



HALF YEAR REPORT
FOR THE FINANCIAL PERIOD ENDED
31 DECEMBER 2020

CORAZON MINING LIMITED AND ITS CONTROLLED ENTITIES (ABN 87 112 898 825)

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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 2020 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

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Australian Securities Exchange
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Code: CZN

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WEBSITE

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 2020.

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 ground holdings.

3. RESULT OF OPERATIONS

The loss after tax for the half-year ended 31 December 2020 was \$293,900 (2019: \$1,311,884).

4. REVIEW OF OPERATIONS

The Consolidated Entity 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 projects are quality assets 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.

CANADA

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, 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.

DIRECTOR'S REPORT (cont)

Drilling Underway at Lynn Lake

Post Half-Year end, Corazon announced the commencement of its recent phase of drilling at Lynn Lake (ASX announcement 11 February 2021). Drilling is testing newly identified geophysical conductors immediately to the west of the Fraser Lake Complex (FLC) within the Lynn Lake Project area, west of previous drilling by Corazon that identified extensive low-grade disseminated nickel – copper - cobalt sulphide mineralisation (ASX announcements 9 November 2020, 23 November 2020 and 25 January 2021).

Six priority drill targets have been identified within a large area of conductance to the west of the main FLC intrusion. This phase of drilling will initially target the three highest priority targets, and will comprise approximately 1,600 metres of core drilling, with subsequent drilling dependent on the results of the current drilling.

Drilling Approved for Priority South Pipe Target

Post Half-Year end, Corazon announced it has now received all government approvals for drilling at the high-priority South Pipe Conductor target, situated on recently acquired tenure in the southern area of the Lynn Lake Project (ASX announcement 15 February 2021).

The South Pipe is currently Corazon's highest ranked geophysical anomaly; drilling of this target will be incorporated in the current phase of drilling (ASX announcement, 11 February 2021).

The South Pipe is a significant conductive anomaly located on new ground acquired by Corazon in late 2020 (ASX announcement 23 November 2020). The target was generated from the Company's recently completed aerial MobileMT geophysical survey at Lynn Lake (ASX announcements 3 September, 12 October and 9 November 2020).

Corazon has commenced preparations for drilling the South Pipe, which will include securing site access to the drill target.

About the South Pipe Target

The newly defined South Pipe magnetic anomaly includes two parallel pipe-like bodies approximately 150 meters apart, presenting as a dominant geophysical feature in the area west of the FLC.

The vertical features are possibly indicative of a deep-seated intrusive pathway that appears linked to known nickel-copper-cobalt sulphide mineralisation within the FLC, further to the north. These are the first pipe-like bodies identified at the FLC; importantly, they provide geological similarities to structures observed within the Lynn Lake Mining Centre approximately nine kilometers to the northeast.

The southern body is conductive from about 100 metres below surface to at least 850 metres and has geophysical characteristics analogous with the high-grade EL Deposit massive sulphide breccia within the Lynn Lake Mining Centre. The EL Mine produced 1.9Mt @ 2.4% Ni and 1.15%Cu to a depth of only 250 metres below surface.

Fraser Lake Complex Drilling

During the September quarter, Corazon completed a drilling program, which focused on priority targets at the FLC, located five kilometres south of the Lynn Lake Mining Centre, where Corazon is targeting significant, new nickel-sulphide discoveries (ASX announcement 3 September 2020).

The program entailed two-holes (FLC2020-22 and FLC2020-23) for a total of 1,087 metres. Both holes successfully intersected magmatic sulphide mineralisation, supporting the Company's exploration model.

Hole FLC2020-23 was drilled to a depth of 383 metres at the Western Contact Zone (WCZ), intersecting widespread low-levels of magmatic sulphide mineralisation (up to 10%) within favourable gabbroic units containing extensive phlogopite (mica) alteration (typically proximal to mineralisation at Lynn Lake). Magmatic sulphides within the Lynn Lake gabbros are dominated by pyrrhotite (iron), with lesser amounts of chalcopyrite (copper) and pentlandite (nickel).

The WCZ target area has been generated from the recent reprocessing of geophysical data and extends

DIRECTOR'S REPORT (cont)

the FLC prospect a further one kilometre to the west, linking it to the Motruiuk Ultramafic Complex.

The area hosts multiple geophysical anomalies, including magnetic highs, gravity highs, IP chargeability highs and EM conductors. Corazon has identified this new area within the Lynn Lake Project as a potential host for gabbro-hosted nickel deposits.

Hole FLC2020-22 was designed to test a magnetic high and was drilled to a depth of 704 metres. The magnetic high is thought to possibly be the result of the gravitational accumulation of sulphide at the base of the FLC gabbroic intrusion, and was successfully drilled to 704 metres (approximate target depth of ~530 metres below surface).

Hole FLC2020-22 did not intersect the basal contact of the intrusion as defined by existing geophysical surveys; as such, FLC2020-22 has been left open to facilitate re-entry and possible drilling below the current depth.

MobileMT Geophysical Survey

During the September quarter, Corazon completed a regional 430 line-kilometre aerial magneto-telluric geophysical survey (MobileMT) over much of the Lynn Lake Project area with the aim of defining and refining targets for the next phase of drilling (ASX announcement 3 September 2020).

Preliminary results from flight lines across the historical Lynn Lake Mining Centre proved that this innovative new geophysical method is highly effective in identifying nickel sulphide deposits.

Corazon initially considered the use of MobileMT for nickel exploration at Lynn Lake due to the ineffectiveness of electromagnetic (EM) geophysics in the Lynn Lake environment. EM is the standard electrical survey method most widely used for the direct detection of massive magmatic sulphides

MobileMT is the next generation in passive geophysical surveys. It utilises the latest innovation in airborne electromagnetics and the most advanced airborne audio-frequency magnetics technology. The system provides a range of three-dimensional products that should be beneficial in distinguishing magmatic nickel-copper sulphides from other sulphide occurrences.

New Nickel-Copper Sulphide Targets Defined

In the December quarter, Corazon provided updates in relation to its MobileMT survey over the Lynn Lake Project area, which 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).

Preliminary results identified several new areas of interest. 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 FLC. The data for these areas has been incorporated with existing geophysical datasets, enabling the detailed definition of new priority drilling targets.

Corazon is currently drill-testing priority geophysical conductors, defined by the MobileMT survey, located on strike from the Matrix Trend within the FLC

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 - 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 were granted post Half-year end, and the Company plans to drill this target as a priority.

DIRECTOR'S REPORT (cont)**AUSTRALIA****MT GILMORE COBALT-COPPER-GOLD PROJECT, N.S.W.****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 (N.S.W.). 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.

Porphyry Potential Confirmed

In the December quarter, Corazon announced 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 coincidently 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.

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.

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.

DIRECTOR'S REPORT (cont)

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.

CORPORATE ACTIVITIES

Annual/General Meeting Results

On 26 August 2020, the Company held a General Meeting of Shareholders.

On 24 November 2020, the Company held its Annual General Meeting of Shareholders (AGM).

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

Exploration acquisitions

On 10 July 2020, the Company issued 4,500,000 ordinary fully paid shares with a deemed issued price of \$0.002 to the vendor of the Lynn Lake Project, this fulfilled the final consideration component of the option acquisition agreement resulting in the acquisition of the Project.

Issues of equity securities

On 10 July 2020, the Company placed 356,984,000 ordinary fully paid shares with an issue price of \$0.002 per share with sophisticated investors, raising \$713,969 for Company exploration programs and working capital purposes. The shares were each issued with a free attaching listed option with an exercise price of \$0.0035 and an expiry of 30 June 2021. The issue of the options required shareholder approval, which was granted at the General Meeting, held on 26 August 2020.

On 11 August 2020 Company issued 481,979,191 ordinary fully paid shares with an issue price of \$0.002 per share following a non-renounceable entitlement offer to shareholders, raising \$963,959 for Company exploration programs and working capital purposes. The shares were each issued with a free attaching unlisted option with an exercise price of \$0.0035 and an expiry of 30 June 2021 (481,979,191 options in total were issued).

On 31 August 2020 356,984,000 free attaching listed options (CZNO) from the 10 July 2020 placement were issued following shareholder approval.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.

DIRECTOR'S REPORT (cont)

5. EVENTS SUBSEQUENT TO REPORTING DATE

General Meeting Results

On 21 January 2021, the Company held a General Meeting of Shareholders. All resolutions were passed by a poll.

Consolidation of equity securities

On 29 January 2021, following shareholder approval at the 21 January 2021 General Meeting, the Company completed the consolidation of the Company's equity securities on the basis of one (1) security for every twenty (20) securities held.

The resultant post-consolidation equity structure is as follows:

| Equity security | Pre-consolidation | Post consolidation |
|--|-------------------------------------|----------------------------------|
| Fully Paid Ordinary Shares | 3,253,359,145 | 162,668,406 |
| Quoted Options exercisable on or before 10 July | 529,630,094 exercisable at \$0.007 | 26,481,560 exercisable at \$0.14 |
| Unquoted Options exercisable on or before 10 July 2022 | 5,000,000 exercisable at \$0.007 | 250,000 exercisable at \$0.14 |
| Unquoted options exercisable on or before 30 June 2021 | 838,963,191 exercisable at \$0.0035 | 41,948,214 exercisable at \$0.07 |
| Performance Rights expiring on 20 December 2023 | 10,000,000 | 500,000 |

Issues of equity securities

On 2 March 2021 the Company issued 40,385,738 fully paid ordinary shares at an issue price of \$0.05 to sophisticated and institutional investors raising approximately \$2 million to fund the drilling program at Lynn Lake and provide working capital.

Corona Virus Impact

The impact of the Corona Virus (COVID-19) pandemic is ongoing and whilst it has had no financial impact for the Consolidated Entity up to 31 December 2020, it is not practical to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be implemented.

No other matters or circumstances have arisen subsequent to 31 December 2020 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.

DIRECTOR'S REPORT (cont)

7. AUDITOR'S DECLARATION

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 9 for the half-year ended 31 December 2020.

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 10 March 2021

**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 2020, 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

PKF PERTH

Simon Fermanis

**SIMON FERMANIS
PARTNER**

10 MARCH 2021
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 2020, 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 2020, 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 2020 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.

Emphasis of Matter

Without qualifying our conclusion, we draw attention to Note 1 in the financial report in which indicates that the consolidated entity incurred a net loss of \$293,900 during the half year ended 31 December 2020 and had negative operating cashflow of \$295,251. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial 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.

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Directors' Responsibility for the Interim 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.

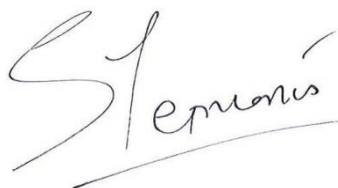
Auditor's Responsibilities for the Review of the Financial Report

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 2020 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

10 MARCH 2021
WEST PERTH,
WESTERN AUSTRALIA

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
for the half year ended 31 December 2020**

| | Note | 31-Dec-20 \$ | 31-Dec-19 \$ |
|--|------|-------------------------|---------------------------|
| Revenue | | | |
| Other revenue | 3 | 85,476 | 23,314 |
| Expenses | | | |
| Administrative expense | | (34,934) | (36,696) |
| Compliance and regulatory expense | | (135,465) | (102,417) |
| Consultancy expense | | (67,498) | (42,188) |
| Directors fees | | (107,052) | (111,100) |
| Employee benefits expense | | (6,298) | (15,528) |
| Equity compensation payment | | - | (15,714) |
| Exploration expense | | (983) | (850,309) |
| Fair value movements on financial assets | | 700 | (300) |
| Finance costs | | (4,696) | (8,670) |
| Impairment of intangible asset | | - | (111,420) |
| Insurance expense | | (215) | (17,252) |
| Occupancy expense | | (19,222) | (19,203) |
| Travel expense | | (3,713) | (4,401) |
| | | <u>(293,900)</u> | <u>(1,311,884)</u> |
| Loss for the period before income tax expense | | (293,900) | (1,311,884) |
| Income tax benefit/(expense) | | <u>-</u> | <u>-</u> |
| Loss for the period | | (293,900) | (1,311,884) |
| Other comprehensive income/(loss), net of income tax | | | |
| <i>Items that may be reclassified subsequently to profit or loss</i> | | | |
| Net change in fair value of available for sale financial asset | | <u>-</u> | <u>-</u> |
| Total comprehensive loss for the period | | <u>(293,900)</u> | <u>(1,311,884)</u> |
| Loss per share | | | |
| Basic and diluted loss per share (cents) | 4 | (0.19) | (1.42) |

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 2020

| | | 31 Dec 2020 \$ | 30 June 2020 \$ |
|--|----|-------------------------------|--------------------------------|
| CURRENT ASSETS | | | |
| Cash and cash equivalents | | 707,253 | 539,678 |
| Trade and other receivables | | 27,225 | 36,169 |
| Other assets | | 21,806 | 36,500 |
| | | <u>756,284</u> | <u>612,347</u> |
| TOTAL CURRENT ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Other assets | | 59,000 | 59,000 |
| Financial assets | 10 | 1,103 | 403 |
| Intangible asset | 5 | - | - |
| Exploration and evaluation expenditure | 6 | 4,807,918 | 3,979,707 |
| | | <u>4,868,021</u> | <u>4,039,110</u> |
| TOTAL NON-CURRENT ASSETS | | | |
| | | <u>5,624,305</u> | <u>4,651,457</u> |
| TOTAL ASSETS | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 269,643 | 541,201 |
| Provisions | | 22,825 | 18,478 |
| | | <u>292,468</u> | <u>559,679</u> |
| TOTAL CURRENT LIABILITIES | | | |
| | | <u>292,468</u> | <u>559,679</u> |
| TOTAL LIABILITIES | | | |
| | | <u>5,331,837</u> | <u>4,091,778</u> |
| NET ASSETS | | | |
| EQUITY | | | |
| Issued capital | 7 | 42,741,847 | 40,904,138 |
| Reserves | 8 | 23,383 | 327,133 |
| Accumulated losses | | (37,433,393) | (37,139,493) |
| | | <u>5,331,837</u> | <u>4,091,778</u> |
| TOTAL EQUITY | | | |

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 2020

| | 31-Dec-20 \$ | 31-Dec-19 \$ |
|---|-----------------------|-----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Interest received | 762 | 1,090 |
| Proceeds from government grants and tax incentives | 85,289 | - |
| Payments for administration and corporate expenses | (258,543) | (278,170) |
| Payments for exploration and evaluation expenses | (982) | (392,694) |
| Payments for finance cost | (6,972) | (298) |
| Payments for staff expenses | (128,636) | (57,560) |
| Proceeds from sundry creditors | 13,831 | - |
| | <u>(295,251)</u> | <u>(727,632)</u> |
| NET CASH USED IN OPERATING ACTIVITIES | | |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Payments for fixed assets | - | - |
| Payment for exploration and evaluation expenses | (827,434) | (225,701) |
| Payments for intangible assets | - | (110,982) |
| | <u>(827,434)</u> | <u>(336,683)</u> |
| NET CASH USED IN INVESTING ACTIVITIES | | |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from issue of shares | 1,452,153 | 1,519,149 |
| Payment for costs of share issue | (161,893) | (177,266) |
| | <u>1,290,260</u> | <u>1,341,883</u> |
| NET CASH FROM FINANCING ACTIVITIES | | |
| Net increase/(decrease) in cash and cash equivalents | 167,575 | 277,568 |
| Cash and cash equivalents at the beginning of the reporting period | <u>539,678</u> | <u>414,675</u> |
| Cash and cash equivalents at the end of the reporting period | <u><u>707,253</u></u> | <u><u>692,243</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 2020

| | Issued Capital | Share Based Payment Reserves | Other Reserves | Accumulated Losses | Total |
|--|-------------------|------------------------------------|-------------------|-----------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Balance at 1 July 2020 | 40,904,138 | 23,383 | 303,750 | (37,139,493) | 4,091,778 |
| Loss for the period | - | - | - | (293,900) | (293,900) |
| Total comprehensive income for the period | - | - | - | (293,900) | (293,900) |
| <i>Transactions with owners, recorded directly in equity</i> | | | | | |
| Issue of share capital | 1,677,928 | - | - | - | 1,677,928 |
| Deferred consideration acquisition Lynn Lake Project | 303,750 | - | (303,750) | - | - |
| Costs of issuing capital | (143,969) | - | - | - | (143,969) |
| Total transactions with owners | 1,837,709 | - | (303,750) | - | 1,533,959 |
| Balance at 31 December 2020 | 42,741,847 | 23,383 | - | (37,433,393) | 5,331,837 |
| Balance at 1 July 2019 | 38,154,907 | 994,400 | 303,750 | (36,355,509) | 3,097,548 |
| Profit/(loss) for the year | - | - | - | (1,778,384) | (1,778,384) |
| Other comprehensive income | - | - | - | - | - |
| Total other comprehensive loss | - | - | - | (1,778,384) | (1,778,384) |
| <i>Transactions with owners, recorded directly in equity</i> | | | | | |
| Issue of share capital | 2,669,687 | - | - | - | 2,669,687 |
| Consideration on acquisition of 29% interest in Mt Gilmore Project | 250,000 | | | | 250,000 |
| Transaction costs on share issue | (250,362) | - | - | - | (250,362) |
| Share-based payments | 79,906 | 23,383 | - | - | 103,289 |
| Lapse of options on expiry | - | (994,400) | - | 994,400 | - |
| Total transactions with owners | 2,749,231 | (971,017) | - | 994,400 | 2,772,614 |
| Balance at 30 June 2020 | 40,904,138 | 23,383 | 303,750 | (37,139,493) | 4,091,778 |

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 2020**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 2020, 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 2020 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 10 March 2021.

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 2020. 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 2020 (cont)

Impact of new standards and interpretations issued but not yet adopted

There are no new standards that have been issued since 30 June 2020 that have been applied by the Consolidated Entity. The 30 June 2020 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 2020.

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 \$293,900 for the period ended 31 December 2020 (31 December 2019: \$1,311,884). As at 31 December 2020 the Consolidated Entity had net assets of \$5,331,837 (30 June 2020: \$4,091,778) 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 2020 the Consolidated Entity had \$707,253 (30 June 2020: \$539,678) in cash and cash equivalents.

The ultimate recoupment of costs carried forward for exploration and evaluation is dependent on the successful development and commercial exploitation or sale of the respective areas of interest. Ultimate exploitation of the assets will depend on raising necessary funding in the future. Should the Consolidated Entity be unable to raise additional funds, there is a material uncertainty which may cast significant doubt over the Consolidated Entity ability to continue as a going concern. As at 31 December 2020 there has been no adjustment in the financial report relating to the recoverability and classification of the asset carrying amounts, or the amounts and classification of liabilities that might be necessary, should the Consolidated Entity be unable to raise capital as and when required, and the exploitation of the areas of interest not be successful, or the Consolidated Entity not continue as a going concern.

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.

CONDENSED NOTES TO THE CONSOLIDATED STATEMENTS
for the half year ended 31 December 2020 (cont)

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.

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.

| | Australia | Canada | Unallocated | Total |
|--|------------------|------------------|--------------------|------------------|
| | \$ | \$ | \$ | \$ |
| For the period ended 31 December 2020 | | | | |
| Revenue | 58,990 | - | 26,486 | 85,476 |
| Segment net operating loss after tax | 58,007 | - | (351,907) | (293,900) |
| Interest revenue | - | - | 187 | 187 |
| Government Grants | 58,990 | - | 26,299 | 85,289 |
| Depreciation | (983) | - | - | (983) |
| Intangible asset impairment | - | - | - | - |
| As at 31 December 2020 | | | | |
| Segment assets | 3,583,872 | 1,248,046 | 792,387 | 5,624,305 |
| Segment Liabilities | (198) | (107,525) | (184,745) | (292,468) |

CONDENSED NOTES TO THE CONSOLIDATED STATEMENTS
for the half year ended 31 December 2020 (cont)

| | Australia \$ | Canada \$ | Unallocated \$ | Total \$ |
|--|-----------------|--------------|-------------------|-------------|
| For the period ended 31 December 2019 | | | | |
| Revenue | - | - | 23,314 | 23,314 |
| Total segment revenue | - | - | 23,314 | 23,314 |
| Segment net operating loss after tax | - | (961,729) | (350,155) | (1,311,884) |
| Interest revenue | - | - | 303 | 303 |
| Exploration expenditure | - | (850,309) | - | (850,309) |
| Depreciation | - | - | - | - |
| Intangible asset impairment | - | (111,420) | - | (111,420) |
| As at 30 June 2020 | | | | |
| Segment assets | 504,105 | 3,499,602 | 647,750 | 4,651,457 |
| Segment liabilities | (109,269) | (289) | (450,121) | (559,679) |

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

| | 31 December 2020 \$ | 31 December 2019 \$ |
|-----------------------------|---------------------------|---------------------------|
| 3. OTHER REVENUE | | |
| <u>Operating activities</u> | | |
| Interest received | 187 | 303 |
| Other revenue | 85,289 | 23,011 |
| Total Other Revenue | 85,476 | 23,314 |

4. EARNINGS/(LOSS) PER SHARE

| | | |
|---|-------------|-------------|
| Profit/(loss) from continuing operations used in the calculation of basic and diluted EPS | (293,900) | (1,311,884) |
| Weighted average number of ordinary shares outstanding during the year used in calculating the basic and dilutive EPS | 156,380,290 | 92,386,197 |

On 29 January 2021 the Company completed the consolidation of the Company's equity securities on the basis of one (1) security for every twenty (20) securities held. The earnings per share calculation reflects the new consolidated capital structure. This has been applied retrospectively to the 31 December 2019 and 2020 calculation. For further information please see note 12 Subsequent Events.

There are 68,679,774 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 2020 (cont)

5. INTANGIBLE ASSET

| | 31 December 2020 \$ | 30 June 2020 \$ |
|--|---------------------------|-----------------------|
| Balance at the beginning of the period | - | - |
| Option payments on Lynn Lake Project | - | 231,167 |
| Impairment of intangible asset | - | (231,167) |
| Balance at the end of the period | <u>-</u> | <u>-</u> |

LYNN LAKE PROJECT

On 17 April 2020 the Company announced that it had exercised the option to acquire the project following the satisfaction of all conditions pertaining to the acquisition agreement including all earn-in requirements. The acquisition was formalised on 17 June 2020, with the transfer of all the Lynn Lake project tenements from the vendor. On acquisition date the Project was reclassified to exploration and evaluation assets and accounted for under AASB 6 Exploration for and Evaluation of Exploration Assets.

Prior to 17 June 2020, the Lynn Lake Project was treated as an intangible asset given it was a staged option to acquire the project. Accordingly, in the consolidated financial statements, such transaction is accounted for in accordance with AASB138, Intangible assets.

6. EXPLORATION EXPENDITURE (CAPITALISED)

| | | |
|---------------------------------------|------------------|------------------|
| Exploration project expenditure | <u>4,807,918</u> | <u>3,979,707</u> |
| Movement in carrying value: | | |
| Brought forward | 3,979,707 | 3,203,784 |
| Exploration project expenditure | 828,211 | 1,691,427 |
| Impairment of exploration expenditure | - | (915,504) |
| At reporting date | <u>4,807,918</u> | <u>3,979,707</u> |

Lynn Lake Project

On 17 April 2020 the Company announced that it had exercised the option to acquire the project following the satisfaction of all conditions pertaining to the acquisition agreement including all earn-in requirements. The acquisition was formalised on 17 June 2020, with the transfer of all the Lynn Lake project tenements from the vendor.

Prior to 17 June 2020, the Company's held exploration interest at Lynn Lake known as the Victory Project which is located immediately adjacent to the Company's Lynn Lake Project, and contains the main nickel resources in that area. Corazon has now 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 Project

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

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.

CONDENSED NOTES TO THE CONSOLIDATED STATEMENTS
for the half year ended 31 December 2020 (cont)

| 7. ISSUED CAPITAL | 31 December 2020 \$ | 30 June 2020 \$ |
|--------------------------------------|---------------------------|-----------------------|
| Fully paid ordinary shares | 45,626,840 | 43,645,163 |
| Less: capital issue costs net of tax | (2,884,993) | (2,741,025) |
| | <u>42,741,847</u> | <u>40,904,138</u> |

On 10 July 2020, the Company placed 356,984,000 ordinary fully paid shares with an issue price of \$0.002 per share with sophisticated investors, raising \$713,969.

On the same date, the Company issued 4,500,000 ordinary fully paid shares with a deemed issued price of \$0.002 to the vendor of the Lynn Lake Project, this fulfilled the final consideration component of the option acquisition agreement resulting in the acquisition of the Project.

On 11 August 2020 Company issued 481,979,191 ordinary fully paid shares with an issue price of \$0.002 per share following a non-renounceable entitlement offer to shareholders, raising \$963,959.

8. RESERVES

| | | |
|-----------------------------|---------------|----------------|
| Share based payment reserve | 23,383 | 23,383 |
| Other reserves (a) | - | 303,750 |
| | <u>23,383</u> | <u>327,133</u> |

(a) The *other reserve* is used to record the contingent consideration that relates to the deferred issue of 4,500,000 fully paid shares on the completion of acquisition of the title to the Lynn Lake Project in accordance with the terms of the Lynn Lake option agreement. On 10 July 2020 the Company issued the shares to the Vendor completing the agreement.

9. SHARE BASED PAYMENTS

Share Options Issued

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.

CONDENSED NOTES TO THE CONSOLIDATED STATEMENTS for the half year ended 31 December 2020 (cont)

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 \$ |
|---|----------------------|--|
| Issue to employees and key personnel | | |
| Outstanding at 1 July 2020 | 5,000,000 | \$0.07 |
| Granted | - | - |
| Outstanding at year-end | 5,000,000 | \$0.07 |
| Exercisable at year-end | 5,000,000 | \$0.07 |
| Issue to consultants | | |
| Outstanding at the beginning of the year | 20,000,000 | \$0.07 |
| Expired | - | - |
| Outstanding at year-end | 20,000,000 | \$0.07 |
| Exercisable at year-end | 20,000,000 | \$0.07 |

The options outstanding at 31 December 2020 had a weighted average exercise price of \$0.07 and a weighted average remaining contractual life of 1.5 years.

Performance Rights Issued

| | Nos. |
|---|------------|
| Issue to employees and key personnel | |
| Outstanding at the beginning of the year | 10,000,000 |
| Granted | - |
| Converted | - |
| Forfeited/cancelled | - |
| Outstanding at year-end | 10,000,000 |
| Exercisable at year-end | 10,000,000 |

On 20 December 2019 10,000,000 performance rights were issued to Mr Terry Streeter.

10. 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 2020 \$ | 30 June 2020 \$ |
|-----------------|---------------------------|-----------------------|
| <u>Assets</u> | | |
| Ordinary shares | 1,103 | 403 |

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.

**CONDENSED NOTES TO THE CONSOLIDATED STATEMENTS
for the half year ended 31 December 2020 (cont)**

11. CONTINGENT LIABILITIES

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

12. EVENTS SUBSEQUENT TO REPORTING DATE

General Meeting Results

On 21 January 2021, the Company held a General Meeting of Shareholders. All resolutions were passed by a poll.

Consolidation of equity securities

On 29 January 2021, following shareholder approval at the 21 January 2021 General Meeting, the Company completed the consolidation of the Company's equity securities on the basis of one (1) security for every twenty (20) securities held.

The resultant post-consolidation equity structure is as follows:

| Equity security | Pre-consolidation | Post consolidation |
|--|-------------------------------------|----------------------------------|
| Fully Paid Ordinary Shares | 3,253,359,145 | 162,668,406 |
| Quoted Options exercisable on or before 10 July | 529,630,094 exercisable at \$0.007 | 26,481,560 exercisable at \$0.14 |
| Unquoted Options exercisable on or before 10 July 2022 | 5,000,000 exercisable at \$0.007 | 250,000 exercisable at \$0.14 |
| Unquoted options exercisable on or before 30 June 2021 | 838,963,191 exercisable at \$0.0035 | 41,948,214 exercisable at \$0.07 |
| Performance Rights expiring on 20 December 2023 | 10,000,000 | 500,000 |

Issues of equity securities

On 2 March 2021 the Company issued 40,385,738 fully paid ordinary shares at an issue price of \$0.05 to sophisticated and institutional investors raising approximately \$2 million to fund the drilling program at Lynn Lake and provide working capital.

Corona Virus Impact

The impact of the Corona Virus (COVID-19) pandemic is ongoing and whilst it had no financial impact for the Consolidated Entity up to 31 December 2020, it is not practical to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be implemented.

No other matters or circumstances have arisen subsequent to 31 December 2020 that has significantly affected, or may significantly affect, the state of affairs or operations of the reporting entity in future financial periods.

**CONDENSED NOTES TO THE CONSOLIDATED STATEMENTS
for the half year ended 31 December 2020 (cont)****13. DIVIDENDS**

No dividends have been declared or paid during the half-year ended 31 December 2020.

14. COMMITMENTS

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.

Lynn Lake Project

On 13 July 2010, the Company acquired a subsidiary entity Manitoba Nickel Pty Ltd holder of an option to acquire a 100% interest in the Lynn Lake Project.

On 17 April 2020 the Company announced that it had exercised the option to acquire the project following the satisfaction of all conditions pertaining to the acquisition agreement including all earn-in requirements. The acquisition was formalised on 17 June 2020, with the transfer of all the Lynn Lake project tenements from the vendor.

On 10 July 2020 Company issued 4,500,000 ordinary fully paid shares with a deemed issued price of \$0.002 to the vendor of the Lynn Lake Project as a further part-consideration for the acquisition.

The final component of consideration to be paid to the vendor is a deferred payment of CAD750,000, which is payable on commencement of commercial mining at the project.

Mt Gilmore Project

The Company has no financial commitment to the Project other than to maintain the project in good standing. The Company continues to sole fund the project and the Vendor has a free carry period on the project through to the decision to mine.

15. 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 12 to 24 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 2020 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*.



Brett Smith
Managing Director

Dated this day 10 March 2021