

QUARTERLY ACTIVITIES REPORT – PERIOD ENDING 30 JUNE 2017

CURRENT OVERVIEW

- **The northern winter field programme at the Lynn Lake Nickel-Copper-Cobalt Project in Canada was completed during the Quarter**
 - Drilling by Corazon has discovered a large magmatic nickel-copper-cobalt sulphide deposit, under cover, just 5km from the historic Lynn Lake mining centre.
- **Field activities over the next six months will focus on the Cobalt Ridge prospect, a unique, high-grade, cobalt-dominant deposit, within the Mt Gilmore Project in New South Wales**
 - Cobalt Ridge has the potential to provide a quality cobalt product, in demand for use in the emerging rechargeable battery sector.

MT GILMORE – NSW – ACCELERATION OF COBALT EXPLORATION ACTIVITIES

- **Commencement of drilling in August**
 - Drilling programme to include resource definition at Cobalt Ridge, as well as first-pass testing of parallel sulphidic lodes (new trends) hosting cobalt mineralisation;
 - Additional core samples also to be collected for detailed metallurgical testwork.
- **Confirmatory detailed metallurgical studies underway**
 - METS Engineering engaged to complete detailed metallurgical testing on the Cobalt Ridge mineralisation – programme designed to upgrade the level of metallurgical understanding.
 - First pass metallurgical testwork has been very encouraging – processing route anticipated to be simple, inexpensive, utilising tried and tested methods.
 - Proposed work will also determine detailed processing design and engineering requirements for a variety of cobalt product types, including high-quality cobalt-salts suitable for rechargeable batteries.

LYNN LAKE – CANADA – FRASER LAKE COMPLEX, DRILLING HIGHLIGHTS

- **Drilling at the Fraser Lake Complex (FLC) has been successful in intersecting extensive magmatic (Fe-Ni-Cu-Co) sulphide mineralisation - all holes drilled were mineralised over their entire lengths**
 - The targeted Feeder Zone of the FLC is interpreted as a major channel for multiple phases of sulphide rich melt.
- **Analysis of the results for three phases of drilling expected in August**
 - Final assay results plus analysis and interpretation of exploration results to date will play a key role in planning and targeting for next phase of exploration.

Corazon Mining Limited (ASX: CZN) ("Corazon" or "the Company") is pleased to present its Quarterly Activities Report for the period ending 30 June 2017.

Corazon has completed exploration at both of its key assets during the Quarter. At Lynn Lake in Canada, the northern winter exploration programme was completed with the 3rd phase of drilling targeting the new nickel-copper-cobalt discovery within the Fraser Lake Complex. In New South Wales at the Mt Gilmore Project, soil geochemistry expanded the cobalt and copper anomaly at the Cobalt Ridge prospect.

The continued successful exploration at both projects provides the Company with exciting opportunities and the potential to deliver significant value-appreciation for shareholders.

MT GILMORE COBALT-COPPER-GOLD PROJECT

The Cobalt Ridge prospect within the Mt Gilmore Cobalt-Copper-Gold Project (Figure 1) hosts one of the highest-grade cobalt deposits in Australia. Corazon believes this rare cobalt-dominant sulphide deposit has the potential to supply a quality cobalt product, suitable for use in lithium-ion batteries and the emerging rechargeable battery sector.

Corazon's maiden reverse circulation and core drilling program at Mt Gilmore commenced during the December 2016 quarter and targeted the high-grade Cobalt Ridge prospect. Final assay results further validated Mt Gilmore as a unique, high-grade, cobalt-dominant deposit (ASX announcement 16th January, 2017), and preliminary metallurgical testwork completed on RC chip samples from Cobalt Ridge delivered excellent results (ASX announcement 7th March, 2017).

During the quarter, the Company completed a soil geochemistry program at Mt Gilmore that identified new zones of cobalt mineralisation at Cobalt Ridge (Figure 2). Post quarter, the Company announced the imminent commencement of Phase 2 metallurgical testwork, with resource definition drilling proposed for commencement in August, including core samples for metallurgical testing expected to be delivered to the laboratory in early September

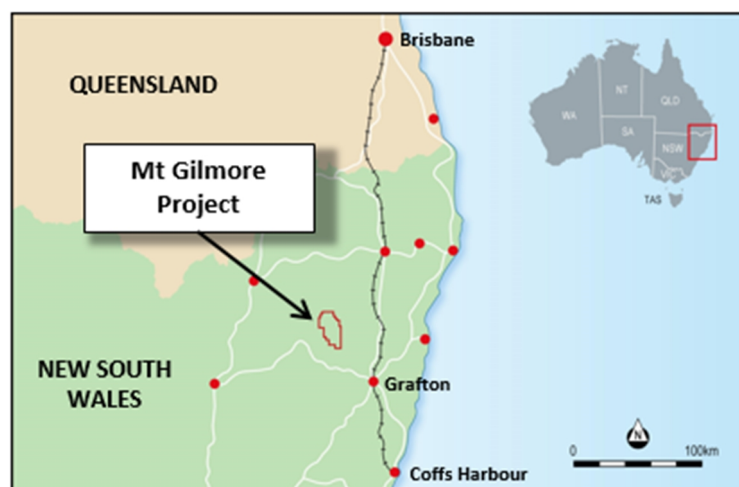


Figure 1: Project location map. Mt Gilmore is located in north-eastern New South Wales, with ease of access and close to beneficial infrastructure such as rail and port.

Cobalt Ridge - Soil Sampling

Very little modern exploration has been conducted at Mt Gilmore. Past work has been restricted to a small area of drilling and surface geochemistry at Cobalt Ridge, targeting late 1800's to early 1900's small-scale copper mines. Corazon completed its initial drilling at Cobalt Ridge late in 2016. This recent phase of surface geochemistry expanded geochemical coverage in the immediate area of Cobalt Ridge, identifying new targets for follow-up drilling (ASX announcement 9th June 2017).

Surface geochemistry suggests the cobalt mineralisation is much more extensive than that defined by previous exploration and mining, which was focused solely on the copper mineralisation.

The Company's completed soil-sampling program extended coverage at Cobalt Ridge to an area of approximately 2 kilometres by 1 kilometre. In total, 390 samples were taken on a grid spacing of 50m x 50m close to the main target area and 100m x 100m in peripheral areas. Results have validated historical geochemistry and confirmed the presence of multiple zones of cobalt and copper mineralisation over a significant area.

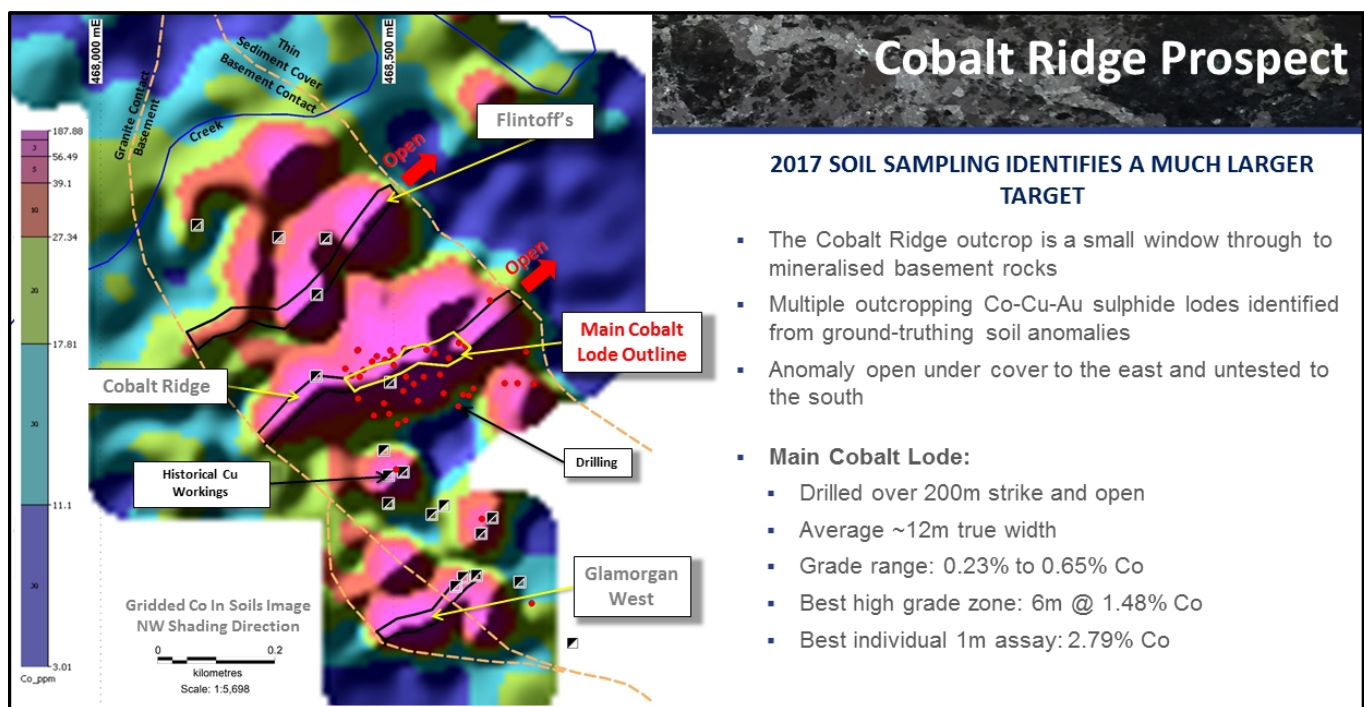


Figure 2: Cobalt Ridge – Cobalt in soils image with prospect locations, dominant mineralised trends, historical workings, geological boundaries and drilling.

Cobalt Ridge - Metallurgical Testwork

Post-quarter, the Company was pleased to announce it has engaged industry-leading independent consultancy METS Engineering to complete detailed metallurgical testwork (Phase 2 testwork) on the Cobalt Ridge Deposit (ASX announcement 11th July 2017).

Corazon's preliminary metallurgical test results were exceptional. Simple flotation studies yielded a **recovery of 92.2% for cobalt, 89% for copper and 75.5% for gold, in a total concentrate with 11.1% mass recovery** (ASX announcement 7th March 2017),

Phase 1 testwork was conducted on a representative sample composited from reverse circulation (RC) chips from the Company's December 2016 drilling program, which intersected mineralisation from near surface to depths of approximately 150m. The composite sample contained **0.84% cobalt, 0.21% copper and 0.47 g/t gold**.

Initial sighter-gravity concentration testwork indicated that a high-grade cobalt concentrate can be obtained from a small fraction of the feed mass, with results suggesting that a 12.2% cobalt grade concentrate can be produced from only 1.31% of the initial mass. This has the potential to significantly reduce downstream equipment size and reagent consumption, improving both the Project's CAPEX and OPEX.

Resource definition drilling is proposed to commence in August; core samples for metallurgical testing are expected to be delivered to the laboratory in early September. These new studies will also help determine the optimal size of the resource required at Cobalt Ridge.

The testwork will be managed by internationally recognised metallurgical consultants, METS Engineering, and will investigate the methods required to produce a high-grade metal concentrate, suitable for outright sale or as a feedstock for downstream processing. Proposed downstream processing studies will determine methods suitable for the production of quality cobalt salts for use in the rechargeable battery industry, or a high-quality metal for sale into the more traditional cobalt markets.

The metallurgical studies are expected to be completed over approximately three months and will be followed by engineering and processing studies designed to determine the Project's processing options, as well as postulate early assumptions on the potential commercial viability of these options.

FRASER LAKE COMPLEX - LYNN LAKE MINING CENTRE

The Fraser Lake Complex ("FLC") is an intrusive mafic body situated approximately five kilometres south of the Lynn Lake Mining Centre in Manitoba, Canada (Figure 3). Exploration by Corazon at the FLC has resulted in the discovery of a large magmatic sulphide system that has the potential to host significant nickel-copper sulphide deposits.

The FLC has physical and chemical characteristics that suggest it is prospective for hosting Lynn Lake style magmatic nickel-copper-cobalt deposits. Corazon's drilling has confirmed this potential, consistently intersecting Lynn Lake mine-grade nickel-copper-cobalt mineralisation.

Three phases of drilling have been completed on the FLC this year, for a total of 13 holes for 5,264.75 metres. Within this, 10 holes have targeted the Matrix Trend (Figure 4), a large Induced Polarization (IP) chargeability anomaly with more than 1.7km in strike, coincident with the interpreted feeder zone to the FLC intrusion. Feeder zones within intrusive complexes, such as the FLC, provide environments conducive for the formation of massive sulphide deposits.

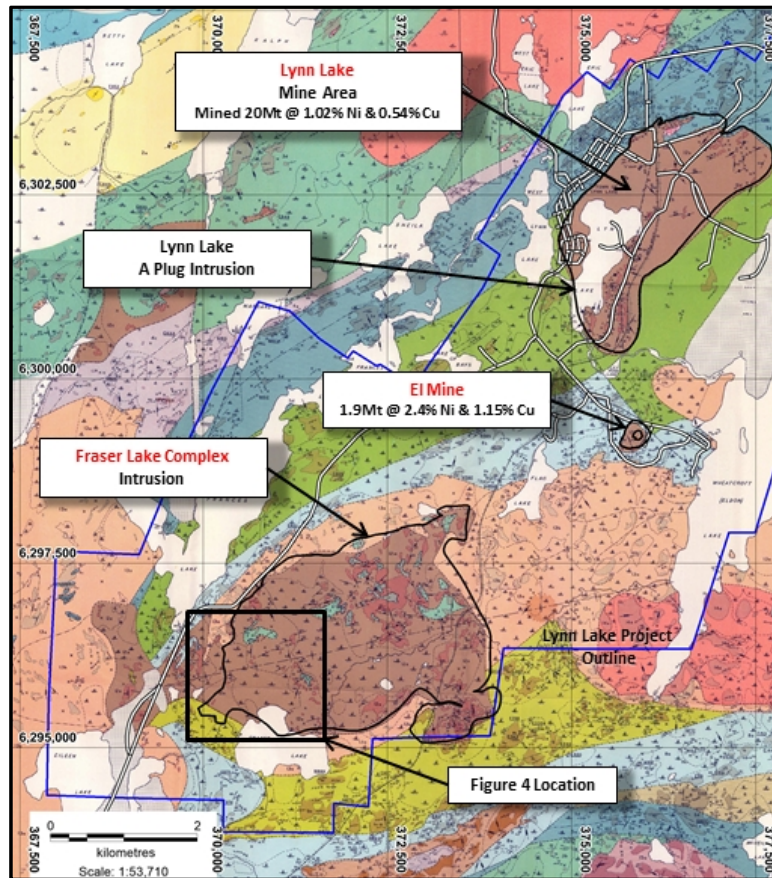


Figure 3: Lynn Lake Project Location and Geology. Interpreted Geology – Emslie, R.R. and Moore, J.M. 1961. Manitoba Mines Branch, Publication 57-4. Datum UTM Zone 14 (NAD83). Lynn Lake is considered an historically significant nickel mine and remains the fifth largest nickel producing districts in Canada, despite the mine closing in 1976. The Fraser Lake Complex is twice as large as Lynn Lake and in many facets is geologically identical to Lynn Lake.

FLC FEEDER ZONE - “BELCHING OUT SULPHIDE RICH MAGMA”

- “Matrix Trend” – dominant IP chargeability anomaly coincident with feeder zone
- CZN 2017 drilling identified extensive, pervasive Ni-Cu-Co magmatic sulphide mineralisation
- Only 10 drill holes conducted on a strike of 1.7 km
- Drilling indicates multiple pulses of sulphide rich melt, including thin zones of massive and semi-massive sulphides
- Dominant flat fabric and settling textures – different to Lynn Lake Mining Centre’s vertical pipes
- Drilling to date possibly marginal/ peripheral to main intrusive plumbing system – detailed geochemistry will tell us

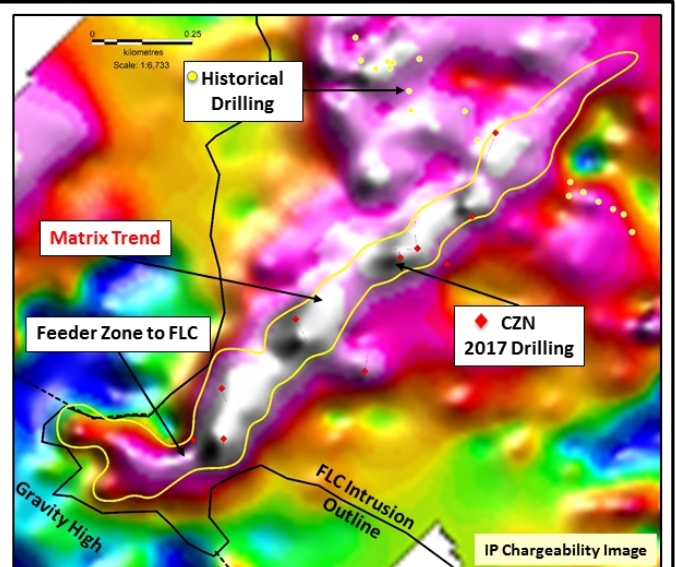


Figure 4: The Matrix Trend – FLC Feeder Zone. IP chargeability image, drilling and geological boundaries (plan location noted in Figure 3).

Drilling within the Matrix Trend indicated multiple pulses of sulphide-rich magma have been injected into the FLC. The Ni-Cu-Co mineralisation within the Matrix Trend is significant in that it identifies the feeder zone of the FLC as a long-lived, multi-phase, well mineralised magmatic system with the potential to develop high-grade sulphide deposits.

During the quarter, Phase 3 of drilling was completed (ASX announcement 2nd June 2017). Drilling phases 1 and 2 targeted the northeastern extensions of the Matrix Trend. Phase 3 drilling was completed closer to the "neck" of the feeder zone and delivered a significantly higher sulphide content than previously identified.

CURRENT ACTIVITIES

With the completion of the northern winter exploration programme at Lynn Lake in Canada, there will be a major shift in focus to New South Wales - in particular the Cobalt Ridge prospect within the Mt Gilmore Project. This change in focus, although scheduled some time ago, has coincided with an increase in market appreciation for the significance cobalt has as a component within lithium-ion batteries. With the cobalt metal price touching US\$60,000/t and battery makers actively seeking long-term ethically sourced cobalt, the Company is focused on the rapid establishment of Cobalt Ridge's development potential.

All work at Cobalt Ridge is structured towards defining the resource potential and down-stream processing options. This work will be the main focus of activities for the Company over at least the next six months.

Exploration will continue at Lynn Lake in Canada, predominantly centred on the detailed analysis and interpretation of geochemical and geophysical results for the on-going exploration targeting within the very exciting FLC. The Company believes the discovery of the mineralised Feeder Zone within the FLC is significant. Work to date has included only 10 holes within an anomaly over 1.7km in strike. It is expected that the exploration completed to date will enable an understanding of the magmatic history of the intrusion, which can be used to vector towards higher-grade, more massive accumulations of sulphide mineralisation.

CORPORATE

Cash

Corazon closed the June 2017 quarter with \$1.31 million in cash; the Company's quarterly summary of financials are presented in the Appendix 5B as a separate release on the ASX.

END.

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

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Competent Persons Statement

The information in this report that relates to 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 mineralization 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.

Forward Looking Statements

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

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

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

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

Schedule of Tenements

CORAZON MINING LIMITED CONSOLIDATED BASIS SCHEDULE OF INTERESTS IN MINING TENEMENTS (as required by ASX Listing Rule 5.3.3)				
Project	Mining tenements held	Location of tenements	Beneficial % interest at the end of the quarter	Change in the quarter
MT GILMORE	EL 8379	New South Wales	51%	
LYNN LAKE	P7700E	Canada	100% ¹	
LYNN LAKE	P7698E	Canada	100% ¹	
LYNN LAKE	P8370E	Canada	100% ¹	
LYNN LAKE	P7699E	Canada	100% ¹	
LYNN LAKE	P7702E	Canada	100% ¹	
LYNN LAKE	P3163F	Canada	100% ¹	
LYNN LAKE	P3164F	Canada	100% ¹	
LYNN LAKE	P3165F	Canada	100% ¹	
LYNN LAKE	P2291F	Canada	100% ¹	
LYNN LAKE	P3534F	Canada	100% ¹	
LYNN LAKE	MB2482	Canada	100% ¹	
LYNN LAKE	MB3566	Canada	100% ¹	
LYNN LAKE	MB3567	Canada	100% ¹	
LYNN LAKE	P1045F	Canada	100% ¹	
LYNN LAKE	MB3580	Canada	100% ¹	
LYNN LAKE	MB3581	Canada	100% ¹	
LYNN LAKE	MB7346	Canada	100% ¹	
LYNN LAKE	MB7349	Canada	100% ¹	
LYNN LAKE	MB7350	Canada	100% ¹	

LYNN LAKE	MB7025	Canada	100% ¹	
LYNN LAKE	MB7361	Canada	100% ¹	
LYNN LAKE	MB7362	Canada	100% ¹	
LYNN LAKE	MB6364	Canada	100% ¹	
LYNN LAKE	MB5175	Canada	100% ¹	
LYNN LAKE	MB5701	Canada	100% ¹	
LYNN LAKE	MB8734	Canada	100% ¹	
LYNN LAKE	MB8735	Canada	100% ¹	
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LYNN LAKE	MB10388	Canada	100% ¹	
LYNN LAKE	MB11838	Canada	100% ¹	
LYNN LAKE	MB11839	Canada	100% ¹	
LYNN LAKE	MB11840	Canada	100% ¹	

LYNN LAKE	MB11841	Canada	100% ¹	
LYNN LAKE	MB11842	Canada	100% ¹	
LYNN LAKE	MB11843	Canada	100% ¹	
LYNN LAKE	MB11844	Canada	100% ¹	
VICTORY PROJECT	MB11328	Canada	100%	
VICTORY PROJECT	MB11388	Canada	100%	
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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%	
BARRINGTON LAKE	MB9634	Canada	100% ¹	

NOTES:

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