



**Coziron Resources Limited
ACN 112 866 869**

**Notice of Annual General Meeting,
Explanatory Statement and Independent Expert's report**

Annual General Meeting of Shareholders to be held at the offices of Trident Capital of Level 24, 44 St Georges Terrace, Perth, Western Australia at 3:00pm (WST) on Monday, 30 November 2015.

Important

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

Notice of Annual General Meeting

Notice is given that the Annual General Meeting of Shareholders of Coziron Resources Limited ACN 085 166 721 (**Company**) will be held at the offices of Trident Capital of Level 24, 44 St Georges Terrace, Perth, Western Australia at 3.00pm (WST) on Monday, 30 November 2015.

Business

1. Annual Report for the financial year ended 30 June 2015

To receive and consider the Annual Report of the Company, containing the Directors' Report, the Remuneration Report and the Auditor's Report, for the financial year ended 30 June 2015.

2. Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, pass the following as a **non-binding resolution**:

“That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the year ended 30 June 2015 be adopted.”

Note: The vote on this resolution is advisory only and does not bind the Directors or the Company.

Voting exclusion

The Company will disregard any votes cast on this Resolution:

- (a) by or on behalf of a member of Key Management Personnel as disclosed in the Remuneration Report;
- (b) by or on behalf of a Closely Related Party of a member of Key Management Personnel; and
- (c) as a proxy by a member of Key Management Personnel or a Closely Related Party,

unless the vote is cast as proxy for a person entitled to vote in accordance with a direction on the Proxy Form or by the Chairman pursuant to an express authorisation to exercise the proxy.

3. Resolution 2 – Re-election of Stephen Lowe

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

“That Stephen Lowe, who retires by rotation in accordance with clause 11.3 of the Constitution and who is eligible and offers himself for re-election, be re-elected as a Director.”

4. Resolution 3 – Approval of 10% Placement Capacity

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

“That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totaling up to 10% of the issued capital of the Company (at the time of issue), calculated in accordance with the formula prescribed in Listing Rule 7.1A.2, and otherwise as set out in the Explanatory Statement.”

Voting exclusion

The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and any person who might obtain a benefit, other than a benefit solely in the capacity of an ordinary security holder, from the passing of this Resolution and any associates of those persons. However the Company need not disregard a vote if.

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. Resolution 4 – Approval of issue of Shares to XFE under the Yarrie Tenement Sale and Joint Venture Agreement

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

“That for the purposes of sections 611 (Item 7) and 208 of the Corporations Act and ASX Listing Rules 10.1 and 10.11, and for all other purposes, Shareholder approval is given for the Directors to issue 135,561,700 Shares to XFE in accordance with the Yarrie Tenement Sale and Joint Venture Agreement, as set out in the Explanatory Statement.”

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed, and any Associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form to vote as the proxy decides.

Further it is a condition of approval under Item 7(a) of section 611 of the Corporations Act that no votes are cast in favour of Resolution 1 by the person proposing to make the acquisition and their Associates and the persons (if any) from whom the acquisition is to be made and their Associates.

6. Resolution 5 - Approval of issue of Shares to Creasy Group

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

“That for the purposes of sections 611 (Item 7) and 208 of the Corporations Act and ASX Listing Rules 10.1 and 10.11, and for all other purposes, approval is given for the issue of up to 350,000,000 Shares at an issue price of not less than \$0.01 per Share to Mark Creasy (and/or his nominee) as set out in the Explanatory Statement.”

Voting Exclusion Statement

The Company will disregard any votes cast on this resolution by Mark Creasy and any of his Associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form to vote as the proxy decides.

7. Resolution 6 - Approval of issue of Shares to Directors

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

“That for the purposes of Listing Rule 10.11, and for all other purposes, approval is given for the issue of up to 40,000,000 Shares at an issue price of not less than \$0.01 per Share to Directors (and/or their nominee) as set out in the Explanatory Statement.”

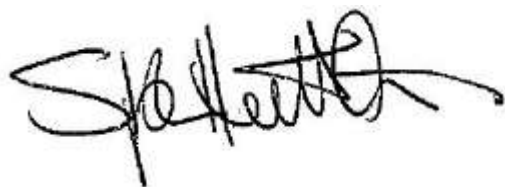
Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by Adam Sierakowski, Stephen Lowe and any of their Associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form to vote as the proxy decides.

8. Other business

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

By order of the Board

A handwritten signature in black ink, appearing to read 'S Hewitt-Dutton', with a stylized flourish at the end.

Stephen Hewitt-Dutton
Company Secretary
Coziron Resources Limited

13 October 2015

Explanatory Statement

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

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

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

1. Proxies

Please note that:

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

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

Members of Key Management Personnel and their Closely Related Parties will not be able to vote as proxy on Resolution 1 unless the Shareholder directs them how to vote or, in the case of the Chairman, unless the Shareholder expressly authorises him to do so. If a Shareholder intends to appoint a member of Key Management Personnel or their Closely Related Parties (other than the Chairman) as its proxy, the Shareholder should ensure that it directs the proxy how to vote on Resolution 1.

If a Shareholder intends to appoint the Chairman as its proxy on Resolution 1, Shareholders can direct the Chairman how to vote by marking one of the boxes for Resolution 1 (for example, if the Shareholder wishes to vote 'for', 'against' or to 'abstain' from voting). If a Shareholder does not direct the Chairman how to vote, the Shareholder is deemed to expressly authorise the Chairman to vote as he sees fit on Resolution 1 even though Resolution 1 is connected to the remuneration of members of Key Management Personnel and even if the Chairman has an interest in the outcome of that Resolution.

To vote by proxy, please complete and sign the Proxy Form enclosed and send by:

- (a) post to the Company at PO Box Z5183, Perth, Western Australia 6831; or
- (b) facsimile to the Company on (+61 8) 9218 8875,

so that it is received by no later than 3.00pm (WST) on Saturday, 28 November 2015. Proxy Forms received later than this time will be invalid.

2. Voting entitlements

In accordance with Regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth), the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the register of Shareholders as at 5.00pm (WST) on Saturday, 28 November 2015. Accordingly, transactions registered after that time will be disregarded in determining Shareholder's entitlement to attend and vote at the Annual General Meeting.

3. Annual Report for the financial year ended 30 June 2015

The Corporations Act requires the Annual Report of the Company for the financial year ended 30 June 2015, which includes the Financial Report, the Directors' Report, the Remuneration Report and the Auditor's Report, to be laid before the Annual General Meeting. The financial statements and reports are contained in the Annual Report. Shareholders who have elected to receive the Annual Report have been provided with a copy. The Annual Report is also available on ASX's website.

While no resolution is required in relation to this item, Shareholders will be given the opportunity to ask questions about, and make comments on, the Financial Report, the Directors Report and the Auditor's Report.

In accordance with section 250T of the Corporations Act, a representative of the Company's Auditor is anticipated to be in attendance to respond to any questions raised of the Auditor or on the Auditor's Report. Written questions to the Auditor must be submitted by Shareholders to the Company at least 5 business days prior to the Annual General Meeting.

4. Resolution 1 – Adoption of Remuneration Report

The Remuneration Report for the financial year ended 30 June 2015 is set out in the 2015 Annual Report. The Remuneration Report sets out the Company's remuneration arrangements for its Directors and senior management.

Section 250R(2) of the Corporations Act requires the Annual General Meeting to include a vote on the adoption of the Remuneration Report. Under section 250R(3) of the Corporations Act, the vote on the this Resolution is advisory only and does not bind the Directors or the Company.

In accordance with section 250SA of the Corporations Act, the Chairman will provide a reasonable opportunity for discussion on the Remuneration Report at the Annual General Meeting.

If at least 25% of the votes on this Resolution are voted against adoption of the Remuneration Report at the Annual General Meeting, and then again at the Company's 2016 annual general meeting, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of the Directors (**Spill Resolution**).

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the extraordinary general meeting (**Spill Meeting**) within 90 days of the Company's 2015 annual general meeting. All of the Directors who are in office when the Company's 2015 Directors' Report is approved, other than the Managing Director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election is approved will be the directors of the Company.

5. Resolution 2 – Re-election of Stephen Lowe

In accordance with clause 11.3 of the Constitution, at every annual general meeting, one third of the Directors for the time being must retire from office by rotation and are eligible for re-election. The Directors to retire are those who have been in office for 3 years since their appointment or last re-appointment or who have been longest in office since their appointment or last re-appointment or, if the Directors have been in office for an equal length of time, by agreement.

Stephen Lowe retires by rotation at this Annual General Meeting and, being eligible, offers himself for re-election.

Mr Lowe is currently the Business Manager for major shareholder and joint venture partner, Mark Creasy and is responsible for managing all aspects of Mr Creasy's business interests and investments.

Mr Lowe is also a director of Windward Resources Limited 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 Certified Taxation Advisor and a Member of the Australian Institute of Company Directors.

The Directors (excluding Mr Lowe) recommend that Shareholders vote in favour of Resolution 2.

6. Resolution 3 – Approval of 10% Placement Facility

6.1 Background

Listing Rule 7.1A enables eligible entities to issue Equity Securities totalling up to 10% of its issued share capital through placements over a 12 month period after the entity's annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (please refer to Section 6.2(c) below).

The Directors believe that Resolution 3 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

6.2 Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to obtaining shareholder approval by way of a special resolution at an annual general meeting.

(b) **Equity Securities**

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company. As at the date of this Notice, the Company has only one quoted class of Equity Securities, being 1,102,743,654 Shares.

(c) **Formula for calculating 10% Placement Facility**

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

A is the number of shares on issue 12 months before the date of issue or agreement:

- (A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (B) plus the number of partly paid shares that became fully paid in the 12 months;
- (C) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- (D) less the number of fully paid shares cancelled in the 12 months.

Note: A has the same meaning as in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

(d) **Listing Rule 7.1 and Listing Rule 7.1A**

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (please refer to Section 6.2(c) above).

(e) **Minimum issue price**

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the volume weighted average market price of Equity Securities in the same class calculated over the 15 trading days immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or

- (ii) if the Equity Securities are not issued within 5 trading days of the date in Section 6.2(e)(i), the date on which the Equity Securities are issued.

(f) **10% Placement Period**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

or such longer period if allowed by ASX (**10% Placement Period**).

6.3 Specific information required by Listing Rule 7.3A

In accordance with Listing Rule 7.3A, the following information is provided to Shareholders in relation to the 10% Placement Facility:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the volume weighted average market price for the Company's Equity Securities over the 15 trading days immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 trading days of the date in Section 6.3(a)(i), the date on which the Equity Securities are issued.
- (b) If Resolution 3 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

The table also shows:

- (iii) two examples where variable “A” has increased, by 50% and 100%. Variable “A” is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future meetings of Shareholders; and
- (iv) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Table 1 – based on issued Shares at 9 October 2015

Variable A in Listing Rule 7.1A.2		Dilution		
		\$0.0125 50% decrease in market price	\$0.025 Current market price	\$0.05 100% increase in market price
Current variable “A” 1,318,656,235	10% voting dilution	131,865,624 Shares	131,865,624 Shares	131,865,624 Shares
	Funds raised	\$ 988,992	\$ 1,977,984	\$ 3,955,969
50% increase in current variable “A” 1,977,984,353	10% voting dilution	197,798,435 Shares	197,798,435 Shares	197,798,435 Shares
	Funds raised	\$ 1,483,488	\$ 2,966,977	\$ 5,933,953
100% increase in current variable “A” 2,637,312,470	10% voting dilution	263,731,247 Shares	263,731,247 Shares	263,731,247 Shares
	Funds raised	\$ 1,977,984	\$ 3,955,969	\$ 7,911,937

This Notice also contains a resolution seeking approval to issue Shares in relation to the acquisition of the Yarrie Project, and issue of Shares to Creasy Group and Directors.

The total number of Shares to be issued assuming Shareholder approval is obtained will be 485,561,700. The table below the number of Shares that could be issued under 10% Placement Facility assuming all resolutions are passed and all Shares issued.

Table 2 – based on issued Shares assuming all Shares are issued following approval of Resolution 4.

Variable A in Listing Rule 7.1A.2		Dilution		
		\$0.0125 50% decrease in market price	\$0.025 Current market price	\$0.05 100% increase in market price
Current variable “A” 1,804,217,935	10% voting dilution	180,421,794 Shares	180,421,794 Shares	180,421,794 Shares
	Funds raised	\$ 1,353,163	\$ 2,706,327	\$ 5,412,654
50% increase in current variable “A” 2,706,326,903	10% voting dilution	270,632,690 Shares	270,632,690 Shares	270,632,690 Shares
	Funds raised	\$ 2,029,745	\$ 4,059,490	\$ 8,118,981
100% increase in current variable “A” 3,608,435,870	10% voting dilution	360,843,587 Shares	360,843,587 Shares	360,843,587 Shares
	Funds raised	\$ 2,706,327	\$ 5,412,654	\$ 10,825,308

Notes and assumptions:

1. The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
 2. No Options (including any Options issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities;
 3. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
 4. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Annual General Meeting.
 5. The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
 6. The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
 7. The current market price is \$0.015, being the closing price of the Shares on ASX on 9 October 2015.
- (c) The Company will only issue the Equity Securities during the 10% Placement Period. The approval under Resolution 3 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking)).
- (d) The Company may seek to issue the Equity Securities under the 10% Placement Facility to raise funds for working capital and the exploration and development of its existing projects including the Yarraloola iron-ore project, the Buddadoo iron project and the Shepherd's Well project. If Resolution 4 is approved and the Company acquires the Yarrie

under the Tenement Sale and Joint Venture Agreement then funds raised under Listing Rule 7.1A may also be applied to the exploration and development of these projects.

The Company may also issue Equity Securities for non-cash consideration, such as for the acquisition of new assets or investments. If the Company issues Equity Securities for non-cash consideration, the Company will release on valuation of the non-cash consideration that demonstrates that the deemed issue price of the Equity Securities complies with Listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon any issue of Equity Securities.

- (e) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of persons to be issued Equity Securities will be determined on a case-by-case basis having regard to factors which include the following:
- (i) the purpose of the issue;
 - (ii) the methods of raising funds that are available to the Company including, but not limited to, rights issue or other issues in which existing Shareholders can participate;
 - (iii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iv) the financial situation and solvency of the Company;
 - (v) prevailing market conditions; and
 - (vi) advice from corporate, financial and broking advisers (if applicable).

The persons to be issued Equity Securities under the 10% Placement Facility have not been determined as at the date of this Notice but are likely to be sophisticated or professional investors for the purposes of section 708 of the Corporations Act .

If the Company is successful in acquiring new resource assets or investments, it is likely that the persons to be issued Equity Securities under the 10% Placement Facility will be the vendors of the new resource assets or investments.

- (f) The Company obtained Shareholder approval under Listing Rule 7.1A at its previous annual general meeting on 27 November 2014. In accordance with Listing Rule 7.3A.6, as at the date of this Notice, the Company has not issued any Equity Securities under Listing Rule 7.1A in the 12 months prior to the Annual General Meeting.

- (g) Details of securities issued during the 12 months preceding the date of the meeting.

During the 12 months preceding the date of the meeting the Company issued a total of 127,600,000 Shares, representing 13.13% of the shares on issue at the commencement of that 12 month period.

Date of issue	20 November 2014	6 March 2015	29 May 2015
Number issued	38,375,000	6,074,150	94,796,765
Class of Security	Ordinary Fully paid	Ordinary Fully paid	Ordinary Fully paid
Persons who received securities	Sophisticated and professional investors	Creasy Group	Entitlement Offer - Shareholders
Price (per Share)	\$0.02	\$0.02	\$0.02
Discount to market	25.9%		
Non cash consideration	N/A	In satisfaction of the Cash Consideration of \$121,483 payable under the Shepherd's Well Tenement Sale and Joint Venture Agreement	N/A
Current value	N/A	\$91,112 (at 1.5cps)	N/A
Total cash consideration	\$767,500	N/A	\$1,895,935
Amount of cash spent	100%	N/A	Approximately 89% of the total raised has been spent.
Use of cash	The funds raised were be used to provide funding for the exploration of Company's Yaraloola, Shepherd's Well and Buddadoo projects and also provide additional working capital.	N/A	The funds raised were be used to provide funding for the exploration of Company's Yaraloola, Shepherd's Well and Buddadoo projects and also provide additional working capital.

- (h) A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in the issue of an Equity Securities under Listing Rule 7.1A. Therefore, no existing Shareholder's votes will be excluded from voting on Resolution 4.

7. Resolutions 4 – Payment of Consideration to XFE under The Yarrie Tenement Sale And Joint Venture Agreement

7.1 Background

The Company is seeking Shareholder approval as required under sections 611 (Item 7) and 208 of the Corporations Act, and ASX Listing Rules 10.1 and 10.11 in order to give effect to completion of the sale and purchase of 70% of the Yarrie Tenements and terms and conditions of the Yarrie Tenement Sale and joint Venture Agreement. The Company has previously sought and obtained approval at the meeting held on 28 October 2014, however, owing to administrative delays the approval expired.

7.2 Background to proposed transaction

Pursuant to the Yarrie Tenement Sale and Joint Venture Agreement, XFE has agreed to sell, and Coziron has agreed to purchase 70% of the Yarrie Tenements ("**Yarrie Agreement**").

Under the terms of the Yarrie Agreement, must pay consideration of 100,000,000 Shares at a deemed issue price of \$0.02 each and issue a further 35,561,700 Shares at a deemed issue price of \$0.02 each as reimbursement for prior expenditure incurred of \$711,234 (together the "**XFE Consideration Securities**")

XFE forms part of the Creasy Group and is therefore a related party of the Company as Mark Creasy holds a controlling interest in both the Company and XFE. Accordingly, the Company is seeking Shareholder approval to the issue of XFE Consideration Securities in accordance with section 208 of the Corporations Act and ASX Listing Rules 10.1 and 10.11.

7.3 Yarrie Tenements

Yarrie consists of four contiguous exploration licences held by XFE Pty Ltd (three granted, E45/3725, E45/3728, E45/4065 and one application E47/3727) covering a total of 1,022.2km² and located 160km east of Port Hedland, Western Australia (Fig 1). The Yarrie Tenements are largely underexplored. They share boundaries in the central part with the Yarrie-Goldsworthy mining project which was until recently, operated by BHP Billiton PLC (BHP), while Fortescue Metals Group Ltd (FMG) hold granted exploration licences along the northern boundary of the project.

The tenements are serviced by a bitumen road and natural gas pipeline between Port Hedland and the Telfer copper-gold mine and major regional roads which service the cattle industry and other mining towns in the region. The BHP owned rail connection between the Yarrie-Goldsworthy mining area and Port Hedland also services this area (see figure 1 below for details)

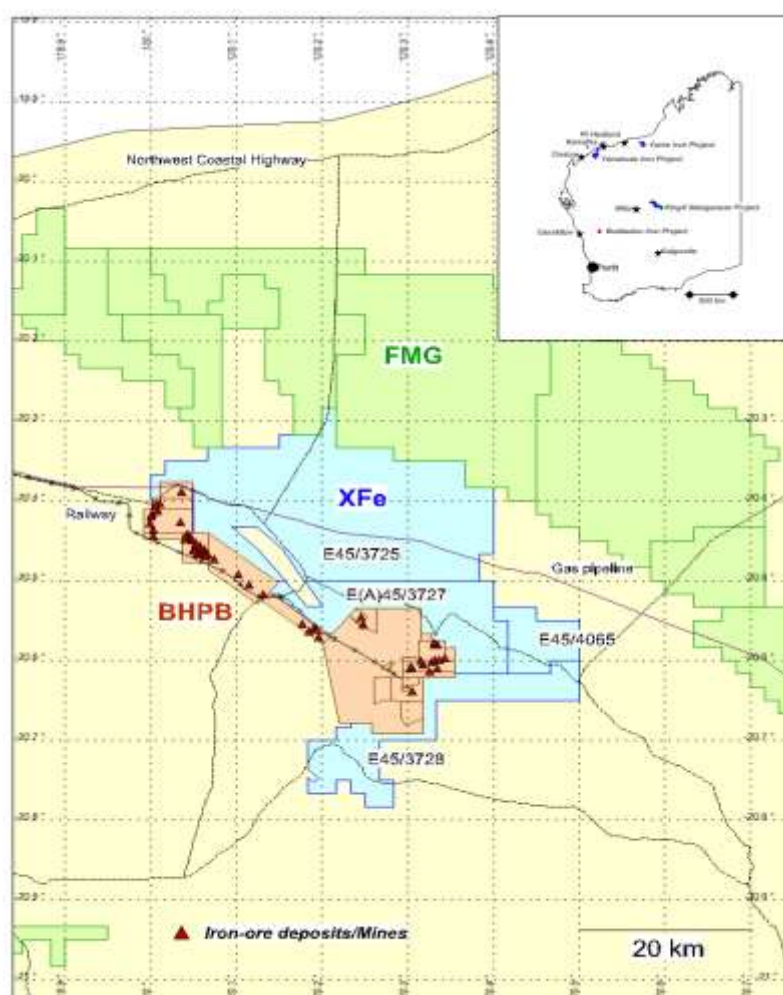


Fig 1- Location of the Yarrie Tenements in relation to the other major iron-ore tenement holders and BHP mines in the North Pilbara of Western Australia.

Prospectivity

The Yarrie project, located in the North Pilbara, is prospective for high-grade iron-ore ($\text{Fe} > 62\%$) deposits within Archaean-age sequences of volcanics and sediments termed the Cleaverville Terrain (Fig 2). These rocks unconformably overlie the granite basement, but underlie units of the Hamersley Basin. The Yarrie project covers outcrop extensions of the Cleaverville in the central and southern areas. In addition, there is significant tenement coverage to the east and north where interpretations of magnetic surveys indicate the presence of highly magnetic iron-formation subcrop beneath shallow cover. Within the sequence, the priority exploration targets are the parts of the Nimingarra Iron Formation which may be altered to high-grade haematite.

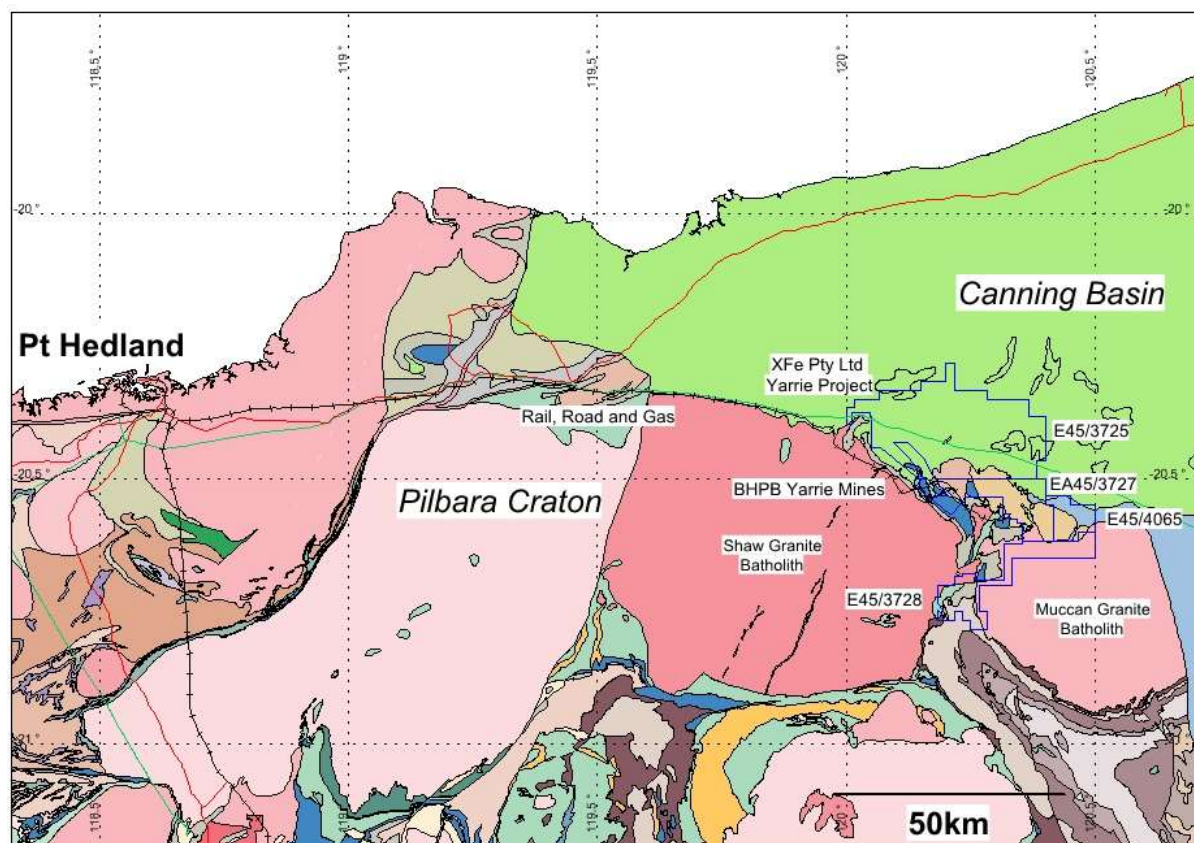


Fig 2. Regional geological setting of the Yarrie Project in the Pilbara with belts of Archaean sediments (including iron formations) marginal to the granite batholiths.

7.4 Technical Information - Regulatory Requirements

The Corporations Act and the ASX Listing Rules requires particular information to be provided to Shareholders for approval of Resolution 1. This information is set out in section 8 below.

7.5 Recommendation by Directors

The Directors do not have a material personal interest in Resolution 4. The Directors have considered the potential advantages and disadvantages of acquiring an interest in the Yarrie Tenements and entering into a joint venture with XFE and consider that it is in the best interests of the Company to proceed with the transaction. The Directors consider that the structure of the purchase price being the issue of the XFE Consideration Securities is appropriate in light of the Company's current cash flow position.

If the Shareholders do not vote in favour of Resolution 4, the Company will lose its opportunity to acquire an interest in the Yarrie Tenements.

The Directors recommend that Shareholders approve Resolution 1. However, Shareholders must decide how to vote on this resolution based on the contents of the Notice of Meeting, this Explanatory Statement and the Independent Expert's Report.

8. Resolution 5 – Issue of Shares To Creasy Group

8.1 Resolution 5

The Company is seeking Shareholder approval as required under sections 611 (Item 7), and ASX Listing Rules 10.1 and 10.11 in order to allow the Creasy Group (and/or his nominees) to apply for, and be issued, up to 350,000,000 Shares in the Company at an issue price of not less than \$0.01 per Share ("**Placement Shares**").

8.2 Background to proposed transaction

The Company intends to undertake a capital raising of up to \$5,000,000. The Creasy Group has advised the Company that they would like to participate in the raising up to a maximum of \$3,500,000. The exact price of the capital raising is yet to be determined and the Directors believe as at the date of this Notice that it will be at a price between \$0.01 per share and \$0.02 per share.

8.3 Recommendation by Directors

The Directors do not have a material personal interest in Resolution 5. The Directors have considered the potential advantages and disadvantages of issuing the Placement Shares to the Creasy Group and consider that it is in the best interests of the Company to proceed with the transaction.

The Directors recommend that Shareholders approve Resolution 5. However, Shareholders must decide how to vote on this resolution based on the contents of the Notice of Meeting, this Explanatory Statement and the Independent Expert's Report.

9. REGULATORY REQUIREMENTS – RESOLUTIONS 4 AND 5

9.1 Section 611 of the Corporations Act

Resolutions 4 and 5 (inclusive) seek Shareholder approval under Item 7 of section 611 of the Corporations Act for the issue of the XFE Consideration Securities to XFE and Placement Shares to the Creasy Group..

Section 606(1) of the Corporations Act, subject to the exceptions in section 611 of the Corporations Act, prohibits a person from acquiring shares in a company if, after the acquisition of those shares, that person or any other person would increase their relevant interest in the voting shares of a company from:

- (a) below 20% to above 20%; and
- (b) from some point above 20% but below 90%.

Item 7 of section 611 of the Corporations Act provides that section 606(1) of the Corporations Act does not apply to an acquisition of a relevant interest in the voting shares in a company, if the company has agreed to the acquisition by resolution passed at a general meeting at which no votes are cast in relation to the resolution by the person to whom the shares are to be issued or by an Associate of that person.

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

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

Prior to any issue of Placement Shares and XFE Consideration Securities to the Creasy Group pursuant to Resolutions 4 and 5 (inclusive) the Creasy Group holds 846,577,303 Shares, being 64.2% of the Existing Shares.

In the event that Resolutions 4 and 5 (inclusive) are approved by Shareholders and the relevant transactions completes, the relevant interest in the voting Shares of the Company held by the Creasy Group will increase from 64.2% to a maximum of between 71.02% and 73.83% depending on the issue price per share.

Number of Shares held by Creasy Group				
Creasy Group	Shares held at the date of this Notice	Shares to be issued under this Notice	Total Shares in Company held by Creasy Group following approval of Resolutions 4 and 5	% Voting Power in the Company
Yandal	495,537,994	-	495,537,994	27.46%
Motwil	310,844,653	-	310,844,653	17.23%
Mark Creasy	40,194,656		40,194,656	2.23%
Creasy Group ¹	-	350,000,000	350,000,000	19.40% ¹
XFE	-	135,561,700	135,561,700	7.51%
TOTAL	846,577,303	135,561,700	1,332,139,003	73.83%¹

¹ In the event that the issue price is higher than \$0.01 the impact on the Creasy Group relevant interest is as follows:

Total Shares in Company held by Creasy Group following approval of Resolutions 4 and 5						
Creasy Group	Issue price for Shares under Resolution 5 \$0.01	% Voting Power in the Company	Issue price for Shares under Resolution 5 \$0.015	% Voting Power in the Company	Issue price for Shares under Resolution 5 \$0.02	% Voting Power in the Company
Yandal	495,537,994	27.46%	495,537,994	29.36%	495,537,994	30.42%
Motwil	310,844,653	17.23%	310,844,653	18.42%	310,844,653	19.08%
Mark Creasy	40,194,656	2.23%	40,194,656	2.38%	40,194,656	2.46%
Creasy Group	350,000,000	19.40% ¹	233,333,333	13.83%	175,000,000	11.74%
XFE	135,561,700	7.51%	135,561,700	8.03%	135,561,700	8.32%
TOTAL	1,332,139,003	73.83%	1,332,139,003	72.02%	1,332,139,003	71.02%

The Directors of the Company are seeking Shareholder approval pursuant to section 611 Item 7 of the Corporations Act to issue XFE Consideration Securities and Placement Shares as contemplated by Resolutions 4 and 5 (inclusive) and otherwise on the terms and conditions set out in this Explanatory Statement.

As set out in the voting exclusion statements in the notice of meeting, it is a condition of approval under Item 7(a) of section 611 of the Corporations Act that no votes are cast in favour of Resolutions 4 and 5 (inclusive) by:

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

9.2 ASIC Regulatory Guide 74

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

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

If Resolutions 4 and 5 (inclusive) are passed, up to 485,651,700 Shares will be issued to members of the Creasy Group as set out in the table in section 9.1 above.

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

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

As at the date of this Notice of Meeting, the Creasy Group and or its Associates have a 64.20% relevant interest in the Existing Shares and Shareholders, other than the Creasy Group, hold a 35.80% relevant interest in the Existing Shares. Please see the table below.

(ii) Voting power of Creasy Group after the issue of Shares

Once all the securities referred to in Resolutions 4 and 5 (inclusive) have been issued, the maximum number of Shares in which the Creasy Group will have a relevant interest in 1,332,139,003 Shares and its voting power will be a maximum of 73.83%. This represents an increase in the voting power of the Creasy Group of 9.63%.

Company Shareholding	Current		If Resolutions 4 and 5 are approved	
	No. of Shares	%	No. of Shares	%
Creasy Group	846,577,303	64.20%	1,332,139,003	73.83%
Other Shareholders	427,078,932	35.80%	427,886,654	26.17%
Total Shares on an undiluted basis	1,318,656,235	100%	1,804,217,935	100%

Note: The numbers and percentages in the table above assume that the Company does not issue any other Shares to any person other than those proposed in Resolutions 4 and 5 and no Options are exercised. In the event that the capital raising is conducted at a price above \$0.01 the maximum number of shares in which the Creasy Group will have a relevant interest will be lower as shown in the table in section 9.1.

(c) Intentions as to the Future of the Company

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

- (i) intends to maintain the Company's current business, which is focused on exploration and the development of mining projects;

- (ii) has no intention to otherwise redeploy the fixed assets of the Company;
- (iii) does not propose that any property will be transferred between the Company and the Creasy Group or any person associated with the Creasy Group;
- (iv) does not intend to make any changes with regards to the employees or directors of the Company; and
- (v) does not presently propose to inject further capital in the Company.

(d) Financial and Dividend Policies of the Company

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

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

(e) Independent Expert's Report

The Independent Expert's Report has been provided to assist Shareholders in assessing Resolutions 4 and 5 (inclusive) and concludes that the issue of the XFE Consideration Securities and Placement Shares as contemplated by Resolutions 4 and 5 (inclusive) is not fair, but reasonable to non-associated Shareholders.

The Directors recommend all Shareholders carefully read the Independent Expert's Report before considering and deciding on how to vote on Resolutions 4 and 5.

(f) ASIC and ASX's Role

For the purposes of Resolutions 4 and 5 (inclusive), in accordance with ASIC Regulatory Guide 74, the Company must lodge the Notice of Meeting and this Explanatory Statement with ASIC before the Notice of Meeting can be dispatched.

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

(g) Recommendation by Directors

The Directors recommend that Shareholders approve Resolutions 4 and 5 (inclusive). However, Shareholders must decide how to vote on these Resolutions based on the contents of the Notice of Meeting, this Explanatory Statement and the Independent Expert's Report. For further details regarding the Directors' recommendation in respect of Resolutions 4 and 5 (inclusive), please see sections 7.5 and 8.3.

9.3 Section 208 of the Corporations Act

Resolution 4 requires Shareholder approval under section 208 of the Corporations Act with respect to related party transactions.

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

The Creasy Group is a related party of the Company as a result of its relevant interest in voting shares of the Company, and the control that this allows it to have in determining decisions in relation to the Company's financial and operating policies. The financial benefit being obtained by the Creasy Group pursuant to Resolution 4 is the issue of 135,561,700 XFE Consideration Securities to XFE, a related party.

Resolution 4 therefore requires Shareholder approval under section 208 of the Corporations Act to allow the Directors to issue the XFE Consideration Securities to members of the Creasy Group as related parties, on the terms set out in this Explanatory Statement.

1.1 Section 219 of the Corporations Act

Section 219 of the Corporations Act requires the following information be provided to Shareholder for approval to be granted under section 208 of the Corporations Act for Resolution 4:

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

The related party to which XFE Consideration Securities are being issued under Resolution 4 is XFE as a member of the Creasy Group.

(b) The nature of the financial benefits

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

Creasy Group	Shares to be issued	Value of Shares at Deemed Issue Price	Value of Shares at Current Market Price
XFE	135,561,700	2,711,234	2,033,426

* Market Price is 1.5cents being the closing market sale price of Shares on the ASX on 9 October 2015.

(c) Directors' Recommendation

The Directors recommend that Shareholders approve Resolution 4. However, Shareholders must decide how to vote on this Resolution based on the contents of the Notice of Meeting, this Explanatory Statement and the Independent Expert's Report. For further details regarding the Directors' recommendation in respect of Resolution 4, please see section 7.5.

(d) Interest of Directors

None of the Directors have a material personal interest in the outcome of Resolution 4.

(e) Terms of the Financial Benefits

The agreement giving rise to the financial benefit is summarised in section 7.2. All Shares to be issued pursuant to Resolution 4 will rank equally in all respects with existing fully paid ordinary shares on issue.

(f) Other Information

If Resolution 4 is approved and the Shares are issued to the Creasy Group, the existing Shareholders will be diluted from an existing 35.80% interest to 32.46% as shown in the table in section 7.7(b).

As at the date of the Notice of Meeting, the Company had 1,318,656,235 Shares on issue. The highest and lowest market sale price of the Shares in the Company during the twelve months

immediately preceding the date of this Notice was \$0.03 on 7 November 2014 and \$0.003 on 29 June 2015. The closing market sale price of Shares on the ASX on 9 October 2014 was \$0.015.

The Company's adoption of Australian equivalents to International Financial Reporting Standards for reporting periods means that the issue of the XFE Consideration Securities will be recognised as an investment in the equity of the Company.

Other than as set out in this Explanatory Statement, there is no further information that is known to the Company or any of the Directors which Shareholders would reasonably require in order to decide whether or not to vote in favour of Resolution 4.

(g) Effect of issue of securities contemplated by Resolution 1

	Current		If Resolution 1 is approved		If Resolutions 1 and 2 (inclusive) are approved	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Yandal	495,537,994	37.58%	495,537,994	34.08%	495,357,994	27.46%
Motwil	310,844,653	23.57%	310,844,653	21.38%	310,844,653	17.23%
Mark Creasy	40,194,656	3.05%	40,194,656	2.76%	400,194,656	2.23%
Creasy Group	-	-	-	-	350,000,000	19.40% ¹
XFE	-	-	135,561,700	9.32%	135,561,700	7.51%
Total	846,577,303	64.20%	982,139,003	67.54%	1,332,139,003	73.83%

Note: The numbers and percentages in the table above assume that the Company does not issue any other Shares to any person other than those proposed in Resolutions 4 and 5, and no Options are exercised.

9.4 ASX Listing Rule 10.1

Chapter 10 of the ASX Listing Rules contains certain provisions in relation to transactions between the Company and persons in a position of influence. ASX Listing Rule 10.1 provides that the Company must ensure that, subject to the exceptions described in ASX Listing Rule 10.3, it does not acquire a substantial asset from a substantial holder or dispose of a substantial asset to a substantial holder, without the approval of the holders of the Company's ordinary securities.

ASX Listing Rule 10.1.3 states that a person is a substantial holder if the person or the person's Associates have a relevant interest at any time in the 6 months before the transaction in at least 10% of the total votes allocated to the voting securities. At the date of this Notice, the Creasy Group holds a 64.2% interest in the total voting securities of the Company. The Creasy Group is therefore a substantial holder.

ASX Listing Rule 10.2 provides that an asset is a substantial asset if its value or the value of the consideration for it is 5% or more of the equity interest of the Company as set out in the latest accounts given to the ASX under the ASX Listing Rules.

Under the Yarrie Agreement, the consideration is the issue of 135,561,700 XFE Consideration Securities at the deemed issue price of \$0.02. The value of the XFE Consideration Securities equates to 22.4% of the equity interest of \$12,082,461 held by the Company as set out in the 30 June 2015 financial report. As such the assets being acquired by the Company from XFE are substantial assets.

The Directors are therefore seeking Shareholder approval pursuant to ASX Listing Rule 10.1 to allow the Directors to issue the XFE Consideration Securities to members of the Creasy Group, on the terms set out in this Explanatory Statement.

9.5 Technical Information – ASX Listing Rule 10.10

The following information is included in accordance with the requirements of Listing Rule 10.10. As set out in the voting exclusion statements in the Notice of Meeting and in accordance with the ASX Listing Rules, the Creasy Group is precluded from voting on Resolution 4.

The Company must also provide an Independent Expert's Report stating whether the transaction is fair and reasonable to the holder of ordinary shares whose votes are not disregarded pursuant to the voting exclusion.

The Independent Expert's Report in respect of the issue of XFE Consideration Securities to XFE, has been prepared by BDO, and is enclosed as Annexure A. This Independent Expert's Report concludes that the issue of the XFE Consideration Securities as contemplated by Resolution 4 is not fair, but reasonable to non-associated Shareholders.

9.6 ASX Listing Rule 10.11

ASX Listing Rule 10.11 provides that a company must not issue equity securities to a "related party" without the approval of holders of ordinary securities, or to a person whose relationship with the company or a related party of the company is, in ASX's opinion, such that approval should be obtained.

As members of the Creasy Group, Yandal, Mark Creasy and XFE are related parties of the Company within the definition set out in ASX Listing Rule 19.12. The Directors are therefore seeking Shareholder approval pursuant to ASX Listing Rule 10.11 to allow the Directors to issue the XFE Consideration Securities and Placement Shares to members of the Creasy Group, on the terms set out in this Explanatory Statement.

The issue of the XFE Consideration Securities and Placement Shares will not affect the capacity of the Company to issue securities in the next 12 months under ASX Listing Rule 7.1, as those securities (once issued) will be excluded from the calculations under ASX Listing Rule 7.1.

9.7 Technical Information – ASX Listing Rule 10.13

As required by Listing Rule 10.13, the following information is provided in relation to Resolutions 4 and 5.

Resolution 4

- (i) The related party to which Shares are to be allotted and issued under Resolution 4 is XFE.
- (ii) The maximum number of XFE Consideration Securities to be issued under Resolution 4 is 135,561,700.
- (iii) The XFE Consideration Securities will be issued as soon as practicable after Shareholders approve Resolution 4 and, in any event, no later than 1 month after the Annual General Meeting (or such later date to the extent permitted by any waiver of the ASX Listing Rules).
- (iv) XFE is a related party of the Company as it is a company controlled by Mark Creasy who, through the Creasy Group, has a controlling interest in the Company.
- (v) The Liability Shares will be issued at a deemed issue price of \$0.02 each.
- (vi) The XFE Consideration Securities to be issued under Resolution 4 are ordinary fully paid shares which on issue will rank equally with the Existing Shares.
- (vii) No funds raised by the issue of the XFE Consideration Securities under Resolution 4. These Liability Shares are to be issued pursuant to the Yarrie Tenement Sale and Joint Venture Agreement.

(a) **Resolution 5**

- (i) The related party to which Placement Shares are to be allotted and issued under Resolution 2 is Creasy Group.
- (ii) The maximum number of Placement Shares to be issued under Resolution 5 is 350,000,000.
- (iii) The Placement Shares will be issued as soon as practicable after Shareholders approve Resolution 5 and, in any event, no later than 1 month after the Annual General Meeting (or such later date to the extent permitted by any waiver of the ASX Listing Rules).
- (iv) Creasy Group is a related party of the Company who has a controlling interest in the Company.
- (v) The Placement Shares will be issued at an issue price per Placement Share of not less \$0.01 per Share.
- (vi) The Placement Shares to be issued under Resolution 5 are ordinary fully paid shares which on issue will rank equally with the Existing Shares.
- (vii) Funds raised by the issue of the Placement Shares under Resolution 5 will be used for ongoing exploration of the Company's projects and working capital.

10. Resolution 6 – Issue of Shares to Directors

10.1 Resolution 6

Resolution 6 seeks the approval of Shareholders to issue a total of 40,000,000 Shares to Directors, being Mr Adam Sierakowski and Mr Steve Lowe. Approval is sought pursuant to Listing Rule 10.11.

10.2 Background

The Company intends to undertake a capital raising of up to \$5,000,000. The Directors would like to be able to participate in the raising on the same terms as other investors. The exact price of the capital raising is yet to be determined and the Directors believe as at the date of this Notice that it will be at a price between \$0.01 per share and \$0.02 per share.

The number of Shares to be proposed to be issued to each Director, and/or his nominee(s), is up to a maximum of:

Director	Maximum Number of Director placement Shares
Adam Sierakowski	20,000,000
Steve Lowe	20,000,000
Total	40,000,000

10.3 ASX Listing Rule 10.11

ASX Listing Rule 10.11 provides that a company must not issue equity securities to a “related party” without the approval of holders of ordinary securities, or to a person whose relationship with the company or a related party of the company is, in ASX’s opinion, such that approval should be obtained. Further, ASX Listing Rule 7.2 (Exception 14) states that approval pursuant to ASX Listing Rule 7.1 is not required if shareholder approval is obtained under ASX Listing Rule 10.11.

The Directors are related parties of the Company within the definition specified in ASX Listing Rule 19.12. Accordingly, Shareholder approval is sought under ASX Listing Rule 10.11 to permit the issue of up to 40,000,000 Shares to the Directors and/or their nominees as related parties of the Company.

The issue of the Shares under Resolution 6 will not affect the capacity of the Company to issue securities in the next 12 months under ASX Listing Rule 7.1.

10.4 Technical Information – ASX Listing Rule 10.13

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

(b) The name of the allottee of the securities

(i) Mr Adam Sierakowski and/or his nominee.

(ii) Mr Steve Lowe and/or his nominee.

The maximum number of securities to be allotted and issued

A maximum of 40,000,000 Shares will be issued as follows:

Director	Maximum Number of Director placement Shares
Adam Sierakowski	20,000,000
Steve Lowe	20,000,000
Total	40,000,000

The date of allotment and issue of the securities

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

The relationship that requires Shareholder approval

Adam Sierakowski and Steve Lowe are all related parties to the Company by virtue of being a Director.

The issue price of the securities

The Shares are issued at an issue price per Share of not less than \$0.01.

The terms of the securities

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

The intended use of the funds

Funds raised by the issue of the Placement Shares under Resolution 6 will be used for ongoing exploration of the Company's projects and working capital.

11. Other Information

11.1 Scope of disclosure

The related party provisions of the Corporations Act require that this Explanatory Statement sets out all other information that is reasonably required by Shareholders in order to decide whether or not it is in the Company's interests to pass the Resolutions and which is known to the Company.

The Company is not aware of any relevant information that is material to the decision on how to vote on the Resolutions other than as is disclosed in this Explanatory Statement or by the Company by notification to the ASX.

11.2 Independent Expert's Report

BDO has prepared the Independent Expert's Report to give Shareholders a full understanding in relation to Resolutions 4 and 5 (inclusive) which deal with the acquisition of the Yarrie Tenements and issue of the Placement Shares.

BDO, in its Independent Expert's Report states that in its opinion the issue of the Placement Shares and the XFE Consideration Securities as contemplated by Resolutions 4 and 5 (inclusive) is not fair, but reasonable.

Shareholders are encouraged to carefully read the Independent Expert's Report to understand its scope, method of valuation, sources of information and assumptions made. The Board has reviewed and considered the Independent Expert's Report and has formed the view that it supports the approval of Resolutions 4 and 5 (inclusive).

11.3 Voting Exclusion Statements

The voting exclusion statements required by the ASX Listing Rules and other voting restrictions imposed by the Corporations Act are set out in the Notice of Meeting. This Explanatory Statement is to be read as if such statements and restrictions are also set out in full in the Explanatory Statement.

11.4 Voting intentions and interests of the Directors

At the date of this Explanatory Statement, each Director intends to exercise all votes attached to Shares controlled by him in favour of all Resolutions (subject to the voting exclusion statements and restrictions set out in the Notice of Meeting).

The number of Shares each Director or their Associates hold (directly or indirectly), and their percentage ownership is set out in the table below.

Director	Shares held directly	Shares held indirectly	Interest in Shares*
Adam Sierakowski	0	9,251,931	0.70%
Stephen Lowe	0	8,346,766	0.63%
Robert Ramsay	0	0	0%
Total number of Shares held directly or indirectly by Directors	0	17,598,697	1.33%

*Based on the total number of Existing Shares, being 1,318,656,235.

1 IML Holdings Pty Ltd, Trident Capital Pty Ltd, Warsaw Super Fund

2 Lantana Super Fund

Glossary

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

Annexure	an annexure to the Explanatory Statement.
ASIC	the Australian Securities and Investments Commission.
Annual General Meeting	the annual general meeting convened by this Notice.
Associate	has the meaning set out in sections 11-17 of the Corporations Act.
ASX	ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as the context requires.
Board	the board of Directors.
BDO	means BDO Corporate Finance (WA) Pty Ltd (ACN 124 031 045).
Chairman	the chair of the Annual General Meeting.
Closely Related Party	a closely related party of a member of Key Management Personnel as defined in the Corporations Act, being: (a) a spouse or child of the member; (b) a child of that member's spouse; (c) a dependant of that member or of that member's spouse; (d) anyone else who is one of that member's family and may be expected to influence that member, or be influenced by that member, in that member's dealings with the Company; (e) a company that is controlled by that member; or (f) any other person prescribed by the regulations.
Company	Coziron Resources Limited ACN 085 166 721.
Constitution	the constitution of the Company.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Creasy Group	means Yandal, Mark Creasy, Motwil, Croydon and XFE all individually and combined.
Director	a director of the Company.
Equity Securities	has the meaning given in the Listing Rules.
Existing Shares	means the 1,318,656,235 fully paid ordinary Shares issued as at the date of the Notice of Meeting.

Explanatory Statement	the explanatory statement incorporated in the Notice.
Independent Expert's Report	means the report by BDO and enclosed as Annexure A.
Key Management Personnel	the key management personnel of the Company as defined in the Corporations Act and Australian Accounting Standards Board accounting standard 124, broadly including those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise).
Listing Rules	the ASX Listing Rules published and distributed by ASX.
Mark Creasy	means Mark Gareth Creasy.
Motwil	means Motwil Pty Ltd (ACN 076 409 884).
Notice	the notice of annual general meeting incorporating the Explanatory Statement.
Option	an option to acquire a Share.
Proxy Form	the proxy form attached to this Notice.
Resolution	a resolution contained in this Notice.
Section	a section contained in the Explanatory Statement.
Share	a fully paid ordinary share in the capital of the Company.
Shareholder	a holder of a Share.
VWAP	the volume weighted average price of Shares.
WST	Western Standard Time, being the time in Perth, Western Australia.
XFE	means XFE Pty Ltd (ACN 084 350 765).
XFE Consideration Securities	has the meaning given to it in section 7.2 of this Explanatory Statement.
Yandal	means Yandal Investments Pty Ltd (ACN 070 684 810).
Yarrie Tenements	means the exploration licence application 45/3727 and exploration licences E45/3725-I, E45/3728-I and E45/4065.

COZIRON RESOURCES LIMITED
Independent Expert's Report

OPINION: Not fair but reasonable

13 October 2015



Financial Services Guide

13 October 2015

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 ('we' or 'us' or 'ours' as appropriate) has been engaged by Coziron Resources Limited ('Coziron') to provide an independent expert's report on the proposed acquisition of 70% of the Yarrie Tenements from XFE Pty Ltd ('XFE'). You will be provided with a copy of our report as a retail client because you are a shareholder of Coziron.

Financial Services Guide

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

This FSG includes information about:

- ◆ Who we are and how we can be contacted;
- ◆ The services we are authorised to provide under our Australian Financial Services Licence, Licence No. 316158;
- ◆ Remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- ◆ Any relevant associations or relationships we have; and
- ◆ Our internal and external complaints handling procedures and how you may access them.

Information about us

BDO Corporate Finance (WA) Pty Ltd is a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide services primarily in the areas of audit, tax, consulting and financial advisory services.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, you should note that we and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business.

Financial services we are licensed to provide

We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients.

When we provide the authorised financial services we are engaged to provide expert reports in connection with the financial product of another person. Our reports indicate who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

General Financial Product Advice

We only provide general financial product advice, not personal financial product advice. Our report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice.

Fees, commissions and other benefits that we may receive

We charge fees for providing reports, including this report. These fees are negotiated and agreed with the person who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee payable to BDO Corporate Finance (WA) Pty Ltd for this engagement is approximately \$20,000.

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

Other Assignments - BDO Corporate Finance (WA) Pty Ltd prepared an independent experts report for Coziron in September 2014, for a fee of \$25,000.

BDO Audit and Assurance (WA) Pty Ltd is the appointed Auditor of Coziron. We do not consider that this impacts on our independence in accordance with the requirements of Regulatory Guide 112 'Independence of Experts'. We have completed a conflict search of BDO affiliated organisations within Australia. This conflict search incorporates all Partners, Directors and Managers of BDO affiliated organisations. We are not aware of any circumstances that, in our view, would constitute a conflict of interest or would impair our ability to provide objective assistance in this matter.

Remuneration or other benefits received by our employees

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from Coziron for our professional services in providing this report. That fee is not linked in any way with our opinion as expressed in this report.

Referrals

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

Complaints resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing addressed to The Complaints Officer, BDO Corporate Finance (WA) Pty Ltd, PO Box 700 West Perth WA 6872.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than **45 days** after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Ombudsman Service ('FOS'). FOS is an independent organisation that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial service industry. FOS will be able to advise you as to whether or not they can be of assistance in this matter. Our FOS Membership Number is 12561. Further details about FOS are available at the FOS website www.fos.org.au or by contacting them directly via the details set out below.

Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001
Toll free: 1300 78 08 08
Facsimile: (03) 9613 6399
Email: info@fos.org.au

Contact details

You may contact us using the details set out on page 1 of the accompanying report.

TABLE OF CONTENTS

1.	Introduction	1
2.	Summary and Opinion	2
3.	Scope of the Report	5
4.	Outline of the Transaction	8
5.	Profile of Coziron	9
6.	Profile of XFE	15
7.	Economic analysis	16
8.	Industry analysis	17
9.	Valuation approach adopted	21
10.	Valuation of Coziron	23
11.	Valuation of Coziron following the Transaction	31
12.	Is the Transaction fair?	33
13.	Is the Transaction reasonable?	33
14.	Conclusion	36
15.	Sources of information	37
16.	Independence	37
17.	Qualifications	37
18.	Disclaimers and consents	38

Appendix 1 - Glossary and copyright notice

Appendix 2 - Valuation Methodologies

Appendix 3 - Independent Valuation Report prepared by Optiro

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13 October 2015

The Directors
Coziron Resources Limited
Level 24, 44 St Georges Terrace
PERTH WA 6000

Dear Directors

INDEPENDENT EXPERT'S REPORT

1. Introduction

On 13 July 2015, Coziron Resources Limited ('Coziron' or 'the Company') announced that the Company had executed the formal Yarrie Tenement Sale and Joint Venture Agreement ('the Yarrie Agreement') with XFE Pty Ltd ('XFE'), a company controlled by Coziron's largest shareholder and joint venture partner, the Creasy Group, consisting of entities controlled by Mark Creasy ('the Creasy Group').

The terms of the Agreement are as follows:

- Coziron will issue 135,561,700 ordinary shares to XFE ('Consideration Shares') as consideration for the acquisition of a 70% interest in the Yarrie tenements ('Yarrie Tenements'); and
- Coziron will issue 350 million ordinary shares to Mark Creasy, or his nominee ('the Placement Shares');

The above terms are collectively referred to as the Transaction ('the Transaction'). The corresponding resolutions in the Notice of Meeting are contingent on each other.

Our report is required under the Australian Securities Exchange ('ASX') Listing Rule 10.1 and item 7 of section 611 of the Corporations Act 2001 Cth ('the Act') for the reasons detailed below:

- As a result of the Transaction, the Company is acquiring substantial assets from the Creasy Group that are in excess of 5% of the net assets. The Creasy Group are considered to be a substantial holder as the group holds more than 10% of the Company's voting shares. As such, an independent expert's report is required under Listing Rule 10.1;
- As members of the Creasy Group; Yandal; Motwil; Mark Creasy; and XFE are related parties of the Company within the definition set out in ASX Listing Rule 19.12. The Directors of Coziron are therefore seeking Shareholders' approval pursuant to ASX Listing Rule 10.11 to issue the Consideration Shares and Placement Shares to members of the Creasy Group as part of the Transaction; and
- The Creasy Group currently holds over 20% of the issued capital in Coziron. As a result of the Transaction, the Creasy Group will increase its holding. As such, an independent expert's report is required under section 611 of the Corporations Act ('section 611').

2. Summary and Opinion

2.1 Purpose of the report

The directors of Coziron have requested that BDO Corporate Finance (WA) Pty Ltd ('BDO') prepare an independent expert's report ('our Report') to express an opinion as to whether or not the Transaction is fair and reasonable to the non-associated shareholders of Coziron ('Shareholders').

Our Report is prepared pursuant to section 611 of the Corporations Act and ASX Listing Rule 10.1. Our Report is to be included in the Notice of Meeting and Explanatory Memorandum document to be sent to all Shareholders ('Notice of Meeting') to assist the Shareholders in their decision whether to approve the Transaction.

2.2 Approach

Our Report has been prepared having regard to Australian Securities and Investments Commission ('ASIC'), Regulatory Guide 74 'Acquisitions Approved by Members' ('RG 74'), Regulatory Guide 111 'Content of Expert's Reports' ('RG 111') and Regulatory Guide 112 'Independence of Experts' ('RG 112').

In arriving at our opinion, we have assessed the terms of the Transaction as outlined in the body of this report. We have considered:

- How the value of a Coziron share prior to the Transaction compares the value of a Coziron share following the Transaction;
- Other factors which we consider to be relevant to the Shareholders in their assessment of Transaction; and
- The position of Shareholders should the Transaction not proceed.

2.3 Opinion

We have considered the terms of the Transaction as outlined in the body of this report and have concluded that, in the absence of a superior offer, **the Transaction is not fair but reasonable to Shareholders.**

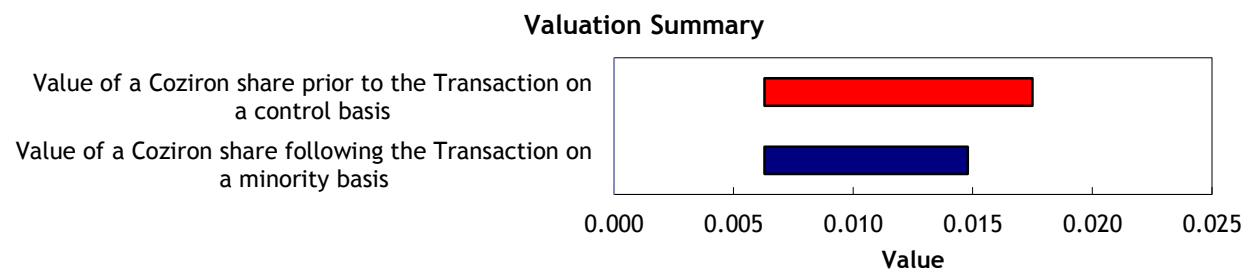
2.4 Fairness

In section 12 we determined that the preferred value of a Coziron share prior to the Transaction on a control basis is greater than the preferred value of a Coziron share following the implementation of the Transaction on a minority basis, as detailed below.

	Ref	Low \$	Preferred \$	High \$
Value of a Coziron share prior to the Transaction on a control basis	10.3	0.0063	0.0091	0.0175
Value of a Coziron share following the Transaction on a minority basis	11	0.0063	0.0085	0.0148

Source: BDO analysis

The above valuation ranges are graphically presented below:



The above pricing indicates that, in the absence of any other relevant information, and a superior offer, the Transaction is not fair for Shareholders.

2.5 Reasonableness

We have considered the analysis in section 13 of this report, in terms of both

- advantages and disadvantages of the Transaction; and
- other considerations, including the position of Shareholders if the Transaction does not proceed and the consequences of not approving the Transaction.

In our opinion, the position of Shareholders if the Transaction is approved is more advantageous than the position if the Transaction is not approved. Accordingly, in the absence of any other relevant information and/or a superior proposal we believe that the Transaction is reasonable for Shareholders.

The respective advantages and disadvantages considered are summarised below:

ADVANTAGES AND DISADVANTAGES			
Section	Advantages	Section	Disadvantages
13.1.1	The Transaction is value accretive to shareholders on a minority interest basis	13.2.1	The Transaction is not fair

ADVANTAGES AND DISADVANTAGES			
Section	Advantages	Section	Disadvantages
13.1.2	Potential upside from XFE's 70% interest in the Yarrie Tenements	13.2.2	Dilution of existing Shareholder's interest
13.1.3	Cash funding received		
13.1.4	The Company is unlikely to be able to raise equivalent funds at market		
13.1.5	Non-cash outlay for the addition of the Yarrie Tenements		

Other key matters we have considered include:

Section	Description
13.3.1	Minority interest values
13.3.2	Alternative offers
13.3.3	Practical level of control
13.3.4	Consequences of not approving the Transaction
13.3.5	Movement in the Company's share price following the announcement of the Transaction
13.3.6	Impact on liquidity on the Company's shares

3. Scope of the Report

3.1 Purpose of the Report

ASX Listing Rule 10.1

ASX Listing Rule 10.1 requires that a listed entity must obtain shareholders' approval before it acquires or disposes of a substantial asset, when the consideration to be paid for the asset or the value of the asset being disposed constitutes more than 5% of the equity interest of that entity at the date of the last audited accounts. Under the Yarrie Agreement, the consideration is the issue of 135,561,700 Consideration Shares at a deemed issue price of \$0.02. The deemed value of the Consideration Shares equates to 22.4% of the equity interest of \$12,082,461 (see section 5.2) held by the Company as set out in the 30 June 2015 financial report. As such the assets being acquired by the Company from XFE are substantial assets.

Listing Rule 10.1 applies where the vendor or acquirer of the relevant assets is a related party of the listed entity. The Creasy Group is considered a substantial shareholder of Coziron as it holds a relevant interest in more than 10% of the total votes attaching to Coziron's voting securities. As at the date of this report, the Creasy Group holds an interest of 64%.

Listing Rule 10.10.2 requires the Notice of Meeting for shareholders' approval to be accompanied by a report by an independent expert expressing their opinion as to whether the transaction is fair and reasonable to the shareholders whose votes are not to be disregarded in respect of the transaction non-associated shareholders.

Accordingly, an independent experts' report is required for the Transaction. The report should provide an opinion by the expert stating whether or not the terms and conditions in relation thereto are fair and reasonable to non-associated shareholders of Coziron.

ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires that a company must obtain shareholders' approval before it issues equity securities to a 'related party' or to a person whose relationship with the company or a related party of the company is, in ASX's opinion, such that approval should be obtained.

As members of the Creasy Group; Yandal; Motwil; Mark Creasy; and XFE are related parties of the Company within the definition set out in ASX Listing Rule 19.12. The Directors of Coziron are therefore seeking Shareholders' approval pursuant to ASX Listing Rule 10.11 to issue the Consideration Shares and Placement Shares to members of the Creasy Group as part of the Transaction.

Section 611 of the Corporations Act

The current shareholders of the Creasy Group (and their associates) together own 64% of the shares in Coziron. Section 606 of the Corporations Act expressly prohibits the acquisition of further shares by a party who already holds (with associates) more than 20% of the issued shares of a public company, unless a full takeover offer is made to all shareholders.

Section 611 permits such an acquisition if the shareholders of that entity have agreed to the issue of such shares. This agreement must be by resolution passed at a general meeting at which no votes are cast in favour of the resolution by any party who is associated with the party acquiring the shares, or by the party acquiring the shares. Section 611 states that shareholders of the company must be given all information that is material to the decision on how to vote at the meeting.

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

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

The directors of Coziron have commissioned this Independent Expert's Report to satisfy this obligation.

3.2 Regulatory guidance

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

RG 111 suggests that where the transaction is a control transaction, the expert should focus on the substance of the control transaction rather than the legal mechanism to affect it. RG 111 suggests that where a transaction is a control transaction, it should be analysed on a basis consistent with a takeover bid. In our opinion, the Transaction is a control transaction as defined by RG 111 and we have therefore assessed the Transaction as a control transaction to consider whether, in our opinion, it is fair and reasonable to Shareholders.

RG 111.55 to RG 111.63 provides guidance on the 'fair' and 'reasonable Test to be applied to related party transactions. These paragraphs suggest that, where an expert assesses whether a related party transaction is 'fair and reasonable' for the purposes of ASX Listing Rule 10.1, this should not be applied as a composite test - that is, there should be a separate assessment of whether the transaction is 'fair' and 'reasonable', as in a control transaction. An expert should not assess whether the transaction is 'fair and reasonable' based simply on a consideration of the advantages and disadvantages of the proposal.

RG 111.63 also states that, generally, an expert need only conduct one analysis of whether the transaction is 'fair and reasonable', even if the report has been prepared for a reason other than the transaction being a related party transaction (e.g. if item 7 of section 611 approval is also required).

3.3 Adopted basis of evaluation

RG 111 states that a transaction is fair if the value of the offer price or consideration is greater than the value of the securities subject of the offer. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length.

RG 111 states that when considering the value of the securities subject of the offer, in a control transaction, the expert should consider this value inclusive of a control premium. Further to this, RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if despite being 'not fair' the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid.

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

- A comparison between the value of a Coziron share prior to the Transaction and the value of a Coziron share following the Transaction (fairness - see Section 12 'Is the Transaction Fair?'); and

- An investigation into other significant factors to which Shareholders might give consideration, prior to approving the resolutions, after reference to the value derived above (reasonableness - see Section 13 'Is the Transaction Reasonable?').

This assignment is a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services' ('APES 225').

A Valuation Engagement is defined by APES 225 as follows:

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

This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.

4. Outline of the Transaction

Pursuant to the Yarrie Tenement Sale and Joint Venture Agreement, XFE has agreed to sell, and Coziron has agreed to purchase, XFE's 70% interest in the Yarrie Tenements. XFE currently holds a 70% interest in the Yarrie Tenements. Under the terms of the agreement Coziron must pay consideration of 100 million shares at a deemed issue price of \$0.02 per share, and a further 35,561,700 shares at a deemed issue price of \$0.02 per share for reimbursement of prior expenditure incurred (\$711,234).

The Transaction is subject to the following resolutions passing as set out in the Notice of Meeting.

- Resolution 4: Approval of issue of 135,561,700 Shares to XFE under the Yarrie Tenement Sale and Joint Venture Agreement.
- Resolution 5: Approval of issue of up to 350 million Shares at an issue price of not less than \$0.01 per share to Mark Creasy, or his nominee.

Note that Resolution 5 is not dependent on the passing of Resolution 4.

Capital Structure

The table below shows the capital structure following the Transaction. Following the Transaction, the Creasy Group will hold approximately 73.83% of the shares on issue. The remaining Shareholders' interest will decrease from 35.80% to 26.17% if the Transaction is approved.

Capital structure	Creasy Group	Other Shareholders	Total
Shares on issue prior to the Transaction	846,577,303	472,075,932	1,318,653,235
%	64.20%	35.80%	100.00%
Shares to be issued under the Transaction			
70% Yarrie Tenements acquisition shares	135,561,700	-	135,561,700
Shares issued to Creasy Group	350,000,000	-	350,000,000
Shares on issue following the Transaction	1,332,139,003	472,075,932	1,804,214,935
%	73.83%	26.17%	100.00%

Source: BDO analysis

Number of Shares held by each member of the Creasy Group prior to, and following, the Transaction is detailed below:

Shares held by Creasy Group	Prior to Transaction	Shares to be issued under the Transaction	Following the Transaction	% Voting Power in the Company
Yandal	495,537,994	-	495,537,994	27.47%
Motwil	310,844,653	-	310,844,653	17.23%
Mark Creasy	40,194,656	-	40,194,656	2.23%
Creasy Group	-	350,000,000	350,000,000	19.40%
XFE	-	135,561,700	135,561,700	7.51%
Total	846,577,303	485,561,700	1,332,139,003	73.83%

Source: BDO analysis

5. Profile of Coziron

5.1 History

Coziron was incorporated on 9 February 2005 and listed on the Australian Securities Exchange ('ASX') on 29 August 2006. The Company explores for feed-stock material for the steel-making industry as well as any opportunities for gold, copper and other base-metal mineralisation in the Pilbara region of Western Australia. Coziron owns 85% of three projects, Yarraloola, KingX-Earaheedy and Buddadoo, with the remaining 15% retained by Mark Creasy. The Company also holds a 70% interest in Shepherd's Well and an option to acquire XFE's 70% interest in the Yarrie Tenements.

The most recent capital raising was through an entitlement offer on 10 April 2015 to raise \$4 million for ongoing exploration programs at its projects. On 29 May 2015 the Company announced shareholders subscribed for 94,796,765 shares at \$0.02 per share, totalling \$1,895,935. There was a shortfall on the 1-for-6 non-renounceable entitlement offer of 109,179,813 shares.

The current Board of Directors and senior management are:

- Mr Adam Sierakowski, Chairman and Director;
- Mr Stephen Lowe, Director;
- Dr Robert Ramsay, Director; and
- Mr Stephen Hewitt-Dutton, Company Secretary.

Set out below is a brief description of Coziron's projects.

Yarraloola Iron-ore Project

The Yarraloola tenements covering an area of approximately 878 square kilometres ('km²'), in the western part of the Hamersley Basin and adjacent parts of the Ashburton Trough in the West Pilbara. Following a compulsory year six reduction of two exploration licence the project area comprises eight contiguous exploration licences and three prospecting licences.

The Yarraloola Project is located in a region which hosts established direct shipping iron-ore operations and developing magnetite mining and processing operations. During 2014, Coziron mapped, surface-sampled and completed 24 vertical reverse circulation ('RC') drill holes at Robe Mesa. The results from the drill holes were used to generate an inferred resource by Optiro Pty Ltd. On 18 August 2015 the Company announced the completion of its 2015 drill program. A total of 52 vertical RC holes were completed and samples have been sent for analysis.

Although iron ore is the focus of the tenements, Coziron is also reviewing and progressively sampling gold and metals based targets.

Buddadoo Project

The Buddadoo project is in the mid-west region of Western Australia located approximately 200 km to the east of Geraldton, covering an area of 210km². The tenement covers part of the Gullewa Greenstone Belt and adjacent mafic and felsic intrusive systems.

Most recently Coziron has lodged a program of works for the drilling of holes to examine the titanomagnetite distribution across the highly magnetic interval in the intrusive complex.

Shepherd's Well

During 2014 Coziron entered into an option to purchase a 70% interest from Croydon Group Pty Ltd ('Croydon'). The tenement was acquired for consideration of 10 million shares issued to Croydon and 6.07 million shares issued to Creasy Group on 4 November 2014. The tenement covers an area of 192 km² and is contiguous with the northern boundary of the Yarraloola Project.

In 2014 Coziron acquired a magnetic and radiometric survey providing data for the interpretation of the distribution of rock-types and major structures. The Company intends to drill these targets in the next round of exploration.

Yarrie Project

On 17 April 2014 Coziron entered into an option to acquire a 70% interest in the Yarrie Tenements from XFE. The project consists of four contiguous exploration licences, three granted and one application, covering an area of 1,022 km². The Yarrie Project is located 160km east of Port Hedland.

The project is prospective for high-grade iron-ore as well as copper-gold and associated base-metal mineralisation. Acquisition of the project would give Coziron exposure to the North Pilbara region. The tenements are in close proximity to the coast and well serviced by infrastructure used by existing mining and exploration projects in the area.

Interpretations of magnetic surveys indicate the presence of highly magnetic iron-formation subcrop beneath shallow cover. The Company has indicated the priority exploration targets are the parts of the Nimingarra Iron Formation which may strengthen to high-grade haematite with further exploration.

See Optiro's report in Appendix 3 for further details on the projects.

5.2 Historical Balance Sheet

Statement of Financial Position	Audited as at 30-Jun-15 \$	Audited as at 30-Jun-14 \$	Audited as at 30-Jun-13 \$
CURRENT ASSETS			
Cash and cash equivalents	1,632,883	1,079,641	919,629
Trade and other receivables	103,129	161,284	74,826
TOTAL CURRENT ASSETS	1,736,012	1,240,925	994,455
NON-CURRENT ASSETS			
Exploration assets	10,397,422	12,744,804	12,744,804
Property, plant and equipment	38,605	45,566	44,091
TOTAL NON-CURRENT ASSETS	10,436,027	12,790,370	12,788,895
TOTAL ASSETS	12,172,039	14,031,295	13,783,350
CURRENT LIABILITIES			
Trade and other payables	(89,578)	(2,353,836)	(2,883,893)
TOTAL CURRENT LIABILITIES	(89,578)	(2,353,836)	(2,883,893)
TOTAL LIABILITIES	(89,578)	(2,353,836)	(2,883,893)
NET ASSETS	12,082,461	11,677,459	10,899,457
EQUITY			
Share capital	24,682,885	18,661,733	16,252,200
Accumulated losses	(12,600,424)	(6,984,274)	(5,352,743)
TOTAL EQUITY	12,082,461	11,677,459	10,899,457

Source: Audited financial statements for the years ended 30 June 2015, 30 June 2014 and 30 June 2013

We note that Coziron's auditor issued an Emphasis of Matter paragraph in the review report in the financial statements for the year ended 30 June 2015. The auditor outlined the existence of material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern. This uncertainty stems from the fact that the ability of Coziron to continue as a going concern is dependent upon securing additional funds through debt or equity issues or partial sale of its mineral properties as and when the need to raise working capital arises.

The auditor also expressed an Emphasis of Matter to similar effect in the audit report dated 30 September 2014 related to the financial year ended 30 June 2014.

We note the following in relation to Coziron's Statement of Financial Position:

- Cash and cash equivalents increased from \$1.08 million as at 30 June 2014 to \$1.63 million as at 30 June 2015. This increase is attributable to a share placement on 4 November 2014 of 38,375,000 shares at \$0.02 per share raising \$767,500 to fund the Company's exploration at its Yarraloola project.
- Exploration assets relates to the acquisition of Zanthus Resources Pty Ltd, KingX Pty Ltd, Buddadoo Metals Pty Ltd and related tenements during FY13, and Shepherds Well in FY14 through the issue of 10

million shares to Croydon and cash consideration of \$121,483. The decrease in exploration assets as at 30 June 2015 is attributable to an impairment charge of \$3.35 million relating to the KingX Manganese project and the acquisition of the Shepherd's Well tenements.

As at 30 June 2015, the directors resolved that they would not be conducting further exploration of the KingX Manganese project. Accordingly, the carrying value of the project was impaired at 30 June 2015. Since 30 June 2015, the Board of Coziron decided to withdraw from the KingX Joint Venture. Withdrawal from the KingX Joint Venture sees the tenements revert to the joint venture partner, KingF Pty Ltd.

- Trade and other payables decreased from \$2,353,836 as at 30 June 2014 to \$89,578 as at 30 June 2015. The decrease is primarily attributable to the repayment of \$2 million to the Creasy Group under the terms of the acquisition of Zanthus Resources, Buddadoo Metals and KingX through the issue of 66.67 million shares on 4 November 2014.
- Share capital has increased from \$22.45 million as at 31 December 2014 to \$24.68 million as at 30 June 2015. During the period \$1.89 million was raised through the issue through an entitlement offer announced on 10 April 2015, a placement of 94,796,765 at \$0.02 per share.

5.3 Historical Statement of Comprehensive Income

Statement of Comprehensive Income	Audited for the year ended 30-Jun-15 \$	Audited for the year ended 30-Jun-14 \$	Audited for the year ended 30-Jun-13 \$
Revenue			
Revenue from continuing operations	9,562	11,002	46,006
Gain on deconsolidation of subsidiary	-	-	148,000
Expenses			
Exploration costs	(1,066,384)	(978,422)	(1,303,337)
Interest expense	-	(2,421)	(221,987)
Depreciation and amortisation	(6,961)	(5,416)	(3,664)
Administration costs	(57,710)	(58,764)	(74,736)
Compliance and professional fees	(373,762)	(468,504)	(559,360)
Occupancy costs	(24,000)	(33,000)	(40,000)
Stamp duty on acquisition of subsidiaries	(217,420)	39,994	(650,000)
Directors' fees	(118,000)	(136,000)	(148,358)
Share based payments	(159,158)	-	-
Impairment of exploration assets	(3,347,382)	-	-
Loss from continuing operations before income tax	(5,361,215)	(1,631,531)	(2,807,436)
Income tax expense	-	-	-
Total comprehensive loss for the year	(5,361,215)	(1,631,531)	(2,807,436)

Source: Audited financial statements for the years ended 30 June 2015, 30 June 2014 and 30 June 2013

We have not undertaken a review of Coziron's unaudited management accounts in accordance with Australian Auditing and Assurance Standard 2405 'Review of Historical Financial Information' and do not express an opinion on this financial information. However nothing has come to our attention as a result of our procedures that would suggest the financial information within the management accounts has not been prepared on a reasonable basis.

We note the follow in relation to Coziron's Historical Statement of Comprehensive Income:

- Revenue comprises interest income, with the decrease in revenue from 30 June 2013 to 30 June 2015 attributable to a reduction in cash held.
- Gain on deconsolidation of subsidiary for the year ended 30 June 2013 relates to the Company disposing of its interest in its two subsidiaries, PT Coziron Copper International and PT Coziron Pertamina on 11 December 2012.
- Stamp duty on acquisition of subsidiaries for the year ended 30 June 2015 relates to the acquisition of Shepherd's Well.
- Stamp duty on acquisition of subsidiaries for the year ended 30 June 2013 relates to the stamp duty paid on acquisition of Zanthus Resources Pty Ltd, KingX Pty Ltd, and Buddadoo Metals Pty Ltd.
- Impairment of Exploration Assets for the year ended 30 June 2015 relates to the KingX Manganese project.

5.4 Capital Structure

The share structure of Coziron as at 9 September 2015 is outlined below:

	Number
Total ordinary shares on issue	1,318,653,235
Top 20 shareholders	1,072,889,738
Top 20 shareholders - % of shares on issue	81.36%

Source: Security Transfer Registrars

The range of shares held in Coziron as at 9 September 2015 is as follows:

Range of Shares Held	Number of Ordinary Shareholders	Number of Ordinary Shares	Percentage of Issued Shares (%)
1 - 1,000	26	14,159	0.00%
1,001 - 5,000	145	643,804	0.05%
5,001 - 10,000	73	584,391	0.04%
10,001 - 100,000	229	9,199,974	0.70%
100,001 - and over	266	1,308,213,907	99.21%
TOTAL	739	1,318,656,235	100.00%

Source: Security Transfer Registrars

The ordinary shares held by the most significant shareholders as at 9 September 2015 are detailed below:

Name	Number of Ordinary Shares Held	Percentage of Issued Shares (%)
Yandal Investments Pty Ltd	495,537,994	37.58%
Motwil Pty Ltd	310,844,653	23.57%
Mr Mark Gareth Creasy	40,194,656	3.05%
Citicorp Nominees Pty Ltd	22,971,539	1.74%
Nefco Nominees Pty Ltd	21,000,000	1.59%
Subtotal	890,548,842	67.53%
Others	428,104,393	32.47%
Total ordinary shares on Issue	1,318,653,235	100.00%

Source: Security Transfer Registrars

The most significant option holders in Coziron as at 9 September 2015 are outlined below:

Current Options on Issue	Number
Options exercisable at \$0.030 expiring 28 October 2017	8,750,000
Options exercisable at \$0.035 expiring 28 October 2018	8,750,000

Source: Coziron Annual Report 2015

6. Profile of XFE

6.1 History

XFE, incorporated in 1998, owns an iron ore exploration project. The company was formerly known as IronX Pty Ltd and changed its name to XFE in June 2010.

The Creasy Group is the name given to the group of companies controlled by Mark Creasy. Mark Creasy is a mining engineer and prospector and is the sole shareholder and director of Yandal Investments Pty Ltd ('Yandal'), Motwil Pty Ltd ('Motwil'), Croydon and XFE.

Recent significant transactions undertaken by the Creasy Group include:

- On 2 July 2015, Legend Mining announced the acquisition of a 70% interest in a tenement package covering 2.53km² from Creasy Group. The transaction is pending shareholder approval at the General Meeting on 17 September 2015;
- On 30 May 2014 Sirius Resources NL completed the acquisition of the remaining 30% interest Creasy Group held in the Nova-Bollinger deposit. 70.56 million fully paid shares were allotted to Creasy Group as consideration;
- On 17 October 2013, Windward Resources Limited completed the acquisition of a 70% interest from the Creasy Group in the Fraser Range North and Fraser Range South projects. The Creasy Group retained a 30% free carry interest in the projects up to the completion of any Bankable Feasibility Study;
- On 5 August 2013, Orion Gold NL announced that it had entered into an agreement to acquire from the Creasy Group a 70% interest in a portfolio tenements located in Western Australia's Fraser Range Belt. The transaction would enable the Creasy Group to increase its interest in Orion Gold NL to 11%; and
- On 3 January 2012, Coziron Resources Limited announced that it had entered into an agreement with the Creasy Group, specifically the entities Motwil and Yandal, to acquire three major resource projects in the Hamersley Basin, Midwest region and Earahedy Basins of Western Australia. The Creasy Group increased its interest in Coziron Resources Limited from 36.80% to 69.21% as a result of the transaction.

More information on the Creasy Group and associated entities can be found in the Notice of Meeting.

7. Economic analysis

The global economy is expanding at a moderate pace, with some further softening in conditions in China and East Asia of late, but stronger US growth. Key commodity prices are much lower than a year ago, in part reflecting increased supply, including from Australia. Australia's terms of trade are falling.

The Federal Reserve is expected to start increasing its policy rate over the period ahead, but some other major central banks are continuing to ease policy. Equity market volatility has continued, but the functioning of financial markets generally has not, to date, been impaired. Long-term borrowing rates for most sovereigns and creditworthy private borrowers remain remarkably low. Overall, global financial conditions remain very accommodative.

In Australia, the available information suggests that moderate expansion in the economy continues. While growth has been somewhat below longer-term averages for some time, it has been accompanied with somewhat stronger growth of employment and a steady rate of unemployment over the past year. Overall, the economy is likely to be operating with a degree of spare capacity for some time yet, with domestic inflationary pressures contained. Inflation is thus forecast to remain consistent with the target over the next one to two years, even with a lower exchange rate.

In such circumstances, monetary policy needs to be accommodative. Low interest rates are acting to support borrowing and spending. Credit is recording moderate growth overall, with growth in lending to the housing market broadly steady over recent months. Dwelling prices continue to rise strongly in Sydney and Melbourne, though trends have been more varied in a number of other cities. Regulatory measures are helping to contain risks that may arise from the housing market. In other asset markets, prices for commercial property have been supported by lower long-term interest rates, while equity prices have moved lower and been more volatile recently, in parallel with developments in global markets. The Australian dollar is adjusting to the significant declines in key commodity prices.

Source: www.rba.gov.au Statement by Glenn Stevens, Governor: Monetary Policy Decision 6 October 2015

8. Industry analysis

8.1 Overview

Iron ores are rocks from which metallic iron can be economically extracted. The principal iron ores are hematite (Fe_2O_3) and magnetite (Fe_3O_4).

Hematite is a pure iron oxide mineral, with pure hematite mineral containing 69.9% iron. Hematite ores dominate the world production of iron ores with approximately 96% of Australia's iron ore exports being high grade hematite. High grade hematite ore involves a relatively simple crushing and screening process before being exported. Australia's hematite averages from 56% to 62% iron.

Magnetite is an iron oxide mineral containing 72.4% iron. While the iron ore content is higher than hematite, the presences of impurities results in a lower ore grade, making it more costly to produce the concentrates.

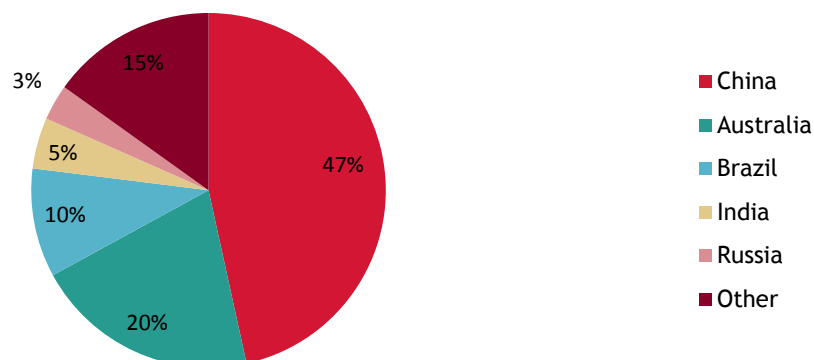
Iron is the world's most used metal with approximately 98% of world iron ore production being used to make steel. It is primarily used in structural engineering, automobiles and other general industrial applications. Commercial development of iron ore deposits are largely constrained by the position of the iron ore relative to its market and the cost of establishing proper transportation infrastructure such as ports and railways.

There are three main categories of iron ore exports:

- **Fines:** fines are the smallest size category and typically have a granular size less than 9.50mm. They are the most heavily traded category of iron ore;
- **Lump Ore:** lump ore consists of golf ball sized pieces, and generally has a higher iron content than fines; and
- **Pellets:** particle sizes range from 9.50mm to 16.00mm. Pellets are made by agglomeration of finely ground and concentrated ore.

In 2014, an estimated 3.22 billion metric tonnes of iron ore was produced. The chart below shows the countries in which the majority of iron ore was produced in 2014:

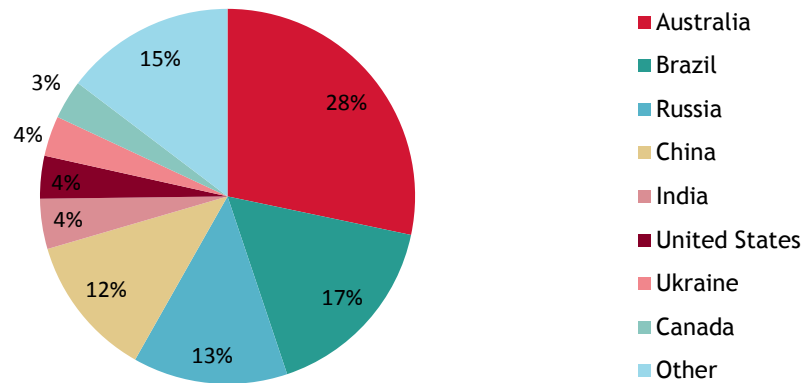
Global Iron Ore Production - 2014



Source: US Geological Survey

The chart below shows the location of the world's iron ore reserves, with Australia and Brazil accounting for nearly half the world's reserves.

Global Iron Ore Reserves - 2014



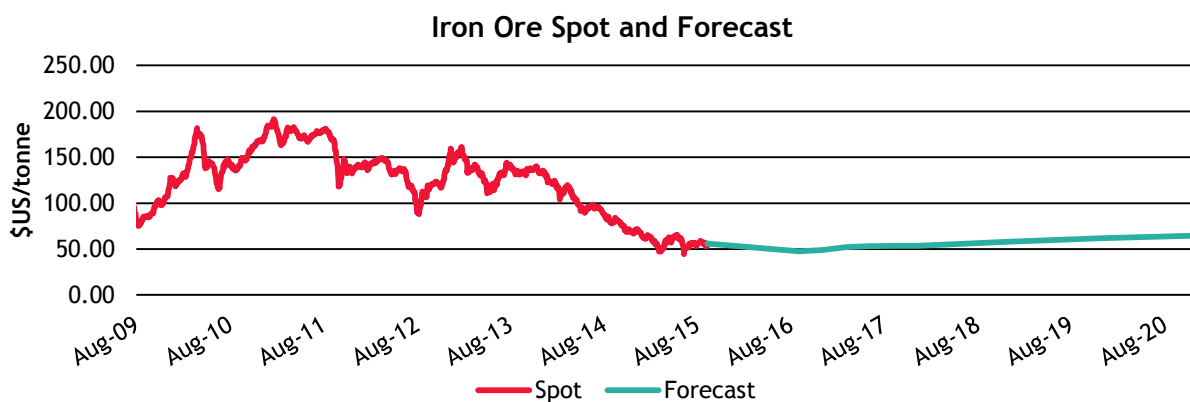
Source: US Geological Survey

8.2 Global Market

Recent trends show a majority of the demand for iron ore being sourced from China, which has led some analysts to believe that Chinese steel demand has peaked after reaching and exceeding levels experienced by some of the largest OECD countries. There is however, still considerable scope for an expansion in steel consumption in China's interior and more distant provinces albeit at a slower rate compared to the larger Chinese cities such as Beijing and Tianjin. The central government is focusing its attention on developing these outer parts of China, and with the expansion of business to these areas to take advantage of low cost labour, it is inevitable that Chinese demand for iron ore will continue to expand. Other countries such as Brazil, India and Indonesia are likely to follow on China's development path, albeit on a smaller scale.

8.3 Price Trends

Historical iron ore prices and forecasts to 2020 are illustrated in the chart below.



Source: Bloomberg, BDO Analysis and Consensus Economics

8.4 Historical prices

The sharp increase in iron ore price movements from May 2009 was marked by a surge in Chinese, Japanese and Korean steel mill demand. During that period, annual iron ore price contracts increased by 65% to 97% compared to the previous year. Iron ore prices subsequently fell during the global financial crisis with a reduction in world market sentiment and hence demand for iron ore. April 2010 saw an increase in price as miners moved to quarterly pricing and global economies began to recover.

Additionally, iron ore experienced a sharp rise in price in mid-2010 when Indian state Karnataka banned all iron ore exports. India is currently the world's third largest iron ore supplier with approximately a quarter of its 100+ million tonnes of exports originating from Karnataka. The iron ore price increased in mid-2011 on the back of anticipated ore shortages which prompted restocking by the world's larger steel mills. The above observed decline in the iron ore price in late 2011 can be attributed to the slowdown in Chinese demand. Chinese imports decreased at the end 2011 which is reflective of falling steel prices over the same period.

Iron ore prices fluctuated between US\$110.4 and US\$158.9 in May 2013 and February 2013 respectively. After the decrease in prices in May, iron ore prices recovered in July 2013. The increase in the price of iron ore was driven by heavy steel re-stocking in China following improvements in the Chinese property sector and miscalculations from Chinese steel makers. Steel makers often run down their stockpiles in the hope that the price of steel will fall and they can buy at a cheaper rate, however when the price did not fall the steel makers were caught out and had to purchase significant amounts of steel. This increased demand caused the price to rise during July 2013. Adding to this increase in demand was a decrease in supply as bad weather in Brazil slowed production.

In October 2013 through to December 2013, global iron ore prices stabilised with a monthly average range of US\$133-US\$137. Weaker iron ore prices compared to those recorded in July 2013 and August 2013 was driven by a slowdown in steel production and consumption in China. According to the World Steel Organisation, pig iron production in China fell by 6 million tonnes in November to 53 million tonnes, representing the lowest level since November 2012.

At the beginning of 2014, global iron ore prices fell to US\$110, and in May 2014, iron ore prices dropped below US\$100 for the first time in almost two years. Factors behind the decrease were predominantly due to the slowdown in steel production in China along with a large oversupply of iron ore. Inventories at ports in China were at record levels, increasing from 84 million tonnes to a two year high of 106 million tonnes.

The price of iron continued to fall in the second half of 2014 to US\$71.26 on 31 December. The main factors placing downwards pressure on prices in 2014 was the health of China's economy and the ramp up in production by the three major producers. In 2014 China's economy grew at its slowest rate in two decades. The slowdown in steel consumption in China was influenced by a number of drivers including a fall in GDP growth, tightening of credit policy which resulted in increased borrowing costs for iron ore buyers and a drop in China's Purchasing Managers' Index. The three major producers; Rio Tinto, BHP Billiton and Vale all increased production flooding the market with high quality iron ore with the benefit from decades of mining and infrastructure allowing them to lower production costs and operate at these lower prices.

In April 2015, the price of iron dropped below US\$50, a record low, as oversupply and the health of China's economy remained a concern. Stimulus measures by China's government have had little effect and the stock market declines are eroding investors' confidence.

8.5 Forecast prices

The iron ore price closed at US\$56.01 on 9 October 2015. Iron ore prices are forecast to trend downwards over the next two years before recovering slightly to around US\$65 a metric tonne in 2020. Despite the fact Indian iron ore production is expected to decrease due to restrictions on mining, the largest producers have all proceeded with a number of expansions. While Chinese steel smelting companies will continue to require high iron ore volumes to meet demand, higher production and output from Australian mines along with increases in output from Brazil and West Africa are expected to lead to oversupply and weakened prices.

9. Valuation approach adopted

There are a number of methodologies which can be used to value a business or the shares in a company. The principal methodologies which can be used are as follows:

- Capitalisation of future maintainable earnings ('FME')
- Discounted cash flow ('DCF')
- Quoted market price basis ('QMP')
- Net asset value ('NAV')
- Market based assessment such as a Resource Multiple

Different methodologies are appropriate in valuing particular companies, based on the individual circumstances of that company and available information. A summary of each of these methodologies is outlined in Appendix 2.

RG 111.53 states that where the related party transaction is one component of a broader transaction, the expert should carefully consider what level of analysis of the related party aspect is required. In consideration of this, the expert should bear in mind whether the report has been sought to ensure that members are provided with sufficient information to decide whether to approve giving a financial benefit to the related party as well as the broader transaction. As such, our assessment of the fairness of the Transaction utilises the valuation methodology predicated by the requirement of our report under section 611. We have considered how the value of a Coziron share prior to Transaction compares to the value of a Coziron share following the Transaction.

Under RG 111.31, we are required to assess the value of a Coziron share prior to the Transaction on a controlling interest basis and the value of a Coziron share following the Transaction on a minority basis.

9.1 Valuation of a Coziron share prior to the Transaction

In our assessment of the value of Coziron prior to the Transaction, we have chosen to employ the following methodologies taking into account Coziron's relevant interests in its various exploration projects:

- NAV method, as our primary method, which estimates the market value of a company by separately valuing each asset and liability of the company. The value of each asset may be determined using different methods; and
- QMP approach as our secondary approach.

We have chosen these methodologies for the following reasons:

- Coziron's most significant assets are its exploration assets therefore the net asset value method is appropriate. We have appointed Optiro Pty Ltd ('Optiro') to provide a specialist valuation of the mineral assets. Optiro's report is prepared in accordance with the Code of Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports ('the Valmin Code') and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ('JORC Code'). See Appendix 3 for Optiro's full report;
- Coziron is listed on the ASX. This provides an indication of the market value where an observable market for the securities exists;
- Coziron does not generate regular trading income. Therefore there are no historic profits that could be used to represent future earnings. This means that the FME valuation approach is not appropriate;

- Coziron has no immediate future net cash inflows and therefore the application of DCF is not appropriate. A DCF can only be applied to mining projects where reasonable grounds under RG 170 exist. The minimum level of confidence required to satisfy this is for ore Reserves to be declared.

9.2 Valuation of a Coziron following the Transaction

In our assessment of the value of a Coziron share following the Transaction ('Post-Transaction'), we have adopted the sum-of-parts approach which estimates the market value of a company by separately valuing each asset and liability of the company. The value of each asset may be determined using different methods.

The Post-Transaction value of Coziron consists of the following components:

- The Pre-Transaction value of Coziron using a NAV methodology;
- The value of 70% interest in the Yarrie Tenements as valued by Optiro; and
- The value of the cash funding acquired in consideration for the issue of 350 million ordinary shares in Coziron.

In valuing Coziron's existing mineral assets and the Yarrie Tenements, we have relied on the independent specialist valuation performed by Optiro in accordance with the Valmin Code.

10. Valuation of Coziron

10.1 Net Asset Valuation of Coziron

The value of Coziron assets on a going concern basis is reflected in our valuation below:

Statement of Financial Position	Note	Audited as at	Low value	Preferred value	High value
		30-Jun-14			
		\$	\$	\$	\$
CURRENT ASSETS					
Cash and cash equivalents	a)	1,632,883	184,520	184,520	184,520
Trade and other receivables		103,129	103,129	103,129	103,129
TOTAL CURRENT ASSETS		1,736,012	287,649	287,649	287,649
NON-CURRENT ASSETS					
Exploration assets	b)	10,397,422	7,900,000	11,600,000	22,600,000
Property, plant and equipment		38,605	38,605	38,605	38,605
TOTAL NON-CURRENT ASSETS		10,436,027	7,938,605	11,638,605	22,638,605
TOTAL ASSETS		12,172,039	8,226,254	11,926,254	22,926,254
CURRENT LIABILITIES					
Trade and other payables		(89,578)	(89,578)	(89,578)	(89,578)
TOTAL CURRENT LIABILITIES		(89,578)	(89,578)	(89,578)	(89,578)
TOTAL LIABILITIES		(89,578)	(89,578)	(89,578)	(89,578)
NET ASSETS			8,315,832	12,015,832	23,015,832
Shares on issue (number)			1,318,653,235	1,318,653,235	1,318,653,235
Value per share (\$)			\$0.0063	\$0.0091	\$0.0175

Source: BDO analysis

We have been advised that there has not been a significant change in the net assets of Coziron since 30 June 2015. The table above indicates the net asset value of a Coziron share is between \$0.0063 and \$0.0175, with a preferred value of \$0.0091.

The following adjustments were made to the net assets of Coziron as at 30 June 2015 in arriving at our valuation.

Note a) Cash and cash equivalents

We have adjusted the cash and cash equivalents balance to be in line with the 30 September 2015 cash balance. Coziron management provided us with the 30 September 2015 management accounts and corresponding bank statements to rely on.

Cash and cash equivalents balance as at 30 September 2015 is \$184,520.

Note b) Valuation of Coziron's mineral assets

We instructed Optiro to provide an independent market valuation of the exploration assets held by Coziron. Optiro considered a number of different valuation methods when valuing the exploration assets of Coziron. Optiro applied the Comparable Transaction method and the Geoscientific rating method to value the mineral assets. We consider these methods to be appropriate given the stage of development for Coziron's exploration assets.

The range of values for each of Coziron's exploration assets as calculated by Optiro is set out below:

Coziron Mineral Asset Valuation	Low value \$m	Preferred value \$m	High value \$m
Yarraloola	7.1	10.60	21.00
Buddadoo	0.20	0.20	0.40
Shepherds Well	0.60	0.80	1.20
Total	7.90	11.60	22.60

Source: Optiro valuation report (Appendix 3)

The table above indicates a range of values between \$7.90 million and \$22.60 million, with a preferred value of \$11.60 million.

10.2 Quoted Market Prices for Coziron Securities

To provide a comparison to the valuation of Coziron in Section 10.1, we have also assessed the quoted market price for a Coziron share.

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

RG 111.11 suggests that when considering the value of a company's shares for the purposes of approval under Item 7 of s611 the expert should consider a premium for control. An acquirer could be expected to pay a premium for control due to the advantages they will receive should they obtain 100% control of another company. These advantages include the following:

- control over decision making and strategic direction;
- access to underlying cash flows;
- control over dividend policies; and
- access to potential tax losses.

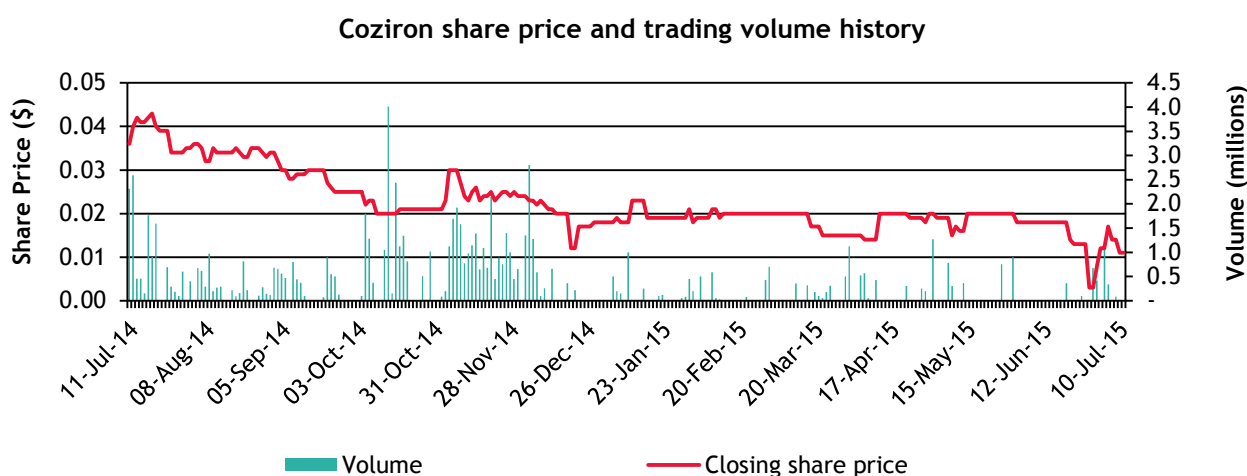
Whilst Creasy Group will not be obtaining 100% of Coziron, RG 111 states that the expert should calculate the value of a target's shares as if 100% control were being obtained. RG 111.13 states that the expert can then consider an acquirer's practical level of control when considering reasonableness. Reasonableness has been considered in Section 13.

Therefore, our calculation of the quoted market price of a Coziron share including a premium for control has been prepared in two parts. The first part is to calculate the quoted market price on a minority interest basis. The second part is to add a premium for control to the minority interest value to arrive at a quoted market price value that includes a premium for control.

Minority interest value

Our analysis of the quoted market price of a Coziron share is based on the pricing prior to the announcement of the Transaction. This is because the value of a Coziron share after the announcement may include the affects of any change in value as a result of the Transaction. However, we have considered the value of a Coziron share following the announcement when we have considered reasonableness in Section 13.

Information on the Transaction was announced to the market on 13 July 2015. Therefore, the following chart provides a summary of the share price movement over the 12 months to 10 July 2015 which was the last trading day prior to the announcement.



Source: Bloomberg

The daily price of Coziron shares from 11 July 2014 to 10 July 2015 has ranged from a low of \$0.003 on 30 June 2015 to a high of \$0.042 on 14 July 2014. The daily share price of Coziron displayed a downwards trends from its high in mid-July to \$0.012 on 22 December 2014 before plateauing out to trade around \$0.020 a share. The share price traded close to \$0.020 in the six months to June before dropping to its low of \$0.003. The highest single day of trading was on 15 October 2014 where 4,010,000 shares were traded.

During this period a number of announcements were made to the market. The key announcements are set out below:

Date	Announcement	Closing Share Price Following Announcement			Closing Share Price Three Days After Announcement		
		\$ (movement)			\$ (movement)		
01/07/2015	Yarraloola Project Commencement of 2015 Field Season	0.008	▲	166.7%	0.017	▲	112.5%
30/04/2015	Quarterly Activities Report	0.020	▲	11.1%	0.019	▼	5.0%
30/04/2015	Quarterly Cashflow Report	0.020	▲	11.1%	0.019	▼	5.0%
17/04/2015	Non-Renounceable Entitlement Offer Document	0.020	►	0.0%	0.020	►	0.0%
10/04/2015	Entitlement Offer to raise up to \$4m	0.014	►	0.0%	0.020	▲	42.9%
11/02/2015	New Volcanic-hosted High-grade Magnetite Discovery	0.021	►	0.0%	0.020	▼	4.8%
03/02/2015	Maiden Iron Ore Resource of 73.1Mt at Yarraloola	0.018	▼	14.3%	0.019	▲	5.6%

Date	Announcement	Closing Share Price Following Announcement			Closing Share Price Three Days After Announcement		
		\$ (movement)			\$ (movement)		
30/01/2015	Quarterly Activities Report	0.019	►	0.0%	0.019	►	0.0%
30/01/2015	Quarterly Cashflow Report	0.019	►	0%	0.019	►	0%
12/12/2014	Drill Results - Robe Mesa CID	0.021	►	0%	0.020	▼	5%
21/11/2014	Yarraloola Drill Results	0.023	▼	8%	0.025	▲	9%
04/11/2014	Completion of \$0.75 Million Capital Raising	0.023	▲	10%	0.030	▲	30%
31/10/2014	Quarterly Activities Report, Quarterly Cashflow Report	0.021	►	0%	0.030	▲	43%
30/10/2014	Trading Halt	0.021	►	0%	0.023	▲	10%
27/10/2014	Update on Yarraloola Drill Programme	0.021	►	0%	0.021	►	0%
02/10/2014	Yaraloola Drilling Timetable & Yarrie Option Exercised	0.025	►	0%	0.023	▼	8%
06/08/2014	Yarrie Project Historic Drill results, Gravity and Seismic	0.035	▼	3%	0.035	►	0%
31/07/2014	Quarterly Activities Report	0.035	▲	3%	0.036	▲	3%
31/07/2014	Quarterly Cashflow Report	0.035	▲	3%	0.036	▲	3%
29/07/2014	Shepherds Well Airborne Magnetic-radiometric Survey Complete	0.034	►	0%	0.035	▲	3%
17/07/2014	New Iron Formation Discovery at Yarraloola	0.042	▲	2%	0.039	▼	7%

Source: Bloomberg

On 17 July 2014, the Company released an update on its Yarraloola project and the discovery of a new iron formation. On the date of the release, the share price rose 2% to \$0.042; however in the subsequent three days fell by 7% to \$0.039.

On 2 October 2014, the Company announced it has exercised the option to acquire XFE's 70% in the Yarrie Tenements. On the same day the Company also announced a drilling timetable for Yarraloola. On the day of the announcements, the share price did not change; however in the subsequent three days fell by 8% to \$0.023.

On 30 October 2014, the Company announced it will be placed in a trading halt pending the release of an announcement. On the day of the announcement, the share price did not change; however in the subsequent three days increased by 10% to \$0.023.

On 31 October 2014, the Company released its quarterly activities and cashflow report. The reports included highlights for the Yarraloola, Shepherds Well and Yarrie projects as well as a position cash balance. On the day of the release, the share price did not change; however in the subsequent three days increased by 43% to \$0.030.

On 4 November 2014, the Company announced it had successfully completed the placement of shares to sophisticated shareholders raising \$767,500. On the day of the announcement, the share price rose by 10% to \$0.023; and in the subsequent three days increased by a further 30% to \$0.030.

On 21 November 2014, the Company released results from its reverse circulation drill program at Yarraloola. On the day of the release, the share price fell 8% to \$0.023; however in the subsequent three days increased by 9% to \$0.025.

On 3 February 2015, the Company announced a maiden mineral resource at its Yarraloola project. On the day of the release, the share price fell 14.3% to \$0.018; however in the subsequent three days increased by 5.6% to \$0.019.

To provide further analysis of the market prices for a Coziron share, we have also considered the weighted average market price for 10, 30, 60 and 90 day periods to 10 July 2015.

Share Price per unit	10-Jul-15	10 Days	30 Days	60 Days	90 Days
Closing price	\$0.011				
Volume weighted average price (VWAP)		\$0.013	\$0.014	\$0.016	\$0.016

Source: Bloomberg, BDO analysis

The above weighted average prices are prior to the date of the announcement of the Transaction, to avoid the influence of any increase in price of Coziron shares that has occurred since the Transaction was announced.

An analysis of the volume of trading in Coziron shares for the twelve months to 10 July 2015 is set out below:

Trading days	Share price low	Share price high	Cumulative volume traded	As a % of Issued capital
1 Day	\$0.011	\$0.011	-	0.00%
10 Days	\$0.003	\$0.019	2,737,933	0.21%
30 Days	\$0.003	\$0.020	4,128,283	0.31%
60 Days	\$0.003	\$0.020	8,340,923	0.63%
90 Days	\$0.003	\$0.020	13,034,846	0.99%
180 Days	\$0.003	\$0.030	47,167,931	3.58%
1 Year	\$0.003	\$0.050	88,901,003	6.74%

Source: Bloomberg, BDO analysis

This table indicates that Coziron's shares display a low level of liquidity, with 6.74% of the Company's current issued capital being traded in a twelve month period. For the quoted market price methodology to be reliable there needs to be a 'deep' market in the shares. RG 111.69 indicates that a 'deep' market should reflect a liquid and active market. We consider the following characteristics to be representative of a deep market:

- Regular trading in a company's securities;
- Approximately 1% of a company's securities are traded on a weekly basis;
- The spread of a company's shares must not be so great that a single minority trade can significantly affect the market capitalisation of a company; and
- There are no significant but unexplained movements in share price.

A company's shares should meet all of the above criteria to be considered 'deep', however, failure of a company's securities to exhibit all of the above characteristics does not necessarily mean that the value of its shares cannot be considered relevant.

In the case of Coziron, we do not consider there to be a deep market for the Company's shares due only 6.74% of the shares being traded over the twelve month period.

Our assessment is that a range of values for Coziron shares based on market pricing, after disregarding post announcement pricing, is between \$0.010 and \$0.015.

Control Premium

We have reviewed the control premiums paid by acquirers of companies listed on the ASX. We have summarised our findings below:

Year	Number of Transactions	Average Deal Value (AU\$m)	Average Control Premium (%)
2014	14	116.43	38.50
2013	16	49.12	57.80
2012	21	129.36	42.18
2011	22	578.06	38.02
2010	25	735.82	43.27
2009	29	86.80	39.23
2008	8	553.76	38.87
	Median	129.36	39.23
	Mean	321.33	42.55

Source: Bloomberg, BDO analysis

In arriving at an appropriate control premium to apply we note that observed control premiums can vary due to the:

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

There has been an increasing trend of control premia paid by acquires of mining companies since 2008, in particular 2013 where there were five control transactions with announced premiums in excess of 80%. The long term average control premium paid by acquires of general mining targets in Australia is in excess of 40%.

In the case of Coziron, we believe an appropriate control premium would be lower than the long term average of 42.55%. Based on our considerations set out above, we believe that an appropriate control premium to apply in our valuation of Coziron's shares is between 30% and 40%.

Quoted market price including control premium

Applying a control premium to Coziron's quoted market share price results in the following quoted market price value including a premium for control:

	Low	Midpoint	High
	\$	\$	\$
Quoted market price value	\$0.010	\$0.013	\$0.015
Control premium	30%	35%	40%
Quoted market price valuation including a premium for control	\$0.013	\$0.018	\$0.021

Source: BDO analysis

Therefore, our valuation of a Coziron share based on the quoted market price method and including a premium for control is between \$0.013 and \$0.021, with a midpoint value of \$0.018.

10.3 Assessment of Coziron Value

The results of the valuations performed are summarised in the table below:

	Low	Preferred	High
	\$	\$	\$
Net assets value (Section 10.1)	\$0.0063	\$0.0091	\$0.0175
Quoted market price value (Section 10.2)	\$0.013	\$0.018	\$0.021

Source: BDO analysis

We consider the net asset value to be the most appropriate methodology, given that the core value of the Company lies in the exploration assets that it holds. We have instructed an independent specialist to value Coziron's mineral assets, which we have included in our net asset value. The net asset value also best represents the value that is attributable to shareholders as a whole.

We note that our NAV value is lower than the value obtained using the QMP methodology. We attribute this difference in value derived under the two methods to the following:

- The NAV value is lower than the QMP value, which is not uncommon for exploration companies which often trade at a premium to their net asset values. This is because investors in mining exploration companies typically anticipate some potential upside of 'blue-sky' prospects for the company, which are factors into the share price in advance of any such value being warranted.
- Under RG 111.69(d), the QMP methodology is considered appropriate where a liquid and active market exists for the securities. From our analysis of the QMP of a Coziron share in section 10.2, there is not a deep market for the Company's shares with only 6.74% of its current issued capital being traded in the twelve months prior to the announcement of the Transaction. This suggests that the QMP method may not give the most accurate indication of value, therefore explaining part of the difference between the two methods; and



- Our NAV methodology includes an independent valuation report of Coziron's mineral assets performed by Optiro. Optiro has relied on a combination of valuation methods which reflect the market of Impact's mineral assets.

Based on the results above we consider the value of a Coziron share to be between \$0.0063 and \$0.0175, with a preferred value of \$0.0091.

11. Valuation of Coziron following the Transaction

The value of Coziron following the Transaction is reflected in our valuation below:

Valuation of Coziron	Note	Low value \$	Preferred value \$	High value \$
Net assets of Coziron prior to the Transaction		8,315,832	12,015,832	23,015,832
Add: Value of 70% Yarrie Tenements	a)	4,200,000	5,200,000	8,100,000
Add: Cash from issue of shares to Creasy Group	b)	3,500,000	3,500,000	3,500,000
Net assets of Coziron following the Transaction (control basis)		16,015,832	20,715,832	34,615,832
Discount for minority interest	c)	29%	26%	23%
Net assets of Coziron following the Transaction (minority basis)		11,439,880	15,345,061	26,627,563
Shares on issue	d)	1,804,214,935	1,804,214,935	1,804,214,935
Value per share		0.0063	0.0085	0.0148

Source: BDO analysis

The table above indicates the net asset value of a Coziron share following the Transaction (on a minority interest basis) is between \$0.0063 and \$0.0148, with a preferred value of \$0.0085.

The following adjustments were made to the net assets of Coziron in arriving at our valuation.

a) Value of 70% of Yarrie Tenements

As part of the transaction, Coziron will acquire a 70% in the Yarrie Tenements.

We instructed Optiro to provide an independent market valuation of the exploration assets currently held by Coziron, as well as a market valuation of the interest that Coziron will hold in the Yarrie Tenements, if the Transaction is approved. Optiro considered a number of different valuation methods when valuing the Yarrie Tenements. Optiro applied the Comparable Transaction method and Geoscientific rating method to value the mineral assets. We consider these methods to be appropriate given the stage of development of the Yarrie Tenements.

The range of values for the Yarrie Tenements as calculated by Optiro is set out below:

Yarrie Tenements valuation	Low value \$m	Preferred value \$m	High value \$m
70% of Yarrie Tenements	4.20	5.20	8.10
Total	4.20	5.20	8.10

Source: Optiro independent valuation report (Appendix 3)

The table above indicates a range of values for the 70% of Yarrie Tenements to be acquired by Coziron as part of the Transaction between \$4.20 million and \$8.10 million, with a preferred value of \$5.20 million.

b) Cash from issue of shares to Creasy Group

We have included \$3.50 million cash to be received in consideration for the issue of 350,000,000 ordinary Coziron shares to Creasy Group at an issue price of \$0.01.

c) Discount for minority interest

The net asset value of a Coziron share following the Transaction is reflective of a controlling interest. This suggests that the acquirer obtains an interest in the company which allows them to have an individual influence in the operations and value of the company. Therefore, if the Transaction is approved, Shareholders may become minority interest shareholders in Coziron as the Creasy Group could increase its controlling interest, meaning that their individual holding will not be considered significant enough to have an individual influence in the operations and value of the Company.

Therefore, we have adjusted our valuation of a Coziron share following the Transaction to reflect a minority interest holding. A minority interest discount is the inverse of a premium for control and is calculated using the formula $1 - [1 / (1 + \text{control premium})]$. As discussed in section 10.2, we consider an appropriate control premium for Coziron to be in the range of 30% to 40%, giving rise to a minority interest discount in the range of approximately 23% to 29%.

d) Shares on issue

As shown in the table below, there will be 1.804 billion shares on issue following the Transaction.

Capital structure	Creasy Group	Other Shareholders	Total
Shares on issue prior to the Transaction	846,577,303	472,075,932	1,318,653,235
%	64.20%	35.80%	100.00%
Shares to be issued under the Transaction			
70% Yarrie Tenements acquisition shares	135,561,700	-	135,561,700
Shares issued to Creasy Group	350,000,000	-	350,000,000
Shares on issue following the Transaction	1,332,139,003	472,075,932	1,804,214,935
%	73.83%	26.17%	100.00%

Source: BDO analysis

12. Is the Transaction fair?

The value of a Coziron share prior to and following the Transaction is compared below:

	Ref	Low \$	Preferred \$	High \$
Value of a Coziron share prior to the Transaction on a control basis	10.3	0.0063	0.0091	0.0175
Value of a Coziron share following the Transaction on a minority basis	11	0.0063	0.0085	0.0148

We note from the table above that the preferred value of a Coziron share prior to the Transaction on a control basis is greater than the preferred value of a Coziron share following the implementation of the Transaction on a minority basis. Therefore, we consider that the Transaction is not fair.

13. Is the Transaction reasonable?

13.1 Advantages of Approving the Transaction

We have considered the following advantages when assessing whether the Transaction is reasonable.

13.1.1. The Transaction is value accretive to shareholders on a minority interest basis

As set out in section 13.3.1 below, notwithstanding that the Transaction is not fair, it is still value accretive on a minority interest basis.

13.1.2. Potential upside from XFE's 70% interest in the Yarrie Tenements

The Shareholder's may benefit from any potential upside from the Yarrie Project being acquired.

The Yarrie Project is adjacent to BHP's Yarrie, Goldsworthy, Nimingarra and Shay Gap mines and is prospective for high grade iron ore.

See Optiro's report in Appendix 3 for further details on the projects.

13.1.3. Cash funding received

The Transaction provides immediate funding via the issue of shares to Creasy Group to fund Coziron's current exploration projects. This will also address the Emphasis of Matter regarding the going concern assumption issued by the auditor in the financial report for the year ended 30 June 2015 as outlined in section 5.2. This additional cash will give Coziron the ability to extinguish liabilities in the normal course of business.

13.1.4. The Company is unlikely to be able to raise equivalent funds at market

On 17 April 2015, the Company issued an offer document for a non-renounceable, pro rata entitlement offer of shares in Coziron on the basis of 1 new share for every 6 shares held by eligible shareholders to raise a total of \$4,079,532 before costs, at an issue price per share of \$0.02 ('the Entitlement Offer').

However, the Company received total subscriptions under the Entitlement Offer less than the full amount, raising a total amount of \$1,895,935 before costs.

This implies that the Company would not be able to raise capital on market to the extent that Creasy Group is currently willing to fund, being the \$3.5 million in consideration for 350,000,000 Coziron shares.

13.1.5. Non-cash outlay for the addition of the Yarrie Tenements

Coziron will purchase XFE's 70% interest in the Yarrie Tenements in consideration for approximately 135 million ordinary shares, as outlined in section 4. The nature of this consideration being offered for the Yarrie Tenements ensure that's Coziron retains its cash balance. This is beneficial to Shareholders as it means that Coziron can continue to fund current and future exploration projects.

13.2 Disadvantages of Approving the Transaction

If the Transaction is approved, in our opinion, the potential disadvantages to Shareholders include those listed in the table below:

13.2.1. The Transaction is not fair

As set out in section 12, the Transaction is not fair.

13.2.2. Dilution of existing Shareholder's interests

If the Transaction is approved, Shareholders' interests will decrease from 35.80% to 26.17% whilst the Creasy Group's interest will increase from 64.20% to 73.83% following the Transaction.

13.3 Other considerations

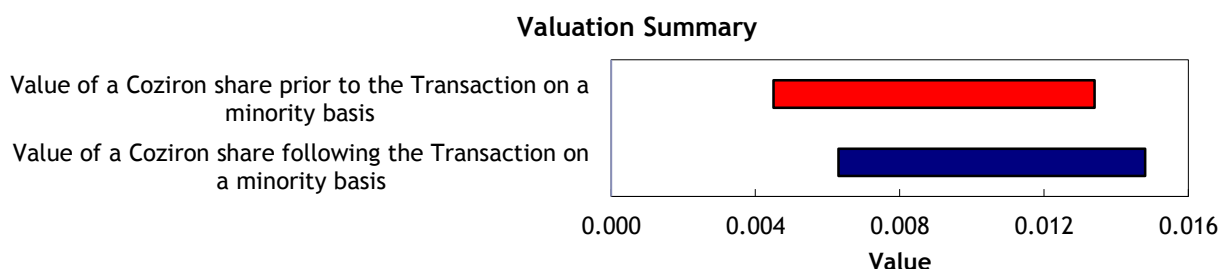
13.3.1. Minority interest values

In assessing the fairness of the Transaction in section 12, RG 111.31 stipulates that in a control transaction a comparison should be made between the value of the target entity's securities prior to the transaction on a controlling basis and the value of the target entity's securities following the transaction allowing for a minority discount. It is relevant for Shareholders to appreciate that as shareholders, they hold a minority interest in Coziron prior to the Transaction and they will retain a minority interest following the Transaction.

Here, we have also provided a comparison of the value of a Coziron share prior to the Transaction, and following the Transaction, on a minority interest basis. This comparison is outlined in the table below.

	Low	Preferred	High
	\$	\$	\$
Value of a Coziron share prior to the Transaction on a minority basis	0.0045	0.0067	0.0134
Value of a Coziron share following the Transaction on a minority basis	0.0063	0.0085	0.0148

The above valuation ranges are graphically presented below:



Whilst our fairness assessment in section 12 indicated that Shareholders will not receive the full control premium as a result of the Transaction, our analysis, as detailed in the table and graph above, indicates that the range of values of a share in Coziron following the Transaction on a minority interest basis is greater than the value range of a share in Coziron on a minority interest basis prior to the Transaction.

13.3.2. Alternative offers

We are unaware of any alternative proposals that might offer the Shareholders of Coziron a premium over the value resulting from the Transaction.

13.3.3. Practical level of control

If the Transaction is approved then the Creasy Group will hold an interest of 73.83% in Coziron. In addition to this, Coziron has one Board members nominated by the Creasy Group prior to the Transaction. The Creasy Group will not nominate any additional directors on completion of the Transaction.

When shareholders are required to approve an issue that relates to a company there are two types of approval levels. These are general resolutions and special resolutions. A general resolution requires 50% of shares to be voted in favour to approve a matter and a special resolution required 75% of shares on issue to be voted in favour to approve a matter. If the Transaction is approved then Creasy Group will be able to pass general resolutions. We note however that the Creasy Group currently holds approximately 64% therefore the Creasy Group's control in relation to passing general resolutions is the same prior to the Transaction as it is following the Transaction.

Coziron's Board currently comprises three directors. There is currently one director acting on behalf of the Creasy Group sitting on the Coziron Board. The Creasy Group will not nominate any additional directors. This means that Creasy Group nominated directors will make up 33% of the Board.

The Creasy Group's control of Coziron following the Transaction will be significant when compared to all other shareholders. Therefore, in our opinion, the Creasy Group should be expected to pay a similar premium for control as if it were acquiring 100% of Coziron.

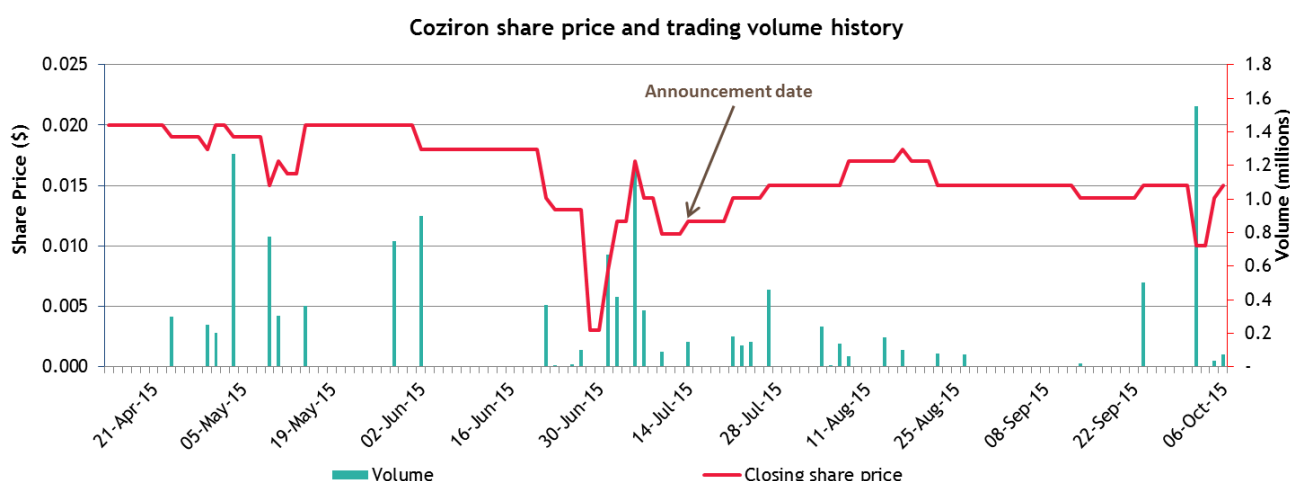
13.3.4. Consequences of not approving the Transaction

In the financial statements for the year ended 30 June 2015 the auditor of Coziron included an Emphasis of Matter in their audit report. The auditor indicates that the ability of Coziron to continue as a going concern is dependent upon securing additional funds through debt or equity issues or partial sale of its mineral properties as and when the need to raise working capital arises.

If the Transaction is not approved, Coziron will not receive the cash funding from the issue of the shares to Creasy Group and may be unable to continue to realise its assets and discharge its liabilities in the normal course of business, which will cast significant doubt as to whether the Company

13.3.5. Movement in the Company's share price following the announcement of the Transaction

We have analysed movements in Coziron's share price since the Transaction was announced. A graph of Coziron's share price since the announcement is set out below.



Source: Bloomberg

Since the announcement of the Transaction on 13 July 2015, the share price has remained relatively stable. Between the announcement date and 6 October 2015, the VWAP was \$0.013. Given this VWAP is equivalent to our quoted market price valuation, before applying a control premium, as outlined in section 10.2, we consider it possible that if the Transaction is not approved then Coziron's share price may not be affected significantly.

13.3.6. Impact on liquidity on the Company's shares

We note that the volume of shares has decreased since the announcement of the Transaction on 13 July 2015. 4.12 million Shares have traded since the announcement, which represents 0.003% of the issued capital in Coziron. As a comparison, 3.58% of the Company's shares traded in the six months to 10 July 2015 which was the last trading day prior to the announcement. The Company's shares have showed significant illiquidity both prior to and following the announcement date. As such, it is probable that the liquidity of Coziron's shares will not change significantly if Transaction is not approved.

14. Conclusion

We have considered the terms of the Transaction as outlined in the body of this report and have concluded that the Transaction is not fair but reasonable to the Shareholders of Coziron.

15. Sources of information

This report has been based on the following information:

- Draft Notice of General Meeting and Explanatory Statement dated on or about the date of this report;
- Audited financial statements of Coziron for the years ended 30 June 2015, 30 June 2014 and 30 June 2013;
- Independent Valuation Report of Coziron mineral assets and the Yarrie Tenements performed by Optiro dated on or around the date of this report;
- Share registry information;
- Information in the public domain; and
- Discussions with Directors and Management of Coziron.

16. Independence

BDO Corporate Finance (WA) Pty Ltd is entitled to receive a fee of \$20,000 (excluding GST and reimbursement of out of pocket expenses). The fee is not contingent on the conclusion, content or future use of this Report. Except for this fee, BDO Corporate Finance (WA) Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

BDO Corporate Finance (WA) Pty Ltd has been indemnified by Coziron in respect of any claim arising from BDO Corporate Finance (WA) Pty Ltd's reliance on information provided by the Coziron, including the non provision of material information, in relation to the preparation of this report.

Prior to accepting this engagement BDO Corporate Finance (WA) Pty Ltd has considered its independence with respect to Coziron and the Creasy Group and any of their respective associates with reference to ASIC Regulatory Guide 112 'Independence of Experts'. In BDO Corporate Finance (WA) Pty Ltd's opinion it is independent of Coziron and the Creasy Group and their respective associates.

The provision of our services is not considered a threat to our independence as auditors under Professional Statement APES 110 - Professional Independence. The services provided have no material impact on the financial report of Coziron.

A draft of this report was provided to Coziron and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this report as a result of this review.

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17. Qualifications

BDO Corporate Finance (WA) Pty Ltd has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

BDO Corporate Finance (WA) Pty Ltd holds an Australian Financial Services Licence issued by the Australian Securities and Investment Commission for giving expert reports pursuant to the Listing rules of the ASX and the Corporations Act.

The persons specifically involved in preparing and reviewing this report were Sherif Andrawes and Adam Myers of BDO Corporate Finance (WA) Pty Ltd. They have significant experience in the preparation of independent expert reports, valuations and mergers and acquisitions advice across a wide range of industries in Australia and were supported by other BDO staff.

Sherif Andrawes is a Fellow of the Institute of Chartered Accountants in England & Wales and a Member of the Institute of Chartered Accountants in Australia. He has over twenty five years experience working in the audit and corporate finance fields with BDO and its predecessor firms in London and Perth. He has been responsible for over 250 public company independent expert's reports under the Corporations Act or ASX Listing Rules and is a CA BV Specialist. These experts' reports cover a wide range of industries in Australia with a focus on companies in the natural resources sector. Sherif Andrawes is the Chairman of BDO in Western Australia, Corporate Finance Practice Group Leader of BDO in Western Australia and the Natural Resources Leader for BDO in Australia.

Adam Myers is a member of the Australian Institute of Chartered Accountants. Adam's career spans 18 years in the Audit and Assurance and Corporate Finance areas. Adam has considerable experience in the preparation of independent expert reports and valuations in general for companies in a wide number of industry sectors.

18. Disclaimers and consents

This report has been prepared at the request of Coziron for inclusion in the Explanatory Memorandum which will be sent to all Coziron Shareholders. Coziron engaged BDO Corporate Finance (WA) Pty Ltd to prepare an independent expert's report to consider the proposal to issue shares to the Creasy Group in consideration for a 70% interest in the Yarrie Tenements.

BDO Corporate Finance (WA) Pty Ltd hereby consents to this report accompanying the above Explanatory Memorandum. Apart from such use, neither the whole nor any part of this report, nor any reference thereto may be included in or with, or attached to any document, circular resolution, statement or letter without the prior written consent of BDO Corporate Finance (WA) Pty Ltd.

BDO Corporate Finance (WA) Pty Ltd takes no responsibility for the contents of the Explanatory Memorandum other than this report.

We have no reason to believe that any of the information or explanations supplied to us are false or that material information has been withheld. It is not the role of BDO Corporate Finance (WA) Pty Ltd acting as an independent expert to perform any due diligence procedures on behalf of the Company. The Directors of the Company are responsible for conducting appropriate due diligence in relation to the Yarrie Tenements BDO Corporate Finance (WA) Pty Ltd provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process.

The opinion of BDO Corporate Finance (WA) Pty Ltd is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

We note that the forecasts provided do not include estimates as to the effect of any future emissions trading scheme should it be introduced as it is unable to estimate the effects of such a scheme at this time.

With respect to taxation implications it is recommended that individual Shareholders obtain their own taxation advice, in respect of the Transaction, tailored to their own particular circumstances. Furthermore, the advice provided in this report does not constitute legal or taxation advice to the Shareholders of Coziron, or any other party.

BDO Corporate Finance (WA) Pty Ltd has also considered and relied upon independent valuations for mineral assets held by Coziron and to be acquired by Coziron under the Transaction.

The valuer engaged for the mineral asset valuation, Optiro, possess the appropriate qualifications and experience in the industry to make such assessments. The approaches adopted and assumptions made in arriving at their valuation is appropriate for this report. We have received consent from the valuer for the use of their valuation report in the preparation of this report and to append a copy of their report to this report.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

The terms of this engagement are such that BDO Corporate Finance (WA) Pty Ltd has no obligation to update this report for events occurring subsequent to the date of this report.

Yours faithfully

BDO CORPORATE FINANCE (WA) PTY LTD

A handwritten signature in black ink, appearing to read 'Sherif Andrawes', written in a cursive style.

Sherif Andrawes

Director

A handwritten signature in blue ink, appearing to read 'Adam Myers', written in a cursive style.

Adam Myers

Director

Appendix 1 - Glossary of Terms

Reference	Definition
The Act	The Corporations Act 2001 Cth
APES 225	Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services'
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
BDO	BDO Corporate Finance (WA) Pty Ltd
The Company	Coziron Resources Limited
Consideration Shares	135,561,700 ordinary Coziron shares to be issued to the vendors of XFE
Corporations Act	The Corporations Act 2001 Cth
Coziron	Coziron Resources Limited
Creasy Group	Entities controlled by Mark Creasy
DCF	Discounted Future Cash Flows
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
FME	Future Maintainable Earnings
JORC Code	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves
Motwil	Motwil Pty Ltd
NAV	Net Asset Value
Placement Shares	350 million ordinary Coziron shares to be issued to Creasy Group
QMP	Quoted market price
RBA	Reserve Bank of Australia
Regulations	Corporations Act Regulations 2001 (Cth)

Reference	Definition
Optiro	Optiro Pty Ltd
Our Report	This Independent Expert's Report prepared by BDO
RG 74	Acquisitions approved by Members (December 2011)
RG 111	Content of expert reports (March 2011)
RG 112	Independence of experts (March 2011)
Section 411	Section 411 of the Corporations Act
Section 611	Section 611 of the Corporations Act
Shareholders	Shareholders of Coziron not associated with Creasy Group
The Transaction	The proposal to issue 135,561,700 shares in Coziron to the vendors of XFE and the issue of 350 million Placement Shares to Creasy Group
Valmin Code	The Code of Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports
Valuation Engagement	An Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.
VWAP	Volume Weighted Average Price
XFE	XFE Pty Ltd
Yandal	Yandal Investments Pty Ltd
Yarrie Agreement	Yarrie Tenement Sale and Joint Venture Agreement



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The Directors

BDO Corporate Finance (WA) Pty Ltd

38 Station Street

SUBIACO, WA 6008

Australia

Appendix 2 - Valuation Methodologies

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

1 *Net asset value ('NAV')*

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

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

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

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

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

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

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

2 *Quoted Market Price Basis ('QMP')*

A valuation approach that can be used in conjunction with (or as a replacement for) other valuation methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a 'deep' market in that security.

3 *Capitalisation of future maintainable earnings ('FME')*

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

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

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

4 Discounted future cash flows ('DCF')

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

Considerable judgement is required to estimate the future cash flows which must be able to be reliably estimated for a sufficiently long period to make this valuation methodology appropriate.

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

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

5 Market Based Assessment

The market based approach seeks to arrive at a value for a business by reference to comparable transactions involving the sale of similar businesses. This is based on the premise that companies with similar characteristics, such as operating in similar industries, command similar values. In performing this analysis it is important to acknowledge the differences between the comparable companies being analysed and the company that is being valued and then to reflect these differences in the valuation.

Appendix 3 - Optiro Independent Valuation Report



Coziron Resources Limited Independent Valuation on the Mineral Assets of Coziron



J_1899

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October 2015

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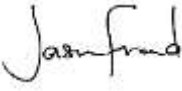
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Important Information

This Report is provided in accordance with the proposal by Optiro Pty Ltd ("Optiro") to Coziron Resources Limited and the terms of Optiro's Consulting Services Agreement ("the Agreement"). Optiro has consented to the use and publication of this Report by Coziron Resources Limited for the purposes set out in Optiro's proposal and in accordance with the Agreement. Coziron Resources Limited may reproduce copies of this entire Report only for those purposes but may not and must not allow any other person to publish, copy or reproduce this Report in whole or in part without Optiro's prior written consent.

Optiro has used its reasonable endeavours to verify the accuracy and completeness of information provided to it by Coziron Resources Limited which it has relied in compiling the Report. We have no reason to believe that any of the information or explanations so supplied are false or that material information has been withheld. It is not the role of Optiro acting as an independent valuer to perform any due diligence procedures on behalf of the Company. The Directors of the Coziron Resources Limited are responsible for conducting appropriate due diligence in relation to the Shepherds Well and Yarrie projects. Optiro provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process.

The opinion of Optiro is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

The terms of engagement are such that Optiro has no obligation to update this report for events occurring subsequent to the date of this report.

TABLE OF CONTENTS

1.	EXECUTIVE SUMMARY	6
2.	PURPOSE OF REPORT	8
2.1.	TERMS OF REFERENCE.....	8
2.2.	RESPONSIBILITY FOR THE REPORT AND DATA SOURCES	8
2.3.	LIMITATIONS AND EXCLUSIONS	9
3.	YARRALOOOLA	9
3.1.	LOCATION AND ACCESS	9
3.2.	TENURE AND OWNERSHIP	11
3.3.	MATERIAL AGREEMENTS	11
3.4.	GEOLOGY AND MINERALISATION	12
3.5.	PREVIOUS EXPLORATION	14
3.6.	RECENT EXPLORATION	14
3.6.1.	ROBE MESA.....	15
3.6.2.	ASHBURTON TROUGH	16
4.	SHEPHERDS WELL	18
4.1.	LOCATION AND ACCESS	18
4.2.	TENURE AND OWNERSHIP	18
4.3.	GEOLOGY AND MINERALISATION	18
4.4.	EXPLORATION	19
5.	BUDDADOO.....	20
5.1.	LOCATION AND ACCESS	20
5.2.	TENURE AND OWNERSHIP	20
5.3.	GEOLOGY AND MINERALISATION	21
5.4.	EXPLORATION	23
6.	YARRIE	24
6.1.	LOCATION AND ACCESS	24
6.2.	TENURE AND OWNERSHIP	24
6.3.	GEOLOGY AND MINERALISATION	24
6.4.	EXPLORATION	26
7.	IRON PRICES	28
8.	VALUATION CONSIDERATIONS.....	29
9.	VALUATION APPROACH AND METHODOLOGY	30
9.1.	GEOSCIENTIFIC RATING METHOD	30
9.2.	COMPARABLE TRANSACTION METHOD	32
9.3.	JOINT VENTURE TERMS METHOD	33
9.4.	APPRAISED VALUE METHOD	33

10.	VALUATION	33
10.1.	MINERAL RESOURCES	34
10.2.	EXPLORATION POTENTIAL	34
10.2.1.	COMPARABLE TRANSACTIONS AND JOINT VENTURE TERMS	34
10.2.2.	GEOSCIENTIFIC RATING METHODS.....	35
10.3.	SUMMARY VALUATION	39
10.4.	PREVIOUS VALUATIONS	40
11.	DECLARATIONS BY OPTIRO	41
11.1.	INDEPENDENCE.....	41
11.2.	QUALIFICATIONS.....	41
12.	REFERENCES	42
13.	GLOSSARY OF ABBREVIATIONS AND TECHNICAL TERMS.....	43

TABLES

Table 1.1	Robe Mesa Mineral Resource as at February 2015 - reported above a Fe cut-off grade of 50%.....	6
Table 1.2	Valuation summary – Coziron equity	7
Table 1.3	Valuation summary – 100% equity.....	7
Table 3.1	Yarraloola – tenement schedule	11
Table 3.2	Robe Mesa Mineral Resource as at February 2015 - reported above a Fe cut-off grade of 50%.....	16
Table 4.1	Shepherds Well project – tenement schedule	18
Table 5.1	Buddadoo – tenement schedule	21
Table 5.2	Significant assays above 0.30% V ₂ O ₅ cut-off	23
Table 7.1	Yarrie project– tenement schedule	24
Table 7.2	Downhole XRF analyses with loss on ignition (LOI) at 1000°C for RC samples with Fe >60% from the Kennedy Gap and Block prospects	28
Table 8.1	Change in EV of exploration companies with early stage iron ore projects.....	29
Table 10.1	Geoscientific Rating criteria (modified by Optiro).....	32
Table 11.1	Yarraloola project – Mineral Resource valuations	34
Table 11.2	Yarraloola - Geoscientific Rating criteria applied to iron mineralisation potential	36
Table 11.3	Shepherds Well - Geoscientific Rating criteria applied to iron mineralisation potential	36
Table 11.4	Yarrie - Geoscientific Rating criteria applied to iron mineralisation potential	37
Table 11.5	Buddadoo - Geoscientific Rating criteria applied to iron mineralisation potential	38
Table 11.7	Valuation summary – Coziron equity	39
Table 11.8	Valuation summary – 100% equity.....	40

FIGURES

Figure 3.1	Yarraloola and Shepherds Well licence area locations.....	10
Figure 3.2	Distribution of banded iron-formations of the Hamersley Basin, magnetite schists in the Ashburton Trough and the Robe Mesa within the Robe River Channel system and the Yarraloola project tenements	13
Figure 3.3	Cross-section of the geological interpretation and Fe grade	15
Figure 3.4	RC and diamond drill-collars for the magnetite-bearing sequence in the Ashburton Trough overlain on the 1VD magnetic imagery (Green circles = 2015 RC, Yellow = 2014 RC, Red = 2015 diamond hole)	17
Figure 4.1	Regional geological setting of Shepherds Well	19
Figure 5.1	Buddadoo's exploration licence area location	20
Figure 5.2	Geological setting of the Buddadoo project.....	21
Figure 5.3	Airborne magnetic image showing magnetite bands within the Buddadoo Complex (black outline).....	22
Figure 7.1	Yarrie exploration licences showing the regional geology and known mineral occurrences	25
Figure 7.2	Regional setting of the Yarrie project and magnetic intensity with the most intense responses attributed to the Nimingarra Iron Formation.....	26
Figure 7.3	Location gravity grids and seismic survey lines, historical drillholes and known sites of iron ore mineralisation (red triangles)	27

1. EXECUTIVE SUMMARY

At the request of BDO Corporate Finance (WA) Pty Ltd (BDO), acting for Coziron Resources Limited (Coziron), Optiro has prepared an Independent Valuation of the mineral assets held by Coziron. Optiro understands that this report may be used as a public document to support an Independent Expert Report to be prepared by BDO relating to the acquisition of the Yarrie project. As part of this report, Optiro has prepared an Independent Valuation of the Yarrie project. As part of this valuation, Optiro has also completed an independent valuation of along with the mineral assets currently held by Coziron, namely the Yarraloola, Shepherds Well and Buddadoo projects. The Yarraloola, Shepherds Well, Buddadoo and Yarrie projects have iron ore as the principal exploration target.

This report has been prepared in accordance with the requirements of the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports (the VALMIN Code, 2005). A site visit to the Yarraloola project exploration licences was previously undertaken by Mr Jason Froud of Optiro on 4 April 2012. Optiro has not undertaken a site visit to the Shepherds Well, Buddadoo or Yarrie projects. These projects are considered to be early stage exploration projects and in Optiro's opinion a site visit would not have contributed to the project information.

Coziron's Yarraloola project tenements are located in the Pilbara region of Western Australia and comprise seven contiguous exploration licences and three granted prospecting licences covering 878.3 km². The licences are located in the Archaean-age Hamersley Province of the Pilbara, with known outcrop of Marra Mamba and Brockman Formation containing mapped surficial iron alteration. Drilling by Coziron at Robe Mesa has defined a Mineral Resource of pisolitic ironstone and has identified magnetite mineralisation within schist of the Ashburton Trough. The Robe Mesa resource is classified as Inferred in accordance with the guidelines of The Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code, 2012) and is reported above a 50% Fe cut-off grade (Table 1.1).

Table 1.1 Robe Mesa Mineral Resource as at February 2015 - reported above a Fe cut-off grade of 50%

Category	Million tonnes	Fe%	SiO ₂ %	Al ₂ O ₃ %	TiO ₂ %	LOI%	P%	S%	FeCa%*
Inferred	73	53.9	8.0	3.4	0.13	10.8	0.040	0.02	60.4

Note: calcined Fe grade (FeCa%) represents the Fe grade after volatiles (mainly water) are lost.

The Shepherds Well project is a northerly extension of the Yarraloola project comprising a single granted exploration licence covering 192.2 km². This project contains part of the Cleaverville Terrane which is known to host direct-shipping iron ore deposits as well as magnetite deposits.

Coziron's Buddadoo project is located approximately 400 km north of Perth and comprises a single exploration licence of 125.3 km². The project contains a vanadiferous titanomagnetite deposit hosted by the mafic Buddadoo Complex with known anomalous iron, vanadium and titanium mineralisation.

The Yarrie project comprises three granted exploration licences (841.2 km²) and two exploration licence applications (248.6 km²) located 160 km east of Port Hedland. The licences are continuous and largely unexplored. The Yarrie project is proximal to BHP Billiton Limited's Yarrie-Goldsworthy mining operation hosted by the Cleaverville Terrane.

Optiro has determined the fair market value of Mineral Resource defined at Yarraloola and the iron mineralisation potential within the Yarraloola, Shepherds Well, Buddadoo and Yarrie exploration licences at an effective valuation date of 6 October 2015. Optiro used comparable transactions to determine a value for the estimated Mineral Resource at Yarraloola and has selected the value derived from the Geoscientific rating method as the preferred valuation for the exploration potential of the mineralisation within these properties. Optiro's opinion of the fair market value of Coziron's interest in the Mineral Resource and mineralisation potential is that it lies within the range A\$12.4 M to A\$31.9 M, with a preferred value of A\$17.3 M (Table 1.2). On a 100% equity basis the value lies within the range A\$15.7 M to A\$39.6 M, with a preferred value of A\$21.7 M (Table 1.3). The values assigned to these mineral assets are in nominal Australian dollars (A\$) and were prepared at the effective valuation date.

Table 1.2 Valuation summary – Coziron equity

Mineral asset	Value (A\$M)		
	Low	High	Preferred
Yarraloola – Mineral Resource	2.0	10.0	4.0
Yarraloola – exploration potential	5.1	11.0	6.6
Buddadoo – exploration potential	0.2	0.4	0.2
Shepherds Well – exploration potential	0.6	1.2	0.8
Total (current assets)	7.9	22.6	11.6
Yarrie – exploration potential	4.2	8.1	5.2
Total (acquisition)	4.2	8.1	5.2
Total	12.1	30.7	16.8

Table 1.3 Valuation summary – 100% equity

Mineral asset	Value (A\$M)		
	Low	High	Preferred
Yarraloola – Mineral Resource	2.4	11.8	4.7
Yarraloola – exploration potential	6.1	12.9	7.8
Buddadoo – exploration potential	0.3	0.6	0.4
Shepherds Well – exploration potential	0.9	1.7	1.1
Total (current assets)	9.7	27.0	14.0
Yarrie – exploration potential	5.9	11.2	7.2
Total (acquisition)	5.9	11.2	7.2
Total	15.6	38.2	21.2

The opinions expressed and conclusions drawn with respect to this valuation of the iron mineral assets are appropriate at the valuation date of 6 October 2015. The valuation is only valid for this date and may change with time in response to variations in economic, market, legal or political conditions, in addition to future exploration results.

2. PURPOSE OF REPORT

2.1. TERMS OF REFERENCE

On 17 April 2014, Coziron announced it had entered into an option agreement to acquire a 70% interest in the Yarrie project from XFE Pty Ltd (XFE), an entity controlled by Mr Mark Creasy (Creasy). The option agreement grants Coziron the exclusive right to purchase a 70% interest in the Yarrie project by spending A\$230,000 on due diligence and exploration. The acquisition terms comprised:

- consideration of 100,000,000 fully paid ordinary Coziron shares deemed at A\$0.02 per share
- reimbursement of A\$711,234 for previous exploration expenditure.

Furthermore on 13 July 2015, Coziron announced that it had executed the formal Yarrie Tenement Sale and Joint Venture Agreement with XFE. Coziron advised that XFE had agreed to the \$711,234 cash consideration for reimbursement of past exploration expenditure being settled by the issue of 35,561,700 fully paid ordinary Coziron shares at A\$0.02 per share.

The acquisition of the Yarrie project is subject to shareholder approval and at the request of BDO Corporate Finance (WA) Pty Ltd (BDO), Optiro has prepared an Independent Valuation on the Yarrie project. As part of this valuation, Optiro has also completed an independent valuation on the mineral assets currently held by Coziron, namely the Yarraloola, Shepherds Well and Buddadoo projects.

Optiro understands that this report may be used as a public document to support an Independent Expert Report to be prepared by BDO relating to the acquisition of the Yarrie project mineral assets as announced by Coziron on 17 April 2014 and 13 July 2015. As such, this report has been prepared in accordance with the requirements of the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports (the VALMIN Code, 2005).

2.2. RESPONSIBILITY FOR THE REPORT AND DATA SOURCES

This report was prepared by Mrs Christine Standing (Principal) and was reviewed by Mr Jason Froud (Principal) of Optiro. The report has been prepared in accordance with the requirements of the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports (the VALMIN Code, 2005). The author and reviewer of this report are Members of the Australasian Institute of Mining and Metallurgy (AusIMM) and, therefore, are obliged to prepare mineral asset valuations in accordance with the Australian reporting guidelines as set out in the VALMIN Code. All values have been compiled in Australian dollar (A\$) terms.

In developing its technical assumptions for valuation, Optiro has relied upon information provided by Coziron and their consultants, as well as information obtained from other public sources. The

material on which this report is based includes internal and open-file project documentation, technical reports and the drillhole database.

Optiro has independently reviewed and assured itself of the mineral tenure held by Coziron and has reviewed all relevant technical and corporate information made available by the management of Coziron, which was accepted in good faith as being true, accurate and complete, having made due enquiry of Coziron. Optiro has sourced publically available information on recent transactions involving iron properties and has had discussions with Dr Rob Ramsay (Director and Senior Geologist) of Coziron. Mr Jason Froud visited the Yarraloola project exploration licences on 4 April 2012 and viewed the principal target areas that were the focus of the initial drilling campaign planned during May 2012. Optiro has not undertaken a site visit to the Shepherds Well, Buddadoo or Yarrarie projects. These projects are considered to be early stage exploration projects and in Optiro's opinion a site visit would not have contributed to the project information.

2.3. LIMITATIONS AND EXCLUSIONS

This report is based mainly on information provided by Coziron, either directly from discussions and data provided, or from reports and correspondence with other organisations whose work is the property of Coziron.

This report is based on information made available to Optiro up to up to the valuation date. Coziron has not advised Optiro of any material change, or event likely to cause material change, to the technical assessment of the mineral assets contained within the Yarraloola, Buddadoo, Shepherds Well or Yarrarie tenements. This report specifically excludes any aspects relating to legal issues, commercial and financing matters, land titles and agreements, excepting such aspects as may directly influence the technical assessment of the asset.

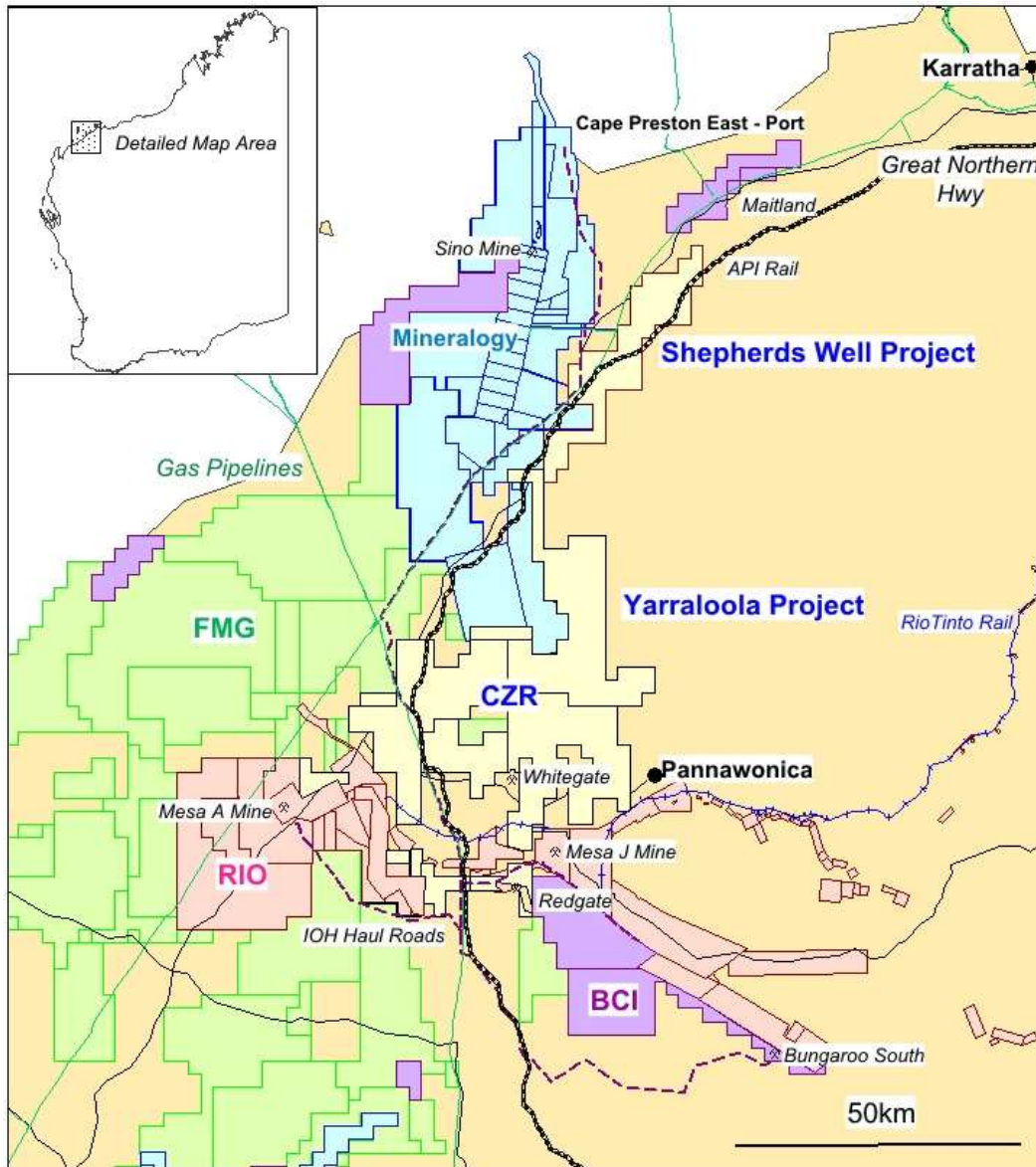
The conclusions expressed in this report are appropriate as at 6 October 2015. The valuation is only appropriate for this date and may change in time and response to variations to economic, market, legal or political factors, in addition to ongoing exploration results.

3. YARRALOOLA

3.1. LOCATION AND ACCESS

The Yarraloola project exploration and prospecting licences are located in the Pilbara region of Western Australia and are adjacent to the North West Coastal Highway, 120 km southwest of Karratha and the Port of Dampier (Figure 3.1).

Figure 3.1 Yarraloola and Shepherds Well licence area locations



The area is serviced by the North-West Coastal Highway and a bitumen road which crosses from the highway to the town of Pannawonica along with a number of station tracks which are serviceable almost year round. The project is also crossed by a major gas pipeline which extends over 1,000 km from the Northwest Shelf to Perth. The southern licences are traversed by a railway owned and operated by Rio Tinto Ltd which transports CID iron ore from their Mesa A and J operations to their the Cape Lambert port.

Coziron has negotiated access to the planned IOH haul-road on commercial terms. The haul-road corridor being developed by IOH is located within the planned rail corridor of the Australian Premium Iron joint venture (API). API is planning to develop iron-ore deposits to the south of Yarraloola and export from a new port at Anketell to the east of Karratha. Although there is no development timetable for the Anketell port it received environmental approval on 9 September 2013.

The Pilbara region has a semi-desert climate, with average daily maximum temperatures ranging from approximately 27°C in July to greater than 40°C in January. The average rainfall is around 400 mm per annum, with rainfall typically occurring from December to March associated with cyclonic storm events.

3.2. TENURE AND OWNERSHIP

The Yarraloola project comprises eight contiguous granted exploration licences and three granted prospecting licences in the Pilbara region of Western Australia (Table 3.1). The exploration licences cover approximately 877.8 km² with a further 198 ha held under prospecting licences.

Table 3.1 Yarraloola – tenement schedule

Licence number	Status	Grant date	Expiry date	Area (km ²)	Equity
E08/1060	Granted	6/07/2009	5/07/2016	12.50	85%
E08/1684	Granted	6/07/2009	5/07/2019	237.30	85%
E08/1685	Granted	6/07/2009	5/07/2019	263.80	85%
E08/1686	Granted	6/07/2009	5/07/2019	254.40	85%
E08/1824	Granted	23/10/2009	22/10/2019	9.60	85%
E08/1825	Granted	23/10/2009	22/10/2019	16.00	85%
E08/1826	Granted	23/10/2009	22/10/2019	76.50	85%
E08/2408	Granted	10/12/2013	9/12/2019	6.20	100%
P08/529	Granted	6/07/2009	5/07/2017	1.50	85%
P08/666	Granted	6/12/2013	5/12/2017	0.25	100%
P08/669	Granted	14/01/2015	13/01/2019	0.23	100%
Total				878.28	

Coziron holds an 85% interest in seven of the exploration licences and one of the prospecting licences with ZanF Pty Ltd, a Creasy controlled entity holding the remaining 15%. ZanF Pty Ltd is free carried until completion of a bankable feasibility study (BFS). Coziron holds a 100% interest in E08/2408 and P08/666 and P08/669.

3.3. MATERIAL AGREEMENTS

In November 2009, Yarraloola Resources Pty Ltd, the registered holder of the project tenements at the time, sold its channel iron deposit (CID) rights within a 150 km² portion of E08/1685 to Red Hill Iron Ltd (Red Hill Iron). The consideration paid by Red Hill Iron was \$2 M in cash and 2 M fully paid ordinary shares in Red Hill Iron.

On 17 January 2013, Coziron announced it had lodged two mining lease applications, M08/499 and M08/500, covering 8.18 km² and 3.35 km² respectively to cover the CID deposits identified by Red Hill Iron. M08/499 and M08/500 have been granted and ownership of these tenements has been transferred to Red Hill Iron. Coziron retains the rights to explore and develop any other minerals within the Mining Leases including magnetite mineralisation.

Iron-Ore Holdings Limited (IOH) has a series of miscellaneous licenses across Coziron's Yarraloola project tenements to construct a haul-road from their Bungaroo South deposit to a planned trans-shipping port at Cape Preston.

3.4. GEOLOGY AND MINERALISATION

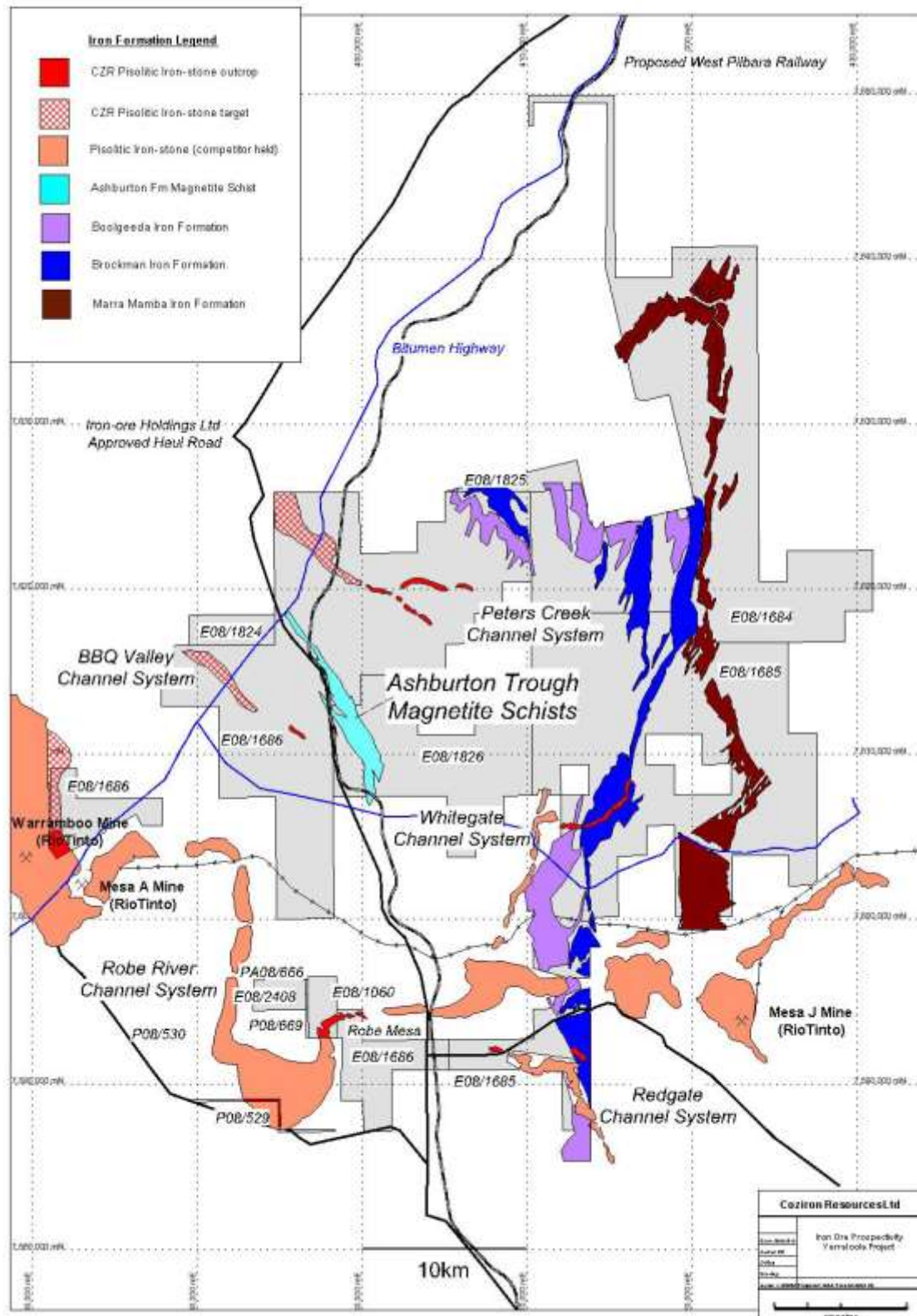
The Yarraloola project exploration licences are located in the Archaean-age Hamersley Province of the Pilbara. The Pilbara is a major iron ore province with high-grade iron ore mines occurring over an area of some 400 km by 150 km. The main host to the iron ore deposits of the Pilbara is banded iron formations (BIF) of the Hamersley Group, in particular the Brockman and the Marra Mamba Formations. Both formations are mapped and known to outcrop within the Yarraloola licences.

The Pilbara is also known to host channel iron deposit (CID) iron ore mineralisation which is often found as pods within ancient palaeochannels. Warrambo/Mesa A and Mesa J are operating CID mines owned by a third party located adjacent to Yarraloola licence area. Other undeveloped CIDs adjacent to Yarraloola licences and owned by third parties, include the Mesa B-F, Mesa H-K, Jewel, Cochrane, Kens Bore, Cardo Bore East, Upper Cane, Whitegate and Redgate deposits.

The Yarraloola project covers parts of the Hamersley Basin, Ashburton Trough and Carnarvon Basin (Figure 3.2). It is located on the strongly faulted contact between the Hamersley Basin and Ashburton Trough with overlapping material from the Carnarvon Basin.

The Hamersley Basin is a region of approximately 500 km by 400 km which preserves some of the earliest sediments in the Earth's history. Deposition in the basin commenced at about 2,760 Ma with a period of mafic volcanism over a basement of granites and greenstones that comprise the Pilbara Craton. The mafic volcanism was followed a period of clastic and chemical sedimentation which records the transition of the Earth's atmosphere from reducing to oxidising. This is characterised by the thick and widespread deposition of iron-rich sediments. These are preserved in an essentially undisturbed condition due to the tectonic stability of the Pilbara Craton.

Figure 3.2 Distribution of banded iron-formations of the Hamersley Basin, magnetite schists in the Ashburton Trough and the Robe Mesa within the Robe River Channel system and the Yarraloola project tenements



In contrast to the core of the Pilbara Craton, major faults around the margin have periodically been activated and allowed the development of younger basins. In the south and west of the Pilbara, during the Palaeoproterozoic, clastic, chemical and volcanic rocks were deposited into the

Ashburton Trough. This developed as an extensional basin about 1,820 Ma following the collision of the Pilbara and Yilgarn Cratons at around 1,950 Ma.

Outcrop in the eastern part of Yarraloola project is predominantly Archaean-age rocks deposited in the Hamersley Basin, while the western part has an abundance of recent materials overlying the edge of the Carnarvon Basin. Between the basins, outcrop is dominated by a sequence of Cretaceous-age conglomerates with small Palaeoproterozoic inliers of rocks attributed to the Ashburton Trough. The boundary between the Hamersley Basin and the Ashburton Trough is mapped as a composite north trending regional fault.

3.5. PREVIOUS EXPLORATION

The first phase of exploration around Yarraloola occurred in the 1970s with mapping of the magnetite iron-formations but this work failed to identify any large out-cropping deposits of haematite. At that time, regional exploration focussed on areas around the large, high-grade, haematite-rich discoveries such as Mt Tom Price and Mt Newman in the East Pilbara. In the 1980s, Western Mining Corporation Ltd identified the West Pilbara as being prospective for Olympic Dam-style iron-oxide copper-gold mineralisation and drilling within Yarraloola area intersected minor copper mineralisation in an inlier of Ashburton-age.

During 1990 to 1992, Aberfoyle Resources and Poseidon Exploration Ltd (Poseidon) held tenements covering the Ashburton Trough which included some of the area covered by the Yarraloola project area. They collected rock chip, stream sediment and soil samples and Poseidon completed 159 rotary air blast (RAB) drillholes (for a total of 2,410 m) for gold, base metal and iron ore exploration. No significant results were returned and the ground was relinquished.

From 1997 to 1998, Sipa Resources NL held exploration tenements covering the Ashburton Trough which included some of the area covered by the Yarraloola project area. They interpreted LANDSAT and aerial photographs and collected six rock chip samples for gold and base metal exploration. Mineralisation was not detected and the ground was surrendered.

Red Hill Iron Ltd held a tenement which partially overlapped the Yarraloola project area from 2005 to 2009. Following an aeromagnetic survey and aerial photography interpretation, rock chip and soil samples were collected but no base metal or gold targets were generated and the tenement was relinquished.

3.6. RECENT EXPLORATION

The Creasy Group identified Yarraloola as being primarily prospective for gold due to its tectonic location, structural complexity and presence of late-stage igneous activity associated with the Ashburton Trough. The area was also considered prospective for iron-ore, base-metals, uranium, manganese and diamonds. After the licences were granted (in 2009), UTS Geophysics flew a fixed-wing, 40 m clearance, 100 m spaced, east-west oriented, high-resolution, airborne magnetic-radiometric survey totalling 18,788 line km with some areas of infill spaced at 50 m representing 9,767 line km. Processing of the geophysical data produced a geological interpretation and generated some 230 geophysical targets for follow-up.

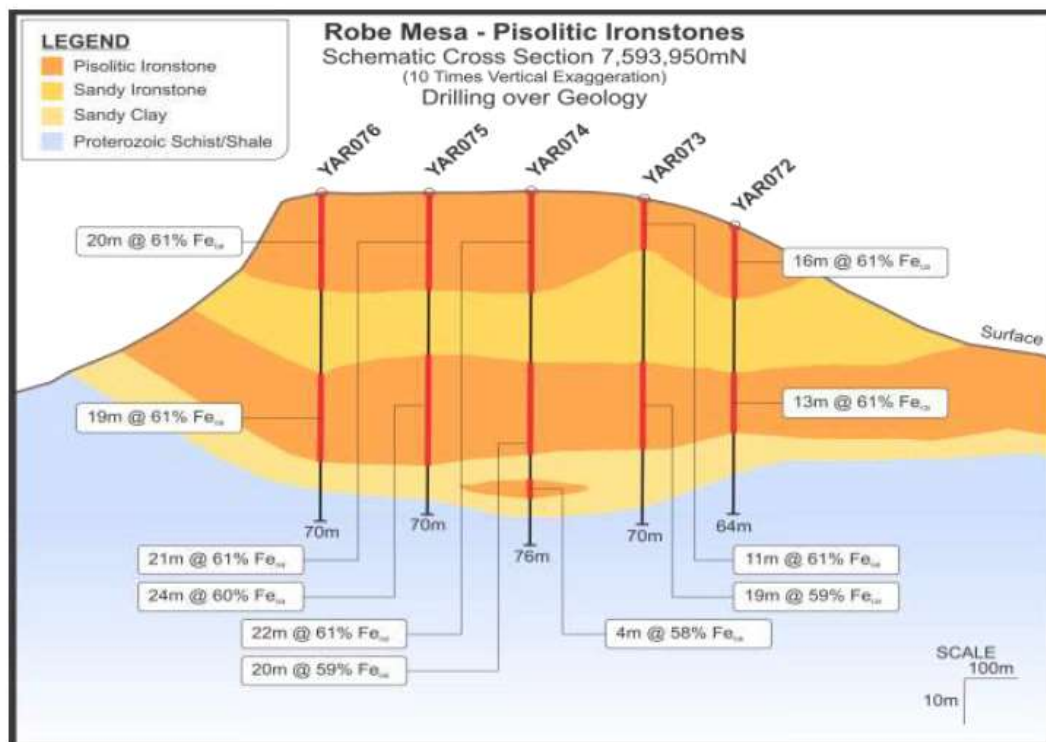
As a compliment to the geophysical programme, a regional drainage programme collected some 1,804 stream-sediment samples that were submitted for multi-element analysis. The programme highlighted some low-level anomalies. Despite an intensive stream sampling programme around the historical Cobblers gold occurrence only a small amount of anomalism was detected. In contrast, in the Ashburton Trough there were coherent areas of gold anomalism detected near Dixie Bore in the south and along parts of Peters Creek in the north. Peters Creek in particular appears to be of interest as the drainage systems are also anomalous in arsenic and antimony.

Follow-up rock-chip sampling focused on out-cropping iron-formations with a number of samples reporting iron contents above 55%. Only a small number of rock-chips were collected at the base metal and gold anomalies. Work at Cobblers focused on sampling outcropping quartz veins, but these reported only low-level gold (300 ppb) and no further work was undertaken. In mid-2012, Coziron supervised the completion of 50 reverse circulation (RC) drillholes to depths of up to 100 m. Exploration by Coziron during 2014 and 2015 has focussed on the Robe Mesa (within E08/1060 and E08/1685) and Ashburton Trough (within E08/1686 and E08/1826) prospects.

3.6.1. ROBE MESA

During 2014, Coziron mapped, surface-sampled and completed 23 vertical RC holes (for a total of 1,562 m) into a capping of pisolitic ironstone mineralisation (CID-type iron ore) on the Robe Mesa which covers parts of tenements E08/1060 and E08/1686. The pisolitic ironstone capping extends for a length of about 2 km and has a width ranging from 400 m to 600 m. In addition to the upper interval of outcropping pisolitic ironstone, which is up to 25 m thick, drilling intersected an underlying interval of up to 25 m of pisolites that are separated by 10 m to 20 m of silty and sandy material (Figure 3.3).

Figure 3.3 Cross-section of the geological interpretation and Fe grade



During January 2015, Optiro prepare a maiden Mineral Resource for Robe Mesa deposit using data from the 23 holes drilled in 2014 and results from two earlier drillholes, all of which intersected mineralisation. Optiro reviewed and validated the database and the resource estimate was constrained by interpreted lithology and mineralisation. The lithology interpretation comprises two horizons of flat-lying pisolitic iron-stone sediments that are each up to 25 m thick; these are separated by up to 20 m of shaley material. The mineralisation interpretation was based on a calcined iron grade of greater than 55% with a SiO₂ grade of less than 10%. The calcined grade represents the Fe grade after volatiles (mainly water) are lost.

A block model was created using a parent block size of 100 mE by 100 mN by 5 mRL and subcelling was employed at domain boundaries to allow adequate representation of the domain geometry and volume. Fe, SiO₂, Al₂O₃, TiO₂, LOI, P and S grades were estimated by ordinary kriging, using Surpac software, into the parent blocks.

The Robe Mesa Mineral Resource estimate has been classified as Inferred in accordance with the guidelines of The Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code, 2012) and is reported above a 50% Fe cut-off grade (Table 3.2).

Table 3.2 Robe Mesa Mineral Resource as at February 2015 - reported above a Fe cut-off grade of 50%

Category	Million tonnes	Fe%	SiO ₂ %	Al ₂ O ₃ %	TiO ₂ %	LOI%	P%	S%	Fe _{Ca} %*
Inferred	73	53.9	8.0	3.4	0.13	10.8	0.040	0.02	60.4

Note: calcined Fe grade (Fe_{Ca}%) represents the Fe grade after volatiles (mainly water) are lost.

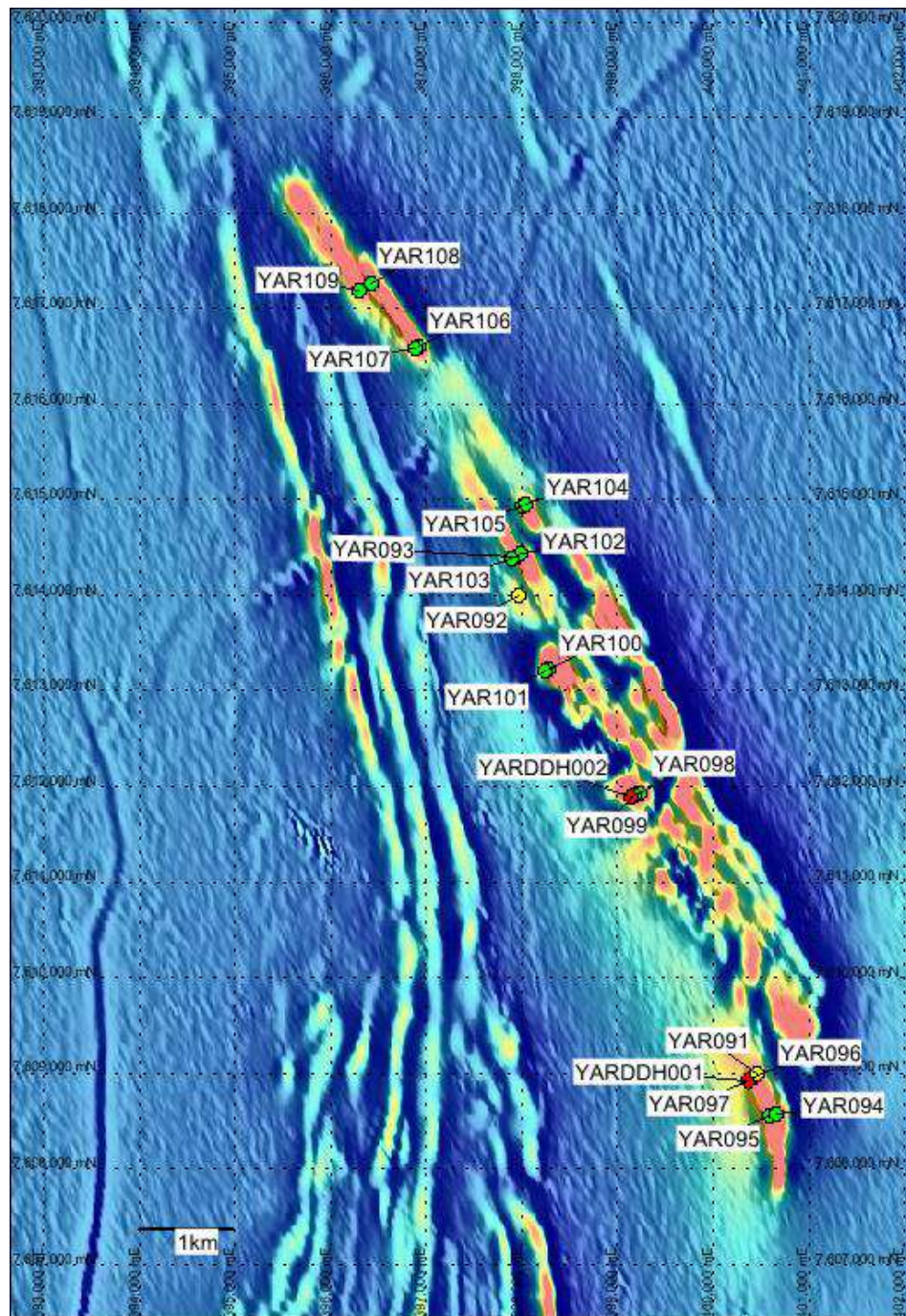
During 2015, an additional 52 vertical RC holes (for a total of 3,318 m) were drilled to infill drilling at the pisolitic iron-stone Inferred Resource. The Inferred Resource estimate will be updated once the assay data is available.

3.6.2. ASHBURTON TROUGH

High-order magnetic anomalies that extend for a strike length of about 12 km have been interpreted to be associated with magnetite mineralisation within schist of the Ashburton Trough (Figure 3.4). Coziron drilled two RC holes in 2014 and during 2015 a further 16 inclined RC holes were drilled (for a total of 3,168 m) over the 12 km strike length of the magnetic anomalies. Highly magnetic intervals were recorded in all holes and representative 1 m samples selected for analysis. Drilling has tested an across strike width of 500 m and further drilling is required to determine the width of the mineralised schist.

Davis Tube analysis is planned and three diamond holes, each to approximately 500 m are currently being drilled through a joint-funding Exploration Incentive Scheme grant from the Government of Western Australia. The first hole, completed at 528 m, intersected some 80 m of magnetite-bearing rocks in the lower part of the hole.

Figure 3.4 RC and diamond drill-collars for the magnetite-bearing sequence in the Ashburton Trough overlain on the 1VD magnetic imagery (Green circles = 2015 RC, Yellow = 2014 RC, Red = 2015 diamond hole)



4. SHEPHERDS WELL

4.1. LOCATION AND ACCESS

The Shepherds Well project is located immediately to the north of the Yarraloola project, approximately 65 km southwest of Karratha (Figure 3.1). The project area is serviced by the Great Northern Highway and is located approximately 25 km south of the proposed public access port development at Cape Preston East.

Iron Ore Holdings Ltd plans to fund development of a port facility at Cape Preston East with a capacity of up to 25 Mtpa for export of its product from Bungaroo South and third party users. Further expansion may be developed by other parties. Optiro understands that the Cape Preston East port received environmental approval on 9 September 2013 and the proposed mine, road and port received heritage approvals on 31 March 2012.

4.2. TENURE AND OWNERSHIP

The Shepherds Well project comprises a single granted exploration licences in the Pilbara region of Western Australia (Table 4.1). The exploration licence covers an areas of approximately 192 km² and is located immediately north and contiguous with Coziron's Yarraloola project.

On 8 October 2013, Coziron purchased a 70% interest in The Shepherds Well project from the Creasy Group. Coziron will bear 100% of all exploration and holding costs until completion of a bankable feasibility study is completed. Consideration for the acquisition was 10,000,000 fully paid shares in Coziron and \$121,483 in cash.

Table 4.1 Shepherds Well project – tenement schedule

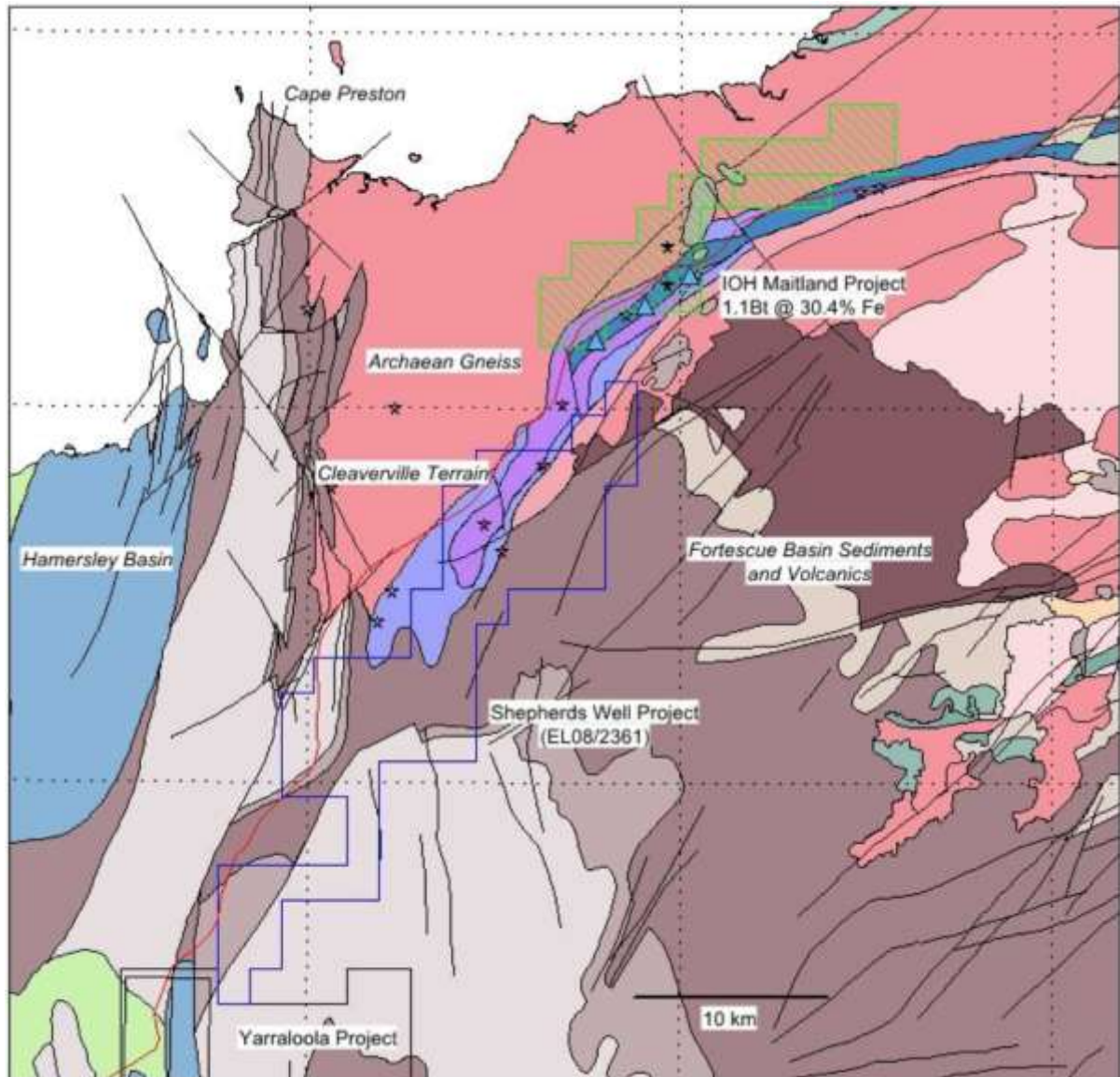
Licence number	Status	Grant date	Expiry date	Area (km ²)	Equity
E08/2361	Granted	12/8/2013	9/7/2018	192.20	70%

4.3. GEOLOGY AND MINERALISATION

The Shepherds Well project covers part of the Cleaverville Terrane which is considered prospective for iron ore mineralisation (Figure 4.1). The Cleaverville Terrane consists of a sequence of ocean-floor basalts and associated sediments that are part of an accretionary domain that pre-dates the formation of the Hamersley Basin. There are known iron formations of up to 500 m thick interbedded within the Cleaverville Terrane as well as base-metal (Cu-Au-Pb-Zn) occurrences attributed to a sea-floor volcanogenic origin.

In the Pilbara region, the Cleaverville Terrane hosts direct-shipping iron ore deposits at localities such as BHP Billiton Limited's Yarrie Mine and the Pardoo deposit mined by Atlas Iron Limited. There are also large-scale magnetite deposits in the extension of the Cleaverville Terrane to the northeast from Shepherds Well including China Metallurgical Group Corporation's Cape Lambert deposit, Iron Ore Holdings Ltd's Maitland deposit and Red River Resources Ltd's Miaree deposit.

Figure 4.1 Regional geological setting of Shepherds Well



4.4. EXPLORATION

Coziron has interpreted high resolution magnetic survey data over the Shepherds Well tenement area and has identified exploration targets within the northern portion of the project area. The targets are hosted within a sequence of metasediments, mafic schists and dolerites attributed to the Cleaverville Terrane and Coziron is planning to drill two RC holes for approximately 400 m on the larger of the magnetic targets.

In addition to iron ore, Coziron considers the licence to be prospective for copper-gold and associated base metal mineralisation. This is at an early stage of assessment but may undergo low-cost, early stage evaluation using soil and rock-chip sampling. Samples of debris adjacent to two shallow prospecting pits into quartz veins hosted by muscovite schist have returned anomalous silver, lead and zinc grades.

5. BUDDADOO

5.1. LOCATION AND ACCESS

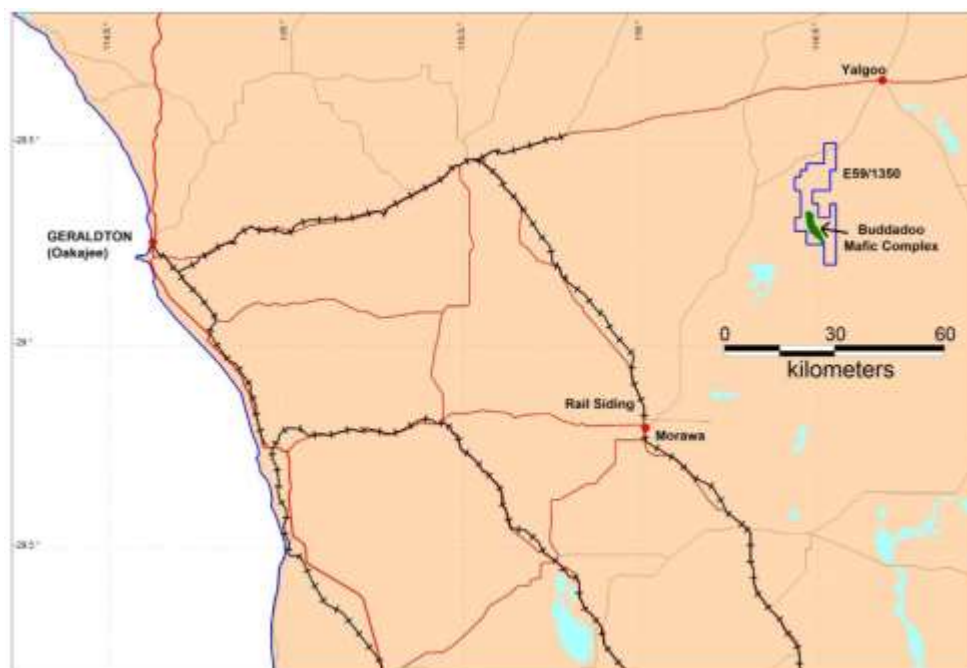
The Buddadoo project is located approximately 400 km north of Perth, 180 km east of Geraldton and is approximately 70 km from existing railway infrastructure, from Morawa to Mullewa and onto the Port of Geraldton (Figure 5.1).

In November 2012, Brookfield Rail Pty Ltd announced the completion of its \$550 million MidWest Rail Upgrade providing improved transport links to the Port of Geraldton for emerging and junior iron ore miners operating in the region. Over 185 km of new track and deviations were installed over the former narrow gauge (1,067 mm) grain branch line from Morawa to Mullewa and through to the Port of Geraldton.

The rail was upgraded from 3 Mtpa capacity to support up to 27.5 Mtpa and, through staged incremental investment, can grow to 75 Mtpa. The facility will support the haematite transport component of Gindalbie Metals Ltd's Karara Iron Ore project and will be used to transfer ore from road to rail into the Geraldton Port.

Access to the Buddadoo project area may be gained via good quality sealed roads to Morawa and then via the sealed Morawa to Yalgoo road. Access is thence via station tracks of varying quality.

Figure 5.1 Buddadoo's exploration licence area location



5.2. TENURE AND OWNERSHIP

Coziron holds a single granted exploration licence in the central west region of Western Australia (Table 5.1) which covers approximately 125 km². Coziron holds an 85% interest in this licence with BudF Pty Ltd, a Creasy controlled entity holding the remaining 15%. BudF Pty Ltd is free carried until completion of a BFS.

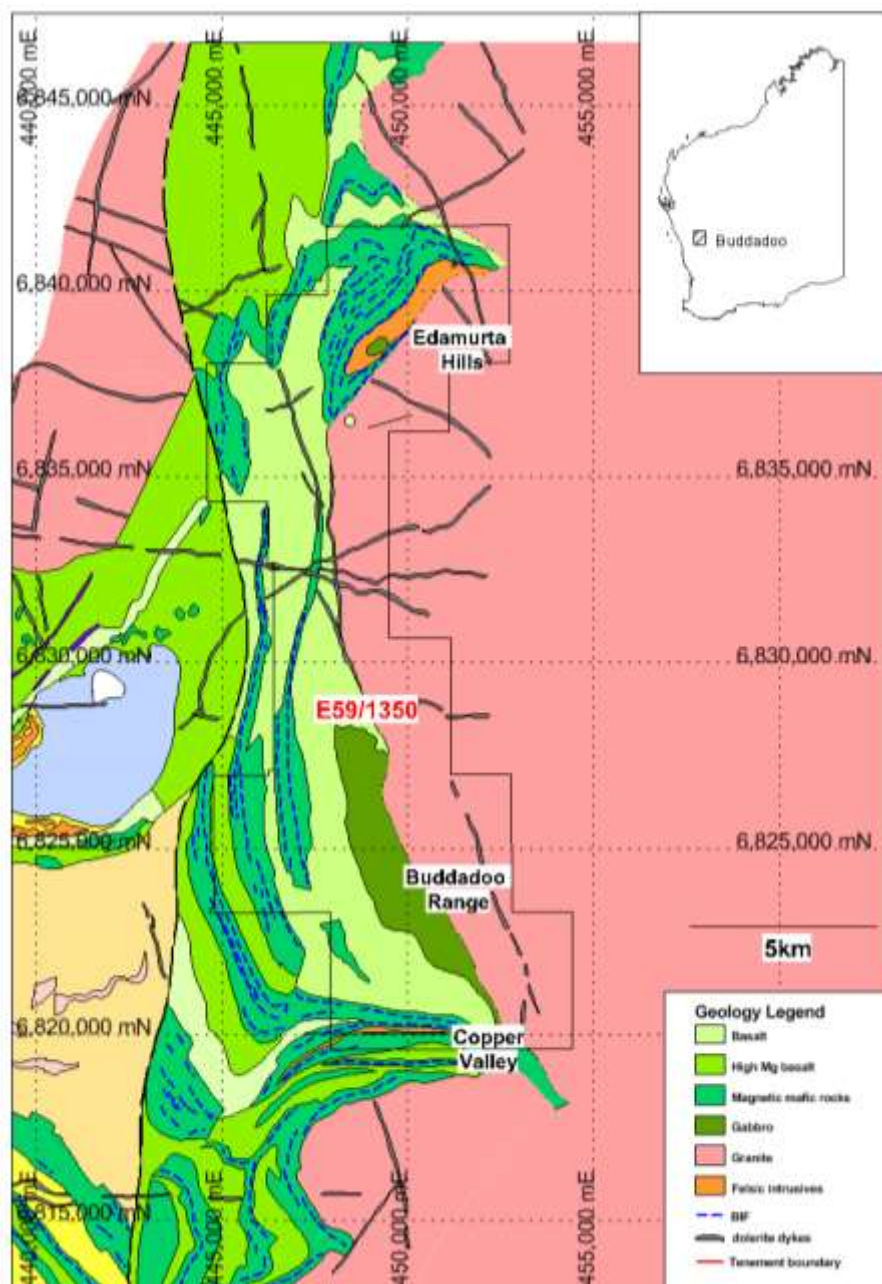
Table 5.1 Buddadoo – tenement schedule

Licence number	Status	Grant date	Expiry date	Area (km ²)	Equity
E59/1350	Granted	10/7/2008	9/7/2018	125.30	85%

5.3. GEOLOGY AND MINERALISATION

The Buddadoo project is located within the Murchison geological province in the northern region of the Archaean Yilgarn Craton. It overlies the contact between granitoids in the east and the Gullewa Greenstone belt in the west (Figure 5.2).

Figure 5.2 Geological setting of the Buddadoo project

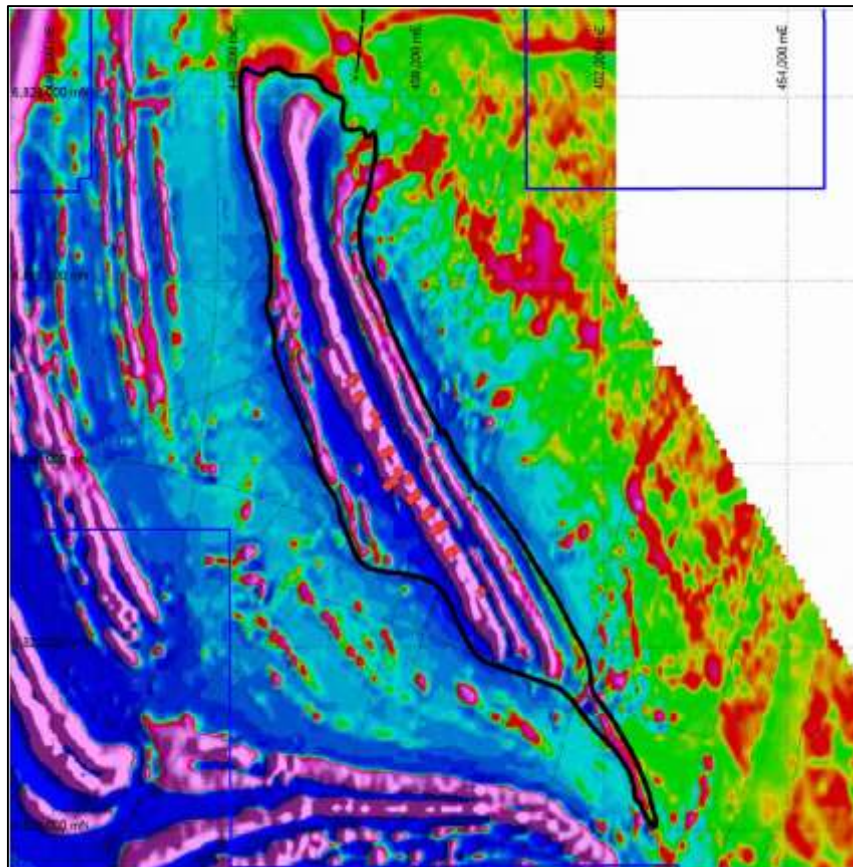


The oldest rocks within the tenement are the north-northwest trending greenstones of the Luke Creek Group (Gullewa Greenstone belt). The sequence comprises banded iron formations and minor sedimentary rocks, felsic and mafic volcanics. A north-northwest trending mafic layered intrusion, the Buddadoo Complex (also referred to as the Buddadoo Gabbro) occurs within the licence area and is approximately 9 km long and 2.5 km wide. The Buddadoo Complex has intruded the greenstone belt, banded iron formation and minor sedimentary and felsic volcanic rocks of the Luke Creek Group. The Buddadoo Complex youngs and dips steeply (85°) to the west. Subsequent intrusion of granitic rocks and later cross-cutting mafic dykes has also occurred.

The stratigraphy of the Buddadoo Complex, from the eastern contact with the granitoid to the western contact with the greenstones, consists of cumulate textured basal and oxide zones of gabbro, norite, minor pyroxenite and gabbro with vanadiferous titanomagnetite. The mixed zone at the upper contact consists of non-cumulate dolerite, gabbro, norite and granophyre. The Buddadoo Complex is evident as a magnetic high aeromagnetic data (Figure 5.3).

Mineralisation within the Buddadoo Complex consists of lenses of vanadiferous titanomagnetite that can be traced over a strike length of 4.6 km. The lenses vary in width from approximately 190 m in the centre to 1 m at the northern end. Layers of massive cumulate magnetite range in thickness from 5 cm to 4 m and are separated by gabbroic material containing variable amounts of disseminated magnetite. The eastern magnetite bands are rich in vanadium and poor in titanium compared with the western magnetite bands, which are poor in vanadium and rich in titanium.

Figure 5.3 Airborne magnetic image showing magnetite bands within the Buddadoo Complex (black outline)



5.4. EXPLORATION

Detailed mapping and sampling traverses at Buddadoo identified outcropping magnetite horizons with anomalous vanadium. During 1990 diamond and shallow RC drilling was undertaken and an initial mineral estimate was completed from the RC drilling results. The diamond core was used for metallurgical testwork which indicated that the vanadium and iron could be upgraded by magnetic separation. The deepest drilling confirmed the mineralisation is continuous to at least 100 m below surface.

In 1998, a 100 m line spacing airborne magnetic geophysical survey was flown which highlighted the magnetite bands within the Buddadoo Complex. In 2010, a further four diamond drillholes were completed to test part of the stratigraphy and were assayed for V_2O_5 , TiO_2 and Fe. Significant assays are shown in Table 5.2.

Furthermore, Optiro understands that in the 1970s copper mineralisation in the north of the tenement was investigated following the discovery of malachite at surface. At least two drillholes were completed around 1975 with a best result of 3.15 m at 3.8% copper. Malachite staining has also been noted in the southern area of the licence area.

Table 5.2 Significant assays above 0.30% V_2O_5 cut-off

Hole	From	To	Thickness	V_2O_5 (%)	TiO_2 (%)	Fe (%)
BUDD001	69	74.2	5.2	0.59	17.4	28.7
BUDD002	41	45	4	0.52	16.7	37.5
BUDD002	88	90	3	0.43	8.9	29.0
BUDD002	119	151	32	0.39	6.8	22.4
BUDD002	192	195	3	0.73	10.2	35.4
BUDD004	39	42	3	0.46	17.4	43.7
BUDD004	83	95	12	0.43	16.7	43.0
BUDD004	117.72	121	3.28	0.41	17.9	44.2
BUDD004	125	128	3	0.41	14.7	36.2
BUDD004	157	164	7	0.39	19.0	46.0
BUDD004	167.4	169	1.6	0.39	20.6	48.4
BUDD004	171	173	2	0.35	18.9	45.6
BUDD004	189	193	4	0.32	18.7	45.0
BUDD004	202	205	3	0.33	19.5	47.3
BUDD004	208	211	3	0.31	18.9	45.0

To date, Coziron has completed reprocessing of regional gravity data to produce new gravity maps for the Buddadoo area and the collection and analysis of 1,857 soil samples and 52 rock chip samples. The sampling confirmed previously reported gold and base metal anomalism at Copper Valley and Edamurta Hills prospects and identified new areas of anomalism at Copper Valley, Edamurta Hills and Granite Flats prospects.

Drilling is planned at Edamurta Hills, in the northern part of the tenement, to examine the titanomagnetite distribution across the highly magnetic interval in the intrusive complex and to obtain samples of fresh material for a metallurgical testwork programme

6. YARRIE

6.1. LOCATION AND ACCESS

The Yarrie project is located 160 km east of Port Hedland and accessed by sealed roads and other regional road servicing the cattle industry and other mining communities in the region. The project area is also bisected by the Port Hedland to Telfer gold mine natural gas pipeline. BHP Billiton Limited's rail between Yarrie-Goldsworthy and Port Hedland is proximal to the project area.

6.2. TENURE AND OWNERSHIP

The Yarrie project comprises three grant and contiguous exploration licences covering 841 km² and two exploration licence applications covering 248 km² (Table 6.1).

The licences were held by XFE Pty Ltd, an entity controlled by Creasy. On 17 April 2014, Coziron entered into an option agreement to acquire a 70% interest in the Yarrie project from XFE Pty Ltd. The option agreement granted Coziron the exclusive right to purchase a 70% interest in the Yarrie project by spending A\$230,000 on due diligence and exploration. Furthermore, the acquisition terms comprised:

- consideration of 100,000,000 fully paid ordinary Coziron shares deemed at A\$0.02 per share
- reimbursement of A\$711,234 for previous exploration expenditure.

Table 6.1 Yarrie project– tenement schedule

Licence number	Status	Grant date	Expiry date	Area (km ²)	Equity
E45/3725	Granted	1/05/2013	30/04/2018	605.00	70%
E45/4065	Granted	16/09/2013	15/09/2018	67.50	70%
E45/3728	Granted	15/11/2011	14/11/2016	168.70	70%
EA45/3727	Pending			181.00	70%
EA45/4433	Pending			67.57	100%
Total				1,089.77	

6.3. GEOLOGY AND MINERALISATION

The Yarrie project is currently at an early stage of assessment. It considered prospective for high-grade iron-ore deposits within Archaean-age sequences of volcanics and sediments of the Cleaverville Terrane.

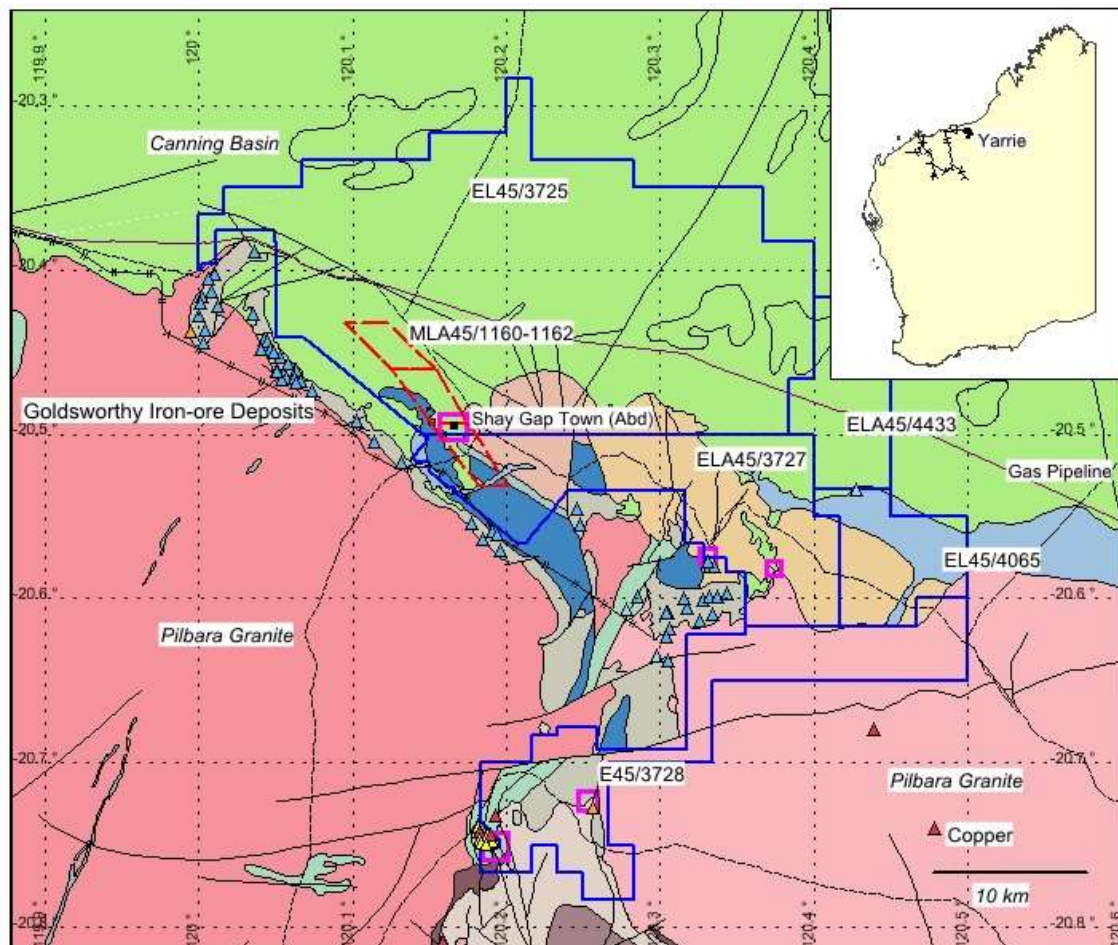
The southern portion of the Yarrie area covers a sequence of Archaean-age metasediments, metavolcanics and granites that comprise the Pilbara Craton. In the north and northwest, units of the Pilbara Craton are on-lapped first by Proterozoic age sedimentary rocks which tend to be more locally distributed and then by more widespread Palaeozoic-age sedimentary rocks of the Canning Basin (Figure 6.1).

The primary high-grade, iron ore deposits in the North Pilbara are intervals of the Nimingarra Iron Formation (dark blue in Figure 6.1) that are upgraded from iron grades of 20-30% to iron grades of up to 68% by a combination of near-surface supergene and deeper hypogene hydrothermal processes. In addition, there are secondary deposits which represent conglomeratic detritus that was eroded from primary deposits. The distribution of the historically mined deposits indicates that most are associated with the middle and basal part of the Nimingarra.

The Yarrie project area is largely under-explored because the prospective iron-bearing host-rocks are often overlain by younger Cretaceous and Tertiary-aged rocks. The Yarrie project is considered prospective for various mineralisation styles including:

- high-grade haematite in the Archaean-age Nimingarra Formation (dark blue in Figure 6.1 below) that hosts BHP Billiton Ltd's Goldsworthy iron-ore mines
- iron mineralisation within the Niminagarra Formation
- detrital haematite conglomerates in the Eel Creek Formation (grey in Figure 6.1 below)
- manganese mineralisation within metasediments at Six Mile Well
- veins-style base metal and alluvial gold on the margin of a granite batholith in the southwestern part of the tenements.

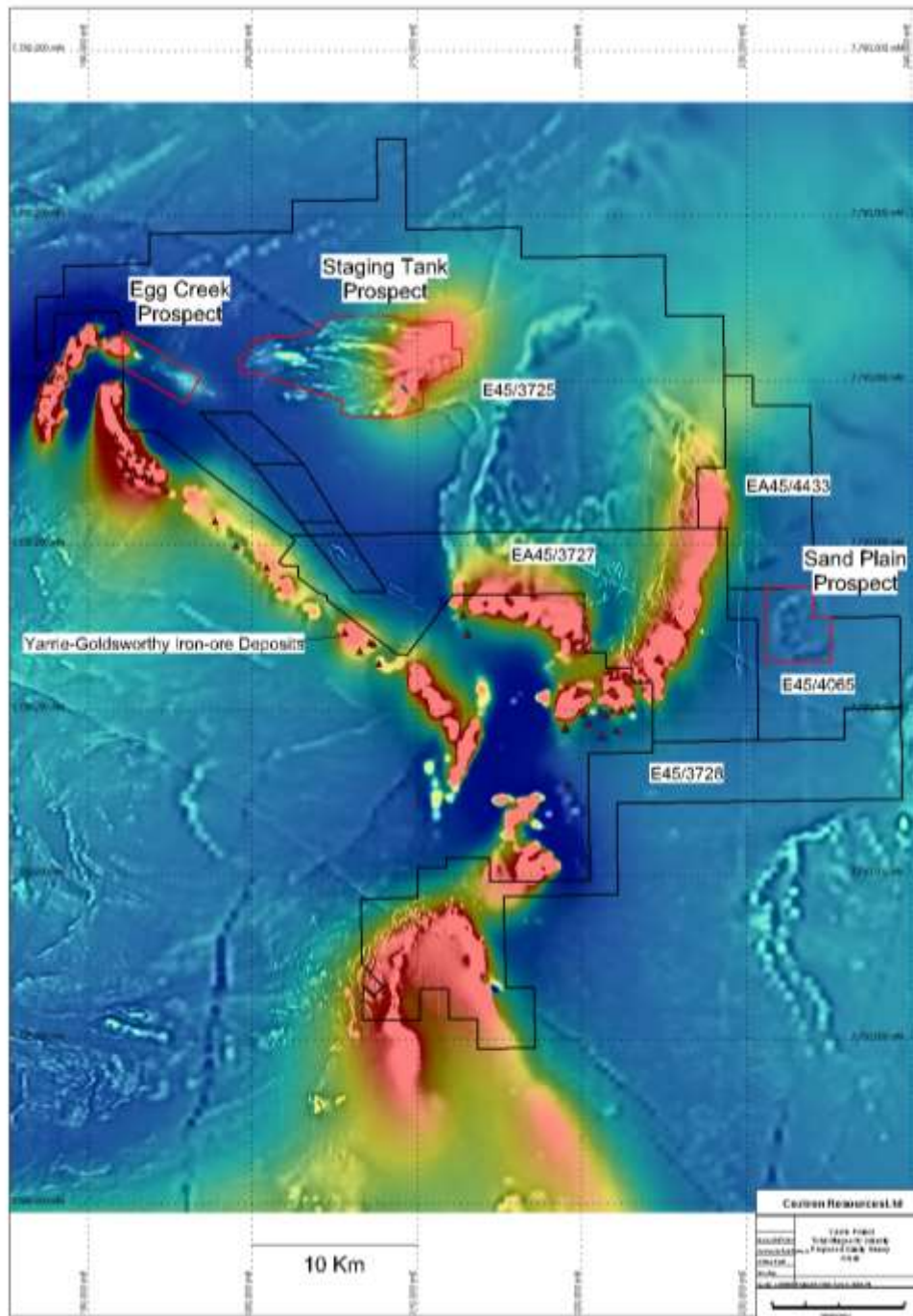
Figure 6.1 Yarrie exploration licences showing the regional geology and known mineral occurrences iron ore (blue), gold (yellow) and copper (red)



6.4. EXPLORATION

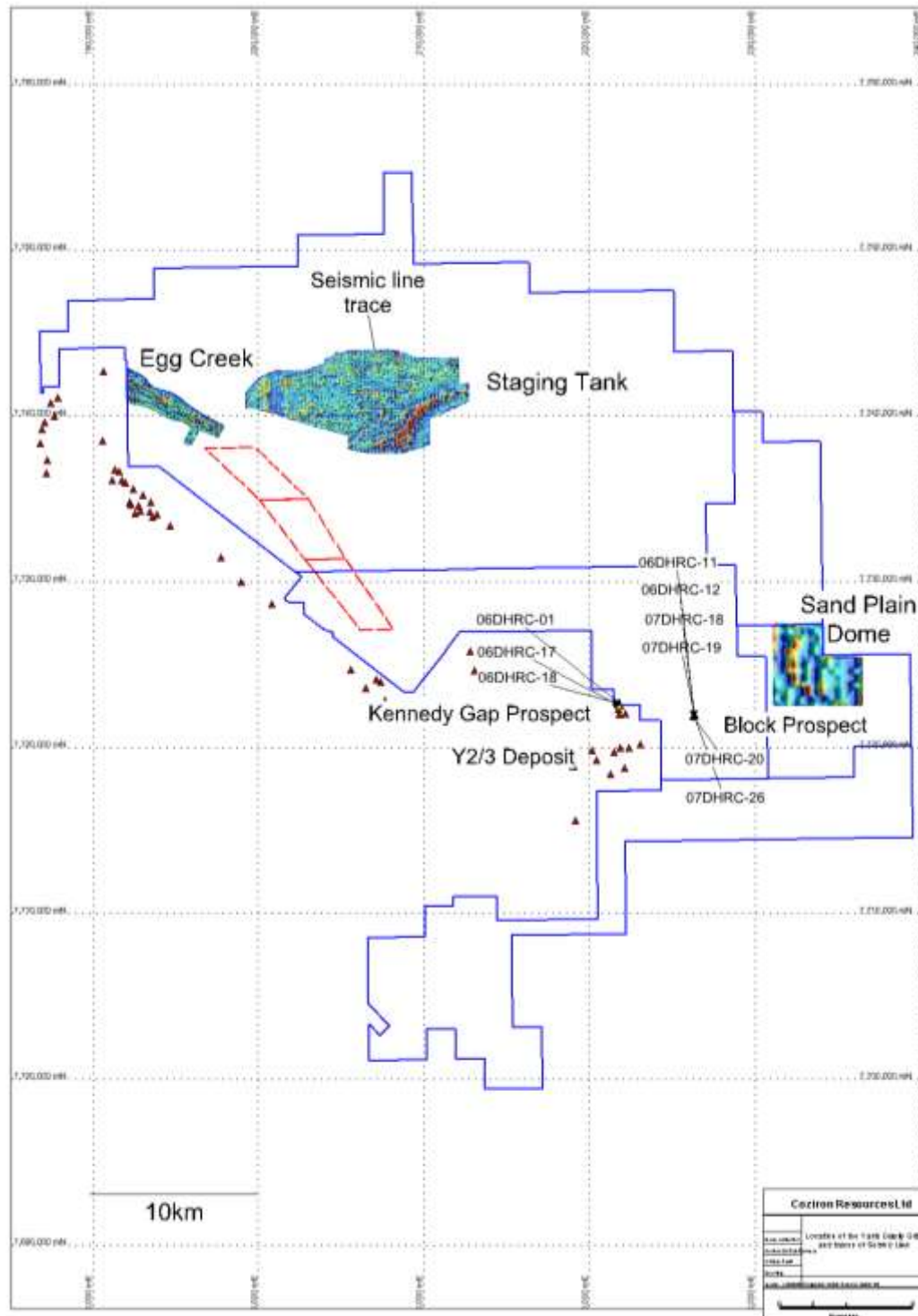
Coziron has undertaken a review of the historical data associated with the Yarrie project area. Previous privately funded exploration by Creasy on Yarrie focussed mainly on an assessment of the region for gold mineralisation. In 2004, a low-level (30 m height clearance), high resolution (50 m line-spaced) airborne magnetic survey was flown over parts of the Yarrie project tenements. Interpretation of magnetic data suggests the Yarrie project tenements cover some 28 strike km of outcropping and sub-cropping Nimingarra Iron Formation (Figure 6.2).

Figure 6.2 Regional setting of the Yarrie project and magnetic intensity with the most intense responses attributed to the Nimingarra Iron Formation



During 2006 and 2007, a total of 56 reverse circulation (RC) drillholes were completed. Results from seven of these drillholes reported intervals with iron grades greater than 60% (Figure 6.3 and Table 6.2). Geological logs for the mineralised holes indicate the high-grade material is located towards the base of the Nimingarra Formation and associated with dolerite intrusives.

Figure 6.3 Location gravity grids and seismic survey lines, historical drillholes and known sites of iron ore mineralisation (red triangles)



Gridded gravity surveys (a total of 10,720 stations) have been completed over the Egg Creek, Staging Tank and Sand-Plain prospects within the Yarrie project. Results from this have been used to interpret potential strike extensions of the Nimingarra Formation.

Table 6.2 Downhole XRF analyses with loss on ignition (LOI) at 1000°C for RC samples with Fe >60% from the Kennedy Gap and Block prospects

Drillhole	From (m)	To (m)	Interval (m)	Fe %	SiO ₂ %	Al ₂ O ₃ %	TiO ₂ %	CaO %	MgO %	Mn %	P %	S %	LOI %
YRE06DHRC-01	15	17	2	62.6	5.98	2.62	0.11	0.16	0.26	0.02	0.08	0.003	0.04
YRE06DHRC-11	33	34	1	61.2	10.3	1.45	0.05	0.02	0.01	0.35	0.04	0.012	0.04
	89	92	3	63.4	8.13	0.81	0.03	0.08	0.04	0.01	0.04	0.003	0.35
	94	108	14	60.8	8.61	2.46	0.11	0.14	0.33	0.02	0.05	0.034	1.06
YRE06DHRC-12	67	83	19	63.0	7.28	1.91	0.12	0.08	0.15	0.01	0.04	0.005	0.66
YRE06DHRC-17	0	1	1	61.2	6.83	3.8	0.11	0.17	0.23	0.03	0.08	0.002	1.47
YRE06DHRC-19	53	57	4	67.4	2.53	0.47	0.01	0.01	0.05	0.01	0.02	-	0.92
YRE06DHRC-20	48	54	6	61.7	8.58	1.15	0.04	0.03	0.07	0.06	0.01	-	1.85
YRE06DHRC-26	74	77	3	62.1	9.18	0.39	0.01	0.11	0.03	0.02	0.02	-	1.15
	107	108	1	62.4	3.91	2.19	0.38	0.02	0.38	0.03	0.03	-	2.60
	113	116	3	62.5	6.82	2.42	0.14	0.02	0.04	0.02	0.03	-	2.36

7. IRON PRICES

The outlook for iron ore prices is clouded by the current Chinese economic outlook, the largest importer of the commodity, consuming close to 70% of the seaborne iron ore trade. At the beginning of 2014, benchmark iron ore prices (IODEX 62% Fe iron ore fines, CFR China) fell to US\$110 a tonnes, and in September 2014, iron ore prices dropped further to US\$82 a tonne. During the last year Iron ore prices have steadily declined and are now at US\$56 a tonne. In August 2015, Goldman Sachs Group Inc. predicted that iron ore prices are likely to continue to decline during the next 18 months as supply expands and steel production contracts.

The Bureau of Resources and Energy Economics (BREE, 2014) reports that the decrease in iron ore prices are predominantly due to the slowdown in steel production in China along with a large oversupply of iron ore. The slowdown in steel construction in China was influenced by a number of drivers including a fall in GDP growth and tightening of credit policy which resulted in increased borrowing costs for iron ore buyers.

For the selection of comparable transactions for properties that are prospective for iron mineralisation and to ensure adequate comparable transactions, Optiro has used transactions that occurred after October 2012.

To provide context to the iron ore exploration market and changes in value since Optiro's previous valuation of the Yarraloola, Shepherds Well, Yarrie and Buddadoo projects as at 2 May 2014 (Optiro, 2014) and Optiro's valuation of the Yarrie project as at 30 September 2014 (Optiro, 2015b), Optiro examined the enterprise value (EV) of a number of exploration companies with early stage iron ore projects. Companies examined include Cazaly Resources Limited, Volta Mining Limited and Legacy Iron Ore Limited. Optiro notes that the EV of the companies has decreased by 21% to 38% for the

period from 30 June 2014 to 30 September 2014 and by 74% to 114% for the period from 30 June 2014 to 30 June 2015 (Table 7.1).

Table 7.1 Change in EV of exploration companies with early stage iron ore projects

Company	Change in EV	
	30 June 2014 to 30 September 2014	30 June 2014 to 30 June 2015
Cazaly Resources Limited	-21%	-75%
Volta Mining Limited	-38%	-74%
Legacy Iron Ore Limited	-36%	-114%

8. VALUATION CONSIDERATIONS

There are a number of recognised methods used in valuing mineral assets. The most appropriate application of these various methods depends on several factors, including the level of maturity of the mineral asset, and the extent and reliability of information available in relation to the asset. The VALMIN Code classifies mineral assets according to the maturity of the asset:

- **Exploration areas** - properties where mineralisation may or may not have been identified, but where a Mineral Resource has not been declared.
- **Advanced exploration areas** - properties where considerable exploration has been undertaken and specific targets have been identified that warrant further detailed evaluation, usually by drill testing, trenching or some form of detailed geological sampling. A Mineral Resource may or may not have been estimated, but sufficient work will have been undertaken on at least one prospect to provide both a good understanding of the type of mineralisation present and encouragement that further work will elevate one or more prospects to the resource category.
- **Pre-development projects** - properties where Mineral Resources have been identified and their extent estimated, but where a decision to proceed with development has not been made. This includes projects at an early assessment stage, on care and maintenance or where a decision has been made not to proceed with immediate development.
- **Development projects** - properties for which a decision has been made to proceed with development, but which are not commissioned or are not operating at design levels.
- **Operating mines** - mineral properties that have been fully commissioned and are in production.

The VALMIN Code defines value as the fair market value of a mineral asset. The fair market value is the amount of money (or the cash equivalent of some other consideration) for which the mineral asset should change hands on the valuation date in an open and unrestricted market between a willing buyer and a willing seller in an 'arm's length' transaction, with each party acting knowledgeably, prudently and without compulsion. In times of high commodity prices and/or buoyant share market conditions the fair market value ascribed to mineral assets may be higher than their technical value. The fair market value of the mineral asset comprises:

- The underlying or technical value which is an assessment of a mineral asset's future economic benefit under a set of assumptions, excluding any premium or discount for market, strategic or other considerations.
- The market component, which is a premium or discount relating to market, strategic or other considerations.

In assessing the value of the Yarraloola, Yarrie, Shepherds Well and Buddadoo iron ore assets, Optiro has considered both the technical value and the fair market value of the assets.

9. VALUATION APPROACH AND METHODOLOGY

In determining the appropriate valuation method(s) to be used for the project licences, Optiro has taken into consideration the classification of these assets according to the categories defined in the VALMIN Code and the different methodologies that are generally accepted as industry practice for each classification. Generally there are three broad methods of valuation that are used for valuing mineral assets: these are the market approach, cost approach and income approach. The market and cost approaches are used for the grass-roots through to advanced exploration stages and the income approach is used for advanced projects with defined reserves to operating mines.

In relation to the iron mineralisation potential within the Yarrie, Shepherds Well and Buddadoo tenements, these projects are considered to be early stage exploration projects. An Inferred Mineral Resource has been defined within the Yarraloola project area, however, the majority of the project area is considered to be at an early stage of exploration. Valuation methodologies generally used for early stage exploration properties are market and cost approaches. The valuation approaches that are generally adopted for exploration areas are defined as inferential methods and rely on comparative or subjective inputs, such as a "rule of thumb" or appraised value method. Such a method values the property in dollars per unit area.

The methodologies considered by Optiro to determine a value for the Mineral Resource defined at Yarraloola and the exploration potential for iron mineralisation within the Yarraloola, Yarrie, Shepherds Well and Buddadoo tenements are summarised below.

9.1. GEOSCIENTIFIC RATING METHOD

The most well-known method of the Geoscientific Ratings type is the modified Kilburn Geological Engineering/Geoscientific method which was developed by a Canadian geologist who wished to introduce a more systematic and objective way of valuing exploration properties. The Kilburn and similar rating approaches are acknowledged as industry-standard valuation tools. This method is Optiro's preferred valuation tool for early stage exploration projects.

The Kilburn method uses a Geoscientific Rating which has as its fundamental value a base acquisition cost (BAC) of the tenement. The BAC is the average cost to acquire a unit of exploration tenement (generally a graticular block, square kilometre or hectare) and maintain it for one year, including statutory fees and minimum expenditure commitments.

The determination of the BAC for exploration licences in Western Australia considered the application and retention costs as set by the Government of Western Australia Department of Mines and Petroleum, and the average identification, administration and expenditure costs. The BAC applied to the Yarraloola, Shepherds Well, Yarrie and Buddadoo exploration licences is A\$1,114 per graticular block or A\$344/km².

In the case of the Yarraloola prospecting licences, Optiro has elected to apply the (lower) exploration licence BAC as Optiro considers the prospecting licences have no particular advance in this case over an exploration licence. Given the small area and location of Yarraloola prospecting licences they are considered to have negligible exploration value but may hold some future strategic value to Coziron.

Four technical factors are then applied serially to the BAC of each tenement which enhance, downgrade or have no impact on the value of the property and which allow a value per tenement to be determined. The four technical factors are:

- **Off-property factor** – relates to physical indications of favourable evidence for mineralisation, such as workings and mining on the nearby properties, which may or may not be owned by the company being valued. Such indications are mineralised outcrops, old workings through to world-class mines.
- **On-property factor** – this is similar to the off property factor but relates to favourable indications on the property itself, such as mines with significant production.
- **Anomaly factor** – the anomaly factor relates to the degree of exploration which has been carried out and the level and/or number of the targets which have been generated as a consequence of that exploration. Properties which have been subject to extensive exploration without the generation of sufficient or quality anomalies are marked down under the Kilburn approach.
- **Geological factor** – this refers to the amount and exposure of favourable lithology and/or structure (if this is related to the mineralisation being valued) on the property. Thus properties which have a high coverage of favourable lithology and through-going structures will score most highly.

The ratings applied by Optiro are listed in Table 9.1.

This methodology is used to determine the technical value, and a fifth factor, reflecting the current state of the market, is applied to determine the market value. This market value determined from the Geoscientific Rating method has been verified by consideration of the current market for iron exploration properties in Australia.

Table 9.1 Geoscientific Rating criteria (modified by Optiro)

Rating	Off-property factor	On-property factor	Anomaly factor	Geological factor
0.1				Generally unfavourable geological setting
0.5			Extensive previous exploration with poor results	Poor geological setting
0.9			Poor results to date	Generally favourable geological setting, under cover
1.0	No known mineralisation in district	No known mineralisation within tenement	No targets defined	Generally favourable geological setting
1.5	Mineralisation identified	Mineralisation identified	Target identified, initial indications positive	
2.0	Resource targets identified	Exploration targets identified	Significant intersections - not correlated on section	Favourable geological setting
2.5				
3.0	Along strike or adjacent to known mineralisation	Mine or abundant workings with significant previous production	Several significant ore grade intersections that can be correlated	Mineralised zones exposed in prospective host rocks
3.5				
4.0	Along strike from a major mine(s)	Major mine with significant historical production		
5.0	Along strike from world class mine			

9.2. COMPARABLE TRANSACTION METHOD

The comparable market value approach is a market based approach and is an adaptation of the common real estate approach to valuation. For the purposes of mineral asset valuation, a valuer compiles and analyses transactions, converted to a 100% equity basis, of projects of similar nature, time and circumstance with a view to establishing a range of values that the market is likely to pay for a project. The comparable market approach:

- is intuitive, easily understood and readily applied
- implies a market premium/discount for the prevailing sovereign risk
- captures market sentiment for specific commodities or locations
- accounts for intangible aspects of a transaction (i.e. intellectual property).

The transactions deemed to be analogous to the mineral asset being valued are used to determine a unit price (e.g. \$/km² or \$/tonne metal, etc.) for the asset being valued. However, there is an intricate value dynamic between the quantity (size) and quality (grade or prospectivity) that may result in the exclusion of a large number of comparable transactions which in turn may undermine the accuracy of this method.

The comparable market value approach is widely used throughout the minerals industry; however, the valuer must take into account that this approach is largely retrospective and cannot take into account anticipated or recent commodity or other market price movements.

9.3. JOINT VENTURE TERMS METHOD

The joint venture terms method is a variation of the comparable market value method. This technique involves transactions where only partial ownership of a project is acquired. The joint venture terms method provides the valuer with a larger acquisitions dataset than the comparable market value method, and consequently these approaches are often used simultaneously in mineral asset valuations.

It is recognised that the market will attribute a sliding-scale premium in accordance with the level of ownership acquired (i.e. a joint venture agreement for a 51% interest in a project may attract a market value significantly above that for an identical project in which a 49% interest is acquired). The valuer therefore needs to account for any potential associated with ownership premiums.

9.4. APPRAISED VALUE METHOD

The cost approach or Appraised Value method is founded on the assumption that the intrinsic value of the exploration tenement is based on the exploration expenditure, and that a highly prospective tenement will generally encourage a higher level of exploration expenditure.

This valuation methodology relies upon the premise that a project is at least worth what the owner has previously spent and/or committed to spending in the future. It considers historical and/or planned future expenditure on the mineral asset and includes the amount of expenditure that has been meaningfully used in the past to define a target or resource and the future costs in advancing the exploration.

The value of the property may be determined from the sum of past effective exploration expenditure (usually limited to the past three years) plus any committed exploration expenditure in the current year and the application of a prospectivity enhancement multiplier (PEM). The PEM is determined by the level of sophistication of the exploration for which positive exploration results have been obtained and usually ranges from 0.5 to 3.0.

The principal shortcomings of this method are that there is no consistent base from which to derive the valuation and there is no systematic approach taken in determining the PEM. Optiro places less reliance on values determined this method than those determined from the Geoscientific ratings and comparable transaction methods.

10. VALUATION

Optiro's approach in valuing the Mineral Resources at the Yarraloola project was to use comparable transactions. Optiro reviewed recent Australian transactions involving haematite projects with defined resources (Appendix A). In order to obtain a dataset that is relevant under the current time and circumstances, Optiro has reviewed transactions that typically occurred since July 2012.

Optiro's approach has been to use the following valuation methodologies for the exploration potential for iron mineralisation within the Yarraloola, Shepherds Well, Yarrie and Buddadoo exploration licences:

- the Geoscientific Rating method

- comparable transactions
- joint venture terms.

10.1. MINERAL RESOURCES

In terms of valuing the Mineral Resources defined at the Robe Mesa deposit within the Yarraloola project, Optiro identified five transactions that are considered to be of use in assessing the current market value attributed to haematite Mineral Resources similar to those at the Robe Mesa deposit. In valuing the Robe Mesa project Mineral Resources, Optiro considered the classification, size and grades of the iron mineralisation of the Mineral Resources. The transactions selected by Optiro are listed in Appendix A.

Optiro has established from its search of publically available information on recent market transactions of base metal that the market has generally been valuing haematite iron projects in the range of A\$0.06 to A\$0.30 per resource tonne of iron in the ground. Optiro has selected a preferred value of A\$0.12 that is towards the lower end of the range of values given the uncertainty within the iron ore market and the Inferred classification of the Mineral Resources. This leads to the valuation stated in Table 10.1.

Table 10.1 Yarraloola project – Mineral Resource valuations

Deposit	Interest	100% valuation (A\$ M)			Equity valuation (A\$ M)		
		Low	High	Preferred	Low	High	Preferred
Robe Mesa	85%	2.4	11.8	4.7	2.0	10.0	4.0
Total		2.4	11.8	4.7	2.0	10.0	4.0

10.2. EXPLORATION POTENTIAL

10.2.1. COMPARABLE TRANSACTIONS AND JOINT VENTURE TERMS

IRON PROJECTS

Optiro reviewed recent transactions involving Australian early-stage, iron (haematite and magnetite) exploration projects. In order to obtain a dataset that is relevant under the current time and circumstance, Optiro has selected transactions that occurred after October 2012 (see Section 7, above) and which are prospective for haematite and magnetite iron mineralisation. Both haematite and magnetite iron mineralisation have been identified at Yarraloola, haematite iron mineralisation is present at Yarrie and Shepherds Well and magnetite iron mineralisation is present at Buddadoo.

Optiro considered 14 transactions that are considered to be of use in assessing the current market value attributed to haematite iron mineralisation potential similar to that at the Yarraloola, Shepherds Well and Yarrie tenements. Optiro excluded properties with resources and defined exploration target tonnages. The transactions selected by Optiro are listed in in Appendix B.

Optiro notes that the transaction involving the Nicholson project was for a large land holding (>10,000 km²) and is considered to have been traded at a discount to the likely value of the Yarrie project. Consequently, Optiro has excluded the transaction for the Nicholson project from the comparable transactions analysis.

Optiro's analysis of the selected transactions suggests that Australian early-stage, haematite iron exploration projects similar to Coziron's projects may attract market values of between \$500/km² and A\$16,000/km² with an average value of A\$4,000/km², on a 100% equity basis when considering like size and prospectivity.

Optiro considered three transactions that are considered to be of use in assessing the current market value attributed to magnetite iron mineralisation potential similar to that at Coziron's Yarraloola and Buddadoo tenements (Appendix B). Optiro excluded properties with resources and defined exploration target tonnages. The transactions selected by Optiro are listed in Appendix B. Optiro notes that the Buddadoo project is also potentially prospective for vanadium. Vanadium projects are thinly traded and Optiro has not identified any suitable comparable vanadium transactions.

Optiro's analysis of the transactions suggests that Australian early-stage, magnetite iron exploration projects similar to Coziron's Yarraloola and Buddadoo's projects may attract market values in the range A\$1,300/km² to A\$4,150/km² on a 100% equity basis when considering like size and prospectivity.

10.2.2. GEOSCIENTIFIC RATING METHODS

YARRALOOOLA AND SHEPHERDS WELL

Optiro has examined the past and forecast iron ore price as well as the strategic location of the Yarraloola and Shepherds Well exploration licences and has elected to apply a discount of 10% to the technical value. The following assumptions have been used by Optiro in applying the Geoscientific Ratings method to determine a value for the iron mineralisation potential within the Yarraloola and Shepherds Well exploration licences and the Yarraloola prospecting licences.

- BAC for Western Australian exploration licence - A\$1,114 per block or A\$344/km²
- a market factor of -10% has been applied for the Yarraloola and Shepherds Well projects.

Optiro determined Geoscientific Ratings for each tenement in reference to the off-property, on-property, anomaly and geology factors for potential iron mineralisation. The ratings for the Yarraloola tenements are listed in Table 10.2. Optiro assigned the ratings based on:

- a large, 878.3 km² licence package located in the prospective Hamersley Province
- drilling within the western exploration licences has intersected haematite mineralisation at Robe Mesa and magnetite mineralisation within the Ashburton Trough
- known outcrops of Marra Mamba and Brockman Formation within the licence area with mapped iron alteration
- numerous rock chip samples returned with iron grades greater than 55% Fe
- potential for DSO quality iron mineralisation
- excellent infrastructure endowment in place and planned
- operational, third party CID mines proximal to the southern portion of the licence area
- negligible exploration value associated with the prospecting licences.

Table 10.2 Yarraloola - Geoscientific Rating criteria applied to iron mineralisation potential

Tenement	Off property factor		On property factor		Anomaly factor		Geology factor	
	Low	High	Low	High	Low	High	Low	High
E08/1060	3.5	4	2.5	3	2	2.5	2	2.5
E08/1684	1.5	2	2.5	3	1.5	2	3	3.5
E08/1685	2	2.5	2	2.5	2	2	3	3.5
E08/1686	3.5	4	2.5	3	2	2.5	2	2.5
E08/1824	3	3.5	2	2	1.5	1.5	1.5	2
E08/1825	1	1.5	1.5	1.5	1	1	1	1.5
E08/1826	3	3.5	1.5	2	1.5	2	1	1.5
E08/2408	2	2.5	1.5	1.5	1.5	1.5	2	2.5
P08/529	2.5	3	1.5	1.5	1.5	1.5	1.5	2
P08/530	1	1.5	1	1	1	1	0.9	1
P08/666	1	1.5	1	1	1	1	0.9	1

Based on the Geoscientific ratings of the iron mineralisation prospectivity within the Yarraloola exploration licences, the mineral assets are expected to have a 100% equity value that lies in the range A\$6.1 M to A\$12.9 M, with a preferred value of A\$7.8 M. Considering Coziron's equity position, the value lies in the range A\$5.1 M to A\$11.0 M, with a preferred value of A\$6.6 M. Optiro has selected a preferred value that is towards the lower end of the range of values determined from the Geoscientific ratings given the uncertainty within the iron ore market.

Optiro's analysis of the transactions suggests that Australian early-stage, iron exploration projects similar to the Yarraloola project would attract market values up to A\$16,000/km². Based on the Geoscientific ratings of the iron mineralisation potential of the Yarraloola exploration licences an average value of A\$8,850/km² has been determined. This towards the upper range of values indicated by recent comparable transactions and given the size and overall prospectivity of the licences, this is considered reasonable.

The ratings for the Shepherds Well licence are listed in Table 10.3. Optiro assigned the ratings based on:

- a 192 km² licence package located to the north and contiguous to the Yarraloola project
- prospective stratigraphy identified
- potential for DSO quality iron mineralisation
- excellent infrastructure endowment in place and planned

Table 10.3 Shepherds Well - Geoscientific Rating criteria applied to iron mineralisation potential

Tenement	Off property factor		On property factor		Anomaly factor		Geology factor	
	Low	High	Low	High	Low	High	Low	High
E08/2361	2.5	3	2	2.5	1.5	1.5	2	2.5

Based on the Geoscientific Ratings of the iron mineralisation prospectivity within the Shepherds Well exploration licence, the mineral assets are expected to have a 100% equity value that lies in the range A\$0.9 M to A\$1.7 M, with a preferred value of A\$1.1 M. Considering Coziron's equity position, the value lies in the range A\$0.6 M to A\$1.2 M, with a preferred value of A\$0.8 M. Optiro has selected a preferred value that is towards the lower end of the range of values determined from the Geoscientific ratings given the uncertainty within the iron ore market.

Optiro's analysis of the transactions suggests that Australian early-stage, iron exploration projects similar to the Shepherds Well project would attract market values up to A\$16,000/km². Based on the Geoscientific ratings of the iron mineralisation potential of the Shepherds Well exploration licence an average value of A\$5,600/km² has been determined. This is within the range of values indicated by recent comparable transactions, but is above the average value of A\$4,000/km². This is considered reasonable given the location of the project.

YARRIE

Optiro determined Geoscientific Ratings for each tenement in reference to the off-property, on-property, anomaly and geology factors for potential iron mineralisation. The ratings for the Yarrie licences are listed in Table 10.4. Optiro assigned the ratings based on:

- a large, 1,090 km² licence package located proximal to existing iron ore mines
- potential for DSO quality iron mineralisation
- the project is generally at an early stage of assessment
- previous exploration has intersected high grade haematite in the Nimingarra Formation and Eel Creek Conglomerate
- historic RC drilling has reported intersections of 1 m to 19 m of mineralisation with >60% Fe
- iron ore targets identified from geophysical data
- potential for gold and base metal endowment not adequately followed up
- good infrastructure endowment in place.
- E45/3727 and E45/4433 are applications, however, it is unlikely that these will not be granted:

These ratings are the same as Optiro applied for the May 2014 valuation (Optiro, 2014) and the January 2015 valuation (Optiro, 2015b). The review of the historical data conducted by Coziron in 2014 (Coziron, 2014) has not altered Optiro's opinion about the prospectivity and exploration potential of the tenement areas.

Table 10.4 Yarrie - Geoscientific Rating criteria applied to iron mineralisation potential

Tenement	Off property factor		On property factor		Anomaly factor		Geology factor	
	Low	High	Low	High	Low	High	Low	High
E45/3725	3.5	4	2	2	1.5	2	2	2.5
E45/4065	3.5	4	2	2	1.5	2	2	2.5
E45/3728	3.5	4	2	2	1.5	2	2	2.5
EA45/3727	3.5	4	2	2	1.5	2	2	2.5
EA45/4433	3.5	4	2	2	1.5	2	2	2.5

Optiro has examined the past and forecast iron ore price as well as the location of the Yarrie exploration licences and has elected to apply a discount of 25% to the technical value. The following assumptions have been used by Optiro in applying the Geoscientific ratings method to determine a value for the iron mineralisation potential within the Yarrie exploration licences:

- BAC for Western Australian exploration licence - A\$1,114 per block or A\$344/km²
- a market factor of -25% has been applied for the Yarrie project.

Based on the Geoscientific ratings of the iron mineralisation prospectivity within the Yarrie exploration licence, the mineral assets are expected to have a 100% equity value that lies in the range A\$5.9 M to A\$11.2 M and a preferred value of A\$7.2 M. Considering Coziron's equity position, the value lies in the range A\$4.2 M to A\$8.1 M and a preferred value of A\$5.2 M. Based on the Geoscientific ratings of the iron mineralisation potential of the Yarrie exploration licences an average value of A\$7,950/km² has been determined. This is within the range of values indicated by recent comparable transactions, but is above the average value of A\$4,000/km². This is considered reasonable given the location of the project. Optiro has selected a preferred value that is towards the lower end of the range of values determined from the Geoscientific ratings given the uncertainty within the iron ore market.

BUDDADOO

The ratings for the Buddadoo tenements are listed in Table 10.5. Optiro assigned the ratings based on:

- the presence of the vanadiferous titanomagnetite deposit hosted by the mafic Buddadoo Complex
- known vanadium and titanium mineralisation based on previous work is typically lower grade (and potentially smaller) than comparable deposits such the Windimurra and Barrambie deposits (held by third parties) which have been economically marginal
- vanadium, titanium and iron mineralisation also tends to be thinner than comparable deposits such as the Balla Balla deposit (held by a third party)
- the project hosts conceptual VHMS type copper targets which require further investigation
- the project is proximal to existing infrastructure which has recently been upgraded.

Table 10.5 Buddadoo - Geoscientific Rating criteria applied to iron mineralisation potential

Tenement	Off property factor		On property factor		Anomaly factor		Geology factor	
	Low	High	Low	High	Low	High	Low	High
E59/1350	1.5	2	2	2	1.5	2	1.5	2

Optiro has examined the past and forecast iron ore price as well as the location of the Buddadoo exploration licence and has elected to apply a discount of 25% to the technical value. The following assumptions have been used by Optiro in applying the Geoscientific ratings method to determine a value for the iron mineralisation potential within the Buddadoo exploration licence:

- BAC for Western Australian exploration licence - A\$1,114 per block or A\$344/km²
- a market factor of -25% has been applied for the Buddadoo project.

Based on the Geoscientific Ratings of the iron mineralisation prospectivity within the Buddadoo exploration licences, the mineral assets are expected to have a 100% equity value that lies in the range A\$0.3 M to A\$0.6 M, with a preferred value of A\$0.4 M. Considering Coziron's equity position, the value lies in the range A\$0.2 M to A\$0.4 M, with a preferred value of A\$0.2 M. Optiro has selected a preferred value that is at the lower end (allowing for rounding) of the range of values determined from the Geoscientific ratings given the uncertainty within the iron ore market.

Optiro's analysis of the transactions suggests that Australian early-stage, iron exploration projects similar to the Buddadoo Project may attract market values in the range A\$1,400/km² to A\$4,150/km². Based on the Geoscientific ratings of the iron mineralisation potential of Buddadoo's exploration licences an average value of A\$2,800/km² has been determined. This is within the range of values indicated by recent comparable transactions.

10.3. SUMMARY VALUATION

Optiro has applied a number of recognised valuation methods to derive a value estimate for the mineral assets relating to the Mineral Resources and the iron prospectivity within the exploration and prospecting licences of the Yarraloola project and within the exploration licences of the Shepherds Well, Yarrie and Buddadoo projects.

Optiro's opinion of the fair market value of iron potential within the exploration and prospecting licences, using the methodologies described above, is summarised in Table 10.6 and Table 10.7. Optiro has selected the values derived from the Geoscientific Rating method as the preferred valuation for the exploration potential. This reflects the results obtained from the recent exploration and the geological potential in the as yet unexplored areas. Optiro has selected a preferred value that is towards the lower end of the range of values determined from the Geoscientific ratings given the uncertainty within the iron ore market.

Table 10.6 Valuation summary – Coziron equity

Mineral asset	Value (A\$M)		
	Low	High	Preferred
Yarraloola – Mineral Resource	2.0	10.0	4.0
Yarraloola – exploration potential	5.1	11.0	6.6
Buddadoo – exploration potential	0.2	0.4	0.2
Shepherds Well – exploration potential	0.6	1.2	0.8
Total (current assets)	7.9	22.6	11.6
Yarrie – exploration potential	4.2	8.1	5.2
Total (acquisition)	4.2	8.1	5.2
Total	12.1	30.7	16.8

Table 10.7 Valuation summary – 100% equity

Mineral asset	Value (A\$M)		
	Low	High	Preferred
Yarraloola – Mineral Resource	2.4	11.8	4.7
Yarraloola – exploration potential	6.1	12.9	7.8
Buddadoo – exploration potential	0.3	0.6	0.4
Shepherds Well – exploration potential	0.9	1.7	1.1
Total (current assets)	9.7	27.0	14.0
Yarrie – exploration potential	5.9	11.2	7.2
Total (acquisition)	5.9	11.2	7.2
Total	15.6	38.2	21.2

In this report, Optiro has determined the current fair market value of the iron potential within the Yarraloola, Yarrie, Shepherds Well and Buddadoo exploration licences as at 6 October 2015. Optiro's opinion of the fair market value of Coziron's equity in these assets is that it is within the range A\$12.4 M to A\$31.9 M, with a preferred value of A\$17.3 M. On a 100% basis the value lies within a range A\$15.7 M to A\$39.6 M, with a preferred value of A\$21.7 M. The values assigned to these mineral assets are in nominal Australian dollars (A\$) and were prepared with an effective valuation date 6 October 2015.

10.4. PREVIOUS VALUATIONS

Optiro previously valued the Yarraloola, Shepherds Well, Yarrie and Buddadoo projects as at 2 May 2014 and Optiro's report was used to support an Independent Expert Report, prepared by BDO Corporate Finance (WA) Pty Ltd on 19 August 2014, that related to the acquisition of the Yarrie and the Shepherds Well mineral assets (BDO, 2014). The Yarrie project was again valued by Optiro as at 30 September 2014 and Optiro's report was used by Coziron to provide evidence as to the value of the project for stamp duty purposes (Optiro, 2015b).

As at 2 May 2014, Optiro's opinion of the fair market value of Coziron's interest in the mineralisation potential at the Yarraloola, Shepherds Well, Yarrie and Buddadoo projects is that it lies within the range A\$16.0 M to A\$32.9 M, with a preferred value of A\$24.5 M (note: these figures have been adjusted to exclude the value attributed to the Earahedy project which Coziron withdrew from on 29 September 2015). This is higher than the valuation as at 2 October 2015. This reflects the decrease in iron ore prices during the past 18 months is in-line with the decrease in EV of early stage iron ore companies decreased during the past 18 months. In addition, part of the Buddadoo tenement was relinquished.

As at 30 September 2014, Optiro's opinion of the fair market value of Coziron's interest in the mineralisation potential at the Yarrie project is that it lies within the range A\$3.9 M to A\$7.4 M, with a preferred value of A\$4.2 M. This is lower than the valuation as at 2 October 2015 due to the acquisition of an additional exploration licence application (EA45/4433) by Coziron.

11. DECLARATIONS BY OPTIRO

11.1. INDEPENDENCE

Optiro is an independent consulting and advisory organisation which provides a range of services related to the minerals industry including, in this case, independent geological services, but also resource evaluation, corporate advisory, mining engineering, mine design, scheduling, audit, due diligence and risk assessment assistance. The principal office of Optiro is at 16 Ord Street, West Perth, Western Australia, and Optiro's staff work on a variety of projects in a range of commodities worldwide.

This report has been prepared independently and in accordance with the VALMIN (2005) and JORC Codes (2012). The authors do not hold any interest in Coziron Resources Limited or their associated parties, or in any of the mineral properties which are the subject of this report. Fees for the preparation of this report are being charged at Optiro's standard rates, whilst expenses are reimbursed at cost. Payment of fees and expenses is in no way contingent upon the conclusions drawn in this report.

11.2. QUALIFICATIONS

The principal personnel responsible for the preparation and review of this report are Mrs Christine Standing (Principal) and Mr Jason Froud (Principal) of Optiro.

Mrs Christine Standing [BSc (Hons) Geology, Grad Dip (Min Econs), MAusIMM, MAIG] is a geologist with over 30 years' extensive experience in the exploration and mining industry. She has been consulting in resource estimation and generating independent experts' reports since 1988, and her skills include resource evaluation studies, grade control and reconciliation work. Christine is a Principal for Optiro in Perth and is involved in independent technical reviews, audits and valuations of exploration assets.

Mr Jason Froud [BSc (Hons), Grad Dip (Fin Mkts), MAusIMM] is a geologist with over 18 years' experience in mining geology, exploration, resource definition, mining feasibility studies, reconciliation, consulting and corporate roles in gold, iron ore, base metal and uranium deposits principally in Australia and Africa. Jason has previously acted as a Competent Person and Independent Expert across a range of commodities with expertise in mineral exploration, grade control, financial analysis, reconciliation and quality assurance and quality control.

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13. GLOSSARY OF ABBREVIATIONS AND TECHNICAL TERMS

Term	Explanation
Abbreviations	A\$ – Australian dollars, B – BAC – base acquisition cost, CID – channel iron deposits, DSO – direct shipping ore, ha – hectare, km – kilometre, km ² – square kilometre, m – metre, mm – millimetre, M – million, Ma – million years ago, t – tonnes, US\$ – United States dollars.
Chemical elements	Al – aluminium, Fe – iron, P – Phosphorus, O – oxygen, S – sulphur, Si – silica, Ti – titanium, V – vanadium.
aeromagnetic	An airborne magnetic survey.
aircore drilling	A method that uses blades to bore a hole into unconsolidated ground. The rods are hollow and contain an inner tube which sits inside the hollow outer rod barrel. The drill cuttings are removed by injection of compressed air into the hole and brought back to the surface up the inner tube.
alteration	A change in mineralogical composition of a rock through reactions with hydrothermal fluids, temperature or pressure changes.
Archaean	Era of the geological time scale within the Precambrian aeon containing rocks greater than 2500 million years old.
banded iron formation	Iron formation that shows banding, generally of iron-rich minerals and chert or fine-grained quartz.
basement	In general terms, older or Archaean rocks which are often covered by younger rocks.
core	See diamond drilling.
craton	A stable area of continental crust that has not undergone much plate tectonic or orogenic activity for a long period.
diamond drilling	Drilling method which produces a cylindrical core of rock by drilling with a diamond tipped bit.
dip	Geological measurement – the angle at which bedding or a structure is inclined from the horizontal.
drillhole data	Data collected from the drilling, sampling and assaying of drill holes.
early Proterozoic	The oldest period of the Proterozoic Era of the geological time scale within the Precambrian aeon containing rocks of approximately 2500 million years old.
epithermal gold	Epithermal gold deposits form in hydrothermal systems related to volcanic activity exhaust shaft Ventilation shaft for removal of exhaust from underground workings.
fault	A fracture in rock along which displacement has occurred.
goethite	An iron bearing oxide mineral found in soil and other low temperature environments (FeO(OH))
gossanous (rocks)	Gossanous rocks are intensively oxidised and weathered and usually represent the upper and exposed part of an ore deposit or mineral vein. They are enriched in iron containing iron oxides such as goethite and limonite.
granite	A coarse grained intrusive felsic igneous rock.
granitic intrusion	Granite rock which has been emplaced into the earth's crust.
greenschist facies	Assemblage of minerals formed during regional metamorphism.
limestone	A rock composed mainly of calcium carbonate or magnesium carbonate or combinations thereof.
mafic	Silicate minerals, magmas, and volcanic and intrusive igneous rocks that have relatively high concentrations of the heavier and darker minerals.
magmatic	Related to or produced from magma.
malachite	Copper carbonate mineral.
metamorphic	The process of metamorphism or its results.
mineralisation	The process by which a mineral or minerals are introduced into a rock, resulting in a valuable deposit.
Proterozoic	Era of the geological time scale within the Precambrian eon containing rocks of approximately 1000 - 2500 million years old.
strike	Geological measurement – the direction of bearing of bedding or structure in the horizontal plane.
VALMIN Code	The Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets for Independent Expert Reports (2005), sponsored by the AusIMM, the ASX, the AIG and MICA among others.
vanadiferous magnetite	A mineral association that is commonly associated with layered intrusions.

Appendix A Transactions for Australian haematite Mineral Resources properties

Selected transactions involving Australian projects with haematite iron mineralisation Mineral Resources

Project	Date	Buyer	Seller	Interest	Consideration (A\$M) (100% basis)	Implied value (A\$/contained tonne Fe)
Rocklea	July 2012	Dragon Energy Ltd	Murchison Metals Ltd	100%	\$3.20	0.06
Yalyirimi	March 2013	Ferrowest Ltd	Ngalia Resources Pty Ltd	60%	\$2.48	0.65
North Marillana	September 2013	Maiden Iron Pty Ltd	Iron Ore Holdings Ltd	100%	\$2.50	0.30
Mt Philp	December 2013	Developed Iron Ore Pty Ltd	Midas Resources Ltd	100%	\$1.55	0.13
Cockatoo Island	April 2014	Pluton Resources Limited	Wise Energy Group Company	50%	\$42.00	0.29

Appendix B Transactions for Australian iron ore exploration properties

Selected transactions involving Australian exploration projects with haematite iron mineralisation

Project	Date	Buyer	Seller	Interest	Consideration (100% basis)	Area (km ²)	Implied value (A\$/km ²)
Bathurst Island	December 2012	Regal Mining Pty Ltd	Timah Resources Ltd	100%	\$1,000,000	60	16,670
Fields Find	December 2012	Mount Gibson Iron Ltd	Royal Resources Ltd	100%	\$500,000	50	2,000
Anabama	January 2013	Chalcophile Resources Pty Ltd	Diatreme Resources Ltd	70%	\$1,428,571	286	5,000
West Pilbara	January 2013	Fox Resources Ltd	Pilbara Minerals Ltd	80%	\$2,648,750	998	2,650
Ashburton	April 2013	Shandong Energy Australia Pty Ltd and Shandong Lunan Geo-Engineering Exploration Institute	Dragon Energy Ltd	50%	\$2,000,000	506	3,950
Nicholson	May 2013	Jimpec Resources Pty Ltd	Phosphate Australia Ltd	80%	\$4,062,500	11,885	340
Pardoo Iron	August 2013	White Eagle Resources Ltd	Segue Resources Ltd	100%	\$20,000	42	480
Charteris Creek Project	January 2014	FMG Resources Pty Ltd	Riedel Resources Limited	65%	\$600,000	131	4,580
Peak Hill Iron Ore Project	February 2014	Padbury Mining Ltd	Private vendors	100%	\$318,000	58	5,480
Panorama Prospect	June 2014	Atlas Operations Limited	Gondwana Resources Limited	90%	\$200,000	68	2,940
East Pilbara	3rd Quarter 2014	Kalamazoo Resources Pty	Mithril Resources Limited	60%	\$250,000	167	1,500
Talga project	October 2014	Sayona Mining Ltd.	Kalamazoo Resources Pty Ltd.; Great Sandy Pty Ltd; Freedom Minerals	70%	\$928,571	319	2,910
Pilbara Iron Ore Tenements	May 2015	Undisclosed buyer	Nexus Minerals Limited	100%	\$195,000	62	3,170
Wyloo Iron Ore	July 2015	Fortescue Metals Group	Cullen Resources Limited	49%	\$102,041	196	520

Selected transactions involving Australian exploration projects with magnetite iron mineralisation

Project	Date	Buyer	Seller	Interest	Consideration (100% basis)	Area (km ²)	Implied value (A\$/km ²)
Corunna Downs	October 2012	Atlas Iron Ltd	Gondwana Resources Ltd	90%	\$2,333,333	824	2,830
Culyarie	February 2013	Apollo Minerals Ltd	Mincor Resources NL	75%	\$2,666,667	642	4,150
Mt Alexander North	October 2013	Zenith Minerals Ltd	Northern Manganese Ltd	100%	\$120,000	88	1,360

Coziron Resources Limited
ACN 112 866 869

Proxy Form

I/We

of

being a member of Coziron Resources Limited ACN 112 866 869 entitled to attend and vote at the Annual General Meeting, hereby

Appoint

Name of Proxy

OR

the Chairman of the Annual General Meeting as your proxy

or failing the person so named or, if no person is named, the Chairman of the Annual General Meeting, or the Chairman's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Annual General Meeting to be held at 3.00pm (WST) on Monday, 30 November 2015 at the offices of Trident Capital of Level 24, 44 St Georges Terrace, Perth, Western Australia, and at any adjournment thereof.

Important for Resolution 1 if the Chairman is your proxy or is appointed as your proxy by default

If I/we have appointed the Chairman of the meeting as my/our proxy (or the Chairman of the meeting becomes my/our proxy by default) I/we expressly authorise the Chairman of the meeting (to extent permitted by law) to exercise my/our proxy in respect of Resolution 1 even though the Resolution is connected directly or indirectly with the remuneration of a member of key management personnel of Coziron Resources Limited, which includes the Chairman of the Meeting. If you appoint the Chairman as your proxy you can direct the Chairman how to vote by either marking the boxes in the section.

The Chairman intends to vote all available proxies in favour of Resolutions 2 to 6.

I/We acknowledge that the Chairman intends to vote undirected proxies in favour of each Resolution, to the extent permitted by law.

OR

Voting on Business of the Annual General Meeting

For

Against

Abstain

Resolution 1 Adoption of Remuneration Report

Resolution 2 Re-election of Stephen Lowe

Resolution 3 Approval of 10% Placement Facility

Resolution 4 Approval of issue of XFE Consideration Securities

Resolution 5 Approval of issue of Shares to Creasy Group

Resolution 6 Approval of issue of Shares to Directors

Note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not to be counted in computing the required majority.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____%

Signature of Member(s):

Date: _____

Individual or Member 1

Member 2

Member 3

Sole Director/Company Secretary

Director

Director/Company Secretary

Contact Name: _____ **Contact Ph (daytime):** _____

Instructions for Proxy Form

1. Your name and address

Please print your name and address as it appears on your holding statement and the Company's share register. If Shares are jointly held, please ensure the name and address of each joint shareholder is indicated. Shareholders should advise the Company of any changes. Shareholders sponsored by a broker should advise their broker of any changes. Please note you cannot change ownership of your securities using this form.

2. Appointment of a proxy

You are entitled to appoint no more than two proxies to attend and vote on a poll on your behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of your voting rights. If you appoint two proxies and the appointment does not specify this proportion, each proxy may exercise half of your votes.

If you wish to appoint the Chairman of the Annual General Meeting as your proxy, please mark the box. If you leave this section blank or your named proxy does not attend the Annual General Meeting, the Chairman will be your proxy. A proxy need not be a Shareholder.

3. Voting on Resolutions

You may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item your vote will be invalid on that item.

4. Signing instructions

You must sign this form as follows in the spaces provided:

- (a) **(Individual)** Where the holding is in one name, the holder must sign.
- (b) **(Joint holding)** Where the holding is in more than one name, all of the shareholders should sign.
- (c) **(Power of Attorney)** If you have not already lodged the Power of Attorney with the Company's share registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
- (d) **(Companies)** Where the company has a sole director who is also the sole company secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act) does not have a company secretary, as sole director can also sign alone. Otherwise this form must be signed by a director jointly with either another director or a company secretary. Please indicate the office held by signing in the appropriate place.

If a representative of the corporation is to attend the meeting a "Certificate of Appointment of Corporate Representative" should be produced prior to admission.

5. Return of a Proxy Form

To vote by proxy, please complete and sign the enclosed Proxy Form (and any Power of Attorney and/or second Proxy Form) and return by:

- (a) post to the Company at PO Box Z5183, Perth, Western Australia 6831; or
- (b) facsimile to the Company on (+61 8) 9218 8875,

so that it is received by no later than 3.00pm (WST) on Saturday, 28 November 2015.

Proxy Forms received later than this time will be invalid.