



COZIRON RESOURCES LIMITED & CONTROLLED ENTITIES
ABN 91 112 866 869

CONSOLIDATED INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

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CORPORATE DIRECTORY

DIRECTORS

Adam Sierakowski (Chairman)
Stephen Lowe
Robert Ramsay

COMPANY SECRETARY

Stephen Hewitt-Dutton

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STOCK EXCHANGE LISTING

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

DIRECTORS' REPORT

Your directors submit the financial report of the consolidated group for the half-year ended 31 December 2014.

DIRECTORS

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

Adam Sierakowski (Chairman)
Stephen Lowe
Robert Ramsay

REVIEW OF OPERATIONS

Introduction

Coziron Resources Ltd has exploration focussed primarily on feed-stock material for the steel-making business but investigates any opportunities for gold, copper and other base-metal mineralisation on the tenements controlled by the company. The most significant tenements are the Yarraloola and Shepherds Well and Yarrie Iron-ore projects in the Pilbara region of Western Australia (Fig 1). Yarraloola and Shepherds Well are located in the West Pilbara and are crossed by the proposed haul-road to the trans-shipping port being developed by Iron-ore Holdings Ltd and a rail corridor controlled by the Australian Premium Iron Joint Venture. Yarrie is located in the North Pilbara adjacent to the recently closed BHP mining operations. Other projects include the Buddadoo Iron Project in the mid-west of Western Australia, near a rail corridor to the port of Geraldton, along with the KingX Manganese Project which is more remotely located but within a very lightly explored part of Western Australia (Fig 1).

Details of the projects and an overview of the activities, prospectivity and results from the past year are presented in the following sections.

Yarraloola Iron-ore Project

The Yarraloola Project consists of seven contiguous exploration licences and two prospecting licenses with a total area of 1,437km² (Fig 2). These cover the western part of the Hamersley Basin, adjacent parts of the Ashburton Trough and on-lapping younger sediments of the Carnarvon Basin. In the southern part of the tenements palaeo-channels of the Robe River host deposits of pisolitic iron-ore (CID) which are mined by RioTinto Ltd. Additional JORC-compliant resources are reported within palaeo-channel extensions covered by tenements held by Red Hill Iron Ltd. The Group's tenements also cover banded iron-formation units which are being mined and processed for magnetite by Citic Pacific Mining Ltd to the north of Yarraloola. Another significant contributor to the value of Yarraloola is independent study completed by Engenium Pty Ltd for the Group in 2013 which estimated costs of loading and transporting direct-shipping ore to Cape Preston for about \$24.33/tonne, while magnetite could be transported through an 82km pipeline for a capital cost about \$130 million and an operating cost of \$2.80/tonne. As such, relatively small exploration targets have the potential to deliver economic deposits due to the relatively low capital and operating costs required to deliver product to market.

During 2014, the Group continued a process of the review of all the geological, geochemical and geophysical data that was available and field follow-up of priority targets on the Yarraloola Project. Priority targets were identified as those with the potential to host extensions to the known palaeo-channel systems hosting pisolite-rich iron-stones which forms a CID ore-type, the upper parts of the Marra Mamba and Brockman Iron Formations in the Hamersley Basin which are major sources of iron-ore and a highly magnetic area in the Ashburton Trough that represents an untested target.

Among the priority exploration targets at Yarraloola, the Group focussed on mapping and sampling extensions to the Robe River channel system. Tenement E08/1060 and an adjacent portion of E08/1686 cover a 1.5km section of the intermittently preserved palaeo-channel between the Mesa J and Mesa A-Warramboe CID Mines (Fig 2). During the year, the Group reported pisolite-rich samples from the tenements with Fe to 68% (CZR ASX report 11-July-2014) and after receiving statutory works and heritage approvals completed a RC drilling programme of 25 vertical holes for 1562m. Drilling intersected an upper and lower interval of pisolitic iron-stone that are each up to 25m thick (CZR ASX report 21-Nov 2014 and 12-Dec-2014). Within these zones, 1m interval

DIRECTORS' REPORT (Continued)

samples consistently report Fe contents greater than 50% or a calculated calcined Fe-content (Fe_{ca}) after the removal of volatiles (mostly crystalline water) of $Fe_{ca} > 55\%$.

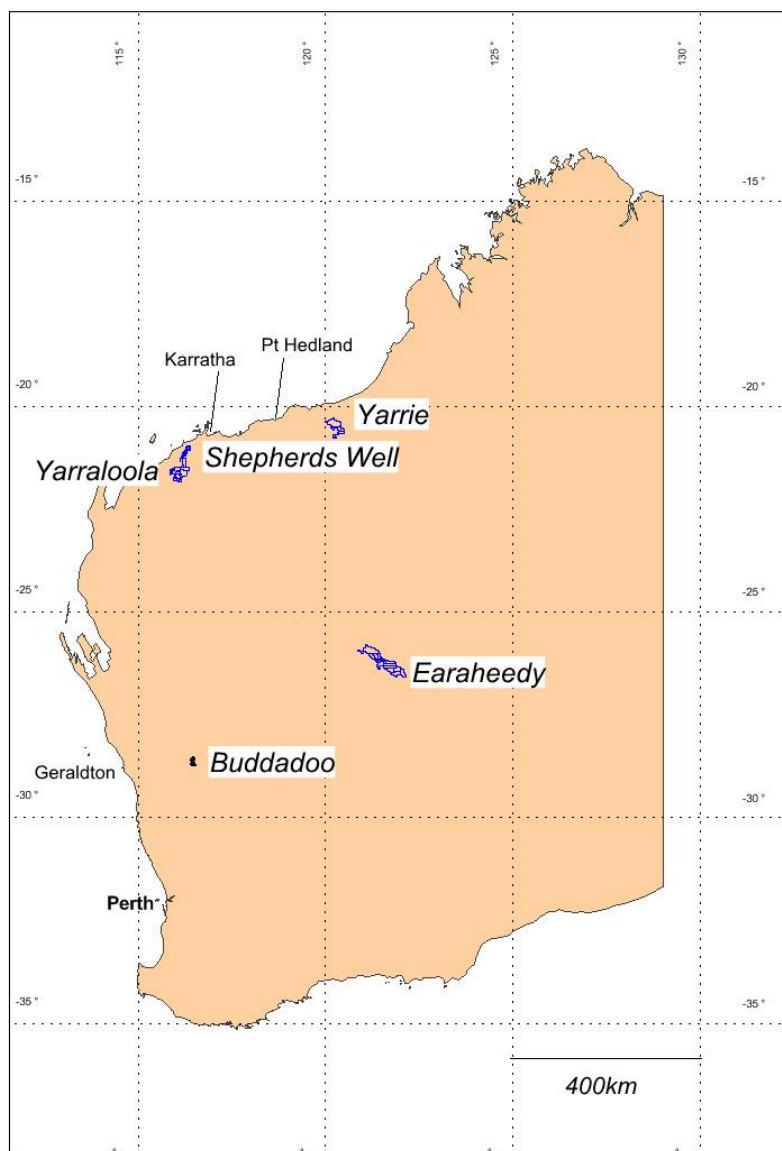


Fig 1 – Location of the Coziron Resources Ltd tenements in Western Australia.

Following the receipt of all the drill-data, Optiro Pty Ltd utilised the geological model and the down-hole assays to independently produce the following tonnage estimates (CZR ASX report 3-Feb-2015).

A total Inferred Resource estimate of 73 Mt @ 53.9% Fe (Fe_{ca} - 60.4%) + 8.0% SiO_2 + 3.4% Al_2O_3 + 0.04% P + 10.8% LOI at a cut-off grade of Fe = 50% ($Fe_{ca} > 55\%$).

While a higher cut-off grade of Fe = 55% ($Fe_{ca} > 60\%$) the overall envelope includes an Inferred Resource of 20 Mt @ 55.7% Fe + (Fe_{ca} - 62.3%) + 6.2% SiO_2 + 2.9% Al_2O_3 + 0.04% P + 10.6% LOI.

The resource is located about 5km west of the proposed IOH haul road and API railway. Future work on the Robe Mesa will include infill and extensional drilling to increase the confidence in dimensions and continuity the geological resource and diamond drilling to provide samples for metallurgical testwork.

In addition to the Robe Channel, the Group has located a 6km long easterly extension of the Whitegate Channel on E08/1685 (Fig 2). The system fills a deeply eroded channel in shale between more siliceous members of the Brockman Iron Formation. Samples from intervals of exposed pisolites report Fe to 60.1% (CZR ASX report 11-

DIRECTORS' REPORT (Continued)

July-2014). However, drilling is planned to determine the extent, thickness and indicative grade of the mineralisation which is generally covered by sand and debris.

Other exposed sections of palaeo-channels with pisolitic iron mineralisation in the central and northern parts of the Yarraloola have been mapped and sampled. The Peters Creek system with samples reporting Fe to 58% (CZR ASX report 11-July-2014) outcrops intermittently over a distance of about 6km. An extension to the east has been identified beneath a veneer of sand and gravel and drill targets have been identified. To the west, it appears system is potentially covered by younger detritus and the projected trace of the channel system requires exploratory drilling to determine the sub-surface stratigraphy.

Yarraloola has also been recognised as a low-risk opportunity for the discovery of large-scale magnetite deposits. During 2014, detailed mapping and additional sampling has been completed on an intermittently outcropping 6 km interval of magnetite-bearing schists in the Ashburton Trough that is hosted within a magnetic anomaly that extends for a strike length of about 12km. Surface samples commonly report Fe from 36-39% (CZR ASX report 17-July-2014) and the magnetite has a coarser grain-size than the Brockman Iron formations in the adjacent Hamersley Basin.

Following the receipt of statutory and heritage approval, three representative RC drill-holes each 203m in length were completed to determine the sub-surface geology, grade and magnetite yield (CZR ASX report 21-Nov 2014 and 11-Feb-2014). Geologically, the magnetite schists are hosted by a sequence of rocks which includes units with textural and geochemical features of intermediate to acid-volcanics supporting an Algoma-style rather than a Hamersley-style origin. The geological setting is reflected during exploration by high drill-rates of about 150m/10 hour work-shift and an absence of blue asbestos (crocidolite).

Geochemical results for the total iron-content within the highly magnetic intervals of schist are typical of many projects being assessed for their commercial significance. In the south of the magnetic target area -60 inclined RC-hole YAR091 reported a single intercept from surface of 91m @ 25.4% Fe downhole. In the north, -60 inclined RC-hole YAR093 reported an upper intercept from 28-57m downhole of 29m @ 31.9% Fe and a lower intercept from 77-132m down-hole of 55m @ 31.8% Fe.

Following from the geochemical studies, metallurgical studies have commenced on samples from the magnetite schists in the Ashburton Trough. An initial grind-size study to provide guidelines for Davis Tube recovery of magnetite identified the magnetite schist as "soft" with the 5m interval samples producing concentrates with Fe>67% at a grain-size up to 63microns. In the subsequent Davis Tube studies on the 5m aggregate samples from the magnetite schist intercepts which were optimised at a grind-size of 38 microns, the best result was a 39.6% mass-recovery @69.4% Fe and 3.36% SiO₂. Future work on the magnetite schists in the Ashburton Trough will include diamond drilling to acquire samples for physical properties measurements related to the conditions required for magnetite-concentrate recovery and RC drilling to establish geological continuity, thickness, orientation, Fe-content and magnetite-mass recovery.

The Group has also been mapping and sampling the prospective upper parts of the Brockman Iron Formation for both magnetite mineralisation and investigating sites with the potential to host direct-shipping iron-ore. In the central part of E08/1685, the prospective Joffre Member of the Brockman has been identified but is folded to sub-vertical and sections of the strike are covered by younger debris. Drilling is required to determine whether the Joffre has altered and been upgraded during the folding process. Areas of the Marra Mamba Iron Formation in the eastern part of the Yarraloola tenements which are also covered by younger detritus represent targets for future drilling programmes.

Yarraloola Gold and base-metal prospectivity

As part of the on-going project assessment, gold and base-metal targets are progressively being reviewed and sampled. The most advanced target at Yarraloola is the Cobblers gold anomaly located approximately 10km north of Pannawonica (Fig 2). The prospect is marked on the regional 250,000 scale geological map and there is extensive evidence of historical dry-blower activity and sampling of out-cropping quartz veins. In 2012, the Group undertook a reconnaissance gridded, soil sampling and mapping programme. Results from this programme generated a coherent gold-in-soil anomaly extending over an area of about 2km by 1km. The anomaly is associated with a transition from a flood basalt sequence in the Fortescue Volcanics to an area of pillow basalts and tuffs. During 2014, some mapping along with gridded infill and extensional sampling was undertaken at Cobblers. The results confirm the location and setting of the area which reports anomalous gold in the surface samples. The next stage of work will require some exploratory RC drilling to establish the sub-surface geology and extent of the gold anomalism in the host-rock beneath the surface anomaly.

DIRECTORS' REPORT (Continued)

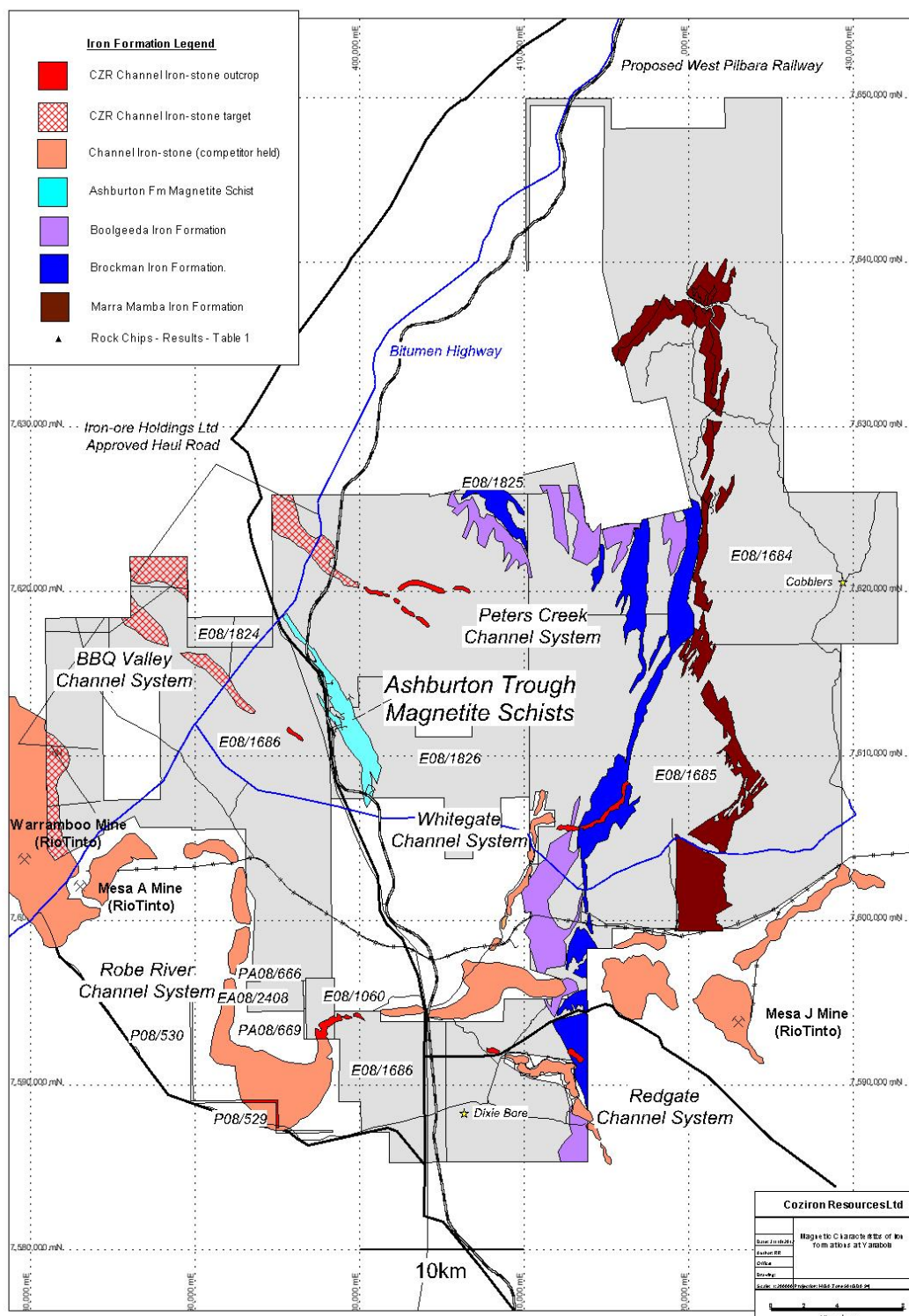


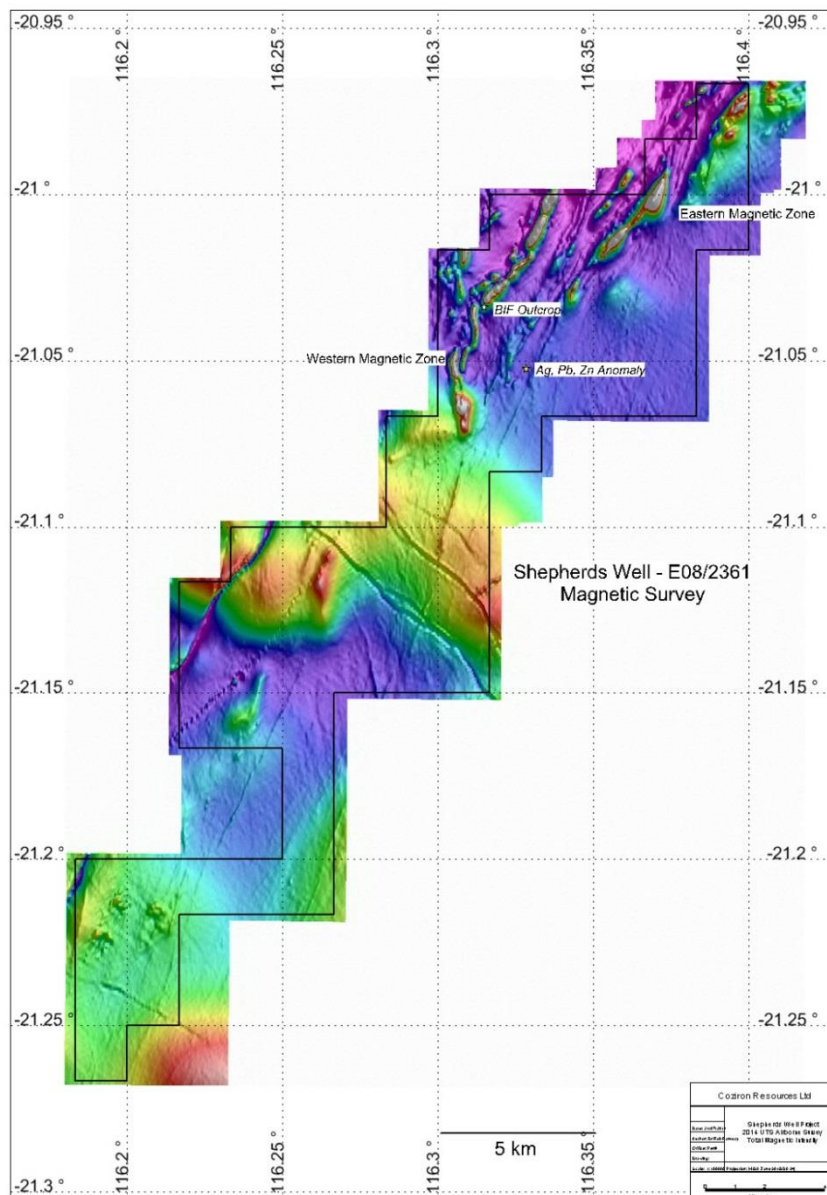
Fig 2 - Yarraloola tenements showing the distribution of the main pisolitic iron-stone (CID) deposits and targets, the Ashburton Magnetite Schist, the Marra Mamba, Brockman and Boolgeeda Iron Formations, the Dixie Bore and Cobblers Gold prospects.

DIRECTORS' REPORT (Continued)

SHEPHERDS WELL

During the year, the Company entered into an option to purchase a 70% interest in E08/2361 (Shepherds Well Project) from Croydon Gold Pty Ltd from Creasy Group. The tenement covers an area of 192km² and is contiguous with the northern boundary of the Yarraloola Project (Fig 1). In the north, the license includes the southern extension of a belt of Archaean-age mafic and felsic volcanics and metasediments which host a number of large (+1Bt) JORC-compliant magnetite resources. The southern part of E08/2361 covers mafic volcanics of the Fortescue Basin with the potential to host outliers of the Hamersley Basin that might include the Marra Mamba Iron Formation.

During the year, the Company acquired a 2724 line km, low-level (40m), high-resolution (E-W lines spaced 100m apart), magnetic and radiometric survey which was completed by a fixed-wing aircraft (CZR ASX report 29-July-2014). The survey provides data for the interpretation of the distribution of rock-types and major structures. In this setting, the linear magnetic features in the northern part of the tenement are interpreted as the probable trace of an iron-formation (Fig 3). The Company plans to drill these targets in the next round of exploration.



DIRECTORS' REPORT (Continued)

Fig 3 - Map of the total magnetic intensity over the Shepherds Well Project (E08/2361) showing the traces of the main magnetic anomalies in the north and a locality identified by the Company with outcropping banded iron formation.

Yarrie

During the year, the Company entered into an option to purchase XFe Pty Ltd from Creasy Group. The company holds a 70% interest in three granted exploration licenses (E45/3725, E45/3728, E45/4065) and an exploration license under application (E(A)45/3727) that cover a total of 1062km² (Fig 1). The tenements are located approximately 150km to the east of Pt Hedland and enclose the BHP Billiton owned Yarrie tenements on three boundaries (Fig 4).

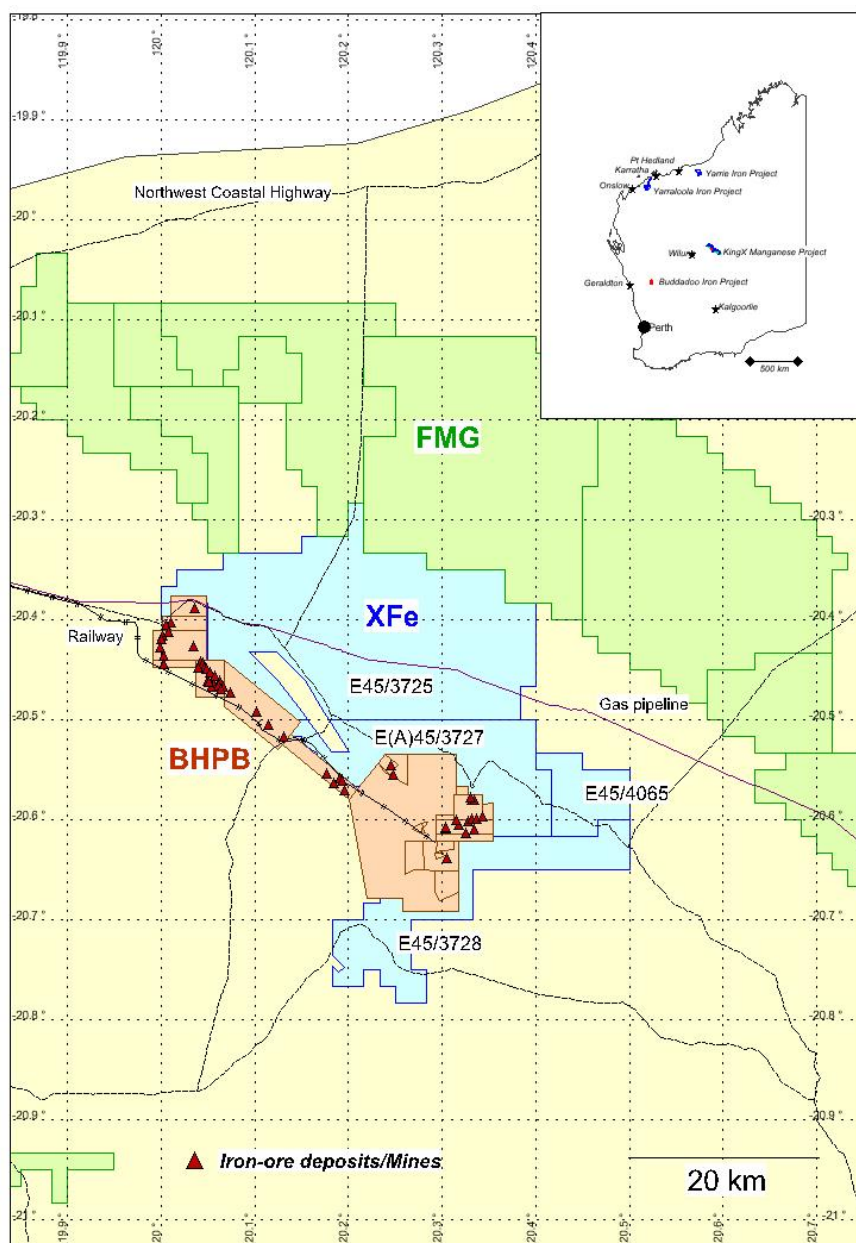


Fig 4 - Location map for the Yarrie Project in the North Pilbara showing the location of the BHPB tenements and the brown triangles are the BHPB iron-ore mine and deposit locations.

The prospectivity of Yarrie is highlighted by the results from low-level, high-resolution magnetic surveys which map extensions of the Archaean-age Nimingarra Iron Formation that host the BHPB-mined ore-systems beneath a cover of younger overburden. In addition, historical work on outcropping parts of the Nimingarra by Creasy

DIRECTORS' REPORT (Continued)

Group report drill-intercepts of up to 19m at 63% Fe (CZR ASX report 6-Aug-2014) and show mineralised parts of the Nimingarra extend beyond the BHP Billiton tenement holdings.

During the year, the Company commenced exploration with a gridded gravity survey (10,720 stations) to cover some of the most magnetic zones on the Egg Creek, Staging Tank and Sand Plains areas (Fig 5). The programme also included 20km of representative seismic lines over the Staging Tank prospect to provide guidance on the potential depth of cover. Mined deposits are where the Nimingarra has been upgraded to massive haematite. The gravity survey can identify higher density intervals towards the projected base of the Nimingarra Iron Formation. These represent drill targets and follow-up work is planned.

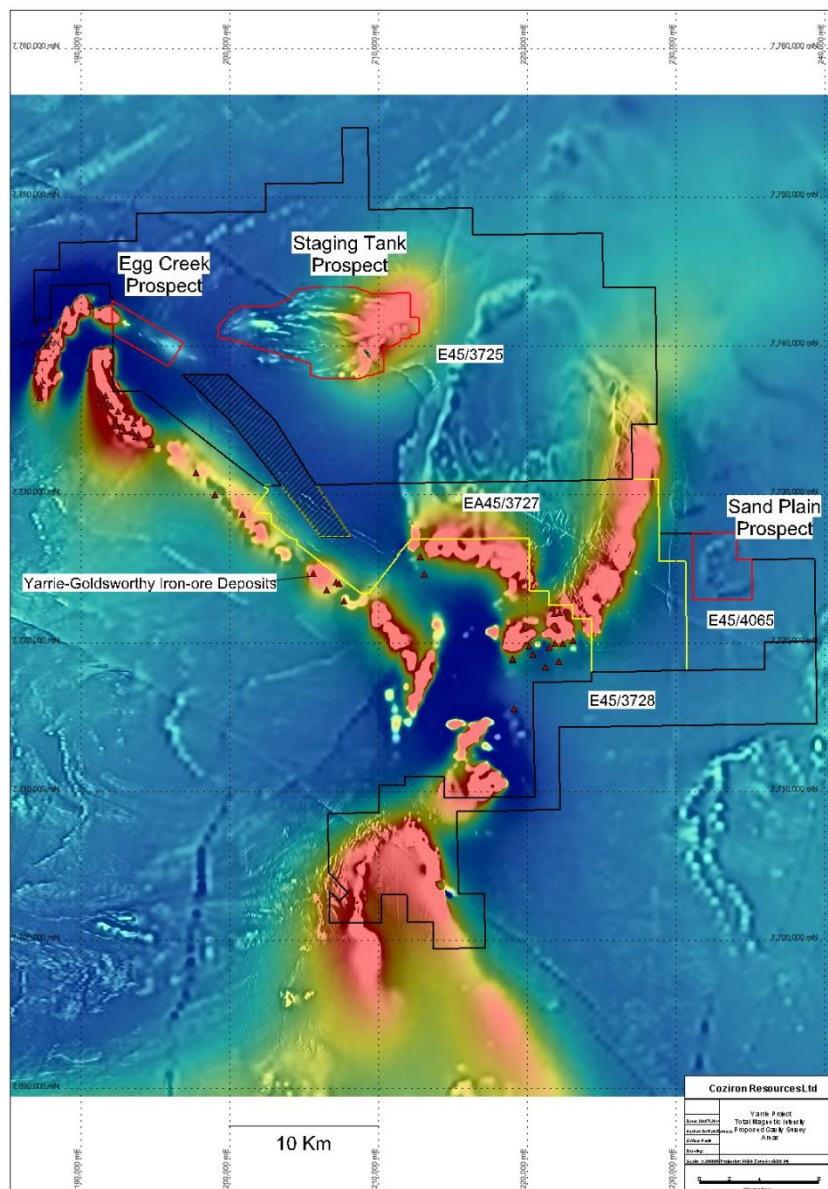


Fig 5 - Yarrie tenements showing the main prospect areas overlain onto the total magnetic intensity. The most intense responses are either mapped outcrop or attributed to the Nimingarra Iron Formation.

DIRECTORS' REPORT (Continued)

BUDDADOO

The Buddadoo Project in the mid-west of Western Australia is located about 200km to the east of Geraldton and now covers an area of 125.3km² following a 40% compulsory reduction during the year (Fig 1). The project is mostly underlain by units of the Gullewa Greenstone belt and hosts vanadiferous titanomagnetite, copper and gold mineralisation in different geological settings. Coarse-grained, vanadiferous titanomagnetite outcrops as bands up to 10m thick in a 250m wide zone within a 7km by 1.5km in the Buddadoo Range, while historical drilling at Edamurta examined the sequence for volcanic-hosted massive sulphide mineralisation (Fig 6). During the year, the Group completed a programme of infill and extensional soil sampling over areas identified as being prospective for base-metal and gold. Further work is planned.

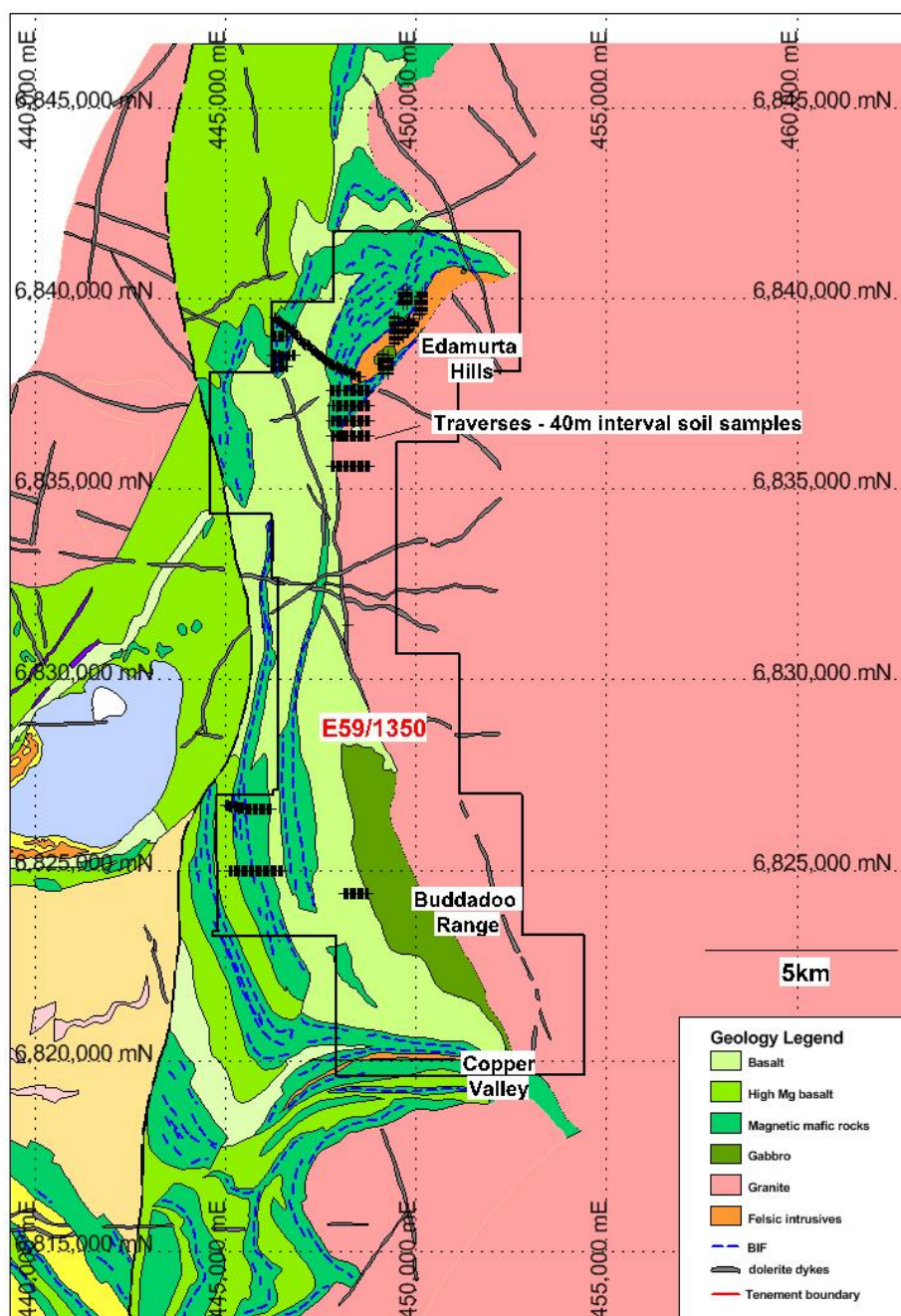


Fig 6 - Location of the Buddadoo project showing proximity to local infrastructure.

DIRECTORS' REPORT (Continued)

KING-X Manganese Project

The KingX Manganese project now consists of three granted exploration licenses covering an area of 682km² in the Earahedy basin (Fig 1). These are underlain by Palaeoproterozoic-age clastic and chemical sediments. The Company's focus is the widespread occurrence of stratabound manganese which marks the upper part of the Frere Iron Formation. In the period the tenements have been held, the Group has acquired a 4,100 line km airborne magnetic-radiometric survey over 400km² of the tenements and completed a soil and rock-chip sampling programme over the core of the Baigong Manganese occurrence. During the year, the project has been under review. The company has now withdrawn tenement applications in the region and also relinquished E53/1433 which mostly covered environmentally sensitive areas of Lorna Glenn Station.

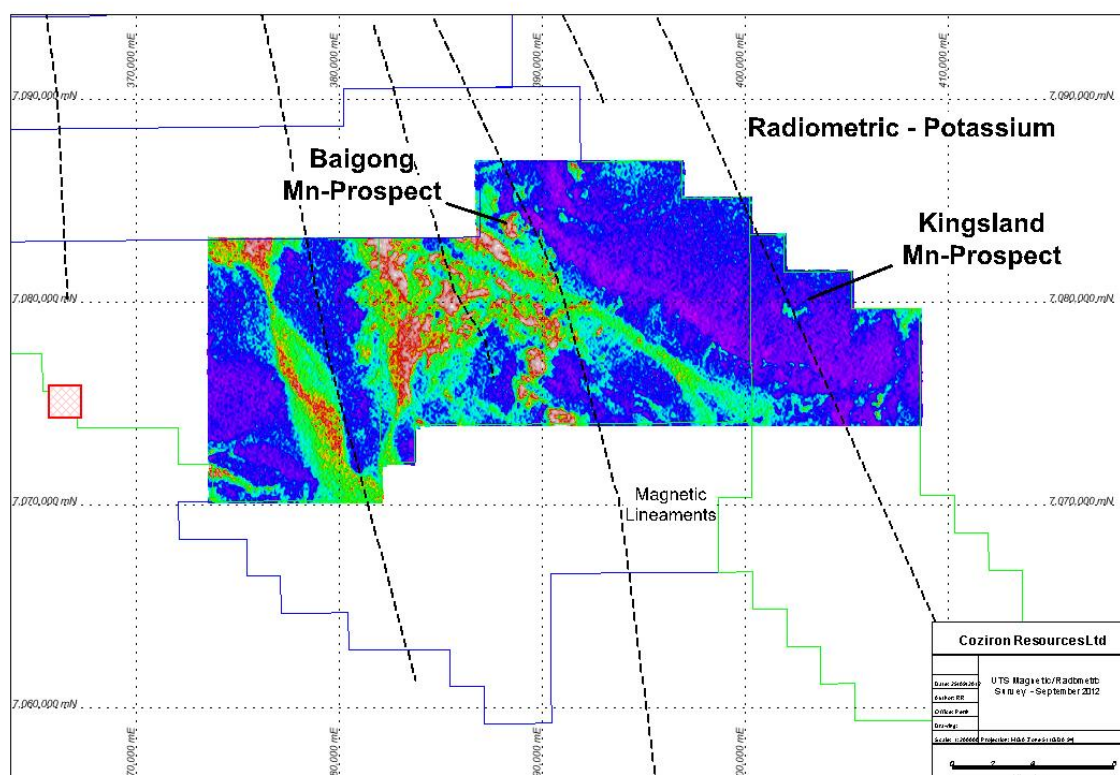


Fig 7 Potassium channel radiometric results from the airborne magnetic-radiometric survey flown over 400km of the Earahedy tenement package showing well developed anomalies associated with mangiferous outcrop at the Baigong and Kingsland prospects.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

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

SUBSEQUENT EVENTS

On 9 March 2015 the issued 6,074,150 shares to Creasy Group. The shares were issued in satisfaction of the cash consideration of \$121,483 owing in relation to the acquisition of Shepherd's Well.

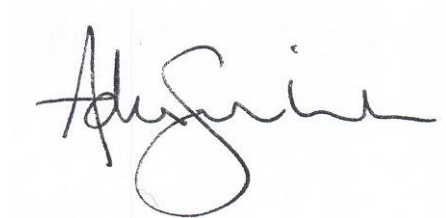
Other than as disclosed elsewhere in this financial report, there has been no significant events subsequent to the end of the reporting period.

DIRECTORS' REPORT (Continued)

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* for the half-year ended 31 December 2014 is set out on page 14.

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

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

Adam Sierakowski
Chairman

Dated this 16th day of March 2015

Competent Persons Statement

The information in this report that relates to mineral resources and exploration results is based on information compiled by Rob Ramsay BScHons, MSc PhD, Member of the Australian Institute of Geoscientists. Rob Ramsay is a full-time Consultant Geologist for Coziron and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Rob Ramsay has given his consent to the inclusion in this report of the matters based on the information in the form and context in which it appears.

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

As lead auditor for the review of Coziron Resources Limited for the half-year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been:

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

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



Dean Just

Director

BDO Audit (WA) Pty Ltd

Perth, 16 March 2015

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Note	Half-Year 31 December 2014 \$	Half-Year 31 December 2013 \$
Revenue		6,199	1,426
Exploration costs		(746,362)	(243,000)
Employee benefits expense		(59,000)	(67,000)
Compliance and professional fees		(201,275)	(222,788)
Depreciation		(3,522)	(2,805)
Occupancy costs		(12,000)	(21,000)
Administration expenses		(41,318)	(39,322)
Interest expense		-	(24)
Share based payments		(159,158)	-
(Loss) before income tax	2	(1,216,436)	(594,513)
Income tax expense		-	-
(Loss) from continuing operations after related income tax expense for the half year attributable to members of Coziron Resources Limited		(1,216,436)	(594,513)
Other comprehensive income		-	-
Total comprehensive loss attributable to the members of Coziron Resources Limited		(1,216,436)	(594,513)
(Loss) per share for the half year attributable to members of Coziron Resources Limited			
Basic loss per share (cents)		(0.11)	(0.06)
Diluted loss per share (cents)		(0.11)	(0.06)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

	Note	As At 31 December 2014 \$	As At 30 June 2014 \$
ASSETS			
Current Assets			
Cash and cash equivalents		412,210	1,079,641
Trade and other receivables		245,991	161,284
Total Current Assets		658,201	1,240,925
Non-Current Assets			
Property, plant and equipment		42,044	45,566
Exploration assets	3	13,744,804	12,744,804
Total Non-Current Assets		13,786,848	12,790,370
TOTAL ASSETS		14,445,049	14,031,295
LIABILITIES			
Current Liabilities			
Trade and other payables	4	229,841	2,353,836
Total Current Liabilities		229,841	2,353,836
TOTAL LIABILITIES		229,841	2,353,836
NET ASSETS		14,215,208	11,677,459
EQUITY			
Contributed equity	5	22,256,760	18,661,733
Reserves		159,158	-
Accumulated losses		(8,200,710)	(6,984,274)
TOTAL EQUITY		14,215,208	11,677,459

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Ordinary Shares \$	Reserves	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2014	18,661,733	-	(6,984,274)	11,677,459
Total comprehensive loss for the half-year	-	-	(1,216,436)	(1,216,436)
Shares issued – Placement	767,500	-	-	767,500
Shares issued – Acquisition	878,517	-	-	878,517
Shares issued – Repayment of loan	2,000,000	-	-	2,000,000
Options Issued	-	159,158	-	159,158
Share issue costs	(50,990)	-	-	(50,990)
Balance at 31 December 2014	22,256,760	159,158	(8,200,710)	14,215,208
Balance at 1 July 2013	16,252,200	-	(5,352,743)	10,899,457
Total comprehensive loss for the half-year	-	-	(594,513)	(594,513)
Balance at 31 December 2013	16,252,200	-	(5,947,256)	10,304,944

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

**CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	Half-Year 31 December 2014 \$	Half-Year 31 December 2013 \$
Cash flows from operating activities		
Receipts from customers	-	-
Payments to suppliers and employees	(384,057)	(429,508)
Payment for exploration expenditure	(999,961)	(400,462)
Interest received	6,199	4,407
Net cash flows used in operating activities	(1,377,819)	(825,563)
Cash flows from investing activities		
Acquisition of plant and equipment	(6,122)	-
Net cash flows used in investing activities	(6,122)	-
Cash flows from financing activities		
Proceeds from issue of ordinary shares	767,500	-
Payment of share issue costs	(50,990)	-
Net cash flows used in financing activities	716,510	-
Net increase/(decrease) in cash held	(667,431)	(825,563)
Cash and cash equivalents at the beginning of the half-year	1,079,641	919,629
Cash and cash equivalents at the end of the half-year	412,210	94,066

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

1. STATEMENT OF SIGNIFICANT ACCOUNT POLICIES

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

Basis of Preparation

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

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2014 and any public announcements made by Coziron Resources Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

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

The accounting policies and methods of computation adopted in the preparation of the half-year financial statements are consistent with those adopted and disclosed in the Group's annual financial report for the financial year ended 30 June 2014 other than the Group's policy in relation to exploration and evaluation costs in relation to mineral exploration. The Group's revised policy is shown below.

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

Accounting Standards Issued

In the half-year ended 31 December 2014, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for reporting periods beginning on or after 1 July 2014. It has been determined by the Group that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to the Group's accounting policies.

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

Reference	Title	Summary	Impact on Company's financial report	Application date for Company
IFRS 15	Revenue from contracts with customers	An entity will recognise revenue to depict the transfer of promised good or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This means that revenue will be recognised when control of goods or services is transferred, rather than on transfer of risks and rewards as is currently the case under IAS 18 Revenue.	Due to the recent release of this standard, the Company has not yet made an assessment of the impact of these amendments.	1 July 2017
AASB 2012-6	Amendments to Australian Accounting Standards - Mandatory Effective Date of AASB 9 and Transition Disclosures	Defers the effective date of AASB 9 to 1 January 2015. Entities are no longer required to restate comparatives on first time adoption. Instead, additional disclosures on the effects of transition are required.	As comparatives are no longer required to be restated, there will be no impact on amounts recognised in the financial statements. However, additional disclosures will be required on transition, including the quantitative effects of reclassifying financial assets on transition.	1 July 2015
AASB 2014-1	Amendments to Australian Accounting Standards	Non-urgent but necessary changes to standards arising from Annual Improvements to IFRSs 2010–2012 Cycle and Annual Improvements to IFRSs 2011–2013 Cycle	There will be no impact on the financial statements when these amendments are first adopted because they apply prospectively or are disclosure impacts only.	1 July 2014, 1 July 2015, 1 July 2016
Improvements to IFRSs	Annual Improvements 2011-2013 Cycle	Non-urgent but necessary changes to standards <ul style="list-style-type: none"> IFRS13 – Clarifies portfolio exception in relation to contracts under IAS 39 IAS 40 – Clarifies interrelationship between IFRS 3 & IAS 40 when classifying the acquisition of property as investment or owner occupied 	There will be no impact on the financial statements when these amendments are first adopted.	1 July 2014

Reporting basis and conventions

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

Exploration and evaluation

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

- (i) the rights to tenure of the area of interest are current; and
- (ii) at least one of the following conditions is also met:
 - a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

- b) exploration and evaluation activities in the area of interest have not at the balance date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

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

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

Going Concern

This report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The Group has incurred a net loss after tax for the half year ended 31 December 2014 of \$1,216,436 (2013: \$594,513) and experienced net cash outflows from operating activities of \$1,377,819 (2013: \$825,563). At 31 December 2014, the Group had current assets of \$658,201 (30 June 2014: \$1,240,925).

The Directors believe there are sufficient funds to meet the Group's immediate working capital requirements and as at the date of this report the Group believes it can meet all liabilities as and when they fall due. However the Directors recognise that additional funding either through the issue of further shares, convertible notes or a combination of both will be required for the Group to continue to actively explore its mineral properties.

The Directors have reviewed the business outlook and the assets and liabilities of the Group and are of the opinion that the use of the going concern basis of accounting is appropriate as they believe the Group will continue to be successful in securing additional funds through debt or equity issues or partial sale of its mineral properties as and when the need to raise working capital arises.

Should the Directors not achieve the matters set out above, there is significant uncertainty whether the Group will continue as a going concern and therefore whether it will realise its assets and liabilities in the normal course of business.

The financial report does not include any adjustments that may be necessary if the Group is unable to continue as a going concern.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

2. LOSS BEFORE INCOME TAX

	Half-Year 31 December 2014 \$	Half-Year 31 December 2013 \$
The following revenue and expense items are relevant in explaining the financial performance for the half-year:		
Interest revenue	6,199	1,426
Expenses		
Exploration costs	(746,362)	(243,000)
Compliance and professional fees	(201,275)	(222,788)
Share based payments	(159,158)	-

3. EXPLORATION ASSETS

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

	31 December 2014 \$	30 June 2014 \$
Opening balance at the beginning of the half-year	12,744,804	12,744,804
Add: Acquisition of Shepherds Well tenement	1,000,000	-
Less: Exploration expenditure written off in the period	-	-
Closing Balance	13,744,804	12,744,804

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

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

4. TRADE AND OTHER PAYABLES

	31 December 2014 \$	30 June 2014 \$
Trade payables	96,358	55,887
Accruals	133,483	662,000
Employee entitlements	-	460
Other payables	-	2,000,000
	229,841	2,718,347

Other payables represent amounts payable to the Creasy Group under the terms of the acquisition of Zanthus Resources Pty Ltd, Buddadoo Metals Pty Ltd and KingX Pty Ltd. The amount represents prior exploration expenditure by the Creasy Group on the projects acquired by the Company. Under the terms of the Agreement the Company has repaid the amount through the issue of 66,666,666 shares on 4 November 2014.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

5. ISSUED CAPITAL

	As At 31 December 2014 \$	As At 30 June 2014 \$
Ordinary shares	22,256,760	18,661,733

	2014 No.	2014 \$	2013 No.	2013 \$
<i>Movements in ordinary shares on issue</i>				
Shares on issue at 1 July	1,102,743,654	18,661,733	975,143,654	16,252,200
- Shares issued – Placement	38,375,000	767,500	-	-
- Shares issued – Acquisition	10,000,000	878,517	-	-
- Shares issued – Repayment of loan	66,666,666	2,000,000	-	-
- Issue costs	-	(50,990)	-	-
At 31 December	1,223,859,470	22,256,760	975,143,654	16,252,200

6. SHARE BASED PAYMENTS

Ordinary Shares

Shares provided in respect of acquisition of Shepherds Well tenement	878,517	-
Shares provided in respect of the repayment of the Creasy Group liability (Note 4)	2,000,000	-
Total share based payments	2,878,517	-

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

Options

During the half year, \$159,158 (2103: \$Nil) was recognised as a share based payment made to the Directors and Company Secretary of the Company. The issue of options to the Directors was as approved at the General Meeting held on 28 October 2014. The fair value of the options as determined using the Black-Scholes option valuation methodology and applying the following inputs:

	3c Options	3.5c Options	Total
5 Day VWAP at 28 October 2014	\$0.0209	\$0.0209	
Exercise Price	3c	3.5c	
Expiry Date	28 Oct 2017	28 Oct 2018	
Risk Free Rate	3%	3%	
Volatility	75%	75%	
Value per Option	\$0.0087	\$0.0095	
Total Value of Options	\$75,755	\$83,403	\$159,158
Amount Expensed in Current Year	\$75,755	\$83,403	\$159,158
Amount to be Expensed in Future Years	\$-	\$-	\$-

No other share based payment transactions were entered into during the period and at the time of this report the Group does not have a formal employee option plan in place.

7. SEGMENT INFORMATION

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

CONTINGENT LIABILITIES

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

8. COMMITMENTS

On 30 September 2014 the Company exercised an option to acquire the Yarrie tenements from the Creasy Group. As at the date of this report the Company is still in the process of finalising the Sale and Joint Venture Agreement. When the Company completes the acquisition of the Yarrie Tenements it will be required to issue 100,000,000 fully paid ordinary shares and pay \$711,234 cash reimbursement of prior exploration expenditure.

Exploration commitments	31 December 2014 \$	30 June 2014 \$
<i>Payable:</i>		
Within one year	1,810,414	1,387,817
Later than one year but not later than 5 years	4,786,038	4,170,742
Later than 5 years	-	10,586
	6,596,452	5,569,145

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

9. RELATED PARTY TRANSACTIONS

Transactions with related parties

During the period the Company issued options to Directors and the Company Secretary, details of which are shown in Note 6.

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

10. SUBSEQUENT EVENTS

On 9 March 2015 Coziron issued 6,074,150 shares to Creasy Group. The shares were issued in satisfaction of the cash consideration of \$121,483 owing in relation to the acquisition of Shepherd's Well.

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

11. FAIR VALUE OF FINANCIAL INSTRUMENTS

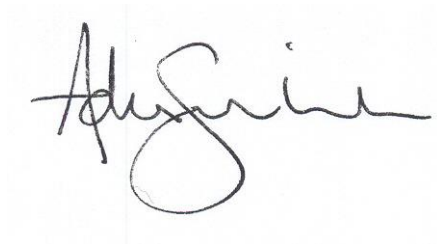
Due to their short term nature, the carrying amounts of the current receivables and current payables are assumed to approximate their fair value.

**DIRECTORS' DECLARATION
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 15 to 25:
 - (a) comply with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (b) give a true and fair view of the economic entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

A handwritten signature in black ink, appearing to read 'Adam Sierakowski', is written over a light blue rectangular stamp.

Adam Sierakowski
Chairman

Dated this 16th day of March 2015

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Coziron Resources Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Coziron Resources Limited, which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Coziron Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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



Conclusion

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*

Emphasis of matter

Without modifying our conclusion, we draw attention to Note 1 in the half year financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon securing additional funds through debt or equity issues or partial sale of its mineral properties as and when the need to raise working capital arises. This condition, along with other matters as set out in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

BDO Audit (WA) Pty Ltd

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

Dean Just

Director

Perth, 16 March 2015