

QUARTERLY ACTIVITIES REPORT

PERIOD ENDING 31 DECEMBER 2020

Corazon Mining Limited (ASX: CZN) (Corazon or Company) is a base metals explorer advancing the entire Lynn Lake Nickel Copper Cobalt Mining Centre in Canada, and the Mt Gilmore Cobalt Copper Gold Sulphide Project in N.S.W. Both are regarded as quality projects with the potential to supply strategic metals to what is forecast to be a major growth sector – the rechargeable battery industry. Corazon is an aggressive explorer and has recently discovered new, large sulphide systems at both of its projects.

The Company is pleased to present its Quarterly Activities Report for the period ending 31 December 2020 (Quarter).

QUARTER HIGHLIGHTS:

NEXT PHASE OF DRILLING AT LYNN LAKE NICKEL SULPHIDE PROJECT TO COMMENCE FEBRUARY

- Activities are underway for the next phase of drilling at the Lynn Lake Project in Manitoba, Canada, targeting new geophysical conductors identified by the recently completed aerial MobileMT geophysical survey
- Geophysical conductors are located in previously untested areas of the Fraser Lake Complex, within the Lynn Lake Project, adjacent to drill-defined nickel-copper-cobalt sulphide mineralisation
- Drill sites have been prepared and drilling is expected to commence early February

NEW LARGE CONDUCTORS DEFINED AT EXPANDED TENURE AT LYNN LAKE

- Corazon has strategically expanded the Lynn Lake Project; the expanded tenure covers a recently identified large geophysical conductor – a new priority target for upcoming drilling
- The target is substantial, with two sub-vertical pipe-like bodies – open at depth – known as the South Pipe Target
- The South Pipe target model is similar to Lynn Lake's high-grade EL Mine (mined 1.9Mt @ 2.4% Ni and 1.15%Cu)

CORAZON CONFIRMS PORPHYRY POTENTIAL AT THE MT GILMORE COPPER-COBALT-GOLD PROJECT

- Corazon has discovered mineralised diorite porphyry at the Mt Gilmore Project in N.S.W.
- The porphyry intrusion is located coincidentally with a large Cu-Au geochemical anomaly and an IP chargeability geophysical anomaly at the Gordonbrook Hill Prospect
 - This mineralised porphyry target is now the priority exploration focus at Mt Gilmore
- The porphyry intrusion sits within an anomalous copper, gold, silver, cobalt and molybdenum trend in excess of 20 kilometres in length and has yet to be drill tested
- Drilling permits for this target have been received, and drilling is scheduled for the first half of 2021.

CAPITAL CONSOLIDATION

- Post Quarter-end, Corazon shareholders approved the consolidation of the Company's issued capital on the basis of one (1) share/option for every twenty (20) shares/options currently held, reducing the number of shares on issue to approximately 162.67 million from the current number of issued shares, being approximately 3.253 billion.

LYNN LAKE NICKEL-COPPER-COBALT SULPHIDE PROJECT

Overview

The Lynn Lake Nickel-Copper-Cobalt Sulphide Project (Lynn Lake) has been described as one of the best “brown-fields” exploration plays in North America. New exploration techniques and a modern understanding of these nickel-copper-cobalt sulphide systems have resulted in Corazon’s discovery of several new areas of mineralisation at Lynn Lake.

Corazon has acquired 100% of the Lynn Lake Project area, and is the first company to have control of the entire Lynn Lake nickel camp since mine closure in 1976. The Company believes the historical Lynn Lake Mining Centre (Mining Centre), with large JORC compliant resources and infrastructure, has significant redevelopment potential.

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 Lynn Lake, at a time when there is an expectation of future increased demand for metals.

Exploration Activity - New Nickel-Copper Sulphide Targets Defined

Corazon’s recently completed aerial MobileMT geophysical survey at Lynn Lake identified multiple new electromagnetic conductor anomalies. These anomalies have the potential to be the results of strong nickel-copper-cobalt sulphide mineralisation (ASX announcements 3 September, 12 October and 9 November 2020).

The priority anomalies of interest defined are located in a new, untested area immediately adjacent to drill defined nickel-copper-cobalt sulphide mineralisation within the Fraser Lake Complex (FLC), which is located five kilometres south of the Mining Centre (Figure 2).

Corazon plans to drill-test these conductor anomalies in its search for high-grade massive sulphide mineralisation. Initially, the proposed drilling will test priority geophysical conductors located on strike from the Matrix Trend within the FLC (Figures 3 and 4).

The Matrix Trend is an induced polarisation (IP) high-chargeability geophysical trend that is extensively contaminated with magmatic sulphide mineralisation. Previous drilling by Corazon within the Matrix Trend has returned widespread low-level disseminated nickel-copper-cobalt mineralisation, and narrow zones (less than one metre) of semi-massive to massive nickel-copper-cobalt sulphide. It is interpreted that pulses of magma have intruded the FLC, along the Matrix Trend, from the conductive centre to the southwest.

An additional priority target area for drilling is the South Pipe conductor (Figures 2, 3 and 4) - the most substantial, and highest priority, conductive anomaly defined by the MobileMT survey. The South Pipe target is located on newly acquired tenure (ASX announcement 23 November 2020). The approval of exploration permits for this area is currently pending, and the Company plans to drill this target as a priority once applications have been granted.

The two parallel pipe-like bodies defining the

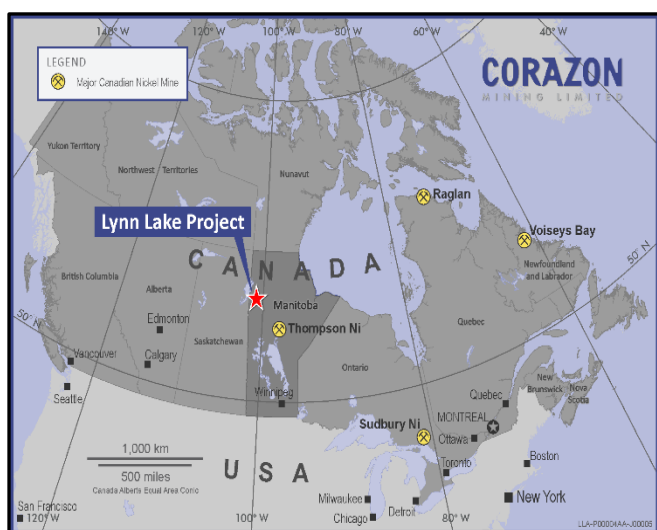


Figure 1 – Lynn Lake project location map

South Pipe area are approximately 150 meters apart; they are a dominant geophysical feature in the area west of the FLC. The shape of the southern conductive body mirrors the northern strongly magnetic, body – together, the South Pipe.

The southern body is conductive from about 100 metres below surface, to at least 850 metres (Figure 4). The northern pipe has no conductivity but is a strongly magnetic body with a geophysical signature very similar to areas within the Motruiuk Ultramafic Complex (peridotite) further to the north (Figure 2 and 3). The spatial association of ultramafic (magnetic) bodies with massive sulphide deposits is noted in the main Mining Centre, approximately nine kilometers to the northeast.

These two features are the first pipe-like bodies identified at the FLC and importantly provide an exploration target similar to the high-grade EL Deposit (mined 1.9Mt @ 2.4% Ni and 1.15%Cu to a depth of ~250 metres below surface) within the Mining Centre.

Plans for Next Phase of Drilling at Lynn Lake

Drilling Expected to Commence Early February

Post Quarter-end, the Company announced plans for its next phase of drilling at the Lynn Lake Project (ASX announcement 25 January 2021). Priority drill targets are defined and preparatory works for drilling have been completed. Drilling is expected to commence in early February.

Initially, the drilling will test priority geophysical conductors located on strike from the Matrix Trend within the FLC (Figure 3 and 4). Drilling of the high-priority South Pipe conductor is conditional on obtaining exploration permits for drilling. The South Pipe target is located on newly acquired tenure (ASX announcement 23 November 2020).

The approval of exploration permits for these areas are currently pending, and the Company plans to drill this target as a priority once applications have been granted.

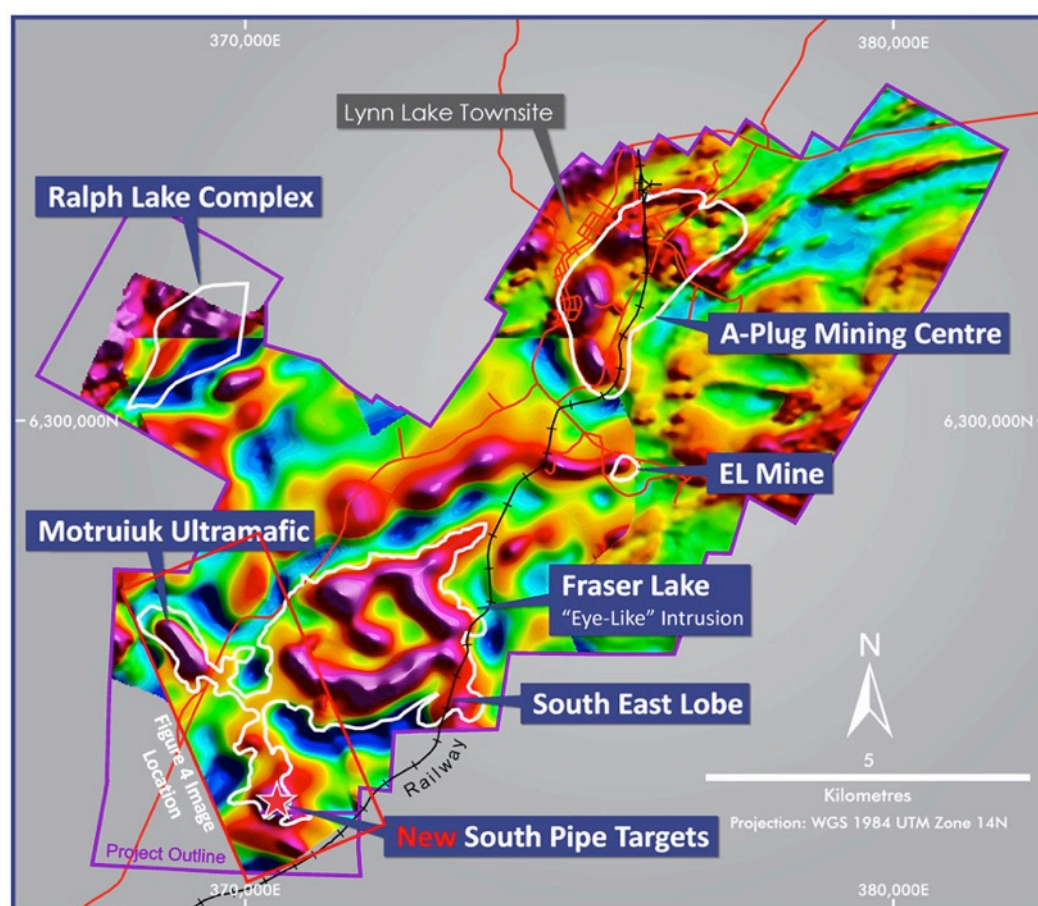


Figure 2 – Lynn Lake Project - MobileMT survey magnetic susceptibility inversion depth slice at 50m below surface - over a GeoTem total-field regional aeromagnetic image. Figures 3 and 4 show a larger scale image of the area identified by the red insert box.

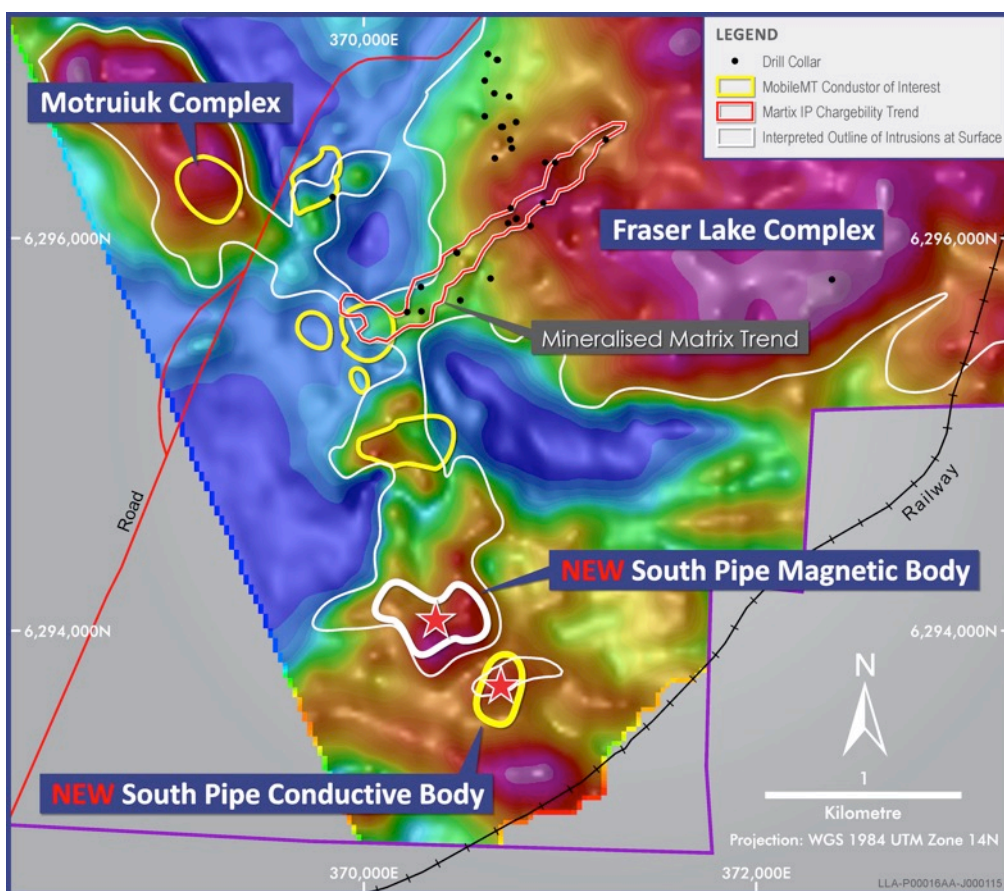


Figure 3 – Fraser Lake Area - MobileMT survey total magnetic intensity image

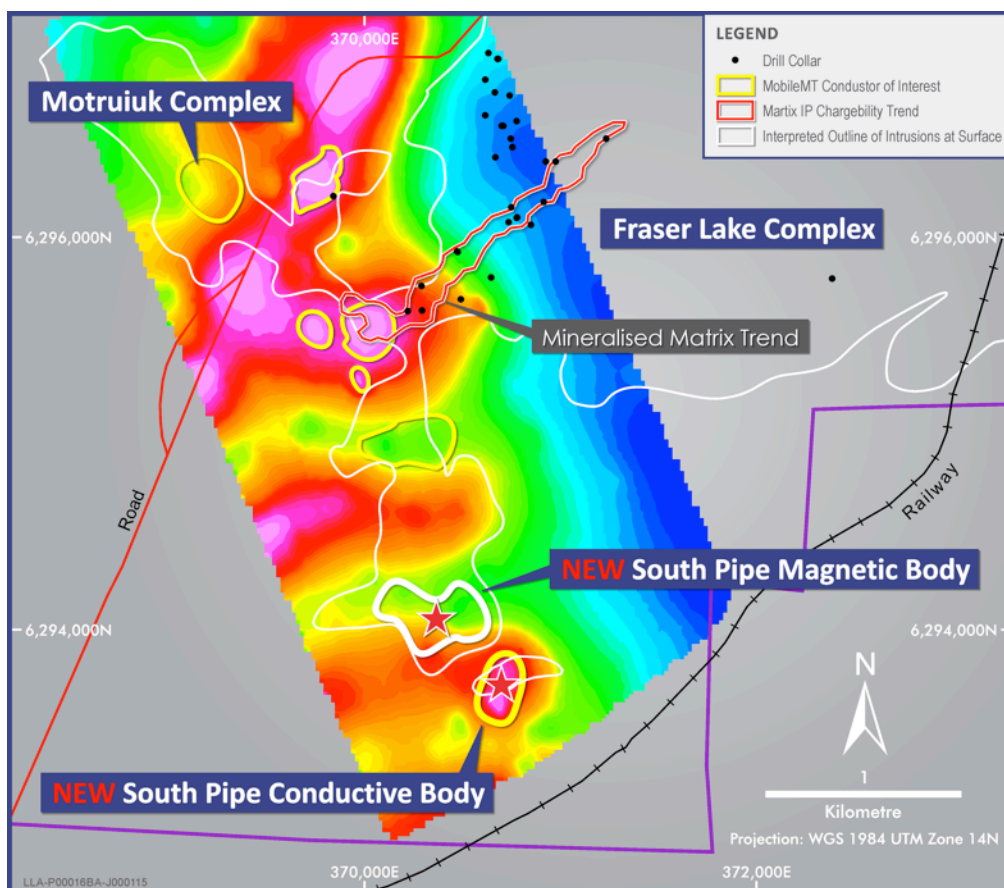


Figure 4 – MobileMT resistivity image at ~250m below surface, identifying conductors of interest (refer to Figure 2 for location). This image has an inverted colour switch, such that hot colours are more conductive than cold colours

MT GILMORE COBALT-COPPER-GOLD 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 (NSW) (Figure 5). Corazon owns an 80% interest in Mt Gilmore and is managing and sole funding exploration until any future decision to mine is made.

Much of Mt Gilmore's historical exploration has focused on the Cobalt Ridge prospect (Cobalt Ridge) - a rare high-grade cobalt sulphide deposit.

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 recent exploration of the prospective "Mt Gilmore trend" uncovered a major copper – cobalt – silver – gold geochemical trend, potentially representing a +20 kilometres-long district-scale exploration play for large intrusive related copper-cobalt-gold deposits (Figure 6).



Figure 5 – Mt Gilmore Project Location Map

Porphyry Potential Confirmed

During the Quarter, Corazon was pleased to announce that the results of its latest phase of exploration at Mt Gilmore confirm the project's porphyry potential (ASX announcement 9 October 2020).

The identification of a copper-bearing diorite porphyry intrusion at the Gordonbrook Hill Prospect (Gordonbrook Hill) has significantly advanced Mt Gilmore's prospectivity.

This intrusion is located coincidentally on the margins of a high-grade copper and gold soil geochemical anomaly, and the surface projection of a concealed, high-value, Induced Polarisation (IP) geophysical anomaly (Figure 6).

These coincident geochemical and geophysical anomalies at Gordonbrook Hill represent a significant mineralised porphyry target, which is now the priority target at Mt Gilmore.

All permits for drilling this target have been received, and drilling is scheduled for the first half of 2021.

Mineralised Porphyry Target Rationale

Element mapping of a diorite porphyry sample from the Gordonbrook Hill Prospect has been conducted using Micro-XRF by Portable Spectral Services Pty Ltd, which has delivered highly encouraging outcomes.

The analysis shows that the diorite porphyry is rich in hornblende, indicating a favourable water-rich magma source. Pervasive potassic alteration has occurred throughout the rock and copper mineralisation presents in the form of sulphide. This association typically presents in strongly altered domains and positively correlates with prospective hydrothermal systems.

The proximity of this porphyry-subvolcanic unit with copper-gold mineralisation and IP chargeability-high anomalism highlights the potential for a near-by large copper-gold mineralisation system.

Mt Gilmore – Priority Copper Target

Geology + Copper in Soils Image

LEGEND

- Historical Workings
- Mineral Occurrence
- Cover
- Granite

IP Line 466600E Location

Geochemical Data:

- 7.35 %Cu, 1.29 g/tAu, 88 ppmAg
- 16.3 %Cu, 393 ppmCo, 238 ppmAg
- 5.04 %Cu, 1,795 ppmCo, 1.03 g/tAu, 46 ppmMo
- 2.55 %Cu, 209 ppmCo, 171 ppmMo
- 12.75 %Cu, 1,250 ppmCo, 0.19 g/tAu, 93 ppmAg, 885 ppmMo

Cobalt Ridge Prospect

Diorite Porphyry

Mapped Geology over Copper in Soil Image

LEGEND

- Historical workings
- IP survey lines
- Granodiorite
- Diabase
- Diorite Porphyry
- Metasedimentary and volcanic rock
- Argillaceous, split, full

LINE 466600E CHARGEABILITY

LINE 466600E RESISTIVITY

INTERPRETED GEOLOGY

LEGEND

- granodiorite
- metasedimentary and volcaniclastic rock
- diabase
- diorite
- porphyry
- argillaceous, split, full

CORPORATE

Results of Annual General Meeting

On 24 November 2020, the Company held its Annual General Meeting of Shareholders. All resolutions put to the meeting were passed by poll.

Capital Consolidation

On 16 December 2020, Corazon advised it proposed to seek shareholder approval to consolidate the issued capital of the Company.

Shareholder approval for the consolidation of issued capital was sought post Quarter-end at a General Meeting of Shareholders on 21 January 2021, where the resolution put to the meeting was passed by a poll.

The consolidation of issued capital will be on the basis of one (1) share for every twenty (20) shares currently held and will reduce the number of shares on issue to approximately 162.68 million from the current number of issued shares, being approximately 3.253 billion.

As part of the consolidation, the number of Options on issue will also be consolidated on the same 1-for-20 basis. This will result in the exercise price of the Options increasing in inverse proportion to the consolidation ratio.

The consolidation is designed to create a more efficient capital structure.

With a significant number of shares on issue, the Board considers a share consolidation the best platform for the continued growth of the Company. The Board is also of the view that the consolidation will provide a capital structure that is more in line with the Corazon's size, and that of its peer group companies.

The consolidation also has the potential to deliver a share price level that is more attractive to a wider range of investors, and may reduce share price volatility.

Results of General Meeting

Post Quarter-end on 21 January 2021, Corazon shareholders approved the consolidation of the Company's issued capital on the basis of one (1) share/option for every twenty (20) shares/options currently held, reducing the number of shares on issue to approximately 162.67 million from the current number of issued shares, being approximately 3.253 billion.

The Company is now working through the consolidation process, as per the timelines stated in the ASX announcement of 17 December 2020.

New Holding Statements are expected to be issued between the 28 January and 3 February 2021.

Appendix 5B disclosure

Corazon closed the Quarter with approximately \$693,000 in cash; the Company's quarterly summary of financials are presented as a separate ASX release in the Appendix 5B.

In accordance with Listing Rule 5.3.1, 5.3.2 and 5.3.5 the Company hereby provides disclosure to reflect the information required in the quarterly report and the Appendix 5B, the information required is as follows:

Item 6.1 in the Appendix 5B included an amount of \$91,000 as payment to related parties this reflected payments to directors including non-executive directors for fees, salaries and consulting costs for the quarter.

Item 2.1 in the Appendix 5B included an expenditure of \$160,000 on Exploration Activities, associated with geological interrogation, target generation within the Lynn Lake Project in Canada.

END.

For further information visit
www.corazon.com.au

This announcement has been authorised by Mr, Brett Smith on behalf of Corazon Mining Limited.

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	80%	
LYNN LAKE	P7698E	Canada	100%	
LYNN LAKE	P8370E	Canada	100%	
LYNN LAKE	P7699E	Canada	100%	
LYNN LAKE	P7702E	Canada	100%	
LYNN LAKE	P3163F	Canada	100%	
LYNN LAKE	P3164F	Canada	100%	
LYNN LAKE	P3165F	Canada	100%	
LYNN LAKE	P2291F	Canada	100%	
LYNN LAKE	P3534F	Canada	100%	
LYNN LAKE	MB2482	Canada	100%	
LYNN LAKE	MB3566	Canada	100%	
LYNN LAKE	MB3567	Canada	100%	
LYNN LAKE	P1045F	Canada	100%	
LYNN LAKE	MB3580	Canada	100%	
LYNN LAKE	MB3581	Canada	100	
LYNN LAKE	MB7346	Canada	100%	

LYNN LAKE	MB7349	Canada	100%	
LYNN LAKE	MB7350	Canada	100%	
LYNN LAKE	MB7025	Canada	100%	
LYNN LAKE	MB7361	Canada	100%	
LYNN LAKE	MB7362	Canada	100%	
LYNN LAKE	MB6364	Canada	100%	
LYNN LAKE	MB5175	Canada	100%	
LYNN LAKE	MB5701	Canada	100%	
LYNN LAKE	MB8734	Canada	100%	
LYNN LAKE	MB8735	Canada	100%	
LYNN LAKE	MB9218	Canada	100%	
LYNN LAKE	MB5399	Canada	100%	
LYNN LAKE	MB6360	Canada	100%	
LYNN LAKE	MB6361	Canada	100%	
LYNN LAKE	MB6362	Canada	100%	
LYNN LAKE	MB6363	Canada	100%	
LYNN LAKE	MB9453	Canada	100%	
LYNN LAKE	MB5672	Canada	100%	
LYNN LAKE	MB5669	Canada	100%	
LYNN LAKE	MB10070	Canada	100%	
LYNN LAKE	MB10071	Canada	100%	
LYNN LAKE	MB10085	Canada	100%	
LYNN LAKE	MB10086	Canada	100%	
LYNN LAKE	MB10382	Canada	100%	
LYNN LAKE	MB10383	Canada	100%	
LYNN LAKE	MB10384	Canada	100%	

LYNN LAKE	MB10387	Canada	100%	
LYNN LAKE	MB10388	Canada	100%	
LYNN LAKE	MB11838	Canada	100%	
LYNN LAKE	MB11839	Canada	100%	
LYNN LAKE	MB11840	Canada	100%	
LYNN LAKE	MB11841	Canada	100%	
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VICTORY PROJECT	M2248	Canada	100%	
VICTORY PROJECT	M2249	Canada	100%	
VICTORY PROJECT	M2251	Canada	100%	
VICTORY PROJECT	M2252	Canada	100%	
VICTORY PROJECT	M2253	Canada	100%	
VICTORY PROJECT	M2254	Canada	100%	
VICTORY PROJECT	M2255	Canada	100%	
VICTORY PROJECT	M2256	Canada	100%	

VICTORY PROJECT	ML77	Canada	100%	
VICTORY PROJECT	ML90	Canada	100%	