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**COZIRON RESOURCES LIMITED & CONTROLLED ENTITIES**  
**ABN 91 112 866 869**

**ANNUAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2019**

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CORPORATE DIRECTORY

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**DIRECTORS**

Stephen Lowe  
Adam Sierakowski  
Robert Ramsay  
Simon Jackson

**COMPANY SECRETARY**

Stephen Hewitt-Dutton

**PRINCIPAL OFFICE**

Level 24  
44 St George's Terrace  
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Telephone: (08) 6211 5099  
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**AUDITORS**

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**SHARE REGISTRY**

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Sydney, New South Wales 2000  
(Home Exchange: Perth, Western Australia)  
Code: CZR

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## DIRECTORS' REPORT

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The directors of Coziron Resources Limited present the financial report of the company and its controlled entities (referred to hereafter as the Group) for the financial year ended 30 June 2019.

In order to comply with the provisions of the *Corporations Act 2001*, the directors' report as follows:

### DIRECTORS

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

Adam Sierakowski (Chairman)  
Stephen Lowe  
Dr Robert Ramsay  
Simon Jackson (Appointed 29 January 2019)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

### COMPANY SECRETARY

The following persons have held the position of company secretary during or at the end of the financial year:

Stephen Hewitt-Dutton

### PRINCIPAL ACTIVITIES

The principal activity of the Group during the financial year was mineral exploration.

There were no significant changes in the nature of the Group's principal activities during the financial year.

### OPERATING RESULTS

The loss of the Group after providing for income tax amounted to \$1,669,516 (2018: \$1,883,576).

### DIVIDENDS PAID OR RECOMMENDED

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

### REVIEW OF OPERATIONS

#### Introduction

Coziron Resources Ltd (CZR) holds an 85% interest in the Yarraloola, Shepherds Well and Buddadoo Projects, a 70% interest in the Yarrie Project and is acquiring a 70% interest in the Croydon Top-Camp project.

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

DIRECTORS' REPORT (Continued)

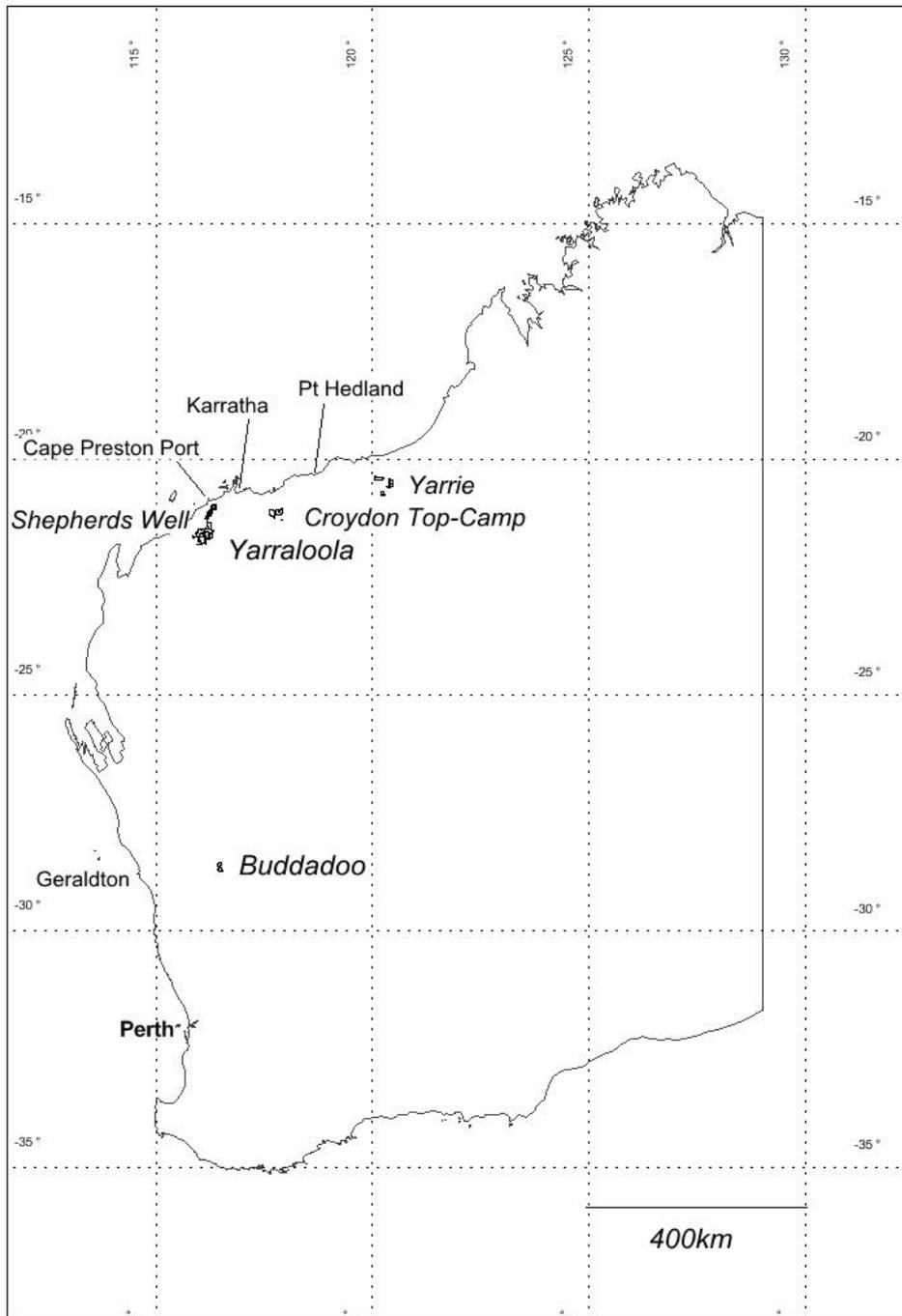


Fig 1. Location of the Coziron Resources Ltd tenements in Western Australia.

**Buddadoo Project**

The 192 km<sup>2</sup> Buddadoo Project (E59/1350) is located about 200km east of Geraldton Port and 60km from a rail siding at Morawa that connects to Perth and Geraldton (Fig 1). The area is also serviced by a bitumen-road between the towns of Morawa and Yalgoo and a number of station tracks. The tenement covers part of the Gullewa Greenstone Belt along the regional-scale Sat Creek Shear Zone and is intruded by granitic and gabbroic rocks. Historical exploration on E59/1350 reports mineralisation at two sites. In the north at

DIRECTORS' REPORT (Continued)

Edamurta, gold, copper and zinc is associated with felsic and mafic volcanics, while in the south adjacent to the Buddadoo Hills, copper and bands of vanadiferous magnetite are hosted by gabbroic rocks (Fig 2).

During the past year, the company commenced metallurgical sampling and processing of material from BUDRC013 and BUDRC027 in the Buddadoo Hills that were part of the 28 hole RC drilling programme completed early in 2018 (CZR:ASX 22<sup>nd</sup> August 2018; 7<sup>th</sup> February 2019). BUDRC027 is an intercept into the southern portion of the Buddadoo Gabbro (Budd\_Gabbro\_04) and an intercept (52-74m) from BUDRC013 that intersected new zones of vanadium mineralisation from a sequence of mafic and felsic gneisses. The 200 RC samples from BUDRC027 were combined into six bulked samples using 10,000 and 5,000 SI units in the magnetic susceptibility as cut-offs. Only three samples with susceptibility significantly less than 1,000 SI units were excluded. An additional sample was created from the high grade 52-74m interval from BUDRC013. Each RC composite was then screened into five fractions to determine the mass distribution by particle size. A fraction from each screen size was then subjected to a Davis Tube wash-test (DTW) with the magnetic separation at 3,000 gauss. Coarse fractions (greater than 0.5 mm) were processed using a dry low intensity magnetic separator (LIMS) at 1000 gauss. All fractions of the head, concentrate and tails were weighed and fully analysed by XRF and Laser-ablation ICP on a fused disk (CZR:ASX 7<sup>th</sup> February 2019) .

The results show that even at the coarsest grain-size, there is an upgrading of the vanadium ( $V_2O_5$ ) content across all samples and this is significantly greater for the lower grade samples. At -150 microns, which is the maximum preferred particle size for iron-ore pellets, the Fe in the concentrates has upgraded across all samples to greater than 62% and the combined  $SiO_2$  and  $Al_2O_3$  is less than 5% in all except the small volumes of the least magnetic samples. The low levels of  $SiO_2$  contamination are also a cost-advantage for vanadium recovery by roast-leach.

As the grain-size decreases towards -45 microns, the decrease in  $TiO_2$  content and increasing Fe and  $V_2O_5$  significantly improves the metallurgical characteristics for smelting. In particular, the lower  $TiO_2$  content improves the iron recovery and vanadium content of pig-iron. At -45 microns, magnetite concentrates reported Fe from 66-68%,  $V_2O_5$  from 0.8 to 1.86%,  $TiO_2$  from 1.4 to 5.7%, contaminants  $SiO_2$  and  $Al_2O_3$  at less than 1% and mass yields up to 46%.

In addition to the work on the vanadiferous magnetite, follow-up and extensional soil and rock-chip sampling was undertaken over targets showing potential for gold and copper mineralisation (CZR:ASX 22<sup>nd</sup> August 2018). At Edamurta West, located approximately 10 km north-east of the Deflector Gold Mine soil samples at 20 to 40m intervals on E-W lines spaced 200m apart outline anomalism in gold to 200ppb, arsenic to 100 ppm and anomalous antimony that is open along strike and extends over a distance of about 1.2 km (Fig 2). Copper Valley at the southern end of the Buddadoo tenement has historical occurrences of copper mineralisation located towards the eastern end of a 500 m wide NW-trending regional structure (Fig 2). Recent rock-chips collected at intervals where mineralisation was detected along a strike length of about 5 km report copper to 15.2% and gold to 0.6g/t (Table 1). There are also rock-chips from areas with tungsten anomalism in soils to 500 ppm on the eastern flank of the Buddadoo Hills that have reported gold to 1.2 g/t and tungsten to 4.5% (Table 1).

The next phase of work at Buddadoo is to increase the amount of RC and diamond drilling on the rocks with the vanadiferous magnetite for geochemical and metallurgical samples with the results to contribute to the generation of a JORC resource. Results from the metallurgical work will be used to determine whether the optimum business model for Buddadoo is the production of either a vanadiferous titanomagnetite concentrate for shipping (DSO) from the port of Geraldton, or justifies the development of an onsite downstream processing facility. The more advanced copper and gold anomalies are also ready for a first round of RC drilling.

DIRECTORS' REPORT (Continued)

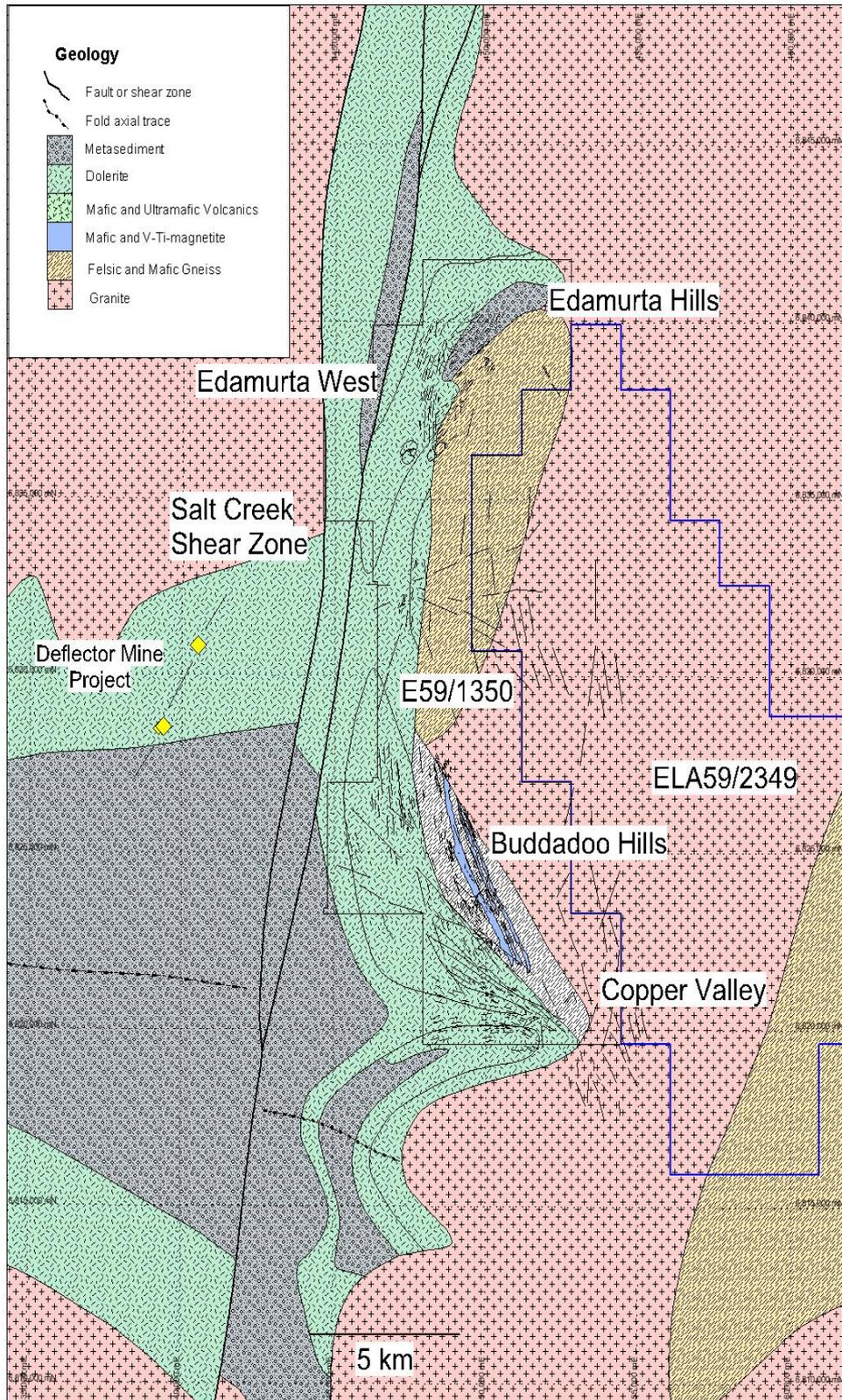


Fig 2. Major exploration prospects on the Buddadoo Project (E59/1350 and EA59/2349 over the Geological Survey of Western Australia 1:500,000 scale regional geology.

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DIRECTORS' REPORT (Continued)

Table 1 Rock-chip samples from Copper Valley with copper (Cu) greater than 1% and Buddadoo Hills with tungsten (W) greater than 1% (full assay details are reported ASX:CZR 21/11/2018).

Sample Number	Easting Z50 GDA	Northing Z50 GDA	Au ppb	Au rpt	Ag ppm	As ppm	Bi ppm	Cu %	Te ppm	W ppm
Copper Valley										
AE2018-009	449498	6821997	598	470	18.4	1.2	15.6	11.4	22.4	15.5
AE2018-010	449498	6821972	267	252	68.4	1	21.5	15.2	16.4	3.5
AE2018-011	451134	6822002	193		6	0.4	9.38	2.64	4.8	1.5
PK2018-014	451648	6820852	8		1.4	15.2	5.06	3.48	0.6	3.9
PK2018-015	451640	6820844	5		2.1	-0.2	8.38	10.4	1.4	0.3
PK2018-016	451642	6820834	-1		24.7	5.6	19.4	9.41	3.6	0.6
PK2018-017	451646	6820799	1		0.4	3.2	1.36	5.72	0.4	21.5
PK2018-018	451650	6820809	12		0.8	0.8	6.34	3.69	2.4	16.4
PK2018-019	451643	6820831	1		0.9	-0.2	13.3	6.24	1	1
PK2018-020	451600	6820888	21		0.8	-0.2	10.9	8.51	1.4	4.65
PK2018-021	451587	6820900	10		2.6	3	6.62	5.39	1.6	5.5
PK2018-024	449509	6822000	155		18.4	1	23.8	6.03	22.4	2
RR2018-007	449752	6821996	314	343	4.2	2.8	12.1	5.67	12.4	116
Buddadoo Hills										
PK2018-003	449653	6824220	-1		-0.1	1.6	21.5	-0.01	-0.2	15900
PK2018-010	449625	6824235	1160		0.7	3.2	1510	-0.01	157	45500
PK2018-032	449860	6823818	-1		-0.1	1.4	8.16	-0.01	-0.2	18700

**Croydon Top-Camp Project**

Coziron has entered into an agreement with Creasy Group to acquire a 70% interest in Croydon Top-Camp (CTCP E47/2150) project. CTCP is subdivided into two main blocks of tenement that cover a crustal-scale north-east trending fault-system which separates granitic rocks of the Pilbara Craton from deformed, metasedimentary rocks of the De Grey Superbasin (Fig 3). The eastern block of CTCP has some reported gold occurrences, while the western block of the CTCP has a long history of gold prospecting and small-scale mining activity at several areas within a 100 km<sup>2</sup> area that is attributed in the regional mapping by the Geological Survey of Western Australia to the Constantine Sandstone.

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DIRECTORS' REPORT (Continued)

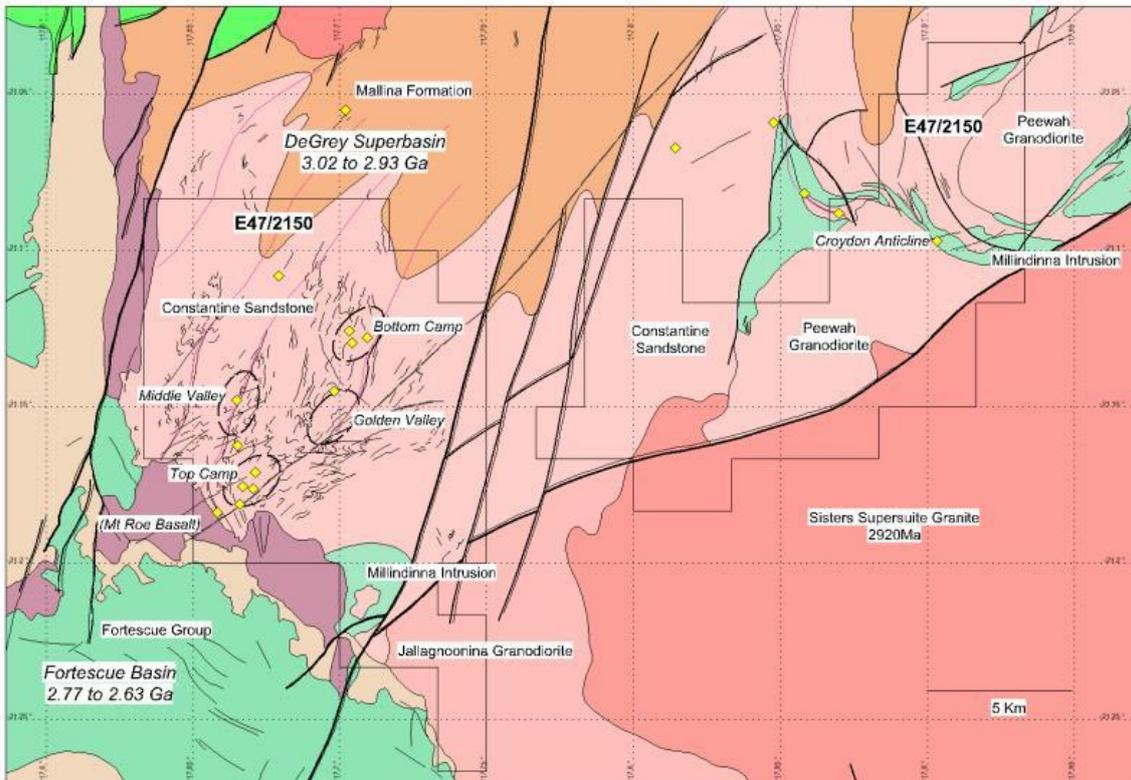


Fig 3. Croydon Top-Camp project (E47/2150) showing location of gold occurrences from the Geological Survey of Western Australia in sediments of the DeGrey Superbasin separated by a crustal-scale fault from granitic rocks of the Pilbara Craton and overlain by younger rocks of the Fortescue Group (Geology from GSWA digital 1:100K mapping).

During the year, CZR received reports of 128.8g of gold being recovered by prospectors using metal detectors on 40E prospecting permits covering the Top Camp prospect area (CZR:ASX 20<sup>th</sup> September 2018, 6<sup>th</sup> December 2018, 25<sup>th</sup> July 2019). The irregular form and morphological features on the surface of the gold (Fig 4) support a primary origin from lode-style mineralisation which are the most widespread and economically significant deposits across the Pilbara and Yilgarn of Western Australia. The company also acquired a detailed airborne magnetic and radiometric survey from MagSpec Airborne Surveys Ltd over the project, submitted 187 stored auger-pulps and collected additional soil and rock-chip from an initial site visit for comprehensive geochemical analysis (CZR:ASX 10<sup>th</sup> October 2018, 6<sup>th</sup> December 2018).



Fig 4. Gold particles with a total weight of 75.3g recovered from the Top Camp area using a metal-detector with their locations plotted onto Fig 6.

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DIRECTORS' REPORT (Continued)

The aero-magnetic data outlines the structural framework of the CTCP which has extensive areas of thin colluvial and alluvial cover in the centre of the project area. The magnetics show the contrast between weakly magnetic sedimentary rocks in the Mallina Basin and the gneissic and granitic rocks from the basement in the east. Martin Prospect in the east of CTCP is hosted by nickel and chromium-rich rocks and located in a zone at least 40m wide with copper (Cu) from 500 to 1000 ppm and zinc (Zn) from 400 to 3000 ppm against a background of copper and zinc at less than 100ppm (Fig 5). This setting is interpreted as being part of an Archean-age greenstone belt hosting VMS mineralisation. The zone of mineralisation associated with the gossan at Martin Prospect represents a drill-target and a plan for a three-hole RC programme for about 500m is being costed and the location of the collars.

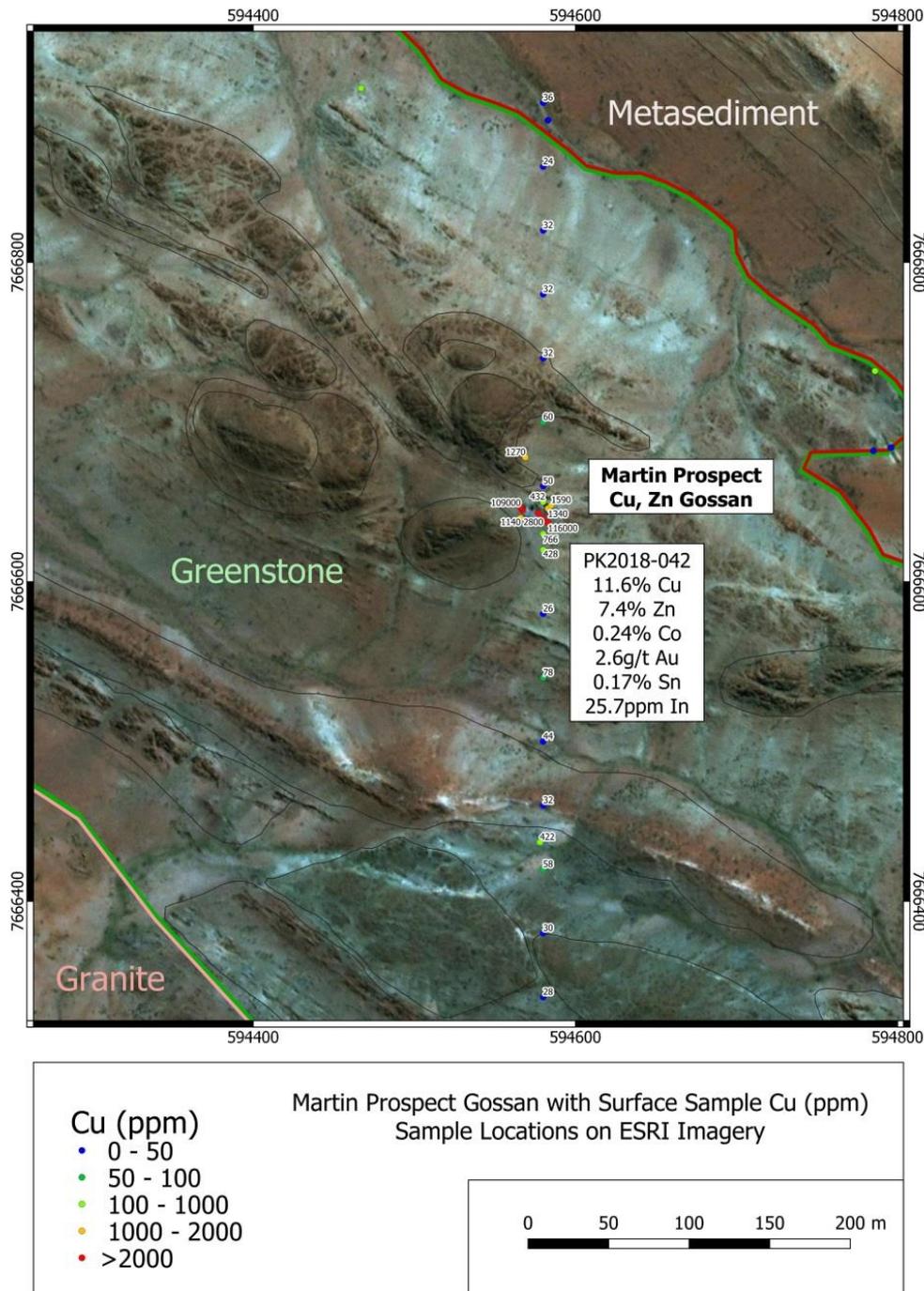


Fig 5 Distribution of richly mineralised soil and rock-chip samples from the Martin Prospect on the CTCP project (E47/2150) in the Pilbara of Western Australia overlain on high resolution ESRI satellite imagery.

DIRECTORS' REPORT (Continued)

In the west of the CTCP, the compilation of gold-particles recovered by metal-detector, historical results from drainage, soils, auger and rock-chips and CZR assayed auger, soils and rock-chips from the carbonate-rich metasediments on the 1.5km long by 500m wide Top Camp Prospect have a high proportion of samples with anomalous gold and pathfinder-elements (Fig 6; CZR:ASX on 10<sup>th</sup> of October 2018, 6<sup>th</sup> December 2018; 25<sup>th</sup> July 2019). Samples comprehensively assayed and reported by CZR have gold (Au) to 25g/t, arsenic (As) typically 50 to 200 ppm, and antimony (Sb) from 20 to 50 ppm. The presence of gold and pathfinder element anomalism host by carbonate-rich turbiditic sediments shows affinities with the large, intrusion-related Sadiola Hills deposit in western Mali. Further support for exploring the Top Camp area using the West Africa area as a exploration model is represented by the recent announcement by De Grey Mining Ltd (ASX:DEG) that their Towerana deposit to the north-east of Top Camp has intrusion-related gold in a granite-host.

As the new assays from the CTCP area are compiled with historical results, they highlight areas in the core of the Top Camp prospect that are ready for a RC drilling and a programme of about 2000m is being costed and pad locations are being selected. There are also areas such as the Middle Valley and Bottom Camp prospects (Fig 3) showing gold and pathfinder-element anomalism in soil and rock-chip samples where programmes of infill and extensional work have the potential to rapidly generate additional drill targets in areas with good access.

**Yarraloola Iron-ore Project**

The Yarraloola Project consists of five exploration licences and a mining lease application with a total area of 829 km<sup>2</sup> (Fig 7). The project has a basement of Archean and Proterozoic-aged rocks that are in parts overlain by younger sediments of the Carnarvon Basin. All the sequences are prospective for iron-ore. In the east, Archean-age sediments in the Hamersley Basin include iron-rich members of the Marra Mamba, Brockman and Boolgeeda Iron Formations. In the central and western parts, Proterozoic-age metasedimentary and metavolcanic rocks of the Ashburton Basin contain an iron formation. In the south, the Coziron tenements cover parts of the Robe River pisolitic iron-stone that was deposited in paleo-river channels associated with the Carnarvon Basin and this system currently support large-scale mining operations at Warrambo, Mesa A and Mesa J (Fig 7).

Logistically, the Yarraloola tenements are serviced by established infrastructure that includes bitumen roads and gas-pipelines and these provide opportunities to lower the cost of development for any ore discoveries. There are also proposals for additional facilities to be developed within the region. BC Iron Ltd has approval for a new haul-road and port at Cape Preston East, while the API joint-venture is preparing a feasibility study for a railway through the West Pilbara to a port at Anketell Point. Both of these planned infrastructure projects traverse the Coziron tenements and have the potential to improve the economics of any iron-ore deposits discovered in the project area.

DIRECTORS' REPORT (Continued)

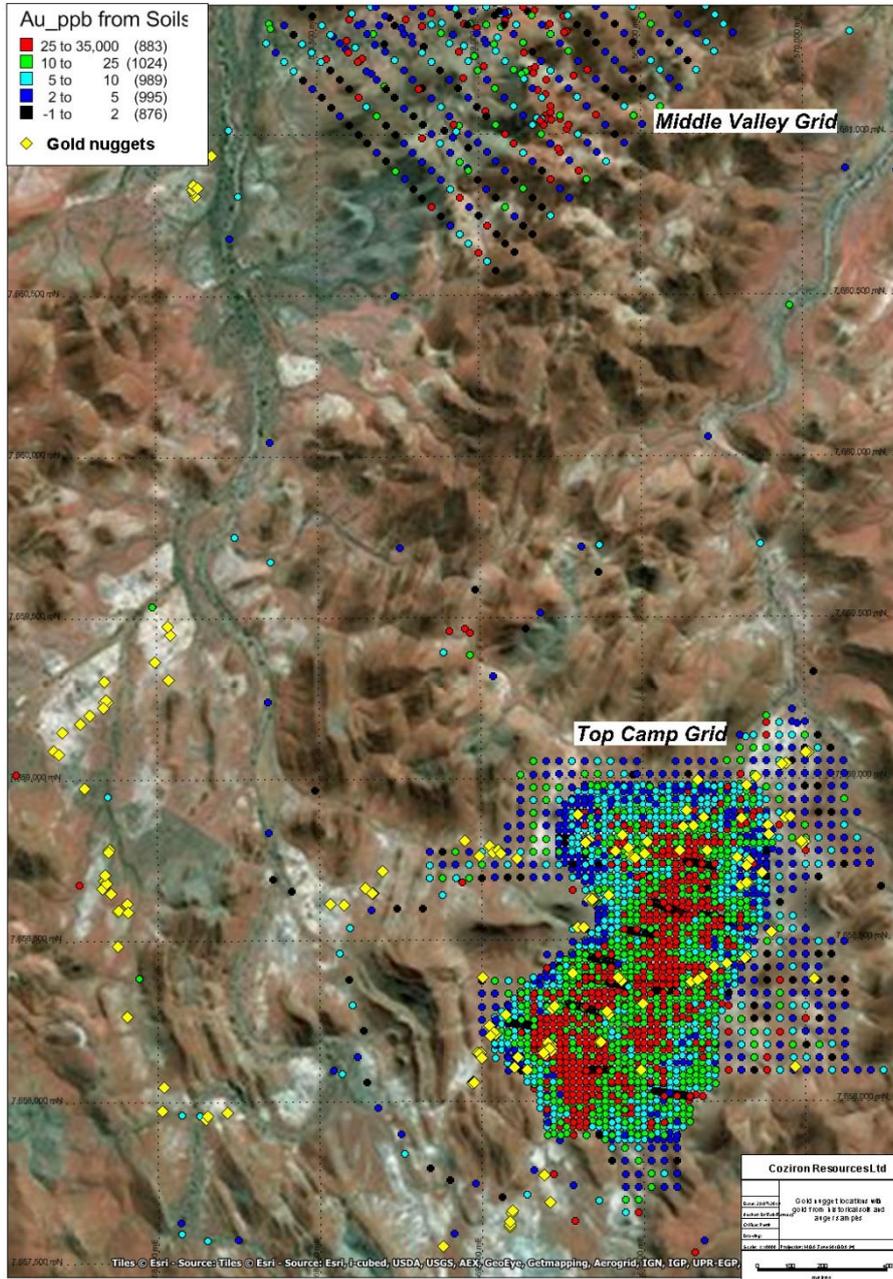


Fig 6. The location of gold-nuggets on the compilation of gold (Au) results from drainage, soil and auger samples from the Top Camp Prospect overlain onto the ESRI satellite imagery highlighting the lighter coloured, carbonate-rich sediments from the Mallina Formation in the DeGrey Basin.

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DIRECTORS' REPORT (Continued)

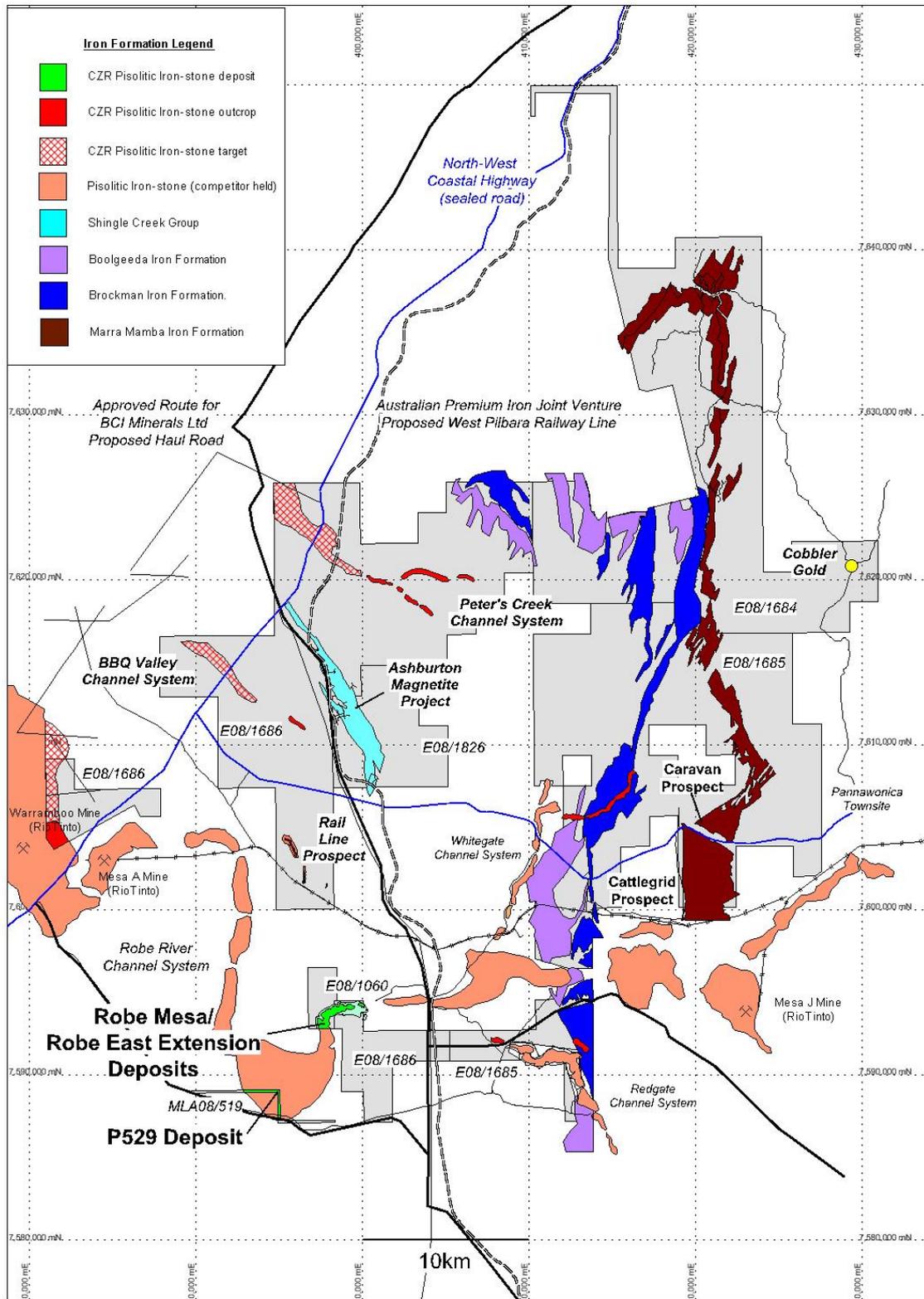


Fig 7. Yarraloola tenements showing the Robe Mesa, extension to the east and the P529 Deposits, distribution of the pisolitic iron-stone, the Ashburton magnetite project, the Marra Mamba, Brockman and Boolgeeda Iron Formations.

DIRECTORS' REPORT (Continued)

In the period since CZR acquired the Yarraloola project the company has generated fully reported JORC-complaint resources for the Robe Mesa, Robe East Extension and P529 Deposits (Fig 7; 7<sup>th</sup> December 2015, 8<sup>th</sup> February 2016, 26<sup>th</sup> April 2017, 9<sup>th</sup> May 2017). The results for the deposits are summarised in the following tables.

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

Category	Mt	Fe%	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	TiO <sub>2</sub> %	LOI%	P%	S%	Fe <sub>ca</sub> %
Indicated	65.7	53.8	8.3	3.4	0.14	10.6	0.04	0.02	60.2
Inferred	18.8	53.8	8.2	3.4	0.14	10.7	0.05	0.02	60.3
<b>Total</b>	<b>84.5</b>	<b>53.8</b>	<b>8.3</b>	<b>3.4</b>	<b>0.14</b>	<b>10.6</b>	<b>0.04</b>	<b>0.02</b>	<b>60.2</b>

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

Category	Mt	Fe%	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	TiO <sub>2</sub> %	LOI%	P%	S%	Fe <sub>ca</sub> %
Indicated	19.5	56.0	6.0	2.7	0.10	10.7	0.04	0.02	62.7
Inferred	5.2	56.0	5.8	2.8	0.1	10.7	0.05	0.02	62.7
<b>Total</b>	<b>24.6</b>	<b>56.0</b>	<b>5.9</b>	<b>2.7</b>	<b>0.1</b>	<b>10.7</b>	<b>0.04</b>	<b>0.02</b>	<b>62.7</b>

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

Category	Tonnes Mt	Fe %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	TiO <sub>2</sub> %	LOI %	P %	S %	Fe <sub>ca</sub> %
Inferred	4.6	51.8	9.7	3.8	0.2	10.9	0.1	0.02	58.2
<b>Total</b>	<b>4.6</b>	<b>51.8</b>	<b>9.7</b>	<b>3.8</b>	<b>0.2</b>	<b>10.9</b>	<b>0.1</b>	<b>0.02</b>	<b>58.2</b>

May 2017 P529 Deposit –above a Fe cut-off of 50%.

Category	Tonnes Mt	Fe %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	TiO <sub>2</sub> %	LOI %	P %	S %	Fe <sub>ca</sub> %
Inferred	4.2	53.0	9.1	3.9	0.2	10.4	0.04	0.01	59.2
<b>Total</b>	<b>4.2</b>	<b>53.0</b>	<b>9.1</b>	<b>3.9</b>	<b>0.2</b>	<b>10.4</b>	<b>0.04</b>	<b>0.01</b>	<b>59.2</b>

CZR has also reported results from RC and diamond drill-holes from the Ashburton Magnetite Project that covers a high-order, magnetic target some 12km long and 1km wide on tenements E08/1826 and E08/1686 in the West Pilbara (Fig 7). The sulphide-poor mineralisation is hosted by micaceous and siliceous rocks without asbestiform minerals in the Ashburton Basin some 15km west of the contact with iron formations of the Hamersley Basin (ASX: report 15<sup>th</sup> March 2017). The weathering interface is shallow and typically ends at about 30 m below surface and down-hole intercepts with magnetic susceptibility greater than 10,000 SI units assay with Fe greater than 20% report and a concentrate mass-recovery up to 42% with Fe greater than 67% and SiO<sub>2</sub> less than 5% at a measured P80 of 22 microns. Of the prospects within the Ashburton that are being evaluated, drill-holes into Spinifex Hill and Rossi Hill report the broadest intercepts, higher mass yields (greater than 25%) and better quality concentrates (Fe greater than 76% and SiO<sub>2</sub> less than 5%; Fig 8, Fig 9; ASX: reports 28<sup>th</sup> April 2016, 3<sup>rd</sup> August 2016, 1<sup>st</sup> June 2017).

During the past year, no fieldwork has been undertaken on the project. Priority fieldwork for 2019 on the CID deposits and targets at Yarraloola is to RC drill to increase the volume of CID, complete metallurgical work and complete a transportation study. The work programmes planned for the Ashburton magnetite include a gridded gravity and seismic programme, sampling of RC material to determine mass yield and concentrate quality and additional RC drilling to contribute to the generation of a JORC resource.

DIRECTORS' REPORT (Continued)

**Shepherds Well Project**

The Shepherds Well Project consists of exploration license E08/2361 covering an area of 77 km<sup>2</sup> and is located about 80km southwest of Karratha (Fig 1). The tenement is serviced by bitumen road access from the Great Northern Highway, is contiguous with the Yarraloola Project and is only 25-50km from the proposed public access port at Cape Preston. The project covers part of the Cleaverville terrain that is part of the basement of the Pilbara beneath the Hamersley Basin. Activities by the company have outlined two drill-ready anomalies. There is an outcrop of ultramafic rock at Dorper Rise with nickel, copper and gold anomalism and along Suffolk Ridge, a linear magnetic feature has lead, zinc and silver anomalism (Fig 8). There is also anomalous gold soil and drainage samples collected near the base of the Fortescue Basalt that requires follow-up (Fig 10; CZR:ASX 11<sup>th</sup> October 2017).

No fieldwork has been undertaken in the past year. However, work has commenced on infill sampling and mapping along the Suffolk base-metal anomaly and RC drilling is being planned for both the Dorper Rise and Suffolk Ridge prospects.

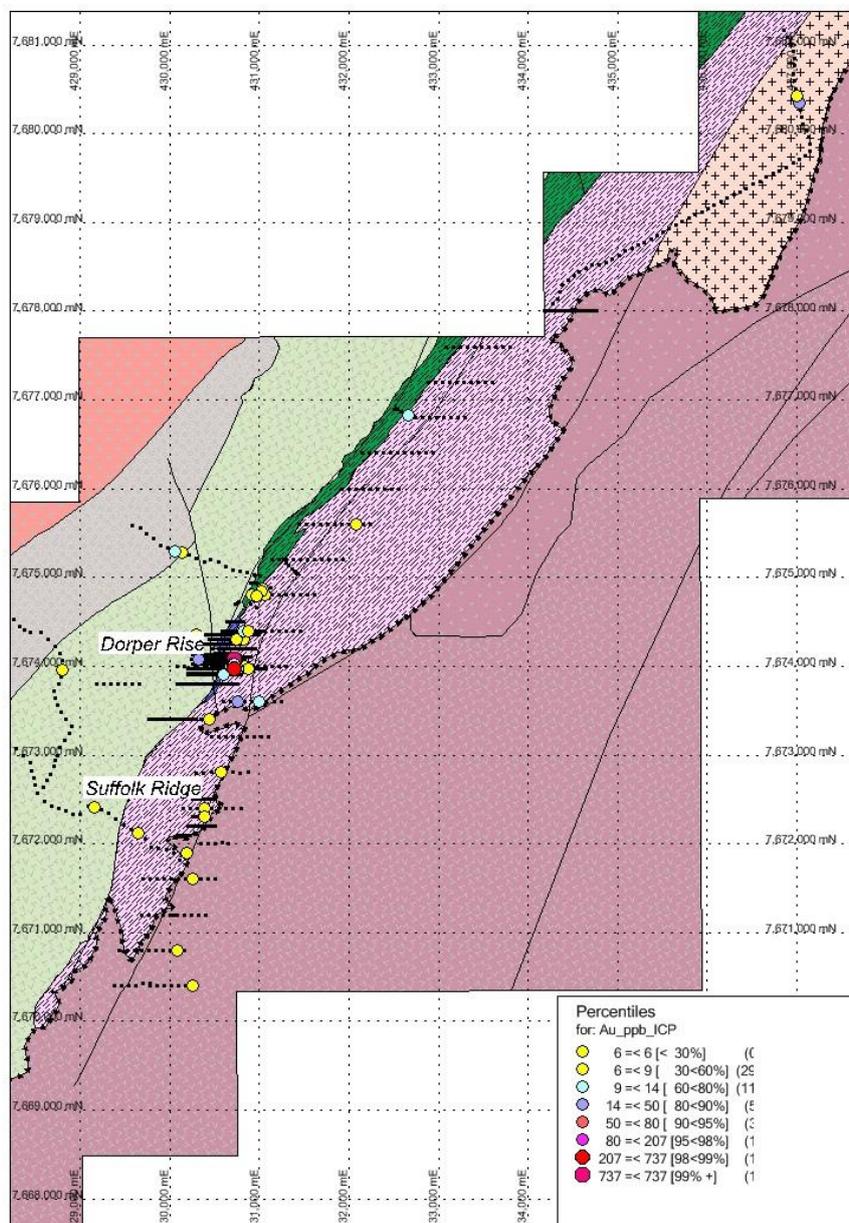


Fig 8. Map of the total magnetic intensity over the Shepherds Well Project (E08/2361) showing the traces of the main magnetic anomalies in the north, a locality identified by the Company with outcropping banded iron formation and a site of anomalous silver, lead and zinc.

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DIRECTORS' REPORT (Continued)

**Yarrie Project**

The Yarrie Project consists of six granted exploration licences (E45/3725, E45/3728, E45/4065, E45/4433, E45/4604, and E45/4605) that cover a total of 419km<sup>2</sup>, about 160km east of Port Hedland (Fig 1). Yarrie is serviced by bitumen and gravel roads and a natural gas pipeline between Pt Hedland and the Telfer copper-gold mine. The BHPB-owned rail connection between the Yarrie mining area and Port Hedland also services this area.

The Yarrie tenements have two prospects reporting historical drill-intercepts of high-grade (+62% Fe) iron-ore from the Nimingarra Iron Formation. There is also the potential for gold and base-metals on the tenements. No fieldwork has been undertaken at Yarrie for the past year but the focus of field-work for 2019-2020 will be an RC drilling programme at the Kennedy Gap prospect (Fig 9).

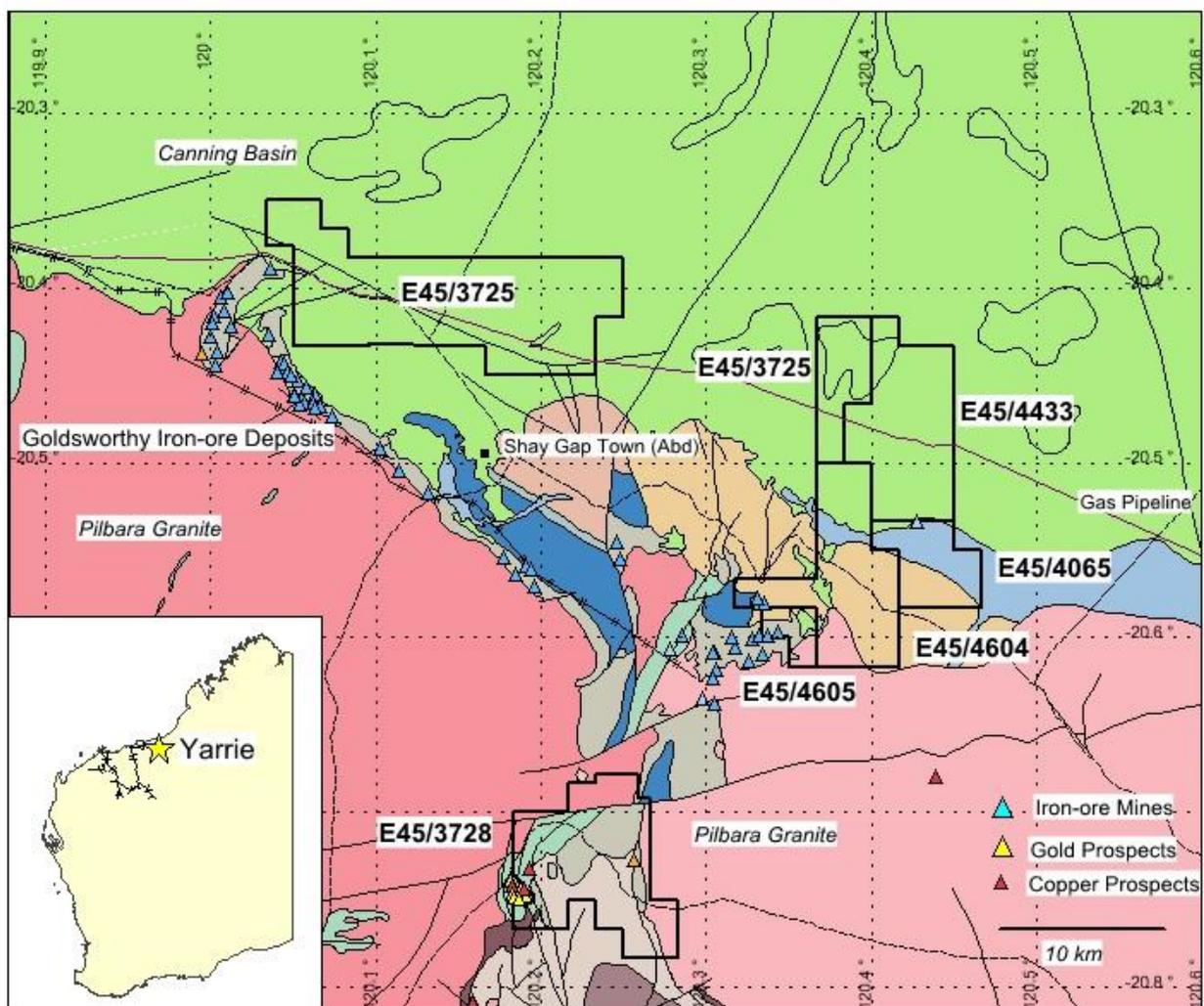


Fig 9. Regional setting of the Yarrie Project and the Yarrie-Goldsworthy iron-ore deposits overlain onto the magnetic intensity with the most intense responses attributed to the Nimingarra Iron Formation.

DIRECTORS' REPORT (Continued)

INFORMATION ON DIRECTORS

<b>Adam Sierakowski</b>	Non-Executive Chairman (appointed 21 October 2010)
Experience	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.
Interest in Shares	16,751,931 Fully paid ordinary shares
Interest in Options	Nil
Other Directorships	Kinetiko Energy Limited (since 8 December 2010) Dragontail Systems Limited (since 14 September 2016) Rision Limited (24 August 2016, resigned 23 May 2017. Appointed 8 June 2018) Connected IO Limited (since 3 December 2018)
<b>Stephen Lowe</b>	Non-Executive Director (appointed 21 October 2010)
Experience	Mr Lowe is currently the part-time Commercial Manager for major shareholder and joint venture partner, Mark Creasy with a focus on managing and assisting with the financial matters for Mr Creasy's business interests and investments.  Mr Lowe is also currently a Non-executive director of Talga Resources Ltd (ASX:TLG) and former chairman of ASX Listed Sirius Resources NL.  Mr Lowe is a taxation and business management specialist with over 16 years' experience in a variety of different roles. He is a former director of the Perth based specialist taxation firm MKT - Taxation Advisors.  Mr Lowe has a Bachelor of Business from ECU, a Post Graduate Diploma in Advanced Taxation and a Masters of Taxation from the UNSW. Mr Lowe is a member of the Taxation Institute of Australia and a member of the Australian Institute of Company Directors.
Interest in Shares	13,346,766 Fully paid ordinary shares
Interest in Options	Nil
Other Directorships	Windward Resources Ltd (appointed 18 May 2012, resigned 27 October 2016) Talga Resources Limited (appointed 17 December 2015)

DIRECTORS' REPORT (Continued)

**Dr Robert Ramsay** Executive Director (Appointed 20 December 2012)

**Experience** Dr Rob 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. He is a past Director of Striker Resources NL (now North Australian Diamonds) and has previously worked with, and consulted to, a range of companies that include CRA Exploration (now Rio Tinto Ltd), BHP-Billiton Ltd, Gravity Diamonds, Mineral Securities Ltd and Speewah Metals Ltd.

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 Coziron Resources.

**Interest in Shares** Nil Fully paid ordinary shares  
**Interest in Options** Nil  
**Other Directorships** Nil

**Simon Jackson** Non-Executive Director (Appointed 29 January 2019)

**Experience** 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 the Managing Director of Kopore Metals Limited, a copper explorer focussed on the Kalahari Copper Belt in Botswana and Namibia. Mr Jackson has previously held senior management roles at Beadell Resources Limited, Orca Gold Inc. and Red Back Mining Inc.

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

**Interest in Shares** Nil Fully paid ordinary shares  
**Interest in Options** Nil  
**Other Directorships** Sarama Resources Limited (since 11 March 2011)  
 Cygnus Gold Limited (since 17 November 2017)  
 Kopore Metals Limited (appointed 7 March 2019)  
 Orca Gold Inc. (appointed 4 April 2013, resigned 30 May 2019)

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**DIRECTORS' REPORT (Continued)**

**Company Secretary**

Stephen Hewitt-Dutton

Stephen is a Chartered Accountant and is an Associate Director of Trident Capital Pty Ltd. He holds a Bachelor of Business from Curtin University and is an affiliate of the Institute of Chartered Accountants. He has over 20 years of experience in corporate finance, accounting and company secretarial matters.

Before joining Trident Capital, Stephen was an Associate Director of Carmichael Corporate where he assisted clients by providing equity market, IPO and M&A advice and assistance. He has also held Financial Controller and Company Secretary positions for both public and private companies for in excess of 20 years.

**MEETINGS OF DIRECTORS**

The number of directors' meetings held during the financial year and the number of meetings attended by each director is:

<b>Director</b>	<b>Number Eligible to Attend</b>	<b>Meetings Attended</b>
Adam Sierakowski	11	11
Stephen Lowe	11	11
Robert Ramsay	11	11
Simon Jackson (appointed 29 January 2019)	5	5

The Company does not have a formally constituted audit committee as the board considers that the Group's size and type of operation do not warrant such a committee.

**SIGNIFICANT CHANGES IN STATE OF AFFAIRS**

There were no significant changes in the state of affairs of the Group.

**EVENTS OCCURRING AFTER THE REPORTING PERIOD**

1. On 22 July 2019 the Company announced that the Directors and the largest shareholder, Yandal Investments Pty Ltd, have provided a further \$685,000 of interim funding to the Company. The funds have been provided by way of loans that may be converted to shares in the Company (subject to shareholder approval) at \$0.01 per share or same price as the Company's next capital raising, whichever is the lower price. The funds will be used for working capital of the Company. The following is a summary of the terms of the Loan Agreement:
  - a. Interest at 10% is payable on any advance if the Loan is repaid in cash;
  - b. The term is 12 months;
  - c. The Lender has the option of securing the Loan over the Company's assets;
  - d. Repayment of the Loan must be made in cash, unless the Lender elects, at its sole discretion, that repayment be made in Equities or a combination of both. The shares to be issued will be at the lower of \$0.01, or the price at which the Company completes a capital raising during the term of the Loan, and have one free attaching Option for every share to be issued (together "the Equities"). The Options will be exercisable at \$0.015 per share and expire on 30 June 2022. The issue of the Equities will be subject to shareholder approval; and
  - e. The Company may repay the Loans to the Lenders at any time prior to the last repayment date, which is 30 June 2020, in either cash or Equities or a combination thereof at the Lender's sole election, unless an extension is agreed in writing by both parties.
  
2. In conjunction with the new Loan of \$500,000, the following terms of the existing loan of \$2,000,000 from Yandal to the Company have been amended:
  - a. The repayment date has been extended to 30 June 2020; and

**DIRECTORS' REPORT (Continued)**

- b. If the Lender elects to be repaid in shares, the shares to be issued will be at the lower of \$0.01, or the price at which the Company completes a capital raising during the term of the Loan.
3. On 9 August 2019 the Company announced completion of a placement to raise \$2.975 million through a placement to institutional and professional investors. Details of the placement are as follows:
    - a. The Placement raised \$2.975 million (before costs) through the issue of 297,500,000 new Shares at an issue price of \$0.01 per share. Applicants also received one new option for every two shares issued. The new options have an exercise price of \$0.02 per share and an expiry date of 8 August 2021.
    - b. The Company issued 297,500,000 shares with 178,555,127 issued under LR7.1A and 118,944,873 under LR7.1. The 148,750,000 options were issued under LR7.1.

**LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS**

The Group has four projects Yaraloola, Yarrie, Shepherds Well and Buddadoo, and manages the exploration on the projects. The Group will continue exploration of all projects and also to review other potential projects with the object of increasing shareholder value.

**ENVIRONMENTAL REGULATION**

The Group is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all regulations when carrying out any exploration work.

**Greenhouse gas and energy data reporting requirements**

The group has reviewed the reporting requirements of both the *Energy Efficiency Opportunities Act 2006* and the *National Greenhouse and Energy Reporting Act 2007*. Based on the Group's current operations, they are not required to register, nor are they required to report emissions data to the Greenhouse and Energy Data Officer.

**REMUNERATION REPORT (Audited)**

The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

Key management personnel covered in this report:

<b>Name</b>	<b>Position Held</b>
Adam Sierakowski	Non-Executive Chairman (Appointed 21 October 2010)
Stephen Lowe	Non-Executive Director (Appointed 21 October 2010)
Robert Ramsay	Executive Director (Appointed 20 December 2012)
Simon Jackson	Non-Executive Director (Appointed 29 January 2019)

**Remuneration policy**

The remuneration policy of Coziron Resources Limited has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component which is assessed on an annual basis in line with market rates and offering specific long-term incentives based on key performance areas affecting the economic entity's financial results. The board of Coziron Resources Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best directors and executives to run and manage the economic entity.

The board's policy for determining the nature and amount of remuneration for board members and senior executives of the economic entity is as follows:

The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the board. All executives receive a base salary (which is based on factors such as length of service and experience) and superannuation. The board policy is to review executive packages

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DIRECTORS' REPORT (Continued)

annually by reference to the economic entity's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

The board may exercise discretion in relation to approving incentives, bonuses and options. The policy is to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Executives are also entitled to participate in the employee share and option arrangements. The executive directors and executives receive a superannuation guarantee contribution required by the government, which is currently 9.5%, and do not receive any other retirement benefits. All remuneration paid to directors and executives is valued at the cost to the company and expensed. Options are valued using the Black-Scholes method.

The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is to be sought when required, however has not been sought during this reporting period. The maximum aggregate amount of fees that can be paid to non-executive directors is \$250,000 approved by shareholders at the Annual General Meeting on 30 November 2011. Fees for non-executive directors are not linked to the performance of the economic entity. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the company and are able to participate in the employee option plan.

The objective of the Company's executive reward framework is set to attract and retain the most qualified and experienced directors and senior executives. The board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- Competitiveness
- Acceptability to shareholders
- Performance linkage
- Capital management

No remuneration consultants were engaged during the year.

**Directors' fees**

A director may be paid fees or other amounts as the directors determine where a director performs special duties or otherwise performs services outside the scope of the ordinary duties of a director. A director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

**Bonuses**

No bonuses were given to key management personnel during the 2018 and 2019 years.

**Performance based remuneration**

The Group currently has no performance-based remuneration component built into director and executive remuneration packages given that the company is currently still in exploration phase. Therefore, all remuneration is fixed and no amount is considered at risk.

**Group performance, shareholder wealth and director's and executive's remuneration**

The remuneration policy has been tailored to increase goal congruence between shareholders and directors and executives. During the year no options were issued to Directors.

The following table shows the gross revenue and losses and the share price of the Group at the end of the respective financial year:

	30 June 2019	30 June 2018	30 June 2017	30 June 2016	30 June 2015
Revenue	570	1,493	18,914	30,866	9,562
Net Loss	1,669,517	1,883,576	2,037,060	2,358,402	5,361,215
Share price (cents)	0.9c	1.1c	1.1c	0.7c	0.3c

DIRECTORS' REPORT (Continued)

**Key management personnel**

The following persons were key management personnel and specified executives of Coziron Resources Limited during the financial year:

<b>Name</b>	<b>Position Held</b>
(i) Directors	
Adam Sierakowski	Non-Executive Chairman (Appointed 21 October 2010)
Stephen Lowe	Non-Executive Director (Appointed 21 October 2010)
Robert Ramsay	Executive Director (Appointed 20 December 2012)
Simon Jackson	Non-Executive Director (Appointed 29 January 2019)

Remuneration of key management personnel

<b>2019</b>	<b>Adam Sierakowski<sup>1</sup></b> \$	<b>Stephen Lowe</b> \$	<b>Robert Ramsay</b> \$	<b>Simon Jackson</b> \$	<b>Total</b> \$
<b>Short-term benefits</b>					
Cash salary and fees	64,000	49,315	105,000	20,000	238,315
<b>Post-Employment Benefits</b>					
Pension & Superannuation	-	4,685	-	-	4,685
Share-based payments	-	-	-	-	-
<b>Long-term benefits</b>					
Annual and long service leave	-	-	-	-	-
<b>Total</b>	<b>64,000</b>	<b>54,000</b>	<b>105,000</b>	<b>20,000</b>	<b>243,000</b>

<b>2018</b>	<b>Adam Sierakowski<sup>1</sup></b> \$	<b>Stephen Lowe</b> \$	<b>Robert Ramsay</b> \$	<b>Simon Jackson</b> \$	<b>Total</b> \$
<b>Short-term benefits</b>					
Cash salary and fees	64,000	49,315	132,000	-	245,315
<b>Post-Employment Benefits</b>					
Pension & Superannuation	-	4,685	-	-	4,685
Share-based payments	-	-	-	-	-
<b>Long-term benefits</b>					
Annual and long service leave	-	-	-	-	-
<b>Total</b>	<b>64,000</b>	<b>54,000</b>	<b>132,000</b>	<b>-</b>	<b>250,000</b>

Note 1: Adam Sierakowski was not in receipt of any remuneration or any other fees from Coziron Resources Limited during the 2018 and 2019 financial years. Mr. Sierakowski is a director of Trident Capital Pty Ltd, to which Coziron Resources Limited paid director's fees.

**Employment contracts of key management personnel**

The Group does not currently have any executive key management personnel employed under an employment contract, rather the board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is \$250,000 approved by shareholders at the Annual General Meeting on 30 November 2011. Fees for non-executive directors are not linked to the performance of the economic entity.

**Compensation options granted and exercised during the year**

No remuneration options were granted or exercised during the year ended 30 June 2019 (2018: Nil).

DIRECTORS' REPORT (Continued)

Options and rights holdings

Details of options and rights held directly, indirectly or beneficially by key management personnel and their related parties are as follows:

Name	Balance at 1 July 2018	Options Issued and Vested	Options Exercised or Expired	Bought & (Sold)	Balance at 30 June 2019
Adam Sierakowski	2,500,000	-	(2,500,000)	-	-
Stephen Lowe	2,500,000	-	(2,500,000)	-	-
Robert Ramsay	2,500,000	-	(2,500,000)	-	-
Simon Jackson	-	-	-	-	-
<b>Total</b>	<b>7,500,000</b>	<b>-</b>	<b>(7,500,000)</b>	<b>-</b>	<b>-</b>

Shareholdings

Details of equity instruments (other than options and rights) held directly, indirectly or beneficially by key management personnel and their related parties are as follows:

Name	Balance at 1 July 2018	Granted as compensation	Other changes	Balance at 30 June 2019	Balance held nominally
Adam Sierakowski	16,251,931	-	500,000	16,751,931	16,751,931
Stephen Lowe	13,346,766	-	-	13,346,766	13,346,766
Robert Ramsay	-	-	-	-	-
Simon Jackson	-	-	-	-	-
<b>Total</b>	<b>29,598,697</b>	<b>-</b>	<b>500,000</b>	<b>30,098,697</b>	<b>30,098,697</b>

Loans from/to key management persons

Director Loans of \$125,000 were made from key management personnel of the Group during the 2019 financial years (Nil: 2018).

Other transactions and balances

**Corporate Finance and Legal Services**

Adam Sierakowski is a Director and shareholder of Trident Capital Pty Ltd and Price Sierakowski Pty Ltd, which provided corporate finance and legal services respectively to the Group during the financial year. Trident Capital Pty Ltd also provides the group with office accommodation and services. These services provided by both parties were based upon normal commercial terms and conditions no more favourable than those available to other parties. The amounts paid were as follows:

	2019 \$	2018 \$
Consulting services provided by officers recognised as an expense during the year		
- Payments to Price Sierakowski Pty Ltd, an entity in which Adam Sierakowski is a Director and shareholder, for legal services provided.	275	65,837
- Payments to Trident Capital Pty Ltd, an entity in which Adam Sierakowski is a Director and shareholder, for:		
- corporate financial services;	90,000	90,000
- capital raising services; and	-	-
- provision of office services.	24,000	24,000
- Payments to Trident Management Services Pty Ltd, a director related entity of Adam Sierakowski, for the provision of accounting and company secretarial.	65,200	69,700
	<u>179,475</u>	<u>249,537</u>

DIRECTORS' REPORT (Continued)

Aggregate amounts of liabilities at reporting date relating to consulting services with directors of the group are as follows:

	2019 \$	2018 \$
Current liabilities		
Rob Ramsay	104,500	66,000
Simon Jackson	22,000	-
Trident Management Services Pty Ltd	45,430	28,350
Trident Capital Pty Ltd	128,333	109,450
	<u>300,263</u>	<u>203,800</u>

**Performance income as a proportion of total income**

No performance-based bonuses have been paid to key management personnel during the financial year (2018: Nil).

**Voting and comments made at the Group's 2018 Annual General Meeting**

The Group received no votes against the remuneration report for the 2018 financial year. The Group did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

**END OF REMUNERATION REPORT (Audited).**

**OPTIONS**

At the date of this report there are no unissued ordinary shares of the Company under option.

**INDEMNIFYING OFFICERS OR AUDITOR**

In accordance with the constitution, except as may be prohibited by the *Corporations Act 2001* every Officer, auditor or agent of the Company shall be indemnified out of the property of the Company against any liability incurred by him in his capacity as Officer, auditor or agent of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal.

**PROCEEDINGS ON BEHALF OF GROUP**

No person has applied for leave of Court under s.237 of the *Corporations Act* to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of these proceedings. The Group was not a party to any such proceedings during the year.

**NON-AUDIT SERVICES**

The Directors are satisfied that the provision of non-audit services, during the year, by the auditor or a related practice of the auditor is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

DIRECTORS' REPORT (Continued)

During the 2018 and 2019 years, the Group's auditors assisted the Group through the provision of taxation services and the attendance of the AGM. No other non – audit services have been provided by the Group's auditors. Remuneration paid to the Group's auditors is as below:

	2019 \$	2018 \$
<b>Audit services</b>		
Amounts paid/payable to BDO Audit (WA) Pty Ltd for:		
- audit or review of the financial report for the entity or any entity in the group	27,173	28,836
Amounts paid/payable to related entities of BDO Audit (WA) Pty Ltd		
- Taxation compliance services	8,925	8,925
- Other services	2,360	-
	38,458	37,761

The Directors are also satisfied that the provision of non-audit services by the auditor, as set out in Note 10 to the financial statements, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services have been reviewed by the Board of Directors to ensure they do not impact the impartiality and objectivity of the auditor, and
- None of the services undermine the general principles relating to auditor's independence as set out in APES110: Code of Ethics for Professional Accountants.

**AUDITOR'S INDEPENDENCE DECLARATION**

The auditor's independence declaration under section 307C of the *Corporations Act 2001* for the year ended 30 June 2019 is set out on page 26.

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



Adam Sierakowski  
Director

Dated this 26<sup>th</sup> day of September 2019

**Competent Persons Statement**

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

**Cautionary Statements**

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

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

As lead auditor of Coziron Resources Limited for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

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

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



Glyn O'Brien  
Director

BDO Audit (WA) Pty Ltd  
Perth, 26 September 2019

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
Revenue from continuing operations	6	570	1,493
Depreciation and amortisation expense	7	(3,703)	(4,949)
Compliance and professional fees		(240,319)	(260,407)
Occupancy expenses	7	(24,000)	(24,000)
Administration expenses		(123,653)	(56,044)
Directors' fees		(138,150)	(118,000)
Exploration costs	7	(943,666)	(1,369,614)
Finance costs	7	(196,595)	(52,055)
<b>(Loss) before income tax</b>		<b>(1,669,516)</b>	<b>(1,883,576)</b>
Income tax expense	8	-	-
<b>(Loss) after income tax for the year</b>		<b>(1,669,516)</b>	<b>(1,883,576)</b>
Other comprehensive loss for the year		-	-
Total comprehensive loss for the year		<b>(1,669,516)</b>	<b>(1,883,576)</b>
Loss and total comprehensive loss is attributable to:			
Owners of Coziron Resources Limited		<b>(1,669,516)</b>	<b>(1,883,576)</b>
		<b>Cents</b>	<b>Cents</b>
<b>(Loss) per share attributable to the ordinary equity holders of the company</b>			
Basic and diluted loss per share	9	(0.09)	(0.11)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2019

	Note	2019 \$	2018 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	11	3,736	117,897
Trade and other receivables	12	124,562	132,907
<b>Total Current Assets</b>		<b>128,298</b>	<b>250,804</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	14	18,694	20,949
Exploration assets and exploration expenditure	15	11,481,916	11,481,916
<b>Total Non-Current Assets</b>		<b>11,500,610</b>	<b>11,502,865</b>
<b>TOTAL ASSETS</b>		<b>11,628,908</b>	<b>11,753,669</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	16	805,507	385,752
Borrowings	17	2,125,000	1,000,000
<b>Total Current Liabilities</b>		<b>2,930,507</b>	<b>1,385,752</b>
<b>TOTAL LIABILITIES</b>		<b>2,930,507</b>	<b>1,385,752</b>
<b>NET ASSETS</b>		<b>8,698,401</b>	<b>10,367,917</b>
<b>EQUITY</b>			
Contributed equity	18	28,833,286	28,833,286
Reserves	19	159,158	159,158
Accumulated losses	20	(20,294,043)	(18,624,527)
<b>TOTAL EQUITY</b>		<b>8,698,401</b>	<b>10,367,917</b>

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

CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
<b>Cash flows from operating activities</b>			
Cash paid to suppliers and employees		(415,958)	(396,824)
Interest received		570	1,608
Payments for exploration expenditure		(822,325)	(1,370,199)
<b>Net cash (outflow) from operating activities</b>	22	<b>(1,237,713)</b>	<b>(1,752,026)</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(1,448)	-
<b>Net cash (outflow) from investing activities</b>		<b>(1,488)</b>	-
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		1,125,000	1,500,000
<b>Net cash inflow from financing activities</b>		<b>1,125,000</b>	<b>1,500,000</b>
Net increase/(decrease) in cash and cash equivalents		(114,161)	(252,026)
Cash and cash equivalents at beginning of year		117,897	369,923
<b>Cash and cash equivalents at end of year</b>	11	<b>3,736</b>	<b>117,897</b>

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

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2019

	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
<b>At 1 July 2018</b>	<b>28,833,286</b>	<b>159,158</b>	<b>(18,624,527)</b>	<b>10,367,917</b>
Total comprehensive loss for the year	-	-	(1,669,516)	(1,669,516)
<b>Transactions with owners in their capacity as owners</b>				
Shares issued – Conversion of Loan	-	-	-	-
Share issue costs	-	-	-	-
<b>At 30 June 2019</b>	<b>28,833,286</b>	<b>159,158</b>	<b>(20,294,043)</b>	<b>8,698,401</b>
<b>At 1 July 2017</b>	<b>28,333,286</b>	<b>159,158</b>	<b>(16,740,951)</b>	<b>11,751,493</b>
Total comprehensive loss for the year	-	-	(1,883,576)	(1,883,576)
<b>Transactions with owners in their capacity as owners</b>				
Shares issued – Conversion of Loan	500,000	-	-	500,000
Share issue costs	-	-	-	-
<b>At 30 June 2018</b>	<b>28,833,286</b>	<b>159,158</b>	<b>(18,624,527)</b>	<b>10,367,917</b>

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019

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**1. CORPORATE INFORMATION**

The consolidated financial report of Coziron Resources Limited for the year ended 30 June 2019 was authorised for issue in accordance with a resolution of the directors on 26 September 2018 and covers Coziron Resources Limited as an individual entity as well as the Consolidated Entity consisting of Coziron Resources Limited and its subsidiaries as required by the *Corporations Act 2001*.

The consolidated financial report is presented in the Australian currency.

Coziron Resources Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange. Coziron is a for profit entity.

**2. SUMMARY 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. The financial report includes separate financial statements for Coziron Resources Limited as an individual entity and the consolidated entity consisting of Coziron Resources Limited and its subsidiaries.

**(a) Basis of Preparation**

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and Interpretations and the *Corporations Act 2001*. Coziron Resources Limited is a for-profit entity for the purpose of preparing the financial statements.

**Compliance with IFRS**

Australian Accounting Standards include Australian Equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report complies with International Financial Reporting Standards (IFRS).

**Historical cost convention**

These financial statements have been prepared under the historical cost convention.

**Critical accounting estimates**

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

**Going Concern**

The Group has incurred a net loss after tax for the year ended 30 June 2019 of \$1,669,516 (2018: \$1,883,576) and experienced net cash outflows from operating activities of \$1,237,713 (2018: \$1,752,026). At 30 June 2019, the Group had current assets of \$128,298 (30 June 2018: \$250,804), and a working capital deficiency of \$2,802,209 (30 June 2018: \$1,134,948).

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
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Management believe there are sufficient funds to meet the Group's working capital requirements as at the date of this report. Subsequent to period end the Group expects to receive additional funds through debt or equity issues.

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

- The Group has a proven history of successfully raising capital.
- Subsequent to year end the Company has raised additional capital of \$2,975,000 (see Note 28)
- The Directors believe that there is sufficient cash available for the Group to continue operating until it can raise sufficient further capital to fund its ongoing activities.
- The fact that future exploration and evaluation expenditures are generally discretionary in nature and may be slowed or suspended as part of the management of the Group's working capital and other forecast commitments.

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

Subsequent to year end the Company has raised additional capital of \$2,975,000 (see Note 28).

**(b) Basis of Consolidation**

***Subsidiaries***

The consolidated financial statements comprise the financial statements of Coziron Resources Limited and its subsidiaries at 30 June each year ("the Group"). Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. The financial statements of subsidiaries are prepared for the same reporting period as the parent, using consistent accounting policies.

All intercompany balances and transactions, including unrealised profits arising from intragroup transactions have been eliminated. Unrealised losses are also eliminated unless costs cannot be recovered.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position respectively.

Subsidiaries are accounted for in the parent entity's financial statements at cost.

**(c) Foreign Currency Translation**

The functional and presentation currency of Coziron Resources Limited and its subsidiaries is Australian dollars (AUD).

Foreign currency transactions are translated into the functional currency using the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. Foreign exchange gains and losses resulting from settling foreign currency transactions, as well as from restating foreign currency denominated monetary assets and liabilities, are recognised in the statement of profit or loss and other comprehensive income, except when they are deferred in equity as qualifying cash flow hedges or where they relate to differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED 30 JUNE 2019

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Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

**(d) Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board.

**(e) Revenue Recognition**

The Group has adopted AASB 15 *Revenue from Contracts with Customers* which became effective for financial reporting periods commencing on or after 1 January 2018.

*AASB 15 Revenue from contracts with customers*

AASB 15 replaces AASB 118 *Revenue*, AASB 111 *Construction Contracts* and several revenue-related Interpretations. AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue to be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Group has applied the new Standard effective from 1 July 2018 using the modified retrospective approach. Under this method, the cumulative effect of initial application is recognised as an adjustment to the opening balance of retained earnings at 1 July 2018 and comparatives are not restated.

The adoption of AASB 15 does not have a significant impact on the Group as the Group does not currently have any revenue from customers.

**(f) Income Tax**

The income tax expense for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

**(g) Impairment of Assets**

At each reporting date the Group assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, recoverable amount is determined and impairment losses are recognised in the statement of profit or loss and other comprehensive income where the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Where it is not possible to estimate recoverable amount for an individual asset, recoverable amount is determined for the cash-generating unit to which the asset belongs.

**(h) Cash and Cash Equivalents**

For consolidated statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
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to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the consolidated statement of financial position.

**(i) Trade and Other Receivables**

The Group has adopted AASB 9 *Financial Instruments* which became effective for financial reporting periods commencing on or after 1 January 2018.

AASB 9 *Financial Instruments* replaces AASB 139 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment, and hedge accounting.

As a result of adopting AASB 9 *Financial Instruments*, the Group has amended its financial instruments accounting policies to align with AASB 9. AASB 9 makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for impairment of financial assets.

There were no financial instruments which the Company designated at fair value through profit or loss under AASB 139 that were subject to reclassification. The Board assessed the Group's financial assets and determined the application of AASB 9 does not result in a change in the classification of the Company's financial instruments.

The adoption of AASB 9 does not have a significant impact on the financial report.

**(j) Financial instruments**

*Recognition, initial measurement and derecognition*

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

*Classification and subsequent measurement of financial assets*

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVPL)
- equity instruments at fair value through other comprehensive income (FVOCI)
- debt instruments at fair value through other comprehensive income (FVOCI)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
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*Classifications are determined by both:*

- The entity business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets
- All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables, which is presented within other expenses.

*Subsequent measurement financial assets*

*Financial assets at amortised cost*

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding
- After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

*Financial assets at fair value through profit or loss (FVPL)*

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply (see below).

*Equity instruments at fair value through other comprehensive income (Equity FVOCI)*

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Under Equity FVOCI, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividend from these investments continue to be recorded as other income within the profit or loss unless the dividend clearly represents return of capital.

*Debt instruments at fair value through other comprehensive income (Debt FVOCI)*

Financial assets with contractual cash flows representing solely payments of principal and interest and held within a business model of collecting the contractual cash flows and selling the assets are accounted for at debt FVOCI.

*Impairment of financial assets*

AASB 9's impairment requirements use more forward looking information to recognize expected credit losses – the 'expected credit losses (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under AASB 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
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- 'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date. '12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

*Trade and other receivables and contract assets*

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assess impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due. The Group has nil trade receivables as at 30 June 2019.

*Classification and measurement of financial liabilities*

As the accounting for financial liabilities remains largely unchanged from AASB 139, the Group's financial liabilities were not impacted by the adoption of AASB 9. However, for completeness, the accounting policy is disclosed below.

The Group's financial liabilities include trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

**(k) Exploration, Evaluation and Development Expenditure**

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
  - 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 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
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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.

**(l) Property, Plant and Equipment**

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the reporting period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated on a straight-line basis over the estimated useful life of the asset as follows:

- Vehicles	3 – 5 years
- Furniture, fittings and equipment	3 – 8 years
- Plant and equipment	10 – 15 years

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2(g)).

Gains and losses on disposals are calculated as the difference between the net disposal proceeds and the asset's carrying amount and are included in the statement of profit or loss and other comprehensive income in the year that the item is derecognised.

**(m) Trade and Other Payables**

Trade and other payables represent liabilities for goods and services provided to the Group prior to the year end and which are unpaid. These amounts are unsecured and have 30-60 day payment terms.

**(n) Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

**(o) Employee Benefit Provisions**

**Short term obligations**

Liabilities for wages and salaries, including non-monetary benefits and annual leave are recognised in respect of employees' services rendered up to reporting date and measured at amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when leave is taken and measured at the actual rates paid or payable. Liabilities for wages and salaries are included as part of Other Payables and liabilities for annual sick leave are included as part of Employee Benefit Provisions.

**Other Long term employee benefit obligations**

Liabilities for long service leave are recognised as part of the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED 30 JUNE 2019

to the reporting date using the projected unit credit method. Consideration is given to expected future salaries and wages levels, experience of employee departures and periods of service. Expected future payments are discounted using the corporate bond rate bond rates at reporting date with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

**(p) Contributed Equity**

Ordinary shares are classified as equity.

Costs directly attributable to the issue of new shares or options are shown as a deduction from the equity proceeds, net of any income tax benefit. Costs directly attributable to the issue of new shares or options associated with the acquisition of a business are included as part of the purchase consideration.

**(q) Earnings Per Share**

***Basic earnings per share***

Basic earnings per share is calculated by dividing the net loss attributable to equity holders of the Group, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

***Diluted earnings per share***

Earnings used to calculate diluted earnings per share are calculated by adjusting the basic earnings by the after-tax effect of dividends and interest associated with dilutive potential ordinary shares. The weighted average number of shares used is adjusted for the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

**(r) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of GST except where GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the cash flow statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

**(s) New and amended standards adopted by the Group**

The group has applied the following standards and amendments for first time for their annual reporting period commencing 1 July 2018:

- AASB 15 *Revenue from Contracts with Customers*; and
- AASB 9 *Financial Instruments*.

The impact of the adoption of these standards and the new accounting policies are disclosed in Note 2(e) and (i). None of these standards have altered any amounts in the current or prior periods and are not likely to impact future periods.

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FOR THE YEAR ENDED 30 JUNE 2019

(t) New Accounting Standards not yet mandatory or early adopted

Reference	Title	Summary	Application date	Expected Impact
AASB 16	Leases	<p>AASB 16 eliminates the operating and finance lease classifications for lessees currently accounted for under AASB 117 Leases. It instead requires an entity to bring most leases onto its balance sheet in a similar way to how existing finance leases are treated under AASB 117. An entity will be required to recognise a lease liability and a right of use asset in its balance sheet for most leases.</p> <p>There are some optional exemptions for leases with a period of 12 months or less and for low value leases.</p> <p>Lessor accounting remains largely unchanged from AASB 117.</p>	Financial years beginning on or after 1 January 2019	No expected impact

3. ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. There are no estimates, assumptions or judgments that are expected to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, except for the following:

**Exploration and Evaluation Assets**

Acquisition costs in respect of each identifiable area of interest. These costs are carried forward in respect of an area that has not, at reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

**Share Based Payments**

The Group measures the cost of equity-settled transactions with other parties by reference to the fair value of the goods or services received. Where the fair value of the goods or services cannot be reliably determined, or where the goods or services cannot be identified, the Group measures the cost of the transaction by reference to the fair value of the equity instruments granted.

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4. SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

Coziron Resources Limited operates in the mineral exploration industry in Australia.

Given the nature of the Group, its size and current operations, management does not treat any part of the Group as a separate operating segment. Internal financial information used by the Group's decision makers is presented on a "whole of entity" manner without dissemination to any separately identifiable segments.

The Group's management operate the business as a whole without any special responsibilities for any separately identifiable segments of the business.

Accordingly the financial information reported elsewhere in this financial report is representative of the nature and financial effects of the business activities in which it engages and the economic environments in which it operates.

5. PARENT INFORMATION

STATEMENT OF FINANCIAL POSITION

	2019 \$	2018 \$
<b>Assets</b>		
Current assets	123,811	241,312
Non-current assets	11,505,097	11,512,357
<b>Total assets</b>	<b>11,628,908</b>	<b>11,753,669</b>
<b>Liabilities</b>		
Current liabilities	2,930,507	1,385,752
Non-current liabilities	-	-
<b>Total liabilities</b>	<b>2,930,507</b>	<b>1,385,752</b>
<b>Equity</b>		
Contributed equity	28,833,286	28,833,286
Reserves	159,158	159,158
Accumulated losses	(20,294,043)	(18,624,527)
<b>Total equity</b>	<b>8,698,401</b>	<b>10,367,917</b>
Total loss for the year	(1,669,516)	(1,883,576)
Total comprehensive loss	(1,669,516)	(1,883,576)

**Guarantees**

Coziron Resources Limited has not entered into any guarantees, in the current or previous financial year, in relation to the debt of its subsidiaries

**Contractual Commitments**

At 30 June 2019, Coziron Resources Limited has not entered into any contractual commitments for the acquisition of property, plant and equipment (2018: Nil)

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FOR THE YEAR ENDED 30 JUNE 2019

6. REVENUE

	2019 \$	2018 \$
<b>From continuing operations</b>		
Interest Income	570	1,493
	<u>570</u>	<u>1,493</u>

7. EXPENSES

	2019 \$	2018 \$
Loss before income tax includes the following specific expenses:		
Depreciation expense	3,703	4,949
Employee benefits expense	-	-
Interest paid or payable	196,595	52,055
Occupancy expenses	24,000	24,000
<b>Other</b>		
Exploration costs	943,666	1,369,614

8. INCOME TAX EXPENSE

	2019 \$	2018 \$
<b>Income tax expense</b>		
Current tax expense	-	-
Deferred tax expense	-	-
Total income tax expense	<u>-</u>	<u>-</u>
<b>Reconciliation of the effective tax rate</b>		
Loss before income tax expense	(1,669,517)	(1,883,576)
Prima facie income tax benefit 27.5% (2018: 27.5%)	(459,117)	(517,983)
Non-deductible expenses:		
- Fines and penalties	6,752	-
- Other	-	3,666
Add/(Deduct) adjustments due to:		
- Revenue losses not recognised as own asset	425,661	555,352
- Unrecognised temporary differences current year	26,704	(41,035)
	<u>-</u>	<u>-</u>
<b>Income tax expense</b>	<u>-</u>	<u>-</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
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8. INCOME TAX EXPENSE (Continued)

	2019 \$	2018 \$
<b>Unrecognised deferred tax assets</b>		
Unused tax losses for which no deferred tax asset has been recognised:		
- Carry forward revenue losses prior year	27,240,846	25,221,385
- Carry forward revenue losses current year	1,495,805	2,019,461
- Carry forward capital losses prior year	7,232,563	7,232,563
- Carry forward foreign losses	-	-
	<u>35,969,214</u>	<u>34,473,409</u>
Tax on losses at 27.5% (2018: 27.5%)	<u>9,891,534</u>	<u>9,480,188</u>
Deferred tax assets have not been recognised in the statement of financial position for the following items:		
Deductible temporary differences		
- Amounts deductible under Sec 40-880	588	4,034
- Accrued expenditure	(22,000)	12,000
- Other	(246,845)	52,055
- Difference between accounting and tax written down value	-	-
	<u>(268,257)</u>	<u>68,089</u>
Tax on timing differences at 27.5% (2018: 27.5%)	<u>(73,711)</u>	<u>18,724</u>
<b>Unrecognised deferred tax assets in equity</b>		
Sec 40-880 Capital raising costs	-	11,275
Tax on losses at 27.5% (2018: 27.5%)	-	3,101
<b>Unrecognised deferred tax liabilities</b>		
- Prepayments	74,217	44,584
- Accrued interest	-	-
- Deferred exploration expenditure	7,980,000	7,980,000
	<u>8,054,217</u>	<u>8,024,584</u>
Tax on timing differences at 27.5% (2018: 27.5%)	<u>2,214,910</u>	<u>2,206,761</u>

The tax benefits of the above deferred tax assets will only be obtained if:

- the Group derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
- the Group continues to comply with the conditions for deductibility imposed by law; and
- no changes in income tax legislation adversely affect the Group in utilising the benefits.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED 30 JUNE 2019

9. LOSS PER SHARE

Reconciliation of earnings used in calculating loss per share

	2019 \$	2018 \$
<b>Basic loss per share</b>		
Loss from operations attributable to ordinary equity holders of Coziron Resources Limited used to calculate basic loss per share	1,669,517	1,883,576
	<b>2019 Number</b>	<b>2018 Number</b>
Weighted average number of ordinary shares used as the denominator in calculating basic loss per share	1,785,511,268	1,772,217,935

The Company's potential ordinary shares, being options granted, are not considered dilutive as conversion of these shares would result in a decrease in the net loss per share.

10. AUDITOR'S REMUNERATION

	2019 \$	2018 \$
<b>Audit services</b>		
Amounts paid/payable to BDO Audit (WA) Pty Ltd for:		
- audit or review of the financial report for the entity or any entity in the group	27,173	28,836
Amounts paid/payable to related entities of BDO Audit (WA) Pty Ltd		
- Taxation compliance services	8,925	8,925
- Other services	2,360	-
	38,458	37,761
Amounts paid/payable to other firms for:		
- Other services	-	455
	38,458	38,216

11. CASH AND CASH EQUIVALENTS

	2019 \$	2018 \$
Cash at bank and in hand	3,547	9,839
Cash management account	189	108,058
	3,736	117,897

Cash at bank and in hand, are interest bearing (2018: interest bearing) and at call.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED 30 JUNE 2019

**Reconciliation of Cash**

The above figures are reconciled to the cash at the end of the financial year as shown in the statement of cash flows as follows:

	2019 \$	2018 \$
Balances as above	3,736	117,897
Balances per statement of cash flows	<u>3,736</u>	<u>117,897</u>

The Groups exposure to interest rate risk is discussed in Note 21. The maximum exposure to interest rate risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

**Reconciliation of Cash and Non-cash Movements in Financial Liabilities**

	2018 \$	Cash flows \$	Non cash Changes \$	2019 \$
Short-term borrowings	1,000,000	1,125,000	-	2,125,000
Total liabilities from financing liabilities	<u>1,000,000</u>	<u>1,125,000</u>	-	<u>2,125,000</u>

**12. TRADE AND OTHER RECEIVABLES**

	2019 \$	2018 \$
Deposits and interest receivable	2,000	2,000
Prepaid insurance	24,758	20,531
Prepaid tenement rent	49,459	24,053
GST receivable	46,764	84,742
Other receivables	1,581	1,581
	<u>124,562</u>	<u>132,907</u>

As of 30 June 2019, there were no trade or other receivables which were past due but not impaired. Please refer to Note 21 for assessment of Financial Risk Management.

**13. SUBSIDIARIES**

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 2(b).

	Country of incorporation	Class of shares	Equity holding 2019	Equity holding 2018
Zanthus Resources Pty Ltd	Australia	Ordinary	100%	100%
Buddadoo Metals Pty Ltd	Australia	Ordinary	100%	100%
KingX Pty Ltd	Australia	Ordinary	100%	100%

\* the proportion of ownership interest is equal to the proportion of voting power held.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED 30 JUNE 2019

14. PROPERTY, PLANT AND EQUIPMENT

	2019 \$	2018 \$
<i>Motor vehicles</i>		
At cost	40,595	40,595
Accumulated depreciation	(23,060)	(19,646)
	<u>17,535</u>	<u>20,949</u>
<i>Software</i>		
At cost	13,282	13,282
Accumulated depreciation	(13,282)	(13,282)
	<u>-</u>	<u>-</u>
<i>Plant and equipment</i>		
At cost	2,217	769
Accumulated depreciation	(1,058)	(769)
	<u>1,159</u>	<u>-</u>
<b>Reconciliation</b>		
<i>Motor vehicles</i>		
Opening balance	20,949	24,372
Additions	-	-
Depreciation charge for the year	(3,414)	(3,423)
Closing balance, net of accumulated depreciation and impairment	<u>17,535</u>	<u>20,949</u>
<i>Software</i>		
Opening balance	-	1,526
Additions	-	-
Depreciation charge for the year	-	(1,526)
Closing balance, net of accumulated depreciation and impairment	<u>-</u>	<u>-</u>
<i>Plant and equipment</i>		
Opening balance	-	-
Additions	1,448	-
Depreciation charge for the year	(289)	-
Closing balance, net of accumulated depreciation and impairment	<u>1,159</u>	<u>-</u>
	<u>18,694</u>	<u>20,949</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED 30 JUNE 2019

15. EXPLORATION ASSETS

	2019 \$	2018 \$
<i>Exploration and evaluation phases</i>		
At cost	11,481,916	11,481,916
Accumulated amortisation (and impairment)	-	-
	<u>11,481,916</u>	<u>11,481,916</u>

Reconciliations

<i>Exploration and evaluation phases</i>		
Balance at beginning of year	11,481,916	11,481,916
Balance at end of period	<u>11,481,916</u>	<u>11,481,916</u>
Exploration expenditure expensed during the year	<u>943,666</u>	<u>1,369,614</u>

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

16. TRADE AND OTHER PAYABLES

	2019 \$	2018 \$
Trade payables	536,662	321,697
Accruals	268,845	64,055
Employee entitlements	-	-
	<u>805,507</u>	<u>385,752</u>

17. BORROWINGS

	2019 \$	2018 \$
Secured		
Other loans	<u>2,125,000</u>	<u>1,000,000</u>

On 3 August 2018 the Company announced they have extended the current debt facility with the Company's largest shareholder, the Creasy Group, to raise a further \$1 million. The funds will go towards further exploration activities on high priority targets for vanadiferous titanomagnetite mineralisation in the Buddadoo Gabbro and gold at Croydon Top Camp, along with general working capital. The following terms now cover the full \$2 million advanced under the Convertible Note:

1. The new funds will be received in a single advance of \$1,000,000 on or about 2 August 2018;
2. Interest at 10% is payable on any advance;
3. The term is 6 months;
4. The Lender has the option of securing the loan over the Company's assets;
5. Repayment of the Loan (and any accrued interest) must be made in cash, unless the lender elects, at its sole discretion, that repayment be made in shares or a combination of both. The shares will be issued at the lower of \$0.01, or the price at which the Company completes a capital raising during the term of the loan, and be subject to shareholder approval; and
6. The Company may repay the advances made at any time prior to the last repayment date, which was extended by agreement in writing by both parties to 30 June 2020.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED 30 JUNE 2019

On 14 March 2019 the Company announced that the Directors have provided \$125,000 of interim funding. The funds have been provided by way of loans that are convertible to shares (subject to shareholder approval) at the same price as the Company's next capital raising. The funds will be used for working capital. The director loans have the following terms:

1. Interest at 10% is payable on any advance;
2. The term is 6 months;
3. The Lender has the option of securing the loan over the Company's assets;
4. Repayment of the Loan (and any accrued interest) must be made in cash, unless the lender elects, at its sole discretion, that repayment be made in shares or a combination of both. The shares to be issued will be at the lower of \$0.02, or the price at which the Company completes a capital raising during the term of the loan, and be subject to shareholder approval; and
5. The Company may repay the advances made at any time prior to the last repayment date, which which was extended by agreement in writing by the parties to 30 June 2020.

18. CONTRIBUTED EQUITY

	2019		2018	
	Number	\$	Number	\$
<b>Share capital</b>				
<i>Ordinary shares</i>				
- Fully paid	1,785,551,268	29,247,379	1,785,551,268	29,247,379
- Capital raising costs	-	(414,093)	-	(414,093)
	<u>1,785,551,268</u>	<u>28,833,286</u>	<u>1,785,551,268</u>	<u>28,833,286</u>
<b>Total contributed equity</b>		<u>28,833,286</u>		<u>28,833,286</u>

Movements in ordinary shares

Date	Details	Number	Issue price	\$
30-Jun-17	Closing Balance	<u>1,752,217,935</u>		<u>28,333,286</u>
24-Nov-17	Issue of shares – Conversion of loan	<u>33,333,333</u>	\$0.015	<u>500,000</u>
30-Jun-18	Closing Balance	<u>1,785,551,268</u>		<u>28,833,286</u>
30-Jun-19	Closing Balance	<u>1,785,551,268</u>		<u>28,833,286</u>

Ordinary shares

Ordinary shareholders are entitled to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held. Every ordinary shareholder present at a meeting in person or by proxy is entitled to one vote on a show of hands or by poll.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED 30 JUNE 2019

Options

	2019 No.	2019 Weighted average exercise price	2018 No.	2018 Weighted average exercise price
Outstanding at beginning of year	8,750,000	0.0325	17,500,000	0.0325
Expired during the year	(8,750,000)	-	(8,750,000)	-
Outstanding at the end of the year	-	-	8,750,000	0.035
Exercisable at the end of the year	-	-	8,750,000	0.035

Capital risk management

The Group's and the parent entity's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

19. RESERVES

	2019 \$	2018 \$
Share based payments reserve	159,158	159,158

The share-based payments reserve arises on the grant of share options to directors and the company secretary (no grants were made in the current or prior financial year). Amounts are transferred out of the reserve and into issued capital when options are exercised.

20. ACCUMULATED LOSSES

Movements in accumulated losses

	2019 \$	2018 \$
Balance at start of year	(18,624,527)	(16,740,951)
Net (loss) for the year	(1,669,516)	(1,883,576)
Balance at end of year	(20,294,043)	(18,624,527)

21. FINANCIAL RISK MANAGEMENT

(a) General objectives, policies and processes

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

The Group's principal financial instruments comprise cash and short term deposits. The main purpose of the financial instruments is to earn the maximum amount of interest at a low risk to the Group. The Group also has other financial instruments such as other debtors and creditors which arise directly from its operations. For the current financial year, it has been the Group's policy not to trade in financial instruments

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk and credit risk. There have been no substantive changes in the Group's exposure to financial instrument risks, its

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED 30 JUNE 2019

objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

All loans to subsidiary companies are eliminated on consolidation and therefore do not expose the group to credit risk.

The Board has overall responsibility for the determination of the Group's risk management objectives and policies. The Groups' risk management policies and objectives are designed to minimise the potential impacts of these risks on the results of the Group where such impacts may be material.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

**(b) Market Risk**

Market risk arises from the use of interest bearing financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk).

**Interest rate risk**

The Group is exposed to movements in market interest rates on short term deposits. The Directors monitor the Group's cash position relative to the expected cash requirements. Where appropriate, surplus funds are placed on deposit earning higher interest. The Group does not have short or long term debt, and therefore this risk is minimal. The Group's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out in the following table:

2019

	Floating rates \$	Fixed interest maturing in			Non- interest bearing \$	Total \$
		< 1 year \$	1 - 5 years \$	> 5 years \$		
<b>Financial assets</b>						
Cash and cash equivalents	3,736	-	-	-	-	3,736
Trade and other receivables	-	-	-	-	124,562	124,562
	3,736	-	-	-	124,562	128,298
Weighted average interest rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Financial liabilities</b>						
Trade payables	-	-	-	-	508,567	508,567
Premium Funding	-	28,095	-	-	-	28,095
Borrowings	-	2,125,000	-	-	-	2,125,000
	-	2,153,095	-	-	508,565	2,661,662
Weighted average interest rate	-	9.94%	0.00%	0.00%	0.00%	8.04%

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED 30 JUNE 2019

2018	Fixed interest maturing in				Non-interest bearing	Total
	Floating rates	< 1 year	1 - 5 years	> 5 years		
	\$	\$	\$	\$	\$	\$
<b>Financial assets</b>						
Cash and cash equivalents	117,898	-	-	-	-	117,898
Trade and other receivables	-	-	-	-	132,907	132,907
	117,898	-	-	-	132,907	250,805
Weighted average interest rate	0.46%	-	-	-	-	0.22%
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	-	321,697	321,697
Borrowings	-	1,000,000	-	-	-	1,000,000
	-	1,000,000	-	-	321,697	1,321,697
Weighted average interest rate	-	10.0%	-	-	-	7.57%

*Group sensitivity*

At 30 June 2019, a change in interest rate would have no bearing on profits as no interest earned during the year (2018 – change of 100 basis points; \$1,179 lower/higher). The group's interest income from the comparative financial years comes solely from the parent entity.

**(a) Credit Risk**

Credit risk is managed on a group basis. Credit risk arises mainly from cash and cash equivalents, and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Group's maximum exposure to credit risk. As at 30 June 2019, the group held cash at bank with financial institutions with an S&P rating of AA.

The Group does not consider there to be any material credit risk owing to the nature of the financial assets held.

**(b) Liquidity risk**

Liquidity risk is the risk that the Group may encounter difficulties raising funds to meet commitments associated with financial instruments, e.g. borrowing repayments. The Group actively manages its operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash to meet its working capital requirements. The Group does not have any overdraft, loans or borrowings facilities from financial institutions as at reporting date.

*Maturity analysis for financial liabilities*

Financial liabilities of the Group include trade and other payables and employee entitlements. As at 30 June 2019 and 30 June 2018 trade payables and employee entitlements are contractually due within 60 days.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED 30 JUNE 2019

(c) Fair Values

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The same applies to the carrying value of cash and cash equivalents.

(d) Foreign exchange risk

The Consolidated Entity transacts in Australian dollars and therefore does not participate in the use of derivative financial instruments. Minor exposure to foreign exchange transactions may occur if the Consolidated Entity's transacts in other jurisdictions arising from variations in the Australian exchange rate. The impact of these foreign exchange rate differences are not material, therefore the Consolidated Entity considers there is no material foreign exchange risk present.

22. CASH FLOW INFORMATION

	2019 \$	2018 \$
<b>Reconciliation of (loss) after income tax to net cash flow from operating activities</b>		
(Loss) for the year	(1,669,517)	(1,883,576)
Depreciation and amortisation	3,703	4,949
Change in operating assets		
- (increase)/decrease in trade and other receivables	37,978	(8,397)
- (increase)/decrease in prepayments	(29,633)	(880)
- increase/(decrease) in trade and other payables	419,756	135,878
Net cash flow from operating activities	<u>(1,237,713)</u>	<u>(1,752,026)</u>

**Non-cash financing activities**

During the financial year the Company issued no new ordinary shares (2018: 33,333,333).

23. SHARE BASED PAYMENTS

Ordinary Shares

	2019 \$	2018 \$
Shares issued on conversion of loan	<u>-</u>	<u>500,000</u>
Total share-based payments	<u>-</u>	<u>500,000</u>

Options

There were no options granted during the years ended 30 June 2019 and 30 June 2018.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED 30 JUNE 2019

24. RELATED PARTY TRANSACTIONS

**Parent entity**

Coziron Resources Limited is the ultimate parent entity of the Group.

**Subsidiaries**

Interests in subsidiaries are disclosed in Note 13.

**Transactions with related parties**

Transactions with related parties are disclosed in Note 25.

**Outstanding balances**

Outstanding balances in relation to transactions with related parties are disclosed in Note 25.

25. KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Key management personnel compensation

	2019	2018
	\$	\$
Short-term benefits	238,315	245,315
Post-employment benefits	4,685	4,685
	243,000	250,000

Further details of compensation of the key management personnel of Coziron Resources Limited are set out in the Remuneration Report on page 20.

(b) Loans from/to key management persons

Director Loans of \$125,000 were made from key management personnel of the Group during the 2019 financial years (Nil: 2018).

**Corporate Finance and Legal Services**

Adam Sierakowski is a Director and shareholder of Trident Capital Pty Ltd and Price Sierakowski Pty Ltd, which provided corporate finance and legal services respectively to the Group during the financial year. Trident Capital Pty Ltd also provides the group with office accommodation and services. These services provided by both parties were based upon normal commercial terms and conditions no more favourable than those available to other parties. The amounts paid were as follows:

	2019	2018
	\$	\$
Consulting services provided by officers recognised as an expense during the year		
- Payments to Price Sierakowski Pty Ltd, an entity in which Adam Sierakowski is a Director and shareholder, for legal services provided.	275	65,837
- Payments to Trident Capital Pty Ltd, an entity in which Adam Sierakowski is a Director and shareholder, for:		
- corporate financial services;	90,000	90,000
- capital raising services; and	-	-
- provision of office services.	24,000	24,000
- Payments to Trident Management Services Pty Ltd, a director related entity of Adam Sierakowski, for the provision of accounting and company secretarial.	65,200	69,700
	179,475	249,537

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED 30 JUNE 2019

**Company secretarial and accounting services**

Stephen Hewitt-Dutton is an employee of Trident Management Services Pty Ltd, a director related entity of Adam Sierakowski. Trident Management Services Pty Ltd provided accounting and company secretarial services during the financial year. The services were provided on normal commercial terms and conditions no more favourable than those available to other parties. The amounts paid were as follows:

	2019 \$	2018 \$
Consulting services provided by officers recognised as an expense during the year		
- Stephen Hewitt-Dutton	65,200	69,700
	<u>65,200</u>	<u>69,700</u>

Aggregate amounts of liabilities at reporting date relating to consulting services with directors of the group are as follows:

	2019 \$	2018 \$
Current liabilities		
Rob Ramsay	104,500	66,000
Simon Jackson	22,000	-
Trident Management Services Pty Ltd	45,430	28,350
Trident Capital Pty Ltd	128,333	109,450
	<u>300,263</u>	<u>203,800</u>

**26. CONTINGENCIES**

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

**27. COMMITMENTS**

Exploration commitments	2019 \$	2018 \$
<i>Payable:</i>		
Within one year	1,113,062	1,179,556
Later than one year but not later than 5 years	1,853,708	681,318
Later than 5 years	780	-
	<u>2,967,550</u>	<u>1,860,874</u>

**28. EVENTS OCURRING AFTER THE REPORTING PERIOD**

On 22 July 2019 the Company announced that the Directors and the largest shareholder, Yandal Investments Pty Ltd, have provided a further \$685,000 of interim funding to the Company. The funds have been provided by way of loans that may be converted to shares in the Company (subject to shareholder approval) at \$0.01 per share or same price as the Company's next capital raising, whichever is the lower price. The funds will be used for working capital of the Company. The following is a summary of the terms of the Loan Agreement:

1. Interest at 10% is payable on any advance if the Loan is repaid in cash;
2. The term is 12 months;
3. The Lender has the option of securing the Loan over the Company's assets;
4. Repayment of the Loan must be made in cash, unless the Lender elects, at its sole discretion, that repayment be made in Equities or a combination of both. The shares to be issued will be at the lower of \$0.01, or the price at which the Company completes a capital raising during the term of the Loan, and have one free attaching Option for every share to be issued (together

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED 30 JUNE 2019

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- “the Equities”). The Options will be exercisable at \$0.015 per share and expire on 30 June 2022. The issue of the Equities will be subject to shareholder approval; and
5. The Company may repay the Loans to the Lenders at any time prior to the last repayment date, which is 30 June 2020, in either cash or Equities or a combination thereof at the Lender's sole election, unless an extension is agreed in writing by both parties.

In conjunction with the new Loan of \$500,000, the following terms of the existing loan of \$2,000,000 from Yandal to the Company have been amended:

1. The repayment date has been extended to 30 June 2020; and
2. If the Lender elects to be repaid in shares, the shares to be issued will be at the lower of \$0.01, or the price at which the Company completes a capital raising during the term of the Loan.

On 9 August 2019 the Company announced completion of a placement to raise \$2.975 million through a placement to institutional and professional investors. Details of the placement are as follows:

1. The Placement raised \$2.975 million (before costs) through the issue of 297,500,000 new Shares at an issue price of \$0.01 per share. Applicants also received one new option for every two shares issued. The new options have an exercise price of \$0.02 per share and an expiry date of 8 August 2021.
2. The Company issued 297,500,000 shares with 178,555,127 issued under LR7.1A and 118,944,873 under LR7.1. The 148,750,000 options were issued under LR7.1.

**DIRECTORS' DECLARATION  
FOR THE YEAR ENDED 30 JUNE 2019**

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The directors of Coziron Resources Limited declare that:

1. The financial statements and notes of the consolidated entity, as set out on pages 27 to 54 are in accordance with the *Corporations Act 2001* and:
  - (a) comply with Accounting Standards, Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - (b) give a true and fair view of the financial position of the Group as at 30 June 2019 and of its performance for the year ended on that date;
2. There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

The Company Secretary has declared that:

- 1) the financial records of the Group for the financial year have been properly maintained in accordance with s286 of the *Corporations Act 2001*;
- 2) the financial statement and notes for the financial year comply with Accounting Standards; and
- 3) the financial statement and notes for the year give a true and fair view;

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



Adam Sierakowski  
Chairman

Dated 26 September 2019

## INDEPENDENT AUDITOR'S REPORT

To the members of Coziron Resources Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Coziron Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the Corporations Act 2001, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Report section of our report. We are independent of the Group in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Material uncertainty related to going concern

We draw attention to Note 2(a) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

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## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

### Carrying Value of Exploration and Evaluation Assets

Key audit matter	How the matter was addressed in our audit
<p>At 30 June 2019 the Group held a significant carrying value of Exploration and Expenditure Assets as disclosed in Note 15.</p> <p>As the carrying value of these Exploration and Evaluation Assets represents a significant asset of the Group, we considered it necessary to assess whether any facts or circumstances exist to suggest that the carrying amount of this asset may exceed its recoverable amount.</p> <p>Judgement is applied in determining the treatment of exploration expenditure in accordance with Australian Accounting Standard AASB 6 Exploration for and Evaluation of Mineral Resources. In particular:</p> <p>Whether the conditions for capitalisation are satisfied;</p> <p>Which elements of exploration and evaluation expenditures qualify for recognition; and</p> <p>Whether facts and circumstances indicate that the exploration and expenditure assets should be tested for impairment.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>• Obtaining from management a schedule of areas of interest held by the Group and assessing whether rights to tenure of those areas of interest remained current at balance date;</li> <li>• Holding discussions with management as to the status of ongoing exploration programmes in the respective areas of interest;</li> <li>• Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed;</li> <li>• Considering whether any facts or circumstances existed to suggest impairment testing was required; and</li> <li>• Assessing the adequacy of the related disclosures in Note 15 to the financial statements.</li> </ul>

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## Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

[http://www.auasb.gov.au/auditors\\_responsibilities/ar1.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf)

This description forms part of our auditor's report.

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## Report on the Remuneration Report

### Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 20 to 24 of the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Coziron Resources Limited, for the year ended 30 June 2019, complies with section 300A of the Corporations Act 2001.

### Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink, appearing to read 'Glyn O'Brien', is written over a faint, light blue BDO logo watermark.

Glyn O'Brien

Director

Perth, 26 September 2019

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## CORPORATE GOVERNANCE

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The Board is responsible for establishing the Company's corporate governance framework. In establishing its corporate governance framework, the Board has referred to the 3<sup>rd</sup> edition of the ASX Corporate Governance Councils' Corporate Governance Principles and Recommendations.

The Corporate Governance Statement discloses the extent to which the Company follows the recommendations. The Company will follow each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices will follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. In compliance with the "if not, why not" reporting regime, where, after due consideration, the Company's corporate governance practices will not follow a recommendation, the Board has explained its reasons for not following the recommendation and disclosed what, if any, alternative practices the Company will adopt instead of those in the recommendation.

The following governance-related documents can be found on the Company's website at [www.coziron.com](http://www.coziron.com) under the section marked "Corporate Governance":

- a) Board Charter;
- b) Board Performance Evaluation Policy;
- c) Code of Conduct;
- d) Audit Committee Charter;
- e) Remuneration and Nomination Committee Charter;
- f) Security Trading Policy;
- g) Continuous Disclosure Policy;
- h) Shareholder Communication and Investor Relations Policy;
- i) Risk Management Policy; and
- j) Diversity Policy.

### **Principle 1: Lay solid foundations for management and oversight**

#### Recommendation 1.1

The Company has established the respective roles and responsibilities of its Board and management, and those matters expressly reserved to the Board and those delegated to management, and has documented this in its Board Charter.

The responsibilities of the Board include but are not limited to:

- a) setting and reviewing strategic direction and planning;
- b) reviewing financial and operational performance;
- c) identifying principal risks and reviewing risk management strategies; and
- d) considering and reviewing significant capital investments and material transactions.

In exercising its responsibilities, the Board recognises that there are many stakeholders in the operations of the Company, including employees, shareholders, co-ventures, the government and the community.

The Board has delegated responsibility for the business operations of the Company to the Chief Executive Officer (currently the Executive Director) and the management team. The management team, led by the Chief Executive Officer is accountable to the Board.

#### Recommendation 1.2

The Company undertakes appropriate checks before appointing a person, or putting forward to shareholders a candidate for election as a director and provides shareholders with all material information in its possession relevant to a decision on whether or not to elect a director.

## CORPORATE GOVERNANCE

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The checks which are undertaken, and the information provided to shareholders, are set out in the Company's Remuneration and Nomination Committee Charter.

### Recommendation 1.3

The Company has a written agreement with each of the Directors. The material terms of any employment, service or consultancy agreement the Company, or any of its child entities, has entered into with its Chief Executive Officer, any of its directors, and any other person or entity who is a related party of the Chief Executive Officer or any of its directors will be disclosed in accordance with ASX Listing Rule 3.16.4 (taking into consideration the exclusions from disclosure outlined in that rule).

### Recommendation 1.4

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board. The Company Secretary is responsible for the application of best practice in corporate governance and also supports the effectiveness of the Board by:

- a) ensuring a good flow of information between the Board, its committees, and Directors;
- b) monitoring policies and procedures of the Board;
- c) advising the Board through the Chairman of corporate governance policies; and
- d) conducting and reporting matters of the Board, including the despatch of Board agendas, briefing papers and minutes.

### Recommendation 1.5

The Company has a Diversity Policy, the purpose of which is:

- a) to outline the Company's commitment to creating a corporate culture that embraces diversity and, in particular, focuses on the composition of its Board and senior management; and
- b) to provide a process for the Board to determine measurable objectives and procedures which the Company will implement and report against to achieve its diversity goals.

The Board intends to set measurable objectives for achieving diversity, specifically including gender diversity and will review and report on the effectiveness and relevance of these measurable objectives. However, due to the current size of the Board and management, these measurable objectives have not yet been set.

### Recommendation 1.6

The Chair will be responsible for evaluating the performance of the Board, Board committees and individual directors in accordance with the process disclosed in the Company's Board performance evaluation policy.

This policy is to ensure:

- a) individual Directors and the Board as a whole work efficiently and effectively in achieving their functions;
- b) the executive Directors and key executives execute the Company's strategy through the efficient and effective implementation of the business objectives; and
- c) committees to which the Board has delegated responsibilities are performing efficiently and effectively in accordance with the duties and responsibilities set out in the board charter.

This policy will be reviewed annually.

An evaluation of the Board, its committees and individual directors is scheduled to take place in accordance with the Company's policy during the December 2019 quarter.

### Recommendation 1.7

The Chief Executive Officer will be responsible for evaluating the performance of the Company's senior executives in accordance with the process disclosed in the Company's Process for Performance Evaluations, which is currently being developed by the Board.

## CORPORATE GOVERNANCE

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The Chair will be responsible for evaluating the performance of the Company's Chief Executive Officer in accordance with the process disclosed in the Company's Process for Performance Evaluations, which is currently being developed by the Board.

Due to the current size of the Board and management, the Company does not have a Chief Executive Officer and accordingly an evaluation has not been conducted.

### **Principle 2: Structure the board to add value**

#### Recommendation 2.1

Due to the size of the Board, the Company does not have a separate nomination committee. The roles and responsibilities of a nomination committee are currently undertaken by the Board.

The duties of the full Board in its capacity as a nomination committee are set out in the Company's Remuneration and Nomination Committee Charter which is available on the Company's website.

When the Board meets as a remuneration and nomination committee it carries out those functions which are delegated to it in the Company's Remuneration and Nomination Committee Charter. Items that are usually required to be discussed by a Remuneration and Nomination Committee are marked as separate agenda items at Board meetings when required.

The Board has adopted a Remuneration and Nomination Committee Charter which describes the role, composition, functions and responsibilities of a Nomination Committee and is disclosed on the Company's website.

#### Recommendation 2.2

The mix of skills and diversity which the Board is looking to achieve in its composition is:

- a) a broad range of business experience; and
- b) technical expertise and skills required to discharge duties.

#### Recommendation 2.3

The Board considers the independence of directors having regard to the relationships listed in Box 2.3 of the Principles and Recommendations.

Currently the Board is structured as follows:

- a) Adam Sierakowski (Non-Executive Chairman);
- b) Dr Robert Ramsay (Executive Director); and
- c) Stephen Lowe (Non-Executive Director).
- d) Simon Jackson (Non-Executive Director)

Dr Ramsay is a non-independent executive director and was appointed to the Board on 20 December 2012. The Chairman, Mr Adam Sierakowski has been a director of the Company since 21 October 2010. He is a director and shareholder of Trident, a provider of material professional services, and accordingly, is not independent. Mr Stephen Lowe has been a director of the Company since 21 October 2010. He is an employee of Creasy Group, the Company's major shareholder, and accordingly, is also not independent. Mr Jackson is an independent non-executive director and was appointed on 29 January 2019.

#### Recommendation 2.4

Currently, the Board considers that membership weighted towards technical expertise is appropriate at this stage of the Company's operations. Accordingly, the Board does not have a majority of independent directors.

#### Recommendation 2.5

As noted above, Mr Sierakowski is not an independent Chairman. Mr Sierakowski is considered to be the most appropriate person to Chair the Board because of his public company experience.

## CORPORATE GOVERNANCE

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### Recommendation 2.6

It is a policy of the Company, that new Directors undergo an induction process in which they are given a full briefing on the Company. Where possible this includes meetings with key executives, tours of the premises, an induction package and presentations.

In order to achieve continuing improvement in Board performance, all Directors are encouraged to undergo continual professional development. Specifically, Directors are provided with the resources and training to address skills gaps where they are identified.

### **Principle 3: Act ethically and responsibly**

#### Recommendation 3.1

The Company is committed to promoting good corporate conduct grounded by strong ethics and responsibility. The Company has established a Code of Conduct (**Code**), which addresses matters relevant to the Company's legal and ethical obligations to its stakeholders. It may be amended from time to time by the Board, and is disclosed on the Company's website.

The Code applies to all Directors, employees, contractors and officers of the Company.

The Code will be formally reviewed by the Board each year.

### **Principle 4: Safeguard integrity in corporate reporting**

#### Recommendation 4.1

Due to the size of the Board, the Company does not have a separate Audit Committee. The roles and responsibilities of an audit committee are undertaken by the Board.

The full Board in its capacity as the audit committee is responsible for reviewing the integrity of the Company's financial reporting and overseeing the independence of the external auditors. The duties of the full Board in its capacity as the audit committee are set out in the Company's Audit Committee Charter which is available on the Company's website.

When the Board meets as an audit committee is carries out those functions which are delegated to it in the Company's Audit Committee Charter. Items that are usually required to be discussed by an Audit Committee are marked as separate agenda items at Board meetings when required.

The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises. Candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Board.

The Board has adopted an Audit Committee Charter which describes the role, composition, functions and responsibilities of the Audit Committee and is disclosed on the Company's website.

#### Recommendation 4.2

Before the Board approves the Company financial statements for each financial period it will receive from the Chief Executive Officer and the Chief Financial Officer or equivalent a declaration that, in their opinion, the financial records of the Company for the relevant financial period have been properly maintained and that the financial statements for the relevant financial period comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and the consolidated entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

#### Recommendation 4.3

Under section 250RA of the Corporations Act, the Company's auditor is required to attend the Company's annual general meeting at which the audit report is considered, and does not arrange to be represented by a person who is a suitably qualified member of the audit team that conducted the audit and is in a position to answer questions about the audit. Each year, the Company will write to the Company's auditor to inform them of the date of the Company's annual general meeting. In accordance with section 250S of the Corporations Act, at the Company's annual general meeting where the Company's auditor or their representative is at the meeting, the Chair will allow a reasonable opportunity for the members as a whole at the meeting to ask the auditor (or its representative) questions relevant

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## CORPORATE GOVERNANCE

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to the conduct of the audit; the preparation and content of the auditor's report; the accounting policies adopted by the Company in relation to the preparation of the financial statements; and the independence of the auditor in relation to the conduct of the audit. The Chair will also allow a reasonable opportunity for the auditor (or their representative) to answer written questions submitted to the auditor under section 250PA of the Corporations Act.

### **Principle 5: Make timely and balanced disclosure**

#### Recommendation 5.1

The Company is committed to:

- a) ensuring that shareholders and the market are provided with full and timely information about its activities;
- b) complying with the continuous disclosure obligations contained in the Listing Rules and the applicable sections of the Corporations Act; and
- c) providing equal opportunity for all stakeholders to receive externally available information issued by the Company in a timely manner.

The Company has adopted a Disclosure Policy, which is disclosed on the Company's website. The Disclosure Policy sets out policies and procedures for the Company's compliance with its continuous disclosure obligations under the ASX Listing Rules, and addresses financial markets communication, media contact and continuous disclosure issues. It forms part of the Company's corporate policies and procedures and is available to all staff.

The Company Secretary manages the policy. The policy will develop over time as best practice and regulations change and the Company Secretary will be responsible for communicating any amendments. This policy will be reviewed by the Board annually.

### **Principle 6: Respect the rights of security holders**

#### Recommendation 6.1

The Company provides information about itself and its governance to investors via its website at [www.coziron.com](http://www.coziron.com). The Company is committed to maintaining a Company website with general information about the Company and its operations and information specifically targeted at keeping the Company's shareholders informed about the Company. In particular, where appropriate, after confirmation of receipt by ASX, the following will be posted to the Company website:

- a) relevant announcements made to the market via ASX;
- b) media releases;
- c) investment updates;
- d) Company presentations and media briefings;
- e) copies of press releases and announcements for the preceding three years; and
- f) copies of annual and half yearly reports including financial statements for the preceding three years.

#### Recommendation 6.2

The Company has a Shareholder Communication and Investor Relations Policy which aims to ensure that Shareholders are informed of all major developments of the Company. The policy is disclosed on the Company's website.

Information is communicated to Shareholders via:

- a) reports to Shareholders;
- b) ASX announcements;
- c) annual general meetings; and
- d) the Company website.

## CORPORATE GOVERNANCE

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This Shareholder Communication and Investor Relations policy will be formally reviewed by the Board each year. While the Company aims to provide sufficient information to Shareholders about the Company and its activities, it understands that Shareholders may have specific questions and require additional information. To ensure that Shareholders can obtain all relevant information to assist them in exercising their rights as Shareholders, the Company has made available a telephone number and relevant contact details (via the website) for Shareholders to make their enquiries.

### Recommendation 6.3

The Board encourages full participation of Shareholders at meetings to ensure a high level of accountability and identification with the Company's strategies and goals.

However, due to the size and nature of the Company, the Board does not consider a policy outlining the policies and processes that it has in place to facilitate and encourage participating at meetings of shareholders to be appropriate at this stage.

### Recommendation 6.4

Shareholders are given the option to receive communications from, and send communication to, the Company and its share registry electronically. To ensure that shareholders can obtain all relevant information to assist them in exercising their rights as shareholders, the Company has made available a telephone number and relevant contact details (via the website) for shareholders to make their enquiries.

## **Principle 7: Recognise and manage risk**

### Recommendation 7.1

Due to the size of the Board, the Company does not have a separate Risk Committee. The Board is responsible for the oversight of the Company's risk management and control framework.

When the Board meets as a risk committee is carries out those functions which are delegated to it in the Company's Audit Committee Charter. Items that are usually required to be discussed by a Risk Committee are marked as separate agenda items at Board meetings when required.

The Board has adopted an Audit Committee Charter which describes the role, composition, functions and responsibilities in relation to the risk management system of the Audit Committee and is disclosed on the Company's website.

The Board has adopted a Risk Management Policy, which is disclosed on the Company's website. Under the policy, responsibility and control of risk management is delegated to the appropriate level of management within the Company with the Chief Executive Officer having ultimate responsibility to the Board for the risk management and control framework.

The risk management system covers:

- a) operational risk;
- b) financial reporting;
- c) compliance / regulations; and
- d) system / IT process risk.

A risk management model is also being developed and will provide a framework for systematically understanding and identifying the types of business risks threatening the Company as a whole, or specific business activities within the Company.

### Recommendation 7.2

The Board will review the Company's risk management framework annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the Company faces and to ensure that the Company is operating within the risk appetite set by the Board.

Arrangements put in place by the Board to monitor risk management include, but are not limited to:

- a) monthly reporting to the Board in respect of operations and the financial position of the Company; and

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CORPORATE GOVERNANCE

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- b) quarterly rolling forecasts prepared;

Recommendation 7.3

The Company does not have, and does not intend to establish, an internal audit function. To evaluate and continually improve the effectiveness of the Company's risk management and internal control processes, the Board relies on ongoing reporting and discussion of the management of material business risks as outlined in the Company's Risk Management Policy.

Recommendation 7.4

Given the speculative nature of the Company's business, it is subject to general risks and certain specific risks as outlined in the Company's Prospectus.

The Company will identify and monitor those economic, environmental and/or social sustainability risks to which it has a material exposure, and disclose how it intends to manage those risks.

**Principle 8: Remunerate fairly and responsibly**

Recommendation 8.1

Due to the size of the Board, the Company does not have a separate remuneration committee. The roles and responsibilities of a remuneration committee are currently undertaken by the Board.

The duties of the full board in its capacity as a remuneration committee are set out in the Company's Remuneration and Nomination Committee Charter which is available on the Company's website

When the Board meets as a remuneration committee is carries out those functions which are delegated to it in the Company's Remuneration and Nomination Committee Charter. Items that are usually required to be discussed by a Remuneration Committee are marked as separate agenda items at Board meetings when required.

The Board has adopted a Remuneration and Nomination Committee Charter which describes the role, composition, functions and responsibilities of the Remuneration Committee and is disclosed on the Company's website.

Recommendation 8.2

Details of the Company's policies on remuneration will be set out in the Company's "Remuneration Report" in each Annual Report published by the Company. This disclosure will include a summary of the Company's policies regarding the deferral of performance-based remuneration and the reduction, cancellation or clawback of the performance-based remuneration in the event of serious misconduct or a material misstatement in the Company's financial statements.

Recommendation 8.3

The Company's Security Trading Policy includes a statement on the Company's policy on prohibiting participants in the Company's Employee Incentive Plan entering into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the Employee Incentive Plan.

Security Trading Policy

In accordance with ASX Listing Rule 12.9, the Company has adopted a trading policy which sets out the following information:

- a) closed periods in which directors, employees and contractors of the Company must not deal in the Company's securities;
- b) trading in the Company's securities which is not subject to the Company's trading policy; and
- c) the procedures for obtaining written clearance for trading in exceptional circumstances.

The Company's Security Trading Policy is available on the Company's website.

ADDITIONAL SHAREHOLDER INFORMATION

**SUBSTANTIAL SHAREHOLDERS**

The names of the substantial shareholders listed in the Company register as at 16 September 2019 are as follows:

Shareholder	Shares	%
Mark Gareth Creasy	1,303,472,336	62.58

**DISTRIBUTION OF SHAREHOLDERS**

The distribution of members and their holdings of equity securities in the Company as at 16 September 2019 was as follows:

Range of holding	Shareholders	Number Of Ordinary Shares	%
1 – 1,000	33	16,789	0.00
1,001 – 5,000	148	646,337	0.03
5,001 – 10,000	70	564,828	0.03
10,001 – 100,000	317	14,553,272	0.70
100,001 and over	424	2,067,270,042	99.27
<b>Totals</b>	<b>992</b>	<b>2,083,051,268</b>	<b>100.00</b>

The number of shareholders with less than a marketable parcel of fully paid shares based on a closing price of \$0.01 is 430 holding in total 5,634,919 shares.

**UNQUOTED SECURITIES**

Securities	Number of Options	Number of Holders	Holders with more than 20%
Options exercisable at \$0.02, expiry 8 Aug 2021	148,750,000	118	-

**RESTRICTED SECURITIES**

The Company has no restricted securities:

**VOTING RIGHTS (ORDINARY SHARES)**

In accordance with the Company's Constitution, on a show of hands every member present in person or by proxy or attorney or duly authorised representative has one vote. On a poll every member present in person or by proxy or attorney or duly authorised representative has one vote for every fully paid ordinary share held.

ADDITIONAL SHAREHOLDER INFORMATION (Continued)

TWENTY LARGEST SHAREHOLDERS

The names of the twenty largest shareholders of the fully paid ordinary shares of the Company as at 16 September 2019 are as follows:

Name	Number Of Ordinary Fully Paid Shares	% Held Of Issued Ordinary Capital
YANDAL INVESTMENTS PTY LTD	952,433,027	45.72%
MOTWIL PTY LTD	310,844,653	14.92%
MR MARK GARETH CREASY	40,194,656	1.93%
JETOSEA PTY LTD	30,000,000	1.44%
BOTSIS HOLDINGS PTY LTD	26,005,356	1.25%
CITICORP NOMINEES PTY LIMITED	23,856,386	1.15%
MISS YEE CHIN TAN	21,981,906	1.06%
SNEZKA HOLDINGS PTE LTD	20,000,000	0.96%
MILWAL PTY LTD <THE CHESTER A/C>	20,000,000	0.96%
LECARD PTY LTD	19,550,000	0.94%
BALD HOLDINGS PTY LTD	16,550,000	0.79%
BNP PARIBAS NOMS PTY LTD <UOB KAY HIAN PRIV LTD DRP>	16,276,667	0.78%
MR YUEN SUEN SHERMAN LAM	16,000,000	0.77%
JSR PROMOTIONS PTY LTD <JACK REDDEN FAMILY A/C>	15,600,000	0.75%
MR STEPHEN JOHN LOWE & MRS SUZANNE LEE LOWE <LANTANA SUPER FUND A/C>	13,346,766	0.64%
FENWICK ENTERPRISES PTY LTD <PODMORE S/F A/C>	10,560,818	0.51%
MR NYOK CHOO WAH	10,500,000	0.50%
MR MICHELE PARRELLA	10,000,000	0.48%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	9,688,626	0.47%
IML HOLDINGS PTY LTD	9,416,666	0.45%
MRS AMELIA ANTONIETTA GUERRA	8,000,000	0.38%
<b>Totals</b>	<b>1,600,805,527</b>	<b>76.85%</b>

SCHEDULE OF MINERAL TENEMENTS

Project	Location	Tenement Number	Economic Entity's Interest
Yarraloola	West Pilbara, WA	E08/1060	85%
Yarraloola	West Pilbara, WA	E08/1684	85%
Yarraloola	West Pilbara, WA	E08/1685	85%
Yarraloola	West Pilbara, WA	E08/1686	85%
Yarraloola	West Pilbara, WA	E08/1826	85%
Yarraloola	West Pilbara, WA	M08/519	85%

Yarrie	East Pilbara, WA	E45/3725	70%
Yarrie	East Pilbara, WA	E45/3728	70%
Yarrie	East Pilbara, WA	E45/4065	70%
Yarrie	East Pilbara, WA	E45/4604	70%
Yarrie	East Pilbara, WA	E45/4605	70%
Yarrie	East Pilbara, WA	E45/4433	100%

Shepherds Well	West Pilbara, WA	E08/2361	70%
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Buddadoo	Mid-west, WA	E59/1350	85%
Buddadoo	Mid-west, WA	E59/2349	85%

Croydon*	East Pilbara, WA	E47/2150	70%
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\* The Company is in the process of acquiring a 70% interest in the Croydon project from the Creasy Group.

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SCHEDULE OF MINERAL TENEMENTS

DETAILS OF MINERAL RESOURCES AND ORE RESERVES

Results of Annual Review of Mineral Resource and Ore Reserve

The Robe Mesa mineral resource was first estimated during the 2015 financial year. The resource has subsequently been updated from the drill results obtained in the 2016 financial year and the drill results obtained in the 2017 financial year (Tables 1 and 2). Also shown in Table 3 is the P529 mineral resource first estimated in the 2017 financial year. No further mineral resource estimates were conducted during the 2019 financial year.

The Company does not have any ore reserves.

Governance Arrangements for Mineral Resource and Ore Reserves Estimates

Mineral Resources are estimated by independent external consultants in accordance with the JORC 2012 Code, using industry standard techniques and internal guidelines for the estimation and reporting of and Mineral Resources. All statements have been accompanied by the appropriate sections of Table 1 from the JORC (2012) guidelines. Mineral Resource Statements included in the Annual Report are reviewed by suitably qualified Competent Persons from the Company prior to its inclusion.

Yaraloola Mineral Resource – Current and Prior Year

Table 1. Robe Mesa Mineral Resource Estimate at April 2017 reported above a **Fe cut-off grade of 50%**.

Category	Mt	Fe%	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> 3%	TiO <sub>2</sub> %	LOI %	P%	S%	Fe <sub>ca</sub> %
Indicated	65.7	53.8	8.3	3.43	0.14	10.6	0.04	0.02	60.2
Inferred	23.4	53.4	8.5	3.49	0.15	10.7	0.06	0.02	59.9
<b>Total</b>	<b>89.1</b>	<b>53.7</b>	<b>8.3</b>	<b>3.45</b>	<b>0.14</b>	<b>10.66</b>	<b>0.05</b>	<b>0.02</b>	<b>60.12</b>

Table 2. Robe Mesa Mineral Resource Estimate at April 2017 reported above a **Fe cut-off grade of 55%**.

Category	Mt	Fe%	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> 3%	TiO <sub>2</sub> %	LOI %	P%	S%	Fe <sub>ca</sub> %
Indicated	19.5	56.0	6.0	2.7	0.10	10.7	0.04	0.02	62.7
Inferred	5.2	56.0	5.8	2.8	0.10	10.7	0.05	0.02	62.7
<b>Total</b>	<b>24.7</b>	<b>56.0</b>	<b>5.9</b>	<b>2.7</b>	<b>0.10</b>	<b>10.7</b>	<b>0.04</b>	<b>0.02</b>	<b>62.7</b>

Reported according to the 2012 JORC Code on 26 April 2017. Full details of the Robe Mesa resource calculations as per JORC Code (2012) are contained in the Company's announcement dated 26 April 2017.

Table 3. P529 Mineral Resource Estimate at May 2017 reported above a **Fe cut-off grade of 50%**.

Category	Mt	Fe%	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> 3%	TiO <sub>2</sub> %	LOI %	P%	S%	Fe <sub>ca</sub> %
Inferred	4.2	53.0	9.1	3.9	0.2	10.4	0.04	0.01	59.2
<b>Total</b>	<b>4.2</b>	<b>53.0</b>	<b>9.1</b>	<b>3.9</b>	<b>0.2</b>	<b>10.4</b>	<b>0.04</b>	<b>0.01</b>	<b>59.2</b>

Reported according to the 2012 JORC Code on 9 May 2017. Full details of the P529 resource calculations as per JORC Code (2012) are contained in the Company's announcement dated 9 May 2017.

In accordance with Paragraph 15 of the JORC 2012 Code, we have reviewed the Mineral Resource Estimates and find no material change to report.