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ASX ANNOUNCEMENT/MEDIA RELEASE **ASX: BZL**

1 April 2016

AMENDED ANNUAL REPORT TO SHAREHOLDERS

Attached herewith is the Annual Report to Shareholders which has been amended for a casting issue on page 23, under "Accumulated (losses)/profits"

Yours Sincerely

Jamie Morton
Company Secretary
BrazIron Limited

BrazIron
LIMITED

ABN 62 133 221 084

BrazIron Limited

Annual Report

for the year ended 31 December 2015

Corporate Information

ABN 62 133 221 084

Directors

Youzhi Wei (Appointed as Chairman 2 February 2015)

Walter Guidice (Non-Executive Director)

Neil O'Loughlin (Non-Executive Director)

Chief Executive Officer and Company Secretary

Samuel James Morton (Appointed as CEO 2 September 2015)

Registered Office

Clarendon House
2 Church Street
Hamilton HM11, BERMUDA

Australia Office

1D Robinson Avenue
PERTH, WA, 6000 AUSTRALIA
Telephone: + 61 8 9485 0039
Facsimile: + 61 8 9485 0069

Legal Counsel

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000 AUSTRALIA

Bankers

National Australia Bank Limited
1232 Hay Street
WEST PERTH WA 6005 AUSTRALIA

Share Registry

Computershare Investor Services Pty Ltd
Level 2, 45 St Georges Terrace
PERTH WA 6000 AUSTRALIA
Telephone: 1300 550 839 (Australia) or + 61 3 9415 4000 (Outside Australia)

Auditors

Stantons International
Level 2, 1 Walker Avenue
WEST PERTH WA 6005 AUSTRALIA

Internet Address

www.braziron.com

Email Address

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Stock Exchange Listing

BrazIron Limited shares are listed on Australian Securities Exchange (ASX) under the code 'BZL'.

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Chairman's Letter

Dear Shareholders,

Without doubt 2015 was a very tough year for the mining sector internationally with significant decreases of prices for every commodity in the market. However, BrazIron was able to keep its position due to the strategies designed by the board and the executives of the Company - by maintaining its strong cash position whilst looking for opportunities to be developed in 2016.

The end of 2015 also marked a full year since the execution of the binding share exchange agreement with Global Dynamic Group Limited ("Global" or "Global Group"), which secured a 20% ownership for BrazIron. Global owns and operates fully integrated silica mines and silica smelting operations through its wholly-owned subsidiary companies, Hubei Sanxin Silicon, Co. Ltd and Gansu Sanxin Silicon Co. Ltd. The Global Group's two substantial silica smelting complexes in China together occupy 323 hectares of land. It owns and operates four hard rock silica mines (the flagship Sanduihe silica mine in Hubei province and three silica projects in Gansu province), while producing a range of silicon products that are sold primarily in China but also overseas, particularly in the United States of America.

During this year Global continued to produce Silicon Metal in a controlled manner as part of its strategy to increase its operating margin while applying cost reduction methodologies and restructuring its debt. Compared to other commodities' falling throughout 2015, Silicon Metal performed better than most with a decrease of about 12% whilst Copper, Gold, Iron Ore and even Crude Oil have seen decreases of ranging from 20% to circa 48%.

At an operational level, the mining permit application for our flagship iron ore project in Brazil, Urubu, was received by the Brazilian Department of Mines (DNPM) in July 2015 and our team in Brazil has been following closely every step of the process to assure its approval in 2016.

What lies ahead for BrazIron is a challenging market with commodities prices hitting historically low levels and mining companies struggling to recalibrate to a new reality. While some see crisis, we see opportunities to innovate – especially because we implemented the positive measures to prevent such a devastating impact by adopting voluntary salary reductions from both the executive and directors, while simultaneously focusing on strategic new initiatives to help reinvent the Company. With a good cash position in hand, BrazIron can take advantage of this scenario to invest in new projects. We remain confident in our team's ability to tie capital allocation with strategic priorities to face the challenges.

Once again I would like to take this opportunity to thank you as a shareholder of BrazIron for your continued support over the past year and I look forward to a challenging but successful year ahead.

Yours sincerely

Dr Youzhi Wei
Chairman
BrazIron Limited

Company Overview

BrazIron Limited ("BrazIron" or "the Company") is an exempted company incorporated in Bermuda. It was established with the original objective of pursuing Brazilian mineral exploration opportunities and potential mining of iron ore. The Company amended its mission statement in 2013 to enable it to expand geographically and by commodity type. The Company's primary assets include 100% ownership of a significant iron ore JORC compliant resource in Brazil and a 20% ownership in Global Dynamic Group Limited ("Global Group"), a substantial silicon metal smelting business in China.

Review of Activities and Operations

CHINA

Silica Smelting Operation

Exploration

Global Group owns and operates fully integrated silica mines and silica smelting operations through its wholly-owned subsidiary companies, Hubei Sanxin Silicon Co. Ltd and Gansu Sanxin Silicon Co. Ltd. The Global Group's two substantial silica smelting complexes in China together occupy 323 hectares of land. It owns and operates four hard rock silica mines, and produces a range of silicon products that are sold primarily in China but also overseas, particularly in the United States of America.

Global has continued on the work program, established in mid-2015, to be able to report a silica Mineral Resource, using the guidelines of the JORC Code, based on the silica occurrences currently being mined at its flagship Sanduihe silica operations in the Hubei Province of China. Historical geological mapping, trenching, and drilling have outlined considerable occurrences of silica over a widespread area, within and beyond the current mining area, and to depths greater than 50m beneath ground surface. Mineral Resource estimates have been prepared by competent geologist using the best estimation tools available at the time however, these estimates are not compliant with the JORC Code.

A field visit made in the third quarter of 2015 by an Australian geological consultant, which resulted in a number of recommendations being made to the Global Group, which, if implemented, would assist in being able to report its exploration and mining activities, and its silica occurrences compliant to the JORC Code.

Immediately thereafter, the Global Group commenced exploration activities, including the channel sampling of the main adit and its galleries, the working faces of the quarry from which silica material is being extracted for silicon production and re-sampling of diamond drill core.

During this period sample material was analysed for "whole rock" analysis using ICP-MS methods at the laboratory of the Global Group in Hubei, and approximately 20% of these samples were dispatched for similar analysis at a registered laboratory in Perth, Australia for laboratory check purposes. These laboratory results have returned very exciting results showing consistent, very high grade amounts of SiO2. These results will be assessed in conjunction with other JORC Resource Criteria before formally being released to the market.

Production

Production for the year consisted of 8,915 tons of Chemical Grade Silicon Metal and 10,231 tonnes of Silicon Fume from Global's Gansu operations. This resulted in total sales revenue of $21m AUD.

The Global Group advises that the production volume for 2015 did not meet the intended forecast, mainly due to international market factors and ongoing contract negotiations for power supply at the Hubei facility and the restructuring of the debt to equity ratio in order to commission the remaining smelting units for the Gansu operations. Electricity is the single costliest expense of producing a silicon product. Negotiations on power tariffs with the local Government in Hubei and Gansu are continuing.

In addition to continual work on the electrical tariff negotiations, with hope of an eventual favourable resolution, a number of different avenues are being investigated by Global to enhance working capital requirements. In the interim, all statutory requirements and overhead costs are being met by sales revenue and cash reserves.

Whilst production and sales did not meet expectation during the year, the executive team of the Global Group is taking calculated steps to ensure the planned full production target is achieved in due course. Until such a time, no smelting units will be in operation.

Global Group Quarter Results	Q1		Q2		Q3		Q4		TOTAL	
	RMB	AUD	RMB	AUD	RMB	AUD	RMB	AUD	RMB	AUD
Admin Exp	5,511,486	1,162,924	6,060,810	1,278,831	4,343,824	916,547	5,777,105	1,218,969	**21,693,224**	4,577,270
Op Exp	1,034,675	218,316	1,298,465	273,976	1,332,820	281,225	1,221,987	257,839	**4,887,947**	1,031,357
Cash :	116,548,101	24,591,649	134,284,163	28,333,958	92,418,360	19,500,274	101,955,484	21,512,607		
Debt :	2,192,190,524	462,552,201	2,287,742,429	482,713,653	2,254,905,288	475,785,016	2,157,481,780	455,228,656		
PRODUCTION	TONS		TONS		TONS		TONS		TOTAL	
Silicon metal Tonnes	3,278		2,376		2,362		899		**8,915**	
Silicon Fume Tonnes	2,656		2,956		3,298		1,322		**10,231**	
Silicon Slag Tonnes	464		0		10		1,268		**1,743**	
SALES	TONS		TONS		TONS		TONS		TOTAL	
Silicon Metal Tonnes	2,871		2,597		2,363		1,044		**8,875**	
Silicon Fume Tonnes	984		11,530		877				**13,391**	
Silicon Slag Tonnes	1,004		0		0		133		**1,138**	
Sales in Total $	**33,541,505**	**7,077,258**	**30,899,548**	**6,519,805**	**25,786,009**	**5,440,848**	**10,396,016**	**2,193,559**	**100,623,078**	**21,231,470**

BRAZIL

Iron Ore Projects

BrazIron Limited retains two primary project groups, held under its wholly owned Brazilian subsidiary, BrazIron Participações Limitada. BrazIron Participações Limitada owns 100% of the Xingu Project in Para State, held directly by Octa Ferro SA and two projects in Bahia State (Xique Xique and Macaúbas) owned 100% and held under BR Ferro SA. The primary iron ore asset is the Urubu Deposit, which is part of the larger Xique Xique Project.

The licensing and permitting process for exploration and mining within Brazil is complex and often lengthy. BrazIron worked diligently at ensuring the approval of Urubu's Final Report (under BR Ferro SA) and this was finally received from the Brazilian Department of Mines (DNPM) on 18 July 2014.

Subsequent to receiving government approval of Urubu's Final Report, the Company started the second phase of the mining application process en route to having a mining permit issued.

With the mining permit (PAE) submitted to the DNPM, the executive team has been working closely with the DNPM to ensure a timely review of the application and the submission of any further requested information in order to ensure the permit's chance of success is maximized. Discussions with the DNPM throughout 2015 have been positive in nature with confirmation that all required information has been submitted. According to the DNPM, this process is generally completed within twelve months. However, despite the executive team being as pro-active as possible in order to minimize this timeframe, BrazIron is still waiting for a final permit to be issued.

Figure 1: **BrazIron's Projects, Brazil**

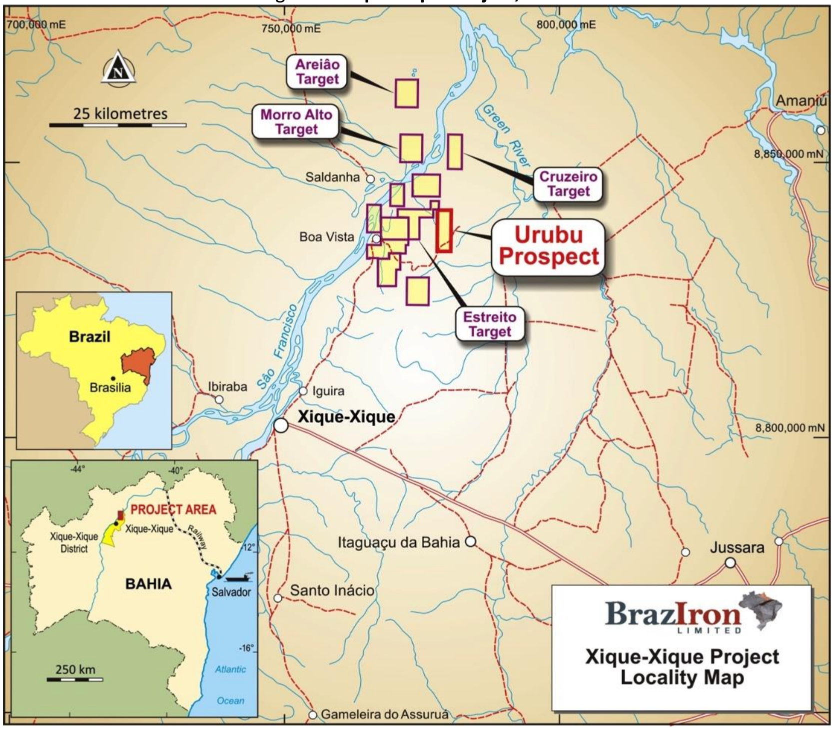
Exploration

No field work was carried out on Brazil's projects during the calendar year of 2015.

Operation

Xique Xique Project – 100% BrazIron

Figure 2: **Xique Xique Project, Brazil**



Urubu Deposit

At the Urubu Deposit, two parallel itabirite ridges extending over a combined strike length of 4,300 metres have been the subject of several rounds of resource definition drilling by the Company.

CSA Global was requested to update the Mineral Resource in May of 2015, due to changes in the iron ore market and the change in the likely customer base from shipping concentrate overseas to delivery of product to local pig iron consumers. The update also included changing the classification from JORC 2004 to JORC 2012 Code.

Whilst the update did not result in a material change to the global estimated Mineral Resource at Urubu, a small portion of the estimate was upgraded to the "Indicated" category as per the below table. This assisted in the preparation of the mining permit application.

Table 1: **Mineral Resource**

Xique Xique Mineral Resource Estimate*	Indicated		Inferred		TOTAL	
	Tonnage, Mt	(Total Fe %)	Tonnage, Mt	(Total Fe %)	**Tonnage, Mt**	**(Total Fe %)**
Urubu	44.0	30.3	258.9	23.8	**302.9**	**24.7**
Morro Fundo	30.4	33.6	97.3	22.5	**127.7**	**25.1**
TOTAL	**74.3**	**31.6**	**356.3**	**23.4**	**430.6**	**24.8**

* 15%Fe Lower Cut was applied.

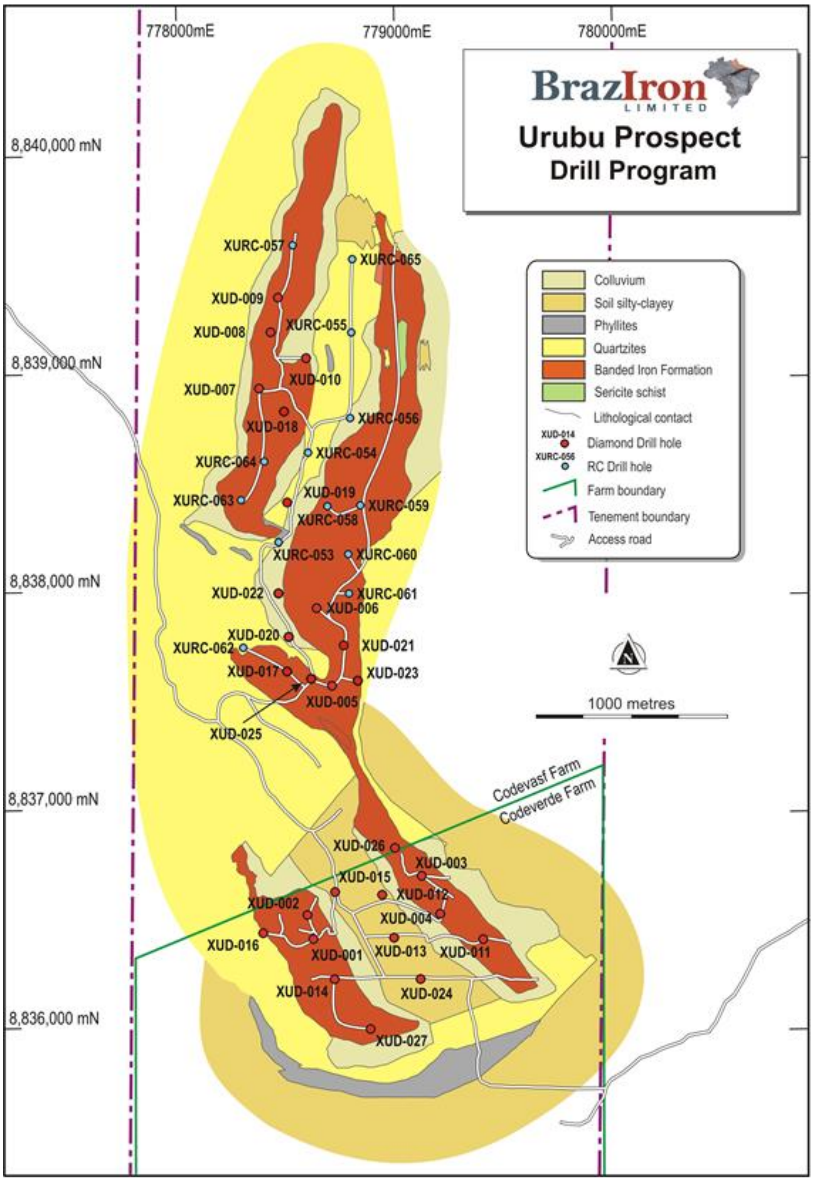
Metallurgy

Preliminary metallurgical studies outlined the positive metallurgical characteristics of the Urubu ore in terms of its low levels of contaminants and amenability for beneficiation into a clean high grade sinter feed grading in excess of 62% Fe. Several processing options were successfully identified in these preliminary studies. Further work will focus on refining processing options, taking into account the attractive operating and cost environment in the region, which offers the potential for low operating costs.

Brazil is a hydro-power dominated economy, with a major hydro power scheme at the Sobradinho Dam on the Sao Francisco River, located 200km north of the Urubu Prospect. Plentiful power is available near the site at costs less than those being incurred on magnetite projects in Australia, thus potentially enhancing project economics.

The Urubu Deposit is adjacent to the Sao Francisco River, a major regional waterway. A large scale agricultural project is planned to the east of the ore body for which a 60,000 liters per second (2,000 Gl per annum), irrigation canal has been constructed, running immediately adjacent to the ore body, providing the opportunity for ample quantities of fresh water to be available directly at the site.

Figure 3**: Urubu Geology, Brazil**



Transport

A comprehensive transport study was commissioned by the Company and undertaken by independent engineers in Brazil. This study was completed in 2013 and presented a number of potential transport solutions with each dependent on the type of final product at Urubu. Options include barging on the San Francisco River or trucking to a number of different rail lines located to the North and South. This study was an important part of the 2015 PAE requirements for the final mining application.

Mapping

No new areas were mapped during 2015.
The Xique Xique Project comprises 12 separate leases, with all drilling to date focused on only one, Urubu. In 2013, during a temporary suspension of drilling, the Company field crew carried out extensive mapping on other leases in the Xique Xique Project area, with attention specifically focused on the Areiao and Morro Alto Prospects, north of the Sao Francisco River. Mapping and sampling on these two leases, confirmed the presence of magnetite which may be the northern extension of the Urubu orebody.

Directors' Report

Your directors submit their report on the consolidated entity (referred to hereafter as the Group or the Company) consisting of BrazIron Limited and the entities it controlled at the end of, or during, the year ended 31 December 2015.

DIRECTORS
The names and details of the Company's directors in office during the financial year and until the date of this report are as follows. Where applicable, all current and former directorships held in listed public companies over the last three years have been detailed below. Directors were in office for this entire period unless otherwise stated.

Names, qualifications, experience and special responsibilities

Dr Youzhi Wei:
B.Eng. (Mining), M. Sc, PhD (Previously Non- Executive Director. Chairman - Effective from 02 Feb 2015).

Dr Youzhi Wei is a Mining Engineer with over 25 years of experience in mining, geotechnical engineering and mining technology development. Dr Wei has extensive experience in the evaluation of developing and operating mining projects, especially in China. Dr Wei is the founder of China Mining Business Solutions Limited, which provides corporate advice and business strategies to mining groups, financial institutions and private investors on China-related mining projects. He is currently a resident of Hong Kong where his consultancy services business is based. Dr Wei has previously held senior mining related positions with SRK Consulting Group in Perth and China, CSIRO Exploration and Mining, and the Advanced Technical Development group of CRA, a division of Rio Tinto. Dr Wei is a Fellow of the Australasian Institute of Mining and Metallurgy.

Current Directorships of ASX listed Companies: Nil.
Past Directorships of ASX listed Companies (last 3 years): Nil.

Walter Guidice
(Non Executive Director)

Mr. Walter Guidice is a principal shareholder and CEO/Chairman of Majestic Diamonds and Metals Inc., a U.S. mineral exploration company he co-founded in April 2004. Mr. Guidice has over 25 years of experience in banking, corporate finance, venture capital, asset management, mergers and executive corporate management.

Over his career he co-founded and grew a mortgage company which became the largest, independently owned mortgage company in Washington State, worked for and represented several large mortgage companies and banks in Washington State in positions including Vice-President, Director of Sales and Chairman, founded a boutique investment bank, Guidice & Associates, Inc., and founded Northstar Capital, a private investment and asset management firm.

Current Directorships of ASX listed Companies: Nil.
Past Directorships of ASX listed Companies (last 3 years): Nil.

Neil O'Loughlin
B.Sc. (Geology) (Non Executive Director)

Neil O'Loughlin is a geologist with over 25 years of experience in mineral exploration and mine development with exposure to a range of commodities worldwide. Mr. O'Loughlin worked in a wide range of technical roles prior to joining Resource Service Group (now part of Coffey Mining) where he was exposed to several major projects in a range of commodities in Australia and Asia.

Since 1996 Mr. O'Loughlin has been involved in several corporate roles. Mr. O'Loughlin was co-founder and Technical Director of Basin Minerals Ltd from 1996 until 2002 during which time he led the exploration and evaluation team that discovered the Douglas Titanium-Zircon project in Victoria, Australia. He was the technical director of the ASX and TSX listed Crescent Gold Limited between 2002 and 2006 and has held other directorships and management roles in unlisted public companies.

Current Directorships of ASX listed Companies: Nil.
Past Directorships of ASX listed Companies (last 3 years): Nil

Robert Brierley
B.Eng. (Mining), Grad. Diploma Applied Finance & Investment, GAICD (Ceased to be a Director on 19 May 2015).

Mr. Brierley is a mining engineer educated at the Western Australian School of Mines in Kalgoorlie, Western Australia. He has experience across many commodity groups and has been involved in the design, operation and management of several major mining projects in Australia including the Yandi, Brockman and Koolan Island iron ore operations.

Mr. Brierley has also worked in the stock broking industry as a research analyst, specializing in the resources sector, including four years in the role of Director of Research for an Australian national stock broking and financial services company. He also has particular experience in finance, mining project management and valuation techniques and principles. He is a Graduate of the Australian Institute of Company Directors.

CHIEF EXECUTIVE OFFICER AND COMPANY SECRETARY – (Appointed on 2 September 2015)

Samuel James (Jamie) Morton
Certified Practicing Accountant - CPA.

Mr. Morton has been part of the BrazIron team since 2010 in his capacity as Chief Financial Officer. As a Certified Practicing Accountant with extensive experience in international mining operations and finance management along with progressively undertaking more and more management responsibilities of the operations in China and Brazil, Jamie was appointed as Chief Executive Officer in 2015. He has experience stemming from Audit with one of the 'Big Four', specializing in Open Cut Mining before moving into corporate, senior finance positions in Oil and Gas Operations, mining services in the Pilbara and copper extraction in the Democratic Republic of Congo.

Interests in the shares and options of the Company and related bodies corporate

As at 31 December 2015, the interests of the directors in the shares and options of BrazIron Limited were:

2015	Ordinary Shares	Options over Ordinary Shares
Robert Brierley*	-	-
Walter Guidice	33,526,804	-
Neil O'Loughlin	10,993,015	-
Youzhi Wei	55,350,143	20,000,000

*Ceased to be a director on 19/05/2015

PRINCIPAL ACTIVITIES
Investment in Global Dynamic Limited
Calendar year 2015 represented a the first full year of BrazIrons investment in Global Dynamic Group Limited. During the course of the year, amid international commodity market down turns, BrazIron has waited for Global to finalise the recapitalization of its balance sheet and finalise negotiations of electricity tariffs in order for production to commence to full capacity.

Lodgment of Mining Permit Application for Urubu.
The Final Report relating to Urubu Iron Ore Deposit located in Xique Xique, Bahia State, Brazil, submitted in 2009, was approved by the BrazIlian Department of Mines (DNPM). The approval was published in Brazils Official Federal Gazette on 18 July 2014.

This then allowed for BrazIron to make an application for a fully mining and environmental permit. This was prepared during the year and submitted to the DNPM on 18 July 2015.

DIVIDENDS

No dividends were paid or declared during the financial year. No recommendation for payment of dividends has been made.

FINANCIAL REVIEW

The Company began the financial year with a cash reserve of **$4,300,631**. Funds were used in a way consistent with BrazIron's business objectives, which include actively advancing the Company's projects located in Brazil.

The Company has recorded an operating loss after income tax for the year ended 31 December 2015 of **$12,331,242** (2014: $1,653,813). At 31 December 2015 surplus funds available to the Company totaled **$3,050,211**.

Operating Results for the Year

Summarized operating results are as follows:

Geographic segments	2015 Revenues AUD	 Results AUD
Australia	85,422	(10,098,958)
United States	-	(4,489)
Brazil	17,748	(2,227,795)
Consolidated entity revenues and (loss) from ordinary activities before income tax expense	103,170	(12,331,242)

Shareholders Returns	2015 AUD	2014 AUD
Basic loss per share (cents)	(1.48)	(0.46)

RISK MANAGEMENT

The Board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that activities are aligned with the risks and opportunities identified by the Board.

The Company believes that it is crucial for all Board members to be a part of this process, and as such the Board has not established a separate risk management committee or Audit & Risk Committee. All matters of risk and risk mitigation are monitored by the entire board of directors. Aside from financial reporting, the Company's main areas of risk include exploration, new project acquisitions, security of tenure, environment, government policy changes and political risk, occupational health and safety, and continuous disclosure obligations.

The Board has a number of mechanisms in place to ensure that Management's objectives and activities are aligned with the risks identified by the Board. These include the following:

- The Board approves all strategies, which encompasses strategy statements designed to meet stakeholders' needs and manage business risk.
- Implementation of Board-approved operating plans and budgets and Board monitoring of progress against these budgets.

- Review of regular operating reports from Management, which include safety, health and environmental aspects.

The Company's internal control system is monitored by the Board and assessed regularly to ensure effectiveness and relevance to the Company's current and future operations. Procedures have been put into place to ensure the Company Secretary/CFO state to the Board that the integrity of the financial statements is founded on a sound system of risk management and internal compliance and control and that the Company's risk management and internal compliance and control system is operating efficiently and effectively.

This representation is made by the Company Secretary/Chief Executive Officer prior to the Directors' approval of the release of the annual and half yearly accounts. This representation is made after enquiry of, and representation by, appropriate levels of management.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than as disclosed in this Annual Report, no significant changes in the state of affairs of the Company occurred during the financial year.

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

Other than as disclosed in this Annual Report, no significant changes in the state of affairs of the Company occurred during the financial year.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Group expects to maintain the present status and similar level of operations and hence there are no likely developments in the Group operations for the next 12 months.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group is subject to significant environmental regulation with respect to its exploration activities. The Group aims to ensure the appropriate standard of environmental care is achieved, and in doing so, as far as it is aware is in compliance with all environmental legislation. The directors of the Group are not aware of any breach of environmental legislation for the year under review.

REMUNERATION REPORT (AUDITED)

The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

Principles used to determine the nature and amount of remuneration

Remuneration Policy

The remuneration policy of BrazIron Limited has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Group's financial results. The Board of BrazIron Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the Group.

The Board's policy for determining the nature and amount of remuneration for Board members and senior executives of the Group is as follows:

- All executives receive a base salary (which is based on factors such as length of service and experience), which may include superannuation. The Board reviews executive packages annually by reference to the Group's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

- The Board may exercise discretion in relation to approving incentives, bonuses and options. The policy is designed to attract and retain the highest caliber of executives and reward them for performance that results in long-term growth in shareholder wealth.

- Executives are also eligible to participate in the employee share and option arrangements.

- The executives receive a superannuation guarantee contribution required by the government, which is currently 9.5%. The executives do not receive any other retirement benefits.

- All remuneration paid to directors and executives is valued at the cost to the Group and expensed. Options are valued using the Black-Scholes methodology.

- The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required.

- The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting (currently US$500,000) Fees for non-executive directors are not linked to the performance of the Group. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company.

Performance based remuneration

Some options issued to the executive team have related operational performance measures as part of the vesting terms and conditions. These are in accordance with the specific job descriptions and roles.

Company performance, shareholder wealth and directors' and executives' remuneration

The remuneration policy has been tailored to increase the direct positive relationship between shareholders' investment objectives and directors and executive's performance. Currently, this is facilitated through the issue of options to directors and executives to encourage the alignment of personal and shareholder interests. The Company believes this policy will be effective in increasing shareholder wealth. For details of directors and executive's interests in options at year end, refer to page 14 of the Directors Report.

Details of remuneration

Details of the remuneration of the directors, the key management personnel of the Group (as defined in AASB 124 *Related Party Disclosures*) and specified executives of BrazIron Limited are set out in the following table.

The key management personnel of BrazIron Limited and the Group include the directors and company secretary as per pages 09 to 10 and the following executive officers who have authority and responsibility for planning, directing and controlling the activities of the Group:

- ***Samuel James Morton,*** *Chief Executive Officer and Company Secretary (appointed 02/09/2015 to Present)*

Given the size and nature of operations of BrazIron Limited and the Group, there are no other employees who are required to have their remuneration disclosed in accordance with the *Corporations Act 2001*.

Key management personnel and other executives of BrazIron Limited and the Group

Key management personnel and other executives of BrazIron Limited and the Group	Short-Term		Post Employment	Long-term		Share-based Payments		Total	Remuneration consisting of Options[(1)]
	Salary & Fees(2)	Non Monetary	Super-annuation	Long Service Leave	Termination benefits	Shares	Options		
	$	$	$	$	$	$	$	$	%
Directors									
Robert Brierley*									
2015	**20,500**	**-**	**-**	**-**	**-**	**-**	**-**	**20,500**	
2014	**58,000**	**1,474**	**-**	**-**	**-**	**-**	**-**	**59,474**	
Walt Guidice									
2015	**47,400**	**2,456**	**-**	**-**	**-**	**-**	**-**	**49,856**	
2014	**48,000**	**1,474**	**-**	**-**	**-**	**-**	**-**	**49,474**	
Neil O'Loughlin									
2015	**47,400**	**2,456**	**-**	**-**	**-**	**-**	**-**	**49,856**	
2014	**48,000**	**1,474**	**-**	**-**	**-**	**-**	**-**	**49,474**	
Youzhi Wei									
2015	**149,000**	**2,456**	**-**	**-**	**-**	**-**	**-**	**151,456**	
2014 (3)	**68,000**	**1,474**	**-**	**-**	**-**	**400,000**	**140,000**	**609,474**	23%
Other key management personnel									
Samuel James Morton									
2015	**179,954**	**41,836**	**16,297**	**-**	**-**	**-**	**-**	**238,087**	
2014	**182,418**	**27,730**	**16,416**	**-**	**-**	**-**	**-**	**226,564**	
Total key management personnel compensation									
2015	**444,254**	**49,204**	**16,297**	**-**	**-**	**-**	**-**	**509,755**	
2014	**404,418**	**33,626**	**16,416**	**-**	**-**	**400,000**	**140,000**	**994,460**	14%

(1) The percentage of the value of remuneration consisting of options, based on the value of options expensed during the year. (2) Includes cash salary payments and annual leave entitlements. (3) Remuneration includes non-monetary component comprising of share based payment and options as approved at the General Meeting 29 December 2014
*Ceased to be a director on 19/05/2015

Service agreements

The details of service agreements of the key management personnel and directors as applicable of BrazIron Limited and the Group are as follows:

Samuel James Morton, *Chief Executive Officer and Company Secretary:*

- Term of agreement – unlimited commencing 2 September 2015.
- Base annual salary of $200,000 plus statutory superannuation.
- Either party may terminate the agreement with three month's written notice.

Share-based compensation

Options are issued to directors and executives as part of their remuneration. The options are not issued based on performance criteria, but are issued to the majority of directors and executives of BrazIron Limited to increase goal congruence between executives, directors and shareholders.

There were no options granted to key management personnel or any other related parties of the Company during the year ended 31 December 2015.

The following options were granted in 2014 and will expire in 2017.

Key Management Personnel	Grant Date	Granted Number	Vesting Date	Expiry Date	Exercise Price (cents)	Value per option at grant date (cents)	Exercised Number	Percentage vested during the Year
Youzhi Wei	29/12/2014	20m	29/12/2014	31/12/2017	2	0.7	-	100%

(b) Equity instrument disclosures relating to key management personnel

(i) Options provided as remuneration and shares issued on exercise of such options:
Details of options provided as remuneration and shares issued on the exercise of such options, together with terms and conditions of the options.

(ii) Option holdings:
The numbers of options over ordinary shares in the Company held during the financial year by each director of BrazIron Limited and other key management personnel of the Group, including their personally related parties, are set as above:

(iii) Shareholdings:
The numbers of shares in the Company held during the financial year by each director of BrazIron Limited and other key management personnel of the Group, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation.

2015	Balance at start of the year	Received during the year on the exercise of options	Other changes during the year	Balance at end of the year
***Directors of BrazIron Limited* - Ordinary shares**				
Robert Brierley*	4,558,872	-	(4,558,872)	-
Walter Guidice	33,476,804	-	50,000	33,526,804
Neil O'Loughlin	10,673,015	-	320,000	10,993,015
Youzhi Wei	33,476,804	-	21,873,339	55,350,143
Other key management personnel of the Group				
Ordinary shares NIL				
2014	**Balance at start of the year**	**Received during the year on the exercise of options**	**Other changes during the year**	**Balance at end of the year**
***Directors of BrazIron Limited* - Ordinary shares**				
Robert Brierley*	4,221,926	-	336,946	4,558,872
Walter Guidice	43,508,804	-	(10,032,000)	33,476,804
Neil O'Loughlin	9,874,464	-	798,551	10,673,015
Youzhi Wei	33,398,754	-	78,050	33,476,804
Other key management personnel of the Group				
Ordinary shares NIL				

*Ceased to be a director on 19/05/2015

DIRECTORS' MEETINGS

During the year the Company held seven meetings of directors. The attendance of directors at meetings of the Board were:

	Directors Meetings A	B
Robert Brierley*	02	07
Walter Guidice	06	07
Neil O'Loughlin	07	07
Youzhi Wei	07	07

*Ceased to be a director on 19/05/2015

A: Number of meetings attended.
B: Number of meetings held during the time the director held office or was a member of the Committee during the year.

SHARES UNDER OPTION

		Number of options
Balance at the beginning of the year		20,000,000
Less expired during the year		0
Issue of share options during the year		0
Total number of options outstanding as at 31 December 2015		20,000,000
Movements of share options after the reporting date:		20,000,000
Total number of options outstanding as at the date of this report		20,000,000
The balance is comprised of the following:		
Expiry date	Exercise price (cents)	Number of options
31/12/17	2	20,000,000
Total number of options outstanding at the date of this report		20,000,000

No person entitled to exercise any option referred to above has or had, by virtue of the option, a right to participate in any share issue of any other body corporate.

SHARES ISSUED ON THE EXERCISE OF OPTIONS

No shares were issued during the year as a result of options being exercised.

INSURANCE OF DIRECTORS AND OFFICERS

During or since the financial year, the Company has paid premiums insuring all the directors of BrazIron Limited against costs incurred in defending proceedings for conduct involving:

a) a willful breach of duty; or

b) a contravention of sections 182 or 183 of the *Corporations Act 2001*, as permitted by section 199B of the *Corporations Act 2001*.

The total amount of insurance contract premiums paid is $7,370.

NON-AUDIT SERVICES

No non audit services have been provided by the company's auditors, Stantons International during the year.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.
No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 17.
Signed in accordance with a resolution of the directors.

Youzhi Wei
Chairman
Perth, 31 March 2016

Stantons International Audit and Consulting Pty Ltd
trading as
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Chartered Accountants and Consultants

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31 March 2016

The Directors
BrazIron Limited
1D, Robinson Ave
Perth, WA 6000

Dear Sirs

RE: BRAZIRON LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of BrazIron Limited.

As Audit Director for the audit of the financial statements of BrazIron Limited for the year ended 31 December 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully,

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Samir Tirodkar
Director

Corporate Governance Statement

The Board of Directors

The Company's constitution provides that the number of directors shall not be less than three and not more than nine. There is no requirement for any shareholding qualification.

As and if the Company's activities increase in size, nature and scope the size of the Board will be reviewed periodically, and as circumstances demand. The optimum number of directors required to supervise adequately the Company's constitution will be determined within the limitations imposed by the constitution.

The membership of the Board, its activities and composition, is subject to periodic review. The criteria for determining the identification and appointment of a suitable candidate for the Board shall include quality of the individual, background of experience and achievement, compatibility with other Board members, credibility within the Company's scope of activities, intellectual ability to contribute to Board's duties and physical ability to undertake Board's duties and responsibilities.

Directors are initially appointed by the full Board subject to election by shareholders at the next general meeting. Under the Company's constitution the tenure of a director (other than managing director, and only one managing director where the position is jointly held) is subject to reappointment by shareholders not later than the third anniversary following his or her last appointment. Subject to the requirements of the *Corporations Act 2001*, the Board does not subscribe to the principle of retirement age and there is no maximum period of service as a director. A managing director may be appointed for any period and on any terms the directors think fit and, subject to the terms of any agreement entered into, may revoke any appointment.

Due to the relatively small nature of the Company, The Board of Directors as a whole operate together to manage all aspects of Audit and Risk; Remuneration, Nomination and Funding; and, Technical reporting. The Board operates according to the charters available on the Company website.

Role of the Board

The Board's primary role is the protection and enhancement of long-term shareholder value.

To fulfill this role, the Board is responsible for oversight of management and the overall corporate governance of the Company including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

Appointments to Other Boards

Directors are required to take into consideration any potential conflicts of interest when accepting appointments to other boards.

Independent Professional Advice

The Board has determined that individual directors have the right in connection with their duties and responsibilities as directors, to seek independent professional advice at the Company's expense. With the exception of expenses for legal advice in relation to director's rights and duties, the engagement of an outside adviser is subject to prior approval of the Chairman and this will not be withheld unreasonably.

Continuous Review of Corporate Governance

Directors consider, on an ongoing basis, how management information is presented to them and whether such information is sufficient to enable them to discharge their duties as directors of the Company. Such information must be sufficient to enable the directors to determine appropriate operating and financial strategies from time to time in light of changing circumstances and economic conditions. The directors recognize that mineral exploration is an inherently risky business and that operational strategies adopted should, notwithstanding, be directed towards improving or maintaining the net worth of the Company.

ASX Principles of Good Corporate Governance

The Board has reviewed its current practices in light of the ASX Corporate Governance Principles and Recommendations with a view to making amendments where applicable after considering the Company's size and the resources it has available.

As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of any additional formal corporate governance committees will be given further consideration.

The Board has adopted the recommendations and the following table sets out the Company's present position in relation to each of the revised Principles.

	ASX Principle	Status	Reference/comment
Principle 1:	**Lay solid foundations for management and oversight**		
1.1	Companies should establish the functions reserved to the Board and those delegated to senior executives and disclose those functions	**A**	Matters reserved for the Board are included on the Company's website.
1.2	Companies should disclose the process for evaluating the performance of senior executives	**A**	Performance evaluation of senior executives is the responsibility of the Remuneration, Nomination and Funding Committee. Details of the Remuneration, Nomination and Funding Committee are contained in the Corporate Governance Statement on the Company's website and as noted in the financial report.
1.3	Companies should provide the information indicated in the Guide to reporting on Principle 1	**A**	
Principle 2:	**Structure the Board to add value**		
2.1	A majority of the Board should be independent directors	**NA**	A majority of the directors are not currently independent. The Company intends to seek out and appoint independent directors in the future, however, due to the current limited size of the Company's operations it may not be appropriate to appoint a majority of independent directors for some time.
2.2	The chair should be an independent director	**A**	
2.3	The roles of chair and chief executive officer should not be exercised by the same individual	**A**	The key executive position is being filled by the Chief Executive Officer.
2.4	The Board should establish a nomination committee	**N/A**	Due to the Company's early stage of development and the small size of the Board, the Company does not presently have a separate nomination committee. The full Board conducts the function of such a committee.
2.5	Companies should disclose the process for evaluating the performance of the Board, its committees and individual directors	**A**	Performance evaluation of the Board, Directors and Key Executives is the joint responsibility of the Board of Directors
2.6	Companies should provide the information indicated in the Guide to reporting on Principle 2	**A**	The skills and experience of Directors are set out in the Company's Annual Report and on the Company's website.
Principle 3:	**Promote ethical and responsible decision-making**		
3.1	Companies should establish a code of conduct and disclose the code or a summary of the code as to: • the practices necessary to maintain confidence in the Company's integrity • the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders • the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	**A**	The Company has formulated a Code of Conduct as part of its Corporate Governance Plan, which can be viewed on the Company's website.
3.2	Companies should establish a policy concerning trading in Company securities by directors, senior executives and employees, and disclose the policy	**A**	The Company has formulated a share trading policy, which can be viewed on the Company's website.

	ASX Principle	Status	Reference/comment
3.3	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	A	Given the size of the Company, there are no women in senior executive positions or on the Board however, the Board considers this is appropriate at this stage of the Company's development.
3.4	Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the Board in accordance with the diversity policy and progress towards achieving them	A	The Company has established a Diversity Policy, however, the policy does not include requirements for the Board to establish measurable objectives for achieving gender diversity. Given the Company's size and stage of development as an exploration company, the Board does not think it is yet appropriate to include measurable objectives in relation to gender.
Principle 4:	**Safeguard integrity in financial reporting**		
4.1	The Board should establish an audit committee	NA	Due to the Company's early stage of development and the small size of the Board, the Company does not presently have a separate Audit Committee. The full Board conducts the function of such a committee, in accordance with the Charter
4.2	The audit committee should be structured so that it:	NA	
	• consists only of non-executive directors	NA	
	• consists of a majority of independent directors	NA	
	• is chaired by an independent chair, who is not chair of the Board	NA	
	• has at least three members	NA	
4.3	The audit committee should have a formal charter	A	The Company has formulated an Audit Committee Charter, which can be viewed on the Company's website.
4.4	Companies should provide the information indicated in the Guide to reporting on Principle 4	A	
Principle 5:	**Make timely and balanced disclosure**		
5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies	A	The Company has instigated internal procedures designed to provide reasonable assurance as to the effectiveness and efficiency of operations, the reliability of financial reporting and compliance with relevant laws and regulations. The Board is acutely aware of the continuous disclosure regime and there are strong informal systems in place to ensure compliance, underpinned by experience.
5.2	Companies should provide the information indicated in the Guide to reporting on Principle 5	A	The Board receives monthly updates on the status of the Company's activities and any new or proposed activities. Disclosure is reviewed as a routine agenda item at each Board meeting
Principle 6:	**Respect the rights of shareholders**		
6.1	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy	A	In line with adherence to continuous disclosure requirements of ASX, all shareholders are kept informed of major developments affecting the Company. This disclosure is through regular shareholder communications including the Annual Reports, Half Yearly Reports, Quarterly Reports, the Company Website and the distribution of specific releases covering major transactions and events or other price sensitive information.

	ASX Principle	Status	Reference/comment
6.2	Companies should provide the information indicated in the Guide to reporting on Principle 6	**A**	The Company has formulated a Communication Policy as part of the Corporate Governance Plan which can be viewed on the Company's website.
Principle 7:	**Recognise and manage risk**		
7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies	**A**	While the Company does not have formalised policies on risk management the Board recognises its responsibility for identifying areas of significant business risk and for ensuring that arrangements are in place for adequately managing these risks. This issue is regularly reviewed at Board meetings and risk management culture is encouraged amongst employees and contractors. Determined areas of risk which are regularly considered include: • performance and funding of exploration activities • budget control and asset protection • status of mineral tenements • land access and native title considerations • compliance with government laws and regulations • safety and the environment • continuous disclosure obligations • sovereign risk • share market conditions • economic risk
7.2	The Board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks	**NA**	While the Company does not have formalised policies on risk management it recognises its responsibility for identifying areas of significant business risk and for ensuring that arrangements are in place for adequately managing these risks. This issue is regularly reviewed at Board meetings and risk management culture is encouraged amongst employees and contractors.
7.3	The Board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks	**A**	
7.4	Companies should provide the information indicated in the Guide to reporting on Principle 7	**NA**	
Principle 8:	**Remunerate fairly and responsibly**		
8.1	The Board should establish a remuneration committee	**A**	The Company has established a Remuneration, Nomination and Funding Committee which has a formal charter that can be viewed on the Company's website.
8.2	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives	**A**	
8.3	Companies should provide the information indicated in the Guide to reporting on Principle 8	**A**	Refer to the Remuneration Report in the Company's Annual Report.
A = Adopted			*NA = Not adopted*

Consolidated Statement of Profit or Loss and other Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 AUD	2014 AUD
REVENUE FROM CONTINUING OPERATIONS			
Interest Income	4	85,422	152,449
Other Income	4	17,748	
TOTAL REVENUE		103,170	152,449
EXPENDITURE			
Depreciation expense		9,450	13,069
Salaries and employee benefits expense		650,609	543,908
Exploration expenditure		115,733	137,108
Corporate expenses		290,504	309,960
Occupancy expenses		62,572	103,589
Insurance expenses		22,064	26,974
Impairment expense	9, 10	11,096,603	-
Share-based payment expense		-	540,000
Travel		91,115	67,426
Withholding taxes		10,374	47
Other expenses		85,388	64,181
TOTAL EXPENDITURE		12,434,412	1,806,262
LOSS BEFORE INCOME TAX		**(12,331,242)**	**(1,653,813)**
INCOME TAX BENEFIT / (EXPENSE)	6	-	-
LOSS FOR THE YEAR		**(12,331,242)**	**(1,653,813)**
OTHER COMPREHENSIVE (LOSS)/INCOME			
Exchange differences on translation of foreign operations		**(554,103)**	**(130,443)**
Other comprehensive (loss)/income for the year, net of tax		(554,103)	(130,443)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO THE MEMBERS OF BRAZIRON LIMITED		**(12,885,345)**	**(1,784,256)**
Basic and diluted (loss) per share for loss attributable to the ordinary equity holders of the Company (cents per share)		**(1.48)**	**(0.46)**

The above Consolidated Statement of Profit or Loss and other Comprehensive Income should be read in conjunction with the Notes to the Consolidated Financial Statements.

Consolidated Statement of Financial Position

AS AT 31 DECEMBER 2015

	Notes	2015 AUD	2014 AUD
Current Assets			
Cash and cash equivalents	7	3,050,211	4,300,631
GST Receivable		26,032	58,461
Accrued Income		7,954	25,920
Total Current Assets		**3,084,197**	4,385,012
Non Current Assets			
Capitalised Exploration and Acquisition cost	9	-	2,524,306
Financial Asset	10	-	9,185,892
Plant & Equipment	8	-	29,889
Total non-current assets		**-**	11,740,087
Total assets		**3,084,197**	16,125,099
Current liabilities			
Trade creditors	11	281,758	443,978
Provisions	11	18,154	11,491
Total current liabilities		**299,912**	455,469
Non - Current Liabilities		**-**	-
Total liabilities		**299,912**	455,469
Net assets		**2,784,285**	15,669,630
Equity			
Paid up capital	12	53,107,596	53,107,596
Reserves	13(a)	(1,200,616)	(646,513)
Accumulated (losses)/profits	13(b)	(49,122,695)	(36,791,453)
Total Equity		**2,784,285**	15,669,630

The above Consolidated Statement of Financial Position should be read in conjunction with the Notes to the Consolidated Financial Statements.

Consolidated Statement of Changes in Equity

As at 31 December 2015

YEAR ENDED 31 DECEMBER 2015 Consolidated AUD	Notes	Issued Capital $	Options Reserve $	Foreign Currency Translation Reserve $	Accumulated Losses $	Total $
BALANCE AT 31 DECEMBER 2013		43,521,704	402,683	(1,058,753)	(35,137,640)	7,727,994
Loss for the year 2014		-	-	-	(1,653,813)	(1,653,813)
OTHER COMPREHENSIVE LOSS						
Exchange differences on translation of foreign operations		-	-	(130,443)	-	(130,443)
TOTAL COMPREHENSIVE LOSS		-	-	(130,443)	(1,653,813)	(1,784,256)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS						
Shares issued for the partial acquisition of Global Dynamic and Youzhi Wei		9,585,892	-	-	-	9,585,892
Employees and consultants share options		-	140,000	-	-	140,000
BALANCE AT 31 DECEMBER 2014		53,107,596	542,683	(1,189,196)	(36,791,453)	15,669,630
Loss for the year 2015		-	-	-	(12,331,242)	(12,331,242)
OTHER COMPREHENSIVE LOSS						
Exchange differences on translation of foreign operations		-	-	(554,103)	-	(554,103)
TOTAL COMPREHENSIVE LOSS		-	-	(554,103)	(12,331,242)	(12,885,345)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS						
Shares issued during the year		-	-	-	-	-
Employees and consultants share options		-	-	-	-	
BALANCE AT 31 DECEMBER 2015		53,107,596	542,683	(1,743,299)	(49,122,695)	2,784,285

The above Consolidated Statement of Changes in Equity should be read in conjunction with the Notes to the Consolidated Financial Statements.

Consolidated Statement of Cash Flows

AS AT 31 DECEMBER 2015

YEAR ENDED 31 DECEMBER 2015	Notes	Consolidated 2015 AUD	Consolidated 2014 AUD
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		-	-
Payments to suppliers and employees		(1,482,183)	(1,212,913)
Interest received		103,388	159,751
Other Income		17,748	-
NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES	22	**(1,361,047)**	**(1,053,162)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for prospects		-	-
Payments for plant and equipment		-	-
NET CASH (OUTFLOW) FROM INVESTING ACTIVITIES		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of ordinary shares		-	-
Payment of share issue costs		-	-
NET CASH INFLOW FROM FINANCING ACTIVITIES		-	-
NET (DECREASE) IN CASH AND CASH EQUIVALENTS		(1,361,047)	(1,053,162)
Cash and cash equivalents at the beginning of the financial year		4,300,631	5,350,405
Effects of exchange rate changes on cash and cash equivalents		110,627	3,388
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR		**3,050,211**	**4,300,631**

The above Consolidated Statement of Cash Flows should be read in conjunction with the Notes to the Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of BrazIron Limited and its subsidiaries. The financial statements are presented in the Australian currency. BrazIron Limited is a company limited by shares, domiciled in Australia and incorporated in Bermuda. The financial statements were authorised for issue by the directors on 31 March 2016. The directors have the power to amend and reissue the financial statements.

BrazIron is registered in Bermuda and is a non-resident Company operating in Australia. Thus BrazIron does not incur a tax benefit or expense as a result of its Australian operations.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the Corporations Act 2001.

Compliance with IFRS

The consolidated financial statements of the BrazIron Limited Group comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Historical cost convention.

These financial statements have been prepared under the historical cost convention, as modified where appropriate by the revaluation of available-for-sale financial assets, other financial assets and liabilities at fair value through profit or loss.

(b) Principles of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (BrazIron Limited) and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as “non controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

Notes to the Consolidated Financial Statements - Continued

(ii) Joint ventures

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a "joint venture" and accounted for using the equity method.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Group's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the consolidated financial statements.

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the full Board of Directors.

AASB114 requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. In this regard, such information is provided using similar measures to those used in preparing the statement of profit or loss and other comprehensive income and statement of financial position. The Group operates only in the exploration industry, both in Australia and overseas.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is BrazIron Limited's functional and presentation currency. The functional currency of the Group's subsidiaries in Brazil is the Brazilian Real and in the United Sates is the US Dollar.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Translation differences on financial assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available-for-sale financial assets are included in the fair value reserve in equity.

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

Notes to the Consolidated Financial Statements - Continued

- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless that is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences is reclassified to profit or loss, as part of the gain or loss on sale where applicable.
Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entities and translated at the closing rate.

(e) Revenue recognition

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial assets.

(f) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associated operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Notes to the Consolidated Financial Statements - Continued

(g) Leases

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term.

Leases where a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

(h) Business combinations

The purchase method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the fair value of the instruments is their published market price as at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the Group's share of the fair value of the identifiable net assets of the subsidiary acquired, the difference is recognised directly in the statement of comprehensive income, but only after a reassessment of the identification and measurement of the net assets acquired.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

(i) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(j) Cash and cash equivalents

For statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value, and bank overdrafts.

Notes to the Consolidated Financial Statements - Continued

(k) Trade and other receivables

Receivables are recognised and carried at original invoice amount less a provision for any uncollectible debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred.

(l) Investments and other financial assets

Classification

The Group classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the statement of financial position.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. If the Group were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

(iv) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date. Investments are designated available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

Financial assets – reclassification

The Group may choose to reclassify a non-derivative trading financial asset out of the held-for-trading category if the financial asset is no longer held for the purpose of selling it in the near term. Financial assets other than loans and receivables are permitted to be reclassified out of the held-for-trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near term. In addition, the Group may choose to reclassify financial assets that would meet the definition of loans and receivables out of the held-for-trading or available-for-sale categories if the Group has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

Notes to the Consolidated Financial Statements - Continued

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed to the statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the statement of comprehensive income as gains and losses from investment securities.

Subsequent measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of comprehensive income within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the Profit or Loss as part of revenue from continuing operations when the Group's right to receive payments is established.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in equity. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

Details on how the fair value of financial investments is determined are disclosed in note 2(l).

Impairment

The Group assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the Profit and Loss. Impairment losses recognised in the Profit and Loss on equity instruments classified as available-for-sale are not reversed through the Profit or Loss.

If there is evidence of impairment for any of the Group's financial assets carried at amortised cost, the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, excluding future credit losses that have not been incurred. The cash flows are discounted at the financial asset's original effective interest rate. The loss is recognised in the statement of comprehensive income.

(m) Plant and equipment

All plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of comprehensive income during the reporting period in which they are incurred.

Notes to the Consolidated Financial Statements - Continued

Depreciation of plant and equipment is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term. The rates vary between 5% and 40% per annum.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(i)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Profit or Loss. When revalued assets are sold, it is Group policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

(n) Exploration, evaluation and feasibility costs

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

(i) The rights to tenure of the area of interest are current; and

ii) at least one of the following conditions is also met:

(a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or

(b) exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore and an allocation of depreciation and amortised of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

(o) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured, non-interest bearing and are paid on normal commercial terms.

(p) Employee benefits

(i) Wages and salaries, annual leave and long service leave

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave and long service leave.

Notes to the Consolidated Financial Statements - Continued

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(ii) Share-based payments

The Group provides benefits to employees (including directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions'), refer to note 25. The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of options that, in the opinion of the directors of the Group, will ultimately vest. This opinion is formed based on the best available information at reporting date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award.

(q) Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

(r) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(s) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Notes to the Consolidated Financial Statements - Continued

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(t) Comparative figures

When required by Accounting Standards or where necessary, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(u) New accounting standards and interpretations

New standards effective from 1 January 2015

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 January 2015 affected any of the amounts recognised in the current period or any prior period although it caused minor changes to the Company's disclosure.

New standards and interpretations not yet adopted
A number of new standards, amendments to standards and interpretations issued by the AASB which are not yet mandatorily applicable to the Company have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below. The Company does not plan to adopt these standards early.

AASB 9 Financial Instruments and associated Amending Standards (applicable for annual reporting period commencing 1 January 2018)

The Standard will be applicable retrospectively (subject to the comment on hedge accounting below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

Key changes made to this standard that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income.

Although the directors anticipate that the adoption of AASB 9 may have an impact on the Group's financial instruments it is impractical at this stage to provide a reasonable estimate of such impact.(or the directors anticipate that the adoption of AASB 9 will not have a material impact on the Company's financial instruments).

AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods commencing on or after 1 January 2018).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

Notes to the Consolidated Financial Statements - Continued

Although the directors anticipate that the adoption of AASB 15 may have an impact on the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact. . (or the directors anticipate that the adoption of AASB 15 will not have a material impact on the Group's revenue recognition and disclosures).

AASB 2014-3: Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & AASB 11]

AASB 2014-3 amends AASB 11 Joint Arrangements to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business. The amendments require:

a) the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in AASB 3 Business Combinations, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11

b) the acquirer to disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations.

This Standard also makes an editorial correction to AASB 11.

AASB 2014-9: Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements (AASB 2014-9 applies to annual reporting periods beginning on or after 1 January 2016. Early adoption permitted).

AASB 2014-9 amends AASB 127 Separate Financial Statements, and consequentially amends AASB 1 First-time Adoption of Australian Accounting Standards and AASB 128 Investments in Associates and Joint Ventures, to allow entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements. AASB 2014-9 also makes editorial corrections to AASB 127.

IFRS 16: Leases applies to annual reporting periods beginning on or after 1 January 2019.

IFRS 16 requires that lessees recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Assets and liabilities arising from a lease are initially measured on a net present value basis. The directors anticipate this will have an impact on the financial statements but at this stage are unable to quantify the impact.

Other standards not yet applicable

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(v) Critical accounting judgements, estimates and assumptions

The preparation of these financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are:

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model, using the assumptions detailed in note 25.

Exploration, evaluation and feasibility costs

Exploration expenditure is capitalised for each separate area of interest where rights to tenure are current and:

(i) such costs are expected to be recovered through successful development and exploitation or by sale; or
(ii) where activities in the area of interest have not yet reached a stage which permits reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in relation to the area are continuing.

Ultimate recoupment of exploration expenditure carried forward is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas. The carrying values of expenditures carried forward are reviewed for

Notes to the Consolidated Financial Statements - Continued

impairment at each reporting date when the facts, events or changes in circumstances indicate that the carrying value may be impaired. Accumulated expenditures are written off to the income statement to the extent to which they are considered to be impaired.

The key points that are considered in this review include:

(i) data review and field visits undertaken during the year
(ii) the estimated market value of assets at the review date
(iii) independent valuations of underlying assets that may be available
(iv) strategic direction of the Company's exploration activities.

Information used in the review process is rigorously tested to externally available information as appropriate.

2. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out by the full Board of Directors as the Group believes that it is crucial for all Board members to be involved in this process. The Managing Director, with the assistance of senior management as required, has responsibility for identifying, assessing, treating and monitoring risks and reporting to the Board on risk management.

(a) Market risk

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Australian dollar, US dollar and Brazilian Real,

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency and net investments in foreign operations. The Group has not formalised a foreign currency risk management policy however, it monitors its foreign currency expenditure in light of exchange rate movements.

Sensitivity analysis

Based on the financial instruments held at 31 December 2015, had the Australian dollar weakened/strengthened by 10% against the USD dollar with all other variables held constant, the Group's post tax loss for the year would have been $170 lower/higher and there would have been no movements to the Group's other equity for both years presented.

Based on the financial instruments held at 31 December 2015, had the Australian dollar weakened/strengthened by 10% against the Brazilian Real with all other variables held constant, there would have been impact on the Group's post-tax losses of $3,262 lower/higher and there would have been no movements to the Group's other equity for both years presented.

(ii) Price risk

Given the current level of operations the Group is not exposed to price risk.

(iii) Interest rate risk

The Group is exposed to movements in market interest rates on cash and cash equivalents. The Group policy is to monitor the interest rate yield curve out to 90 days to ensure a balance is maintained between the liquidity of cash assets and the interest rate return. The entire balance of cash and cash equivalents for the Group $3.05m is subject to interest rate risk. The proportional mix of floating interest rates and fixed rates to a maximum of six months fluctuate during the year depending on current working capital requirements. The weighted average interest rate received on cash and cash equivalents by the Group was 2.0%.

Notes to the Consolidated Financial Statements - Continued

Sensitivity analysis

At 31 December 2015, if interest rates had changed by -/+ 100 basis points from the weighted average rate for the year with all other variables held constant, post-tax loss for the Group would have been $30K lower/higher as a result of lower/higher interest income from cash and cash equivalents.

(b) Credit risk

The Group does not have any concentrations of credit risk.

As the Group does not presently have any trade debtors, lending, significant stock levels or any other credit risk, a formal credit risk management policy is not maintained.

(c) Liquidity risk

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash and marketable securities are available to meet the current and future commitments of the Group. Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. The Board of Directors constantly monitor the state of equity markets in conjunction with the Group's current and future funding requirements, with a view to initiating appropriate capital raisings as required.

The financial liabilities of the Group are confined to trade and other payables as disclosed in the statement of financial position. All trade and other payables are non-interest bearing and due within 12 months of the reporting date.

3. SEGMENT INFORMATION

(a) Description of segments

Operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the Group's chief operating decision maker which, for the Group, is the Board of Directors. In this regard, such information is provided using similar measures to those used in preparing the statement of profit and loss and other comprehensive income and statement of financial position. The Group operates only in the exploration industry, both in Australia and overseas.

(b) Segment information provided to the Board of Directors

Notes to the Consolidated Financial Statements - Continued

SEGMENT INFORMATION - Continued

The segment information provided to the Board of Directors for the reportable segments for the year ended 31 December 2015 is as follows:

	Australia	USA	Brazil	Consolidated
	2015 AUD	2015 AUD	2015 AUD	2015 AUD
Segment revenue				
Other revenue	85,422	-	17,748	103,170
Total segment revenue	85,422	-	17748	103,170
Intersegment elimination				-
Consolidated revenue				103,170
Segment result				
Segment result	(10,098,958)	(4,489)	(2,227,795)	(12,331,242)
Intersegment elimination				-
Loss before income tax				(12,331,242)
Income tax expense				-
Loss for the year				(12,331,242)
Segment assets and liabilities				
Segment assets	6,721,111	40,137,658	24,920,918	71,779,687
Intersegment elimination				(68,695,490)
Total assets				3,084,197
Segment liabilities	777,773	7,192,580	255,233	8,225,586
Intersegment elimination				(7,925,674)
Total liabilities				299,912

Notes to the Consolidated Financial Statements - Continued

SEGMENT INFORMATION - Continued

	Australia	USA	Brazil	Consolidated
	2014 AUD	2014 AUD	2014 AUD	2014 AUD
Segment revenue				
Other revenue	152,449	-	-	152,449
Total segment revenue	152,449	-	-	152,449
Intersegment elimination				-
Consolidated revenue				152,449
Segment result				
Segment result	(1,176,276)	(1,594)	(475,943)	(1,653,813)
Intersegment elimination				-
Loss before income tax				(1,653,813)
Income tax expense				-
Loss for the year				(1,653,813)
Segment assets and liabilities				
Segment assets	17,422,393	35,917,971	34,668,113	88,008,477
Intersegment elimination				(71,883,378)
Total assets				16,125,099
Segment liabilities	363,434	7,196,830	408,434	7,968,698
Intersegment elimination				(7,513,229)
Total liabilities				455,469

Notes to the Consolidated Financial Statements - Continued

	Consolidated 2015 AUD	Consolidated 2014 AUD
4. REVENUE		
From continuing operations		
Interest	85,422	152,449
Other income	17,748	
	103,170	**152,449**
5. EXPENSES		
Loss before income tax includes the following specific expenses:		
Defined contribution superannuation expense	18,395	16,416
Net foreign exchange losses	-	-
Minimum lease payments relating to operating leases	21,780	69,214
6. INCOME TAX		
(a) Income tax expense/(benefit)		
Current tax	-	-
Deferred tax	-	-
- Adjustments for current tax of prior years	-	-
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Loss from continuing operations before income tax expense	(12,331,242)	(1,653,813)

	Consolidated 2015 AUD	Consolidated 2014 AUD
Prima facie tax benefit at the Australian tax rate of 30% (2014: 30%)	**(3,699,373)**	**(496,144)**
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Share based payments	-	-
Other	-	-
	(3,699,373)	**(496,144)**
Movements in unrecognised temporary differences		
Tax effect of current year tax losses for which no deferred tax asset has been recognised	(3,699,373)	(496,144)
Income tax expense/(benefit)	-	-

BrazIron is registered in Bermuda and is a non-resident operating in Australia and thus BrazIron does not incur a tax benefit or expense as a result of its Australian operations.

Notes to the Consolidated Financial Statements - Continued

	2015 AUD	Consolidated 2014 AUD

7. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

Cash at bank and in hand earns interest at floating rates based on daily bank deposit rates.		
Cash at bank and in hand	114,100	233,660
Short-term deposits	2,936,111	4,066,971
Cash and cash equivalents as shown in the consolidated statement of financial position and the consolidated statement of cash flows	**3,050,211**	**4,300,631**

Short-term deposits are made for varying periods of between one day and one year depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

8. NON-CURRENT ASSETS – PLANT AND EQUIPMENT

Plant and equipment		
Cost	147,454	177,962
Accumulated depreciation	(147,454)	(148,073)
Net book amount	-	**29,889**
Plant and equipment		
Opening net book amount	29,889	44,737
Exchange differences	(2,691)	(1,779)
Disposals	(17,748)	-
Depreciation expense	(9,450)	(13,069)
Closing net book amount	-	**29,889**

9. CAPITALISED EXPLORATION AND ACQUISITION COST

Opening	2,524,306	2,655,757
FX Movement	(613,595)	(131,451)
Provision for Impairment	(1,910,711)	-
Closing	-	**2,524,306**

During the reporting period it was decided by the board of directors to provide for impairment of the capitalized Exploration and Acquisition costs due to the current Iron Ore Market conditions. This will be reversed in the future should value for this asset be realized.

10. FINANCIAL ASSETS

Investment in Global Dynamic – Available for Sale	9,185,892	9,185,892
Provision for Impairment	(9,185,892)	-
	-	**9,185,892**

The investment in Global Dynamic was recorded on the transaction date of 29 December 2014 with the valuation based on the number of shares issued of 459,294,611 multiplied by the spot trading price of 2 cents. As at 31 December 2015, this financial asset is classified as a tier 3 asset with no active market. The transaction with Global Dynamic on 29 December 2014 was based on an agreed balance sheet valuation, which required the registration of affiliate loans as capital. As of 31 December 2015 the legal registration of the affiliate loans has not yet been completed however is underway. It is the opinion of the directors that until such a time as the capital registration is complete, that a provision for impairment be made. This provision will be reversed upon registration of the capital.

11. CURRENT LIABILITIES

Trade Creditors and Accruals (including withholding taxes)(i)	281,758	443,978
Provisions	18,154	11,491
	299,912	**455,469**

(i) Trade Creditors are non-interest bearing and are normally settled on a 30-60 day terms.

Notes to the Consolidated Financial Statements – Continued

12. ISSUED CAPITAL

(a) Share Capital	Consolidated			
	2015 AUD		2014 AUD	
	Number of shares	$	Number of shares	$
Ordinary shares fully paid	835,081,111	53,107,596	355,786,500	43,521,704
Shares to be issued	-	-	-	9,585,892
Total issued capital	**835,081,111**	**53,107,596**	**355,786,500**	**53,107,596**

(b) Movements in ordinary share capital				
Beginning of the financial year	**355,786,500**	**53,107,596**	**355,786,500**	**43,521,704**
Transactions during the year:	479,294,611	-	-	9,585,892
Less: Transaction costs	-	-	-	-
End of the financial year	**835,081,111**	**53,107,596**	**355,786,500**	**53,107,596**

Transactions during the year solely relate to the partial acquisition of Global Dynamic in exchange for securities in BrazIron as approved at the General Meeting held 29 December 2014

(c) Movements in options on issue	Consolidated Number of options 2015
Beginning of the financial year	20,000,000
Issued during the year:	-
– Expired during the year:	-
End of the financial year	**20,000,000**

(d) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person/proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. Ordinary shares have no par value and the Company doesn't have a limited amount of authorised capital.

(e) Capital risk management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders.

Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet exploration programs and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

Notes to the Consolidated Financial Statements – Continued

The working capital position of the Group at 31 December 2015	2015 AUD	2014 AUD
Cash and cash equivalents	3,050,211	4,300,631
Trade and other receivables	33,986	84,381
Trade and other payables	(299,912)	(455,469)
Working capital position	**2,784,285**	**3,929,543**

13. RESERVES AND ACCUMULATED LOSSES

(a) Reserves		
Foreign currency translation reserve	(1,743,299)	(1,189,196)
Options reserve	542,683	542,683
	(1,200,616)	**(646,513)**
Movements:		
Foreign currency translation reserve		
Balance at beginning of year	(1,189,196)	(1,058,753)
Currency translation differences arising during the year	(554,103)	(130,443)
Balance at end of year	**(1,743,299)**	**(1,189,196)**
Options reserve		
Balance at beginning of year	542,683	402,683
Share-based payment expense	-	140,000
Balance at end of year	**542,683**	**542,683**

	Consolidated 2015 AUD	 2014 AUD
(b) Accumulated losses		
Balance at beginning of year	(36,791,453)	(35,137,640)
Net loss for the year	(12,331,242)	(1,653,813)
Balance at end of year	**(49,122,695)**	**(36,791,453)**

(c) Nature and purpose of reserves

(i) Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entity are taken to the foreign currency translation reserve, as described in note 1(d). The reserve is recognized in profit and loss when the net investment is disposed of.

(ii) Options reserve

The share-based payments reserve is used to recognise the fair value of options issued.

Notes to the Consolidated Financial Statements – Continued

14. DIVIDENDS

No dividends were paid during the financial year. No recommendation for payment of dividends has been made.

15. KEY MANAGEMENT PERSONNEL DISCLOSURES

	Consolidated 2015 AUD	2014 AUD
(a) Key management personnel compensation		
Short-term benefits	493,458	438,044
Post employment benefits	16,297	16,416
Other long-term benefits	-	
Termination benefits	-	
Share-based payments	-	540,000
	509,755	**994,460**

Detailed remuneration disclosures are provided in the remuneration report on pages 13 to 15.

16. REMUNERATION OF AUDITORS

	Consolidated 2015 AUD	2014 AUD
(a) Audit Services. During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:		
Stantons International – audit and review of financial reports	38,545	35,174
Non-related audit firm for the audit or review of financial reports of any entity in the Group		15,796
Total remuneration for audit services	**38,545**	**50,970**

17. CONTINGENCIES

It is noted that no contingent liabilities have been recorded despite there being seven current labour suits in Brazil lodged by the employees of contractors used in the past and three tax suits lodged by the Company against the Brazilian Tax Authorities. It is the opinion of the board that these law suits have no basis and will likely be dismissed.

18. COMMITMENTS

(a) Exploration commitments:

The Group does not have commitments to meet for minimum expenditure requirements on the mineral exploration assets it has an interest in.

Notes to the Consolidated Financial Statements – Continued

(b) Lease commitments: Group as lessee

	Consolidated	
Operating leases (non-cancellable):	2015	2014
Minimum lease payments within one year	21,780	20,000
Later than one year but not later than five years	3,630	-
Aggregate lease expenditure contracted for at reporting date but not recognised as liabilities	**25,410**	**20,000**

The Group has one non-cancellable office lease, for premises in Perth expiring within one year. The leases have varying terms, escalation clauses and renewal rights.

19. RELATED PARTY TRANSACTIONS

(a) Parent entity

The ultimate parent entity within the Group is BrazIron Limited.

(b) Subsidiaries

Interests in subsidiaries are set out in note 20.

(c) Key management personnel

Disclosures relating to key management personnel are set out in note 15.

(d) Loans to related parties

As at 31 December 2015 BrazIron Limited has a receivable from Charter International LLC of AUD$ 7,192,580 and BrazIron Corporate Services of AUD$ 733,094. All corresponding entities having liabilities of equal amount and thus eliminate upon consolidation.

20. SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b)(i):

Name	Country of Incorporation	Class of Shares	Equity Holding(1) 2015
BrazIron Corporate Services Pty Ltd	Australia	Ordinary	100%
Charter International LLC	USA	Ordinary	100%
BrazIron Participações Ltd (previously Octa Prime)	Brazil	Ordinary	100%
Octa Ferro S.A	Brazil	Ordinary	99.999%
BR Ferro S.A	Brazil	Ordinary	100%
BSADS LLC	USA	Ordinary	100%
Good Hands	USA	Ordinary	100%

(1) The proportion of ownership interest is equal to the proportion of voting power held.

Notes to the Consolidated Financial Statements – Continued

21. EVENTS OCCURRING AFTER THE STATEMENT OF FINANCIAL POSITION DATE

No matter or circumstance has arisen since 31 December 2015, which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial years.

22. STATEMENT OF CASH FLOW

	Consolidated	
	2015 AUD	2014 AUD
Reconciliation of net loss after income tax to net cash outflow from operating activities		
Net loss for the year	(12,331,242)	(1,653,813)
Non-Cash Items		
Depreciation of plant and equipment	9,450	13,069
Share-based payment expense	-	540,000
Net exchange differences	(30,696)	3,388
Impairment of assets	11,096,603	
Net loss on disposal of plant and equipment	-	-
Change in operating assets and liabilities	-	-
(Increase)/decrease in trade and other receivables	50,395	(9,213)
Increase/(decrease) in trade and other payables	(155,557)	53,407
Increase in employee entitlements provision	-	-
Net cash outflow from operating activities	**(1,361,047)**	**(1,053,162)**

23. LOSS PER SHARE

(a) Reconciliation of earnings used in calculating loss per share		
Loss attributable to the owners of the Company used in calculating basic and diluted loss per share	**(12,331,242)**	**(1,653,813)**

	Number of shares	Number of shares
(b) Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share	**833,767,975**	**355,786,500**

(c) Information on the classification of options

As the Group has made a loss for the year ended 31 December 2015, all options on issue are considered antidilutive and have not been included in the calculation of diluted earnings per share. These options could potentially dilute basic earnings per share in the future.

Notes to the Consolidated Financial Statements – Continued

24. FINANCIAL INSTRUMENT

(a) Interest rate risk

Group policy is to monitor the interest rate yield curve out to 90 days to ensure a balance is maintained between the liquidity of cash assets and the interest rate return.

The Company's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities at balance date are as follows:

2015		Fixed interest rate maturing in:					
Financial Instruments	Floating Interest Rate	1 year or less	Over 1 to 5 years	More than 5 years	Non-interest bearing	Total carrying value as per the statement of financial position	Weighted average effective interest rate
	December 2015 AUD	**December 2015 AUD**	**December 2015 AUD**	**December 2015 AUD**	**December 2015 AUD**	**December 2015 AUD**	**December 2015 %**
(i) Financial assets							
Cash	114,100	2,936,111	-	-	-	3,050,211	2%
Trade and other receivables	-	-	-	-	33,986	33,986	
Total financial assets	114,100	2,936,111	-	-	33,986	3,084,197	
(ii) Financial liabilities							
Trade and other payables	-	-	-	-	281,758	281,758	
Borrowings	-	-	-	-	-	-	
Total financial liabilities	-	-	-	-	281,758	281,758	

Notes to the Consolidated Financial Statements – Continued

2014		Fixed interest rate maturing in:					
Financial Instruments	Floating Interest Rate	1 year or less	Over 1 to 5 years	More than 5 years	Non-interest bearing	Total carrying value as per the statement of financial position	Weighted average effective interest rate
	December 2014 AUD	**December 2014 AUD**	**December 2014 AUD**	**December 2014 AUD**	**December 2014 AUD**	**December 2014 AUD**	**December 2014 %**
(i) Financial assets							
Cash	233,660	4,066,971	-	-	-	4,300,631	3.40
Trade and other receivables	-	-	-	-	84,381	84,381	
Total financial assets	233,660	4,066,971	-	-	84,381	4,385,012	
(ii) Financial liabilities							
Trade and other payables	-	-	-	-	443,978	443,978	
Borrowings	-	-	-	-	-	-	
Total financial liabilities	-	-	-	-	443,978	443,978	

Sensitivity Analysis

The following tables summarise the sensitivity of the Group's financial assets to interest rate risk. Had the relevant variables, as illustrated in the tables, moved, with all other variables held constant, post tax loss and equity would have been affected as shown. The analysis has been performed on the same basis for the year ended 31 December 2015 and the year ended 31 December 2014.

2015	Carrying Amount	**Interest Rate Risk**		**Interest Rate Risk**	
AUD		**-1%**		**1%**	
		Net Loss	**Equity**	**Net Loss**	**Equity**
	AUD	**AUD**	**AUD**	**AUD**	**AUD**
Financial assets					
Cash and cash equivalents	3,050,211	(30,502)	(30,502)	30,502	30,502
Total	3,050,211	(30,502)	(30,502)	30,502	30,502

None of the Group's financial liabilities are interest bearing.

2014	Carrying Amount	**Interest Rate Risk**		**Interest Rate Risk**	
AUD		**-1%**		**1%**	
		Net Loss	**Equity**	**Net Loss**	**Equity**
	AUD	**AUD**	**AUD**	**AUD**	**AUD**
Financial assets					
Cash and cash equivalents	4,300,631	(43,006)	(43,006)	43,006	43,006
Total	4,300,631	(43,006)	(43,006)	43,006	43,006

None of the Group's financial liabilities are interest bearing.

Notes to the Consolidated Financial Statements – Continued

Credit risk exposures

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company has no sales and trade accounts at the end of the period.

The Company's exposure and the credit ratings of its counterparties are continuously monitored. The Company does not have any significant credit risk exposure to any single counterparty or any Company of counterparties having similar characteristics. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The maximum exposure to credit risk is 2015: $3,084,197 (2014: $4,385,012)

Foreign currency risk

The Group is exposed to fluctuations in foreign currencies arising from exploration commitments in currencies other than the Group's measurement currency.

The Group operates internationally and is exposed to foreign exchange risk arising from currency exposures to the Brazilian Real (BRL) and United States Dollar (USD). The majority of current exposure is to Brazilian Real, which generally tracks the AUD$ in relative value and is converted to AUD$ for reporting purposes. The exposure to fluctuation on current transactions based in USD is not material. Fluctuation of the AUD relative to BRL is the primary cause of exchange gains and losses, due to the preponderance of assets held in BRL.

The Group has not formalised a foreign currency risk management policy, however it monitors its foreign currency expenditure in light of exchange rate movements, and retains the right to withdraw from the foreign exploration commitments after the minimum expenditure targets have been met.

	2015	2014
Foreign currency cash at 31 December		
US Dollars	1,699	31,780
Foreign currency cash at 31 December		
BRL	32,623	385

Sensitivity Analysis

The following tables summarise the sensitivity of the Group's financial assets to foreign currency exchange rate risk. Had the relevant variables, as illustrated in the tables, moved, with all other variables held constant, post tax profit and equity would have been affected as shown.

Foreign Currency exchange rate risk	2015 AUD	2014 AUD
Increase/(decrease) in profit		
Decline in AUD to BRL by 10%	(32,157)	(47,594)
Improvement in AUD to BRL by 10%	32,157	47,594
Increase/(decrease) in Equity		
Decline in AUD to BRL by 10%	(32,157)	(47,594)
Improvement in AUD to BRL by 10%	32,157	47,594

Notes to the Consolidated Financial Statements – Continued

25. SHARE-BASED PAYMENTS

Expenses arising from share-based payment transactions
Total expenses arising from share-based payment transactions recognised during the year were as follows:

	Consolidated 2015	Consolidated 2014
Options issued to employees and contractors as part of:	-	140,000
Share-based payment expense	-	400,000
	-	**540,000**

There were no options granted to key management personnel during the year ended 31 December 2015.

The fair value of share options granted to key management personnel is estimated as at the date of grant using Black Scholes Model. The following table lists the inputs to the model used for the year ended 31 December 2014. 20 million options were issued 2nd of January of 2015.

Key Management Personnel/Director	Youzhi Wei
Exercise Price (AUD)	0.02
No. of Options	20,000,000
Grant Date	29-Dec-14
Vesting Date	29-Dec-14
Expiry Date	31-Dec-17
Share Price at Grant Date (AUD)	0.02
Risk-free Interest Rate	-
Volatility	-
Fair Value at Grant Date (AUD)	0.007

The following reconciles the outstanding share options granted at the beginning and end of the financial year:

	2015		2014	
	Number of options	**Weighted average exercise price $**	**Number of options**	**Weighted average exercise price $**
Balance at beginning of the financial year	20,000,000	0.02	6,500,000	0.2
Granted during the financial year	-	0.02	20,000,000	0.02
Expired / cancelled during the financial year	-	-	(6,500,000)	0.2
Exercised during the financial year	-	-	-	-
Balance at end of the financial year (i)	20,000,000	0.02	20,000,000	0.02
Exercisable at end of the financial year	20,000,000	0.02	20,000,000	0.02

(i) Balance at end of the financial year
The share options outstanding at the end of the financial year had a weighted average remaining contractual life of 2 years (2014-3 years).

Notes to the Consolidated Financial Statements – Continued

26. PARENT ENTITY INFORMATION

The following information relates to the parent entity, BrazIron Limited, at 31 December 2015. The information presented here has been prepared using accounting policies consistent with those presented in Note 1.

	2015 AUD	2014 AUD
Current assets	3,049,363	4,310,974
Non-current assets	-	12,026,597
Total assets	**3,049,363**	**16,337,571**
Current liabilities	44,684	47,035
Non-current liabilities	-	-
Total liabilities	**44,684**	**47,035**
Net Assets	**3,004,679**	**16,290,536**
Issued capital	53,107,596	53,107,596
Reserves	489,366	489,366
Accumulated losses	(50,592,283)	(37,306,426)
Total equity	**3,004,679**	**16,290,536**
Loss for the year	(13,285,857)	(2,186,328)
Total comprehensive loss for the year	**(13,285,857)**	**(2,186,328)**

a) The parent entity has not entered into any guarantees as at 31 December 2015.
b) The parent entity has no contingent liability as at 31 December 2015 as disclosed in note 17.
c) The parent entity commitments are disclosed in note 18.

Directors' Declaration

In the directors' opinion:

(a) the financial statements and notes set out on pages 22 to 51 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 consolidated entity's financial position as at 31 December 2015 and of its performance for the financial year ended on that date;

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

(c) a statement that the attached financial statements are in compliance with International Financial Reporting Standards has been included in the notes to the financial statements.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the directors.

Youzhi Wei
Chairman
Perth, 31 March 2016

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRAZIRON LIMITED

Report on the Financial Report

We have audited the accompanying financial report of BrazIron Limited, which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration for BrazIron Limited (the consolidated entity). The consolidated entity comprises both BrazIron Limited (the Company) and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the Financial Report

The directors of the company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In note 1(a), the directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

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

Opinion

In our opinion:

(a) the financial report of BrazIron Limited is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

(b) the consolidated financial report also complies with International Financial Reporting Standards as disclosed in note 1(a).

Report on the Remuneration Report

We have audited the remuneration report included in pages 12 to 15 of the directors' report for the year ended 31 December 2015. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001.* Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards

Opinion

In our opinion the remuneration report of BrazIron Limited for the year ended 31 December 2015 complies with section 300A of the *Corporations Act 2001.*

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International

Samir Tirodkar
Director
West Perth, Western Australia
31 March 2016

ADDITIONAL INFORMATION

Additional information required by the Australian Securities Exchange Limited and not shown elsewhere in this report is as follows. The information is current as at 31 March 2015.

1. Distribution of Equity Securities

Analysis of number of equity security holders by size of holding:

			Shareholders
1	-	1,000	3
1,001	-	5,000	12
5,001	-	10,000	47
10,001	-	100,000	75
100,001		and over	185
Total			322

The number of holders of less than a marketable parcel of ordinary fully paid shares is 13.

2. Substantial Shareholders

Substantial shareholders (i.e. shareholders who hold 5% or more of the issued capital):

	Number of Shares	Percentage Held
EXCELLENT GOAL INTERNATIONAL LIMITED	459,294,611	55%
YOUZHI WEI (1)	55,350,143	6.6%

(1) Dr Wei is the Director and sole shareholder of Wisdom Hope International and Health Glory International Limited

3. Voting Rights

(a) Ordinary Shares
Each shareholder is entitled to receive notice of and attend and vote at general meetings of the Company. At a general meeting, every shareholder presents in person or by proxy, representative of attorney will have one vote on a show of hands and on a poll, one vote for each share held.

(b) Options
No voting rights

4. Quoted Securities on Issue

The number of quoted shares and options issued by the Company are set out below:

	Number
Ordinary fully paid shares	835,081,111
Options	20,000,000

5. On-Market Buy Back

There is no current on-market buy back.

6. Unquoted Equity Securities

	Number on issue	Number of holders
Options	20,000,000	1

ADDITIONAL INFORMATION…CONTINUED

7. Top 20 Quoted Shareholders

Top 20 Quoted Shareholders	Number of Shares	Percentage Held
EXCELLENT GOAL INTERNATIONAL	459,294,611	55.00%
CITICORP NOMINEES PTY LIMITED	37,753,443	4.52%
MR PEDRO JACOBI	34,844,521	4.17%
WISDOM HOPE INTERNATIONAL LTD	33,398,754	4.00%
MR CARLOS RENATO VEDOVATO	25,438,725	3.05%
MR WALTER GUIDICE	23,276,804	2.79%
PERSHING AUSTRALIA NOMINEES	21,951,389	2.63%
HONG KONG SAN XIN MINERALS	16,000,000	1.92%
ABN AMRO CLEARING SYDNEY	13,000,429	1.56%
MR ADRIANO GOMES COELHO	11,575,605	1.39%
QUEST STOCKBROKERS (HK)	11,250,000	1.35%
INDI HOLDINGS PTY LTD	6,533,204	0.78%
HSBC CUSTODY NOMINEES	5,325,253	0.64%
TREASURE HARVEST INVESTMENTS	5,000,000	0.60%
MR MITCHELL SOULE &	4,993,185	0.60%
MR AL WILKE &	4,850,243	0.58%
MAJESTIC DIAMONDS & METALS INC	4,429,592	0.53%
MR PEDRO BETTIM JACOBI	4,324,175	0.52%
MR MARCEL JACOBI	4,174,550	0.50%
TALBOT GROUP INVESTMENTS	4,000,000	0.48%
	731,414,483	**87.59%**

8. Incorporation and general information

The Company was incorporated in Bermuda as an exempted company and is therefore subject to Bermudian law.

In Australia, the Company is registered as a foreign company under the Australian Corporations Act (ABN 62 133 221 084). It is not subject to Chapter 6 of the Australian Corporations Act dealing with the acquisition of shares (including substantial shareholders notices and takeovers). However, BrazIron has inserted into its bye laws some restrictions on the acquisition of shares in the Company. These sections of the bye laws reflect the restrictions in acquisition of shares contained in parts 6.1 and 6.2 of the Australian Corporations Act. Additionally, the Company has undertaken to comply with the ASX Listing Rules.

Bermuda law does not impose any limitations on the acquisition of shares in the Company.

9. Exploration Tenements

Licence No.	Registered Holder	Equity (%)	Issue Date	Expiration Date	Area (ha)	Status
871.275/2005	BR Ferro Mineração S.A.	100%	12/11/2008		1,751.37	PERMIT EXTENDED
872.683/2013	BR Ferro Mineração S.A.	100%	Application		53.92	EXPLORATION CLAIM
871.911/2012	BR Ferro Mineração S.A.	100%	15/092015	15-09-2018	1,462.88	PERMIT
870.333/2012*	BR Ferro Mineração S.A.	100%	14-09-2015	14-09-2018	123.49	PERMIT
871.933/2012*	BR Ferro Mineração S.A.	100%	20-07-2012		221.18	EXPLORATION CLAIM
TOTAL MACAUBAS PROJECT					**3,612.84**	
870.031/2005	BR Ferro Mineração S.A.	100%	13/06/2008		2,000.00	PERMIT EXTENDED
870.032/2005	BR Ferro Mineração S.A.	100%	13/06/2008		2,000.00	PERMIT EXTENDED
870.314/2012	BR Ferro Mineração S.A.	100%	14-09-2015	14-09-2018	1,745.42	PERMIT
870.028/2005	BR Ferro Mineração S.A.	100%	13/06/2008		1,330.41	MINING APLICATION
870.310/2012	BR Ferro Mineração S.A.	100%	14-09-2015	14-09-2018	1,982.91	PERMIT
870.311/2012	BR Ferro Mineração S.A.	100%	14-09-2015	14-09-2018	1,916.33	PERMIT
870.312/2012	BR Ferro Mineração S.A.	100%	18-02-2014	20-12-2016	1,994.85	PERMIT
870.313/2012	BR Ferro Mineração S.A.	100%	18-02-2014	20-12-2016	1,998.03	PERMIT
871.109/2012	BR Ferro Mineração S.A.	100%	03-12-2013	04-10-2016	1,524.87	PERMIT
871.110/2012	BR Ferro Mineração S.A.	100%	06-01-2014	07-11-2016	50.00	PERMIT
872.519/2011	BR Ferro Mineração S.A.	100%	05-10-2011	06-08-2017	999.92	PERMIT
872.189/2012	BR Ferro Mineração S.A.	100%	03-12-2013	04-10-2016	1,709.67	PERMIT
872.190/2012	BR Ferro Mineração S.A.	100%	06-01-2014	07-11-2016	50.00	PERMIT
TOTAL XIQUE-XIQUE PROJECT					**19,302.41**	
851.017/2014	Octa Ferro S.A.	100%	21-11-2011		364.18	EXPLORATION CLAIM
850.557/2007	Octa Ferro S.A.	100%	Application		9,853.14	EXPLORATION CLAIM
850.558/2007	Octa Ferro S.A.	100%	02/04/2009	02-02-2012	3,541.95	PERMIT
850.786/2004	Octa Ferro S.A.	100%	23/06/2005	24-04-2008	6,750.00	PERMIT
850.788/2004	Octa Ferro S.A.	100%	23/06/2005	24-04-2008	9,776.00	PERMIT
850.791/2004	Octa Ferro S.A.	100%	23/06/2005	24-04-2008	3,928.75	PERMIT
850.107/2011	Octa Ferro S.A.	100%	Application		475.94	EXPLORATION CLAIM
850.108/2011	Octa Ferro S.A.	100%	Application		505.39	EXPLORATION CLAIM
TOTAL XINGU PROJECT					**35,195.35**	

* THEY ARE OVERLAPING SOME OTHER LICENSES - WHICH LEAVE US WITH SMALLER AREAS

BR Ferro Mineração S.A. is 100% owned by Octa Ferro S.A., which is owned 99.999% by BrazIron Participações Ltda, which is 100% owned by BrazIron Limited.

Competent Person Statement

The information in this release which relates to Exploration Results and Mineral Resources is based on information compiled by Mr. Dmitry Pertel and Mr. Robert Annett, who are Members of the Australian Institute of Geosciences ("AIG"). Mr. Pertel is employed by CSA Global Pty Ltd and Mr. Annett is a geological consultant. Mr. Pertel and Mr. Annett have over 20 years of exploration and mining experience in a variety of mineral deposit styles, and have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Pertel and Mr. Annett consent to the inclusion in this release of the matters based on their information in the form and context in which it appears.