



**CORAZON**  
**MINING**

**HALF YEAR REPORT**  
FOR THE FINANCIAL PERIOD ENDED  
31 DECEMBER 2022

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by Corazon Mining Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

**CORPORATE DIRECTORY**

**NON-EXECUTIVE CHAIRMAN**

Terry Streeter

**EXECUTIVE MANAGING DIRECTOR**

Brett Smith

**NON-EXECUTIVE DIRECTORS**

Jonathan Downes

Mark Qiu

**COMPANY SECRETARY**

Robert Orr

**PRINCIPAL & REGISTERED OFFICE**

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WEST PERTH WA 6005  
Telephone: (08) 6166 6361

**AUDITORS**

PKF Perth  
Level 5, 35 Havelock Street  
WEST PERTH WA 6005  
Telephone: (08) 9322 2798  
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**SHARE REGISTER**

Advanced Share Registry Services  
2/150 Stirling Highway  
NEDLANDS WA 6009  
Telephone: (08) 9389 8033  
Facsimile: (08) 9389 7871

**SECURITIES EXCHANGE LISTINGS**

Australian Securities Exchange  
(Home Exchange: Perth, Western Australia)  
Code: CZN

**BANKERS**

National Australia Bank Limited  
50 St Georges Terrace  
PERTH WA 6000

**WEBSITE**

[www.corazon.com.au](http://www.corazon.com.au)

## DIRECTORS' REPORT

The Directors present their report, together with the financial statements, on the Consolidated Entity (referred to hereafter as the 'Consolidated Entity') consisting of Corazon Mining Limited (referred to hereafter as the 'Company' or 'Parent Entity') and the entities it controlled at the end of the half-year ended 31 December 2022.

### 1. DIRECTORS

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

Terry Streeter	Non-Executive Chairman
Brett Smith	Executive Managing Director
Jonathan Downes	Non-Executive Director
Mark Qiu	Non-Executive Director

Directors have held office for the entire period and to the date of this report unless otherwise stated.

### 2. PRINCIPAL ACTIVITIES

The principal activity of the Consolidated Entity during the half-year has been exploration and evaluation of the Consolidated Entity's tenement holdings.

### 3. RESULT OF OPERATIONS

The loss after tax for the half-year ended 31 December 2022 was \$389,380 (2021: \$1,026,475).

### 4. REVIEW OF OPERATIONS

#### EXPLORATION ACTIVITIES

Corazon Mining Limited (ASX: CZN) (Corazon or Company) is an Australian resource company with projects in Australia and Canada.

In Canada, Corazon is advancing the historical Lynn Lake Nickel Copper Cobalt Project (Lynn Lake) in the province of Manitoba; host to a large JORC nickel-copper-cobalt resource Corazon has consolidated the entire historical Lynn Lake Mining Centre, placing it under the control of one company for the first time since mine closure in 1976. Lynn Lake presents a major development opportunity and is becoming more prospective due to increases in the value of Class 1 Nickel projects, and the expected strong demand outlooks associated with the emerging global electric vehicle industry.

In Australia, Corazon is exploring the Miriam Nickel Sulphide and, Lithium Project (Miriam) in Western Australia and the Mt Gilmore Cobalt-Copper-Gold- Silver Project (Mt Gilmore) in New South Wales.

Miriam is a highly prospective nickel sulphide and lithium exploration project, representing a strategic addition to Corazon's portfolio of nickel sulphide and battery metal assets. Mt Gilmore is centered on a regionally substantive hydrothermal system with extensive copper, cobalt, silver and gold anomalism, including high-grade rock chip samples over a strike of more than 20 kilometres. Mt Gilmore also hosts the Cobalt Ridge Deposit - a unique high-grade cobalt-dominant sulphide deposit.

Corazon's strategic focus on nickel sulphide, in addition to the overall commodity mix of its projects, places it in a strong position to take advantage of the forecast future growth in the rechargeable battery and renewable energy industries.

## DIRECTOR’S REPORT (cont)

### Lynn Lake Nickel-Copper-Cobalt Sulphide Project, Canada

Corazon owns 100% of the Lynn Lake Nickel-Copper-Cobalt Sulphide Project (Lynn Lake) (Figure 1) - a prolific historical nickel-copper-cobalt mining centre that was mined for 24 years before closure in 1976. Corazon is the first company to have control of the entire Lynn Lake nickel camp since mine closure.

Lynn Lake has been described as one of the best nickel-sulphide “brownfields” exploration plays in North America, and with little modern exploration undertaken to date, the opportunity for discovery at Lynn Lake is substantial. Highlights of the Lynn Lake Project include:

- 100% ownership of nickel sulphide district
- Large JORC resources
- Exciting and proven exploration upside
- Beneficial infrastructure that would reduce start-up capital requirements
  - Township originally built for the historical mining operation
  - Hydro-Power – an important component for any future, sustainable, environmentally compliant mining operation
- Nearby to emerging North American and European rechargeable battery industries

Corazon’s dual-focus strategy at Lynn Lake is focused on exploration and development. Mining Centre studies are focused on seeking cost and performance efficiencies in mining and processing practices, progressing the possible development of a significant, low-cost mining operation.

In parallel, exploration in the mine area is pursuing the expansion of the near-surface JORC resource base in search of start-up feed to complement existing resources at depth. Exploration within the greater project area has focused on the Fraser Lake Complex, where a large magmatic sulphide system, bigger than the Lynn Lake mine area footprint, has been discovered.

Together, this work will enable the determination of value for Lynn Lake at a time when there is an expectation of future increased demand for metals.

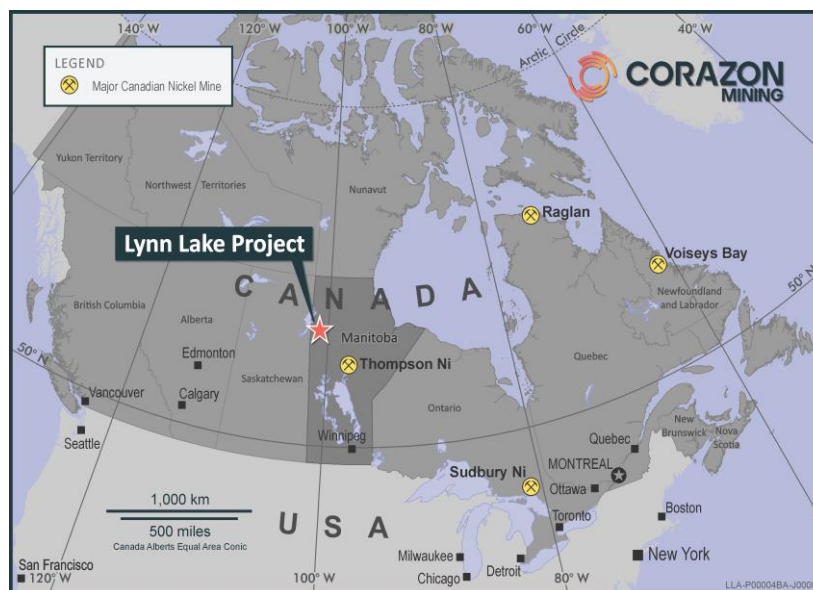


Figure 1: Lynn Lake Project location map

**DIRECTOR’S REPORT (cont)**

**Mt Gilmore Copper-Cobalt-Gold Project**

The Mt Gilmore Cobalt-Copper-Gold-Silver Project (Mt Gilmore) is located 35 kilometres from the city of Grafton in north-eastern New South Wales (Figure 2). Corazon owns an 80% interest in Mt Gilmore and is managing and sole funding exploration until any future decision to mine is made.

Work by Corazon since acquisition in mid-2016, underpins the belief that Mt Gilmore is prospective for hosting large intrusive related copper-gold systems, enriched in cobalt. Corazon’s exploration of the prospective “Mt Gilmore trend” uncovered a major copper–cobalt–silver-gold geochemical trend, representing a +20 kilometre-long district-scale exploration play for large intrusive related copper-cobalt-gold deposits. Innovative mineral geochemical studies are currently underway to define the source of this large geochemical anomaly, to enable drill testing in 2023.

Corazon’s exploration work has also delivered a high-grade cobalt concentrate derived from Mt Gilmore’s Cobalt Ridge prospect, which has the potential to supply the emerging global battery technology sector.



**Figure 2: Mt Gilmore Project location map**

**Miriam Nickel Sulphide Project**

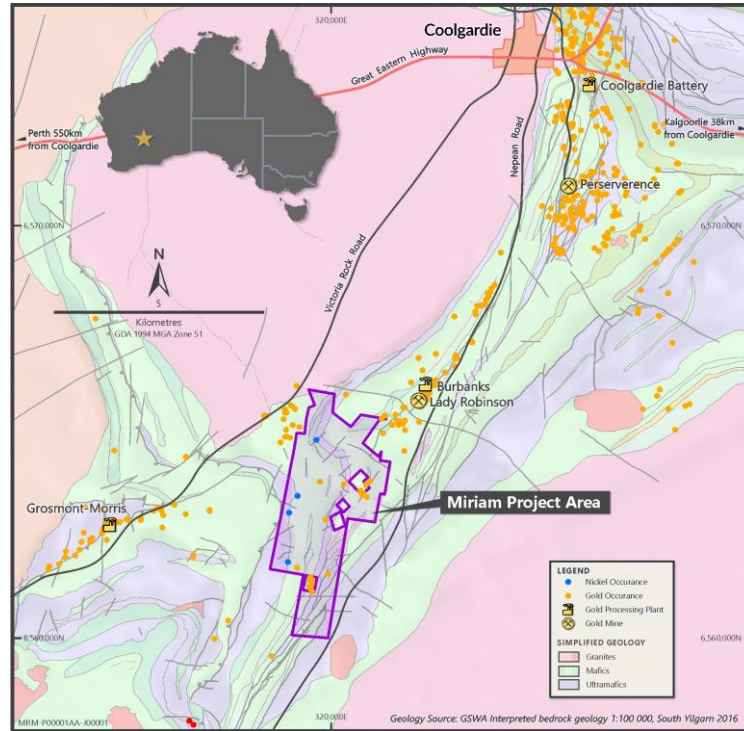
The Miriam Nickel Sulphide, Lithium Project (Miriam) in the Goldfields of Western Australia is a highly prospective nickel exploration play, representing a strategic addition to Corazon’s portfolio of nickel sulphide assets. Corazon holds 100% beneficial ownership and control of the Miriam Project

Miriam is located approximately 10 kilometres south-southwest of Coolgardie on a trend of ultramafics best identified by the Miriam and Nepean (Auroch Minerals, ASX: AOU) nickel deposits (Figure 3). The Miriam Deposit was discovered in 1969, with ‘high nickel tenor’ massive and disseminated sulphides intersected in drilling.

Miriam has extensive untested opportunity for nickel sulphide mineralisation at depth and along strike from previous drilling. Three of Miriam’s Prospecting Licences were recently granted, allowing for the commencement of Corazon’s planned exploration activities, starting with a ground electromagnetic (EM) geophysical survey testing the extents of the Miriam Nickel Sulphide Deposit and trends.

**DIRECTOR’S REPORT (cont)**

Corazon’s recent exploration work has revealed Miriam’s potential to host multiple lithium-rich pegmatites, and as such lithium exploration has become a priority, alongside the exploration and expansion of the undeveloped Miriam Nickel Sulphide Deposit.



**Figure 3: Miriam Project location map**

**Competent Persons Statement**

The information in this report that relates to lithium Exploration Results and Targets is based on information compiled by Dr Ben Li, Member AIG and an employee of Corazon Mining Limited. Dr Li has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that 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”. Dr Li 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 nickel 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 that 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.

**DIRECTOR'S REPORT (cont)****CORPORATE ACTIVITIES****Annual/General Meeting Results**

On 25 November 2022, the Company held its Annual General Meeting of Shareholders (AGM).

All resolutions put to shareholders in both meetings were passed by a poll.

**Share option expiry**

On 12 July 2022 26,481,560 listed share options and 250,000 unlisted share options with an exercise price of \$0.14 lapsed unexercised.

**5. EVENTS SUBSEQUENT TO REPORTING DATE**

Subsequent to the reporting date Corazon announced the granting of Prospecting License on the Miriam Project, which covers an area of about 6 kilometres by 1.5 kilometers and comprises five Prospecting Licences (P15/6135 to P15/6139 inclusive). Licences P15/6137 to 6139 were granted on 23<sup>rd</sup> January 2023. Licences P15/6135 and P15/6136 remain pending.

No other matters or circumstances have arisen subsequent to 31 December 2022 that has significantly affected, or may significantly affect, the state of affairs or operations of the reporting entity in future financial periods.

**6. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

There were no other significant changes in the state of affairs of the Consolidated Entity during the financial half-year.

**7. AUDITOR'S DECLARATION**

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 7 for the half-year ended 31 December 2022.

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

On behalf of the Directors.



Brett Smith  
Managing Director  
Dated this day 3 March 2023

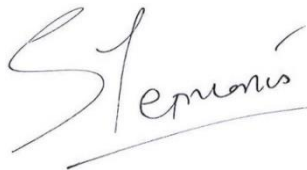


AUDITOR'S INDEPENDENCE DECLARATION  
TO THE DIRECTORS OF CORAZON MINING LIMITED

In relation to our review of the financial report of Corazon Mining Limited for the half year ended 31 December 2022, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.



PKF PERTH



SIMON FERMANIS  
PARTNER

3RD MARCH 2023,  
WEST PERTH,  
WESTERN AUSTRALIA

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## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF CORAZON MINING LIMITED

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Corazon Mining Limited (the company) and controlled entities (consolidated entity) which comprises the consolidated statement of financial position as at 31 December 2022, 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 half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at 31 December 2022, or during the half year.

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

#### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report.

#### Independence

We are independent of the company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

#### Directors' Responsibility for the Half-Year Financial Report

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

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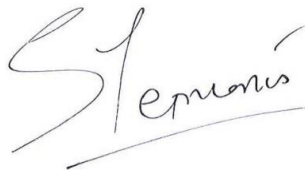
## Auditor's Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporation Regulations 2001.

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



PKF PERTH



SIMON FERMANIS  
PARTNER

3RD MARCH 2023  
WEST PERTH,  
WESTERN AUSTRALIA

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME  
for the half year ended 31 December 2022**

	Note	31 Dec 2022 \$	31 Dec 2021 \$
Other revenue	3	28,134	9,311
Administrative expense		(20,309)	(52,630)
Compliance and regulatory expense		(113,039)	(121,179)
Consultancy expense		(116,322)	(75,612)
Directors fees		(109,209)	(104,291)
Employee benefits expense		(4,390)	(11,052)
Exploration expense	5	(38,905)	(627,695)
Fair value movements on financial assets		(800)	1,400
Finance costs		(3,053)	(11,135)
Insurance expense		(6,205)	(17,247)
Occupancy expense		(15,426)	(15,884)
Travel expense		10,144	(461)
		(389,380)	(1,026,475)
Loss for the period before income tax expense		(389,380)	(1,026,475)
Income tax benefit/(expense)		-	-
		<b>(389,380)</b>	<b>(1,026,475)</b>
<b>Loss for the period</b>		<b>(389,380)</b>	<b>(1,026,475)</b>
<b>Other comprehensive income/(loss), net of income tax</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Net change in fair value of available for sale financial asset		-	-
		-	-
<b>Total comprehensive loss for the period</b>		<b>(389,380)</b>	<b>(1,026,475)</b>
<b>Loss per share</b>			
Basic and diluted loss per share (cents)	4	(0.06)	(0.43)

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
as at 31 December 2022**

	<b>31 Dec 2022 \$</b>	<b>30 June 2022 \$</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	5,358,833	7,921,880
Trade and other receivables	32,462	49,749
Other assets	40,700	28,213
<b>TOTAL CURRENT ASSETS</b>	<u>5,431,995</u>	<u>7,999,842</u>
<b>NON-CURRENT ASSETS</b>		
Other assets	59,000	59,000
Financial assets	9      453	1,253
Exploration and evaluation expenditure	5      12,513,567	10,612,032
<b>TOTAL NON-CURRENT ASSETS</b>	<u>12,573,020</u>	<u>10,672,285</u>
<b>TOTAL ASSETS</b>	<u>18,005,015</u>	<u>18,672,127</u>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	442,319	700,177
Provisions	39,728	35,338
<b>TOTAL CURRENT LIABILITIES</b>	<u>482,047</u>	<u>735,515</u>
<b>TOTAL LIABILITIES</b>	<u>482,047</u>	<u>735,515</u>
<b>NET ASSETS</b>	<u>17,522,968</u>	<u>17,936,611</u>
<b>EQUITY</b>		
Issued capital	6      57,125,546	57,149,809
Reserves	7      302,921	326,104
Accumulated losses	(39,905,499)	(39,539,302)
<b>TOTAL EQUITY</b>	<u>17,522,968</u>	<u>17,936,611</u>

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
for the half year ended 31 December 2022

	<b>31-Dec-2022</b>	<b>31-Dec-2021</b>
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Interest received	19,243	357
Proceeds from government grants and tax incentives	-	-
Payments for administration and corporate expenses	(324,136)	(319,422)
Payments for exploration and evaluation expenses	(39,904)	-
Payments for finance cost	(1,027)	(10,161)
Payments for staff expenses	(106,848)	(108,004)
Other cashflows from operating activities	379	-
	<u>(452,293)</u>	<u>(437,230)</u>
<b>NET CASH USED IN OPERATING ACTIVITIES</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for capitalised exploration and evaluation expense	(2,084,464)	(1,854,050)
Payments to acquire tenements	-	(226,200)
	<u>(2,084,464)</u>	<u>(2,080,250)</u>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	-	3,333,180
Payment for costs of share issue	(24,264)	(133,715)
	<u>(24,264)</u>	<u>3,199,465</u>
<b>NET CASH FROM FINANCING ACTIVITIES</b>		
Net increase/(decrease) in cash and cash equivalents	(2,561,021)	681,985
Effect of movement in foreign exchange rates on cash held	(2,026)	202
Cash and cash equivalents at the beginning of the reporting period	<u>7,921,880</u>	<u>638,109</u>
<b>Cash and cash equivalents at the end of the reporting period</b>	<u><u>5,358,833</u></u>	<u><u>1,320,296</u></u>

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
for the half year ended 31 December 2022**

	Issued Capital \$	Share Based Payment Reserves \$	Accumulated Losses \$	Total \$
Balance at 1 July 2022	<b>57,149,809</b>	<b>326,104</b>	<b>(39,539,302)</b>	<b>17,936,611</b>
Loss for the period	-	-	(389,380)	(389,380)
Total comprehensive income for the period	-	-	(389,380)	(389,380)
<i>Transactions with owners, recorded directly in equity</i>				
Issue of share capital	-	-	-	-
Costs of issuing capital	(24,263)	-	-	(24,263)
Lapse of share options	-	(23,183)	23,183	-
Total transactions with owners	(24,263)	(23,183)	23,183	(24,263)
<b>Balance at 31 December 2022</b>	<b>57,125,546</b>	<b>302,921</b>	<b>(39,905,499)</b>	<b>17,522,968</b>
Balance at 1 July 2021	44,553,996	290,017	(37,969,565)	6,874,448
Loss for the period	-	-	(1,026,475)	(1,026,475)
Total comprehensive income for the period	-	-	(1,026,475)	(1,026,475)
<i>Transactions with owners, recorded directly in equity</i>				
Issue of share capital	3,333,180	-	-	3,333,180
Costs of issuing capital	(173,978)	-	-	(173,978)
Share based payments	-	36,087	-	36,087
Total transactions with owners	3,159,202	36,087	-	3,195,289
<b>Balance at 31 December 2021</b>	<b>47,713,198</b>	<b>326,104</b>	<b>(38,996,040)</b>	<b>9,043,262</b>

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

## CONDENSED NOTES TO THE FINANCIAL STATEMENTS for the half year ended 31 December 2022

### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### Statement of Compliance

Corazon Mining Limited (the Company) is a public company, limited by shares, domiciled and incorporated in Australia and listed on the Australian Securities Exchange. The consolidated half-year financial report of the Company for the six months ended 31 December 2022, comprise the Company and its subsidiaries (the "Consolidated Entity" or "Group").

The half-year consolidated financial report is a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting* as appropriate for for-profit orientated entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

The half-year consolidated financial report does not include full disclosures of the type normally included in an annual financial report. Accordingly, it is recommended that this half-year financial report be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by Corazon Mining Limited and its controlled entities during the half-year reporting period in accordance with the continuous disclosure requirements arising under the *Corporations Act 2001*.

These consolidated half year financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 2 March 2023.

#### Basis of preparation

The half-year consolidated financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied. The presentation and functional currency is Australian Dollars.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's annual financial report for the financial year ended 30 June 2022. Those accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

#### New, revised or amending Accounting Standards and Interpretations adopted

The Consolidated Entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are relevant to their operations and mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Consolidated Entity.



**CONDENSED NOTES TO THE CONSOLIDATED STATEMENTS**  
**for the half year ended 31 December 2022 (cont)***Impact of new standards and interpretations issued but not yet adopted*

There are no new standards that have been issued since 30 June 2022 that have been applied by the Consolidated Entity. The 30 June 2022 annual report disclosed that the Consolidated Entity anticipated no new material impacts arising from initial application of those standards issued but not yet applied at that date, and this remains the assessment as at 31 December 2022.

**Going Concern Basis**

The financial statements have been prepared on the going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business. The Consolidated Entity incurred a net loss after tax of \$389,380 for the period ended 31 December 2022 (31 December 2021: \$1,026,475). As at 31 December 2022 the Consolidated Entity had net assets of \$17,522,968 (30 June 2022: 17,936,611) and continues to incur expenditure on its exploration tenements drawing on its cash balances. The Company is able to reduce its discretionary exploration expenditure depending on its cash position and its access to funding. As at 31 December 2022 the Consolidated Entity had \$5,358,833 (30 June 2022: \$7,921,880) in cash and cash equivalents.

**Significant accounting estimates, judgments and assumptions**

The preparation of financial statements requires management to make judgments and estimates relating to the carrying amounts of certain assets and liabilities. Actual results may differ from the estimates made. Estimates and assumptions are reviewed on an ongoing basis.

The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next accounting period are:

*(i) Share based payment transactions*

The Consolidated Entity measures the cost of equity settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of share options is determined by an external valuer using an appropriate valuation model.

*(ii) Income tax expenses*

Judgement is required in assessing whether deferred tax assets and liabilities are recognised on the statement of financial position. Deferred tax assets, including those arising from temporary differences, are recognised only when it is considered more likely than not that they will be recovered, which is dependent on the generation of future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised.

*(iii) Impairment of exploration and evaluation assets*

The ultimate recoupment of the value of exploration and evaluation assets is dependent on the successful development and commercial exploitation, or alternatively, sale, of the exploration and evaluation assets.

Impairment tests are carried out on a regular basis to identify whether the asset carrying values exceed their recoverable amounts. There is significant estimation and judgement in determining the inputs and assumptions used in determining the recoverable amounts.

The key areas of judgement and estimation include:

- Recent exploration and evaluation results and resource estimates;
- Environmental issues that may impact on the underlying tenements;
- Fundamental economic factors that have an impact on the operations and carrying values of assets and liabilities.

**CONDENSED NOTES TO THE CONSOLIDATED STATEMENTS  
for the half year ended 31 December 2022 (cont)**

**2. SEGMENT INFORMATION**

The Consolidated Entity has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) to make decisions about resources to be allocated to the segments and assess their performance. Operating segments are identified by Management based on the mineral resource and exploration activities in Australia and Canada. Discrete financial information about each project is reported to the CODM on a regular basis.

The reportable segments are based on aggregated operating segments determined by the similarity of the economic characteristics, the nature of the activities and the regulatory environment in which those segments operate. The Consolidated Entity has two reportable segments based on the geographical areas of the mineral resource and exploration activities in Australia and Canada. Unallocated results, assets and liabilities represent corporate amounts that are not core to the reportable segments.

	<b>Australia</b>	<b>Canada</b>	<b>Unallocated</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>For the period ended 31 December 2022</b>				
Revenue	-	-	28,134	28,134
<b>Segment net operating loss after tax</b>	<b>(38,905)</b>	<b>-</b>	<b>(350,475)</b>	<b>(\$389,380)</b>
Exploration expense	(38,905)	-	-	(38,905)
<b>As at 31 December 2022</b>				
<b>Segment assets</b>	<b>4,217,600</b>	<b>8,319,966</b>	<b>5,467,449</b>	<b>18,005,015</b>
<b>Segment Liabilities</b>	<b>(942)</b>	<b>(396,590)</b>	<b>(84,515)</b>	<b>(482,047)</b>

**CONDENSED NOTES TO THE CONSOLIDATED STATEMENTS**  
**for the half year ended 31 December 2022 (cont)**

	Australia \$	Canada \$	Unallocated \$	Total \$
<b>For the period ended 31 December 2021</b>				
Revenue	-	-	9,311	9,311
<b>Segment net operating loss after tax</b>	<b>(627,695)</b>	<b>-</b>	<b>(398,780)</b>	<b>(\$1,026,475)</b>
Exploration expense	(627,695)	-	-	(627,695)
<b>As at 30 June 2022</b>				
<b>Segment assets</b>	<b>6,571,539</b>	<b>4,064,493</b>	<b>8,036,095</b>	<b>18,672,127</b>
<b>Segment Liabilities</b>	<b>(587,863)</b>	<b>(2,045)</b>	<b>(145,607)</b>	<b>(735,515)</b>

The accounting policies of the reportable segment are the same as the Group accounting policies.

	31 December 2022 \$	31 December 2021 \$
<b>3. OTHER REVENUE</b>		
<u>Operating activities</u>		
Interest received	19,629	24
Other revenue	8,505	9,287
Total Other Revenue	28,134	9,311

**4. EARNINGS/(LOSS) PER SHARE**

Profit/(loss) from continuing operations used in the calculation of basic and diluted EPS	(389,380)	(\$1,026,475)
Weighted average number of ordinary shares outstanding during the year used in calculating the basic and dilutive EPS	610,330,557	240,217,217

There are 19,540,000 share options and 500,000 performance rights excluded from the calculation of diluted earnings per share (that could potentially dilute basic earnings per share in the future) because they are anti-dilutive for each of the years presented.

**CONDENSED NOTES TO THE CONSOLIDATED STATEMENTS  
for the half year ended 31 December 2022 (cont)**

	31 December 2022 \$	30 June 2022 \$
<b>5. EXPLORATION EXPENDITURE (CAPITALISED)</b>		
Exploration project expenditure	<u>12,513,567</u>	<u>6,268,918</u>
Movement in carrying value:		
Brought forward	10,612,032	6,268,918
Exploration project expenditure	1,940,440	4,356,366
Acquisition of Miriam Nickel Project	-	626,200
Impairment of Miriam Nickel Project	<u>(38,905)</u>	<u>(639,452)</u>
At reporting date	<u>12,513,567</u>	<u>10,612,032</u>

**Lynn Lake Nickel-Copper-Cobalt Sulphide Project**

The Company holds 100% exploration interest in the Lynn Lake Project, which contains the main nickel resources in that area. Corazon has consolidated the entire historical Lynn Lake Nickel Copper Cobalt Mining Centre (collectively known as Lynn Lake) in the province of Manitoba. It is the first time Lynn Lake has been under the control of one company since mine closure in 1976.

**Mt Gilmore Copper-Cobalt-Gold Project**

The Mt Gilmore Project is an advanced, high-grade copper-cobalt-gold sulphide deposit, located 35km from the major centre of Grafton in north-eastern New South Wales.

**Miriam Project**

On 11 April 2022 the Company acquired the Miriam Nickel Sulphide Project (Miriam) pursuant to exercising an "option to purchase" and finalising the agreement. Miriam is located approximately 10 kilometres south-southwest of Coolgardie, and is a highly prospective nickel exploration project.

The project was subject to impairment testing at 31 December 2022. Due to the application for the exploration license for the project being still pending grant, the projects carrying value of \$639,452 was impaired.

The value of the exploration expenditure is dependent upon:

- The continuance of the rights to tenure of the areas of interest;
- The results of future exploration; and
- The recoupment of costs through successful development and exploitation of the areas of interest or alternatively by their sale.

	31 December 2022 \$	30 June 2022 \$
<b>6. ISSUED CAPITAL</b>		
Fully paid ordinary shares	60,639,837	60,639,837
Less: capital issue costs net of tax	<u>(3,514,291)</u>	<u>(3,490,028)</u>
	<u>57,125,546</u>	<u>57,149,809</u>
	No.	No.
Number of ordinary shares on issue	610,330,557	610,330,557

**CONDENSED NOTES TO THE CONSOLIDATED STATEMENTS**  
**for the half year ended 31 December 2022 (cont)**

	31 December 2022 \$	30 June 2022 \$
<b>7. RESERVES</b>		
Share based payment reserve	302,921	326,104

**8. SHARE BASED PAYMENTS**

**Share Options on Issue**

Options are issued to key management personnel as part of their compensation under the Company's Employee Share Option Plan. The options issued may be subject to performance criteria and are issued to key management personnel of Corazon Mining Limited to increase goal congruence between key management personnel and shareholders.

*Number and weighted average exercise prices of share options*

The following table illustrates the number and weighted average exercise prices (WAEP) of and movements in share options issued under Share Based Payment Scheme during the year:

	Number of Options	Weighted Average Exercise Price \$
<b>Issue to employees and key personnel</b>		
Outstanding at beginning of the year	11,790,000	\$0.10
Granted	-	-
Lapsed (i)	(250,000)	\$0.14
Outstanding at year-end	11,540,000	\$0.10
Exercisable at year-end	11,540,000	\$0.10
<b>Issue to consultants</b>		
Outstanding at the beginning of the year	9,000,000	\$0.11
Expired (i)	(1,000,000)	\$0.14
Outstanding at year-end	8,000,000	\$0.11
Exercisable at year-end	8,000,000	\$0.11

The options outstanding at 31 December 2022 had a weighted average exercise price of \$0.10 and a weighted average remaining contractual life of 1.3 years.

i) On 10 July 2022 1,250,000 share options expired unexercised.

**Performance Rights on Issue**

	Nos of rights
Issue to <b>employees and key personnel</b>	
Outstanding at the beginning of the year	500,000
Granted	-
Converted	-
Forfeited/cancelled	-
Outstanding at year-end	500,000
Exercisable at year-end	500,000

**CONDENSED NOTES TO THE CONSOLIDATED STATEMENTS  
for the half year ended 31 December 2022 (cont)**

On 20 December 2019 500,000 performance rights were issued to Mr Terry Streeter.

**9. FAIR VALUE MEASUREMENT**

The following table details the Consolidated Entity's assets and liabilities, measured or disclosed at fair value, using quoted prices (unadjusted) in active markets for identical assets or liabilities that the Entity can access at the measurement date (level 1).

	31 December 2022 \$	30 June 2022 \$
<u>Assets</u>		
Ordinary shares	453	1,253

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

**10. CONTINGENT LIABILITIES**

There has been no change to contingent liabilities since the last annual reporting date.

**11. EVENTS SUBSEQUENT TO REPORTING DATE**

Subsequent to the reporting date Corazon announced the granting of Prospecting License on the Miriam Project, which covers an area of about 6 kilometres by 1.5 kilometers and comprises five Prospecting Licences (P15/6135 to P15/6139 inclusive). Licences P15/6137 to 6139 were granted on 23<sup>rd</sup> January 2023. Licences P15/6135 and P15/6136 remain pending.

No other matters or circumstances have arisen subsequent to 31 December 2022 that has significantly affected, or may significantly affect, the state of affairs or operations of the reporting entity in future financial periods.

**12. DIVIDENDS**

No dividends have been declared or paid during the half-year ended 31 December 2022.

**13. COMMITMENTS**

Often in order to maintain current rights of tenure to exploration tenements the Company is required to perform minimum exploration work to meet the minimum expenditure requirements specified by various Governments. These obligations can be reduced by selective relinquishment of exploration tenure or renegotiation. Currently however, the Company has no financial tenure commitments on any of its projects.

**14. KEY MANAGEMENT PERSONNEL**

Remuneration arrangements of key management personnel are disclosed in the annual financial report.

## DIRECTOR'S DECLARATION

The Directors of the Company declare that:-

1. The financial statements and notes, as set out on pages 10 to 20 are in accordance with the Corporations Act 2001, including:
  - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting, and Corporation Regulations 2001; and
  - (b) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors made pursuant to s.303 (5) of the *Corporations Act 2001*.



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Brett Smith  
Managing Director

Dated this day 3 March 2023