



ABN 71 142 411 390

Interim Financial Report

31 December 2018

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DIRECTORS' REPORT

Your directors submit the financial report of Corizon Limited ("the Company") for the half-year ended 31 December 2018. 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:

Principal Activities

The principal activity of the Company during the year relates predominately to the appraisal of investment opportunities to which the announcement to acquire the 100% interest in three highly prospective exploration projects in Western Australia through the acquisition of RWG Minerals Pty Ltd was the main undertaking of the Company.

Operations highlights and update

- Announcement on 27 March 2018 to acquire 100% interest in three highly prospective exploration projects in Western Australia through the acquisition of RWG Minerals Pty Ltd. Nardoo Well in the Gascoyne region contains tungsten and base metal occurrences and is adjacent to Arrow Minerals Limited's Malinda Lithium Project which has returned elevated lithium and tantalum results from RC drilling of thick moderately dipping pegmatites.

The underexplored Twin Hills gold project covers the north and south strike extension of the historic high grade Twin Hills gold mine located 150km north of Kalgoorlie in the Eastern Goldfields. Cookes Creek Project, which contains workings that cover the largest historic producer of tungsten ore in the Pilbara, is on strike from Tungsten Mining NL's ("TGN") Big Hill Project which contains a JORC 2012 Mineral Resource of 11.5Mt at 0.15% WO₃ (Indicated Resource of 6.2Mt at 0.16% WO₃ and Inferred Resource of 5.3MT at 0.13% WO₃) (refer to TGN ASX Announcement Big Hill Mineral Resource Update 22nd June 2016).

- On 17 August 2018, the Company lodged the Notice of Meeting with ASX to seek shareholder approval approval under ASX Listing Rule 11.1.2 and will also require the Company to re-comply with Chapters 1 and 2 of the Listing Rules in accordance with ASX Listing Rule 11.1.3. Shareholder approval was subsequently obtained on 14 September 2018.
- On 6 December 2018, the Company lodged a Supplementary Prospectus in which the minimum subscription amount had changed from \$3,150,000 to \$3,650,000. Subsequently a Second Supplementary Prospectus was lodged on 6 March 2019 which serves as a *refresh document* as defined in section 724(3H) of the Corporations Act, as inserted by ASIC Corporations (Minimum Subscription and Quotation Conditions) Instrument 2016/70.

Corizon to acquire RWG Minerals Pty Ltd

On 27 March 2018, Corizon announced that it had entered into a binding Term Sheet for the acquisition of 100% of the issued capital in RWG Minerals Pty Ltd (**RWG**) (ACN 601 019 112), held by GWR Group Limited (ACN 102 622 051) (**Vendor**). A summary of the consideration for and conditions precedent to the Acquisition are set out in the announcement dated 27 March 2018.

RWG has 100% interests in 4 (four) granted exploration licences located in Western Australia as further described in the Schedule 1 (**RWG Tenements**). Corizon has agreed to acquire and the Vendor has agreed to sell all of its rights and interests in all of its shares in the capital of RWG (**Company Shares**) on the key terms and conditions set out in the announcement dated 27 March 2018 (**Acquisition**).

Project	Tenements	No of Shares	Granted	Expires	Area (Blocks)
Nardoo Well	E09/2114	100/100	28/08/2015	27/08/2020	42
Twin Hills	E29/950	100/100	23/09/2015	22/09/2020	10
Cookes Creek	E46/1095	100/100	05/04/2017	04/04/2022	13
Cookes Creek	E46/1163	100/100	08/02/2018	07/02/2023	3

Schedule 1 – RWG Tenements

Re-compliance with ASX Listing Rules Chapters 1 and 2

Since the Acquisition will result in a significant change to the nature and scale of the Company's activities, the Acquisition will require the Company's shareholders' approval under ASX Listing Rule 11.1.2 and will also require the Company to re-comply with Chapters 1 and 2 of the Listing Rules in accordance with ASX Listing Rule 11.1.3.

Shareholder approvals

A notice of meeting seeking shareholder approval for the resolutions required to give effect to the Acquisition was obtained from the Company's shareholders on 14 September 2018. Those approvals will include:

- the change in nature and scale of the Company's activities
- the change of Company name;
- the Consolidation; and
- the issue of Shares in connection with the Acquisition.

Ordinary shares under option

At the date of this report, there are no options over ordinary shares on issue.

Significant changes in the state of affairs

There have not been any further significant changes in the state of affairs during the year ended 30 June 2018 other than the above mentioned, 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.

Financial position

The cash balance as at 31 December 2018 was \$479,289. 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.

Operating results

The loss of the Company for the period was \$402,532 (31 December 2017: \$142,653).



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 6 and forms part of this directors' report for the half-year ended 31 December 2018.

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 – 14th day of March 2019



AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Corizon Limited for the half-year ended 31 December 2018, 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.

Perth, Western Australia
14 March 2019

A handwritten signature in blue ink that reads 'D I Buckley'. The signature is stylized and written in a cursive-like font.

D I Buckley
Partner

hlb.com.au

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

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CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

	Notes	31 Dec 2018 \$	31 Dec 2017 \$
Other income	2	2,908	5,554
Professional expenses	2	(146,483)	(54,819)
Employment benefits expense	2	(74,220)	(77,951)
Other administrative expenses	2	(125,487)	(15,437)
Net fair value gain/(loss) on equity investment		(59,250)	-
Loss before income tax expense		(402,532)	(142,653)
Income tax expense		-	-
Loss after tax from continuing operations		(402,532)	(142,653)
Discontinued operations		-	-
Loss after tax from discontinued operations		-	-
Net loss for the period		(402,532)	(142,653)
Other comprehensive income		-	-
Items that may be reclassified to Profit or Loss:		-	-
Exchange differences on translation of foreign operations		-	-
Total comprehensive loss for the period		(402,532)	(142,653)
Basic and diluted loss per share (cents per share)		(0.13)	(0.05)

The accompanying notes form part of these financial statements

CONDENSED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

	NOTES	31 Dec 2018 \$	30 Jun 2018 \$
CURRENT ASSETS			
Cash		479,289	852,530
Other current assets		29,738	37,756
Total Current Assets		509,027	890,286
NON-CURRENT ASSETS			
Financial assets	4	177,750	237,000
Total Non-Current Assets		177,750	237,000
TOTAL ASSETS		686,777	1,127,286
CURRENT LIABILITIES			
Trade and other payables		33,503	71,480
Total Current Liabilities		33,503	71,480
TOTAL LIABILITIES		33,503	71,480
NET ASSETS		653,274	1,055,806
SHAREHOLDERS' EQUITY			
Share capital		9,844,618	9,844,618
Share based payments reserve		796,644	796,644
Accumulated losses		(9,987,988)	(9,585,456)
Equity attributable to owners of the parent		653,274	1,055,806

The accompanying notes form part of these financial statements

CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

	Issued Capital \$	Accumulated Losses \$	Share Based Payments Reserve \$	Total Equity \$
Balance at 1 July 2017	9,844,618	(8,978,948)	796,644	1,662,314
Loss for the year	-	(142,653)	-	(142,653)
Total comprehensive loss for the period	-	(142,653)	-	(142,653)
Balance at 31 December 2017	9,844,618	(9,121,601)	796,644	1,519,661
Balance at 1 July 2018	9,844,618	(9,585,456)	796,644	1,055,806
Loss for the year	-	(402,532)	-	(403,197)
Total comprehensive loss for the period	-	(402,532)	-	(403,197)
Balance at 31 December 2018	9,844,618	(9,987,988)	796,644	(653,274)

The accompanying notes form part of these financial statements

CONDENSED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

	31 Dec 2018 \$ Inflows/ (Outflows)	31 Dec 2017 \$ Inflows/ (Outflows)
Cash flows from operating activities		
Payments to suppliers and employees	(376,149)	(155,961)
Interest received	2,908	5,554
Net cash used in operating activities	<u>(373,241)</u>	<u>(150,407)</u>
Cash flows from investing activities		
Payments for equity investments	-	(395,000)
Net cash used in investing activities	<u>-</u>	<u>(395,000)</u>
Net decrease in cash held	(373,241)	(545,407)
Cash and cash equivalents at the beginning of the period	852,530	1,652,489
Cash and cash equivalents at the end of the financial period	<u>479,289</u>	<u>1,107,082</u>

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The half-year 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 2018 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.

(b) 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, except for the impact of the new Standards and Interpretations effective 1 July 2018 disclosed in section (d) to this note. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

(c) 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 2018, except for the impact of the new Standards and Interpretations effective 1 July 2018 disclosed in section (d) to this note.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)

(d) Adoption of new and revised Accounting Standards

Standards and Interpretations applicable to 31 December 2018

In the period ended 31 December 2018, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current reporting periods beginning on or after 1 July 2018.

As a result of this review, the Company has initially applied AASB 9 and AASB 15 from 1 July 2018.

Due to the transition methods chosen by the Company in applying AASB 9 and AASB 15, comparative information throughout the interim financial statements has not been restated to reflect the requirements of the new standards.

AASB 9 Financial Instruments

AASB 9 replaces AASB 139 *Financial Instruments: Recognition and Measurement* and makes changes to a number of areas including classification of financial instruments, measurement, impairment of financial assets and hedge accounting model.

Financial instruments are classified as either held at amortised cost or fair value.

All equity instruments are carried at fair value and the cost exemption under AASB 139 which was used where it was not possible to reliably measure the fair value of an unlisted entity has been removed. Equity instruments which are non-derivative and not held for trading may be designated as fair value through other comprehensive income (FVOCI). Previously classified available-for-sale financial assets are now carried at fair value through profit or loss (FVTPL).

The AASB 9 impairment model is based on expected loss at day 1 rather than needing evidence of an incurred loss, this is likely to cause earlier recognition of bad debt expenses. Most financial instruments held at fair value are exempt from impairment testing.

The Company has applied AASB 9 retrospectively with the effect of initially applying this standard recognised at the date of initial application, being 1 July 2018 and has elected not to restate comparative information. Accordingly, the information presented for 31 December 2017 and 30 June 2018 has not been restated.

In the comparative year, the Company recognised an impairment of the investment held in Lustrum Minerals Limited. The shares were classified as Available-for-Sale under AASB 139 and the impairment expense was recognised due to a significant decline in the value of the financial asset. On transition to AASB 9, an election was made to classify the financial asset as FVTPL. Due to the transition method disclosed above, the fair value movement which occurred in the comparative year will continue to be classified as an impairment expense, however, in the current reporting period, the fair value decrement will be disclosed in the Statement of Comprehensive Income as "fair value loss on equity investment". There is no material impact to profit or loss or net assets on the adoption of this new standard in the current or comparative years.

Other than the above, the Directors have determined that there is no material impact of the other new and revised Standards and Interpretations on the Company and therefore, no material change is necessary to Company accounting policies.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)

Standards and Interpretations in issue not yet adopted

Other standards and interpretations in issue not yet adopted includes:

- AASB 16 Leases

The Directors have reviewed the above standards and determine that there is no material effect on the Company's current accounting policies.

(e) 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 2018 the Company recorded a net loss of \$402,532 (2017: \$142,653) and a net operating cash outflow of \$373,241 (2017: \$150,407). At the end of the half-year, the Company had a surplus of working capital of \$475,423 (2017: \$1,124,661) and total cash assets of \$479,289 (2017: \$1,107,082). The Company is currently in a process of raising capital as noted in the second supplementary prospectus announced on 6 March 2019 on the ASX.

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.

However, should the equity raising noted above not be completed, there is a material uncertainty that may cast significant doubt as to whether the Company will continue as a going concern.

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:

	31 Dec 2018	31 Dec 2017
	\$	\$
Income		
Interest income	2,908	5,554
Expenses		
ASX and registry fees	86,583	28,188
Employee benefits expenses	74,220	77,951
Legal and professional	83,342	14,619
Other administration expenses	102,045	26,631

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

NOTE 3: ISSUED CAPITAL AND RESERVES

	31 December 2018		30 June 2018	
	No.	\$	No.	\$
Ordinary shares				
<i>Movement in number of fully paid ordinary shares</i>				
Opening balance	315,000,000	9,844,618	315,000,000	9,844,618
Shares issued	-	-	-	-
Transaction costs arising from issue of shares	-	-	-	-
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	-	796,644	109,343,200	796,644
Options issued	-	-	-	-
Lapsed Options	-	-	(109,343,200)	-
Closing balance	-	796,644	-	796,644

NOTE 4: FINANCIAL ASSETS

	31 December 2018	30 June 2018
	\$	\$
Listed shares – at fair value	177,750	237,000

This balance represents the company's shareholding of 1,975,000 shares in Lustrum Minerals Limited (ASX:LRM).

This note provides information about how the Company determines fair values of various financial assets and liabilities.

Fair value of the Company's financial assets and liabilities that are measured at fair value on a recurring basis

The Company's financial assets are measured at fair value through Profit or Loss at the end of the reporting period based on Level 1 inputs in the fair value hierarchy.

Measurement of fair value of financial instruments

There have been no transfers between the levels of fair value hierarchy during the half-year.

Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis

The Company did not measure any financial asset or financial liabilities at fair value on a non-recurring basis as at 31 December 2018.

Fair value of other financial assets and financial liabilities

The Company also has a number of financial instruments which are not measured at fair value in the statement of financial position.

The carrying amounts of the current receivables and current payables are considered to be a reasonable approximation of their fair value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

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 2018.

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.

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 7 to 15, are in accordance with the Corporations Act 2001 including:
 - i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - ii) giving a true and fair view of the Company's financial position as at 31 December 2018 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.
3. the interim financial statements and notes there to are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

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 – 14th March 2019



INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Corizon Limited

Report on the Condensed Half-Year Financial Report

Conclusion

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 2018, 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.

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 2018 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*.

Material uncertainty related to going concern

We draw attention to Note 1(e) in the half-year financial report, which indicates that a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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 2018 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

hlb.com.au

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

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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*.

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

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
14 March 2019

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

D I Buckley
Partner