



**ABN 71 142 411 390**

**Interim Financial Report  
31 DECEMBER 2016**

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## DIRECTORS' REPORT

Your directors submit the financial report of the Company for the half-year ended 31 December 2016. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

### Directors

The names of directors who held office during or since the end of the period and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Gary Lyons	Non-executive Chairman
Mathew Walker	Non-executive Director
Teck Wong	Non-executive Director

### Review and Results of Operations

#### Review of Operations

Highlights during the period and since the end of the period include:

Corizon Limited (**ASX: CIZ**) ("**the Company**") announced on the 2 August 2016 that it had entered into an exclusivity and confidentiality agreement ("**Agreement**") for a period of 21 days with a third party ("**Third Party**"). The Agreement with the Third Party relates to the potential acquisition of a company which owns a substantial gold and tungsten asset in Europe. The Company later announced on the 23 August 2016 that it would be extending agreement to continue discussions.

On 12 September 2016, the Company advised that it had terminated, by mutual consent, the exclusivity and confidentiality agreement entered into with the third party announced.

#### OPERATIONS

The Company continues to appraise new acquisition opportunities in order to generate shareholder value and satisfy ASX Listing Rule requirements to remove its suspension from official quotation. The Company has decided to focus on the mining sector in this regard as it deems such opportunities more consistent with the objective of shareholder value generation at this time.

Should the Company enter into any agreement regarding a new acquisition that triggers the nature or scale provisions of Chapter 11 of the ASX listing Rules, the Company will call a meeting of shareholders, in accordance with all regulatory requirements, as soon as practically possible.

#### FINANCIAL POSITION

The cash balance at the end of the December 2016 quarter is \$1,768,393. The Company continues to review and appraise new commercial opportunities both within and outside the mining sector and will advise the market of any developments in this regard if and when they eventuate.

**DIRECTORS' REPORT (continued)****Review of Operations (continued)****Operating results**

The loss of the Company for the period was \$166,425 (31 December 2015: \$1,015,962).

**Auditor Independence and Non-Audit Services**

Section 307C of the Corporation Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the Company with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on page 4 and forms part of this directors' report for the half-year ended 31 December 2016.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the Corporations Act 2001.



**Gary Lyons**

**Non-Executive Chairman**

Perth, Western Australia; Dated this – 16<sup>th</sup> day of March 2016



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**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the financial report of Corizon Limited for the half-year ended 31 December 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

A handwritten signature in blue ink that reads 'D I Buckley'.

Perth, Western Australia  
16 March 2017

**D I Buckley**  
Partner

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**CONDENSED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

	Notes	Company 31 Dec 2016 \$	Consolidated 31 Dec 2015 \$
Other income	2	6,543	2,888
Employment benefits expense	2	(71,154)	(65,015)
Share based payment expense	4	-	(210,890)
Other expenses	2	(101,814)	(150,999)
<b>Loss before income tax expense</b>		(166,425)	(424,016)
Income tax expense		-	-
<b>Loss after tax from continuing operations</b>		(166,425)	(424,016)
<b>Discontinued operations</b>			
Loss after tax from discontinued operations		-	(591,946)
<b>Net loss for the period</b>		(166,425)	(1,015,962)
<b>Other comprehensive income</b>			
<b>Items that may be reclassified to Profit or Loss:</b>			
Exchange differences on translation of foreign operations		-	210,296
<b>Total comprehensive loss for the period</b>		(166,425)	(805,666)
Basic and diluted loss per share (cents per share)		(0.05)	(0.46)
Basic and diluted loss per share from continuing operations (cents per share)		(0.05)	(0.19)

The accompanying notes form part of these financial statements

**CONDENSED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2016**

	Note	Company 31 Dec 2016 \$	Consolidated 30 Jun 2016 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents		1,768,393	1,961,746
Trade and other receivables		18,972	9,116
<b>Total Current Assets</b>		<u>1,787,365</u>	<u>1,970,862</u>
<b>Total Assets</b>		<u>1,787,365</u>	<u>1,970,862</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables		13,994	31,066
<b>Total Current Liabilities</b>		<u>13,994</u>	<u>31,066</u>
<b>Total Liabilities</b>		<u>13,994</u>	<u>31,066</u>
<b>Net Assets</b>		<u>1,773,371</u>	<u>1,939,796</u>
<b>Equity</b>			
Issued capital	3	9,844,618	9,844,618
Reserves		796,644	796,644
Accumulated losses		(8,867,891)	(8,701,466)
<b>Total Equity</b>		<u>1,773,371</u>	<u>1,939,796</u>

The accompanying notes form part of these financial statements

**CONDENSED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

Consolidated	Issued Capital	Accumulated Losses	Foreign Currency Translation Reserve	Share Based Payments Reserve	Attributable to owners of the parent	Non-Controlling Interest	Total Equity
	\$	\$	\$	\$	\$	\$	\$
	<b>Balance at 1 July 2015</b>	7,684,643	(7,120,915)	(210,296)	585,754	939,186	(406,912)
Loss for the year	-	(1,015,962)	-	-	(1,015,962)	-	(1,015,962)
Exchange differences arising on translation of foreign operations	-	-	210,296	-	210,296	-	210,296
Total comprehensive income/(loss) for the period	-	(1,015,962)	210,296	-	(805,666)	-	(805,666)
Shares issued during the year	986,864	-	-	-	986,864	-	986,864
Transaction costs on share issue	(152,967)	-	-	-	(152,967)	-	(152,967)
Share based payments expense	-	-	-	210,890	210,890	-	210,890
Derecognition of non-controlling interest on disposal of subsidiary	-	(406,912)	-	-	(406,912)	406,912	-
<b>Balance at 31 December 2015</b>	8,518,540	(8,543,789)	-	796,644	771,395	-	771,395
Company	Issued Capital	Accumulated Losses	Share Based Payments Reserve	Total Equity			
	\$	\$	\$	\$			
<b>Balance at 1 July 2016</b>	9,844,618	(8,701,466)	796,644	1,939,796			
Loss for the year	-	(166,425)	-	(166,425)			
Total comprehensive income/(loss) for the period	-	(166,425)	-	(166,425)			
<b>Balance at 31 December 2016</b>	9,844,618	(8,867,891)	796,644	1,773,371			

The accompanying notes form part of these financial statements

**CONDENSED STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

	<b>Company</b>	<b>Consolidated</b>
	<b>31 Dec 2016</b>	<b>31 Dec 2015</b>
	<b>\$</b>	<b>\$</b>
	<b>Inflows/ (Outflows)</b>	<b>Inflows/ (Outflows)</b>
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(199,896)	(251,240)
Interest received	6,543	2,888
Net cash (used in) operating activities	<u>(193,353)</u>	<u>(248,352)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares (net of costs)	-	833,897
Net cash provided by financing activities	<u>-</u>	<u>833,897</u>
Net increase/(decrease) in cash held	(193,353)	585,545
Cash and cash equivalents at the beginning of the period	<u>1,961,746</u>	<u>285,589</u>
<b>Cash and cash equivalents at the end of the financial period</b>	<u>1,768,393</u>	<u>871,134</u>

The accompanying notes form part of these financial statements

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### Statement of compliance

The interim consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

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

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2016 and any public announcements made by Corizon Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The accounting policies adopted are consistent with those of the previous financial year.

#### Basis of preparation

The interim report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The Company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purposes of preparing the half-year financial report, the half-year has been treated as a discrete financial reporting period.

#### Accounting policies and methods of computation

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Company was a consolidated group until 31 October 2015 at which stage the subsidiary company was deconsolidated due to termination of the operations in Liberia including deregistration of the Liberian entity. The comparative information and the disclosures relating to transactions and movements for the comparative period have been prepared on a consolidated basis.

#### Significant accounting judgements and key estimates

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim report, the significant judgements made by management in applying the Company's accounting policies and the key estimates of uncertainty were the same as those applied for the year ended 30 June 2016.

#### Adoption of new and revised Accounting Standards

In the half-year ended 31 December 2016, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company's operations and effective for annual reporting periods beginning on or after 1 July 2016. The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2016. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Company's business and, therefore, no change necessary to Company accounting policies.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Going Concern

The financial report has been prepared on the basis of accounting principles applicable to a going concern, which assumes the commercial realisation of the future potential of the Company's assets and the discharge of its liabilities in the normal course of business. During the half-year ended 31 December 2016 the Company recorded a net loss of \$166,425 (2015: \$1,015,962) and a net operating cash outflow of \$193,353 (2015: \$248,352). At the end of the half-year, the Company had a surplus of working capital of \$1,773,371 (2015: \$771,395) and total cash assets of \$1,768,393 (2015: \$871,134).

Based on the above factors, the Directors believe that the Company will be able to pay its debts as and when they fall due and realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

### NOTE 2: LOSS BEFORE INCOME TAX EXPENSE

The following revenue and expense items are relevant in explaining the performance for the half-year from continuing operations:

	<b>Company</b>	<b>Consolidated</b>
	<b>31 Dec 2016</b>	<b>31 Dec 2015</b>
	<b>\$</b>	<b>\$</b>
Income		
Interest income	6,543	2,888
Expenses		
Administrative expenses	66,954	114,162
ASX and registry fees	25,111	20,620
Employee benefits expenses	71,154	65,015
Legal and professional	9,749	16,217

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

**NOTE 3: ISSUED CAPITAL AND RESERVES**

	Company Six months to 31 December 2016		Consolidated Year to 30 June 2016	
	No.	\$	No.	\$
Ordinary shares				
<i>Movement in number of fully paid ordinary shares</i>				
Opening balance	315,000,000	9,844,618	199,656,800	7,684,643
Shares issued	-	-	115,343,200	2,306,864
Transaction costs arising from issue of shares	-	-	-	(146,889)
Closing balance	315,000,000	9,844,618	315,000,000	9,844,618
Company options				
<i>Movement in number of options</i>				
Opening balance	109,343,200	796,644	-	585,754
Options issued	-	-	109,343,200	210,890
Closing balance	109,343,200	796,644	109,343,200	796,644

**NOTE 4: SHARE BASED PAYMENTS**

The fair value of options granted during the 2015 reporting half-year was determined using the Black Scholes option pricing model that takes into account the exercise price, the terms of option, the share price at grant date, the expected price volatility of the underlying share and the risk free interest rate for the term of the option. The model inputs, which are not included in the table below, for options granted during the previous half-year ended 31 December 2015 included:

- the options were granted for no consideration;
- the expected life of the options is approximately 2 years;
- the share price on the grant date was 2.3 cents (\$0.023);
- the expected volatility of 88%;
- the risk free interest rate of 2.08%; and
- the expected dividend yield of nil.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

### NOTE 4: SHARE BASED PAYMENTS (continued)

The table below summaries options granted during the half-year ended 31 December 2015:

Grant Date	Expiry Date	Exercise price per option	Balance at start of the half-year Number	Granted during the half-year Number	Exercise d during the half-year Number	Expired during the half-year Number	Balance at end of the half-year Number	Exercisable at end of the half-year Number
24-11-2015	31-12-2017	\$0.05	45,000,000	-	-	-	45,000,000	45,000,000

The expense recognised in respect of the above options granted during the previous 2015 half-year was \$210,890. The fair value of options granted was \$0.005 per option.

### NOTE 5: DIVIDENDS

The directors of the Company have not declared an interim dividend.

### NOTE 6: CONTINGENT LIABILITIES

There were no contingencies as at 31 December 2016.

### NOTE 7: EVENTS SUBSEQUENT TO REPORTING DATE

There has not been any matter or circumstance occurring subsequent to the end of the half year financial period that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

### NOTE 8: FINANCIAL INSTRUMENTS

The Directors consider that the carrying value of financial instruments recognised in the financial statements approximate their fair value.

**DIRECTORS' DECLARATION**

In the opinion of the directors of Corizon Limited ('the Company'):

1. the financial statements and notes thereto, as set out on pages 5 to 12, are in accordance with the Corporations Act 2001 including:
  - a. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - b. giving a true and fair view of the Company's financial position as at 31 December 2016 and of its performance for the half-year then ended; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to S.303 (5) of the Corporations Act 2001.



Gary Lyons

Non-Executive Chairman

Dated this – 16<sup>th</sup> March 2017



Accountants | Business and Financial Advisers

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Corizon Limited

### Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Corizon Limited ("the company"), which comprises the condensed statement of financial position as at 31 December 2016, the condensed statement of comprehensive income, the condensed statement of changes in equity and the condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

#### *Directors' responsibility for the half-year financial report*

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

#### *Auditor's responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

#### *Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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*Conclusion*

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

- (a) giving a true and fair view of the company's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in blue ink that reads 'HLB Mann Judd'.

**HLB Mann Judd**  
**Chartered Accountants**

A handwritten signature in blue ink that reads 'D I Buckley'.

**D I Buckley**  
**Partner**

**Perth, Western Australia**  
**16 March 2017**

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