COZIRON RESOURCES LIMITED & CONTROLLED ENTITIES
ABN 91 112 866 869

CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

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Adam Sierakowski
Kwong Choon (Eddie) Soong

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STOCK EXCHANGE LISTING
Australian Securities Exchange
(Home Exchange: Perth, Western Australia)
Code: CZR

DIRECTORS' REPORT (Continued)

Your directors submit the financial report of the consolidated group for the half-year ended 31 December 2010.

These Financial Statements cover the period from 1 July 2010 to 31 December 2010. On 7 July 2010 the Directors of the Company appointed David Hurt and Chris Williamson of WA Insolvency Solutions Pty Ltd, as joint and several Administrators of the Company. The Company was subject to a Deed of Company Arrangement under which all debts were extinguished and which facilitates the Company being recapitalised and reinstated to quotation on the Australian Securities Exchange (ASX). These Financial Statements report results and the financial position that are not representative of the position of the Company following the recapitalisation and should not be used as the basis for any decision about the Company or its prospects.

For additional information, please refer to Note 11 regarding events subsequent to balance date.

DIRECTORS

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

Stephen Lowe (appointed 21 October 2010)
Adam Sierakowski (appointed 21 October 2010)
Kwong Choon (Eddie) Soong (appointed 11 February 2010)
Richard Teng Beng Tan (resigned 21 October 2010)
Sin Hin Lim (Appointed 1 December 2009 and resigned 21 October 2010)

REVIEW OF OPERATIONS

During the period the Company did not operate other than to further the Administration process and commence the recapitalisation.

At a meeting of Creditors held on 12 October 2010, the creditors resolved that the Company enter into a Deed of Company Arrangement ("DOCA"), which was executed on 20 October 2010.

The Company has successfully raised $400,000 under Convertible Loan Deeds, with a further $400,000 being raised subsequent to the balance date. The convertible loans will convert into 160,000,000 fully paid ordinary shares following approval at a general meeting of the shareholders to be held on or before 31 January 2011.

The proceeds of the convertible loans have been used to effectuate the DOCA and pay the costs associated with the recapitalisation. Effectuation of the DOCA achieved through the payment of $215,000 to the Deed Administrators in satisfaction of all creditors' claims. This occurred on 3 November 2010, and control of the Company was returned to the Directors.

The Company applied to ASIC and received an extension of time to hold the 2010 Annual General Meeting. The Company held the 2010 Annual General Meeting on 31 January 2011. At the meeting, members passed all resolutions approving the following to facilitate completion of the recapitalisation:

- Consolidation of capital at 1 for 2;
- Appointment of Directors;
- Issue of 160,000,000 ordinary shares to investors on conversion of the loan under the Convertible Loan Deed; and
- Issue of up to 250,000,000 ordinary shares at 1c each pursuant to the Prospectus to raise $2,500,000;

On 31 January 2011 the Company lodged a prospectus with the ASIC in relation to the raising of $2,500,000.

The Company maintains its interest in the AGAM Iron Sands project, located on the island of Sumatra. The project comprises two licences totalling 3,960 hectares. The two licences are situated approximately 100 kms north-west of Padang, the capital city of West Sumatra. The licences are located on the coastal plains within a few hundred metres of the shoreline. The northernmost tenement has been the focus for exploration of iron rich sands. The concentrations of heavy mineral sands, principally magnetite, occur as distinct bands of varying thicknesses within a sequence of silt, sand and gravel beds below surface.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Company during the half year.

SUBSEQUENT EVENTS

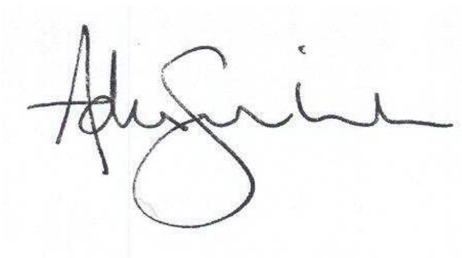
The Company has raised $800,000 by way of Convertible Loan Deeds. From these funds the Company paid $215,000 to the Deed Administrator in full settlement of the Company's obligations under the DOCA. The final effectuation of the DOCA has occurred with the final dividend to creditors being declared and paid on 2 February 2011.

On 31 January 2011 the Company lodged a prospectus with the ASIC to raise $2,500,000 through the issue of 250,000,000 fully paid ordinary shares at $0.01 per share. On 10 February 2011 the Company closed the capital raising having received applications in excess of the maximum subscription of $2,500,000. The Company has allotted the shares under the prospectus and been advised by the ASX that its shares will be reinstated to official quotation on the ASX.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* for the half-year ended 31 December 2010 is set out on page 6.

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



Adam Sierakowski
Chairman

Dated this 23rd day of February 2011

AUDITOR'S INDEPENDENCE DECLARATION

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	Note	Half-Year 31 December 2010 $	Half-Year 31 December 2009 $
Revenue		1,448	9,547
Employee benefits expense		(540)	(8,110)
Compliance and professional fees		(320,827)	(66,190)
Depreciation		(10,391)	(13,453)
Loss on sale of fixed assets		(35,648)	(20,878)
Impairment of property plant and equipment		(13,968)	-
Occupancy costs		(38,388)	(34,761)
Travel expenses		-	(1,722)
Administration expenses		(101,897)	(15,379)
Loss before income tax	**2**	**(520,211)**	**(150,942)**
Income tax expense		-	-
Loss and total other comprehensive income for the period		**(520,211)**	**(150,942)**
Loss and total comprehensive income attributable to the members of Coziron Resources Limited		**(520,211)**	**(150,942)**
Overall operations			
Basic loss per share (cents)		(0.58)	(0.20)
Diluted loss per share (cents)		(0.58)	(0.20)

The above income statement should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2010

	Note	As At 31 December 2010 $	As At 30 June 2010 $
ASSETS			
Current Assets			
Cash and cash equivalents		168,125	57,922
Trade and other receivables		78,029	40,332
Inventories		-	-
Total Current Assets		**246,154**	**98,254**
Non-Current Assets			
Property, plant and equipment		-	60,007
Exploration assets	**3**	519,834	519,834
Total Non-Current Assets		**519,834**	**579,841**
TOTAL ASSETS		**765,988**	**678,095**
LIABILITIES			
Current Liabilities			
Trade and other payables	**5**	484,736	276,632
Unsecured loans	**6**	453,000	53,000
Total Current Liabilities		**937,736**	**329,632**
TOTAL LIABILITIES		937,736	329,632
NET ASSETS		**(171,748)**	**348,463**
EQUITY			
Contributed equity	**7**	6,628,614	6,628,614
Reserves		-	-
Accumulated losses		(6,800,362)	(6,280,151)
TOTAL EQUITY		**(171,748)**	**348,463**

The above balance sheet should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	Ordinary Shares $	Options $	Retained Earnings $	Total Equity $
Balance at 1 July 2009	**6,195,506**	**317,608**	**(5,948,863)**	**564,251**
Total comprehensive income for the half-year	-	-	(150,942)	(150,942)
Balance at 31 December 2009	**6,195,506**	**317,608**	**(6,099,805)**	**413,309**
Balance at 1 July 2010	**6,311,006**	**317,608**	**(6,280,151)**	**348,463**
Total comprehensive income for the half-year	-	-	(520,211)	(520,211)
Balance at 31 December 2010	**6,311,006**	**317,608**	**(6,800,362)**	**(171,748)**

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

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	Half-Year 31 December 2010 $	Half-Year 31 December 2009 $
Cash flows from operating activities		
Receipts from customers	-	9,000
Payments to suppliers and employees	(291,245)	(137,657)
Interest received	1,448	547
Net cash flows used in operating activities	**(289,787)**	**(128,110)**
Cash flows from investing activities		
Acquisition of plant and equipment	-	-
Proceeds on sale of property and equipment	-	24,200
Payment for exploration expenditure	-	-
Net cash flows used in investing activities	**-**	**24,200**
Cash flows from financing activities		
Proceeds from borrowings	400,000	133,000
Proceeds from issue of ordinary shares	-	-
Proceeds from exercise of options	-	-
Net cash flows provided by financing activities	**400,000**	**133,000**
Net increase in cash held	110,203	29,090
Cash and cash equivalents at the beginning of the half-year	57,922	75,328
Cash and cash equivalents at the end of the half-year	**168,125**	**104,418**

The above cash flow statement should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

1. STATEMENT OF SIGNIFICANT ACCOUNT POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of Preparation

The half-year consolidated financial statements are a general purpose financial statements prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standard AASB 134 *Interim Financial Reporting*, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2010 and any public announcements made by Coziron Resources Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

The 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 group as in the full financial report.

The accounting policies and methods of computation adopted in the preparation of the half-year financial statements are consistent with those adopted and disclosed in the company's annual financial report for the financial year ended 30 June 2010.

It has been determined by the Group that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies.

Reporting basis and conventions
The half-year statements have been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Going concern
The Company has incurred a net loss after tax for the half year ended 31 December 2010 of $520,211 (2009:$150,942) and at 31 December 2010, the Company had a net asset deficiency of $171,748 (30 June 2010: net assets of $348,463).

On 7 July 2010 the Directors of the Company appointed David Hurt and Chris Williamson of WA Insolvency Solutions Pty Ltd, as joint and several Administrators of the Company. At a meeting of the Company's creditors on 12 October 2010, the creditors resolved to approve the execution of a Deed of Company Arrangement (DOCA) which was subsequently executed on 20 October 2010. The Company has raised a total of $800,000 by way of convertible loan deeds and $2,500,000 through a prospectus lodged with ASIC. The DOCA was fully effectuated on 23 February 2011 and the Company has completed its recapitalisation.

The Company has applied to be reinstated to the ASX at which time the funds raised via the prospectus will be available to the company for working capital and to fund the Company's exploration of it's mineral assets.

The Directors believe there are sufficient funds to meet the Company's working capital requirements and as at the date of this report the Company believes it can meet all liabilities as and when they fall due. Accordingly, the accompanying financial statements have been prepared on a going concern basis.

Should the directors not achieve the matters set out above, there is uncertainty whether the Company will continue as a going concern and therefore whether it will realise its assets and liabilities in the normal course of business.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

2. LOSS BEFORE INCOME TAX

	Half-Year 31 December 2010 $	Half-Year 31 December 2009 $
The following revenue and expense items are relevant in explaining the financial performance for the half-year:		
Interest revenue	1,448	8,683

3. PROPERTY, PLANT AND EQUIPMENT

	31 December 2010 $	30 June 2010 $
Leasehold improvements		
At cost	-	54,543
Accumulated amortisation	-	(15,979)
Total land and buildings	-	41,940
Plant and equipment		
At cost	54,697	54,697
Accumulated depreciation	(40,729)	(33,254)
Impairment charges	(13,968)	
Total plant and equipment	-	21,443
Total non-current property, plant and equipment	-	60,007

Reconciliations

Reconciliations of the carrying amounts of each class of property, plant & equipment at the beginning and end of the current and previous financial year are set out below:

	Consolidated Group	
	Half-Year 31 December 2010 $	30 June2010 $
Total Leasehold Improvements		
Carrying amount at beginning of period	38,564	45,370
Additions	-	-
Disposals	(35,648)	-
Depreciation	(2,916)	(6,806)
Carrying amount at end of period	-	38,564
Total Plant & Equipment		
Carrying amount at beginning of period	21,443	92,517
Additions	-	-
Disposals		(55,773)
Impairment charges	(13,968)	-
Depreciation	(7,475)	(15,301)
Carrying amount at end of period	-	21,443

4. EXPLORATION ASSETS

A reconciliation of the movements in the capitalised exploration assets per tenement or exploration right is detailed below:

	31 December 2010 $	30 June 2010 $
Opening balance at the beginning of the half-year	519,834	519,834
Add: Exploration expenditure capitalised during the period	-	-
Less: Exploration expenditure written off in the period	-	-
Closing Balance	519,834	519,834

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

In addition, the group has material mining exploration rights in Indonesia which are the subject of contractual requirements to undertake continuous work throughout the period. The group has received correspondence from the local Indonesian mining authorities and the Directors are reviewing all the group’s rights to explore, to determine if projects are economically viable and should be maintained. If the directors believe that the projects are not viable to continue exploring these tenements, this will result in a write off of the existing Exploration Assets in the next period.

5. TRADE AND OTHER PAYABLES

	31 December 2010 $	30 June 2010 $
Payables subject to the Deed of Company Arrangement	114,996	-
Trade Payables	321,262	148,000
Accruals	27,000	118,151
Other Payables	21,478	10,481
	484,736	276,632

At a meeting of the Company’s creditors on 12 October 2010, the creditors resolved to approve the execution of a Deed of Company Arrangement (DOCA) which was subsequently executed on 20 October 2010. Under the DOCA the Company’s admitted debts, and the administrator’s costs, are extinguished by the payment of $215,000 by the Company to the creditors. The Company satisfied its payment of $215,000 to the administrator on 3 November 2010. The following amounts were extinguished upon final effectuation of the DOCA:

Payables subject to the Deed of Company Arrangement	114,996
Northsky Holdings Pty Ltd (included in unsecured loans, see note 6)	42,000
Australian Glamour Pty Ltd (included in unsecured loans, see note 6)	11,000
Total Creditors extinguished through the DOCA	166,996

On 2 February 2011 the Administrator finalised the administration with the declaration of dividend to the creditors and payment was made on that date. As at the date of signing of these accounts, the Company is no longer subject to the DOCA.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

6. UNSECURED LOANS

	Half-Year 31 December 2010 $	30 June 2010 $
Convertible Notes (i)	400,000	-
Northsky Holdings Pty Ltd	42,000	42,000
Australian Glamour Pty Ltd	11,000	11,000
	453,000	53,000

[1] Subject to the Deed of Company Arrangement (refer Note 5).

(i) Terms and conditions of the convertible notes:

- notes are convertible at the Noteholder's election
- each Note will convert into New Shares at an issue price of $0.005 per New Share
- the Notes will be redeemed in full (but without any interest) on the earlier of:
  - that date that is 6 months after the date on which the Advance is received by the Company;
  - the termination of the Recapitalisation Proposal; and
  - Shareholders failing to approve the Resolutions to implements the Recapitalisation Proposal.

7. ISSUED CAPITAL

	Consolidated Group	
	As At 31 December 2010 $	As At 30 June 2010 $
Ordinary shares	6,311,006	6,311,006
Options	317,608	317,608
	6,628,614	6,628,614

Movements in options on issue

Date	Details	Number	$
1 July 2009	Opening balance	3,250,000	317,608
31 December 2009	Expiration of remaining listed options	(3,250,000)	-
31 December 2009	Closing balance	-	317,608

Date	Details	Number	$
3 March 2010	Issue of 5c options as part of placement	1,155,000	317,608
31 December 2010	Closing balance	1,155,000	317,608

8. SEGMENT INFORMATION

The Company operates predominantly in one geographical segment, being Indonesia, and in one industry, being mineral exploration.

9. CONTINGENT LIABILITIES

Subsidiaries in Indonesia have no insurance. If there is any claim of whatsoever nature, the company would have to satisfy such claim. As at the date of the report, the Directors are not aware of any material contingent liabilities that would require disclosure.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

10. RELATED PARTY TRANSACTIONS

Transactions with related parties

The following transactions occurred with related parties during the half-year:

	Consolidated Group	
	Half-Year 31 December 2010 $	**Half-Year 31 December 2009 $**
Management fees received from related parties*	-	9,000
Legal and corporate advisory fees paid #	177,926	-

* These fees are received from Integrated Rubber Industries Limited, a company with common directors.
# These fees were paid to Price Sierakowski Pty Ltd and Trident Capital Pty Ltd, both of which are director related entities of Mr Adam Sierakowski.

11. SUBSEQUENT EVENTS

The Company has raised $800,000 by way of Convertible Loan Deeds. From these funds the Company paid $215,000 to the Deed Administrator in full settlement of the Company's obligations under the DOCA. On 2 February 2011 the Administrator finalised the administration with the declaration of dividend to the creditors and payment was made on that date. As at the date of signing of these accounts, the Company is no longer subject to the DOCA.

On 31 January 2011 the Company lodged a prospectus with the ASIC to raise $2,500,000 through the issue of 250,000,000 fully paid ordinary shares at $0.01 per share. On 10 February 2011 the Company closed the capital raising having received applications in excess of the maximum subscription of $2,500,000. The Company has allotted the shares under the prospectus and been advised by the ASX that it will be reinstated to official quotation on the ASX.

DIRECTORS' DECLARATION
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 7 to 15:

   (a) comply with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations; and
   (b) give a true and fair view of the economic entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date.

2. Whilst drawing attention to the disclosure in Note 1 of the financial report, in the Directors' opinion 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 made in accordance with a resolution of the Board of Directors.

Adam Sierakowski
Chairman

Dated this 23rd day of February 2011

INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

**INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010**