

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

Coziron Resources Limited
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ABN

91 112 866 869
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Quarter ended ("current quarter")

31 December 2011
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### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	- - - (134)	- - - (256)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	53	63
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
<b>Net Operating Cash Flows</b>	<b>(81)</b>	<b>(193)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - -
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - -
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>-</b>	<b>-</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(81)</b>	<b>(193)</b>

+ See chapter 19 for defined terms.

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1.13	Total operating and investing cash flows (brought forward)	(81)	(193)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	<b>Net financing cash flows</b>	-	-
	<b>Net increase (decrease) in cash held</b>	(81)	(193)
1.20	Cash at beginning of quarter/year to date	2,308	2,420
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>2,227</b>	<b>2,227</b>

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	\$96
1.24	Aggregate amount of loans to the parties included in item 1.10	NIL

1.25 Explanation necessary for an understanding of the transactions

Paid for Company secretarial, office and accounting services - \$34k  
Directors' Fees - \$43k  
Legal fees - \$19k

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

NIL

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

NIL

+ See chapter 19 for defined terms.

### Financing facilities available

*Add notes as necessary for an understanding of the position.*

	<b>Amount available \$A'000</b>	<b>Amount used \$A'000</b>
3.1 Loan facilities	NIL	NIL
3.2 Credit standby arrangements	NIL	NIL

### Estimated cash outflows for next quarter

	<b>\$A'000</b>
4.1 Exploration and evaluation	400
4.2 Development	-
4.3 Production	-
4.4 Administration	100
<b>Total</b>	<b>500</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Cash on hand and at bank	682	808
5.2 Deposits at call	0	0
5.3 Bank overdraft	0	0
5.4 Other (provide details) – Term Deposit	1,545	1,500
<b>Total: cash at end of quarter</b> (item 1.22)	<b>2,227</b>	<b>2,308</b>

## Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	<b>Zanthus Project</b> E08/1060 E08/1684 E08/1685 E08/1686 E08/1824 E08/1825 E08/1826 P08/0529 P08/0530	Conditional Share Sale Agreement to acquire all the shares in Zanthus Pty Ltd (See Annexure A for a brief Summary of the Agreement)	0%	85%
	<b>Buddadoo</b> E59/1350	Conditional Share Sale Agreement to acquire all the shares in Buddadoo Metals Pty Ltd (See Annexure A for a brief Summary of the Agreement)	0%	85%
	<b>KingX</b> E38/2213 E38/2211 E38/2212 E38/1433 E38/1434 E38/1435 E38/1436 E38/1437 E38/1622 E38/1623 E38/1624 E38/2573	Conditional Share Sale Agreement to acquire all the shares in KingX Pty Ltd (See Annexure A for a brief Summary of the Agreement)	0%	85%
6.2 Interests in mining tenements acquired or increased				

+ See chapter 19 for defined terms.

**Issued and quoted securities at end of current quarter**

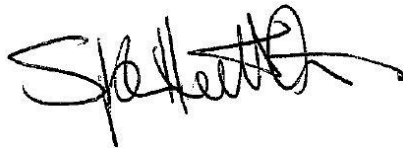
Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference +securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	454,473,654	454,473,654		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	Nil	Nil		
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

(Director/Company secretary)

Date: 31 January 2012

Print name: Stephen Hewitt-Dutton

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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**ANNEXURE A**

**SUMMARY SHARE SALE AND PURCHASE AGREEMENTS**

Coziron has executed three individual Share Sale and Purchase Agreements with Zanthus, Buddadoo and KingX dated 30 December 2011 (the "Agreements"). All three Agreements are virtually identical and contain the following material terms:

- 1) The Agreements are subject to conditions that must be satisfied or waived within 165 days of the date of the Agreements.
- 2) It is a condition of the Agreements that CZR completes a capital raising for an amount of not less than \$10 million at a price of 10c or better.
- 3) It is a condition of the Agreements that CZR obtains shareholder and regulatory approvals to achieve completion.
- 4) On or before completion of the Agreements CZR will enter into a Tenement Sale Agreement and Joint Venture Agreement. CZR must execute these documents with Zanthus, Buddadoo and KingX for completion to occur. The terms of these documents have already been agreed by the parties.
- 5) It is a term of the Joint Venture Agreement that the vendors maintain a 15% interest in the three Joint Ventures until the completion of any Bankable Feasibility Study.
- 6) The consideration payable by CZR to the vendors is 500 million shares in Coziron.
- 7) CZR must until completion of the Agreements meet expenditure requirements on the Vendors tenements at least equal to the annual expenditure requirements of the Mines Department.

The terms above are a summary only and should not be considered a complete list of all the terms and conditions of the Agreements.

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