CORAZON MINING LIMITED

QUARTERLY ACTIVITIES REPORT
PERIOD ENDING 31 MARCH 2019

HIGHLIGHTS

Mt Gilmore Cobalt-Copper-Gold Project (Mt Gilmore) – N.S.W.

- **Exploration delineates a major Copper-Cobalt-Silver-Gold trend**
- **Multiple large (>1km) high tenor metal anomalies defined over 22 kilometres**
- **Rock chip and grab sampling at these new areas delivered high-grade results up to: 21.6% Cu, 1,795ppm Co, 1.29g/t Au, 361ppm Ag, 885ppm Mo**
- **Represents a unique, early-stage, district-scale intrusive-related copper-cobalt-gold exploration opportunity with little or no modern exploration**
- **2019 work programs are currently being finalised to advance these new Cu-Co-Au targets, as well as Mt Gilmore's cobalt potential**

Lynn Lake Nickel-Copper-Cobalt Project – Canada

- **Initial metallurgical testwork on Lynn Lake sulphide mineralisation produced separate high-value and high-purity nickel and copper concentrates:**
  - **Results far surpass those delivered by the historical processing methods**
  - **New nickel concentrate grades at 26% nickel with recoveries of 71%**
  - **New copper concentrate grades at 27% copper with recoveries of 77%**
  - **On-going work is expected to optimise and improve these excellent results**
- **Results support Corazon's beliefs that modern processing techniques have the potential to deliver meaningful operational improvements and will provide greater optionality for processing methods and product sale points**

Corporate – Placement and Share Purchase Plan

- **Post Quarter-end, completion of a placement to sophisticated and professional investors which raised approximately $350,000 (Placement)**
- **Corazon also proposing to raise up to $1 million via a Share Purchase Plan (SPP) by providing existing shareholders with an opportunity to subscribe for shares on the same terms as the Placement**
- **Corazon will also seek shareholder approval for the issue of $250,000 worth of Shares to vendors to increase its interest in the Mt Gilmore Project from 51% to 80%**
- **Funds raised from the Placement and SPP will facilitate the commencement of the next phase of exploration activities at the Mt Gilmore Project**

Corazon Mining Limited (ASX: CZN) (**Corazon** or **the Company**) is pleased to present its Quarterly Activities Report for the period ending 31 March 2019 (**Quarter**).

Exploration by Corazon during the Quarter predominantly focused on its Mt Gilmore Cobalt-Copper-Gold Project (**Mt Gilmore**) in New South Wales. Recently the Company announced the discovery of multiple, large (plus-1km) priority copper-cobalt-silver-gold geochemical anomalies. This work has defined a new **district-scale exploration play** for large intrusive-related copper-cobalt-gold sulphide deposits and provides the Company with a unique early-stage copper-driven opportunity in eastern Australia

In Canada, at the Lynn Lake nickel-copper-cobalt sulphide Mining Centre (**Lynn Lake**), Corazon's initial metallurgical testwork produced exceptional results and for the first time delivered separate high-value nickel and copper concentrates. This significant technical breakthrough represents an important step in Corazon's development pathway for Lynn Lake and removes the need for potentially costly secondary processing from a bulk (nickel-copper) concentrate onsite (historically the case at Lynn Lake).

The Company's ongoing dual exploration focus at the Mt Gilmore and Lynn Lake projects provides multiple exciting exploration opportunities and the potential to deliver significant value-appreciation for shareholders.

MT GILMORE COBALT-COPPER-GOLD PROJECT - NSW

Project Overview

The Mt Gilmore Cobalt-Copper-Gold Project (**Mt Gilmore**) is located 35 kilometres from the city of Grafton in north-eastern New South Wales. Presently, Corazon owns a 51% interest in Mt Gilmore; post Quarter-end, Corazon announced its intent to issue $250,000 worth of Shares in the Company to vendors to increase its interest in Mt Gilmore to 80% (ASX announcement 3 April 2019).

The Mt Gilmore Project region contains high levels of cobalt anomalism with much of the historical exploration being focused on the Cobalt Ridge prospect (**Cobalt Ridge**), a rare high-grade cobalt sulphide deposits. Corazon's metallurgical testwork on the Cobalt Ridge mineralisation has delivered exceptional, high-grade metal concentrates and cobalt/copper sulphates, suitable for us in rechargeable (lithium-ion) batteries.

Since acquisition in mid-2016, Corazon's exploration results have underpinned its belief that Mt Gilmore is prospective for hosting multiple rare cobalt-rich sulphide deposits, similar to Cobalt Ridge. During the Quarter, Corazon's exploration of the prospective 22 kilometre "Mt Gilmore trend" uncovered a major copper-cobalt-silver-gold geochemical trend, potentially representing a district-scale exploration play for large intrusive-related copper-cobalt-gold deposits. These anomalies have become the focus of exploration for the Company at Mt Gilmore.

Discovery of Major New Copper-Cobalt-Silver-Gold Trend

During the Quarter, Corazon announced the discovery of a major copper-cobalt-silver-gold trend at Mt Gilmore (ASX announcement 5 February 2019). Multiple, large (+1km) priority surface (soil) geochemical anomalies were discovered within the currently defined 22 kilometre-long mineralised Mt Gilmore Trend (Figures 1 and 2).

This work is the result of Corazon's 2018 regional geochemical sampling program, which has tested favourable basement lithologies for copper, cobalt, and gold mineralisation along strike from the drill-defined Cobalt Ridge Deposit. ASX announcements detailing the progress of work to date include 26 April, 4 July and 21 November 2018. These results from this sampling program provide compelling evidence of an extensive hydrothermal event within Mt Gilmore, **containing metal associations indicative of large intrusive related copper-gold systems**.

The results to date have far exceeded the Company's expectations, already identifying several new priority prospects, and, with most of the anomalous areas yet to be explored in detail, strong potential exists to define additional new targets. The tenor of these newly discovered cobalt anomalies are on par with the outcropping Cobalt Ridge Deposit, and potential exists for the discovery of additional cobalt-copper-gold sulphide deposits.

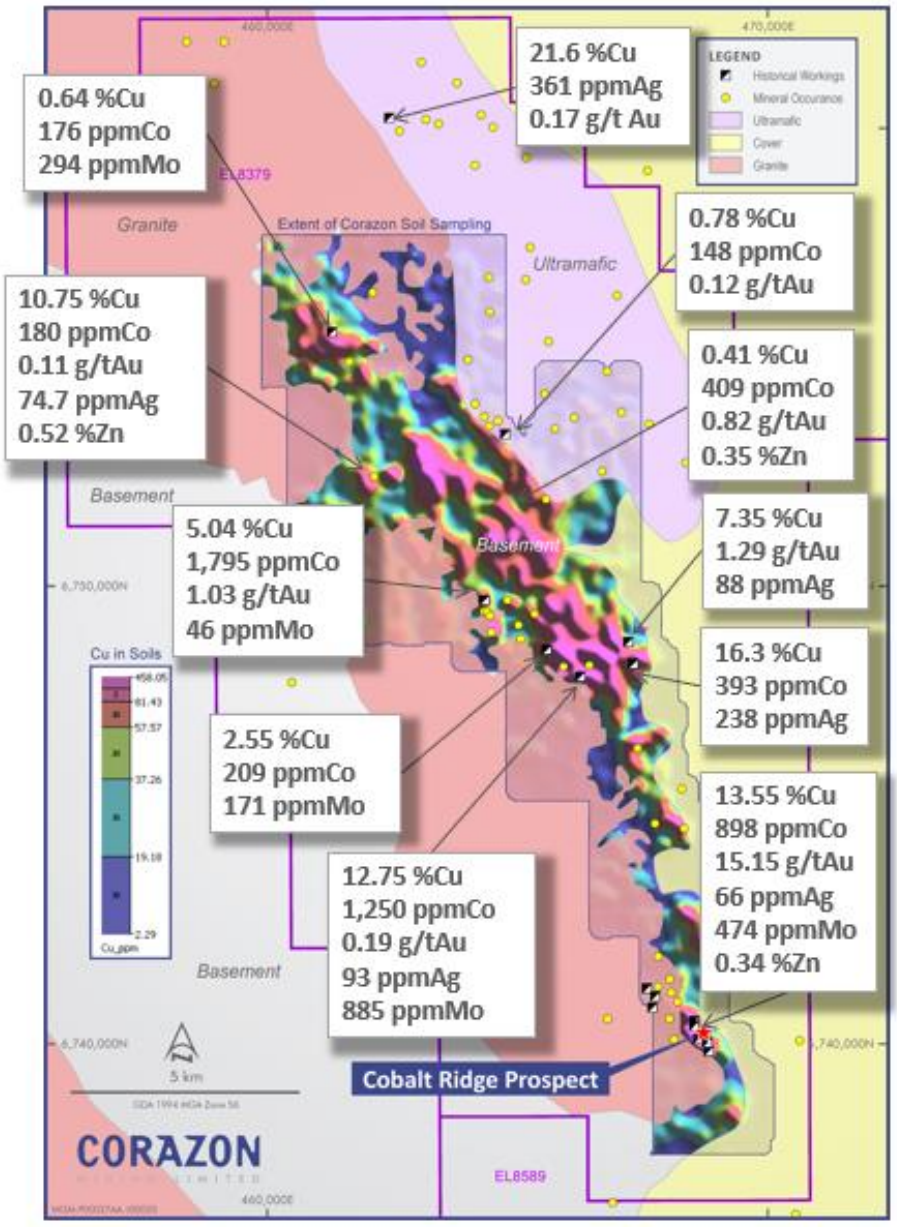


Figure 1: Mt Gilmore Trend interpreted geology over **Copper** in Soils Image, with historical mineral occurrences and maximum grade rock chip results taken within prospects.

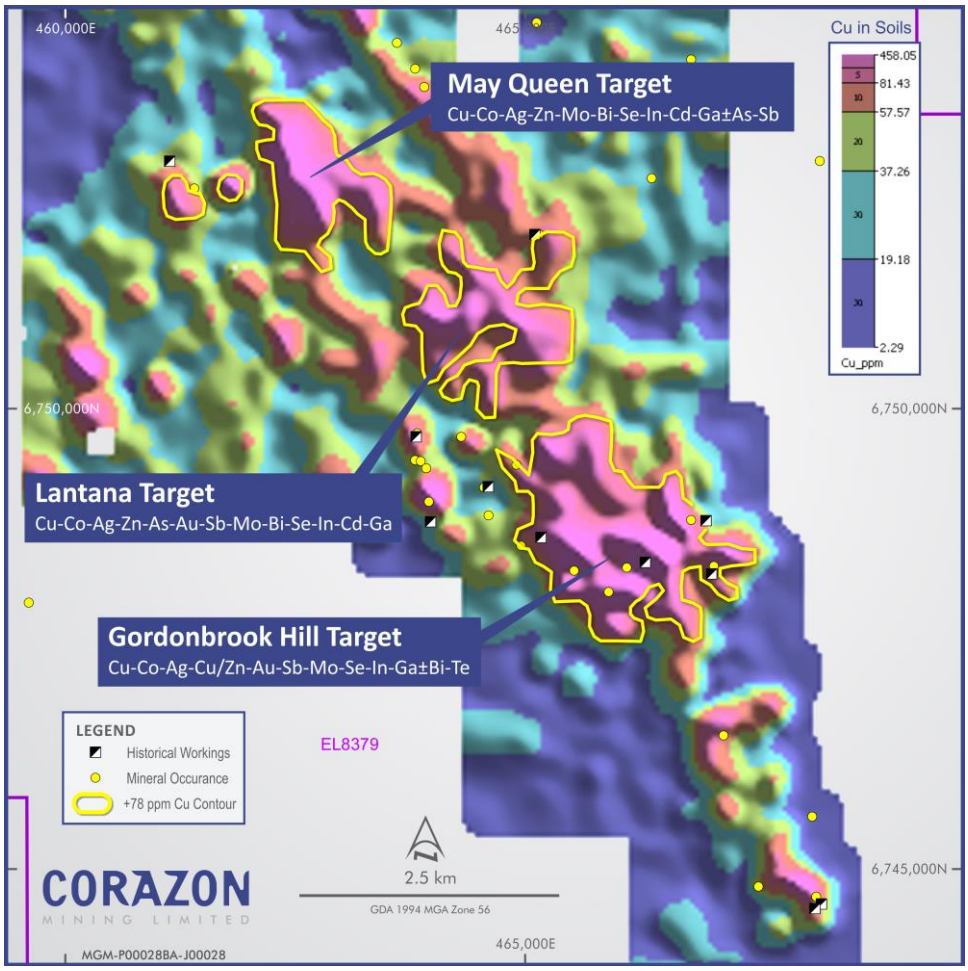


Figure 2: Mt Gilmore Trend **– Copper** in Soils Image, with historical mineral occurrences and dominant geochemical target areas. Geochemical images generated from a dataset only containing ME-MS61 assays, subset on a 200m x 200m grid with image using a north-eastern sun-angle

Corazon's assessment that the numerous occurrences of copper-cobalt-gold mineralisation identified in late-1800's/early-1900's small scale mining operations may in fact be part of a much larger system, represents a significant advancement for Mt Gilmore, substantially increasing it's potential.

The new, high-tenor cobalt-copper-silver-gold soil sample anomalies are supported by high-grade rock chip samples (ASX announcement 22 November 2018). Better results include up to **21.6% copper, 1,795ppm cobalt, 1.29g/t gold, 361ppm silver and 885ppm molybdenum**. The structures hosting this mineralisation are interpreted to be "leakage-structures" from a concealed copper sulphide system.

This newly identified Mt Gilmore geochemical trend represents a district-scale exploration play for large intrusive-related copper-cobalt-gold deposits and provides Corazon with a unique early-stage copper-driven opportunity.

On-going Work – Mt Gilmore

Planning of Mt Gilmore's 2019 exploration program is underway. Exploration work will include a strategy that addresses several objectives, including further testing of new priority geochemical targets and known copper deposits within the Mt Gilmore Trend, and drill testing prospective areas for extensions to mineralisation defined at the Cobalt Ridge prospect.

Immediate exploration proposed is aimed at defining drill targets within the large geochemical anomalies. Work will include a strategy that addresses several objectives, including:

- ground truthing, detailed geological mapping and testing of new priority geochemical targets and known copper deposits within the Mt Gilmore Trend; and
- completion of geophysical programs, including aeromagnetics and ground IP, that will provide an initial test for near surface and concealed sulphide bodies and alteration zones.

Results from this exploration will be released to the market as they become available.

LYNN LAKE NICKEL-COPPER-COBALT PROJECT - CANADA

Project Overview

Corazon's Lynn Lake Nickel-Copper-Cobalt Sulphide Project (**Lynn Lake**) in Manitoba, Canada, is a historical mining centre with large JORC compliant resources and infrastructure that, with an improved nickel price, will have significant re-development potential.

Lynn Lake was mined continuously for 24 years prior to closure in 1976. In 2015, Corazon consolidated the Lynn Lake Mining Centre under the control of one company for the first time since mine closure and in doing so created a significant nickel-copper-cobalt asset.

As part of Corazon's process of defining Lynn Lake's development potential, new quality resource estimations have been completed and modern metallurgy has delivered a major technical breakthrough, producing separate high-value and high-purity nickel and copper concentrates. This work will enable the determination of value for the large historical mining centre, at a time when there is an expectation of future increased demand for metals.

Metallurgical Testwork

The historical processing technology used at Lynn Lake for the extraction of nickel, copper and cobalt metals was developed in the 1950's and 1960's. Past nickel concentrate grades for Lynn Lake were reportedly between 8% and 15% nickel, with 22% of the copper also reporting to this concentrate. The low-grade characteristics of this concentrate were viewed as a serious potential impediment to any possible future modern mining operation.

Corazon believed modern advances in processing technology and effectiveness of modern reagents, could be beneficial for the Lynn Lake material. Detailed metallurgical testwork commenced in the September Quarter (ASX announcement 18 September 2018), marking an important step in its development pathway for Lynn Lake. The testwork focused on ore characterisation, flotation and product definition for down-stream processing, and is designed to provide key data for future mining and development studies for the possible recommencement of mining at Lynn Lake.

During the Quarter, Corazon was pleased to announce exceptional results from its testwork, which have, for the first time delivered separate high-value nickel and copper concentrates (ASX announcements 11 and 12 February 2019). The results include:

- New nickel concentrate with a grade of **26% nickel with recoveries of 71%**
- New copper concentrate with a grade of **27% copper with recoveries of 77%**

These results have not been fully optimised and it is expected that on-going work will deliver further improvements on these excellent grades and recoveries.

This significant technical breakthrough supports the production and dispatch of separate copper and nickel concentrates from site to smelters, and remove the need for potentially costly secondary processing from a bulk (nickel-copper) concentrate onsite (historically the case at Lynn Lake).

Historical operations and metallurgical testwork completed since mine closure, as far as is reported, were neither able to achieve the nickel grades observed in this current testwork, or able to produce separate nickel and copper concentrates with the purity of this testwork.

The metallurgical testwork is being managed by internationally recognised metallurgical consultants, METS Engineering, and is expected to be completed in the near future. Significant results will be released to the market as they become available.

On-going Work – Lynn Lake

Current activities at Lynn Lake are focused on improving the quality of resource and metallurgical data, to be utilised in detailed mining studies to better define the value of the asset. The current phase of metallurgical testwork remains in progress, with optimisation of the test work expected to deliver further improvements, particularly in regards to the recoveries.

CORPORATE

Cash

Corazon closed the Quarter with $258,000 in cash; the Company's quarterly summary of financials are presented as a separate ASX release in the Appendix 5B.

Placement and SPP

Post Quarter-end, the Company announced it has completed a placement to sophisticated, professional and institutional investors which raised approximately $350,000 through the issue of approximately 116.7 million fully paid ordinary shares (**Shares**) at an issue price of $0.003 per Share (**Placement**). Participants in the Placement will also be entitled to apply for two (2) free attaching options (**New Options**) for every three (3) Shares subscribed for in the Placement (ASX Announcement 3 April 2019). This issue of New Options will be subject to the Company obtaining Shareholder approval at the general meeting to be held on 30 May 2019 (**General Meeting**).

Corazon also announced its intent to conduct a Share Purchase Plan (**SPP**) to raise up to a further $1 million on the same terms as the Placement. The funds raised pursuant to the Placement and SPP will be used to accelerate exploration activities at the Mt Gilmore Project, in particular targeting compelling copper-cobalt-silver surface anomalies (ASX announcement 5 February 2019).

Share Purchase Plan

Under the SPP, the Company is giving eligible shareholders the opportunity to subscribe for up to $15,000 worth of Shares at an issue price of $0.003 per Share, irrespective of the size of their shareholding. The record date for participation in the SPP was 2 April 2019.

On 17 April 2019, the Company was granted a waiver from ASX Listing Rules 7.1 and 10.11 (**Waiver**) to the extent necessary to permit the Company, without obtaining Shareholder approval, to issue Shares under the Share Purchase Plan at an issue price no less than the lower of the issue price of the shares issued under the Placement (being $0.003 per Share) and 80% of the Company's volume weighted average market Share price over the last 5 days on which trades were recorded, either before the day on which the SPP was announced or on which the Shares are issued under the SPP.

Listed Options

Corazon will seek shareholder approval at the General Meeting to issue two (2) New Options for every three (3) Shares issued to participants in the Placement and the SPP. The New Options will be exercisable at 0.7 cents each and will have an expiry date 3 years from the date of issue.

Corazon intends to apply for official quotation of the New Options on ASX, subject to compliance with ASX Listing Rule 2.5.

Issue of Shares

Post Quarter-end, the Company issued 115,405,350 Shares on 10 April 2019, under the Company's existing placement capacity under ASX Listing Rule 7.1 (ASX announcement 10 April 2019).

Mt Gilmore Project Ownership Equity to increase to 80%

Post Quarter-end, the Company announced its intent to increase its interest in the Mt Gilmore Project from 51% to 80% by issuing $250,000 of Shares to the Mt Gilmore vendors. The Company will seek Shareholder approval for the issue of these Shares at the General Meeting.

Further details of the Mt Gilmore Project purchase agreement are set out in the ASX announcement released on 16 June 2016.

END.

For further information visit www.corazon.com.au or contact:

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Competent Persons Statement

The information in this report that relates to Mineral Resources for the EL, Disco, 'N', 'O 'and 'P' deposits contained within the Lynn Lake Nickel Project is based on information compiled by Mr Stephen Hyland who is a Fellow of the Australasian Institute of Mining and Metallurgy and who has provided expert guidance on resource modelling and resource estimation. Mr Hyland is a Principal Consultant Geologist at HGMC consultants and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Hyland consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

The information in this report that relates to Exploration Results and Targets is based on information compiled by Mr. Brett Smith, B.Sc Hons (Geol), Member AusIMM, Member AIG and an employee of Corazon Mining Limited. Mr. Smith has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Smith consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

The information in this report that relates to the Processing and Metallurgy for the Lynn Lake Project is based on and fairly represents information and supporting documentation compiled by Damian Connelly who is a Member of The Australasian Institute of Mining and Metallurgy and a full time employee of METS Engineering (METS). Damian Connelly has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Damian Connelly consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward Looking Statements

This announcement contains certain statements that may constitute "forward looking statement". Such statements are only predictions and are subject to inherent risks and uncertainties, which could cause actual values, results, performance achievements to differ materially from those expressed, implied or projected in any forward looking statements.

Forward-looking statements are statements that are not historical facts. Words such as "expect(s)", "feel(s)", "believe(s)", "will", "may", "anticipate(s)" and similar expressions are intended to identify forward-looking statements. These statements include, but are not limited to statements regarding future production, resources or reserves and exploration results. All such statements are subject to certain risks and uncertainties, many of which are difficult to predict and generally beyond the control of the Company, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include, but are not limited to: (i) those relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations, (ii) risks relating to possible variations in reserves, grade, planned mining dilution and ore loss, or recovery rates and changes in project parameters as plans continue to be refined, (iii) the potential for delays in exploration or development activities or the completion of feasibility studies, (iv) risks related to commodity price and foreign exchange rate fluctuations, (v) risks related to failure to obtain adequate financing on a timely basis and on acceptable terms or delays in obtaining governmental approvals or in the completion of development or construction activities, and (vi) other risks and uncertainties related to the Company's prospects, properties and business strategy. Our audience is cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof, and we do not undertake any obligation to revise and disseminate forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of or non-occurrence of any events.

The Company believes that it has a reasonable basis for making the forward-looking Statements in the announcement based on the information contained in this and previous ASX announcements.

The Company is not aware of any new information or data that materially affects the information included in this ASX release, and the Company confirms that, to the best of its knowledge, all material assumptions and technical parameters underpinning the exploration results in this release continue to apply and have not materially changed.

Schedule of Tenements

CORAZON MINING LIMITED CONSOLIDATED BASIS

SCHEDULE OF INTERESTS IN MINING TENEMENTS

(as required by ASX Listing Rule 5.3.3)

Project	Mining tenements held	Location of tenements	Beneficial % interest at the end of the quarter	Change in the quarter
MT GILMORE	EL 8379	New South Wales	51%	
LYNN LAKE	P7700E	Canada	100%[1]	
LYNN LAKE	P7698E	Canada	100%[1]	
LYNN LAKE	P8370E	Canada	100%[1]	
LYNN LAKE	P7699E	Canada	100%[1]	
LYNN LAKE	P7702E	Canada	100%[1]	
LYNN LAKE	P3163F	Canada	100%[1]	
LYNN LAKE	P3164F	Canada	100%[1]	
LYNN LAKE	P3165F	Canada	100%[1]	
LYNN LAKE	P2291F	Canada	100%[1]	
LYNN LAKE	P3534F	Canada	100%[1]	
LYNN LAKE	MB2482	Canada	100%[1]	
LYNN LAKE	MB3566	Canada	100%[1]	
LYNN LAKE	MB3567	Canada	100%[1]	
LYNN LAKE	P1045F	Canada	100%[1]	
LYNN LAKE	MB3580	Canada	100%[1]	
LYNN LAKE	MB3581	Canada	100%[1]	
LYNN LAKE	MB7346	Canada	100%[1]	
LYNN LAKE	MB7349	Canada	100%[1]	
LYNN LAKE	MB7350	Canada	100%[1]	

LYNN LAKE	MB7025	Canada	100%[1]	
LYNN LAKE	MB7361	Canada	100%[1]	
LYNN LAKE	MB7362	Canada	100%[1]	
LYNN LAKE	MB6364	Canada	100%[1]	
LYNN LAKE	MB5175	Canada	100%[1]	
LYNN LAKE	MB5701	Canada	100%[1]	
LYNN LAKE	MB8734	Canada	100%[1]	
LYNN LAKE	MB8735	Canada	100%[1]	
LYNN LAKE	MB9218	Canada	100%[1]	
LYNN LAKE	MB5399	Canada	100%[1]	
LYNN LAKE	MB6360	Canada	100%[1]	
LYNN LAKE	MB6361	Canada	100%[1]	
LYNN LAKE	MB6362	Canada	100%[1]	
LYNN LAKE	MB6363	Canada	100%[1]	
LYNN LAKE	MB9453	Canada	100%[1]	
LYNN LAKE	MB5672	Canada	100%[1]	
LYNN LAKE	MB5669	Canada	100%[1]	
LYNN LAKE	MB10070	Canada	100%[1]	
LYNN LAKE	MB10071	Canada	100%[1]	
LYNN LAKE	MB10085	Canada	100%[1]	
LYNN LAKE	MB10086	Canada	100%[1]	
LYNN LAKE	MB10382	Canada	100%[1]	
LYNN LAKE	MB10383	Canada	100%[1]	
LYNN LAKE	MB10384	Canada	100%[1]	
LYNN LAKE	MB10387	Canada	100%[1]	
LYNN LAKE	MB10388	Canada	100%[1]	
LYNN LAKE	MB11838	Canada	100%[1]	
LYNN LAKE	MB11839	Canada	100%[1]	
LYNN LAKE	MB11840	Canada	100%[1]	

LYNN LAKE	MB11841	Canada	100%[1]	
LYNN LAKE	MB11842	Canada	100%[1]	
LYNN LAKE	MB11843	Canada	100%[1]	
LYNN LAKE	MB11844	Canada	100%[1]	
VICTORY PROJECT	MB11328	Canada	100%[2]	
VICTORY PROJECT	MB11388	Canada	100%[2]	
VICTORY PROJECT	MB11389	Canada	100%[2]	
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VICTORY PROJECT	M2228	Canada	100%[2]	
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VICTORY PROJECT	M2248	Canada	100%[2]	
VICTORY PROJECT	M2249	Canada	100%[2]	
VICTORY PROJECT	M2251	Canada	100%[2]	
VICTORY PROJECT	M2252	Canada	100%[2]	
VICTORY PROJECT	M2253	Canada	100%[2]	
VICTORY PROJECT	M2254	Canada	100%[2]	
VICTORY PROJECT	M2255	Canada	100%[2]	
VICTORY PROJECT	M2256	Canada	100%[2]	
VICTORY PROJECT	ML77	Canada	100%[2]	
VICTORY PROJECT	ML90	Canada	100%[2]	
BARRINGTON LAKE	MB9634	Canada	100%[1]	

NOTES:

1. *Option to acquire up to 100% of Lynn Lake and Barrington Lake Projects; for terms of the agreement, refer to prior announcement dated 09/08/12.*
2. *Victory Purchase agreement for terms of the agreement, refer to prior announcement dated 04/04/15*