Expected dividends	\$nil
Risk free rate	0.25%
Value per Loan Repayment Option	\$0.0058
Total value	\$57,822

Accordingly, the value of the Loan Repayment Options to be issued to the Lender is \$57,822.

(d) **Directors' Recommendation**

The Directors, other than Stephen Lowe, recommend that Shareholders approve Resolution 6 so that the Company does not have to repay the Loan in cash thereby conserving funds for use by the Company on the Croydon Top Camp Project. However, Shareholders must decide how to vote on this Resolution based on the contents of the Notice of Meeting, and this Explanatory Statement.

(e) **Interest of Directors**

The Directors, other than Stephen Lowe, do not have a material personal interest in the outcome of Resolution 6.

(f) **Terms of the Financial Benefits**

All Shares to be issued pursuant to Resolution 6 will rank equally in all respects with existing fully paid ordinary shares on issue.

The Loan Repayment Options will rank equally with Loan Repayment Options issued in December 2019 and are on the terms and conditions set out in Appendix A.

(g) **Effect of issue of securities contemplated by Resolution 6**

At the date of this Notice Stephen Lowe has a Relevant Interest in 18,704,300 Shares, giving him Voting Power in the Company of 0.68%.

The maximum Voting Power that Stephen Lowe may obtain in the Company as a result of being issued Shares the subject of Resolution 5(d) and this Resolution 6 is 1.13%.

The maximum Voting Power that Stephen Lowe may obtain in the Company as a result of being issued Shares and upon the exercise of the Loan Repayment Options the subject of this Resolution 6 is 1.49% assuming no further issue of shares (including those contemplated in Resolutions 2, 3 and 5) or conversion of convertible securities into shares occurs.

The Dilutionary effect as a result of Stephen Lowe being issued Shares (assuming the exercise of the Loan Repayment Options) the subject of Resolution 5(d) and this Resolution 6 is 0.81% assuming no further issue of shares (including those contemplated in Resolutions 2, 3 and 5) or conversion of convertible securities into shares occurs.

(h) **Other Information**

Other than as set out in this Explanatory Statement, there is no further information that is known to the Company or any of the Directors which Shareholders would reasonably require in order to decide whether or not to vote in favour of Resolution 6.

9.5 **Listing Rule 10.11**

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- (a) a related party;
- (b) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- (c) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- (d) an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- (e) a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of the Loan Repayment Securities to the Lender falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of the Company's shareholders under Listing Rule 10.11.

Resolution 6 seeks the required shareholder approval to the issue of Loan Repayment Securities to the Lender under and for the purposes of Listing Rule 10.11.

If Resolution 6 is passed, the Company will be able to proceed with the issue of Loan Repayment Securities to the Lender and the Company will be able to repay the Loan thereby conserving cash for use by the Company on the Croydon Top Camp Project.

If Resolution 6 is not passed, the Company will not be able to proceed with the issue of Loan Repayment Securities to the lender and will have to repay the Loan Agreement in cash.

Further, exception 14 of Listing Rule 7.2 states that approval pursuant to Listing Rule 7.1 is not required if shareholder approval is obtained under Listing Rule 10.11.

9.6 **Technical Information – ASX Listing Rule 10.13**

ASX Listing Rule 10.13 requires that the following information be provided to the Shareholders in relation to obtaining approval of Resolution 6 as an exception to ASX Listing Rule 10.11:

(a) **The name of the allottee of the securities**

Mr Stephen Lowe and Mrs Suzanne Lowe as trustees for the Tahlia Family Trust and/or its nominee.

(b) **The maximum number of securities to be allotted and issued**

10,000,000 Shares and 10,000,000 Loan Repayment Options.

(c) **The date of allotment and issue of the securities**

The Loan Repayment Securities will be issued as soon as possible after the General Meeting and in any event, no later than 1 month after the General Meeting (or such later date to the extent permitted by any ASX waiver of the ASX Listing Rules).

(d) **The relationship that requires Shareholder approval**

Stephen Lowe, a trustee of the lender, is a related party of the Company under section 228 of the Corporations Act by virtue of being a Director.

(e) **The issue price of the securities**

The Shares will be issued at a deemed issue price per Share of \$0.01 per Share, with the Loan Repayment Options free attaching.

(f) **The terms of the securities**

The Shares to be issued under Resolution 6 are ordinary fully paid shares which on issue will rank equally with the Existing Shares.

The Loan Repayment Options will rank equally with Loan Repayment Options issued in December 2019 and are on the terms and conditions set out in Appendix A.

(g) **The intended use of the funds**

No funds will be raised through the issue of the Shares under Resolution 6. The funds which were raised under the Loan Agreement were used by the company for ongoing exploration of the Company's projects and for working capital purposes.

9.7 **Additional information**

- (a) Resolution 6 is an ordinary resolution.

- (b) The Board, other than Stephen Lowe, recommends that Shareholders vote in favour of Resolution 6.
- (c) The Chair intends to exercise all available proxies in favour of Resolution 6.

10. Resolution 7 – Ratification of issue of Broker Options to Bell Potter

10.1 Background

On 24 June 2020, the Company announced that it had conducted a Placement to raise \$5,000,000 and that Bell Potter Securities Limited was engaged as the Lead Manager.

On 30 June 2020 and in consideration for the services provided under their engagement as Lead Manager (“**Lead Manager Agreement**”), the Company issued 56,860,378 Broker Options to Bell Potter (or its nominees) at an exercise price of \$0.0216 per Option, with an expiry date of 29 June 2024 (“**Broker Options**”).

10.2 General

Resolution 7 seeks Shareholder approval under and for the purposes of Listing Rule 7.4 for the ratification of the issue of 56,860,378 Broker Options to Bell Potter (or its nominees) as consideration for the provision of the services provided under the Lead Manager Agreement.

10.3 Lead Manager Agreement – Material Terms

Under the Lead Manager Agreement, Bell Potter acted as Lead Manager to the Placement and received a 6% fee on amounts raised, other than the amounts from the Directors and Creasy Group on which they will receive 2%. In addition they will receive 56,860,378 options exercisable at \$0.0216 each and expiring on 29 June 2024. 50% of the options will vest on 29 June 2021 and the remaining 50% will vest on 29 June 2022.

The Lead Manager Agreement contained other terms and conditions considered standard for such appointments.

10.4 Listing Rule 7.1

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over a 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The issue of the Broker Options does not fall within any of those exceptions and, as it has not been approved by the Company’s shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company’s capacity to issue further Equity Securities without shareholder approval under Listing Rule 7.1 for the 12 months following the date of issue of the Broker Options.

10.5 Listing Rule 7.4

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue has been taken to have been approved under Listing Rule 7.1 and so does not reduce the company’s capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues under Listing Rule 7.1.

If Resolution 7 is passed, the issue of the Broker Options will be excluded in calculating the Company’s 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following the date of issue of the Broker Options.

If Resolution 7 is not passed, the issue of the Broker Options will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the date of issue of the Broker Options.

10.6 **Specific information required by Listing Rule 7.5**

Listing Rule 7.5 requires that the following information be provided to Shareholders in relation to the issue of the Broker Options:

- (a) a total of 56,860,378 Broker Options were issued;
- (b) the Broker Options were issued for nil cash consideration, in consideration for the services provided by Bell Potter under the Broker Agreement;
- (c) the Broker Options are exercisable at \$0.0216 each on or before 29 June 2024 and were otherwise issued on the terms and conditions set out in Appendix B;
- (d) the Broker Options were issued to Bell Potter, who is not a related party of the Company;
- (e) no funds were raised from the issue of the Broker Options as the Broker Options were issued in consideration for the provision of the services provided by Bell Potter under the Lead Manager Agreement; and
- (f) a voting exclusion statement is included in the Notice.

10.7 **Additional information**

- (a) Resolution 7 is an ordinary resolution.
- (b) The Board unanimously recommends that Shareholders vote in favour of Resolution 7.
- (c) The Chair intends to exercise all available proxies in favour of Resolution 7.

11. **Resolution 8 – Issue of Managing Director Incentive Options to Robert Ramsay**

11.1 **Resolution 6**

Resolution 6 seeks the approval of Shareholders, under and for the purposes of Listing Rule 10.11 and Section 208 of the Corporations Act, to issue a total of up to 60,000,000 options ("**Managing Director Incentive Options**") to Dr Robert Ramsay (and/or his nominees).

11.2 **Background**

The Directors, other than Dr Ramsay, have agreed to provide a long term incentive to Dr Ramsay linked to the future success of the Company and in recognition of the contribution he has and will make to the Company.

The Company proposes that there will be five tranches of Managing Director Incentive Options. All Managing Director Incentive Options will have an exercise price that is 167% of the volume weighted average market price of the Company's Shares, calculated over the last 5 days on which sales in the Shares were recorded before the date of issue. The Managing Director Incentive Options must be exercised within 48 months of being issued. The Managing Director Incentive Options will vest upon the Board resolving that the following performance milestones are satisfied:

Tranche	Performance Milestone	Number of Managing Director Incentive Options
Tranche 1	Employed for a period of 1 year from the date of issue	5,000,000
Tranche 2	Definition of a JORC direct shipping iron ore reserve of greater 12 million tonnes, signed off by an independent consultant and at a risk level that is acceptable to the Board	5,000,000
Tranche 3	Commencement of the sale of direct shipping iron ore	5,000,000
Tranche 4	A greater than 50% interest in the Ashburton Magnetite project is transacted to a third party, subject to the terms of the Zanthus Joint Venture Agreement, Board approval and any required regulatory approvals	5,000,000
Tranche 5	Definition of a JORC compliant gold reserve of greater than 0.5 million ounces at a cut of grade of at least 0.5g/t Au (or equivalent), signed off by an independent consultant and at a risk level that is acceptable to the Board	20,000,000
Tranche 6	Definition of a JORC compliant gold reserve of greater than 1 million ounces at a cut of grade of at least 0.5g/t Au (or equivalent), signed off by an independent consultant and at a risk level that is acceptable to the Board	20,000,000

In the event that a greater than 50% interest in the Robe Mesa Project is transacted to a third party, subject to the terms of the Zanthus Joint Venture Agreement, Board approval and any required regulatory approvals, tranches 1 and 2 above will vest.

If Robert Ramsay leaves the Company for any reason after Managing Director Incentive Options has vested, the Managing Director Incentive Options will expire 12 months after his departure. If Robert Ramsay leaves the Company for any reason before Managing Director Incentive Options vests, those unvested Managing Director Incentive Options are forfeited.

The full terms and conditions of the Managing Director Incentive Options to be granted to Dr Ramsay (and/or his nominee(s)) are set out in Annexure C.

11.3 Section 208 of the Corporations Act

Section 208(1)(a) of the Corporations Act prohibits a company from giving a financial benefit (including an issue of securities) to a related party of the company without the approval of shareholders by a resolution passed at a general meeting at which no votes are cast in relation to the resolution in respect of any shares held by the related party or by an associate of the related party.

Resolution 8 therefore requires Shareholder approval under section 208 of the Corporations Act to allow the Directors to issue the Managing Director Incentive Options to Robert Ramsay (and/or his nominees), on the terms set out in this Explanatory Statement.

11.4 Section 219 of the Corporations Act

Section 219 of the Corporations Act requires the following information be provided to Shareholder for approval to be granted under section 208 of the Corporations Act for Resolution 8:

(a) **The related parties to whom financial benefits will be given**

The related party to which Managing Director Incentive Options are being issued under Resolution 8 is Robert Ramsay (and/or his nominee(s)).

(b) **The nature of the financial benefits**

The financial benefit being obtained by Dr Ramsay is the issue of 60,000,000 Managing Director Incentive Options.

Dr Ramsay will in addition to the Managing Directors Incentive Options also receive an annual salary of \$200,000 (inclusive of superannuation).

(c) **Valuation of Financial Benefits**

The value of the Options being issued to Dr Ramsay is set out in the table below:

The value of the benefit of the Managing Director Incentive Options is determined by the Black-Scholes valuation in accordance with the following assumptions and inputs on 12 August 2020. According to AASB 2 paragraph 19, "Vesting conditions, other than market conditions, shall not be taken into account when estimating the fair value of the shares or share options at the measurement date. Options without market based vesting conditions can be exercised at any time following vesting up to expiry date, and as such are more suitably valued using a Black Scholes option pricing model.

Managing Director Incentive Options	
Number of Managing Director Incentive Options	60,000,000
Underlying share price ¹	\$0.011
Exercise price	\$0.0184
Expected volatility	120%
Expiry date (years)	48 Months from date of issue
Expected dividends	\$nil
Risk free rate	0.25%
Value per Loan Repayment Option	\$0.0099
Total value²	\$467,173

Note

¹ Assumed VWAP on date of issue.

² Any change in the variables applied in the B&S Model between the date of the valuation and the date that the Options are issued would have an impact on their value.

Accordingly, the value of the Managing Director Incentive Options to be issued to Dr Ramsay is \$467,173.

(d) **Directors' Recommendation**

The Directors, in accordance with AISC Regulatory Guide 76 Table 2 Best Practice in relation to Remuneration, do not make any recommendation to the Shareholders in relation to Resolution 8. Shareholders must decide how to vote on this Resolution based on the contents of the Notice of Meeting, and this Explanatory Statement.

(e) **Interest of Directors**

The Directors, other than Robert Ramsay, do not have a material personal interest in the outcome of Resolution 8.

(f) **Terms of the Financial Benefits**

Full terms of the Managing Director Incentive Options are set out in Appendix C.

(g) **Related parties existing Interest**

Robert Ramsey currently has no existing interest in Shares in the Company but will acquire a Relevant Interest in 2,050,000 Shares in the Company if Resolution 5(e) is approved by the Shareholders.

(h) **Effect of issue of securities contemplated by Resolution 8**

The maximum Voting Power that Robert Ramsey may obtain in the Company as a result of being issued Shares the subject of Resolution 5(e) and being issued Shares (assuming the vesting and exercise of all of the Managing Director Incentive Options) the subject of this Resolution 8 is 2.21%.

The maximum Voting Power that Robert Ramsay may obtain in the Company as a result of being issued Shares the subject of Resolution 5(e) and being issued Shares (assuming the vesting and exercise of all of the Managing Director Incentive Options) the subject of this Resolution 8 is 2.21% assuming no further issue of shares (including those contemplated in Resolutions 2, 3, 5 and 6) or conversion of convertible securities into shares occurs.

The Dilutionary effect as a result of Robert Ramsay being issued Shares (assuming the vesting and exercise of all of the Managing Director Incentive Options) the subject of this Resolution 8 is 2.21% assuming no further issue of shares (including those contemplated in Resolutions 2, 3, 5 and 6) or conversion of convertible securities into shares occurs.

(i) **Other Information**

Other than as set out in this Explanatory Statement, there is no further information that is known to the Company or any of the Directors which Shareholders would reasonably require in order to decide whether or not to vote in favour of Resolution 8.

11.5 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- (a) a related party;
- (b) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- (c) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- (d) an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or

- (e) a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of Securities to the Directors falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of the Company's shareholders under Listing Rule 10.11.

Resolution 8 seeks the required shareholder approval to the issue of Managing Director Incentive Options to Robert Ramsay under and for the purposes of Listing Rule 10.11.

If Resolution 8 is passed, the Company will be able to proceed with the issue of Managing Director Incentive Options to Robert Ramsay.

If Resolution 8 is not passed, the Company will not be able to proceed with the issue of Managing Director Incentive Options to Robert Ramsay and as a result may not be able to retain the service of Robert Ramsay in the long term.

Further, exception 14 of Listing Rule 7.2 states that approval pursuant to Listing Rule 7.1 is not required if shareholder approval is obtained under Listing Rule 10.11.

11.6 **Technical Information – ASX Listing Rule 10.13**

ASX Listing Rule 10.13 requires that the following information be provided to the Shareholders in relation to obtaining approval of Resolution 8 as an exception to ASX Listing Rule 10.11:

(a) **The name of the allottee of the securities**

Dr Robert Ramsay and/or his nominee(s).

(b) **The maximum number of securities to be allotted and issued**

60,000,000 Managing Director Incentive Options.

(c) **The date of allotment and issue of the securities**

The Managing Director Incentive Options will be issued as soon as possible after the General Meeting and in any event, no later than 1 month after the General Meeting (or such later date to the extent permitted by any ASX waiver of the ASX Listing Rules).

(d) **The relationship that requires Shareholder approval**

Robert Ramsay is a related party of the Company under section 228 of the Corporations Act by virtue of being a Director.

(e) **The issue price of the securities**

The Managing Director Incentive Options will be issued for nil cash consideration.

(f) **The terms of the securities**

Full terms of the Managing Director Incentive Options and are set out in Appendix C.

(g) **The intended use of the funds**

No funds will be raised through the issue of the Managing Director Incentive Options under Resolution 8. Funds raised in the event of exercise of the Managing Director Incentive Options will be applied towards working capital requirements or in any other manner that the Board considers appropriate at the relevant time. However, there is no guarantee that any of the Managing Director Incentive Options will be exercised at any future time.

11.7 Additional information

- (a) Resolution 8 is an ordinary resolution.
- (b) The Directors, in accordance with AISC Regulatory Guide 76 Table 2 Best Practice in relation to remuneration do not make any recommendation to the Shareholders in relation to Resolution 8.
- (c) The Chair intends to exercise all available proxies in favour of Resolution 8.

12. Proforma Capital Structure

The table below provides a summary of the capital structure of the Company at the date of this Notice and assuming all Resolutions are passed and the maximum number of Shares are issued under each Resolution.

Capital structure	
Existing Shares ¹	2,744,518,894
Colchis Consideration Shares ²	40,000,000
Creasy Group Placement Shares ³	41,500,000
Directors Shares ⁴	17,000,000
Loan Repayment Shares ⁵	10,000,000
Total Shares	2,853,018,894
Options (Exercise price \$0.02, Expiry 8 August 2021)	148,750,000
Options (Exercise price \$0.015, Expiry 30 June 2022) ⁶	58,500,000
Colchis Options ⁷	200,000,000
Broker Options ⁸	56,860,378
Loan Repayment Options ⁹	10,000,000
Managing Director Incentive Options ¹⁰	60,000,000
Fully diluted share capital	3,387,129,272

Notes:

1. Amount assumes no additional Shares are issued after the date of this Notice.
2. See Section 4 for further information on the Colchis Consideration Shares.
3. See Section 5 for further information on the Creasy Group Placement Shares.
4. See Section 8 for further information on the Director Shares.
5. See Section 9 for further information on the Loan Repayment Securities.
6. Existing Loan Repayment Options.
7. See Section 4 for further information on the Colchis Options.
8. See Section 10 for further information on the Broker Options.
9. See Section 9 for further information on the Loan Repayment Options.
10. See Section 11 for further information on the Managing Director Incentive Options.

Glossary

In this Notice and Explanatory Statement, the following terms have the following meanings:

Appendix	an appendix to the Explanatory Statement.
ASIC	the Australian Securities and Investments Commission.
ASX	ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires.
Board	the board of Directors.
Chairman	the chair of the General Meeting.
Colchis Agreement	means the Colchis Tenement Sale and Joint Venture Agreement between the Company and Colchis Resources dated 8 June 2020
Colchis Option	means an option issued to Colchis Resources to acquire a Share on the terms set out in Appendix A
Colchis Resources	Colchis Resources Pty Ltd ACN 009 182 816
Colchis Tenement	E47/2150
Company	Coziron Resources Ltd (ACN 112 866 869).
Constitution	the constitution of the Company.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Creasy Group	Mark Creasy and the group of companies, including Colchis Resources, Motwil and Yandal owned or controlled by Mark Creasy.
Croydon Top Camp Project	means the Colchis Tenement
Director	a director of the Company.
Equity Securities	has the meaning given in the Listing Rules.
Explanatory Statement	the explanatory statement incorporated in the Notice.
General Meeting	the general meeting convened by this Notice.
Listing Rules	the ASX Listing Rules published and distributed by ASX.
Loan Agreement	means the Loan Agreement between the Company and Mr Stephen Lowe dated 11 July 2019
Loan Repayment Option	means an option to acquire a Share on the terms set out in Appendix A
Managing Director Incentive Options	means an option to acquire a Share on the terms set out in Appendix C.
Motwil	Motwil Pty Ltd (ACN 076 409 884)

Notice	the notice of general meeting incorporating the Explanatory Statement.
Placement	has the meaning given in Section 7.1 of this Notice.
Proxy Form	the proxy form attached to this Notice.
Resolution	a resolution contained in this Notice.
Section	a section contained in the Explanatory Statement.
Share	a fully paid ordinary share in the capital of the Company.
Shareholder	a holder of a Share.
VWAP	the volume weighted average price of Shares.
WST	Western Standard Time, being the time in Perth, Western Australia.
Yandal	Yandal Investments Pty Ltd (ACN 070 684 810).
Zanthus Joint Venture Agreement	Means the Zanthus Resources Pty Ltd Joint Venture Agreement between Zanthus Resources Pty Ltd, ZanF Pty Ltd and Mark Gareth Creasy dated 16 June 2012.

Appendix A

Coziron Resources Ltd (“Company”) Colchis Option and Loan Repayment Option Terms

- (a) Each Option shall entitle the holder the right to subscribe for one (1) fully paid ordinary share in the capital of the Company.
- (b) The exercise price of each Option is 1.5 cents (\$0.015) per share subscribed for on exercise of each Option.
- (c) Each Option will expire on 30 June 2022 (“**Option Expiry Date**”). Each Option may be exercised at any time prior to 5.00pm WST on the Option Expiry Date and any Option not so exercised shall automatically expire on the Option Expiry Date.
- (d) Each ordinary share allotted as a result of the exercise of an Option will, subject to the Constitution of the Company, rank in all aspects *pari passu* with the existing ordinary fully paid shares in the capital of the Company on issue at the date of allotment.
- (e) A registered owner of an Option (“**Option Holder**”) will be entitled to receive and will be sent all reports, accounts and notices required to be given to members of the Company but will not be entitled to attend or vote at any meetings of the members of the Company unless they are members of the Company.
- (f) A certificate or holding statement will be issued by the Company with respect to Options held by an Option Holder. Attached to these terms and attached or endorsed on the reversed side of each certificate or holding statement will be a notice that is to be completed when exercising the Options the subject of the certificate or holding statement (“**Notice of Exercise of Options**”). Options may be exercised by the Option Holder completing the Notice of Exercise of Options and forwarding the same to the Secretary of the Company. The Notice of Exercise of Options must state the number of Options exercised and the consequent number of ordinary shares in the capital of the Company to be allotted.

The Notice of Exercise of Options by an Option Holder must be accompanied by payment in full of the relevant number of shares being subscribed, being an amount of \$0.015 per share.

On exercise of Options, the Option Holder must surrender to the Company the Option Holder’s option certificate or holding statement with respect to those Options being exercised.

Within 14 days from the date the Option Holder properly exercised Options held by the Option Holder, the Company shall issue and allot to the Option Holder that number of fully paid ordinary shares in the capital of the Company so subscribed for by the Option Holder.

- (g) In the event of a reconstruction (including a consolidation, sub-division, reduction, return or pro-rata cancellation) of the issued capital of the Company, the number of Options or the exercise price of the Options or both shall be reconstructed in such that there will not result in any benefits being conferred on the Option Holders which are not conferred on shareholders (subject to the provision with the respect to rounding of entitlements sanctioned by the meeting of shareholders approving the reconstruction of capital) but in all other respects the terms of the exercise of Options shall remain unchanged.
- (h) There are no participating rights or entitlements inherent in the Options to participate in any new issues of capital which may be made or offered by the Company to its shareholders from time to time prior to the Option Expiry Date unless and until Options are exercised. The Company will ensure that during the exercise period of the Options, the record date for the purposes of determining entitlement to any new such issue, will be at least 9 Business Days after such new issues are announced in order to afford the Option Holder an opportunity to exercise the Options held by the Option Holder.
- (i) Subject to the Corporations Law, the Listing Rules and the Constitution of the Company, the Options are freely transferable and will only be quoted on ASX if a sufficient spread of option holders exists in compliance with the ASX Listing Rules.

- (j) If the Company is listed on ASX and makes a pro rata issue (except a bonus issue) to the holders of ordinary shares, the exercise price of each Option shall be amended in accordance with the following formula:

$$O' = \frac{O - E [P - (S + D)]}{N + 1}$$

Where:

- O' = the new exercise price of the Option.
- O = the old exercise price of the Option.
- E = the number of underlying shares into which one Option is exercisable.
- P = the average market price per share (weighed by reference to volume) of the underlying shares to which the Option Holder is entitled.
- S = the subscription price for a share under the pro rata issue.
- D = any dividend due but not yet paid on the existing underlying share (except those to be issued under the pro rata issue).
- N = the number of shares with rights or entitlements that must be held to receive a right to one new share.

No change will be made pursuant to the application of the above formula to the number of shares to which the Option Holder is entitled.

If the Company is listed upon ASX, the reduction of the exercise price of each Option in accordance with the above formula shall be subject to the provision of the Listing Rules of ASX.

If the Company makes a bonus issue or other securities convertible into ordinary shares pro rata to holders of ordinary shares the number of shares issued on exercise of each Option will include the number of bonus shares that would have been issued if the Option had been exercised by the Option Holder prior to the books closing date for bonus shares. No change will be made in such circumstances to the exercise price of each Option.

Appendix B

Coziron Resources Ltd (“Company”) – Broker Option Terms

- (a) Each Option shall entitle the holder the right to subscribe for one (1) fully paid ordinary share in the capital of the Company.
- (b) The exercise price of each Option is 2.16 cents (\$0.0216) per share subscribed for on exercise of each Option.
- (c) 28,430,189 Options will vest on 29 June 2021. 28,430,189 Options will vest on 29 June 2022.
- (d) Each Option will expire on 29 June 2024 (“Option Expiry Date”). Each Option may be exercised at any time prior to 5.00pm WST on the Option Expiry Date and any Option not so exercised shall automatically expire on the Option Expiry Date.
- (e) Each ordinary share allotted as a result of the exercise of an Option will, subject to the Constitution of the Company, rank in all aspects *pari passu* with the existing ordinary fully paid shares in the capital of the Company on issue at the date of allotment.
- (f) A registered owner of an Option (“Option Holder”) will be entitled to receive and will be sent all reports, accounts and notices required to be given to members of the Company but will not be entitled to attend or vote at any meetings of the members of the Company unless they are members of the Company.
- (g) A certificate or holding statement will be issued by the Company with respect to Options held by an Option Holder. Attached to these terms and attached or endorsed on the reversed side of each certificate or holding statement will be a notice that is to be completed when exercising the Options the subject of the certificate or holding statement (“Notice of Exercise of Options”). Options may be exercised by the Option Holder completing the Notice of Exercise of Options and forwarding the same to the Secretary of the Company. The Notice of Exercise of Options must state the number of Options exercised and the consequent number of ordinary shares in the capital of the Company to be allotted.

The Notice of Exercise of Options by an Option Holder must be accompanied by payment in full of the relevant number of shares being subscribed, being an amount of \$0.0216 per share.

On exercise of Options, the Option Holder must surrender to the Company the Option Holder’s option certificate or holding statement with respect to those Options being exercised.

Within 14 days from the date the Option Holder properly exercised Options held by the Option Holder, the Company shall issue and allot to the Option Holder that number of fully paid ordinary shares in the capital of the Company so subscribed for by the Option Holder.

- (h) In the event of a reconstruction (including a consolidation, sub-division, reduction, return or pro-rata cancellation) of the issued capital of the Company, the number of Options or the exercise price of the Options or both shall be reconstructed in such that there will not result in any benefits being conferred on the Option Holders which are not conferred on shareholders (subject to the provision with the respect to rounding of entitlements sanctioned by the meeting of shareholders approving the reconstruction of capital) but in all other respects the terms of the exercise of Options shall remain unchanged.
- (i) There are no participating rights or entitlements inherent in the Options to participate in any new issues of capital which may be made or offered by the Company to its shareholders from time to time prior to the Option Expiry Date unless and until Options are exercised. The Company will ensure that during the exercise period of the Options, the record date for the purposes of determining entitlement to any new such issue, will be at least 9 Business Days after such new issues are announced in order to afford the Option Holder an opportunity to exercise the Options held by the Option Holder.

- (j) Subject to the Corporations Law, the Listing Rules and the Constitution of the Company, the Options are freely transferable and will only be quoted on ASX if a sufficient spread of option holders exists in compliance with the ASX Listing Rules.
- (k) If the Company is listed on ASX and makes a pro rata issue (except a bonus issue) to the holders of ordinary shares, the exercise price of each Option shall be amended in accordance with the following formula:

$$O' = \frac{O - E [P - (S + D)]}{N + 1}$$

Where:

O' = the new exercise price of the Option.

O = the old exercise price of the Option.

E = the number of underlying shares into which one Option is exercisable.

P = the average market price per share (weighed by reference to volume) of the underlying shares to which the Option Holder is entitled.

S = the subscription price for a share under the pro rata issue.

D = any dividend due but not yet paid on the existing underlying share (except those to be issued under the pro rata issue).

N = the number of shares with rights or entitlements that must be held to receive a right to one new share.

No change will be made pursuant to the application of the above formula to the number of shares to which the Option Holder is entitled.

If the Company is listed upon ASX, the reduction of the exercise price of each Option in accordance with the above formula shall be subject to the provision of the Listing Rules of ASX.

If the Company makes a bonus issue or other securities convertible into ordinary shares pro rata to holders of ordinary shares the number of shares issued on exercise of each Option will include the number of bonus shares that would have been issued if the Option had been exercised by the Option Holder prior to the books closing date for bonus shares. No change will be made in such circumstances to the exercise price of each Option.

Appendix C

Coziron Resources Ltd (“Company”) – Managing Director Incentive Option Terms

- (a) Each Option shall entitle the holder the right to subscribe for one (1) fully paid ordinary share in the capital of the Company.
- (b) The exercise price of each Option is 167% of the volume weighted average market price of the Company’s Shares, calculated over the last 5 days on which sales in the Shares were recorded before the date of issue (“Exercise Price”) per share subscribed for on exercise of each Option.
- (c) The options will vest on the following conditions:

Tranche	Performance Milestone	Number of Managing Director Incentive Options
Tranche 1	Employed for a period of 1 year from the date of issue	5,000,000
Tranche 2	Definition of a JORC direct shipping iron ore reserve of greater 12 million tonnes, signed off by an independent consultant and at a risk level that is acceptable to the Board	5,000,000
Tranche 3	Commencement of the sale of direct shipping iron ore	5,000,000
Tranche 4	A greater than 50% interest in the Ashburton Magnetite project is transacted to a third party, subject to the terms of the Zanthus Joint Venture Agreement, Board approval any and required regulatory approvals	5,000,000
Tranche 5	Definition of a JORC compliant gold reserve of greater than 0.5 million ounces at a cut of grade of at least 0.5g/t Au (or equivalent), signed off by an independent consultant and at a risk level that is acceptable to the Board	20,000,000
Tranche 6	Definition of a JORC compliant gold reserve of greater than 1 million ounces at a cut of grade of at least 0.5g/t Au (or equivalent), signed off by an independent consultant and at a risk level that is acceptable to the Board	20,000,000

In the event that a greater than 50% interest in the Robe Mesa Project is transacted to a third party, subject to the terms of the Zanthus Resources Pty Ltd Joint Venture Agreement, Board approval any required regulatory approvals, tranches 2 and 3 above will vest.

- (d) Each Option will expire 48 months from the date of issue (“Option Expiry Date”). Each Option may be exercised at any time prior to 5.00pm WST on the Option Expiry Date and any Option not so exercised shall automatically expire on the Option Expiry Date.

If Robert Ramsay leaves the Company for any reason after Managing Director Incentive Options has vested the Managing Director Incentive Options will need to be exercised no more than 12 months after his departure. If Robert Ramsay leaves the Company for any reason before Managing Director Incentive Options vests, those unvested Managing Director Incentive Options are forfeited.

- (e) Each ordinary share allotted as a result of the exercise of an Option will, subject to the Constitution of the Company, rank in all aspects *pari passu* with the existing ordinary fully paid shares in the capital of the Company on issue at the date of allotment.
- (f) A registered owner of an Option (“Option Holder”) will be entitled to receive and will be sent all reports, accounts and notices required to be given to members of the Company but will not be entitled to attend or vote at any meetings of the members of the Company unless they are members of the Company.
- (g) A certificate or holding statement will be issued by the Company with respect to Options held by an Option Holder. Attached to these terms and attached or endorsed on the reversed side of each certificate or holding statement will be a notice that is to be completed when exercising the Options the subject of the certificate or holding statement (“Notice of Exercise of Options”). Options may be exercised by the Option Holder completing the Notice of Exercise of Options and forwarding the same to the Secretary of the Company. The Notice of Exercise of Options must state the number of Options exercised and the consequent number of ordinary shares in the capital of the Company to be allotted.

The Notice of Exercise of Options by an Option Holder must be accompanied by payment in full of the relevant number of shares being subscribed, being an amount of \$0.0216 per share.

On exercise of Options, the Option Holder must surrender to the Company the Option Holder’s option certificate or holding statement with respect to those Options being exercised.

Within 14 days from the date the Option Holder properly exercised Options held by the Option Holder, the Company shall issue and allot to the Option Holder that number of fully paid ordinary shares in the capital of the Company so subscribed for by the Option Holder.

- (h) In the event of a reconstruction (including a consolidation, sub-division, reduction, return or pro-rata cancellation) of the issued capital of the Company, the number of Options or the exercise price of the Options or both shall be reconstructed in such that there will not result in any benefits being conferred on the Option Holders which are not conferred on shareholders (subject to the provision with the respect to rounding of entitlements sanctioned by the meeting of shareholders approving the reconstruction of capital) but in all other respects the terms of the exercise of Options shall remain unchanged.
- (i) There are no participating rights or entitlements inherent in the Options to participate in any new issues of capital which may be made or offered by the Company to its shareholders from time to time prior to the Option Expiry Date unless and until Options are exercised. The Company will ensure that during the exercise period of the Options, the record date for the purposes of determining entitlement to any new such issue, will be at least 9 Business Days after such new issues are announced in order to afford the Option Holder an opportunity to exercise the Options held by the Option Holder.
- (j) Subject to the Corporations Law, the Listing Rules and the Constitution of the Company, the Options are freely transferable and will only be quoted on ASX if a sufficient spread of option holders exists in compliance with the ASX Listing Rules.
- (k) If the Company is listed on ASX and makes a pro rata issue (except a bonus issue) to the holders of ordinary shares, the exercise price of each Option shall be amended in accordance with the following formula:

$$O' = \frac{O - E [P - (S + D)]}{N + 1}$$

$$N + 1$$

Where:

O' = the new exercise price of the Option.

O = the old exercise price of the Option.

E = the number of underlying shares into which one Option is exercisable.

P = the average market price per share (weighed by reference to volume) of the underlying shares to which the Option Holder is entitled.

S = the subscription price for a share under the pro rata issue.

D = any dividend due but not yet paid on the existing underlying share (except those to be issued under the pro rata issue).

N = the number of shares with rights or entitlements that must be held to receive a right to one new share.

No change will be made pursuant to the application of the above formula to the number of shares to which the Option Holder is entitled.

If the Company is listed upon ASX, the reduction of the exercise price of each Option in accordance with the above formula shall be subject to the provision of the Listing Rules of ASX.

If the Company makes a bonus issue or other securities convertible into ordinary shares pro rata to holders of ordinary shares the number of shares issued on exercise of each Option will include the number of bonus shares that would have been issued if the Option had been exercised by the Option Holder prior to the books closing date for bonus shares. No change will be made in such circumstances to the exercise price of each Option.

Annexure 1 – Independent Experts Report

INDEPENDENT EXPERT'S REPORT

Coziron Resources Ltd

Opinion: Not fair but reasonable



12 August 2020

The Directors
Coziron Resources Ltd
Level 24, 44 St George's Terrace
PERTH WA 6000

Dear Sirs

INDEPENDENT EXPERT'S REPORT**1. INTRODUCTION**

Coziron Resources Ltd ("Coziron" or "the Company") was registered on 9 February 2005 and listed on the ASX on 25 August 2006.

Coziron has exploration assets focussed on gold and feed-stock materials for steel-making but also investigates any other opportunities for mineralisation particularly in commodities such as copper and base-metals. Coziron 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 Colchis Tenement E47/2150 ("Croydon Top Camp Project").

In respect of the acquisition of the 70% interest in the Croydon Top Camp Project, Coziron originally announced on 8 November 2017 that it had entered into a binding term sheet with Colchis Resources Pty Ltd ("Colchis"), a wholly-owned subsidiary within the Creasy Group (the group of companies including Colchis, Motwil Pty Ltd and Yandal Investments Pty Ltd, owned or controlled by Mr Mark Creasy), to acquire that interest in tenement E47/2150. The term sheet contained various conditions precedent but did not have a finite date by which those conditions were required to be met. Coziron has now entered into the Colchis Tenement Sale and Joint Venture Agreement with Colchis dated 8 June 2020 ("Colchis Agreement"), which sets out the terms of the acquisition of this 70% interest in the Croydon Top Camp Project ("Acquisition"). Under the terms of the Colchis Agreement, Coziron must pay consideration of 40,000,000 fully paid shares in Coziron and 200,000,000 options exercisable at \$0.015 and expiring on 30 June 2022 (together "Colchis Consideration Securities").

Colchis forms part of the Creasy Group and is therefore a related party of the Company as Mark Creasy holds a controlling interest in both the Company and Colchis. Accordingly, the Company is seeking shareholder approval to the issue of Colchis Consideration Securities in accordance with section 208 and item 7 of section 611 of the Corporations Act and ASX Listing Rule 10.1.

The Notice of General Meeting for the shareholders' meeting being called to approve the Acquisition and for other purposes ("Notice") contains numerous resolutions to be considered by shareholders. The following is a list of resolutions to be considered at the shareholders' meeting:

hlb.com.au******HLB Mann Judd Corporate (WA) Pty Ltd ABN 69 008 878 555 / AFSL 250903**

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 **E:** mailbox@h**lbw**a.com.au

- **Resolution 1 – Change of name**

Resolution 1 is a special resolution which seeks approval to change the name of the Company to “CZR Resources Ltd”.

- **Resolution 2 – Approval of issue of Securities to Colchis under the Colchis Agreement**

The Company is seeking shareholder approval as required under, and for the purpose of, ASX Listing Rules 10.1 and section 208 and item 7 of section 611 of the Corporations Act in order to effect the completion of the sale and purchase of 70% of the Croydon Top Camp Gold Project and terms and conditions of the Colchis Agreement, which will require the Company to issue 40,000,000 shares and 200,000,000 options to Colchis as consideration.

- **Resolution 3 – Issue of shares to Creasy Group in the Placement**

The Company is seeking shareholder approval as required under section 611 (Item 7) in order to allow the Creasy Group (and/or his nominees) to apply for, and be issued, up to 41,500,000 shares in the Company at an issue price of \$0.012 per share (“Creasy Placement Shares”). The Creasy Group is a related party of the Company by virtue of it owning a controlling interest in the Company.

- **Resolution 4 – Ratification of Placement Shares**

Resolution 4 seeks shareholder approval to ratify the 358,166,667 shares previously issued to institutional and professional investors on 30 June 2020.

- **Resolutions 5(a) to (e) – Rights for directors to participate in the Public Offer**

Resolutions 5(a) to (e) seek shareholder approval, under and for the purposes of Listing Rule 10.11, to enable each Director to apply for, and the Company to issue to each director (and/or its nominees), shares at an issue price of \$0.012 each under the Placement.

If Resolutions 5(a) to (e) are approved, and each director were to apply for, and be issued, shares under the Placement, then this would raise approximately \$204,000 for the Company, representing a total of 17,000,000 shares to be issued at \$0.012. The number of shares to be issued to each director is set out below.

David Flanagan (4,150,000 shares), Adam Sierakowski (4,150,000 shares), Simon Jackson (4,150,000 shares), Stephen Lowe (2,500,000 shares) and Robert Ramsay (2,050,000 shares) are related parties of the Company for the purposes of section 228 of the Corporations Act as they are all directors of the Company.

- **Resolution 6 – Issue of Loan Repayment Securities to Stephen Lowe**

Resolution 6 seeks the approval of shareholders, under and for the purposes of Listing Rule 10.11 and Section 208 of the Corporations Act, to issue a total of up to 10,000,000 shares and 10,000,000 options (“Loan Repayment Securities”) to Mr Stephen Lowe and Mrs Suzanne Lowe as trustees for the Tahlia Family Trust (“Lender”) in repayment of the sums outstanding under the Loan Agreement.

- **Resolution 7 – Ratification of issue of Broker Options to Bell Potter**

On 24 June 2020, the Company announced that it had conducted a Placement to raise \$5 million and that Bell Potter Securities Limited was engaged as the Lead Manager.

On 30 June 2020 and in consideration for the services provided under their engagement as Lead Manager (“Lead Manager Agreement”), the Company issued 56,860,378 broker options to Bell Potter (or its nominees) at an exercise price of \$0.0216 per option, with an expiry date of 29 June 2024 (“Broker Options”).

- **Resolution 8 – Issue of Managing Director Incentive Options to Robert Ramsay**

Resolution 8 seeks the approval of shareholders, under and for the purposes of Listing Rule 10.11 and Section 208 of the Corporations Act, to issue a total of up to 60,000,000 Managing Director Incentive Options to the Company's Managing Director, Dr Robert Ramsay.

Resolutions 2 and 3 give effect to the transaction which is referred to in this Report as “the Proposed Transaction”.

2. PURPOSE OF THE REPORT

The Directors have requested that HLB Mann Judd Corporate (WA) Pty Ltd (“HLB”) provide the Report advising whether, in our opinion, the Proposed Transaction is fair and reasonable to the non-associated shareholders of Coziron.

Our Report has been prepared to assist those shareholders in their decision whether to accept or reject the Proposed Transaction. We have prepared this Report having regard to the relevant Australian Securities and Investments Commission (“ASIC”) Regulatory Guide 74 “Acquisitions Approved by Members” (“RG 74”), Regulatory Guide 111 “Content of Expert’s Reports” (“RG 111”) and Regulatory Guide 112 “Independence of Experts” (“RG 112”).

This Report is to be included in the Notice to be sent to shareholders of Coziron and has been prepared exclusively for the purpose of assisting non-associated shareholders in their consideration of the Proposed Transaction. Our valuation and assessments are made as at 30 July 2020 (“valuation date”). The Report should not be used for any other purpose.

3. SUMMARY AND OPINION

In order to assess whether the Proposed Transaction is fair and reasonable we have:

- assessed whether the Proposed Transaction is fair by estimating the fair market value of an ordinary Coziron share on a control basis prior to the resolutions giving rise to the Proposed Transaction being carried and comparing this value to the estimated fair market value of an ordinary Coziron share on a minority basis following the resolutions giving rise to the Proposed Transaction being carried; and
- assessed the reasonableness of the Proposed Transaction by considering other advantages and disadvantages of the Proposed Transaction to non-associated shareholders.

3.1. Fairness

The pre and post-Proposed Transaction values of Coziron are set out below:

		Valuation Range		
		Low cents	High cents	Preferred cents
Value of a Coziron share pre-Proposed Transaction on a control basis	Section 6.3	0.537	0.921	0.729
Value of a Coziron share post-Proposed Transaction on a minority interest basis	Section 7.2	0.459	0.902	0.668

We note from the table above that based on preferred values, the value of a Coziron share prior to the Proposed Transaction on a control basis is greater than the value of a Coziron share on a minority interest basis following the Proposed Transaction. Therefore, on this basis the Proposed Transaction would be considered to be not fair to the non-associated shareholders of Coziron.

Conclusion as to fairness

As a result, it is our opinion that the Proposed Transaction is not fair to the non-associated shareholders.

3.2. Reasonableness

In accordance with RG 111, an offer is reasonable if it is fair. We are not aware of any alternative proposal that might offer the shareholders of Coziron a premium over the value ascribed to its shares resulting from the Proposed Transaction. Notwithstanding that we have concluded that the Proposed Transaction is not fair, we have also identified certain advantages and disadvantages below in relation to the Proposed Transaction. In addition, the directors have set out in section 6.4 (e) and (f) of the Notice their reasons for shareholders to vote in favour of or against Resolutions 2 and 3.

3.2.1 Advantages of accepting the Proposed Transaction

- the Company will obtain a 70% ownership interest in the Croydon Top Camp Project pursuant to the Acquisition;
- with an ownership interest in the Croydon Top Camp Project, the Company will be able to share directly in the results of exploration work to be conducted on this project, in addition to the work conducted to date, some of which the Company has funded itself; and
- the potential increase in market capitalisation of the Company following completion of the Acquisition may lead to access to improved equity capital market opportunities and increased liquidity.

3.2.2 Disadvantages of accepting the Proposed Transaction

- the Acquisition will increase the Creasy Group's voting power in the Company from 57.75% to 62.54% (if Resolutions 2 and 3 are approved and the Colchis options are exercised), and as a result, the interest of other shareholders will decrease; and
- future outlays of funds from the Company may be required to fund further exploration in relation to the Croydon Top Camp Project.

Conclusion on reasonableness

We have considered the above factors. We consider that, on balance, the advantages of the Proposed Transaction outweigh the disadvantages. We are therefore of the view that the position of non-associated shareholders if the Proposed Transaction is accepted, would be more advantageous than if the Proposed Transaction is not accepted.

Accordingly, we are of the opinion that the Proposed Transaction is reasonable to the non-associated shareholders of Coziron.

3.2.3 Opinion

We are of the opinion that the Proposed Transaction is not fair but reasonable to the non-associated shareholders of Coziron.

This opinion should be read in conjunction with our detailed report which sets out our scope and findings.

Yours faithfully

HLB MANN JUDD CORPORATE (WA) PTY LTD
Licensed Investment Advisor (AFSL Licence number 250903)



L DI GIALLONARDO
Authorised Representative

COZIRON RESOURCES LTD
INDEPENDENT EXPERT'S REPORT
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COZIRON RESOURCES LTD**INDEPENDENT EXPERT'S REPORT****1. DETAILS OF THE PROPOSED TRANSACTION**

Coziron has exploration assets focussed on gold and feed-stock materials for steel-making but also investigates any other opportunities for mineralisation particularly in commodities such as gold, copper and base-metals. Coziron 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.

In respect of the acquisition of the 70% interest in the Croydon Top Camp project, Coziron originally announced on 8 November 2017 that it had entered into a binding term sheet with Colchis Resources Pty Ltd ("Colchis"), a wholly-owned subsidiary within the Creasy Group (the group of companies including Colchis, Motwil Pty Ltd and Yandal Investments Pty Ltd, owned or controlled by Mr Mark Creasy), to acquire that interest in tenement E47/2150. The term sheet contained various conditions precedent but did not have a finite date by which those conditions were required to be met. Coziron has now entered into the Colchis Tenement Sale and Joint Venture Agreement with Colchis dated 8 June 2020 ("Colchis Agreement"), which sets out the terms of the acquisition of this 70% interest in the Croydon Top Camp Gold Project ("Acquisition"). Under the terms of the Colchis Agreement, Coziron must pay consideration of 40,000,000 fully paid shares in Coziron and 200,000,000 options exercisable at \$0.015 and expiring on 30 June 2022 (together "Colchis Consideration Securities").

Colchis forms part of the Creasy Group and is therefore a related party of the Company as Mark Creasy holds a controlling interest in both the Company and Colchis. Accordingly, the Company is seeking shareholder approval to the issue of Colchis Consideration Securities in accordance with section 208 and item 7 of section 611 of the Corporations Act and ASX Listing Rule 10.1.

The Notice of General Meeting for the shareholders' meeting being called to approve the Acquisition and for other purposes ("Notice") contains numerous resolutions to be considered by shareholders. The following is a list of resolutions to be considered at the shareholders' meeting:

- **Resolution 1 – Change of name**

Resolution 1 is a special resolution which seeks approval to change the name of the Company to "CZR Resources Ltd".

- **Resolution 2 – Approval of issue of Securities to Colchis under the Colchis Agreement**

The Company is seeking shareholder approval as required under, and for the purpose of, ASX Listing Rules 10.1 and section 208 and item 7 of section 611 of the Corporations Act in order to effect the completion of the sale and purchase of 70% of the Croydon Top Camp Gold Project and terms and conditions of the Colchis Agreement, which will require the Company to issue 40,000,000 shares and 200,000,000 options to Colchis as consideration.

- **Resolution 3 – Issue of shares to Creasy Group in the Placement**

The Company is seeking shareholder approval as required under section 611 (Item 7) in order to allow the Creasy Group (and/or his nominees) to apply for, and be issued, up to 41,500,000 shares in the Company at an issue price of \$0.012 per share ("Creasy Placement Shares"). The Creasy Group is a related party of the Company by virtue of it owning a controlling interest in the Company.

- **Resolution 4 – Ratification of Placement Shares**

Resolution 4 seeks shareholder approval to ratify the 358,166,667 shares previously issued to institutional and professional investors on 30 June 2020.

- **Resolutions 5(a) to (e) – Rights for directors to participate in the Public Offer**

Resolutions 5(a) to (e) seek shareholder approval, under and for the purposes of Listing Rule 10.11, to enable each Director to apply for, and the Company to issue to each director (and/or its nominees), shares at an issue price of \$0.012 each under the Placement.

If Resolutions 5(a) to (e) are approved, and each director were to apply for, and be issued, shares under the Placement, then this would raise approximately \$204,000 for the Company, representing a total of 17,000,000 shares to be issued at \$0.012. The number of shares to be issued to each director is set out below.

David Flanagan (4,150,000 shares), Adam Sierakowski (4,150,000 shares), Simon Jackson (4,150,000 shares), Stephen Lowe (2,500,000 shares) and Robert Ramsay (2,050,000 shares) are related parties of the Company for the purposes of section 228 of the Corporations Act as they are all directors of the Company.

- **Resolution 6 – Issue of Loan Repayment Securities to Stephen Lowe**

Resolution 6 seeks the approval of shareholders, under and for the purposes of Listing Rule 10.11 and Section 208 of the Corporations Act, to issue a total of up to 10,000,000 shares and 10,000,000 options (“Loan Repayment Securities”) to Mr Stephen Lowe and Mrs Suzanne Lowe as trustees for the Tahlia Family Trust (“Lender”) in repayment of the sums outstanding under the Loan Agreement.

- **Resolution 7 – Ratification of issue of Broker Options to Bell Potter**

On 24 June 2020, the Company announced that it had conducted a Placement to raise \$5 million and that Bell Potter Securities Limited was engaged as the Lead Manager.

On 30 June 2020 and in consideration for the services provided under their engagement as Lead Manager (“Lead Manager Agreement”), the Company issued 56,860,378 broker options to Bell Potter (or its nominees) at an exercise price of \$0.0216 per option, with an expiry date of 29 June 2024 (“Broker Options”).

- **Resolution 8 – Issue of Managing Director Incentive Options to Robert Ramsay**

Resolution 8 seeks the approval of shareholders, under and for the purposes of Listing Rule 10.11 and Section 208 of the Corporations Act, to issue a total of up to 60,000,000 Managing Director Incentive Options to the Company's Managing Director, Dr Robert Ramsay.

Resolutions 2 and 3 give effect to the transaction which is referred to in this Report as “the Proposed Transaction”.

2. SCOPE OF THE REPORT

2.1. Purpose of the Report

Section 606 of the Corporations Act prohibits a person from acquiring a relevant interest in the issued voting shares of a listed company if the acquisition would result in that person's (or another person's) voting power in the company increasing:

- from 20% or below to more than 20%; or
- from a starting point that is above 20% and below 90%.

Item 7 of section 611 of the Corporations Act

Item 7 of section 611 of the Corporations Act provides an exception to the prohibition in section 606 where the acquisition of the relevant interest has been approved by shareholders in a general meeting, provided that:

- no votes are cast in favour of the resolution by the person proposing to make the acquisition or their associates; and
- shareholders are given all information known to the acquirer or the company that was material to the decision on how to vote.

Resolutions 2 and 3 (inclusive) seek Shareholder approval under Item 7 of section 611 of the Corporations Act for the issue of the Colchis Consideration Securities to Colchis, issue of shares pursuant to the exercise of the Colchis Options and the Placement Shares to the Creasy Group.

Under section 610 of the Corporations Act, a person's voting power is defined as the percentage of the total voting shares in a company held by the person and the person's Associates.

Mark Creasy is the sole shareholder and director of Colchis, Yandal, and Motwil, which individually and combined form the Creasy Group.

Prior to any issue of Placement Shares and Colchis Consideration Securities to the Creasy Group pursuant to Resolutions 2 and 3 (inclusive) the Creasy Group holds 1,584,896,993 Shares, being 57.75% of the Existing Shares.

In the event that Resolutions 2 and 3 (inclusive) are approved by Shareholders and the relevant transaction completes, the relevant interest in the voting Shares of the Company held by the Creasy Group will increase from 57.75% to 58.97%.

In the event that Resolutions 2 and 3 (inclusive) are approved by Shareholders, the relevant transaction completes and the Creasy Group exercises the Colchis Options, the relevant interest in the voting Shares of the Company held by the Creasy Group will increase from 57.75% to 62.54%.

RG 74 states that the obligation to supply shareholders with all information that is material can be satisfied by the non-associated directors of Coziron, by either:

- undertaking a detailed examination of the transaction themselves, if they consider that they have sufficient expertise; or
- by commissioning an Independent Expert's Report.

The directors of Coziron have satisfied this obligation by requesting that HLB Mann Judd Corporate (WA) Pty Ltd ("HLB") provide an independent expert's report ("Report") advising whether, in our opinion, the Proposed Transaction is fair and reasonable to the non-associated shareholders of Coziron.

2.2. Regulatory Guidance

Neither the ASX Listing Rules ("Listing Rules") nor the Corporations Act 2001 ("Act") defines the meaning of "fair and reasonable". In determining whether the Proposed Transaction is fair and reasonable, we have had regard to the views expressed by ASIC in RG 111. RG 111 provides guidance as to what matters an independent expert should consider to assist security holders in making informed decisions about transactions.

RG 111 suggests that where the transaction is a control transaction, the expert should focus on the substance of the control transaction rather than the legal mechanism to affect it. RG 111 suggests that where a transaction is a control transaction, it should be analysed on a basis consistent with a takeover bid.

In our opinion, the Proposed Transaction is a control transaction as defined by RG 111 and we have therefore assessed the Proposed Transaction as a control transaction to consider whether, in our opinion, it is fair and reasonable to the non-associated shareholders.

2.3. Basis of Evaluation

RG 111 states that a transaction is fair if the value of the offer price or consideration is greater than the value of the securities the subject of the offer. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length. When considering the value of the securities the subject of the offer in a control transaction, the expert should consider this value inclusive of a control premium. Further to this, RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if despite being "not fair", the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid.

Having regard to the above, HLB has completed this comparison in two parts:

- assessed whether the Proposed Transaction is fair by estimating the fair market value of an ordinary Coziron share on a control basis prior to the resolutions giving rise to the Proposed Transaction being carried and comparing this value to the estimated fair market value of an ordinary Coziron share on a minority basis following the resolutions giving rise to the Proposed Transaction being carried (see Section 8.1); and
- assessed the reasonableness of the Proposed Transaction by investigating other significant factors to which shareholders might give consideration, prior to approving the Proposed Transaction, after reference to the value derived above. This will include assessing the advantages and disadvantages of the Proposed Transaction to shareholders (see Section 8.2).

This Report has been prepared in accordance with the requirements of the professional standard APES 225 *Valuation Services* ("APES 225") as issued by the Accounting Professional & Ethical Standards Board.

In accordance with the requirements of APES 225, we advise that this assignment is a Valuation Engagement as defined by that standard as follows:

"an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Member is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Member at that time."

2.3.1 Individual circumstances

We have evaluated the Proposed Transaction for shareholders as a whole. We have not considered the effect of the Proposed Transaction on the particular circumstances of individual shareholders. Due to their particular circumstances, individual shareholders may place a different emphasis on various aspects of the Proposed Transaction from the ones adopted in this Report. Accordingly, individual shareholders may reach different conclusions to ours on whether the Proposed Transaction is fair and reasonable. If in doubt, shareholders should consult an independent adviser.

2.4. Limitations and Reliance on Information

HLB's opinion is based on economic, sharemarket, business trading and other conditions and expectations prevailing at the valuation date. These conditions can change significantly over relatively short periods of time, particularly in the current environment resulting from COVID-19 restrictions. If these conditions did change materially the valuations and opinions could be different in these changed circumstances.

This Report is also based upon financial information and other information provided by Coziron. HLB has considered and relied upon this information. HLB has no reason to believe that any material facts have been withheld. The information provided to HLB has been evaluated through analysis, enquiry and review for the purposes of forming an opinion as to whether the Proposed Transaction is fair and reasonable to the non-associated shareholders. However, in preparing reports such as this, time is limited and HLB does not warrant that its enquiries have identified or

verified all of the matters that an audit, extensive examination or “due diligence” investigation might disclose. In any event, an opinion as to fairness and reasonableness is more in the nature of an overall review rather than a detailed audit or investigation.

An important part of the information used in forming an opinion of the kind expressed in this Report is comprised of the opinions and judgment of management. This type of information was also evaluated through analysis, enquiry and review to the extent practical. However, such information is often not capable of external verification or valuation.

Preparation of this Report does not imply that HLB has audited in any way the management accounts or other records of Coziron for the purposes of this Report. It is understood that the accounting information that was provided was prepared in accordance with generally accepted accounting principles and in a manner consistent with the method of accounting in previous years except as otherwise noted.

The information provided to HLB included historical financial information for Coziron and its key business. Coziron is responsible for this information. HLB has used and relied on this information for the purpose of analysis. HLB has assumed that this information was prepared appropriately and accurately based on the information available to management at the time and within the practical constraints and limitations of such information. HLB has assumed that this information does not reflect any material bias, either positive or negative. HLB has no reason to believe otherwise.

3. ECONOMIC ANALYSIS

In order to provide an analysis of the general economic environment that the Company is operating in, the following is a brief report on the latest Government economic statement.

At its meeting on 4 August 2020, the Reserve Bank of Australia Board (“Board”) decided to maintain the current policy settings, including the targets for the cash rate and the yield on 3-year Australian Government bonds of 25 basis points. In support of this decision, the Board provided the following commentary:

“The global economy is experiencing a severe contraction as countries seek to contain the coronavirus. Even though the worst of this contraction has now passed, the outlook remains highly uncertain. The recovery is expected to be only gradual and its shape is dependent on containment of the virus. While infection rates have declined in some countries, they are still very high and rising in others. International trade remains weak, although there has been a strong recovery in industrial activity in China over recent months.

Globally, conditions in financial markets remain accommodative. Volatility has declined and there have been large raisings of both debt and equity. The prices of many assets have risen substantially despite the high level of uncertainty about the economic outlook. Bond yields remain at historically low levels.

The Bank’s mid-March package of support for the Australian economy is working as expected. There is a very high level of liquidity in the Australian financial system and borrowing rates are at historical lows. Authorised deposit-taking institutions are continuing to draw on the Term Funding Facility, with total drawings to date of around \$29 billion. Further use of this facility is expected over coming months.

Government bond markets are functioning normally alongside a significant increase in issuance. The yield on 3-year Australian Government Securities (AGS) has been consistent with the target of around 25 basis points. The yield has, however, been a little higher than 25 basis points over recent weeks. Given this, tomorrow the Bank will purchase AGS in the secondary market to ensure that the yield on 3-year bonds remains consistent with the target. Further purchases will be undertaken as necessary. The yield target will remain in place until progress is being made towards the goals for full employment and inflation.

The Australian economy is going through a very difficult period and is experiencing the biggest contraction since the 1930s. As difficult as this is, the downturn is not as severe as earlier expected and a recovery is now underway in most of Australia. This recovery is, however, likely to be both uneven and bumpy, with the coronavirus outbreak in Victoria having a major effect on the Victorian economy. Given the uncertainties about the overall outlook, the Board considered a range of scenarios at its meeting. In the baseline scenario, output falls by 6 per cent over 2020 and then grows by 5 per cent over the following year. In this scenario, the unemployment rate rises to around 10 per cent later in 2020 due to further job losses in Victoria and more people elsewhere in Australia looking for jobs. Over the following couple of years, the unemployment rate is expected to decline gradually to around 7 per cent.

The Board also considered other scenarios. A stronger recovery is possible if progress is made in containing the virus in the near future. This progress would support an improvement in confidence and a less cautious approach by households and businesses to their spending. On the other hand, if Australia and other countries were to experience further widespread lockdowns, the recovery in both output and the labour market would be delayed. Details on these scenarios will be provided in the Statement on Monetary Policy on 7 August.

In each of the scenarios considered by the Board, inflation remains below 2 per cent over the next couple of years. In the most recent quarter, CPI inflation fell to –0.3 per cent in year-ended terms, reflecting lower oil prices and the effects of various policy measures, including the decisions to make child care and some pre-school free for a period. Inflation is expected to return to positive territory in the current quarter. Beyond that, given the ongoing spare capacity in the economy, inflation is expected to average between 1 and 1½ per cent over the next couple of years.

As Australians deal with the coronavirus, the economy is being supported by the substantial, coordinated and unprecedented easing of fiscal and monetary policy. The Australian Government's recent announcement that various income support measures will be extended is a welcome development and will support aggregate demand. It is likely that fiscal and monetary stimulus will be required for some time given the outlook for the economy and the labour market.

The Board is committed to do what it can to support jobs, incomes and businesses in Australia. Its actions are keeping funding costs low and assisting with the supply of credit to households and businesses. This accommodative approach will be maintained as long as it is required. The Board will not increase the cash rate target until progress is being made towards full employment and it is confident that inflation will be sustainably within the 2–3 per cent target band”.

Source: www.rba.gov.au Statement by Philip Lowe, Governor: Monetary Policy Decision 4 August 2020

4. PROFILE OF COZIRON

4.1. Company Background

Coziron Resources Ltd (“Coziron” or “the Company”) was registered on 9 February 2005 and listed on the ASX on 25 August 2006.

Coziron has exploration focussed on gold and feed-stock materials for steel-making but also investigates any other opportunities for mineralisation particularly in commodities such as copper and base-metals. Coziron 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.

Coziron is advancing exploration of the Yarraloola, Buddadoo, Shepherds Well and Yarrie Projects, however current activities have been primarily focussed on the Croydon Top Camp Project in anticipation of shareholders approving the Proposed Transaction.

4.2. Legal Structure

The Company is a company limited by shares and is incorporated and domiciled in Australia.

4.3. Directors

Details of Coziron’s directors, along with a description of their experience and credentials are as follows:

Mr David Flanagan
Non-Executive Director

Mr Flanagan has a BSc mining and minerals exploration geology, undertaken at Curtin University, School of Mines in Western Australia. His experience includes senior management positions at Gindalbie Gold, (Minjar, Western Australia), Bogosu Gold (Ghana), Rawas Gold Project (Indonesia), Atlas Gold (Western Australia) and non-executive director roles at Northern Star Resources, Shaw River Resources.

He is a fellow of the Australian Institute of Company Directors and member of the Australasian Institute of Mining and Metallurgy. David was Chancellor of Murdoch University from 2013 to 2019. In 2011 David

was awarded the Governor's Award for giving and in 2014, David was named the West Australian of the year and West Australian business leader of the year. He was awarded a Eisenhower fellowship in 2013 and remains active in the not for profit sector.

In January 2018, David was awarded the prestigious member of the general division of the Order of Australia award for services to mining, community and education.

Mr Adam Sierakowski
Non-Executive Director

Mr Sierakowski is a lawyer and partner of the legal firm, Price Sierakowski. He has over 20 years of experience in legal practice, much of which he has spent as a corporate lawyer consulting and advising on a range of transactions to a variety of large private and listed public entities.

Mr Stephen Lowe
Non-Executive Director

Mr Lowe's background is in business management and taxation and he has over 20 years' experience consulting to a range of corporate and high-wealth clients.

Mr Lowe is currently a non-executive director of Talga Resources Ltd, a former non-executive director of Windward Resources Ltd, and former Chairman and non-executive director of ASX 200 company Sirius Resources NL, a position he held during the discovery and partial development of the Nova/Bollinger deposits.

He was a former director of the Perth based specialist taxation firm MKT - Taxation Advisors and also the business manager of the Creasy Group for 12 years until August 2019, during which he was responsible for managing all aspects of the Group's business interests, finances and investments.

Mr Lowe holds a Bachelor of Business (Accounting) and a Post Graduate Diploma in Advanced Taxation and a Masters of Taxation from the UNSW. Mr Lowe is a Fellow of the Taxation Institute of Australia.

Dr Robert Ramsay
Managing Director

Dr Ramsay is a Geologist with over 31 years of industry experience. He has worked across a range of commodities, which include iron ore, gold, base metals, platinum group metals, fluorite, mineral sands and diamonds, in Australia and elsewhere in the world.

Dr Ramsay is a member of the Australian Institute of Geoscientists. He manages the target generation process and assists with field follow-up of exploration targets for the Company.

Mr Simon Jackson
Non-Executive Director

Mr Jackson is an experienced resource industry executive with a broad range of senior management experience through all facets of the mining cycle from exploration, discovery, feasibility, financing, construction, operations and divestment. He has extensive Board and executive level experience in a number of TSX and ASX listed public companies.

Mr Jackson is a fellow of Chartered Accountants Australia and New Zealand and holds a Bachelor of Commerce degree from the University of Western Australia.

4.4. Capital Structure and Shareholders

At the valuation date, Coziron had the following shares on issue:

Class of security	Number
Ordinary Shares	<u>2,744,518,894</u>

The ordinary shares held by the most significant shareholders in Coziron as at the valuation date (greater than 11,000,000 shares) are as follows:

Shareholder	Number of Ordinary Shares	% of total shares on issue
YANDAL INVESTMENTS PTY LTD ¹	1,233,857,684	44.96
MOTWIL PTY LTD ¹	310,844,653	11.33
CITICORP NOMINEES PTY LIMITED	57,841,707	2.11
MR MARK GARETH CREASY ¹	40,194,656	1.46
BELLARINE GOLD PTY LTD <RIBBLESDALE SUPER FUND A/C>	30,000,000	1.09
BOTSIS HOLDINGS PTY LTD	28,805,356	1.05
MISS YEE CHIN TAN	21,981,906	0.80
MR YUEN SUEN SHERMAN LAM	21,000,000	0.77
MILWAL PTY LTD <THE CHESTER A/C>	20,000,000	0.73
MR MICHAEL JAMES HARGREAVES DUNCAN & MRS LORRAINE BETTY DUNCAN	20,000,000	0.73
SNEZKA HOLDINGS PTE LTD	20,000,000	0.73
LECARD PTY LTD	19,550,000	0.71
MR STEPHEN JOHN LOWE & MRS SUZANNE LEE LOWE <LANTANA SUPER FUND A/C>	18,704,300	0.68
BALD HOLDINGS PTY LTD	16,550,000	0.60
BNP PARIBAS NOMS PTY LTD <UOB KAY HIAN PRIV LTD DRP>	16,276,667	0.59
MR MICHELE PARRELLA	15,000,000	0.55
WEBINVEST PTY LTD <OLSB UNIT A/C>	14,000,000	0.51
CS THIRD NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 13 A/C>	12,600,000	0.46
NATIONAL NOMINEES LIMITED	12,500,000	0.46
PETER J WOODFORD PTY LTD	11,121,052	0.41
Top 20	<u>1,940,827,981</u>	<u>70.73%</u>
Others	803,690,913	29.27%
Total	<u>2,744,518,894</u>	<u>100.0%</u>

¹ These shareholders represent the Creasy Group relevant interest.

Additionally, there are 207,250,000 unlisted options currently on issue. The expiry dates and exercise prices are summarised below:

Options	Number of Options	Exercise price
Options expiring on 30 June 2022	58,500,000	\$0.015
Options expiring on 8 August 2021	<u>148,750,000</u>	\$0.02
	<u>207,250,000</u>	

The options held by the most significant optionholders in Coziron as at the valuation date are as follows:

Options expiring on 30 June 2022 (all optionholders):

Optionholder	Number of Options	% of total options on issue
YANDAL INVESTMENTS PTY LTD	50,000,000	85.47
IML HOLDINGS PTY LTD	6,500,000	11.11

BIGJAC INVESTMENTS PTY LTD <BIGJAC INVESTMENT A/C>	2,000,000	3.42
Total	58,500,000	100.0%

Options expiring on 8 August 2021 (greater than or equal to 2,000,000 options):

Optionholder	Number of Options	% of total options on issue
JETOSEA PTY LTD	15,000,000	10.08
JSR PROMOTIONS PTY LTD <JACK REDDEN FAMILY A/C>	7,800,000	5.24
TRINITY DIRECT PTY LTD	4,166,667	2.80
ACCBELL NOMINEES PTY LTD	4,000,000	2.69
MR KWOK WAI KIN VIKING	2,500,000	1.68
REPLAY HOLDINGS PTY LTD <SUNSET SUPER FUND A/C>	2,500,000	1.68
KEBIN NOMINEES PTY LTD	2,500,000	1.68
MR EDWARD FRANK DAVISON	2,500,000	1.68
CROESUS MINING PTY LTD <STEINEPREIS SUPER FUND A/C>	2,500,000	1.68
MR DAMIEN MICHAEL ANTHONY TRINDER	2,500,000	1.68
BLOWING DUST PTY LTD <C+A MCKENZIE SUPER FUND A/C>	2,500,000	1.68
MRS JILL CURNOW <JILL CURNOW FAMILY A/C>	2,500,000	1.68
GLENFARE INVESTMENTS PTY LTD	2,500,000	1.68
LABANC PTY LTD <MIKSTA INC SUPER FUND A/C>	2,000,000	1.34
DOUBLE DIAMOND INVESTMENTS PTY LTD <DOUBLE DIAMOND INV A/C>	2,000,000	1.34
ORCA CAPITAL GMBH	2,000,000	1.34
FORRESTER SUPER PTY LTD <FORRESTER S/F A/C>	2,000,000	1.34
MR RAYMOND MCMARTIN	2,000,000	1.34
SESTO CAPITAL PTY LTD	2,000,000	1.34
WIMALEX PTY LTD <TRIO S/F A/C>	2,000,000	1.34
BOTSIS HOLDINGS PTY LTD	2,000,000	1.34
SEVENSPEED PTY LTD	2,000,000	1.34
Top 20	71,466,667	47.99%
Others	77,283,333	52.01%
Total	148,750,000	100.0%

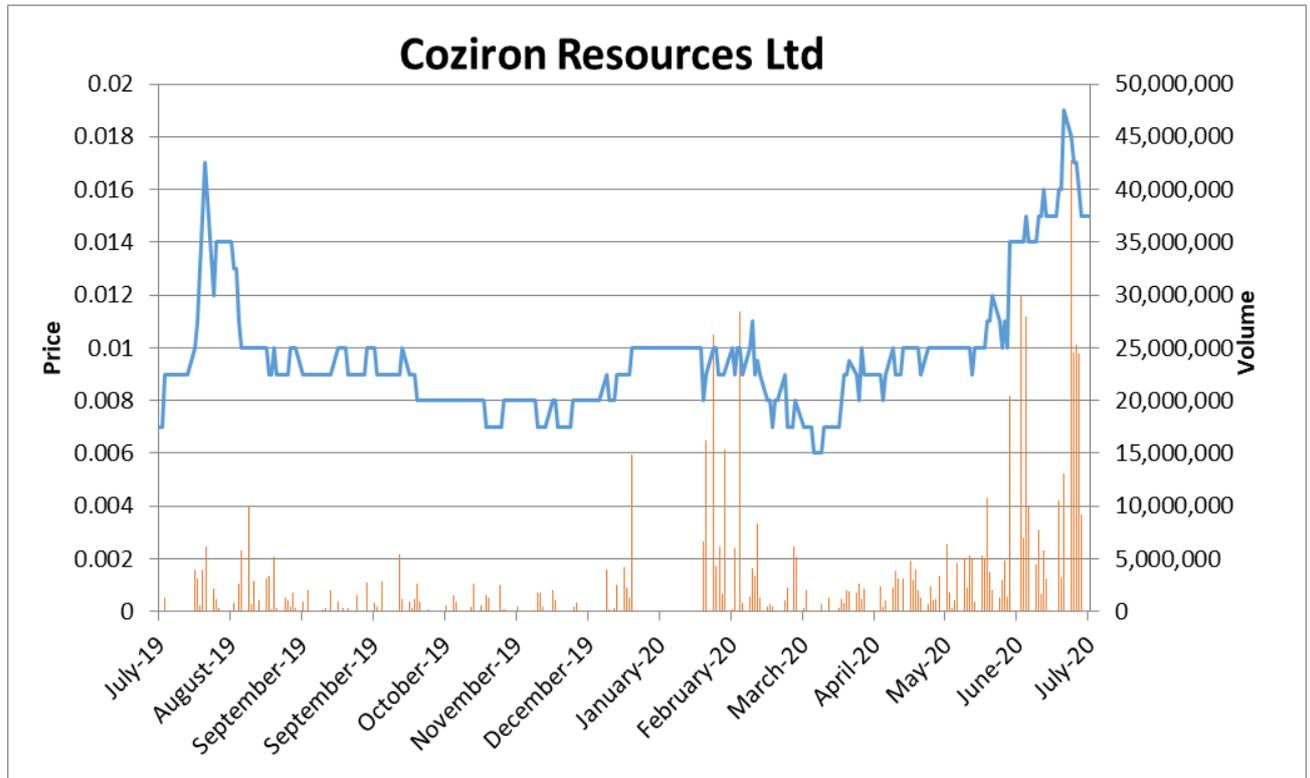
The Notice contemplates further options proposed to be issued to Bell Potter as Lead Manager for the recent Placement and Mr Stephen Lowe and associates as part payment of sums outstanding.

4.5. Recent Capital Raisings

Coziron recently completed a placement in June 2020 to raise \$5,000,000 before costs at a price of \$0.012 per share.

4.6. Share Price Performance

Coziron's share price movements in the 12 months up to 6 July 2020, together with volumes traded are presented in the graph below:



The Coziron closing share price has fluctuated from a price of \$0.007 at the beginning of the above period, to a low of \$0.006 on 23 March 2020, a high of \$0.019 on 26 June 2020 and to a closing price of \$0.014 at the valuation date and \$0.011 at the date of this Report. The following observations are relevant to our considerations:

- a) At the date immediately prior to the announcement relating to the Company entering into the original terms sheet on 8 November 2017, the Company's share price was \$0.032. The share price rose slightly to \$0.034 on 9 November 2017, declined to \$0.024 on 16 November 2017, and has progressively declined to levels as noted in the chart above.
- b) On 5 June 2020, the Company's share price increased from \$0.01 to \$0.014. On 9 June 2020, the Company announced that it was in the process of preparing for the issue of the Notice. The share price maintained its level at \$0.014 and rose steadily to a high of \$0.019 on 26 June 2020 before declining slightly to current levels.

4.7. Financial Performance

The reviewed financial results of Coziron for the half-year ended 31 December 2019 and unaudited financial results for the year ended 30 June 2020 are set out below:

	Reviewed Half-year to 31 Dec 2019 \$	Unaudited Year ended 30 June 2020 \$
Financial income	8,628	12,572
Other income	-	10,000
Exploration costs	(1,151,924)	(1,984,425)
Director fees	(83,000)	(177,187)
Compliance and professional fees	(150,009)	(287,573)
Depreciation	(1,967)	(6,053)
Administration expenses	(62,547)	(91,970)
Occupancy costs	-	(26,000)
Finance costs	(109,113)	(104,589)
Share based payments	(291,801)	(293,088)

	Reviewed Half-year to 31 Dec 2019 \$	Unaudited Year ended 30 June 2020 \$
Loss before tax	(1,841,733)	(2,948,313)
Income tax expense	-	-
Total loss for the period	(1,841,733)	(2,948,313)

4.8. Financial Position

The reviewed statement of financial position of Coziron as at 31 December 2019 and unaudited statement of financial position at 30 June 2020 are set out below:

	Reviewed 31 Dec 2019 \$	Unaudited 30 June 2020 \$
Current Assets		
Cash	1,301,624	4,646,115
Trade and other receivables	411,183	213,259
Total Current Assets	1,712,807	4,859,374
Non-Current Assets		
Exploration assets	11,481,916	11,481,916
Property, plant and equipment	18,281	39,285
Total Non-Current Assets	11,500,197	11,521,201
Total Assets	13,213,004	16,380,575
Current Liabilities		
Trade and other payables	159,670	429,588
Loan – director	100,000	100,000
Total Current Liabilities	259,670	529,588
Total Liabilities	259,670	529,588
Net Assets	12,953,334	15,850,987
Equity		
Issued capital	34,638,151	38,642,384
Share-based payment reserve	450,959	450,959
Accumulated losses	(22,135,776)	(23,242,356)
Total Equity	12,953,334	15,850,987

5. PROFILE OF THE CROYDON TOP CAMP PROJECT/KEY ASPECTS OF THE COLCHIS AGREEMENT

5.1 The Croydon Top Camp Project

Location

The 317 km² Croydon Top Camp Project (Croydon, E47/2150) held by Colchis is located 100km south-east of Karratha and about 120km southwest of Pt Hedland in the Pilbara of Western Australia.

Regional Geology

The Croydon project covers a section of the Tabba Tabba regional shear zone where it separates a block of predominately granitic and gneisses rocks to the south from a terrain that is dominated by metasediments in the Mallina Basin. The geological history for the Mallina Basin proposes that that it formed at about 2970Ma in an intracontinental setting and accumulated a suite of turbiditic siliciclastic sandstones and siltstones up to 10km thick until about 2955Ma. During basin development, the sediments were intruded by a suite of mafic to ultramafic sills.

It then appears that sedimentation ceased in response to an orogenic event that peaked with the intrusion of a suite of granites and related felsic porphyries from about 2955Ma and 2925Ma. After the orogenic event, erosional remnants of the Fortescue Group indicate that a transgression allowed the deposition of shallow marine sediments and flood basalts from about 2780Ma and these rocks have not been disturbed by any major regional orogenic events.

Prospectivity

The regional geological setting is prospective for intrusion-related and structurally-controlled, orogenic, lode-style gold deposits which are common in many of Archean-age terrains across the World. Published studies of the mineralisation in the Mallina Basin region describe the Withnell deposit as being structurally controlled, turbidite hosted and associated with a zone of sericite-carbonate-pyrite alteration that formed at about 2900 Ma which is late in the orogenic cycle.

Records from the Geological Survey of Western Australia indicate that the first gold was recovered on E47/2150 in the 1880s and there has been episodic and ongoing prospector activity which is reflected by widespread evidence of ground disturbance on the Google and ESRI satellite imagery. The tenement also has widespread evidence of carbonate-rich rocks in those areas where gold has been recovered by the prospectors suggesting the tenement has prospectivity over a wide area.

Exploration Activities

In the period since the tenement was granted, Colchis created a database of historical exploration activities and results. The package contains a broad suite of publicly available geological and geophysical data along with maps of areas with historical workings, the locations and geochemical results surface samples that include stream-sediments, gridded-soils and costeans and the locations and results from the limited number of drill-holes (Company announcement to ASX 27 November 2017).

Colchis Resources had also completed some programmes of exploration after the tenement was granted on 13 October 2011 and results from these activities were included in the database. These programmes included a grid of soil samples over the Middle Valley prospect, a grid of auger samples to cover the Top Camp prospect (Company announcement to ASX 27 November 2017). There are also results from rock-chip samples, a grid of soil samples, an electromagnetic survey and some RC drilling that were completed over parts of the mafic to ultramafic rock suite and adjacent tacks in the Martin area.

Following the decision of the Company to acquire the Croydon Project (Company announcement to ASX 8 November 2017), 503 stored residues from auger samples have been progressively re-assayed to extend the element suite and improve the analytical precision (Company announcement to ASX 10 October 2018; 11 November 2019). The Company also acquired remotely sensed data that includes flying and processing of a high-resolution magnetic and radiometric survey and purchasing multi-spectral coverage of the tenement. Activities in the field commenced with mapping and the collection of surface samples that now total 1352 soil and 53 rock-chip samples (Company announcement to ASX 6 December 2018; 1 April 2019; 16 September 2019; 11 November 2019). During 2019, Company also received reports from prospectors working in the Top Camp area that detailed the weights, counts and precise locations of a large number of gold nuggets that could be overlain on the available geological and geochemical data (Company announcement to ASX 25 September 2019; 11 October 2019). Then, on the most advanced prospect, the company has completed a maiden programme of RC drilling with 13 holes for 2600m (Company announcement to ASX 18 December 2019) and a three hole diamond-drilling programme for 600m (Company announcement to ASX 9 June 2020).

Exploration Prospects

The historical exploration samples from E47/2150 contain many results over a wide area of the tenement with anomalous concentrations of gold but there are more localized prospects such

as, Top Camp, Middle Valley, Bottom Camp, Martin and Murph where the amount of work completed has generated coherent distribution patterns that can quickly generate drill-discoveries.

5.2 Key Aspects of the Colchis Agreement

The key aspects of the Colchis Agreement are as follows:

- (a) completion of the agreement will be subject to the satisfaction or waiver of the following conditions by 30 September 2020:
 - (i) the Company obtaining all necessary shareholder approval to give effect to the transaction;
 - (ii) the Company completing a capital raising in the amount of not less than \$6,000,000, and obtaining the requisite regulatory and/or shareholder approvals that may be required for that capital raising;
 - (iii) all necessary waivers and consents being obtained;
 - (iv) the Company completing due diligence to its sole satisfaction; and
 - (v) the parties obtaining written consent of the Minister or an officer of the Mines Department acting with the authority of the Minister providing written consent to the sale of the Sale Interest, where such consent is required under the Mining Act.
- (b) If required by ASX, Colchis must enter into an escrow agreement restricting the disposal of the Colchis Consideration Shares in accordance with Appendix 9A of the ASX Listing Rules.
- (c) Completion will occur five business days after the conditions are satisfied or waived.
- (d) The Company must issue the Colchis Consideration Securities to Colchis (or its nominee) at completion.
- (e) Upon completion, the Company and Colchis will form an unincorporated joint venture with the Company holding a 70% interest and Colchis holding a 30% free carried interest.
- (f) From completion and until the Bankable Feasibility Study is achieved, the Company will be responsible for all exploration costs.
- (g) Once the Bankable Feasibility Study is achieved, Colchis will have 90 days to elect to either:
 - (i) participate in the mining operations and contribute to costs in proportion to its interest in the Shepherds Well Tenement;
 - (ii) not participate in the mining operations; or
 - (iii) attempt to sell its entitlement to participate in the mining operations.
- (h) If Colchis does not participate in the mining operations, or is unable to find a buyer for its entitlement, then its interest in the mining area the subject of the BFS will be converted into a 2% net smelter royalty. The Colchis interest in the area of the Shepherds Well Tenement that is outside the mining area will be unaffected.
- (i) If work on the mining operation has not commenced within three years (i.e. 70% of the

first two years' budget or 20% of the total budget in respect of the BFS has not been incurred) then the Colchis percentage interest in the area will be restored and the royalty will terminate.

- (j) If a party's interest in a mining operation falls below 5% then its interest will automatically be converted into a 2% net smelter royalty.
- (k) The Company will continue to be responsible for 100% of exploration costs in respect of the area of the Colchis Tenement which is outside a mining area.
- (l) If a party defaults under the Colchis Agreement, the non-defaulting party will be entitled to buy the defaulting party's interest for 90% of its fair value based on two independent valuations.
- (m) The Colchis Agreement will otherwise be on terms considered standard for tenement sale and joint venture agreements.

In terms of (a) (ii) above, the Company completed a Placement in June 2020 in the amount of \$5,000,000 and also completed a Placement in August 2019 raising \$2,975,000. As a result, the Company believes that it has complied with this condition.

6. VALUATION OF COZIRON PRIOR TO THE PROPOSED TRANSACTION

6.1. Valuation Summary

HLB has estimated the fair market value of a Coziron share to be 0.729 cents, as set out in Section 6.3.

For the purpose of our opinion, fair market value is defined as the amount at which the shares would change hands between a knowledgeable willing buyer and a knowledgeable willing seller, neither being under a compulsion to buy or sell. We have not considered special value in this assessment.

In determining this amount, we estimated the fair market value of Coziron after considering the various methods, which are discussed in further detail at Section 6.2.

6.2. Valuation Methodology

Methodologies commonly used for valuing assets and businesses are as follows:

6.2.1 Capitalisation of future maintainable earnings ("FME")

This method places a value on a business by estimating the likely FME, capitalised at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.

The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax ("EBIT") or earnings before interest, tax, depreciation and amortisation ("EBITDA"). The capitalisation rate or "earnings multiple" is adjusted to reflect which base is being used for FME.

This method is not considered appropriate in Coziron's circumstances as the Company is not currently generating profits and does not have a history of profits.

6.2.2 Discounted future cash flows (“DCF”)

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a start-up phase, or experience irregular cash flows.

This method is not considered appropriate in Coziron’s circumstances as there is no basis to predict future cash flows.

6.2.3 Net asset value

Asset based methods estimate the market value of an entity’s securities based on the realisable value of its identifiable net assets. Asset based methods include:

- Orderly realisation of assets method
- Liquidation of assets method
- Net assets on a going concern method

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to entity holders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The net assets on a going concern method estimates the market values of the net assets of an entity but does not take into account any realisation costs.

Net assets on a going concern basis is usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity’s valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall net assets on a going concern basis. This is particularly so for exploration and mining companies where investments are in finite life producing assets or prospective exploration areas.

These asset based methods ignore the possibility that the entity’s value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when entities are not profitable, a significant proportion of the entity’s assets are liquid or for asset holding companies.

We believe that this method is the most appropriate to use in Coziron’s circumstances as the Company’s assets are readily able to be valued as set out in this Report.

6.2.4 Quoted Market Price Basis

Another alternative valuation approach that can be used in conjunction with (or as a replacement for) any of the above methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes

all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a “deep” market in that security.

We have set out in Section 7.5 of this Report whether this method is appropriate in Coziron’s circumstances. For the reasons set out in that section, we do not believe that the Company’s securities have displayed a “deep” market.

6.2.5 Methodology Adopted

We consider that the most appropriate method for the valuation of Coziron is the net assets on a going concern methodology for the reasons stated above. We have also assessed in Section 7.5 of this Report whether the Quoted Market Price basis is appropriate. For reasons set out in that section, we do not believe that the Company’s securities have displayed a “deep” market. Notwithstanding this, for the purpose of comparison, we have assessed a range of values using this basis in that section.

6.3 Sum of Parts Valuation

We have assessed the value of Coziron on the basis of the fair market value of the Company’s underlying net assets on a going concern basis. Coziron’s unaudited net assets as at 30 June 2020 are summarised below, together with our range of fair market values.

	Report Reference	Unaudited 30 June 2020 \$	Low \$	Valuation Range High \$	Preferred \$
Current Assets					
Cash	6.3.1	4,646,115	4,646,115	4,646,115	4,646,115
Trade and other receivables		213,259	213,259	213,259	213,259
Total Current Assets		4,859,374	4,859,374	4,859,374	4,859,374
Non-Current Assets					
Exploration assets	6.3.2	11,481,916	10,320,000	20,900,000	15,610,000
Property, plant and equipment		39,285	39,285	39,285	39,285
Total Non-Current Assets		11,521,201	10,359,285	20,939,285	15,649,285
Total Assets		16,380,575	15,218,659	25,798,659	20,508,659
Current Liabilities					
Trade & other payables and accruals		429,588	429,588	429,588	429,588
Loan – director	6.3.3	100,000	-	-	-
Total Current Liabilities		529,588	429,588	429,588	429,588
Total Liabilities		529,588	429,588	429,588	429,588
Net Assets		15,850,987	14,789,071	25,369,071	20,079,071

		Number	Number	Number
Fully paid shares on issue	6.3.4	2,754,518,894	2,754,518,894	2,754,518,894
Fair market value per share (cents)		0.537	0.921	0.729

6.3.1 Cash

Whilst we have not carried out an audit of the financial information presented to us as set out in Section 2.4 of this Report, we have nonetheless verified the cash balances at 30 June 2020. We have also reviewed the movements in cash balances from 30 June 2020 to the valuation date. We do not believe that the movements in cash balances during that period have had a material effect on the value of the Company’s net assets at the valuation date.

6.3.2 Exploration assets

The Company's accounting policy is to capitalise acquisition costs of exploration assets and to carry them forward when the following conditions are satisfied:

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

Exploration and evaluation costs including costs of studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities along with those for general and administrative costs are expensed in the period they are incurred.

Carried forward costs at 30 June 2020 in relation to exploration assets comprise the following:

	\$
Yarraloola	8,561,312
Buddadoo	836,110
Yarrie	1,084,494
Shepherds Well	1,000,000
	<u>11,481,916</u>

All costs incurred by the Company in relation to the Croydon Top Camp Project, in anticipation of shareholders' approving of the acquisition of a 70% interest in that Project as contemplated in the Notice, have been expensed due to the Company not yet having rights of tenure over the Project.

Valuation of the Company's interests in exploration assets

We have instructed Valuation & Resource Management ("VRM") to undertake a valuation of the Company's current interests in the four exploration projects set out above.

A copy of the report prepared by VRM dated 17 July 2020 is attached to this Report as Appendix 4. That report also sets out the valuation of the Company's proposed 70% interest in the Croydon Top Camp Project which it is seeking to acquire. This will be discussed further in Section 7.2 of this Report.

The range of values for the four projects noted above as assessed by VRM is set out below. We have incorporated these valuation amounts in the above Summary of Parts Valuation as the "Valuation Low", "Valuation High" and "Valuation Preferred" amounts.

	Low Value \$	Preferred Value \$	High Value \$
Yarraloola (85% owned)	9,500,000	13,600,000	17,700,000
Buddadoo (85% owned)	380,000	1,090,000	1,810,000
Yarrie (70% owned)	350,000	760,000	1,150,000
Shepherds Well (70% owned)	90,000	160,000	240,000
	<u>10,320,000</u>	<u>15,610,000</u>	<u>20,900,000</u>

6.3.3 Loan – director

Resolution 6 of the Notice seeks the approval of shareholders, under and for the purposes of Listing Rule 10.11 and section 208 of the Corporations Act, to issue a total of up to 10,000,000 shares and 10,000,000 options (“Loan Repayment Securities”) to Mr Stephen Lowe and Mrs Suzanne Lowe as trustees for the Tahlia Family Trust (“Lender”) in repayment of the sums outstanding under the above loan. We have factored into the above valuation the repayment of this loan and the issue of the Loan Repayment Securities.

6.3.4 Fully paid shares on issue

We have factored into the above calculations the issue of the 10,000,000 shares in part repayment of the director loan. The total number of shares on issue for the purposes of this valuation is therefore as follows:

	No.
Number of shares at 30 June 2020	2,744,518,894
Add shares to be issued in part repayment of loan	10,000,000
	<u>2,754,518,894</u>

6.3.5 Other transactions

The Notice also seeks shareholder approval for other transactions which we do not believe affects our valuation above. These are as follows:

- a) The issue of 10,000,000 options in part repayment of the director loan. The value of these options will be recorded as part of equity and any difference between the combined value of the shares and options and the loan amount will be recorded in the statement of comprehensive income and ultimately in equity.
- b) The issue of 56,860,378 options to Bell Potter as Lead Manager for the recent Placement. The value of these options will be recorded in a Share Based Payments Reserve and also offset against the capital raised. Therefore, there will be no net effect on equity.

6.3.6 Options currently on issue

The Company’s options currently on issue, as set out in Section 4.4 of this Report, are “out of the money” as at the valuation date. As such, we have not taken these options into account in assessing the value of the Company prior to the Proposed Transaction.

The value derived from the net assets method is considered to be the best estimate of the fair market value of a share in Coziron, being 0.729 cents.

7. VALUATION OF COZIRON FOLLOWING THE PROPOSED TRANSACTION

We have estimated the fair market value of the shares in Coziron post the Acquisition. When assessing non-cash consideration in control transactions, RG 111.31 suggests that a comparison should be made between the value of the securities being offered (allowing for a minority discount) and the value of the target entity’s securities, assuming 100% of the securities are available for sale. This comparison reflects the fact that:

- a) The acquirer is obtaining or increasing control of the target; and
- b) The security holders in the target will be receiving scrip constituting minority interests in the combined entity.

Under RG 111.34, if in a scrip bid the target is likely to become a controlled entity of the bidder, the bidder’s securities can also be valued using a notionally combined entity. However, it should be noted that the accepting holders are likely to hold minority interests in the combined entity. As a

result, we have assessed the value of a Coziron share following the Proposed Transaction on a minority interest basis.

7.1 Net assets on a going concern methodology

In valuing Coziron following the Acquisition, we have had regard to the same valuation methodologies we considered in valuing Coziron prior to the Proposed Transaction as set out in Section 6.2. We consider that the most appropriate method for the valuation of Coziron following the Acquisition is the net assets on a going concern methodology. No other methods are considered by us to be relevant for the purposes of our Report for similar reasons as set out in Section 6.2.5.

7.2 Sum-of-Parts Valuation of Coziron following the Proposed Transaction

We have considered the valuation of assets and liabilities of Coziron as at 30 June 2020 as set out in Section 6.3.

Our determination of the valuation of Coziron following the Proposed Transaction, together with adjustments made by us to form our valuation range on a post-Proposed Transaction basis, is as follows:

	Report Reference	Valuation Low \$	Valuation Preferred \$	Valuation High \$
Value of Coziron pre-Proposed Transaction	6.3	14,789,071	20,079,071	25,369,071
Valuation of the 70% interest in the Croydon Top Camp Project (Note 1)		980,000	2,260,000	3,540,000
Issue of placement shares to the Creasy Group (Note 2)		498,000	498,000	498,000
Net assets		16,267,071	22,837,071	29,407,071

		Valuation Low No.	Valuation Preferred No.	Valuation High No.
Shares on issue – pre-Proposed Transaction	6.3	2,754,518,894	2,754,518,894	2,754,518,894
Issue of shares pursuant to the Proposed Transaction (Note 3)		40,000,000	40,000,000	40,000,000
Issue of placement shares to the Creasy Group (Note 2)		41,500,000	41,500,000	41,500,000
Total shares on issue (Number)		2,836,018,894	2,836,018,894	2,836,018,894
Net assets per share (\$)		0.574	0.805	1.037
Minority interest discount (Note 4)		20%	17%	13%
Value post-Proposed Transaction per share (cents)		0.459	0.668	0.902

Note 1 Acquisition of 70% of the Croydon Top Camp Project and valuation of the Project

Coziron will be issuing 40,000,000 fully paid ordinary shares and 200,000,000 options exercisable at \$0.015 and expiring on 30 June 2022 to acquire a 70% interest in the Croydon Top Camp Project from Colchis. We have instructed Valuation & Resource Management (“VRM”) to undertake a valuation of this interest.

A copy of the report prepared by VRM dated 17 July 2020 is attached to this Report as Appendix 4.

The range of values for this interest as assessed by VRM is set out below. We have incorporated these valuation amounts in the above Summary of Parts Valuation as the “Valuation Low”, “Valuation High” and “Valuation Preferred” amounts.

	Low Value \$	Preferred Value \$	High Value \$
70% interest in the Croydon Top Camp Project	980,000	2,260,000	3,540,000
	980,000	2,260,000	3,540,000

Note 2 Issue of placement shares to the Creasy Group

As contemplated in Resolution 3 of the Notice, the Company is seeking shareholder approval for the issue of 41,500,000 shares to the Creasy Group at an issue price of \$0.012, to raise \$498,000. The Company undertook a capital raising in June 2020 to raise \$5,000,000. The Creasy Group advised the Company that it wished to participate in the capital raising up to a maximum of \$498,000. Shareholder approval for this issue is required under ASX Listing Rule 10.11 and Section 208 and Item 7 of Section 611 of the Corporations Act.

Note 3 Issue of shares as part consideration for the Acquisition

We have factored into the calculations above the issue of 40,000,000 ordinary shares to Colchis as contemplated by Resolution 2 of the Notice.

Note 4 Minority interest discount

To value the consideration on a minority interest basis, we have applied a minority discount to the value per share derived under the sum-of-parts valuation. Our analysis suggests that the premiums required to obtain control of companies range between 15% and 25% of the minority interest values, as set out in Section 7.5 of this Report. We have therefore assessed a range for an appropriate minority interest discount (which is the inverse of a premium for control) of 13% to 20%.

7.3 Effect of issue of 200,000,000 options as part consideration for the acquisition of 70% of the Croydon Top Camp Project

The 200,000,000 options to be issued to Colchis as part consideration for the acquisition of 70% of the Croydon Top Camp Project, are exercisable at \$0.015 on or before 30 June 2022. As at the valuation date, these options are “out of the money”, and as a result, we have not taken these options into account in assessing the value of the Company post-Proposed Transaction. We note that if these options are exercised, this could have a dilutionary effect on non-associated shareholders and potentially the value of a Coziron share post-Proposed Transaction could decrease. Given our conclusion at Section 8.1 of this Report, this potential decrease will not affect our conclusion as to fairness.

As noted in Sections 4.6 and 7.5 of this Report, the Company’s share price at 6 July 2020 was \$0.014. As at the valuation date, the Company’s share price was also \$0.014. At the date of this Report, the Company’s share price had fallen to \$0.011. In the period from 6 July 2020 to the date of this Report, trading prices have ranged from \$0.011 to \$0.014. The Volume-Weighted Average Price (“VWAP”) of trades in that period was \$0.013. We have concluded from this assessment that during the period since 6 July 2020 and up to the date of this Report, the options referred to above have continued to be “out of the money”.

7.4 Further issue of shares

We have not taken into account in our valuation the effect of the proposed issue of 17,000,000 shares to directors at an issue price of \$0.012 per share as contemplated by Resolution 5 of the

Notice, as this resolution is not dependent on the passing of Resolutions 2 or 3. Therefore in our opinion, the valuation of the Company for the purposes of this Report is not affected.

7.5 Consideration of Quoted Market Price Basis

To provide a comparison to our assessed valuation of Coziron in Section 7.2, we have also assessed the value of Coziron on the quoted market price basis.

The quoted market value of a company's shares is reflective of its value on a minority interest basis. A minority interest is an interest in a company that is not significant enough for the holder to have an individual influence in the operations and value of that company.

RG 111.25 suggests that when considering the value of a company's shares for the purposes of approval under Item 7 of section 611 of the Corporations Act 2001, the expert should consider a premium for control. An acquirer could be expected to pay a premium for control due to the advantages they will receive should they obtain control of another company. These advantages include the following:

- control over policy, decision making and strategic direction;
- access to cash flows;
- control over dividend policies; and
- potentially, access to tax losses.

The Creasy Group currently holds a relevant interest of 57.75% in the Company's shares. This is deemed to constitute control. RG 111 states that the expert should calculate the value of a "target's" (i.e. Coziron) shares as if 100% control was being obtained. RG 111.3 states that the expert can then consider an acquirer's practical level of control when considering reasonableness. We have considered reasonableness in Section 8.2 of this Report.

Our valuation calculation has been prepared in two parts. First, we have calculated the quoted market price on a minority interest basis. Secondly, we have added a premium for control to the minority interest value to arrive at a quoted market price value that includes a premium for control.

Minority interest value

A chart of the share price movement of Coziron over the 12 month period prior to 6 July 2020 is included in Section 4.6 of this Report. Ordinarily, we would include share price movements for the period up to the date of the announcement of the Proposed Transaction. However, in relation to the transaction the subject of this Report, the original announcement was made on 8 November 2017 in relation to the Company entering into a binding term sheet with Colchis to acquire that interest in tenement E47/2150.

The Coziron closing share price has fluctuated from a price of \$0.007 at the beginning of the above period, to a low of \$0.006 on 23 March 2020, a high of \$0.019 on 26 June 2020 and to a closing price of \$0.014 at the valuation date. The following observations are relevant to our considerations:

- a) At the date immediately prior to the announcement relating to the Company entering into the original terms sheet on 8 November 2017, the Company's share price was \$0.032. The share price rose slightly to \$0.034 on 9 November 2017, declined to \$0.024 on 16 November 2017, and has progressively declined to levels as noted in the chart above.
- b) On 5 June 2020, the Company's share price increased from \$0.01 to \$0.014. On 9 June 2020, the Company announced that it was in the process of preparing for the issue of the Notice. The share price maintained its level at \$0.014 and rose steadily to a high of \$0.019 on 26 June 2020 before declining slightly to current levels.

To provide further analysis of the market prices for a Coziron share, we have also calculated the volume weighted average market price for 10, 30, 60 and 90 day periods of recent trading prior to the 6 July 2020, as follows:

	6 July 2020 cents	10 Days cents	30 Days cents	60 Days cents	90 Days cents
Closing price	1.5				
Volume weighted average		1.7	1.6	1.5	1.4

For the quoted market price basis to be reliable there needs to be an adequately liquid and active market for the securities. We consider the following characteristics to be representative of a liquid and active or “deep” market:

- Regular trading in a company’s securities;
- The spread of a company’s shares must not be so great that a single minority trade can significantly affect the market capitalisation of a company; and
- There are no significant and unexplained movements in the company’s share price.

A company’s shares should meet all of the above criteria to be considered as trading in a “deep” market, however, failure of a company’s securities to exhibit all of the above characteristics does not necessarily mean that the value of its shares determined on this basis cannot be considered relevant.

An analysis of the volume of trading in Coziron shares for the 12 months prior to 6 July 2020 is set out below:

	Low cents	High cents	Cumulative Volume Traded No	As a % of issued capital as at 30 June 2020
10 days	1.5	1.9	144,094,043	5.2%
30 days	1.4	1.9	255,249,515	9.3%
60 days	0.9	1.9	351,537,617	12.8%
90 days	0.8	1.9	393,824,587	14.3%
180 days	0.6	1.9	574,321,143	20.9%
365 days	0.6	1.9	696,002,617	25.4%

This table indicates that the Company’s shares display a low level of liquidity, with only 25.4% of the Company’s issued capital at 30 June 2020 being traded in the 12 month period prior to 6 July 2020 and only 14.3% over the last 90 days. We do not consider this level of trading in the Company’s shares to be sufficiently adequate and to otherwise meet the criteria in order for the trading in the Company’s shares to be considered as “deep”.

Notwithstanding our opinion that the quoted market price basis is not a reliable valuation basis for our assessment, for the purpose of comparison, in our opinion a range of values for Coziron shares based on market pricing, is between 0.60 cents and 1.90 cents with a preferred value of 1.25 cents.

Control premium

Share prices from share market trading do not reflect the market value for control of a company as they are in respect of minority interest holdings. We have reviewed the control premiums paid by acquirers of general mining companies listed on the ASX. We have summarised the findings below:

Year	Number of transactions	Average deal value (A\$m)	Average control premium (%)
2019	12	143.74	42.83
2018	10	96.04	56.52
2017	5	13.91	35.21
2016	13	59.54	74.92
2015	9	340.82	57.86
2014	16	111.11	47.28
2013	17	117.99	63.99
2012	17	219.10	54.03
2011	21	811.55	37.42
2010	21	555.11	50.61

	Average deal value (A\$m)	Average control premium (%)
Mean	302.11	52.12
Median	44.48	41.63

Source: Bloomberg

In arriving at an appropriate control premium to apply, we note that control premiums can vary due to a number of factors, some of which are:

- Nature and magnitude of non-operating assets
- Nature and magnitude of discretionary expenditure;
- Perceived quality of existing management;
- Nature and magnitude of business opportunities not currently being exploited;
- Ability to integrate the acquiree into the acquirer's business;
- Level of pre-announcement speculation of the proposed transaction; and
- Level of liquidity in the trading of the acquiree's securities.

The table above indicates the long-term average control premiums paid by acquirees of all mining companies listed on the ASX is approximately 52%. However, in assessing the sample of transactions included in the table, we noted transactions that appear to be extreme outliers. These outliers included 16 transactions in which the announced premium was in excess of 100%. When these outliers are removed, the average of control premiums paid by acquirers was approximately 41%. In a sample where there are extreme outliers, the median often represents a superior measure of central tendency compared to the mean. We note that the median announced control premium over the review period was approximately 42%.

In determining the appropriate control premium to be applied to Coziron, we have considered it appropriate to apply a lower control premium than those premiums observed historically because of the smaller size of Coziron, the fact that the Company already has a large shareholder, and the fact that the Company's securities are thinly traded. Furthermore, the level of uncertainty arising from the impacts of COVID-19 may result in a potential acquirer not being willing to pay a control premium in line with historical averages. As a result, we consider it appropriate to apply a control premium in the range of 15% to 25%.

	Low Cents	Preferred Cents	High Cents
Quoted market price value	0.60	1.25	1.90
Control premium	15%	20%	25%
Quoted market price value inclusive of a control premium	0.70	1.56	2.53

Notwithstanding our opinion that the quoted market price basis is not a reliable valuation basis for our assessment, for the purpose of comparison, in our opinion a range of values for Coziron shares based on market pricing, is between 0.70 cents and 2.53 cents with a preferred value of 1.56 cents.

8. EVALUATION AND OPINION

8.1 Is the Proposed Transaction fair?

The pre and post-Proposed Transaction values of Coziron are set out below:

		Valuation Range	Preferred	
		Low Cents	High Cents	Cents
Value of a Coziron share pre-Proposed Transaction on a control basis	Section 6.3	0.537	0.921	0.729
Value of a Coziron share post-Proposed Transaction on a minority interest basis	Section 7.2	0.459	0.902	0.668

We note from the table above that based on preferred values, the value of a Coziron share prior to the Proposed Transaction on a control basis is greater than the value of a Coziron share on a minority interest basis following the Proposed Transaction. Therefore, on this basis the Proposed Transaction would be considered to be not fair to the non-associated shareholders of Coziron.

Conclusion on fairness

As a result, it is our opinion that the Proposed Transaction is not fair to the non-associated shareholders of Coziron.

8.2 Is the Proposed Transaction reasonable?

In accordance with RG 111, an offer is reasonable if it is fair. We are not aware of any alternative proposal that might offer the shareholders of Coziron a premium over the value ascribed to its shares resulting from the Proposed Transaction. Notwithstanding that we have concluded that the Proposed Transaction is not fair, we have also identified certain advantages and disadvantages below in relation to the Proposed Transaction. In addition, the directors have set out in section 6.4 (e) and (f) of the Notice their reasons for shareholders to vote in favour of or against Resolutions 2 and 3.

8.2.1 Advantages of accepting the Proposed Transaction

- the Company will obtain a 70% ownership interest in the Croydon Top Camp Project pursuant to the Acquisition;

- with an ownership interest in the Croydon Top Camp Project, the Company will be able to share directly in the results of exploration work to be conducted on this project, in addition to the work conducted to date, some of which the Company has funded itself; and
- the potential increase in market capitalisation of the Company following completion of the Acquisition may lead to access to improved equity capital market opportunities and increased liquidity.

8.2.2 Disadvantages of accepting the Proposed Transaction

- the Acquisition will increase the Creasy Group's voting power in the Company from 57.75% to 62.54% (if Resolutions 2 and 3 are approved and the Colchis options are exercised), and as a result, the interest of other shareholders will decrease; and
- future outlays of funds from the Company may be required to fund further exploration in relation to the Croydon Top Camp Project.

Conclusion on reasonableness

We have considered the above factors. We consider that, on balance, the advantages of the Proposed Transaction outweigh the disadvantages. We are therefore of the view that the position of non-associated shareholders if the Proposed Transaction is accepted, would be more advantageous than if the Proposed Transaction is not accepted.

Accordingly, we are of the opinion that the Proposed Transaction is reasonable to the non-associated shareholders of Coziron.

8.3 Opinion

We are of the opinion that the Proposed Transaction is not fair but reasonable to the non-associated shareholders of Coziron.

9. APPENDICES

Appendix 1 – Glossary of Terms

TERM	DEFINITION
Acquisition	Acquisition of a 70% interest in the Croydon Top Camp Project
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited
Colchis	Colchis Resources Pty Ltd
Colchis Agreement	The Colchis Tenement Sale and Joint Venture Agreement with Colchis dated 8 June 2020
Colchis Consideration Securities	40,000,000 fully paid shares in Coziron and 200,000,000 options exercisable at \$0.015 and expiring on 30 June 2022
Creasy Group	The group of companies including Colchis, Motwil Pty Ltd and Yandal Investments Pty Ltd, owned or controlled by Mr Mark Creasy
Croydon Top Camp Project	Colchis Tenement E47/2150
DCF	Discounted cash flows
Directors	Directors of Coziron
EBIT	Earnings before Interest and Tax
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
Coziron or the Company	Coziron Resources Ltd
FME	Capitalisation of future maintainable earnings
General Meeting	A general meeting of shareholders of Coziron is proposed to be held to consider the Proposed Transaction, as well as other resolutions
HLB	HLB Mann Judd Corporate (WA) Pty Ltd
Notice	The Notice of General Meeting for the meeting to be called to consider the Proposed Transaction
NTA	Net tangible assets
Proposed Transaction	The matters contained in Resolutions 2 and 3 of the Notice
VRM	Valuation & Resource Management

Appendix 2 - Qualifications, Declarations and Consents

HLB, which is a wholly owned entity of HLB Mann Judd Chartered Accountants, is a Licensed Investment Adviser and holder of an Australian Financial Services Licence under the Act and its authorised representatives are qualified to provide this Report. The authorised representative of HLB responsible for this Report has not provided financial advice to Coziron.

The author of this Report is Lucio Di Giallonardo. He is a Fellow of Chartered Accountants Australia and New Zealand, holds a Bachelor of Business, and has considerable experience in the preparation of independent expert reports and valuations of business entities in a wide range of industry sectors.

Prior to accepting this engagement, HLB considered its independence with respect to Coziron with reference to ASIC Regulatory Guide 112 and APES 225. In HLB's opinion, it is independent of Coziron.

This Report has been prepared specifically for the shareholders of Coziron. It is not intended that this Report be used for any other purpose other than to accompany the Notice of General Meeting to be sent to Coziron's shareholders. In particular, it is not intended that this Report should be used for any purpose other than as an expression of the opinion as to whether or not the Proposed Transaction is fair and reasonable to the non-associated shareholders of Coziron. HLB disclaims any assumption of responsibility for any reliance on this Report to any person other than those for whom it was intended, or for any purpose other than that for which it was prepared.

The statements and opinions given in this Report are given in good faith and in the belief that such statements and opinions are not false or misleading. In the preparation of this Report, HLB has relied on and considered information believed, after due inquiry, to be reliable and accurate. HLB has no reason to believe that any information supplied to it was false or that any material information has been withheld.

HLB has evaluated the information provided to it by Coziron and other parties, through inquiry, analysis and review, and nothing has come to its attention to indicate the information provided was materially misstated or would not provide a reasonable basis for this Report. HLB has not, nor does it imply that it has, audited or in any way verified any of the information provided to it for the purposes of the preparation of this Report.

In accordance with the Corporations Act 2001, HLB provides the following information and disclosures:

- HLB will be paid its usual professional fee based on time involvement at normal professional rates, for the preparation of this Report. This fee, estimated to be in the range of \$15,000 - \$20,000 excluding GST, is not contingent on the conclusion, content or future use of this Report.
- Apart from the aforementioned fee, neither HLB, nor any of its associates will receive any other benefits, either directly or indirectly, for or in connection with the preparation of this Report.
- HLB and its directors and associates do not have any interest in Coziron.
- HLB and its directors and associates do not have any relationship with Coziron or any associate of Coziron.

Appendix 3 – Financial Services Guide**FINANCIAL SERVICES GUIDE**

Dated 12 August 2020

1. HLB Mann Judd Corporate (WA) Pty Ltd

HLB Mann Judd Corporate (WA) Pty Ltd ABN 69 008 878 555 (“HLB Mann Judd Corporate” or “we” or “us” or “ours” as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

2. Financial Services Guide

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide (“FSG”). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as a financial services licensee.

This FSG includes information about:

- who we are and how we can be contacted;
- the services we are authorised to provide under our **Australian Financial Services Licence, Licence No. 250903**;
- remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- any relevant associations or relationships we have; and
- our complaints handling procedures and how you may access them.

3. Financial services we are licensed to provide

We hold an Australian Financial Services Licence which authorises us to provide financial product advice in relation to:

- securities;
- interests in managed investment schemes excluding investor directed portfolio services;
- superannuation; and
- debentures, stocks or bonds issued or proposed to be issued by a government.

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

4. General financial product advice

In our report we provide general financial product advice, not personal financial product advice, because it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product and there is no statutory exemption relating to the matter, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

hlb.com.au**HLB Mann Judd Corporate (WA) Pty Ltd ABN 69 008 878 555 / AFSL 250903**

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

5. Benefits that we may receive

We charge fees for providing reports. These fees will be agreed with, and paid by, the person who engages us to provide the report. Fees will be agreed on either a fixed fee or time cost basis.

Except for the fees referred to above, neither HLB Mann Judd Corporate, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

6. Remuneration or other benefits received by us

HLB Mann Judd Corporate has no employees. All personnel who complete reports for HLB Mann Judd Corporate are partners of HLB Mann Judd (WA Partnership). None of those partners are eligible for bonuses directly in connection with any engagement for the provision of a report.

7. Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

8. Associations and relationships

HLB Mann Judd Corporate is wholly owned by HLB Mann Judd (WA Partnership). Also, our directors are partners in HLB Mann Judd (WA Partnership). Ultimately the partners of HLB Mann Judd (WA Partnership) own and control HLB Mann Judd Corporate.

From time to time HLB Mann Judd Corporate or HLB Mann Judd (WA Partnership) may provide professional services, including audit, tax and financial advisory services, to financial product issuers in the ordinary course of its business.

9. Complaints resolution

9.1. Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. Complaints must be in writing, addressed to The Complaints Officer, HLB Mann Judd Corporate (WA) Pty Ltd, Level 4, 130 Stirling Street, Perth WA 6000.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within **7 days** and investigate the issues raised. As soon as practical, and not more than **one month** after receiving the written complaint, we will advise the complainant in writing of the determination.

9.2 Referral to external disputes resolution scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Ombudsman Service Limited ("**FOS**"). FOS independently and impartially resolves disputes between consumers, including some small business, and participating financial services providers.

Further details about FOS are available at the FOS website www.fos.org.au or by contacting them directly via the details set out below.

Financial Ombudsman Service Limited
GPO Box 3
Melbourne VIC 3001
Toll free: 1300 78 08 08
Facsimile: (03) 9613 6399

10. Contact details

You may contact us using the details at the foot of page 1 of this FSG.

**Appendix 4 – Independent Technical Assessment & Valuation by Valuation & Resource Management
dated 17 July 2020**



Valuation & Resource Management

INDEPENDENT TECHNICAL ASSESSMENT & VALUATION REPORT

Presented To:

HLB Mann Judd Corporate (WA) Pty Ltd



Date Issued:

17 July 2020

Document Reference	Coziron Valuation Report HLB FINAL
Distribution	HLB Mann Judd Corporate (WA) Pty Ltd Coziron Resources Ltd Valuation and Resource Management Pty Ltd
Principal Author	Deborah Lord BSc Hons (Geology) MSc (MINEX) F AusIMM M AIG Date: 17 July 2020
Contributors	Michael Dunbar AusIMM
Valuation Date	19 June 2020

Deborah Lord

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Executive Summary

HLB Mann Judd Corporate (WA) Pty Ltd (HLB) engaged Valuation and Resource Management Pty Ltd (VRM) to prepare an Independent Technical Assessment and Valuation report (ITAR or the Report) on 70% of the Croydon mineral asset (Croydon) being acquired by Coziron Resources Ltd (Coziron or the Company) from Creasy Group unit Colchis Resources Pty Ltd (Colchis) as well as the existing Western Australian mineral assets owned by Coziron (namely the the Yarraloola Iron Ore Project, the Yarrie Iron Ore Project, the Shepherds Well Project and the Buddadoo Gold / Vanadium Project).

VRM understands that the acquisition triggers the requirement for an Independent Expert Report (IER) in relation to the proposed transaction. HLB were commissioned to provide the IER and engaged VRM to carry out the mineral asset valuation report or ITAR.

This Report is a public document, in the format of an ITAR and is prepared in accordance with the guidelines of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets – The VALMIN Code (2015 edition) (VALMIN). VRM understands that HLB will include the Report within its IER relating to the proposed transaction in accordance with section 611 (item 7) of the Corporations Act.

This Report is a technical review and valuation opinion of 70% of the Croydon Property within the Croydon Gold Project, located in the Pilbara region of Western Australia. It also includes the current Coziron mineral assets including the 85% owned Yarraloola / Ashburton Iron Ore Projects (in the Pilbara and Ashburton region of Western Australia), the 70% owned Yarrie Iron Ore Project, the 70% owned Shepherds Well Project (in the Pilbara region of Western Australia) as well as the 85% owned Buddadoo Gold / Vanadium Project in Mid West of Western Australia. Applying the principles of the VALMIN Code VRM has used several valuation methods to determine the value for the exploration tenement. Importantly, as neither the principal author nor VRM hold an Australian Financial Securities Licence, this valuation is not a valuation of Coziron but rather an asset valuation of the Croydon Project and Coziron mineral assets.

This valuation is current as of 19 June 2020, being the date that HLB engaged VRM for the valuation commission. As commodity prices, exchange rates and cost inputs fluctuate this valuation is subject to change over time. The valuation derived by VRM is based on information provided by Coziron along with publicly available data including Australian Securities Exchange (ASX) releases and published technical information. VRM has made reasonable endeavours to confirm the accuracy, validity and completeness of the technical data which forms the basis of this Report. The opinions and statements in this Report are given in good faith and under the belief that they are accurate and not false nor misleading. The default currency is Australian dollars (unless otherwise stated). As with all technical valuations the valuation included in this Report is the likely value of the mineral assets and not an absolute value. A range of likely values for the mineral assets is provided with that range indicating the accuracy of the valuation.

Croydon Gold Project

The Croydon Tenement included in this Report is Exploration Licence 47/2150 covering 320 km² in the Pilbara region of Western Australia. This tenement is held by Colchis and is subject to a proposed 70/30 joint venture agreement with Coziron which forms the proposed transaction and the need for the ITAR.

VRM has estimated the value of the Croydon licence based on the technical information supporting the prospectivity of the licence on a 70% interest basis. As at the valuation date there are no Mineral Resource estimates prepared under the guidelines of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves –The JORC Code (2012 Edition) (JORC) at Croydon, however there has been a substantial amount of exploration undertaken on the tenement which has identified a number of zones of significant gold mineralisation including at the Top Camp, Bottom Camp and Martins Prospects.

This report documents the technical aspects of the Croydon Tenement along with determining a valuation for the project, applying the principles and guidelines of the 2015 VALMIN Code.

Yarraloola Iron-Ore Project

The Yarraloola Iron-Ore Project includes Exploration Licences 08/1060, 08/1686, 08/1826 and Mining Lease Application 08/519 covering 206 km² in the Pilbara and Ashburton regions of Western Australia. The tenements are held in a joint venture with Coziron holding 85% and the Creasy Group (via Zanf Pty Ltd) holding 15%.

VRM has estimated the value of the Yarraloola Iron-Ore Project based on the technical information supporting the prospectivity of the licence on a 85% interest basis. As at the valuation date there are Iron-Ore Mineral Resource estimates totalling 93.3Mt of 53.7% Fe (60.1% Fe_{ca}) using a 50% Fe cutoff that were prepared under the guidelines of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves –The JORC Code (2012 Edition) (JORC) at the Yarraloola Iron-Ore Project (see Table 2 below for a breakdown of the Mineral Resource classification).

This report documents the technical aspects of the Yarraloola Iron-Ore Project along with determining a valuation for the project, applying the principles and guidelines of the 2015 VALMIN Code.

Buddadoo Gold / Vanadium Project

The Buddadoo Project includes two Exploration Licences, E59/1350 and E59/2349 covering approximately 303 km² in the Mid West region of Western Australia. This tenements are held 85% by Buddadoo Metals Pty Ltd (a 100% owned subsidiary of Coziron) and 15% by BUDF Pty Ltd (a company controlled by the Creasy Group) and is subject to a 85/15 joint venture agreement.

VRM has estimated the value of the Buddadoo Project based on the technical information supporting the prospectivity of the licence on a 85% interest basis. As at the valuation date there are no Mineral Resource

estimates prepared under the guidelines of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves –The JORC Code (2012 Edition) (JORC) at Croydon, however there has been a substantial amount of exploration undertaken on the tenement which has identified a number of zones of significant gold mineralisation including at the Top Camp, Bottom Camp and Martins Prospects.

This report documents the technical aspects of the Buddadoo Project along with determining a valuation for the project, applying the principles and guidelines of the 2015 VALMIN Code.

Yarrie Iron- Ore Project

The Yarrie Iron Ore Project includes six Exploration Licences, E45/3725, E45/37258, E45/4065, E45/4604, E45/4605 and E345/4433 covering approximately 360 km² in the East Pilbara region of Western Australia. The tenements are held in a joint venture 70% Coziron Resources Limited and 30% XFE Pty Ltd (a company controlled by the Creasy Group). Title searches on three of the tenements show 100% ownership, E45/4604 and 4605 as 100% owned by XFE Pty Ltd and E45/4433 as 100% owned by Coziron. The Company has confirmed that these tenements are also beneficially held 70% by Coziron and 30% by XFE Pty Ltd.

VRM has estimated the value of the Yarrie Iron Ore Project based on the technical information supporting the prospectivity of the licence on a 70% interest basis. As at the valuation date there are no Mineral Resource estimates prepared under the guidelines of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves –The JORC Code (2012 Edition) (JORC) at Croydon, however there has been a substantial amount of exploration undertaken on the tenement which has identified a number of zones of significant gold mineralisation including at the Top Camp, Bottom Camp and Martins Prospects.

This report documents the technical aspects of the Yarrie Iron Ore Project along with determining a valuation for the project, applying the principles and guidelines of the 2015 VALMIN Code.

Shepherds Well Project

The Shepherds Well Project includes one Exploration Licence 08/2361 covering 80 km² in the Pilbara region of Western Australia. The tenements are held in a joint venture 70% Coziron Resources Limited and 30% Croydon Gold Pty Ltd (a company controlled by the Creasy Group).

VRM has estimated the value of the Shepherds Well based on the technical information supporting the prospectivity of the licence on a 70% interest basis. As at the valuation date there are no Mineral Resource estimates prepared under the guidelines of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves –The JORC Code (2012 Edition) (JORC) at Croydon, however there has

been a substantial amount of exploration undertaken on the tenement which has identified a number of zones of significant gold mineralisation including at the Top Camp, Bottom Camp and Martins Prospects.

This report documents the technical aspects of the Shepherds Well Tenement along with determining a valuation for the project, applying the principles and guidelines of the 2015 VALMIN Code.

Conclusions

The Croydon Tenement covers 320 km² in the Pilbara region of Western Australia. The tenement is being acquired by Coziron from Colchis, a private company which is controlled by the Creasy Group, the largest shareholder in Coziron. VRM has been asked to prepare a valuation on the Croydon project as well as the Company's other mineral assets in Western Australia.

Based on the presence of the Mineral Resource estimates, Colchis has carried out preliminary economic assessments of the project, but no Ore Reserves have been declared at this time. The current Mineral Resource estimates have been reviewed and valued by VRM applying several approaches as detailed within the body of this Report. In VRM's opinion, the mineral asset known as the Croydon Project in the Pilbara of Western Australia has a market value of between \$0.98 million and \$3.54 million with a preferred valuation of \$2.26 million on a 70% equity basis. The other mineral assets owned by Coziron have a combined market value of between \$10.32 million and \$20.90 million with a preferred valuation of \$15.61 million on a beneficial ownership basis. The following summarises these values:

Project to be acquired:

	% interest valued	Lower (AUS\$M)	Upper (AUS\$M)	Preferred (AUS\$M)
Croydon	70	0.98	3.54	2.26

Current owned projects:

Yarraloola	85	9.50	17.70	13.60
Buddadoo	85	0.38	1.81	1.09
Yarrie	70	0.35	1.15	0.76
Shepherds Well	70	0.09	0.24	0.16
		10.32	20.90	15.61

1. Introduction

Valuation and Resource Management Pty Ltd (VRM), was engaged by HLB Mann Judd Corporate (WA) Pty Ltd (HLB) to undertake an Independent Technical Assessment and Valuation Report (Report or ITAR) on the Croydon mineral assets (Croydon) being acquired by Coziron Resources Ltd (Coziron or the Company) from Creasy Group unit Colchis Resources Pty Ltd (Colchis), as well as the existing mineral assets owned by Coziron.

VRM understands that this ITAR will be included in the Independent Expert's Report (IER) being prepared by HLB. HLB will refer to, and rely on, the VRM report and mineral asset valuations which will be attached to its IER to inform the Coziron shareholders as to the fairness and reasonableness of the proposed transaction.

Paul Dunbar and Deborah Lord of VRM were contacted to undertake a valuation of the Croydon Tenement and the Coziron mineral assets. Lucio Di Giallonardo of HLB engaged VRM for the purposes of the ITAR with correspondence directed through HLB.

VRM has estimated the value of the licences based on the technical information supporting the prospectivity of the licences on an attributed ownership basis to determine a market value for the licences as at 19 June 2020.

1.1. Compliance with the JORC and VALMIN Codes and ASIC Regulatory Guides

The ITAR is prepared applying the guidelines and principles of the 2015 VALMIN Code and the 2012 JORC Code. Both industry codes are mandatory for all members of the Australasian Institute of Mining and Metallurgy (AusIMM) and the Australian Institute of Geoscientists (AIG). These codes are also requirements under Australian Securities and Investments Commission (ASIC) rules and guidelines and the listing rules of the Australian Securities Exchange (ASX).

This ITAR is a Public Report as described in the VALMIN Code (Clause 5) and the JORC Code (Clause 9). It is based on, and fairly reflects, the information and supporting documentation provided by Coziron and previous owners and associated Competent Persons as referenced in this ITAR and additional publicly available information.

1.2. Scope of Work

VRM's primary obligation in preparing mineral asset reports is to independently describe mineral projects applying the guidelines of the JORC and VALMIN Codes. These require that the Report contains all the relevant information at the date of disclosure, which investors and their professional advisors would reasonably require in making a reasoned and balanced judgement regarding the project.

VRM has compiled the valuation based upon the principle of reviewing and interrogating both the documentation of Coziron and other previous exploration within the area. This Report is a summary of the work conducted, completed and reported by the various explorers to 19 June 2020 based on information supplied to VRM by Coziron and other information sourced in the public domain, to the extent required by the VALMIN and JORC Codes.

VRM understands that the objective of this study is to:

- Provide an independent valuation as at 19 June 2020 of the Croydon Tenement being acquired.
- Provide an independent valuation on the existing mineral assets owned by Coziron as at 19 June 2020 on an attributed ownership basis.

VRM understands that its reviews and valuations will be relied upon and appended to an IER prepared by HLB for inclusion in a notice of meeting, to assist Coziron shareholders in their decision regarding the approval of the proposed transaction. As such, it is understood that VRM's review and valuation will be a public document.

1.3 Statement of Independence

VRM was engaged to undertake an ITAR of the interest in the Croydon Tenement to be acquired and the interests in the existing Mineral Assets owned by Coziron. This work was conducted applying the principles of the JORC and VALMIN Codes, which in turn reference ASIC Regulatory guide 111 Content of expert reports (RG111) and ASIC Regulatory guide 112 Independence of Experts (RG112).

Ms Deborah Lord and Mr Paul Dunbar of VRM have not had any association with Coziron or Colchis, their individual employees, or any interest in the securities of CZR, which could be regarded as affecting their ability to give an independent, objective and unbiased opinion. Neither VRM, Ms Lord nor Mr Dunbar hold an AFSL and the valuation contained within this Report is limited to a valuation of the mineral assets being reviewed. VRM will be paid a fee for this work based on standard commercial rates for professional services. The fee is not contingent on the results of this review and is estimated to be \$28,000.

1.4 Competent Persons Declaration and Qualifications

This Report was prepared by Ms Deborah Lord as the primary author and peer reviewed by Mr Paul Dunbar.

The Report and information that relates to geology, exploration and the mineral asset valuation is based on information compiled by Ms Deborah Lord, BSc (Hons), a Competent Person who is a fellow of the AusIMM and a member of the AIG. Ms Lord is a Director of VRM, consultants in valuation and economic geology and has sufficient experience, which is relevant to the style of mineralisation, geology and type of deposit under consideration and to the activity being undertaken to qualify as a competent person under the 2012 edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves (the 2012 JORC Code) and a specialist under the Australasian Code for Public Reporting of

Technical Assessments and Valuations of Mineral Assets (the 2015 VALMIN Code). Ms Lord consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The Report and information that relates to the mineral asset valuation was peer reviewed by Mr Paul Dunbar, BSc (Hons), MSc (Minex), a Competent Person who is a member of the AusIMM and the AIG. Mr Dunbar is a Director of VRM and has sufficient experience, which is relevant to the style of mineralisation, geology and type of deposit under consideration and to the activity being undertaken to qualify as a competent person under the 2012 JORC Code and a specialist under the 2015 VALMIN Code. Mr Dunbar consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Between 19 June 2020 and the date of this Report, nothing has come to the attention of VRM that would cause any material change to the conclusions.

1.5 Reliance on Experts

VRM has relied upon the services of a specialist to confirm the reasonableness of certain inputs into its valuation. Mr Michael Dunbar, Director of Rangewest Pty Ltd (Rangewest), was engaged by VRM as a Specialist to review the reasonableness of the associated Mineral Resource estimates and to compile the geology sections of this report. Mr Dunbar has not verified the underlying geological datasets, nor has he completed a full review or re-reported the Mineral Resources for the Project as at the date of this Report. Mr M Dunbar is a Member of the AusIMM and has sufficient experience to qualify as a Competent Person as defined in the 2012 JORC Code. Mr M Dunbar consents to the inclusion in this report of these matters based on information in the form and context in which it appears.

Mr Dunbar and Ms Lord, the authors of this report are not qualified to provide extensive commentary on the legal aspects of the mineral properties or the compliance with the legislative environment and permitting in Western Australia. In relation to the tenement standing, VRM has relied on the information publicly available on the Department of Industry and Resources (DMIRS). On this basis VRM has confirmed the tenements are located in Western Australia government records and understands that the tenements are in good standing and has confirmed such with the owners Coziron.

1.6 Sources of Information

All information and conclusions within this report are based on information made available to VRM to assist with this report by Coziron and other relevant publicly available data to 19 June 2020. Reference has been made to other sources of information, published and unpublished, including government reports and reports prepared by previous interested parties and Joint Venturers to the areas, where it has been considered necessary. VRM has, as far as possible and making all reasonable enquiries, attempted to confirm the authenticity and completeness of the technical data used in the preparation of this Report and to ensure that it had access to all relevant technical information. VRM has relied on the information contained within the reports, articles and databases provided by Coziron as detailed in the reference list. A

draft of this Report was provided to Coziron, via HLB to identify and address any factual errors or omissions prior to finalisation of the Report. The valuation sections of the Report were not provided to the companies until the technical aspects were validated and the Report was declared final.

1.7 Site Visit

No specific site visit has occurred as a part of this Report or valuation. At the time of preparing this report, travel restrictions due to the global COVID-19 pandemic have limited domestic and international travel from Western Australia.

As limited recent exploration has been conducted on the tenements VRM is satisfied that a site visit would not provide any additional material information that would modify the opinion or valuation of the assets.

2. Mineral Assets

The mineral assets in this valuation include the Croydon Tenement (Croydon) as well as the existing Western Australian mineral assets owned by Coziron (namely the the Yarraloola / Ashburton Iron Ore Projects, the Yarrie Iron Ore Project, the Shepherds Well Project and the Buddadoo Gold / Vanadium Project). The Assets and summarised below in Table One and shown in Figure 1.

Table 1 Tenement schedule as at 19 June 2020

Project	Tenement	Status	Area (ha)	Area Blocks	Owner	GrantDate	ExpiryDate
Yarraloola	E08/1060	Live		2	85% ZANTHUS RESOURCES PTY LTD, 15% ZANF PTY LTD	6/07/2009	5/07/2021
Yarraloola	E08/1686	Live		50	85% ZANTHUS RESOURCES PTY LTD, 15% ZANF PTY LTD	6/07/2009	5/07/2021
Yarraloola	E08/1826	Live		13	85% ZANTHUS RESOURCES PTY LTD, 15% ZANF PTY LTD	23/10/2009	22/10/2021
Yarraloola	M08/519	Application	151	0	85% ZANTHUS RESOURCES PTY LTD, 15% ZANF PTY LTD		
Shepherds Well	E08/2361	Live		24	70% COZIRON RESOURCES LTD, 30% Croydon Gold Pty Ltd	12/08/2013	11/08/2023
Yarrie	E45/3725	Live		33	70% COZIRON RESOURCES LTD, 30% XFE PTY LTD	1/05/2013	30/04/2023
Yarrie	E45/3728	Live		27	70% COZIRON RESOURCES LTD, 30% XFE PTY LTD	15/11/2011	14/11/2021
Yarrie	E45/4065	Live		9	70% COZIRON RESOURCES LTD, 30% XFE PTY LTD	16/09/2013	15/09/2023
Yarrie	E45/4604	Live		21	100% XFE PTY LTD	27/10/2017	26/10/2022
Yarrie	E45/4605	Live		3	100% XFE PTY LTD	27/10/2017	26/10/2022
Yarrie	E45/4433	Live		21	100% COZIRON RESOURCES LTD	9/03/2017	8/03/2022
Buddadoo	E59/1350*	Live		42	85% BUDDADOO METALS PTY LTD, 15% BUDF PTY LTD	10/07/2008	9/07/2020
Buddadoo	E59/2349	Live		59	85% BUDDADOO METALS PTY LTD, 15% BUDF PTY LTD	3/07/2019	2/07/2024
Croydon	E47/2150	Live		99	100% COLCHIS RESOURCES PTY LTD	13/10/2011	12/10/2021

* Note that for E59/1350 an extension of term of two years has been applied for, lodged on 8 May 2020

VRM has independently confirmed the tenement status on the DMIRS mineral titles online system.

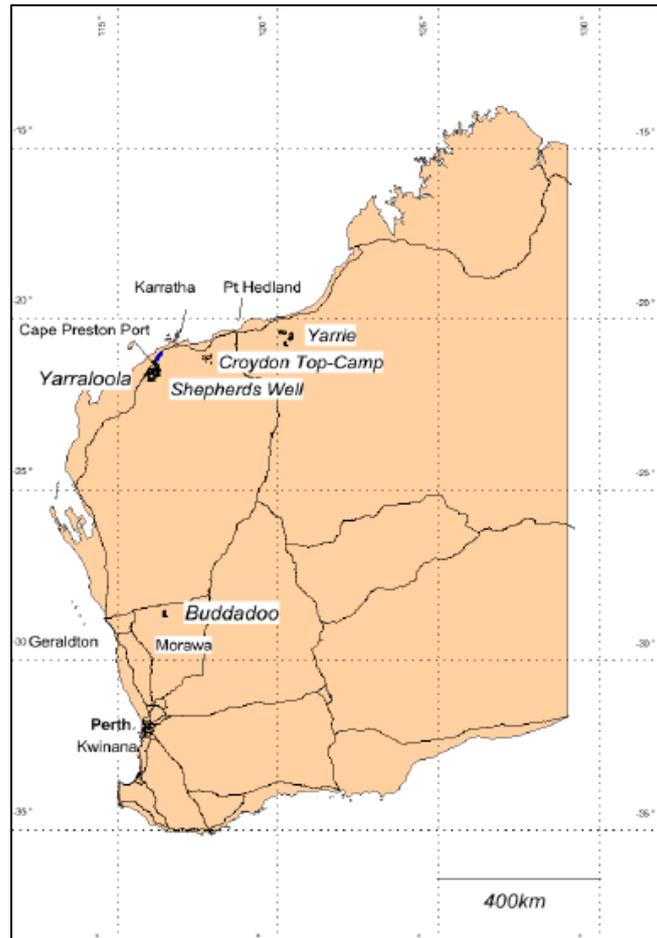


Figure 1 – Location of the Coziron Projects
(Figure supplied by Coziron)

2.1 Croydon Gold Project

The Croydon project comprises one exploration licence, E47/2150, which covers approximately 317 km² (or 99 graticular blocks). is located 100km south-east of Karratha in the Pilbara region of Western Australia.

2.1.1. Accessibility

The Croydon project is located 100km south-east of Karratha and approximately 24km south of Whim Creek in the Pilbara region of Western Australia. Access to the tenement is via the Croydon Mallina Road which runs off the North West Coastal Highway. Access through the tenement is predominately via station tracks.

2.1.2. Geological Setting

The tenement is subdivided into three blocks that cover a crustal-scale north-east trending Tabba Tabba fault-system which separates granitic rocks of the Pilbara Craton from folded, metasedimentary rocks of the Mallina Basin (See Figure 2). The company is focussed on the exploration for lode-style and related gold deposits that are the major source of production in Western Australia. Recent discoveries of a significant system of gold mineralisation at Hemi highlight the potential for significant gold discoveries along the major faults and shears cutting the Mallina Basin.

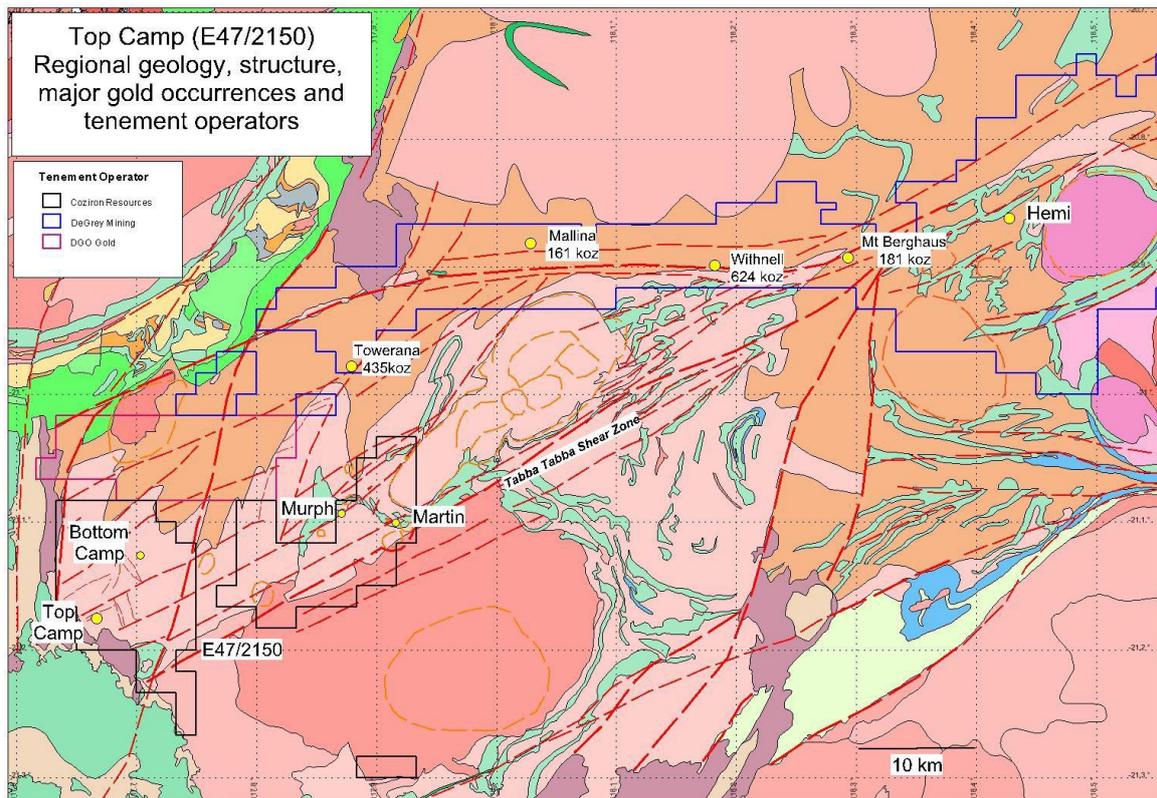


Figure 2 – Regional Geological Overview of the Croydon Project

With Geological Survey of Western Australia, 1:500,000 scale geological map of the Mallina region and structural interpretation with the location of gold deposits and selected gold occurrences and tenement operators. (Figure supplied by Coziron)

2.1.3. Previous Exploration and Studies

During the last 25 years there has been systematic exploration on the tenement. Most of the exploration has been based on surface or shallow geochemical sampling with very limited drilling undertaken. A total of 15 RC holes were drilled into the Top Camp prospect in 1994. It appears that this drilling wasn't followed up until Coziron commenced exploration on the property.

2.1.4. Mineral Resource Estimates

The Project is an early stage exploration project, as a result there are no Mineral Resource Estimates on the property.

2.1.5. Technical Studies

No technical / development studies have been undertaken on the project.

2.1.6. Recent Exploration

Since Coziron commenced exploration on the project in 2017 there has been a concerted effort to compile the historical geochemical data. This has resulted in drilling of 13 RC holes into the Top Camp Prospect. This drilling intersected significant mineralisation including 8m @ 10.2 g/t gold in CRC07 (see Figure 3 & 4). Nine of the 13 holes intersected anomalous gold.

Follow up diamond drilling has been planned for the Top Camp Prospect.

Geochemical sampling has continued at the other prospects within the tenement including at the Bottom Camp, Murph and the Martin prospects. Each of these prospects outline significant geochemical anomalies with assay results of over 100 ppb gold from surface samples (see Figures 5, 6 & 7 respectively).

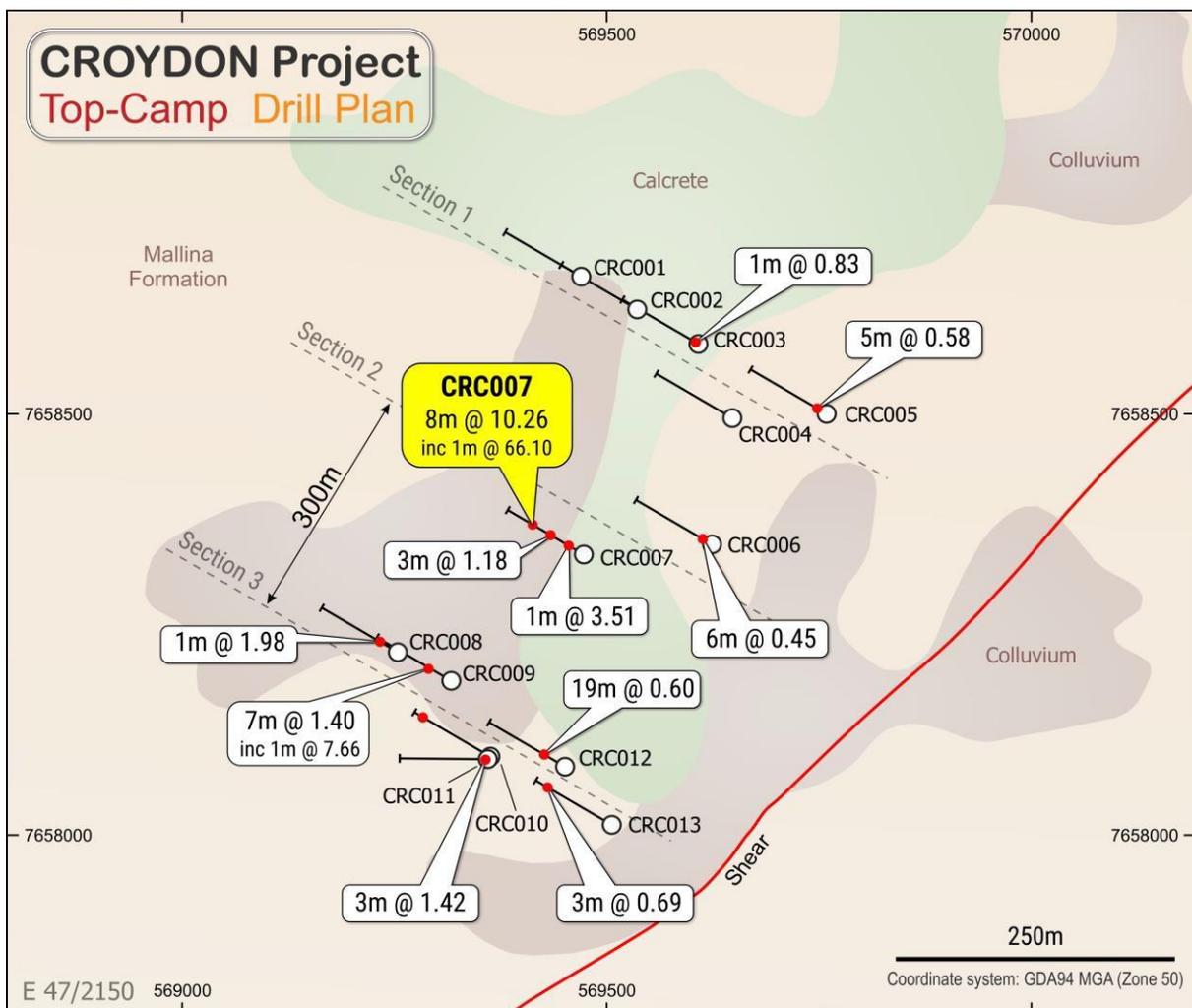


Figure 3 – Location and down-hole traces of RC drill-holes CRC001 to CRC013

With significant intercepts and the traces of the section lines in figure 4 below overlain on the Mt Wohler 1:100,000 geology. (Figure supplied by Coziron)

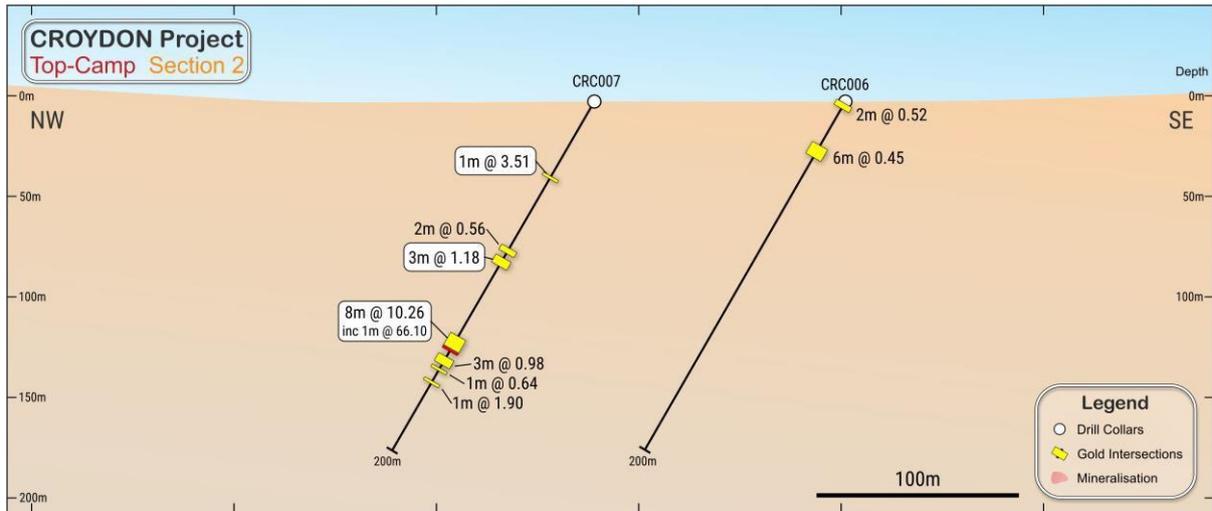


Figure 4 – Cross-section 2 from Fig 3 with significant downhole intercepts (metres at grams/tonne).
(Figure supplied by Coziron)

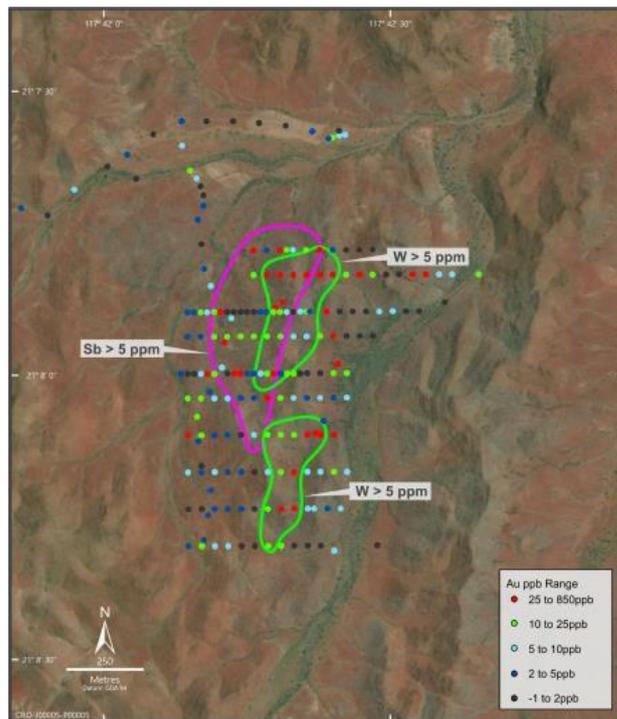


Figure 5 – Bottom Camp Surface Sampling with gold results and outlines of the antimony and tungsten anomalies.
(Figure supplied by Coziron)

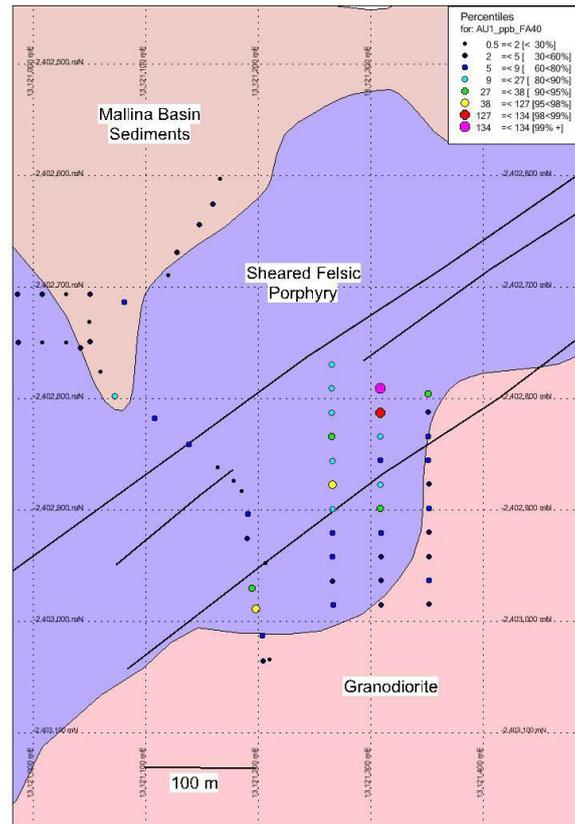


Figure 6 – Murph Prospect with gold in soil results and the trace of the shear-zone on the Mt Wohler 1:100,000 geology
 (Figure supplied by Coziron)

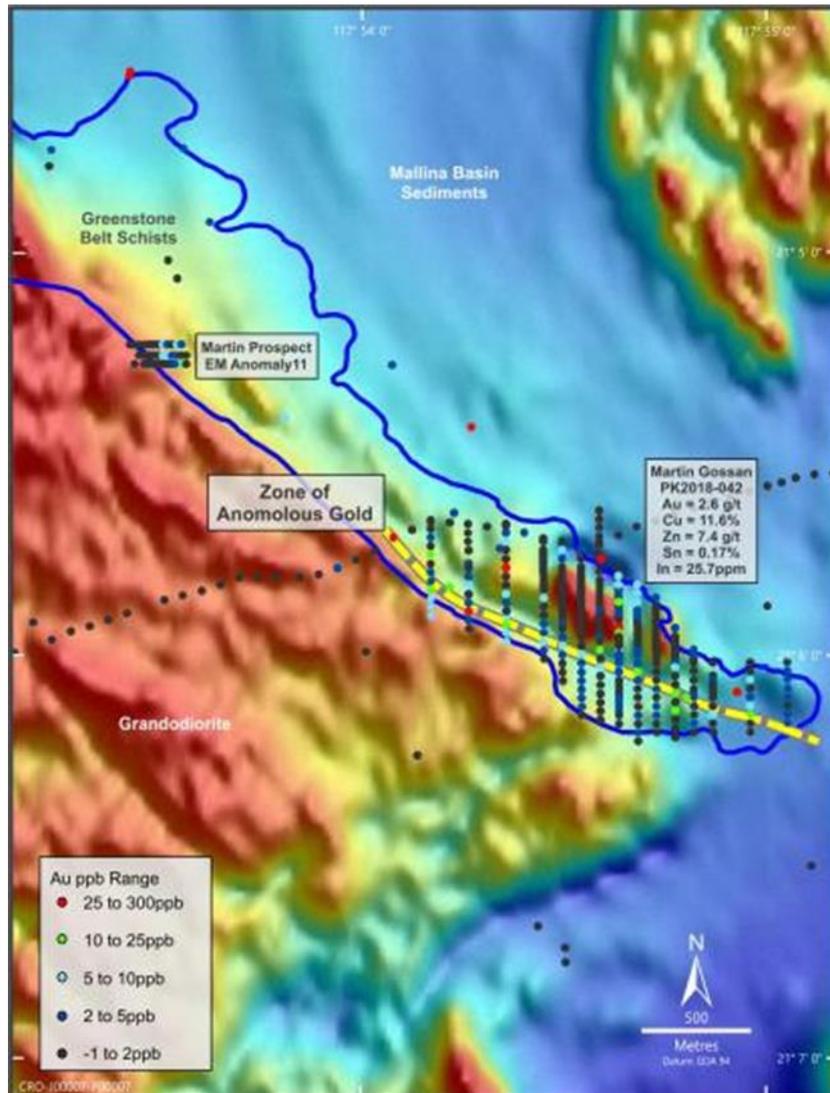


Figure 7 – Location of the Martin Gossan and gold in soil samples overlain onto an image of the total magnetic intensity.
(Figure supplied by Coziron)

2.2. Yarraloola Iron Ore Project

The Yarraloola Project consists of three exploration licenses and one mining lease application covering approximately 206km² of the Pilbara region of Western Australia (See Table 1).

2.2.1. Accessibility

The Project is located located 100km southwest of Karratha in the Pilbara region of Western Australia. Access to the project is via the sealed North West Coastal Highway and the sealed Pannawonica Road. The area is also traversed by a number of railines which service the Mesa A Iron Ore Mine and a number of proposed ore haulage roads for transport from a number of mines in the region. Additional access through the tenements are provided by unsealed station tracks (see Figure 8).

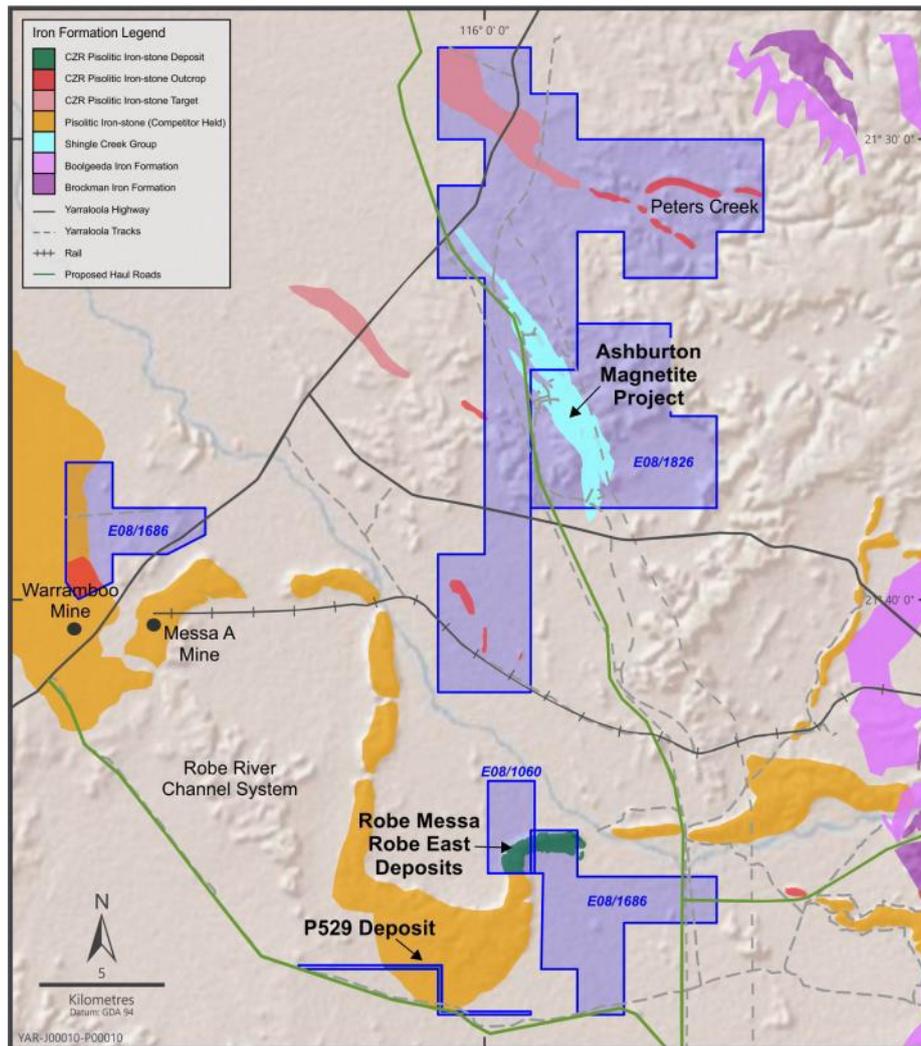


Figure 8 – Location map for the Yarraloola tenements

Showing the RioTinto Mines along with the Robe Mesa, Robe Meas East Extension and P529 JORC-resources and the Ashburton magnetite project (Figure supplied by Coziron)

2.2.2. Geological Setting

The project is located within the Hamersley Basin of Western Australia, the host to some of the most significant iron ore deposits in the world. Mineralisation occurs as pisolitic ores forming a channel iron deposit (CID). The deposits are a part of a series of flat topped hills, defining the paleochannel of the Robe River. They consist of pisolite infilling the paleochannel, which cuts across the Cretaceous to Proterozoic stratigraphy. The mineralisation is confined to the tertiary pisolite.

2.2.3. Previous Exploration and Studies

In 1990-1991, Aberfoyle Resources held tenements covering the Ashburton Trough which partially overlapped Yarraloola. Aberfoyle collected 26 rock-chip and 73 stream sediment samples for gold and base-metal exploration but encountered no significant results and surrendered the ground.

In 1991-1992, Poseidon Exploration Ltd held exploration tenements covering the Ashburton Trough which partially overlapped Yarraloola for base-metals, gold and iron-ore. Poseidon collected 54 rock-chips, 236

soil samples, 492 stream sediment samples and completed 159 RAB holes for 2410m but encountered no significant mineralisation and surrendered the tenements.

In 1997-1998, Sipa Resources NL held tenements over the Ashburton Trough that partially covered Yarraloola for gold and base-metals. A field trip after the interpretation of LANDSAT and air-photos collected six rock-chip samples which failed to detect mineralisation and the tenements were surrendered.

In 2005-2009, Red Hill Iron Ltd held a tenement 15km northwest of Pannawonica which partially overlapped Yarraloola. Following an aeromagnetic survey and air-photo interpretation, 16 rock-chips and 207 soil samples were collected but no targets were generated and the ground was surrendered.

Exploration license applications were made for the current tenements in 1997, 2006 and 2007, with the tenements granted in 2009.

2.2.4. Mineral Resource Estimates

There have been three Mineral Resource Estimates completed on the project by Coziron. These are for the Robe Mesa, Robe Mesa Extended and the P529 iron ore deposits (See Figure 8). In total the Mineral Resources are estimated to contain 93.3Mt @ 53.7% Fe which calcines to 60.1% Fe_{ca}. using a 50% Fe cutoff on a 100% ownership basis. The mineralisation style at Robe Mesa is classified as a Channel Iron Deposit (CID). The drilling testing this deposit identified two intervals of flat-lying pisolitic iron-stone sediments that are each up to 25 m thick and separated by up to 20 m of shaly material. This resulted in five mineralisation domains in total. These comprise two higher grade domains, being the upper goethite zone and the lower goethite zone. These two domains are surrounded by two lower grade domains below and in between these two higher grade zones and one low grade domain within the upper goethite zone. The Mineral Resources estimates were completed in January 2016 for the Robe Mesa by Optiro (ASX Release "Yarraloola Project – Robe Mesa Resource Confidence Increased from Inferred to Indicated Category" 8 February 2016), March 2017 for Robe Mesa Extension onto E08/1686 by PayneGeo (ASX Release "Yarraloola Project – Robe Mesa Resource Upgrade from 2016 Robe East Extension Drilling" 26 April 2017) and March 2017 for the P529 Deposit by PayneGeo (ASX Release "Yarraloola Project – Maiden Inferred Resource for the P529 deposit from 2016 RC Drilling" 9 May 2017).

Table 2 Yarraloola Project Global Mineral Resource Estimates at 50% Fe Cut-off

Yarraloola Project Global Mineral Resources									
Resource Classification	Mt	Fe%	SiO ₂ %	Al ₂ O ₃ %	TiO ₂ %	LOI%	P%	S%	Fe _{ca} %
Measured	0	0	0	0	0	0	0	0	0
Indicated	65.7	53.8	8.27	3.43	0.14	10.63	0.041	0.018	60.2
Inferred	27.6	53.3	8.60	3.56	0.16	10.69	0.054	0.016	59.8
Total	93.3	53.7	8.37	3.47	0.15	10.64	0.045	0.018	60.1

Table 3 Robe Mesa Mineral Resource Estimate as at January 2016 at 50% Fe Cut-off

Robe Mesa Global Mineral Resources									
Resource Classification	Mt	Fe%	SiO ₂ %	Al ₂ O ₃ %	TiO ₂ %	LOI%	P%	S%	Fe _{Ca} %
Measured	0	0	0	0	0	0	0	0	0
Indicated	65.7	53.8	8.27	3.43	0.14	10.63	0.041	0.018	60.2
Inferred	18.8	53.8	8.22	3.42	0.14	10.71	0.046	0.017	60.3
Total	84.5	53.8	8.26	3.43	0.14	10.64	0.042	0.018	60.2

Table 4 Robe Mesa Extension Mineral Resource Estimate as at March 2017 at 50% Fe Cut-off

Robe Mesa Extension Global Mineral Resources									
Resource Classification	Mt	Fe%	SiO ₂ %	Al ₂ O ₃ %	TiO ₂ %	LOI%	P%	S%	Fe _{Ca} %
Measured	0	0	0	0	0	0	0	0	0
Indicated									
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

Table 5 P529 Deposit Mineral Resource Estimate as at March 2017 at 50% Fe Cut-off

Robe Mesa Extension Global Mineral Resources									
Resource Classification	Mt	Fe%	SiO ₂ %	Al ₂ O ₃ %	TiO ₂ %	LOI%	P%	S%	Fe _{Ca} %
Measured	0	0	0	0	0	0	0	0	0
Indicated									
Inferred	4.2	53	9.1	3.9	0.2	10.4	0.04	0.01	59.2
Total	4.2	53	9.1	3.9	0.2	10.4	0.04	0.01	59.2

All the Mineral Resource estimates have been reported in compliance with the JORC Code (2012) reporting standard.

The information regarding the Mineral Resource estimates has been extracted from the Coziron 2019 Annual Report released to the ASX on the 26 September 2019 and is available to view at <https://www.asx.com.au/asxpdf/20190926/pdf/448x7vsgz1czqt.pdf>. The Company has confirmed to VRM that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company has confirmed to VRM that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement

2.2.4.1. Informing Data

Drilling data for resources was completed by Coziron in a number of campaigns from 2014 through to 2016. The drilling data was supplied to Optiro and PayneGeo in a Microsoft Access database. The data was validated and was deemed adequate to support the resource estimate. The collar, survey, and assay data was imported into Surpac for the estimation process.

The geological interpretation and domaining was completed Coziron and defined The Robe Mesa is part of a flat-lying, tertiary-aged palaeochannel of pisolitic iron- stone, the Robe Pisolite. The deposit forms part of the Robe River palaeochannel system, a series of mesa-shaped Channel Iron Deposits ("CID") that are predominantly held by Rio Tinto and exploited at the Mesa A-Warrambo and Mesa J-K mining operations.

Mineralisation occurs as a continuous interval of outcropping dark reddish-brown pisolitic iron- stone that represents an eastern extension to mineralisation lying beneath the pisolitic iron- stone capping on top of the Robe Mesa (See Figure 10)

A smaller horizon of pisolitic iron-stone lying beneath the main mineralised interval is interpreted as part of a tributary that flowed north-west into the Robe River palaeochannel system prior to deposition of the Robe East Extension.

No weathering surfaces were interpreted as all material is oxidised with no intersection of transitional or fresh material.

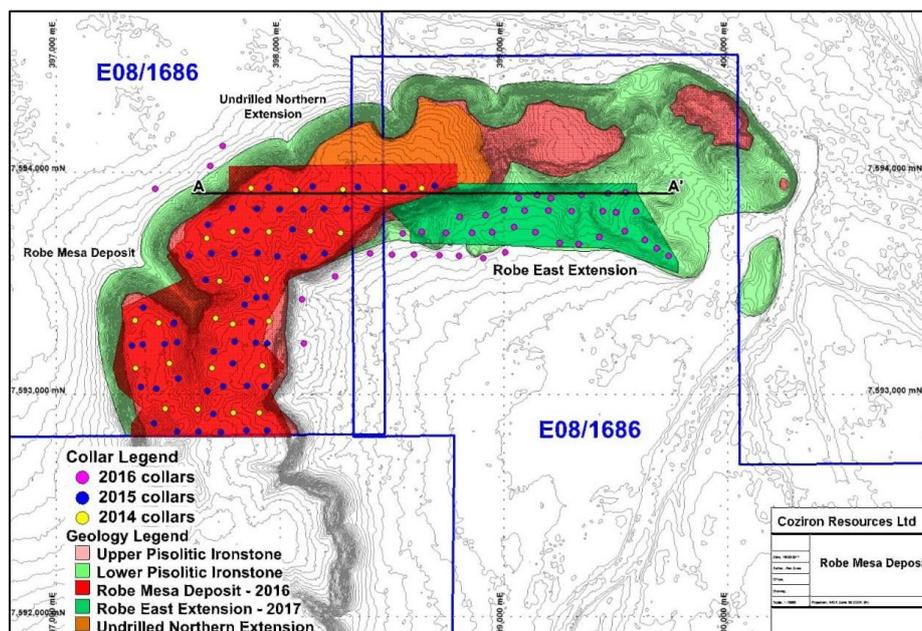


Figure 9 – Robe Mesa Geology and Drill Hole Location Plan

(Figure supplied by Coziron)

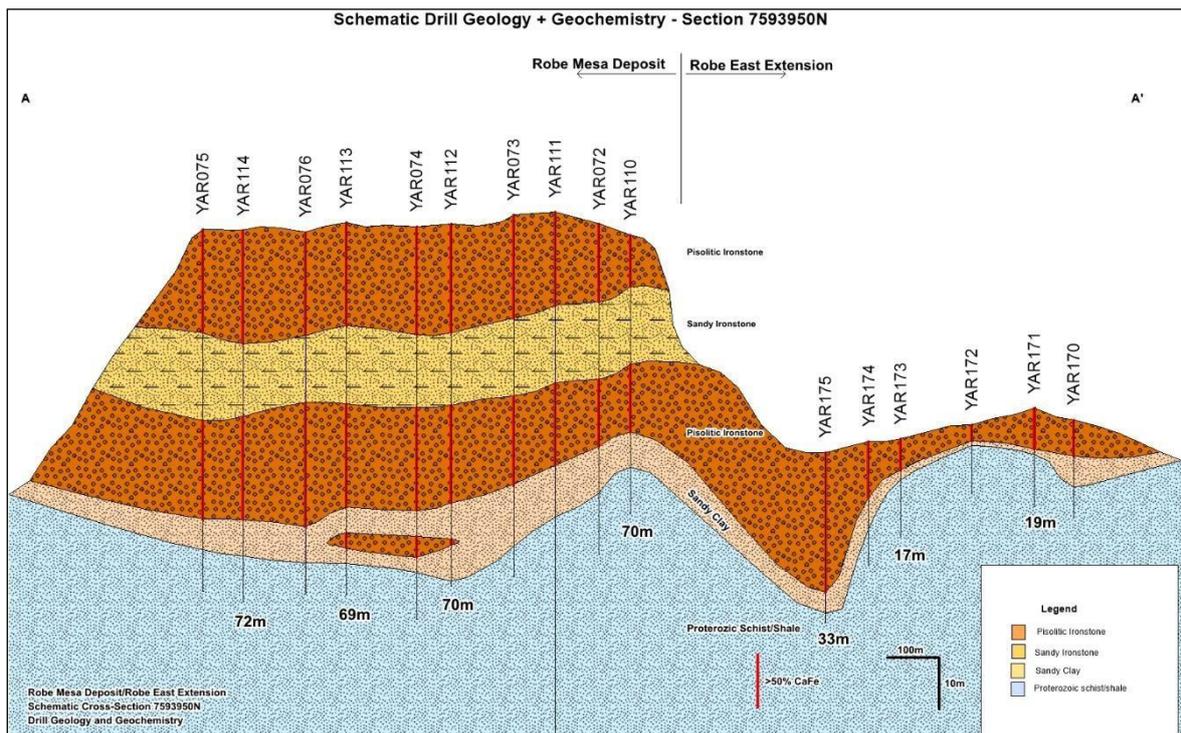


Figure 10 – Schematic Drill Geology Cross Section through the Robe Mesa and Robe Mesa Extension Deposits
(Figure supplied by Coziron)

2.2.4.2. Sample Analysis

Samples were analysed at the Bureau Veritas laboratory in Perth using XRF for a suite of elements that included Fe, SiO₂, Al₂O₃, TiO₂, LOI, P, and S.

2.2.4.3. QA/QC

Quality control measures employed were reviewed in detail by Optiro and PayneGeo as part of the resource estimation process. They reported the use of field duplicates (20% of total sample population), lab repeats (5% of total sample population), certified reference materials (1% of total sample population) and umpire laboratory checks (8% of total sample population). All elements were reviewed and showed excellent precision and accuracy.

2.2.4.4. Bulk Density

The bulk density applied for the entire chanel deoposit was a nominal 2.6, which according to Optiro is the average for similar deposits in the area. The use of a nominal bulk density to estimate an Indicated Mineral Resource is considered by VRM to be unusual and it is recommended that accurate bulk density measurements be collected on the deposits prior to the next update of the Mineral Resource.

2.2.4.5. Data Verification

Extensive data verification was conducted by Coziron, Optiro and PayneGeo including collar survey, assay verification.

2.2.4.6. Mineral Resource Estimation, Classification and Reporting

The Mesa Robe Mineral Resource Estimate has been classified as Indicated and Inferred in accordance with the guidelines of The Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code, 2012). The model also contains tonnage considered to be 'Unclassified'. The Unclassified portion of the deposit is where there is no drilling however there is evidence the Mesa continues and could potentially be mineralised. The Mineral Resource has been classified based on the confidence achieved in defining geological and grade continuity using the available drilling density, the support for the geological model and the absence of density measurements from within the deposit. The Indicated Mineral Resource was determined by the proximity to drilling (usually with 50 m), the geological and grade continuity and the kriging efficiency achieved. No Measured Mineral Resources have been defined due to the drill spacing, the need to improve survey control and the absence of local density measurements.

The Robe Mesa Extension Mineral Resource estimate has been classified as an Inferred Mineral Resource due to the wide drill spacing across undulating terrain. This estimate is a direct extension of the lower horizon of mineralisation identified at the Robe Mesa deposit. There are inconsistencies in the estimation and classification of the main Robe Mesa estimation and the extension to the east.

The P529 Mineral Resource estimate has been classified as an Inferred Mineral Resource due to the single lines of drilling and the wide spacing of drill collars.

2.2.4.7. VRM Comment

The inconsistencies identified between the estimation parameters of main Robe Mesa deposit and the Robe Mesa extension to the east will result in model edge effects between the two resources. While this is not ideal, in VRM's opinion the differences are not expected to result in a material change in the overall resource estimate. VRM recommends that the Robe Mesa and Robe Extension deposits are re-estimated as one single deposit to avoid edge effects between the two models.

Additionally using global variograms and search ellipse parameters for two separate and geologically distinct units could bias the estimation and result in poor local estimation of the Robe Mesa deposit.

The use of an assigned global bulk density rather than collecting deposit specific bulk density measurements is not recommended. Deposit specific bulk densities should be collected prior to any resource update.

2.2.5. Technical Studies

A preliminary scoping study was completed on the different transport options for direct shipping of material in the deposits. It concluded that the lowest cost (and preferred) option to exploit the deposits was by trucking material 135km from the project and shipping from the proposed multi user Cape Preston East port extension.

2.2.6.Recent Exploration

There has been limited recent exploration on the Robe Mesa and Robe Mesa Extension deposits. Recent exploration activities have focused on the potential for 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 magnetite project (within the Yarraloola Project) has Davis tube results from RC and diamond-core with mass recoveries up to 42% and concentrates at a P80 of 22 microns with Fe greater than 67% and SiO₂ less than 5% (CZR ASX Release: 28 April 2016, 3 August 2016, 1 June 2017).

2.3. Buddadoo Gold / Vanadium Project

The Buddadoo Project consists of two granted exploration licences, E59/1350 and E59/2349.

2.3.1.Accessibility

The project is located around 200 kilometres east of Geraldton Port and 60 kilometres from a rail siding at Morawa that connects to Geraldton and in proximity to the bitumen-road between the towns of Morawa and Yalgoo. Access through the tenements is via unsealed station tracks

2.3.2.Geological Setting

The Buddadoo Project covers the eastern part of the Gullewa Greenstone Belt. The tenements cover gabbroic rocks with bands of massive and disseminated vanadiferous titanomagnetite and have prospectivity for gold and copper mineralisation.

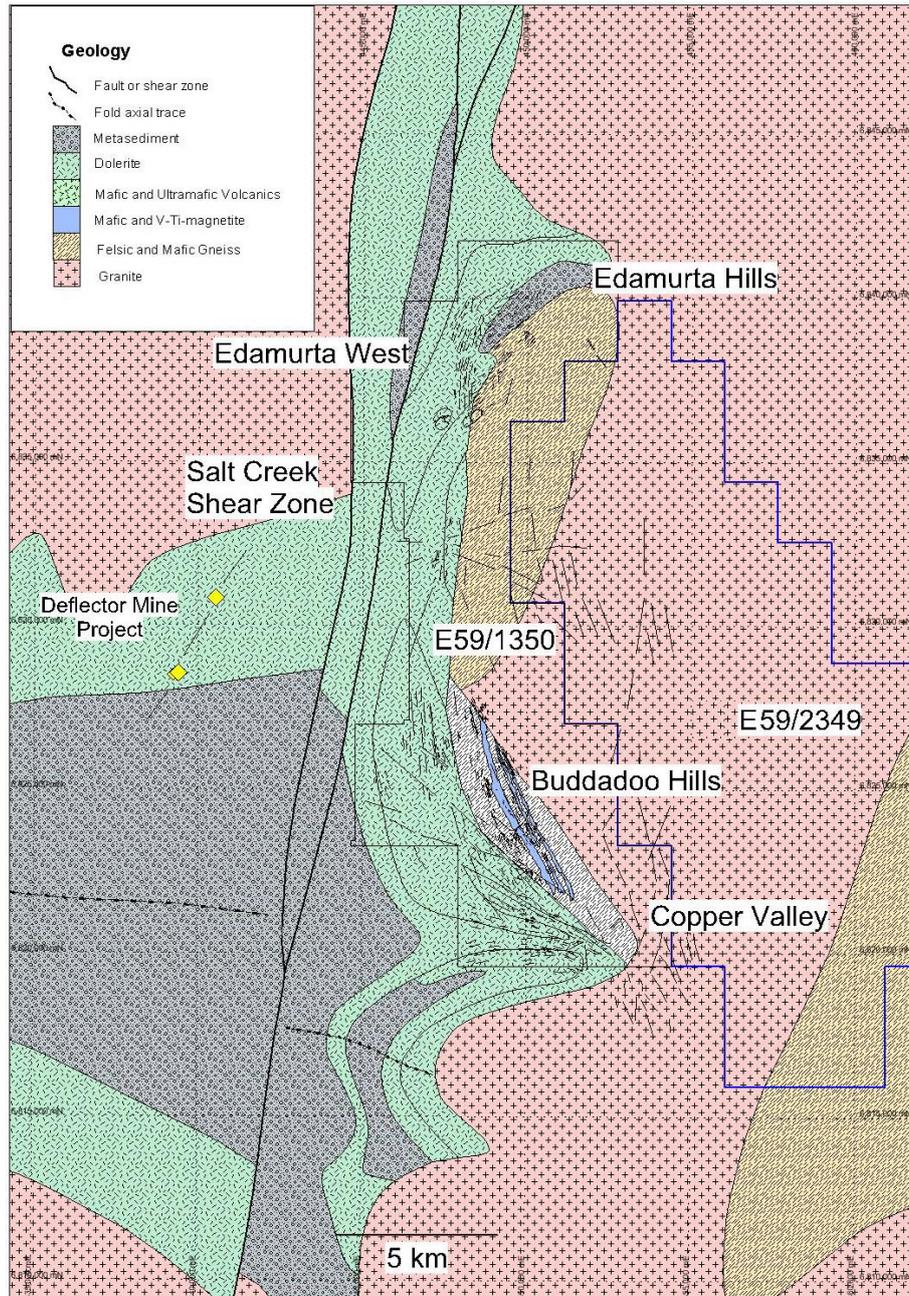


Figure 11 - Geological setting of the Buddadoo Project
(Figure supplied by Coziron)

2.3.3. Previous Exploration and Studies

Historical exploration on the project reports mineralisation at two sites. At Edamurta, in the north, there is gold, copper and zinc in the felsic and mafic volcanics of the Gullewa Greenstone Belt. In the south in the Buddadoo Gabbro, there is copper and bands of vanadiferous magnetite in intrusive gabbroic rocks (See Figure 11)

2.3.4. Mineral Resource Estimates

The Project is an early stage exploration project, as a result there are no Mineral Resource Estimates on the property.

2.3.5. Technical Studies

No technical / development studies have been undertaken on the project.

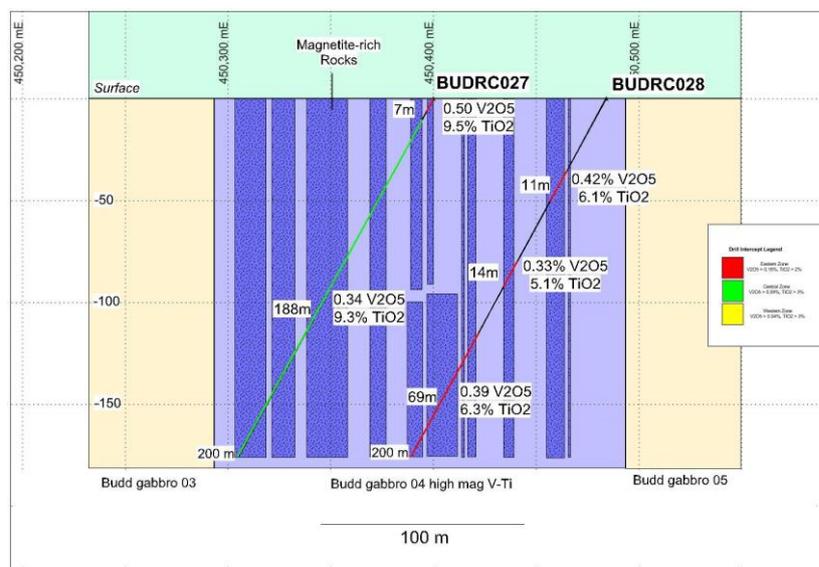
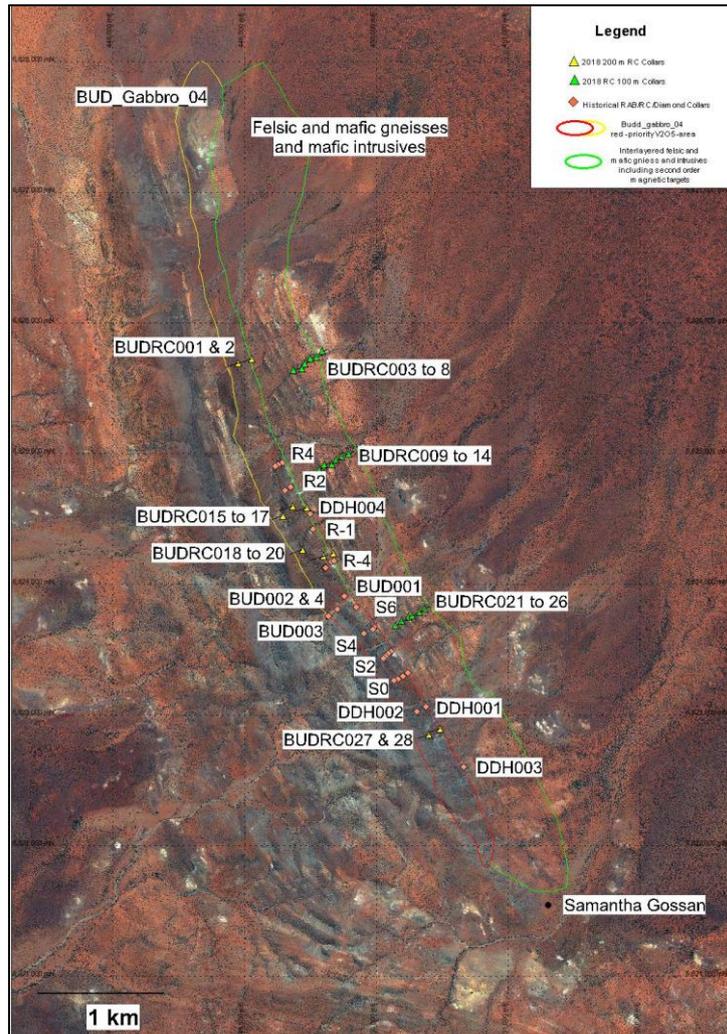
2.3.6. Recent Exploration

The Buddadoo Gabbro hosts bands of vanadiferous and titaniferous (V-Ti) magnetite, while occurrences of gold, copper and associated base-metals have been detected at on the project. While CZR has focussed primarily on an assessment of gabbro-hosted, V-Ti-magnetite in the Buddadoo hills, minor exploration for precious and base-metals has also been undertaken.

Buddadoo Hills Prospect

The Buddadoo Gabbro hosts a significant anomaly of titaniferous and vanadiferous magnetite.

Drilling has intersected up to 188m @ 0.34% V_2O_5 and 9.4% TiO_2 and 27.4% Fe from first pass RC drilling over the Buddadoo gabbro. Drilling has traced the mineralization over a strike length of 6km (See Figure 12 and CZR ASX Release: 3 May 2018). While the vanadium grades are modest when compared to other deposits, initial metallurgical tests suggest that there is potential to beneficiate the material by low intensity magnetic separation that could upgrade the material. RC samples can be beneficiated at -150 microns by low-intensity magnetic separation to produce a > 62% Fe and combined SiO_2 and Al_2O_3 of less than 5% and would provide a low-contaminant feedstock for vanadium recovery by roast- leach. If the grain size is reduced to P80 of -45 microns, concentrates report Fe from 66 - 68%, V_2O_5 from 0.8 to 1.86% and TiO_2 from 1.4 to 5.7%, while the contaminants SiO_2 and Al_2O_3 are less than 1%. This finer grained material is a potential feedstock for iron-ore pellets used in the direct smelting of vanadiferous steel.



Edamurta Prospect

Edamurta, to the north of the project, has seen three historical phases of mapping, sampling and drilling focussed on the detection of volcanic-hosted massive sulphides in felsic rocks. CZR has focussed its exploration on the discovery of Cu-Au mineralization in the area. 806 soil samples have been collected and show strong copper (0.12%), zinc (0.25%) and gold (to 21ppb) anomalism associated with the area at Edamurta which has been subjected to some historical diamond and RC drilling. CZR has also collected rock-chip samples reporting copper to 4.86% and gold to 1.21g/t from the prospect.

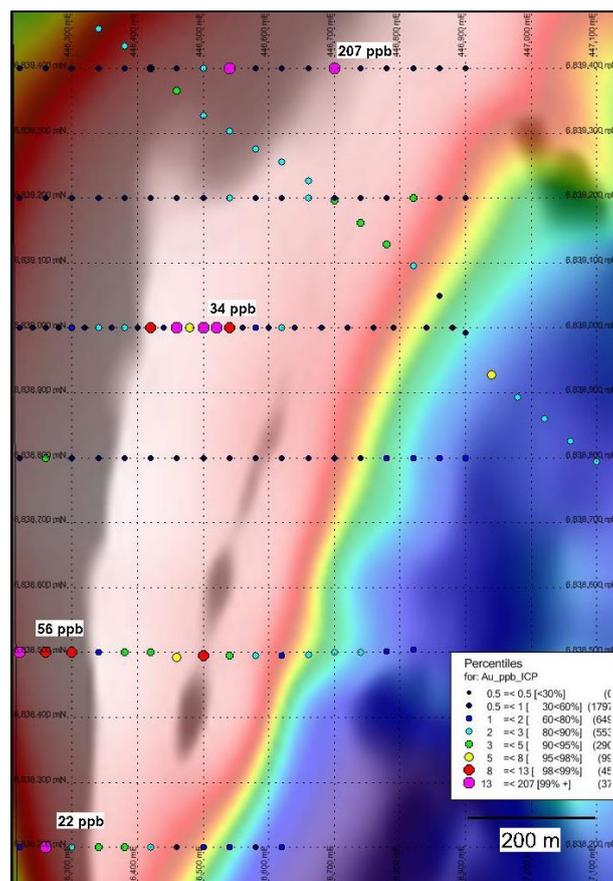


Figure 14 - Edamurta Prospect Soil Sample locations with gold by fire assay (ppb) over TMI magnetic image (Figure supplied by Coziron)

Copper Valley Prospect

Copper Valley to the south and west of the Buddadoo Range hosts a sequence of Archaean-age, deformed, mafic and felsic rocks which are intruded in parts by gabbro. Copper mineralization is historically described as blocks of copper-rich gossan amongst soil detritus. 660 soil samples have been collected to cover a wider suite of structures and geological units (See Figure 14). The samples report gold to 55ppb and copper to 1540ppm (or 0.15%). The anomalism is associated with a NW-trending shear-zone that is approximately 500m wide and hosts mafic intrusives with evidence of carbonate and sulphide alteration and quartz veining.

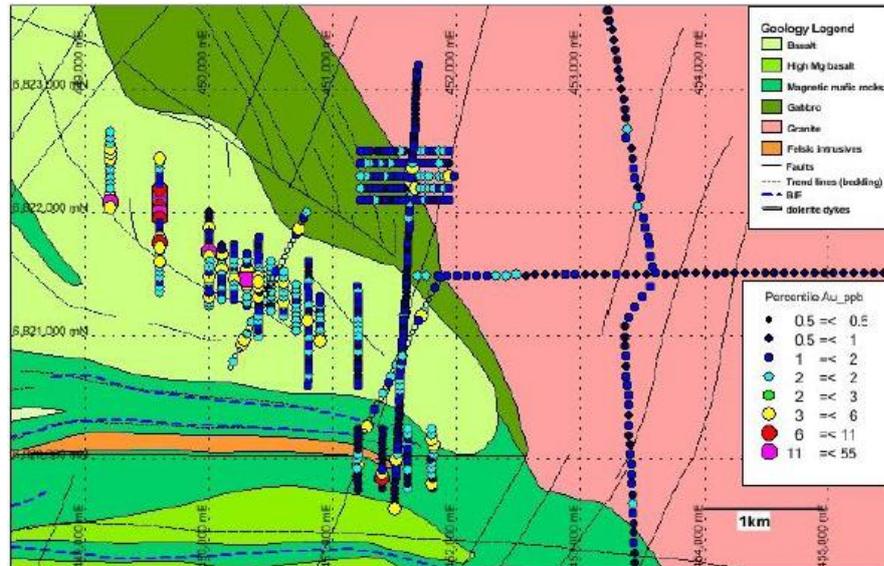


Figure 15 - Copper Valley Prospect Soil Sample locations with gold (ppb) over simplified geology
(Figure supplied by Coziron)

2.4. Yarrie Iron Ore 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 360 km², about 160 kilometres east of Port Hedland.

2.4.1. Accessibility

The tenements are serviced by a bitumen road and natural gas pipeline between Pt Hedland and the Telfer copper-gold mine and major regional roads which service the cattle industry and other mining towns in the region. The BHP owned rail connection between the Yarrie-Goldsworthy mining area and Port Hedland also services this area.

2.4.2. Geological Setting

The Yarrie project, located in the North Pilbara, is prospective for high-grade iron-ore (Fe>62%) deposits within Archaean-age sequences of volcanics and sediments termed the Cleaverville Terrain (See Figure 16). These rocks unconformably overlie the granite basement, but underlie units of the Hamersley Basin. The Yarrie project covers outcrop extensions of the Cleaverville in the central and southern areas. In addition, there is significant tenement coverage to the east and north where interpretations of magnetic surveys indicate the presence of highly magnetic iron-formation subcrop beneath shallow cover. Within the sequence, the priority exploration targets are the parts of the Nimingarra Iron Formation which may be altered to high-grade haematite.

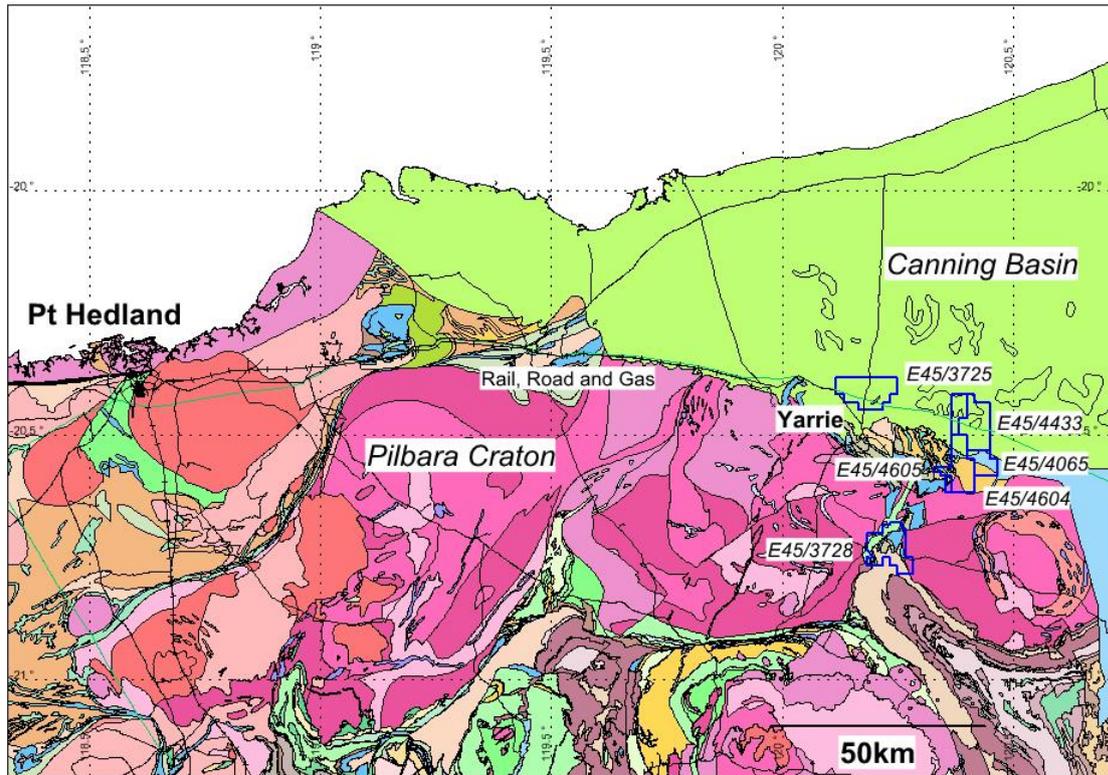


Figure 16 - Regional geological setting of the Yarrie over simplified geology
 (Figure supplied by Coziron Note tenement boundaries have changed since figure was produced)

2.4.3. Previous Exploration and Studies

The project has had very little historical exploration because the prospective areas are often overlain by younger rocks. The tenements cover extensions of the prospective rocks from the Yarrie – Goldsworthy mining project which, until recently, was actively mined by BHP (See Figure 17).

2.4.4. Mineral Resource Estimates

The Project is an early stage exploration project, as a result there are no Mineral Resource Estimates on the property.

2.4.5. Technical Studies

No technical / development studies have been undertaken on the project.

2.4.6. Recent Exploration

Exploration on the project has been limited. Minor prospecting has been undertaken and preparation for drilling a number of the geophysical targets was undertaken, however drilling intersected significant amountst of running sands and failed to test the anomaly.

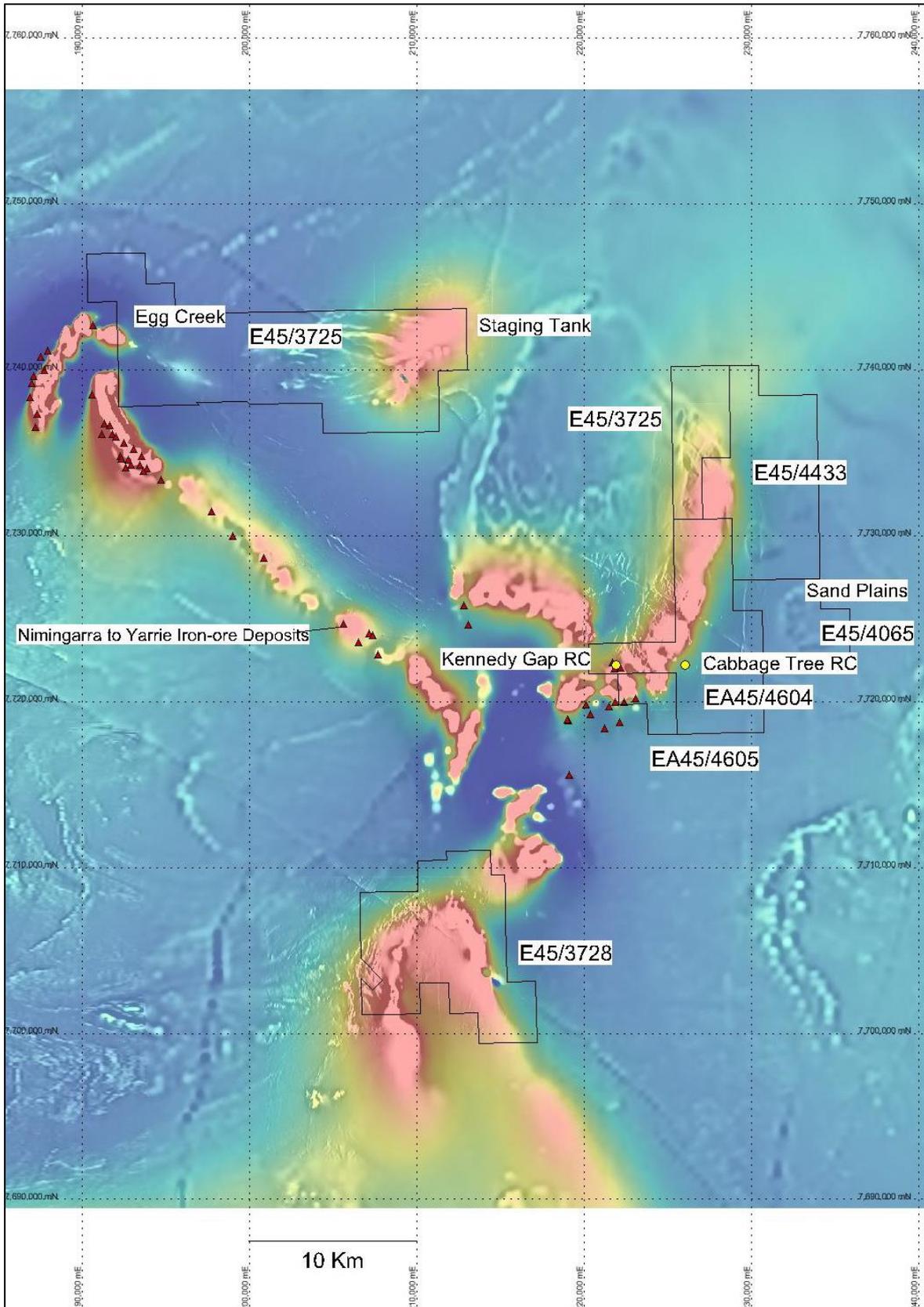


Figure 17 – Aeromagnetic Image showing the magnetic trace of the Nimingarra Iron Formation and the Yarrie Project

(Figure supplied by Coziron, ELA 45/4604 & 4605 have been granted since this figure was produced)

2.5. Shepherds Well Project

The Shepherd's Well tenement (E08/2361) covers with an area of 80km², is located about 60km south-west of Karratha in the Pilbara region of Western Australia.

2.5.1. Accessibility

The North West Coastal highway runs through the western side of the Shepherds Well project. Access through the tenement is via a number of unsealed station tracks

2.5.2. Geological Setting

The project covers 15km of a regional shear-zone that separates the Regal Terrane from the Jean Well Granodiorite and about 22 km of the unconformity at the base of the Fortescue Basalt (See Figure 18). The one to two kilometre wide 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 detrital gold mineralisation.

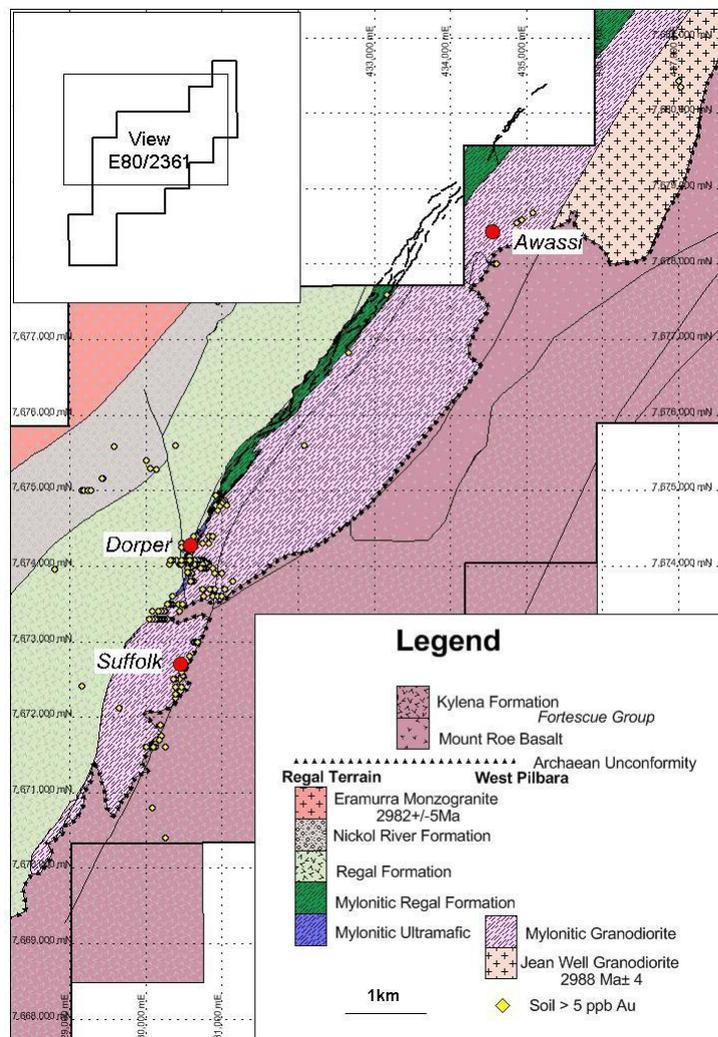


Figure 18 – Shepherds Well Project simplified Regional Geology with significant gold in soil sampling results
(Figure supplied by Coziron)

2.5.3.Previous Exploration and Studies

The area has had very little historical exploration. In 1998-1990, Cyprus Gold and Arimco explored the area for Au and base-metals using stream sediment, rock-chip and soil samples based mainly on local grids. Three RC drill holes were drilled on the area with RC drill results up to 3.0% Zn, 1.7% Pb, 0.2g/t Au reported, however the tenement was relinquished.

In 1994, CRA Exploration explored the area for gold and base-metals collecting soil samples on local grids and some rock-chip samples. There were 4 RC drill holes completed on the current tenement area but the tenement was relinquished.

In 2009, Ord River Diamonds collected two rock-chip samples within the tenement but there was no follow-up reported.

2.5.4.Mineral Resource Estimates

The Project is an early stage exploration project, as a result there are no Mineral Resource Estimates on the property.

2.5.5.Technical Studies

No technical / development studies have been undertaken on the project.

2.5.6.Recent Exploration

Exploration conducted by Coziron has been limited to soil sampling along the regional shear zone. This sampling has identified anomalous gold (5ppb to 1.0 ppm gold) as well as rare-earth, nickel and base metal anomalies at three prospects. The soil sampling has provided coherent drill targets.

Awassi Rare Earth Prospect

Samples from Awassi cover a 400m diameter radiometric anomaly hosted by a mylonitised interval of the Jean Well Granodiorite. The 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.

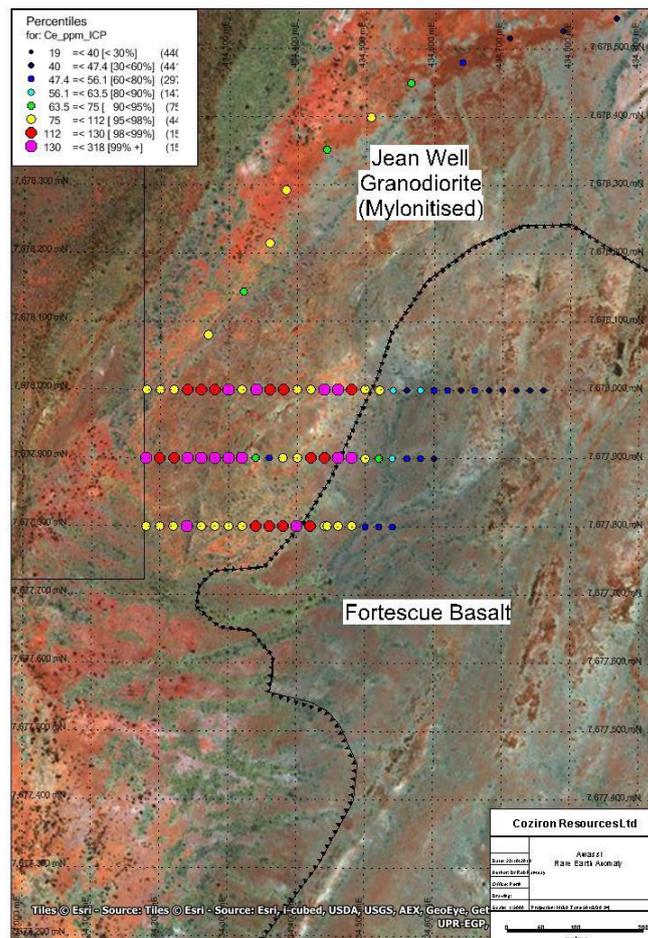


Figure 19 – Distribution of cerium in soil sampling on the Awassi Prospect
(Figure supplied by Coziron)

Dorper Nickel Prospect

Samples from the Dorper prospect cover an outcrop of carbonated ultramafic located in a flexure of the sheared contact between the Regal Terrain and the Jean Well Granodiorite. Soils from the outcropping ultramafic rocks on the prospect report nickel to 0.36%, cobalt to 173 ppm and gold to 220 ppb. The primary target is approximately 100 m long and 50 m wide at the surface.

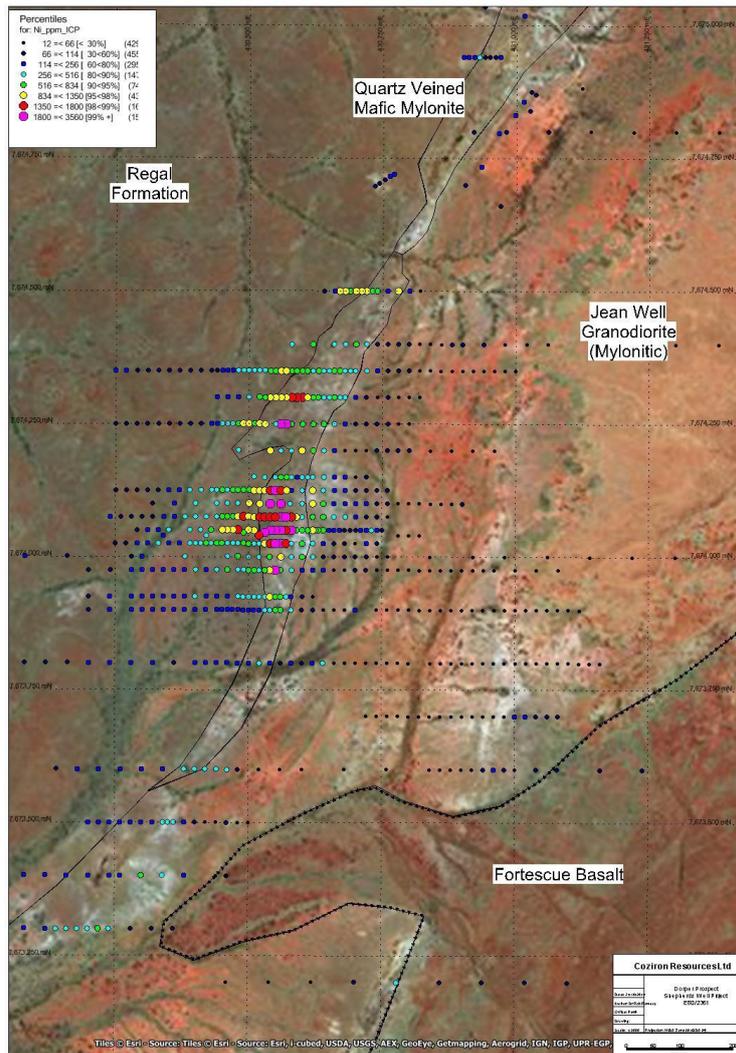


Figure 20 – Distribution of nickel in soil sampling at the Dorper Prospect
(Figure supplied by Coziron)

Suffolk Prospect

Samples from Suffolk cover a zone of shearing and quartz veining in the Jean Well Granodiorite that has soils which are anomalous in zinc to 0.16%, lead to 0.2% and gold to 25 ppb. The southern extension of the system is covered by the younger units of the overlying Fortescue Volcanics.

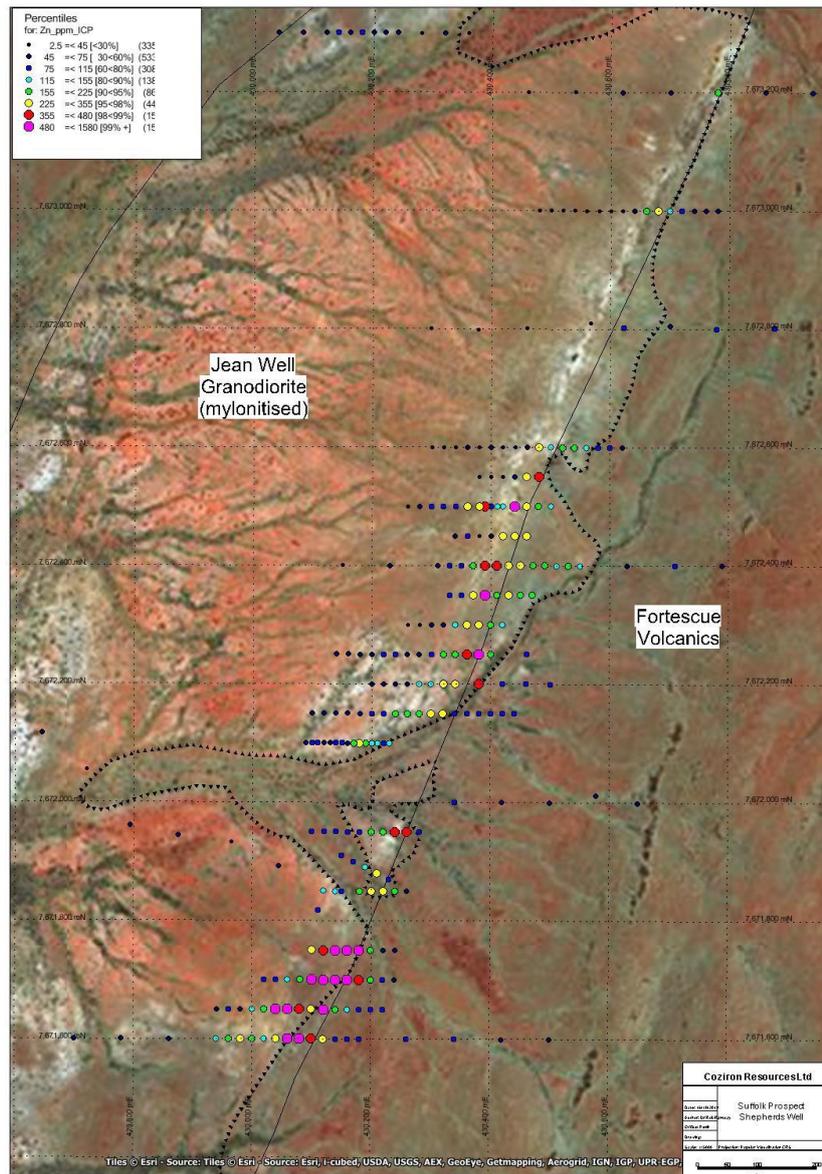


Figure 21 – Distribution of zinc in soil sampling at the Suffolk Prospect
(Figure supplied by Coziron)

2.6. Exploration Potential / Summary

Given the encouraging surface sampling results and the drilling results on the projects as well as the delineation of a, Indicated and Inferred Mineral Resource on the Yarraloola Project, in VRM’s opinion there is justification for continued exploration.

VRM considers that as at 19 June 2020, the valuation of the Properties at the early stage exploration status must be based on exploration potential of the projects and the valuation of the Yarraloola Project based on a combination of the exploration potential and the current Mineral Resource that has been defined on the project.

At the valuation date of 19 June 2020, the exploration potential of the various prospect and Property areas is summarised in Table 6.

Table 6 Summary of Coziron Projects in Western Australia and Exploration Potential

Exploration Potential of Projects				
Project	Area (km ²)	Status	Historical Exploration	Exploration Potential / Targets Identified
Croydon	317	Exploration	Limited historical exploration. Soil sampling identified strong coherent gold anomalies. Drilling completed to date has intersected significant mineralisation including upto 8m @ 10.2 g/t gold	Numerous strong gold anomalies defined. Drill targets defined Significant regional structures cut through the project, including the region Tabba Tabba Shear Zone which trends from the recent Hemi discovery (by Degrey Mining) through the project Significant drilling results yet to be followed up.
Yarraloola Iron-Ore Project	206	Advanced Exploration	Indicated and Inferred Mineral Resources Defined Ashburton Magnetite potential poorly defined	Extensions to known resources identified, drilling could add +20% to the resource base. Potential for significant magnetite discovery
Buddadoo Gold / Vanadium Project	303	Exploration	Significant widths of Vanadium Intersected. Significant gold and copper anomalies in soil sampling.	Depending on metallurgical testwork and stabilisation of battery metal market, potential for delination of a large low grade resource. Potential for shear hosted copper gold mineralisation (similar to the Deflector copper gold mine) drill targets defined from soil sampling.
Yarrie Iron Ore Project	360	Exploration	Numerous geophysical targets. Conceptual target horizons for conglomerate gold.	Potential for under cover high grade Iron Ore similar to the outcropping Yarrie / Goldsworthy Iron Ore mines. Limited historical exploration undertaken.
Shepherds Well Project	80	Exploration	Numerous soil anomalies for Gold, base metals and rare earth minerals	Drill targets identified on numerous gold and base metal anomalies.

3. Valuation Methodology

The VALMIN Code outlines various valuation approaches that are applicable for Properties at various stages of the development pipeline. These include valuations based on market-based transactions, income or costs as shown in Table 7 and provides a guide as to the most applicable valuation techniques for different assets.

Table 7 VALMIN Code 2015 valuation approaches suitable for mineral Properties

Valuation Approaches suitable for mineral properties				
Valuation Approach	Exploration Projects	Pre-development Projects	Development Projects	Production Projects
Market	Yes	Yes	Yes	Yes
Income	No	In some cases	Yes	Yes
Cost	Yes	In some cases	No	No

The Croydon project is best described as an exploration project, as are the Yarrie Iron Ore, the Shepherds Well and the Buddadoo Gold Vanadium projects. The Yarraloola Project has Indicated and Inferred Mineral Resource estimates that have been reported under the JORC Code (2012), but no Ore Reserve estimates, as a result it is best described as advanced exploration to pre-development stages.

VRM does not consider an income valuation methodology is appropriate for any of the projects. At this stage the preferred valuation for the Properties is based on market and cost valuation approaches.

3.1 Previous Valuations

VRM is not aware of any previous valuation reports on the Croydon Project or any of the other Mineral Assets.

3.2 Valuation Subject to Change

The valuation of any mineral Property is subject to several critical inputs most of these change over time and this valuation is using information available as of 19 June 2020 being the valuation date of this Report. This valuation is subject to change due to updates in the geological understanding, variable assumptions and mining conditions, climatic variability that may impact on the development assumptions, the ability and timing of available funding to advance the Property, the current and future commodity prices, exchange rates, political, social, environmental aspects of a possible development, a multitude of input costs including but not limited to fuel and energy prices, steel prices, labour rates and supply and demand dynamics for critical aspects of the potential development like mining equipment. While VRM has undertaken a review of multiple aspects that could impact the valuation there are numerous factors that are beyond the control of VRM.

As at the date of this Report in VRM's opinion there have been no significant changes in the underlying inputs or circumstances that would make a material impact on the outcomes or findings of this Report.

3.3 General assumptions

The Croydon Project and existing Coziron Mineral Assets are valued using appropriate methodologies as described Table 7 in the following sections. The valuation is based on several specific assumptions detailed above, including the following general assumptions;

- That all information provided to VRM is accurate and can be relied upon,
- The valuations only relate to the Croydon Project and other Existing Mineral Assets of Coziron and not the companies nor their shares or market value,
- That the mineral rights, tenement security and statutory obligations were fairly stated to VRM and that the mineral licences will remain active,
- That all other regulatory approvals for exploration and mining are either active or will be obtained in the required and expected timeframe
- That the owners of the mineral assets can obtain the required funding to continue exploration activities,
- The iron ore price assumed (where it is used / considered in the valuation) is as at 19 June 2020, being USD\$103.78/t (www.tradingeconomics.com/commodity/iron-ore)
- The USD\$ - AUS\$ exchange rate of 0.68566 (www.xe.com) resulting in an Australian dollar price of \$151.36/t.
- All currency in this report are Australian Dollars or AUS, unless otherwise noted, if a particular value is in United States Dollars, it is prefixed with USD.

3.4 Market Based Valuations

As the current owned Properties in Western Australia being valued in this Report are dominantly prospective for iron ore it is important to note the current market conditions of the primary commodity being targeted.

3.5 Iron Ore Market

The Iron Ore market conditions have been quite volatile over the past five years. External events have had a significant impact on the supply and demand dynamics. Overall there has been an increase in global steel production and hence an increase in Iron Ore demand. The increased demand has been somewhat offset by a very large increase in the overall iron ore production. Other impacts on the overall global Iron Ore production has included several tailings dam failures and restrictions on tailings dam use and management, especially in Brazil. There has been an increase in the Australian Iron Ore production with most of that expansion being from DSO hematite deposits.

According to Chinese government data China produces more crude steel than the rest of the world combined, reaching 996.3 million tonnes in 2019, up 8.3% over the prior year. In 2019 Chinese imports of Iron Ore, the steelmaking raw material, was 1.069 billion tonnes, this was the second highest on record with the highest import being 1.075 billion tonnes in 2017. Customs data showed China's iron ore purchases in December 2019 totalled 101.3m tonnes, up nearly 12% from July 2019.

The price of iron ore was impacted by a tailings dam burst at Vale’s Brumadinho operations in Brazil in January 2019. In response, the world no 1 Iron Ore producer, Vale initially suspended 93m tonnes of output. This resulted in the Iron ore price increasing to approximately USD\$126/t, the highest price per tonne since January 2014.

In January 2020, iron ore had been trading above USD\$92/t due to a decrease in supply from Brazil’s major iron ore producer Vale, with heavy rains and flooding in the south of the Brazil. The price fell below USD\$83/t in the beginning of February 2020 as Chinese markets returned to trade after the Lunar New Year break, amid concerns about the impact of coronavirus on the Chinese economy, the largest consumer of iron ore. Prices were heavily impacted in early-mid March 2020, however recent supply restrictions caused by the spread of coronavirus in Brazil has resulted in strengthening of the iron ore price to above US\$100/t.

The volatility in the spot iron ore price has continued and at the valuation date the Iron Ore Price had increased US\$103.78/t which has been used in the valuation and in the normalisation of the comparable transactions and the exchange rate between Australian Dollars and US dollars was 0.68566 (www.xe.com).

Below is a graph (Figure 22) of the Iron Ore price over the past five years (www.indexmundi.com). The Iron Ore price refers to Iron Ore (any origin) fines, spot price CFR China 63.5% Fe grade.

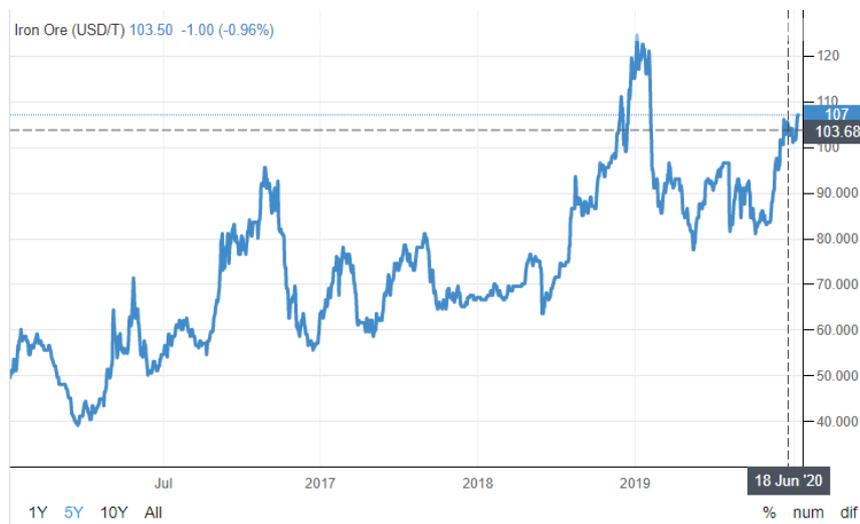


Figure 22 – Five year US Dollar Iron Ore price graph CFR China 63.5% Fe
 (Source: www.tradingeconomics.com/commodity/iron-ore)

While the iron ore price is quite strong, particularly in Australian dollars there are a fairly limited number of transactions and interest in the junior iron ore exploration companies.

The current valuation of the Yarraloola Project is largely derived from its hematite DSO resource.

The valuation of the other projects are not likely to be materially affected by the volatility in the iron ore price, but rather by the technical valuations of the projects and the PEM.

3.6 Valuation of Advanced Properties

There are several valuation methods that are suitable for advanced Properties these include;

- Financial modelling including discounted cash flow (DCF) valuations (generally limited to Properties with published Ore Reserves),
- Comparable Market Based transactions including Resource and Reserve Multiples
- Yardstick valuations

As there are no current Ore Reserves estimated for the projects VRM does not consider an income based valuation approach is suitable as a primary valuation method. There are significant modifying factors that impact the viability and economic returns of a mining operation. Until the modifying factors are identified and quantified by additional studies, typically completed as a part of an Ore Reserve Estimation, it is VRM's opinion that any assumptions in critical modifying factors could, and often would, have a material impact on a valuation using an income approach.

3.6.1 Comparable Market Based Transactions

A comparable transactional valuation is a simple and easily understood valuation method which is broadly based on the real estate approach to valuation. It can be applied to a transaction based on the contained metal (for projects with Mineral Resource Estimates reported) or on an area basis for non-resource projects. Advantages of this type of valuation method include that it is easily understood and applied, especially where the resources or tenement area is comparable and the resource or exploration work is reported according to an industry standard (like the JORC Code or NI43-101).

However is not as robust for projects where the resources are either historic in nature, reported according to a more relaxed standard, or are using a cut-off grade that reflects a commodity price that is not justified by the current market fundamentals. If the projects being valued are in the same or a comparable jurisdiction, then it removes the requirement for a geopolitical adjustment. Finally, if the transaction being used is recent then it should reflect the current market conditions.

Difficulties arise when there are a limited number of transactions, where the projects have subtle but identifiable differences that impact the economic viability of one of the projects. For example, the requirement for a very fine grind required to liberate gold from a sulphide rich ore or where the ore is refractory in nature and requires a non-standard processing method. For Iron Ore projects the differences would occur with different mineralogy including hematite mineralisation compared to magnetite mineralisation and the presence of any penalty elements in the iron ore, such as high phosphorus for example.

The information for the comparable transactions has been derived from various sources including the ASX and other securities exchange releases associated with these transactions, a database compiled by VRM for exploration stage projects (with resources estimated) and development ready projects. Coziron highlighted to VRM a comparable transaction on a very similar project, which was also included.

This valuation method is the primary valuation method for exploration or advanced (pre-development) projects where Mineral Resources have been estimated but no current Ore Reserves have been declared. More advanced projects would typically be valued using an income approach due to the modifying factors for a proposed mining operation being better defined. As a result this valuation method has been adopted as the primary valuation for the Yarraloola Project.

The preference is to limit the transactions and resource multiples to completed transactions from the past two to three years in either the same geopolitical region or same geological terrain.

The Resource multiples used by VRM have been normalised to the current Iron Ore price compared to the Iron Ore price as at the time of the transaction. The value of the transaction in Australian dollars was determined based on the exchange rates when transaction was announced.

The comparable transactions have been compiled where Resources have been estimated. Appendix A details the Resource Multiples for a series of transactions that are considered at least broadly comparable and are situated in the geopolitical setting so that no adjustments are needed to account for this.

3.6.2 Yardstick Valuations

As mentioned above the yardstick method can also be considered as a valuation approach. This is typically used as a cross-check when valuing of Mineral Resources, but can also be considered for historical resources and also Exploration Targets. It is based on a percentage of the current commodity price, and is more typically used for traded commodities such as gold. For products such as iron ore, where sales contract can be product specific and individual project value drivers may not be so readily considered, the method may be too simplistic.

In a recent iron ore valuation CSA Global (2018) selected the following yardstick factors for DSO iron ore in Australia, based on commonly used factors for bulk commodities:

- Inferred Mineral Resources: 0.1% to 0.2% of spot price
- Indicated Mineral Resources: 0.2% to 0.5% of spot price
- Measured Mineral Resources: 0.5% to 1.0% of spot price

VRM has applied these yardstick factors to apply this approach as a cross check to the comparative transaction valuation for the Yarraloola Project.

VRM assumed the iron ore price of USD\$103.78/t and USD\$ - AUS\$ exchange rate of 0.68566 resulting in an Australian dollar price of \$151.36/t.

3.7 Exploration Asset Valuation

Other methods are available to estimate the value of an early stage exploration Property (or the exploration potential away from a mineral deposit). For large tenement areas for example, it is important to value all the separate parts of the mineral assets under consideration. In the case of the advanced Properties the most significant value drivers for the overall Property are the declared Mineral Resources or Ore Reserves, while for earlier stage Properties a significant contributor to the Property's value is the exploration potential. There are several ways to determine the potential of pre-resource Properties, these being;

- Comparable transactions (purchase) based on the Properties' area
- Joint Venture terms based on the Properties' area
- A Geoscientific (Kilburn) Valuation
- A prospectivity enhancement multiplier (PEM)

The methodology to determine the Comparable transactions based on a projects area is undertaken using the same methodology as that described for the Comparable transactions' valuation for advanced projects section; however transactional value is applied to the project's area rather than the resources. The Joint Venture terms valuation is similar to the comparable transactions based on the project area other than a discount to the Joint Venture terms is applied to account for the time value of money (an appropriate discount rate is applied) and a discount to the earn-in expenditure to account for the chance that the Joint Venture earn-in expenditure is not completed in the agreed timeframe. VRM considers the comparable transaction multiples as detailed above to be a robust valuation technique especially where there are similar geological, geopolitical and geographical projects. These are more problematic on an area basis than on a resources basis, particularly for projects which are significantly different in area.

A Geoscientific or Kilburn valuation method is also considered a robust valuation method for exploration properties, but has limited application once resources have been identified. This is considered by VRM to be the primary valuation method for the Croydon, Yarrie, Shepherds Well and Buddadoo projects. In the case of Yarraloola Project, a valuation using this approach is not considered appropriate.

3.7.1 Geoscientific (Kilburn) Valuation

One valuation technique that is widely used to determine the value of a project that is at an early exploration stage without any Mineral Resources or Ore Reserve estimates was developed and is described in an article published in the CIM bulletin by Kilburn (1990). This method is widely termed the geoscientific method where a series of factors within a project are assessed for their potential.

While this technique is somewhat subjective and open to interpretation it is a method that when applied correctly by a suitably experienced specialist enables an accurate estimate of the value of the project. There are five critical aspects that need to be considered when using a Kilburn or Geoscientific valuation, these are the base acquisition cost, which put simply is the cost to acquire and continue to retain the tenements being valued. The other aspects are the proximity to both adjacent to and along strike of a

major deposit (Off Property Factors), the occurrence of a mineral system on the tenement (On Property Factors), the success of previous exploration within the tenement (Anomaly Factors) and the geological prospectivity of the geological terrain covered by the mineral claims or tenements (Geological Factors). In early stage projects often the anomaly factors and geological factors have limited information.

While this valuation method is robust and transparent it can generate a very wide range in valuations, especially when the ranking criteria are assigned to a large tenement. This method was initially developed in Canada where the mineral claims are generally small therefore reducing the potential errors associated with spreading both favourable and unfavourable ranking criteria to be spread over a large tenement. Therefore, VRM either values each tenement or breaks down a larger tenement into areas of higher and lower prospectivity.

Table 8 documents the ranking criteria while the inputs and assumptions that were used to derive the base acquisition cost (BAC) for each tenement are detailed in the valuation section below.

VRM determines the BAC based on the holding cost of maintaining the tenement for the next year. That cost is determined by the minimum exploration commitment required on the tenement. The BAC is derived from the Western Australian DMIRS.

The technical valuation derived from the Kilburn ranking factors are frequently adjusted to reflect the geopolitical risks associated with the location of the project and the current market conditions toward a specific commodity or geological terrain. These adjustments can either increase or decrease the technical value to derive the fair market valuation.

Using the ranking criteria from Table 8 along with the base acquisition costs tabulated in the appendices an overall technical valuation is determined.

Table 8 Ranking criteria are used to determine the geoscientific technical valuation

Geoscientific Ranking Criteria				
Rating	Off-property factor	On-property factor	Anomaly factor	Geological factor
0.1				Generally unfavourable geological setting
0.5			Extensive previous exploration with poor results	Poor geological setting
0.9			Poor results to date	Generally unfavourable geological setting, under cover
1.0	No known mineralisation in district	No known mineralisation within	No targets defined	Generally favourable geological setting

Geoscientific Ranking Criteria				
1.5	Mineralisation identified	Mineralisation identified	Target identified; initial indications positive	
2.0	Resource targets identified	Exploration targets identified	Significant intersections – not correlated on section	Favourable geological setting
2.5				
3.0	Along strike or adjacent to known mineralisation	Mine or abundant workings with significant previous production	Several significant ore grade intersections that can be correlated	Mineralised zones exposed in prospective host rocks
3.5				
4.0	Along strike from a major mine(s)	Major mine with significant historical production		
5.0	Along strike from world class mine			

The technical valuation is commonly adjusted (discounted / escalated) to derive a market valuation. A market factor was derived to account for the status of the market. On that basis, the technical valuations are inflated by 10% for the status of the gold market conditions.

For early stage Projects (where there are no Mineral Resources estimated), VRM considers the Geoscientific (Kilburn) Valuation method to be the most robust and is commonly the primary valuation method used. Where Mineral Resources or Ore Reserves are present VRM considers that these are the primary value driver and the surrounding exploration ground is usually less material.

This is considered by VRM to be the primary valuation method for the Croydon, Yarrie, Shepherds Well and Buddadoo projects.

3.7.2 Prospectivity Enhancement Multiplier or Cost Based Valuation

As outlined in Table 7 above and in the VALMIN Code, a cost based or appraised value method is an appropriate valuation technique for early stage exploration Properties. Under this method, the previous exploration expenditure is assessed as either improving or decreasing the potential of the Property. The prospectivity enhancement multiplier (PEM) involves a factor which is directly related to the success of the exploration expenditure to advance the Property. There are several alternate PEM factors that can be used depending on the specific Property and commodity being evaluated. Onley (1994), included several guidelines for the use and selection of appropriate PEM criteria. The PEM ranking criteria used in this report are outlined in Table 9 below. VRM considers the PEM valuation method as a secondary valuation method for the Croydon, Yarrie, Shepherds Well and Buddadoo projects. VRM does not believe that a PEM valuation is appropriate for the Yarraloola Project as once a resource has been estimated it is, in the opinion of the author, preferable to use resource multiples for comparable transactions for projects at this stage.

In terms of determining the proportion of expenditure directed towards exploration on the projects, VRM collected the expenditure records for the past 5 years on the tenements from the DMIRS mineral titles online system which publishes annual expenditures on each tenement in Western Australia. As the valuation date is close to the end of the reporting year for many of the tenements, to ensure that all recent expenditures are included Coziron supplied the expenditure on the projects for the current year. The total expenditure is then discounted by 20% to account for the administrative costs associated with holding the tenement to determine the onground exploration expenditure. The PEM has been applied on a tenement by tenement basis for the Croydon, Yarrie, Shepherds Well and Buddadoo projects. The PEM factors applied ranged from 0.8 where exploration has slightly downgraded the prospectivity to 1.5 where exploration has resulted in a modest upgrade in the productivity.

Table 9 Prospectivity Enhancement Multiplier (PEM) ranking criteria

PEM Ranking Criteria	
Range	Criteria
0.2 – 0.5	Exploration downgrade the potential
0.5 – 1	Exploration has maintained the potential
1.0 - 1.3	Exploration has slightly increased the potential
1.3 – 1.5	Exploration has considerably increased the potential
1.5 – 2.0	Limited Preliminary Drilling intersected interesting mineralised intersections
2.0 – 2.5	Detailed Drilling has defined targets with potential economic interest
2.5 – 3.0	A Mineral Resource has been estimated at an Inferred category

4. Project Valuation

The mineral assets valued as a part of this ITAR are the Croydon Project and existing Coziron Mineral Assets all located in Western Australia.

The existing Coziron Mineral Assets comprise the 85% owned Yarraloola / Ashburton Iron Ore Projects (in the Pilbara and Ashburton regions), the 70% owned Yarrie Iron Ore Project, the 70% owned Shepherds Well Project (in the Pilbara region) as well as the 85% owned Buddadoo Gold / Vanadium Project in Mid West of WA. The Yarrie Iron Ore, the Shepherds Well and the Buddadoo Gold Vanadium projects are exploration projects, while Yarraloola is best described as an advanced exploration to pre-development stage iron ore project. There are Mineral Resource estimates within the Yarraloola Project that have been reported under the JORC Code (2012), but no Ore Reserve estimates.

For the Yarraloola Project VRM has undertaken a valuation based on a comparable transaction (resource multiplier) method, with a Yardstick method used as a cross check. For the exploration projects VRM has used a Geoscientific Method and a Prospectivity Enhancement Multiplier (PEM) method.

4.1 Comparable Transactions – CID Resource Multiples

VRM has reviewed a series of transactions that are considered broadly comparable to the CID Mineral Resources within the Yarraloola Project. Only four transactions relating to CID deposits were identified over the past five years, although the projects these related to are considered to be similar in terms of geological setting and proximity to infrastructure.

An analysis of the transactions was undertaken with the resource multiples for each transaction normalised to the current iron ore price in Australian dollars using the exchange rate and iron ore price at the time each of the transactions was announced.

From the analysis of the completed transactions VRM has determined that the resource multiples for broadly comparable projects show a range from A\$0.12/t contained Fe to A\$0.60/t contained Fe. Although there are a limited number of transactions these are similar in value to other hematite resource transactions over the same period and show a reasonable range of values. Given the limited number of transactions, in VRM's opinion it is preferable to use the average of these values and a range of values were defined considering a 30% variation. This results in resource multiples (on a contained iron basis) from a lower value of A\$0.22/t contained Fe to an upper value of A\$0.42/t contained Fe from the average of A\$0.32/t contained Fe.

The resource multiples detailed above and supported by the information in Appendix A have been used along with the Mineral Resources detailed in Table 2, Table 3, Table 4 and Table 5 above to determine the valuations shown in Table 10.

Table 10 Comparable transaction valuation summary for the Yarraloola CID Mineral Resources

Comparable CID transaction analysis summary			
	Lower	Preferred	Upper
CID Mineral Resource (Mt contained Fe)	50.1	50.1	50.1
Resource Multiple (\$/t contained Fe)	\$0.22	\$0.32	\$0.42
Resource Valuation (AUD\$ million) 100% basis	\$11.2	\$16.0	\$20.8
Resource Valuation (AUD\$ million) 85% ownership basis	\$9.5	\$13.6	\$17.7

Note appropriate rounding has been applied to the Resource estimate and the valuation.

Therefore, VRM considers the 85% attributable ownership of the CID Mineral Resource estimates within the the Yarraloola Project to be valued, based on comparable transactions, at between \$9.5 million and \$17.7 million with a preferred valuation of \$13.6 million.

4.2 Yardstick Values – CID Mineral Resources

Using the yardstick values documented above, VRM estimated a project value using this method as a cross check and is a useful secondary valuation technique to support the valuation generated by a comparable transaction method. The CID Mineral Resources were treated applying the factors stated in Section 3.6.2. All resources were considered as they have been reported and summarised in Table 2. The results for the application of the Yardstick approach is summarised in Table 11.

Table 11 Yardstick Valuation of the Yarraloola CID Mineral Resources

Yardstick Valuation Summary of Yarraloola Project				
Classification	Yardstick Factors	Lower (\$m)	Preferred (\$m)	Upper (\$m)
CID Indicated Mineral Resources	0.2 – 0.5%	10.7	18.7	26.7
CID Inferred Mineral Resources	0.1 – 0.2%	2.2	3.3	4.5
Total Yarraloola CID Valuation (100% basis)		\$12.9M	\$22.1M	\$31.2M
Total Yarraloola CID Valuation (85% basis)		\$11.0M	\$18.8M	\$26.5M

*Note Yardstick factor based on iron ore price of AUS\$151.36. Rounding has been applied to the Resource estimate and valuation.

VRM considers the 85% attributable ownership of the CID Mineral Resources within the Yarraloola Project to be valued, based on yardstick approach, at between \$11.0 million and \$26.5 million with a preferred valuation of \$18.8 million.

4.3 Geoscientific Valuation

The Geoscientific rankings were derived for each of the Kilburn ranking criteria with the off property criteria, on property criteria, the anomaly factor and geology criteria estimated for each tenement following the ratings listed in Table 8. When these ranking criteria are combined with the base acquisition cost both of which are detailed in Appendix B this has determined the technical value as shown in Table 12. Note that Yarraloola Project hosting Mineral Resources is not valued using this method as it is more appropriately valued by other methods above.

Table 12 Geoscientific Valuation for the Croydon and Coziron exploration assets

Geoscientific Valuation Summary by Project				
Project	Tenements	Lower (\$M)	Upper (\$M)	Preferred (\$M)
Croydon	Croydon	\$0.98	\$3.54	\$2.26
Coziron mineral assets	Buddadoo	\$0.38	\$1.81	\$1.09
	Yarrie	\$0.35	\$1.15	\$0.76
	Shepherds Well	\$0.09	\$0.24	\$0.16
Existing Coziron assets	Total (AUD\$)	\$0.82	\$3.20	\$2.01

Note Appropriate rounding has been undertaken

Therefore, based on the Geoscientific valuation method with appropriate rounding VRM considers the fair market valuation for Croydon to be between \$0.98 million and \$3.54 million with a preferred valuation of \$2.26 million and the existing Coziron mineral assets to be between \$0.82 million and \$3.20 million with a preferred valuation of \$2.01 million using this method.

4.4 PEM Valuation

VRM has undertaken a PEM valuation of the tenements based on the reported exploration expenditure by Vale on the project. This reported expenditure is based on information provided by Colchis. This was multiplied by and Prospectivity Enhancement Multiplier as detailed in Table 9. Table 13 below details the apportioned expenditure, the PEM multiples and the valuations for the project.

Table 13 PEM Valuation for the Croydon and Coziron exploration assets

PEM Valuation Summary by Project				
Asset	Project	Lower (\$M)	Upper (\$M)	Preferred (\$M)
Croydon	Croydon	\$2.17	\$2.61	\$2.39
Coziron mineral assets	Buddadoo	\$1.08	\$1.42	\$1.25
	Yarrie	\$0.76	\$1.13	\$0.94
	Shepherds Well	\$0.46	\$0.57	\$0.52
Existing Coziron assets	Value (AUD\$)	\$2.30	\$3.12	\$2.71

Note Appropriate rounding has been undertaken

Therefore, based on the PEM valuation method with appropriate rounding VRM considers the fair market valuation for Croydon to be between \$2.17 million and \$2.61 million with a preferred valuation of \$2.39 million and the existing Coziron mineral assets to be between \$2.30 million and \$3.12 million with a preferred valuation of \$2.71 million using this method.

5. Risks and Opportunities

As with all mineral assets there are several risks and opportunities associated with the projects and therefore the valuation of those assets.

Some of the non-geological or mining related technical risks and opportunities that are common to most projects include the risks associated with the security of tenure, native title claims, environmental approvals, social, geopolitical and regulatory approval risks. Coziron and Colchis have operated in the area for many years and these risks appear to have been adequately addressed.

Additional risks are associated with obtaining sufficient capital to undertake the potential mining activity. The Iron Ore market including the iron ore price and financial markets will have a significant impact on the ability of the company to secure the required funding to profitably exploit the identified mineralisation. These risks are largely outside the control of the company and the market is currently very volatile in response to the global COVID-19 pandemic.

The Yarraloola Project has several project specific technical risks associated with the Mineral Resource estimates. As discussed above, the inconsistencies in the estimation between the Robe Mesa and Robe Mesa Extension deposits and the edge effect caused by the estimation of the Robe Mesa Extension deposit separately from the main deposit and the use of a nominal bulk density in the resources is a risk, which should be removed in the next resource update.

VRM strongly recommends that deposit specific bulk density measurements be collected and used in any resource update and that the Robe Mesa and Robe Mesa Extension be combined and re-estimated as a single deposit.

Additional drilling also presents an opportunity to extend mineralisation beyond areas currently classified as Mineral Resources, particularly to the east and north of the current resource. Coziron has identified a number of such targets that VRM agrees they are worth testing.

At this stage, no Ore Reserves have been reported for the Yarraloola Project. VRM has therefore not reviewed the associated modifying factors including but not limited to, geotechnical, hydrological and waste characterisation. It is assumed that many of these aspects are not understood with enough certainty for ore reserves to be declared. Therefore, there are risks and potential opportunities associated with these studies. For example one infrastructure risk to the Yarraloola Project is the distance from site to a potential export port and the commercial risks associated with gaining access to these third party owned ports.

6. Preferred Valuations

Based on the techniques above Table 14 provides a summary of the valuations using four methods, being two for Mineral Resources at Yarraloola and two for the exploration properties and the valuation ranges.

Table 14 Croydon and Coziron Project Valuations.

Valuation Summary				
Valuation Technique	Report Section	Lower Valuation (AUS\$M)	Preferred Valuation (AUS\$M)	Upper Valuation (AUS\$M)
Croyden Geoscientific	4.3	\$0.98	\$2.26	\$3.54
Croyden PEM Approach	4.4	\$2.17	\$2.39	\$2.61
Yarraloola comparable transactions resource multiples	4.1	\$9.5	\$13.6	\$17.7
Yarraloola Yardstick approach	4.2	\$11.0	\$18.8	\$26.5
Coziron Projects Geoscientific	4.3	\$0.82	\$2.01	\$3.20
Coziron PEM Approach	4.4	\$2.30	\$2.71	\$3.12

Note Appropriate rounding has been applied.

VRMs preferred valuation is based on the Geoscientific approach for the Croyden Project and most Coziron mineral assets and a comparable transaction approach for the Yarraloola Project. VRM considers the Croyden Project to be valued at between \$0.98 million and \$3.54 million with a preferred valuation of \$2.26 million and the Coziron mineral assets, including the Yarraloola Project to be valued at between \$10.32 million and \$20.90 million with a preferred valuation of \$15.61 million. These are on an ownership basis.

Table 15 Summary of the Croyden and Coziron Project Valuations.

Valuation Summary			
Project	Lower Valuation (AUS\$M)	Preferred Valuation (AUS\$M)	Upper Valuation (AUS\$M)
Croyden Valuation	\$0.98	\$2.26	\$3.54
Coziron mineral assets Valuation Including Yarraloola	\$10.32	\$15.61	\$20.90

7. References

The references below document the main documents referred to in this report however the various ASX releases for the various companies including Coziron Resources (ASX: CZR) have not been included in the reference list

Anglo American, 2019. Iron Ore Marketing – Bulks Seminar and Site Visit: Brisbane 12 November, 2019.

Coziron ASX Release. Yarraloola Project – Robe Mesa Resource Confidence Increased from Inferred to Indicated Category dated 8 February 2016

Coziron ASX Release. Yarraloola Project – Robe Mesa Resource Upgrade from 2016 Robe East Extension Drilling dated 26 April 2017

Coziron ASX Release. Yarraloola Project – Maiden Inferred Resource for the P529 deposit from 2016 RC Drilling dated 9 May 2017).

JORC, 2012. Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code). Available from: <http://www.jorc.org>

VALMIN, 2015. Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (The VALMIN Code). Available from <http://valmin.org/>

8. Glossary

Below are brief descriptions of some terms used in this report. For further information or for terms that are not described here, please refer to internet sources such as Webmineral www.webmineral.com, Wikipedia www.wikipedia.org,

The following terms are taken from the 2015 VALMIN Code

Annual Report means a document published by public corporations on a yearly basis to provide shareholders, the public and the government with financial data, a summary of ownership and the accounting practices used to prepare the report.

Australasian means Australia, New Zealand, Papua New Guinea and their off-shore territories.

Code of Ethics means the Code of Ethics of the relevant Professional Organisation or Recognised Professional Organisations.

Corporations Act means the Australian Corporations Act 2001 (Cth).

Experts are persons defined in the Corporations Act whose profession or reputation gives authority to a statement made by him or her in relation to a matter. A Practitioner may be an Expert. Also see Clause 2.1.

Exploration Results is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <http://www.jorc.org> for further information.

Feasibility Study means a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-feasibility Study.

Financial Reporting Standards means Australian statements of generally accepted accounting practice in the relevant jurisdiction in accordance with the Australian Accounting Standards Board (AASB) and the Corporations Act.

Independent Expert's Report means a Public Report as may be required by the Corporations Act, the Listing Rules of the ASX or other security exchanges prepared by a Practitioner who is acknowledged as being independent of the Commissioning Entity. Also see ASIC Regulatory Guides RG 111 and RG 112 as well as Clause 5.5 of the VALMIN Code for guidance on Independent Expert Reports.

Information Memoranda means documents used in financing of projects detailing the project and financing arrangements.

Investment Value means the benefit of an asset to the owner or prospective owner for individual investment or operational objectives.

Life-of-Mine Plan means a design and costing study of an existing or proposed mining operation where all Modifying Factors have been considered in sufficient detail to demonstrate at the time of reporting that extraction is reasonably justified. Such a study should be inclusive of all development and mining activities proposed through to the effective closure of the existing or proposed mining operation.

Market Value means the estimated amount of money (or the cash equivalent of some other consideration) for which the Mineral Asset should exchange on the date of Valuation between a willing

buyer and a willing seller in an arm's length transaction after appropriate marketing wherein the parties each acted knowledgeably, prudently and without compulsion. Also see Clause 8.1 for guidance on Market Value.

Materiality or being **Material** requires that a Public Report contains all the relevant information that investors and their professional advisors would reasonably require, and reasonably expect to find in the report, for the purpose of making a reasoned and balanced judgement regarding the Technical Assessment or Mineral Asset Valuation being reported. Where relevant information is not supplied, an explanation must be provided to justify its exclusion. Also see Clause 3.2 for guidance on what is Material.

Member means a person who has been accepted and entitled to the post-nominals associated with the AIG or the AusIMM or both. Alternatively, it may be a person who is a member of a Recognised Professional Organisation included in a list promulgated from time to time.

Mineable means those parts of the mineralised body, both economic and uneconomic, that are extracted or to be extracted during the normal course of mining.

Mineral Asset means all property including (but not limited to) tangible property, intellectual property, mining and exploration Tenure and other rights held or acquired in connection with the exploration, development of and production from those Tenures. This may include the plant, equipment and infrastructure owned or acquired for the development, extraction and processing of Minerals in connection with that Tenure.

Most Mineral Assets can be classified as either:

- (a) **Early-stage Exploration Projects** – Tenure holdings where mineralisation may or may not have been identified, but where Mineral Resources have not been identified;
- (b) **Advanced Exploration Projects** – Tenure holdings where considerable exploration has been undertaken and specific targets identified that warrant further detailed evaluation, usually by drill testing, trenching or some other form of detailed geological sampling. A Mineral Resource estimate may or may not have been made, but sufficient work will have been undertaken on at least one prospect to provide both a good understanding of the type of mineralisation present and encouragement that further work will elevate one or more of the prospects to the Mineral Resources category;
- (c) **Pre-Development Projects** – Tenure holdings where Mineral Resources have been identified and their extent estimated (possibly incompletely), but where a decision to proceed with development has not been made. Properties at the early assessment stage, properties for which a decision has been made not to proceed with development, properties on care and maintenance and properties held on retention titles are included in this category if Mineral Resources have been identified, even if no further work is being undertaken;
- (d) **Development Projects** – Tenure holdings for which a decision has been made to proceed with construction or production or both, but which are not yet commissioned or operating at design levels. Economic viability of Development Projects will be proven by at least a Pre-Feasibility Study;
- (e) **Production Projects** – Tenure holdings – particularly mines, wellfields and processing plants – that have been commissioned and are in production.

Mine Design means a framework of mining components and processes taking into account mining methods, access to the Mineralisation, personnel, material handling, ventilation, water, power and other technical requirements spanning commissioning, operation and closure so that mine planning can be undertaken.

Mine Planning includes production planning, scheduling and economic studies within the Mine Design taking into account geological structures and mineralisation, associated infrastructure and constraints, and other relevant aspects that span commissioning, operation and closure.

Mineral means any naturally occurring material found in or on the Earth's crust that is either useful to or has a value placed on it by humankind, or both. This excludes hydrocarbons, which are classified as Petroleum.

Mineralisation means any single mineral or combination of minerals occurring in a mass, or deposit, of economic interest. The term is intended to cover all forms in which mineralisation might occur, whether by class of deposit, mode of occurrence, genesis or composition.

Mineral Project means any exploration, development or production activity, including a royalty or similar interest in these activities, in respect of Minerals.

Mineral Securities means those Securities issued by a body corporate or an unincorporated body whose business includes exploration, development or extraction and processing of Minerals.

Mineral Resources is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <http://www.jorc.org> for further information.

Mining means all activities related to extraction of Minerals by any method (e.g. quarries, open cast, open cut, solution mining, dredging etc).

Mining Industry means the business of exploring for, extracting, processing and marketing Minerals.

Modifying Factors is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <http://www.jorc.org> for further information.

Ore Reserves is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <http://www.jorc.org> for further information.

Petroleum means any naturally occurring hydrocarbon in a gaseous or liquid state, including coal-based methane, tar sands and oil-shale.

Petroleum Resource and **Petroleum Reserve** are defined in the current version of the Petroleum Resources Management System (PRMS) published by the Society of Petroleum Engineers, the American Association of Petroleum Geologists, the World Petroleum Council and the Society of Petroleum Evaluation Engineers. Refer to <http://www.spe.org> for further information.

Practitioner is an Expert as defined in the Corporations Act, who prepares a Public Report on a Technical Assessment or Valuation Report for Mineral Assets. This collective term includes Specialists and Securities Experts.

Preliminary Feasibility Study (Pre-Feasibility Study) means a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors that are sufficient for a Competent Person, acting reasonably, to determine if all or part of the Mineral Resources may be converted to an Ore Reserve at the time of reporting. A Pre-Feasibility Study is at a lower confidence level than a Feasibility Study.

Professional Organisation means a self-regulating body, such as one of engineers or geoscientists or of both, that:

- (a) admits members primarily on the basis of their academic qualifications and professional experience;
- (b) requires compliance with professional standards of expertise and behaviour according to a Code of Ethics established by the organisation; and
- (c) has enforceable disciplinary powers, including that of suspension or expulsion of a member, should its Code of Ethics be breached.

Public Presentation means the process of presenting a topic or project to a public audience. It may include, but not be limited to, a demonstration, lecture or speech meant to inform, persuade or build good will.

Public Report means a report prepared for the purpose of informing investors or potential investors and their advisers when making investment decisions, or to satisfy regulatory requirements. It includes, but is not limited to, Annual Reports, Quarterly Reports, press releases, Information Memoranda, Technical Assessment Reports, Valuation Reports, Independent Expert Reports, website postings and Public Presentations. Also see Clause 5 for guidance on Public Reports.

Quarterly Report means a document published by public corporations on a quarterly basis to provide shareholders, the public and the government with financial data, a summary of ownership and the accounting practices used to prepare the report.

Reasonableness implies that an assessment which is impartial, rational, realistic and logical in its treatment of the inputs to a Valuation or Technical Assessment has been used, to the extent that another Practitioner with the same information would make a similar Technical Assessment or Valuation.

Royalty or Royalty Interest means the amount of benefit accruing to the royalty owner from the royalty share of production.

Securities has the meaning as defined in the Corporations Act.

Securities Expert are persons whose profession, reputation or experience provides them with the authority to assess or value Securities in compliance with the requirements of the Corporations Act, ASIC Regulatory Guides and ASX Listing Rules.

Scoping Study means an order of magnitude technical and economic study of the potential viability of Mineral Resources. It includes appropriate assessments of realistically assumed Modifying Factors together with any other relevant operational factors that are necessary to demonstrate at the time of reporting that progress to a Pre-Feasibility Study can be reasonably justified.

Specialist are persons whose profession, reputation or relevant industry experience in a technical discipline (such as geology, mine engineering or metallurgy) provides them with the authority to assess or value Mineral Assets.

Status in relation to Tenure means an assessment of the security of title to the Tenure.

Technical Assessment is an evaluation prepared by a Specialist of the technical aspects of a Mineral Asset. Depending on the development status of the Mineral Asset, a Technical Assessment may include the review of geology, mining methods, metallurgical processes and recoveries, provision of infrastructure and environmental aspects.

Technical Assessment Report involves the Technical Assessment of elements that may affect the economic benefit of a Mineral Asset.

Technical Value is an assessment of a Mineral Asset's future net economic benefit at the Valuation Date under a set of assumptions deemed most appropriate by a Practitioner, excluding any premium or discount to account for market considerations.

Tenure is any form of title, right, licence, permit or lease granted by the responsible government in accordance with its mining legislation that confers on the holder certain rights to explore for and/or extract agreed minerals that may be (or is known to be) contained. Tenure can include third-party ownership of the Minerals (for example, a royalty stream). Tenure and Title have the same connotation as Tenement.

Transparency or being **Transparent** requires that the reader of a Public Report is provided with sufficient information, the presentation of which is clear and unambiguous, to understand the report and not be misled by this information or by omission of Material information that is known to the Practitioner.

Valuation is the process of determining the monetary Value of a Mineral Asset at a set Valuation Date.
Valuation Approach means a grouping of valuation methods for which there is a common underlying rationale or basis.

Valuation Date means the reference date on which the monetary amount of a Valuation in real (dollars of the day) terms is current. This date could be different from the dates of finalisation of the Public Report or the cut-off date of available data. The Valuation Date and date of finalisation of the Public Report **must** not be more than 12 months apart.

Valuation Methods means a subset of Valuation Approaches and may represent variations on a common rationale or basis.

Valuation Report expresses an opinion as to monetary Value of a Mineral Asset but specifically excludes commentary on the value of any related Securities.

Value means the Market Value of a Mineral Asset.

Appendix A - Comparable CID Transactions

Comparable CID Projects - Resource Multiples													
Date	Project	Buyer	Seller	Value (\$ million) 100% basis	Iron Ore Price at Transaction Date (US\$/t)	Exchange Rate	Iron Ore Price at Transaction Date (A\$/t)	Resources (Mt)	Grades (Fe%)	Contained Fe (Mt)	Resource Multiple A\$/t contained	Normalised Resource Multiple	Comparable
31/03/2020	Buckland (WA)	Mineral Resources	BCI Minerals	\$20.0	\$82.38	0.6140	\$134.16	283.3	56.5%	160.06	0.13	0.14	Yes
22/10/2018	Kumina (WA)	Mineral Resources	BCI Minerals	\$27.0	\$72.22	0.7084	\$101.94	115	58.0%	66.70	0.41	0.60	Yes
1/12/2017	Yalleen (WA)	API	Helix	\$3.6	\$70.43	0.7647	\$92.10	84.3	57.2%	48.22	0.07	0.12	Yes
1/06/2015	Wyloo Iron Ore JV (WA)	FMG	Cullen	\$1.9	\$59.50	0.7764	\$76.64	16.9	57.1%	9.65	0.20	0.40	Yes

The resource multiples have been normalised to the Iron Ore price of A\$151.36/t as at the valuation date based on the exchange rate of 0.68566 and the Iron Ore price of US\$103.78/t.

Appendix B - Geoscientific Valuation

Project	Tenement	Comittment	Ownership (%)	Off Property		On Property		Anomaly Factor		Geology Factor		Technical Valuation			Market Valuation		
				Low	High	Low	High	Low	High	Low	High	Lower	Upper	Preferred	Lower \$M	Upper \$M	Preferred \$M
Shepherds Well	E08/2361	\$50,000	70%	1	1.2	1.5	2	1.2	1.5	1.5	2	\$94,500	\$252,000	\$173,250	\$0.09	\$0.24	\$0.16
Yarrie	E45/3725	\$99,000	70%	1	1.5	1	1	1	1.2	1	1.2	\$69,300	\$149,688	\$109,494	\$0.06	\$0.14	\$0.10
Yarrie	E45/3728	\$81,000	70%	2	3	1	1.5	1.2	1.5	1	1.2	\$136,100	\$459,270	\$297,685	\$0.12	\$0.41	\$0.27
Yarrie	E45/4065	\$50,000	70%	1	1.2	1	1	1	1.2	0.9	1	\$31,500	\$50,400	\$40,950	\$0.03	\$0.05	\$0.04
Yarrie	E45/4604	\$21,000	70%	2	3	1.5	2	1	1.5	1.5	2	\$66,200	\$264,600	\$165,400	\$0.06	\$0.24	\$0.15
Yarrie	E45/4605	\$15,000	70%	2	3	1.5	2	1	1.5	1.5	2	\$47,300	\$189,000	\$118,150	\$0.04	\$0.17	\$0.11
Yarrie	E45/4433	\$31,500	70%	1.5	2	1.5	2	1	1.2	1	1.5	\$49,600	\$158,760	\$104,180	\$0.04	\$0.14	\$0.09
Buddadoo	E59/1350	\$126,000	85%	1.5	3	1.5	2	1.5	2	1	1.5	\$361,500	\$1,927,800	\$1,144,650	\$0.33	\$1.74	\$1.03
Buddadoo	E59/2349	\$59,000	85%	1.2	1.5	1	1	1	1	0.8	1	\$48,100	\$75,225	\$61,663	\$0.05	\$0.07	\$0.06
Croydon	E47/2150	\$297,000	70%	2.5	3	1.2	1.8	1.5	2.5	1	1.2	\$935,600	\$3,367,980	\$2,151,790	\$0.98	\$3.54	\$2.26
TOTAL															\$1.80	\$6.74	\$4.27

Note: The tehcnical valuations have been adjusted to allow for market and project locations. A market discount of 5% has been applied for Shepherds Well, Yarie, 10% for Buddadoo and a premium of 5% for Croydon. A 5% location discount has been applied to Yarrie.

If you are attending the virtual Meeting
please retain this Proxy Card
for online Securityholder registration.

Holder Number:

Vote by Proxy: CZR

Your proxy voting instruction must be received by **10.30am (WST) on Sunday, 13 September 2020**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

VOTING UNDER STEP 1 - APPOINTING A PROXY

If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chairman of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all of the Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

ATTENDING THE MEETING

Completion of a Proxy Voting Form will not prevent individual Shareholders from attending the virtual Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Voting Form and attends the virtual Meeting online, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the virtual Meeting.

POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms.

