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CORAZON
MINING LIMITED

AND ITS CONTROLLED ENTITIES
(ABN 87 112 898 825)

ANNUAL REPORT

for the financial year ended 30 June 2020

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CONTENTS

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CORPORATE DIRECTORY

NON-EXECUTIVE CHAIRMAN
Terry Streeter

EXECUTIVE MANAGING DIRECTOR
Brett Smith

NON-EXECUTIVE DIRECTORS
Jonathan Downes
Mark Qui

COMPANY SECRETARY
Robert Orr

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Code: CZN

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CHAIRMAN'S LETTER

Dear Shareholders,

It is my pleasure to present you with Corazon Mining Limited's Annual Report for the year ending 30 June 2020.

Given global markets' on-going interest in nickel and its role as a key commodity in the burgeoning battery sector, Corazon's sustained focus for the past year has been on its flagship nickel sulphide asset, the Lynn Lake Mining Centre. Lynn Lake is a historically significant mining centre with large JORC resource estimates and good local infrastructure.

Corazon recently exercised its option to acquire 100% of the Lynn Lake Project area, and, proudly, we are the first company to have control of the entire Lynn Lake nickel camp since mine closure in 1976. With little modern project scale exploration undertaken since mine closure, Corazon's opportunity for discovery at Lynn Lake is substantial.

Recent exploration at the Fraser Lake Complex (FLC) within the Lynn Lake Project area have opened up an entire new region of opportunity, and genetically linked the FLC to prospective ultramafic intrusions and deep "mantle-tapping structures" further to the west.

The geophysics and drilling work undertaken by Corazon to date have identified where we need to explore. It is our expectation now that the recently completed regional aerial magneto-telluric geophysical survey – completed over much of Lynn Lake's sizeable project area – will geophysically enable us to better detect nickel massive sulphides. Drilling equipment remains on site to enable the rapid recommencement of drilling at Lynn Lake.

In Australia, Corazon advanced its Mt Gilmore Copper-Cobalt-Gold Project, completing its 80% earn-in interest and identifying geophysical targets below large surface geochemical anomalies.

Since acquisition in mid-2016, Corazon's exploration results have underpinned its belief that Mt Gilmore is prospective for hosting large intrusive-related copper-gold sulphide deposits. Corazon's recent exploration of the prospective 22 kilometre "Mt Gilmore trend" uncovered a major copper-cobalt-silver-gold geochemical trend, potentially representing a district-scale exploration play for such deposits. These targets have never been drilled and have become Corazon's exploration focus at Mt Gilmore.

On behalf of Corazon's Board and team, I thank you for your continued support of our work as we strive to provide strong exploration opportunities and deliver significant value-appreciation for shareholders.

Sincerely,

Terry Streeter
Chairman

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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 financial year ended 30 June 2020.

1. Directors

The names of Directors in office at any time during or since the end of the year are:

Terry Streeter	Non-Executive Chairman (appointed 18 September 2019)
Brett Smith	Executive Managing Director
Clive Jones	Non-Executive Director (resigned 29 November 2019)
Jonathan Downes	Non-Executive Director
Mark Qiu	Non-Executive Director

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

2. Company Secretary

Mr Robert Orr, CA holds the position of Company Secretary. Mr Orr is a Chartered Accountant who has acted as Chief Financial Officer and Company Secretary for a number of ASX listed companies. He has over 20 years' experience in public practice and commerce, during which he has worked extensively in the resource industry and has experience in capital markets, project development, contract negotiation and mining operations.

3. Operating Results

The consolidated loss of the Consolidated Entity after providing for income tax and eliminating inter-company interests amounted to $1,778,384 (2019: $2,352,622)

4. Principal Activities and Significant Changes in Nature of Activities

The principal activity of the Consolidated Entity during the financial year has been exploration for nickel, cobalt, copper and gold and development of mining activities. There were no significant changes in the nature of the Consolidated Entity's principal activities during the financial year.

5. Dividends Paid or Recommended

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

6. Likely Developments and Expected Results of Operations

The Consolidated Entity intends to continue its exploration, development and production activities on its existing projects and to acquire further suitable projects for exploration as opportunities arise.

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DIRECTOR'S REPORT (cont)

7. Review of Operations

Corazon Mining Limited (ASX: CZN) (Corazon or Company) is an Australia-based base metals explorer advancing the entire Lynn Lake Nickel Copper Cobalt Mining Centre in Manitoba, Canada, and the Mt Gilmore Cobalt Copper Gold Sulphide Project in New South Wales (N.S.W.), Australia. 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 Lynn Lake Mining Centre (Lynn Lake) is a historically significant mining centre with large JORC compliant resources and supporting infrastructure. The recent recovery in the price of nickel has led Corazon to undertake a positive strategic review of Lynn Lake, and provided the opportunity to re-focus and accelerate its exploration and development plans to deliver value for shareholders.

The Lynn Lake Mining Centre has been described as one of the best "brown-fields" exploration plays in North America. New exploration techniques and a modern understanding of Lynn Lake's nickel-copper-cobalt sulphide systems have resulted in Corazon's discovery of several new areas of mineralisation.

Corazon recently exercised its option to acquire 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 has consolidated the Lynn Lake nickel camp and its extensive historical datasets, which includes more than 75 years of exploration and 24 years of mining information. This data provides the opportunity to complete detailed interrogation and targeting within the mine area and across the wider project area.

As part of Corazon's process of defining Lynn Lake's development potential, new quality resource estimations have been completed and modern metallurgy has delivered a major technical breakthrough, producing separate high-value and high-purity nickel and copper concentrates.

This work will enable the determination of value for the large historical mining centre at a time when there is an expectation of future increased demand for metals.

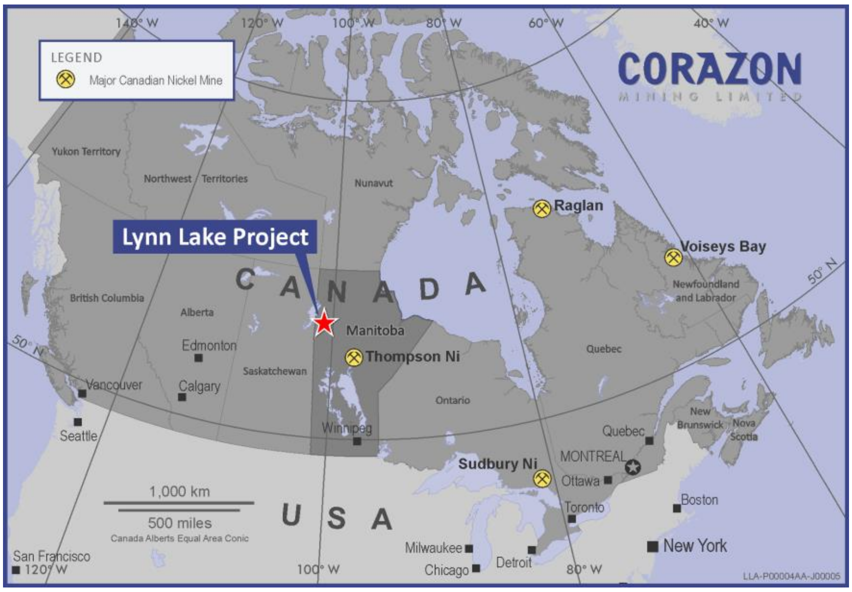

Figure 1: Lynn Lake Project location map

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DIRECTOR'S REPORT (cont)

Mt Gilmore Cobalt-Copper-Gold Project, NSW - Australia

The Mt Gilmore Cobalt-Copper-Gold Project (Mt Gilmore) is located 35 kilometres from the city of Grafton in north-eastern 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. Corazon's metallurgical testwork on the Cobalt Ridge mineralisation has delivered exceptional, high-grade metal concentrates and cobalt/copper sulphates, suitable for use in rechargeable (lithium-ion) batteries.

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

Figure 2: Mt Gilmore Project location map

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DIRECTOR'S REPORT (cont)

EXPLORATION ACTIVITIES

LYNN LAKE NICKEL-COPPER-SULPHIDE PROJECT, MANITOBA - CANADA

Re-Focus on the Lynn Lake Nickel Precinct

The recent recovery in the price of nickel led Corazon to undertake a positive strategic review of its Lynn Lake Project, and provided the opportunity to re-focus and accelerate its exploration and development plans to deliver value for shareholders.

The nickel-copper-cobalt sulphide deposits at Lynn Lake were mined continuously for 24 years between 1954 and 1976; processing more than 20 million tonnes, it was one of Canada's major nickel mining centres of its time. Substantial resources remain and further extensive drill defined mineralisation also exists within the Lynn Lake Mining Centre. These areas outline targets for further exploration.

With little modern exploration being undertaken, the opportunity for discovery at Lynn Lake is substantial. Recent work highlights Lynn Lake's potential, with discoveries made by several companies including Western Areas NL (ASX: WSA), Independent Nickel Inc. (TSX: INI), and Corazon.

Mining studies at Lynn Lake have predominantly centred on nickel deposits at depths of more than 400 metres below surface. Corazon's work has highlighted the potential to define additional resources closer to surface, adjacent to historically mined areas.

Recent priority targets have focused on near-surface mineralisation, as well as areas on-trend from the historical workings at Lynn Lake.

Option Exercised to Acquire 100% of Lynn Lake Project Area

In the June quarter, Corazon announced it has completed all earn-in requirements to acquire 100% of the Lynn Lake Project area, and exercised the option to acquire 100% of the Project area (ASX announcement 17 April 2020).

Corazon has consolidated the entire Lynn Lake nickel-sulphide mining centre under its sole ownership. This includes ground 100% owned by Corazon following its acquisition of the Victory Nickel-Copper Project (ASX announcement 1 April 2015), and additional ground (referred to as the Dunlop Project area) where Corazon has the rights to acquire 100% ownership (ASX announcements 9 August 2012 and 29 July 2015).

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DIRECTOR'S REPORT (cont)

The Dunlop Project area represents a critical component of the wider Lynn Lake Project (Figure 3), covering the high-grade EL Mine and the very exciting Fraser Lake Complex intrusion.

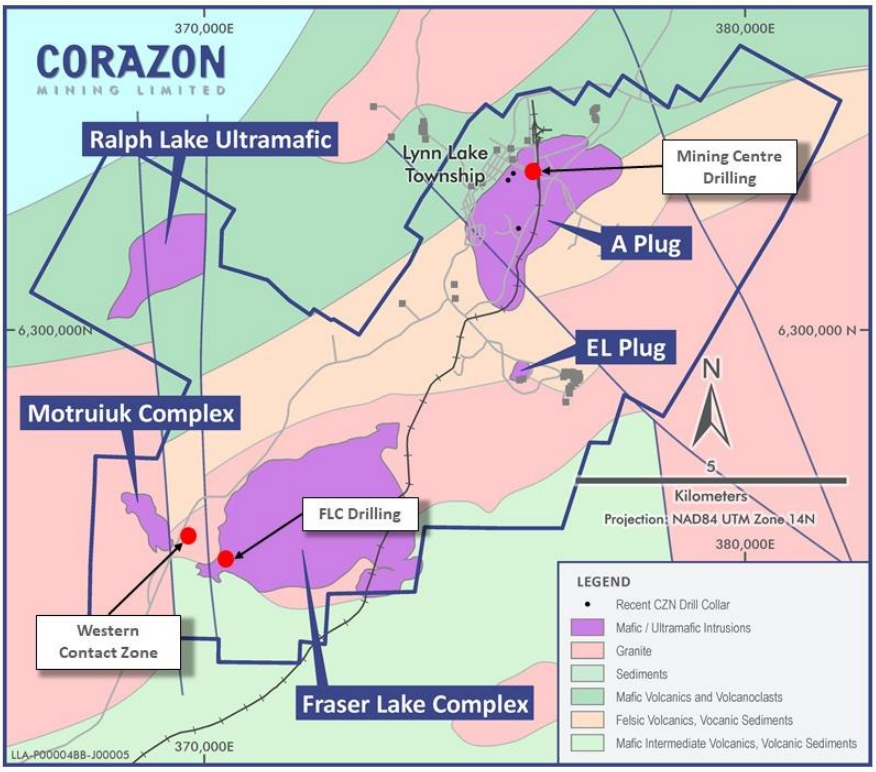

Figure 3: Regional Geology Interpretation and Project Area Outlines.

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DIRECTOR'S REPORT (cont)

Mineral Resource Estimate Upgrade

During the September quarter, Corazon announced its upgraded Mineral Resource Estimate (Resource Estimate) for the Lynn Lake Project (ASX announcement 27 November 2019). The newly upgraded Resource Estimate captures the Golf Deposit, a large area of drill-defined mineralisation located immediately below the G Orebody, which was mined in the 1970's.

The current total Resource Estimate includes just six (6) deposits within Lynn Lake; numerous areas of mineralisation are yet to be evaluated as potential additions to the Resource base. The current Resource includes:

- **16.3Mt @ 0.72% Ni, 0.33% Cu, 0.033% Co** (12.9Mt Indicated and 3.4Mt Inferred, at a 0.5%Ni cut-off), for total contained metal of 116,800t Ni, 54,300t Cu, 5,300t Co; with
- **5.4Mt @ 0.99% Ni, 0.41% Cu, 0.043% Co** (4.3Mt Indicated & 1.1Mt Inferred, 0.7%Ni cut-off) of high-grade material.

Full details of the new Resource Estimate are available in the ASX announcement dated 27 November 2019 and in Table 1, below.

Category	Base Cut Ni %	Tonnes	Ni %	Cu %	Co %	Tonnes		
						Ni	Cu	Co
Indicated	0.5	12,899,000	0.70	0.33	0.034	89,800	42,900	4,400
Inferred	0.5	3,422,000	0.79	0.33	0.027	27,000	11,400	900
Total	**0.5**	**16,321,000**	**0.72**	**0.33**	**0.033**	**116,800**	**54,300**	**5,300**

Category	Base Cut Ni%	Tonnes	Ni %	Cu %	Co %	Tonnes		
						Ni	Cu	Co
Indicated	0.7	4,279,000	0.93	0.40	0.044	39,700	17,200	1,900
Inferred	0.7	1,110,000	1.25	0.45	0.039	13,900	5,000	400
Total	**0.7**	**5,389,000**	**0.99**	**0.41**	**0.043**	**53,600**	**22,200**	**2,300**

Table 1: Lynn Lake Indicated and Inferred Mineral Resource Estimate – November 2019

The Lynn Lake deposits provide the opportunity for mining using large tonnage, low cost methods. The historical mined grades at the A Plug were approximately 0.88% Ni and 0.47% Cu; with the higher-grade EL Plug being mined at 2.40% Ni and 1.15% Cu. The new Resource Estimate grades are consistent with the tenor of mineralisation previously mined at Lynn Lake.

The estimation focused on the EL, N, O, P, Disco and Golf deposits within the Mining Centre. Lynn Lake hosts additional deposits, as well as numerous occurrences of drill-defined mineralisation that are yet to be considered for resource studies. These areas support the potential for further upgrades to Lynn Lake's Mineral Resource.

Corazon engaged independent resource consultants HGMC to provide an updated Resource Estimate incorporating several deposits within the Lynn Lake Mining Centre. This estimation is summarised in Table 1.

The Resource Estimate was completed in accordance with the guidelines of the JORC Code (2012 edition); it is of a very high quality and is well supported by drilling and historical mining data. It is anticipated that very little additional verification drilling and sampling will be required to upgrade the majority of the defined tonnages in the Resource to the higher Measured category.

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DIRECTOR'S REPORT (cont)

Outstanding High Grade Nickel Drilling Results

During the December quarter, Corazon commenced a new phase of drilling at Lynn Lake (ASX announcement 2 December 2019). This work was completed in the June quarter, with results presented in ASX announcements dated 21 January and 1 May 2020.

This phase of drilling tested near surface expressions of mined areas that operated continuously for 24 years at an average grade of 1.02% nickel and 0.54% copper (A Plug and EL Plug). The work was successful in defining additional areas of high-grade mineralisation with the potential to add to the Project's significant existing resource base.

Highlight Results

"A Orebody"

- **37.8 metres @ 1.68%Ni, 0.67%Cu, 0.050%Co** from 10 metres; including
    - **22.6 metres @ 2.30%Ni, 0.82%Cu, 0.068%Co** from 24.4 metres
- **37.0 metres @ 1.34%Ni, 0.50%Cu, 0.040%Co** from 8 metres; including
    - **8.4 metres @ 2.36%Ni, 0.66%Cu, 0.063%Co** from 24.4 metres

"E Orebody"

- **4.5 metres @ 1.17% Ni, 0.22% Cu, 0.029% Co** from 25 metres
- **4.1 metres @ 2.09% Ni, 0.57% Cu, 0.073% Co** from 26.9 metres

Drilling targeted two historical deposits within the northern area of the Mining Centre - the A Orebody and E Orebody – that have potential extensions to known mineralisation not historically tested with drilling. In total, 10 diamond core holes were completed for approximately 1,365.4 metres of drilling.

Post Financial Year end, Corazon completed its most recent phase of drilling at Lynn Lake, which focused on priority exploration targets at the Fraser Lake Complex (FLC), located five (5) kilometres south of the Lynn Lake Mining Centre (ASX announcement 3 September 2020).

This program was a two (2) hole (FLC2020-22 and FLC2020-23) drill program over priority FLC targets for a total of 1,087 metres. Both holes successfully intersected magmatic sulphide mineralisation, supporting the Company's exploration model.

Drilling highlighted the prospectivity of a new trend (the Western Contact Zone – WCZ), generating a much larger target area favourable for nickel-copper sulphide deposits. Drill hole FLC2020-23 into the WCZ intersected prospective altered gabbroic rocks with widespread low levels of magmatic sulphide of up to 10% content.

Drilling equipment remains at Lynn Lake, so as to enable the rapid recommencement of the next phase of drilling.

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DIRECTOR'S REPORT (cont)

MoblieMT Geophysical Survey

Corazon has also very recently completed a regional aerial magneto-telluric geophysical survey (MobileMT) over much of the Lynn Lake Project area. Preliminary results from flight lines across the historical Lynn Lake Mining Centre have proven that this innovative new geophysical method is highly effective in identifying nickel sulphide deposits (ASX announcement 3 September 2020).

The data collected from this survey is currently being processed, with results expected this month.

Typically, electromagnetic (EM) geophysics is the electrical survey method most suitable for the direct detection of massive magmatic nickel sulphide. However, EM geophysics in the Lynn Lake area has proven relatively ineffective due to near surface conductivity from swamplands, extensive barren sulphidic sediments and volcanogenic massive sulphide (VMS) deposits (Fe, Zn, Cu, Pb, Au).

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. The MobileMT survey was carried out by Canadian geophysical consultancy, Expert Geophysics.

Mining and Mineral Processing Studies

Studies currently in progress for Lynn Lake have identified areas where it is believed processes can be improved and costs reduced. Historically, Lynn Lake was a large-tonnage, low-cost mining operation. The current mining studies are looking to reduce mining and capital development costs for a potential underground operation via the implication of modern mining practices and new technology.

Corazon's recent metallurgical testwork has delivered exceptional results and there is a strong belief that further improvements can be made.

Priority focuses for this work will include the scoping and testwork for pre-flotation "sorting" of low-grade disseminated mineralisation to feed grade, and onsite downstream processing options.

MT GILMORE COBALT-COPPER-GOLD PROJECT, NSW – AUSTRALIA

80% Earn-In Interest Completed

During the September Quarter, Corazon completed its 80% earn-in interest at the Mt Gilmore Copper-Cobalt-Gold Project (ASX announcement 2 July 2019). Corazon entered into an agreement with the project vendors, Providence Gold & Minerals Pty Ltd (Providence), in 2016, giving it the right to earn up to an 80% interest in Mt Gilmore by completing $2 million in exploration expenditure at the project within three (3) years of commencement of the agreement (ASX announcement 16 June 2016).

Corazon has now completed its earn-in at Mt Gilmore, and has issued 83.33 million shares to Providence, increasing its interest in Mt Gilmore by an additional 29% - taking its total ownership in mineral exploration lease EL8379 to 80% (ASX announcements 3 April and 30 May 2019). Pursuant to the agreement, Corazon remains project manager and continues to sole fund activities at Mt Gilmore until a decision to mine is made.

Geophysical Targets Identified Below Large Surface Geochemical Anomalies

Initial results from Corazon's IP geophysical survey identified copper-cobalt-silver soil anomalies (ASX announcements 23 July 2019) are believed to support the potential for a large concealed sulphide system (ASX announcement 31st May 2019).

Importantly, these newly identified areas of mineralisation are adjacent to the high-grade copper rich structures previously identified by Corazon (ASX announcement 5 February 2019), and are believed to represent a mineralised alteration halo of what may potentially be a large, concealed sulphide system.

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DIRECTOR'S REPORT (cont)

IP methods have been used with great effect in the successful exploration for sulphide deposits in NSW. Corazon's IP survey at Mt Gilmore was a first-pass, wide-spaced program that provided an initial test of the effectiveness of IP, testing for geophysical characteristics typical of concealed copper-cobalt-gold sulphide bodies.

The IP survey has defined large areas of moderate "IP changeability" anomalism, interpreted to be hydrothermal alteration and sulphide mineralisation in association with high "IP resistivity" areas, interpreted to be intrusive bodies. Field mapping undertaken by Corazon at Mt Gilmore supports this relationship.

The Gordonbrook Hill (GBH) target is the best IP anomaly identified to date, exhibiting moderate changeability anomalism over an area of approximately one (1) kilometre in diameter.

In addition, mapped "leakage structures", adjacent to and extending from the GBH target have previously returned **rock chip sample results of up to 16.3% copper, 1,250 ppm cobalt and 1.29 g/t gold** (ASX Announcement 5 February 2019), which reinforce this target area's strong prospectivity.

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 that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr 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.

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DIRECTOR'S REPORT (cont)

CORPORATE ACTIVITIES

Address changes

On 7 January 2020 the Company announced the change of address of its registered office and principal place of business to Level 3, 33 Ord Street, West Perth WA 6005.

Board Changes

On 18 September 2019, the Company announced that Mr Terry Streeter has joined the board as non-executive Chairman, to help drive and an accelerated exploration and development program at the Lynn Lake Project.

Mr Clive Jones stepped down as non-executive Chairman and retained the role as non-executive Director until his resignation on 29 November 2019.

Exploration acquisitions

On 2nd July 2019, the Company increased its interest in the **Mt Gilmore Project** from 51% to 80% by issuing $250,000 worth of Shares to the Mt Gilmore vendors (details of the Mt Gilmore Project purchase agreement are set out in the ASX announcement released on 16th June 2016).

On 17 April 2020 the Company announced that it had exercised its option to acquire 100% of the **Lynn Lake Project** from the vendor (P Dunlop), 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 final consideration for the acquisition.

Meeting Results

On 29 November 2019, the Company held its **Annual** General Meeting of Shareholders (AGM). All resolutions put to the meeting were unanimously passed by a show of hands.

On 8 April 2020, the Company held a **General** Meeting of Shareholders (GM). All resolutions put to the meeting were passed by a poll.

Issues of equity securities

On 2nd July 2019, the Company issued Providence Gold Ltd (the Vendor) 83,333,334 fully paid ordinary shares as consideration to acquire the further 29% interest in the Mt Gilmore Project.

On 10 July 2019 pursuant to a Share Purchase Plan ("SPP") the Company issued the following allotments of securities:

- 166,666,622 fully paid ordinary shares with an issue price of $0.003, raising $499,969 for Company exploration programs and working capital purposes;
- 188,047,956 listed options exercisable at $0.007 each on or before 10 July 2022, these options were free attaching to fully paid ordinary shares issued as per this SPP (76,936,895 listed options attributable), and also the April 2019 capital raising (111,111,061 listed options).

On 24 September 2019, the Company placed 407,672,000 ordinary fully paid shares with an issue price of $0.0025 per share with sophisticated investors raising $1,019,180. An additional 10,000,000 Shares raising a further $25,000 was issued to Mr Terry Streeter on 20 December 2019 following the required shareholder approval at the annual general meeting. The funds raised pursuant to this Placement were used to accelerate exploration activities at the Lynn Lake Project and working capital purposes.

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DIRECTOR'S REPORT (cont)

On 20 December 2019 the Company issued the following securities to key personnel:

- 39,953,193 fully paid ordinary shares at an issue price $0.0026 to directors in consideration of their director's fees. This is consistent with the Company's policy to reduce administrative cash flows.
- 10,000,000 performance rights was issued to Mr Terry Streeter. The performance rights will be considered vested and convertible if during the period of issue, the Company's share price on the ASX trades with a share price of $0.01 or greater for a period of 20 consecutive trading days or more. The performance rights were issued for nil consideration, with nil consideration required on conversion. The rights expire on 20 December 2023.
- 5,000,000 unquoted options with an exercise price of $0.007 and expiry of 10 July 2022 was also issued to Mr Terry Streeter.

On 19 February 2020, the Company placed 321,582,138 ordinary fully paid shares with an issue price of $0.0035 per share with sophisticated investors, raising $1,125,538 for Company exploration programs and working capital purposes.

On 21 April 2020 the Company issued 341,582,138 listed options (CZNO) exercisable at $0.007 each on or before 10 July 2022. 321,582,138 of these options were free attaching to fully paid ordinary shares issued as part of the February 2020 placement. The remaining 20,000,000 were issued to the placement broker as part-consideration of their fee (value $20,000).

Lapse or forfeited equity securities

During the financial year the following allotments of options expired:

(a) 30 July 2019: 20,000,000 unlisted options exercisable at $0.015.
(b) 23 August 2019: 850,000,000 unlisted options exercisable at $0.03.
(c) 31 March 2020: 40,000,000 unlisted options exercisable at $0.035.

8. COVID Operations Response

In response to the COVID pandemic the Company implemented a COVID management plan which included restrictions on travel and site mobilisation, physical distancing and hygiene controls, and a response plan in the event of COVID cases.

9. Discussion and Analysis of Operations and the Financial Position

The net assets of the Consolidated Entity increased from $3,097,548 at 30 June 2019 to $4,091,778 at 30 June 2020.

As at 30 June 2020, the Consolidated Entity had $539,678 (2019: $414,675) cash on hand. The Consolidated Entity may require further funding during the 2020 financial year in order to meet both day-to-day obligations as they fall due and progress its exploration projects. The Directors anticipate that future financing for exploration and mining activities will be secured in a reasonable timeframe and accordingly the directors consider it appropriate to prepare the financial statements on a going concern basis.

The Consolidated Entity continues to ensure that administration and overhead costs are kept to a minimum through sharing office, administration and accounting costs. The Consolidated Entity continually reviews the overhead associated with fees, consultants, corporate compliance and maintaining the listed entity and seeks to keep these costs to a minimum without compromising the entities commitment to appropriate corporate governance principles.

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DIRECTOR'S REPORT (cont)

Exploration

The Consolidated Entity has three main exploration projects those being the Lynn Lake and Victory projects, both in Manitoba, Canada, and the Mt Gilmore Project in NSW, Australia. In the consolidated financial statements, these projects are accounted for as *Exploration assets* due to the Company's ownership of each. The Lynn Lake Project was accounted for as *Intangible assets and impaired* prior to the Company acquiring it on 17 June 2020.

Exploration and evaluation costs are capitalised as exploration and evaluation assets on an area of interest basis. Exploration and evaluation assets are only recognised if:

- The Company has 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.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. All exploration projects have been reviewed at 30 June 2020. Accordingly, the Consolidated Entity recorded an aggregate exploration expense of $915,504 (2019: $1,560,341) in the statement of profit or loss and other comprehensive income.

Each project is individually discussed below:

<u>Victory Project</u>

During the first half of financial year, the Company assessed the carrying value of its exploration expenditure on the Victory Project and considered it was prudent to impair the carrying value of the Project in December 2019. Accordingly, the Consolidated Entity recorded an individual exploration expense of $708,254 (2019: $1,255,915) for the Victory Project in the statement of profit or loss and other comprehensive income.

On 19 December 2019 the Company notified Victory Nickel that it had met the expenditure requirement therefore would be retaining the Project. Due to this decision no further impairment has been recorded.

<u>Lynn Lake Project</u>

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 Lynn Lake Project was treated as an intangible asset given it was a staged option to acquire the project. Accordingly, the Consolidated Entity recorded an individual exploration expense of $207,250 (2019: $304,426) and impairment expense of $231,167 (2019: $216,414).for the Lynn Lake Project in the statement of profit or loss and other comprehensive income.

<u>Mt Gilmore Project</u>

During the financial year, the Company assessed the carrying value of its exploration expenditure on the Mt Gilmore Project and considered it to be a reflection of fair value on the basis of the facts and circumstances notably the continued exploration expenditure and activities and the acquisition of a further 29% interest in the project.

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DIRECTOR'S REPORT (cont)

10. Significant Changes in State of Affairs

There have been no significant changes in the state of affairs of the Consolidated Entity other than those disclosed in the Review of Operations.

11. After Reporting Date Events

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 $713,968 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 the same date the Company issued a further 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.

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 $963,958 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 26 August 2020, the Company held a General Meeting of Shareholders. All resolutions put to the meeting were passed by a poll.

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

The impact of the Corona Virus (COVID-19) pandemic is ongoing and whilst it has been financially positive for the Consolidated Entity up to 30 June 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 required.

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.

12. Future Developments, Prospects and Business Strategies

The Consolidated Entity will continue its mineral exploration activity at and around its exploration projects with the object of identifying commercial resources.

13. Environmental Issues

The Consolidated Entity is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all regulations when carrying out any exploration work.

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DIRECTOR'S REPORT (cont)

14. Information on Directors

Mr Terry Streeter	—	***Non-Executive Chairman***
Qualifications		None
Experience	—	Mr Streeter has extensive experience in funding, listing and overseeing junior explorers in all exploration and economic cycles and has served in various roles in the nickel sulphide industry for over 30 years. He was a Director of West Australian nickel explorer and miner Jubilee Mines NL from 1993 to May 2004 and was a founding shareholder of Western Areas NL (ASX: WSA) in 1999, which went on to discover and develop two high-grade nickel sulphide mines in the Forrestania region of Western Australia. He served as a Non-Executive Director of Western Areas from 1999, and Non-Executive Chairman from 2007 to November 2013. He is currently a Non-Executive Chairman of Fox Resources Ltd, Non-Executive Chairman of Moho Resources Ltd and Non-Executive Director of Emu Resources NL.
Interest in Shares and Options	—	12,00,000 fully paid ordinary shares 10,000,000 performance rights 5,000,000 options exercisable at $0.007 expiring 10 July 2022 2,000,000 options exercisable at $0.0035 expiring 30 June 2021
Length of Service		From 18 September 2019 to present
Directorships held in other listed entities in the last three years	—	Fox Resources Ltd since June 2005 to present Alto Metals Ltd from March 2018 to November 2018 Moho Resources Ltd from August 2018 to present Emu Resource NL from November 2018 to present

Mr Brett Smith	—	***Executive Managing Director***
Qualifications	—	BSc Hons, MAusIMM, MAIG, MAICD
Experience	—	Mr Smith has been involved in the mining and exploration industry for over 30 years as a geologist, manager and director of publicly listed companies and has broad industry experience in exploration and development.
Interest in Shares and Options	—	17,187,051 fully paid ordinary shares 2,864,509 options exercisable at $0.0035 expiring 30 June 2021 2,222,220 options exercisable at $0.007 expiring 10 July 2022
Length of Service	—	From 1 July 2010 to present
Directorships held in other listed entities in the last three years	—	Battery Minerals Limited (formerly known as Metals of Africa Ltd) from 1 August 2012 to 21 May 2019 Pacific Bauxite Limited (formerly known as Iron Mountain Mining Limited) 7 May 2014 to 29 November 2018

DIRECTOR'S REPORT (cont)

Mr Jonathan Downes	—	***Non-Executive Director***
Qualifications	—	B Sc Geol, MAIG
Experience	—	Mr Downes has over 25 years of experience in the minerals industry and has worked in various geological and corporate capacities. Mr Downes has experience in nickel, gold and base metals and has been intimately involved with numerous private and public capital raisings. Mr Downes was a founding director of Hibernia Gold (now Moly Mines Ltd) and Siberia Mining Corporation Ltd.
Interest in Shares and Options	—	24,085,920 fully paid ordinary shares 2,038,092 options exercisable at $0.0035 expiring 30 June 2021
Length of Service		From 10 April 2006 to present
Directorships held in other listed entities in the last three years	—	Ironbark Zinc Ltd from 18 April 2006 to 30 November 2019 Galena Mining Limited from 7 September 2017 to present Kaiser Reef Limited from 2 September 2019 to present KingWest Resources Limited from26 November 2019 to present

Dr. Mark Qiu	—	***Non-Executive Director***
Qualifications	—	PhD Economic Geology
Experience	—	Dr. Mark Yumin Qiu has a PhD in Economic Geology from the University of Western Australia and has a strong track record in project generation and development in the resources industry. Dr. Qiu was previously General Manager, Project Generation and Acquisition and Head of Exploration and Business Development at Sino Gold. In this role Dr. Qiu played a key role in the development of the business, from its formation to its $100 million IPO on ASX in 2002 and its $2.5 billion sale to Eldorado Gold Corporation in 2009. At Sino Gold, he led the team that discovered the White Mountain gold deposit and brought it into production within four years. Most recently in 2013, Dr Qiu led the acquisition of the Southern Cross Operations at Marvel Loch in WA. After its successful exploration and development into production in 2015, the Project was sold for $330 million in February 2017.
Interest in Shares and Options	—	12,915,537 fully paid ordinary shares
Length of Service		18 August 2017 to present
Directorships held in other listed entities in the last three years		Primary Gold Limited from 31 March 2014 to 8 May 2018 China Hanking Holdings Limited (HKSX: 03788) from February 2012 to present

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DIRECTOR'S REPORT (cont)

Mr Clive Jones	—	***Non-Executive Director***
Qualifications	—	B App Sc (Geol)
Experience	—	Mr Jones has been involved in the minerals industry for over 30 years and has worked on the exploration and development of a range of commodities both in Australia and overseas and has a history of corporate and technical successes. Mr Jones is currently joint Managing Director of Cazaly Resources Ltd and a Director of Bannerman Resources Ltd. These companies are currently listed on the Australian Securities Exchange.
Interest in Shares and Options (at resignation)	—	7,568,663 fully paid ordinary shares 2,222,222 options exercisable at $0.007 expiring 10 July 2022
Length of Service	—	From 10 February 2005 to 20 November 2019
Directorships held in other listed entities in the last three years	—	Bannerman Resources Ltd from 12 January 2007 to present Cazaly Resources Ltd from 15 September 2003 to present

15. Remuneration Report (audited)

This report details the nature and amount of remuneration for each key management person of Corazon Mining Limited.

Names and positions held by Consolidated and Parent Entity key management personnel in office at any time during the financial year are:

Key Management Personnel	Position
Terry Streeter	Non-Executive Chairman (appointed 18 September 2019)
Clive Jones	Non-Executive Director (resigned 29 November 2019)
Brett Smith	Executive Managing Director
Jonathan Downes	Non-Executive Director
Mark Qui	Non-Executive Director
Robert Orr	Company Secretary

This remuneration report, which forms part of the Directors' Report, sets out information about the remuneration of Corazon Mining Limited's key management personnel, comprising the directors of the Company, for the financial year ended 30 June 2020. Disclosures required under AASB 124 *Related Party Disclosures* have been transferred from the financial report and have been audited. The additional disclosures required by the Corporations Act 2001 and the Corporations Regulations 2001 have not been audited.

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DIRECTOR'S REPORT (cont)

Remuneration policy

The Board's policy for determining the nature and amount of remuneration for key management personnel of the Consolidated Entity is as follows:

- The remuneration policy, setting the terms and conditions for the key management personnel, was developed and approved by the Board.
- All key management personnel receive a base salary (which is based on factors such as length of service and experience) and their package may include superannuation, fringe benefits, options and performance incentives.
- The Board reviews key management personnel packages annually by reference to the Consolidated Entity's performance, executive performance and comparable information from industry sectors.

The Board's remuneration policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Key management personnel are also invited to participate in employee option arrangements.

The key management personnel receive a superannuation guarantee contribution required by the government, which is currently 9.5%, and do not receive any other retirement benefits.

Shares given to key management personnel are valued as the difference between the market price of those shares and the amount paid by the key management personnel. Options are valued using the Black-Scholes option pricing model.

The Board policy is to remunerate Non-Executive Directors at market rates for time, commitment and responsibilities. The Board determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at the Annual General Meeting. Fees for Non-Executive Directors are not linked to the performance of the Consolidated Entity. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the company and are able to participate in the Employee Incentive Scheme ('EIS').

Performance-based remuneration

The Company is an exploration entity and therefore speculative in terms of performance. Consistent with attracting and retaining talented executives, directors and senior executives are paid market rates associated with individuals in similar positions, within the same industry. The Board does not endorse the use of bonus payments for directors and senior executives at this point in time. Performance incentives will be issued in the event that the entity moves from an exploration to a producing entity, and key performance indicators such as growth and profits will be used as measurements for assessing Board performance.

Company performance, shareholder wealth and Director and Executive remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders, directors and executives by the issue of options to some directors and key executives to encourage the alignment of personal and shareholder interests.

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DIRECTOR'S REPORT (cont)

Key terms of employment contracts

- The contracts for service between the Company and its directors are on a continuing basis, the terms of which are not expected to change in the immediate future. Upon retirement key management personnel are paid employee benefit entitlements accrued to date of retirement.
- The employment contract states a three month resignation notice period. The Company may terminate an employment contract without cause by providing three months' written notice or making payment in lieu of notice based on the individual's annual salary component.

Names and positions held of Consolidated and Parent Entity key management personnel in office at any time during the financial year are:

2020

Company Key Management Personnel	Position held as at 30 June 2020 and any change during the year	Contract details	Proportion of elements of remuneration related to performance			Proportion of elements of remuneration not related to performance (Salary/fees/ superannuation)		Total
			Non-Salary cash-based incentives	Shares/ Units	Options/ Rights	Cash-based	Shares/ Units	
			%	%	%	%	%	%
Terry Street	Non-Executive Chairman	No fixed term.				95	5	100
Clive Jones	Non-Executive Director	No fixed term.	-	-	-	35	65	100
Brett Smith	Executive Managing Director	No fixed term. 3 months notice required to terminate.	-	-	-	96	4	100
Jonathan Downes	Non-Executive Director	No fixed term.	-	-	-	75	25	100
Mark Qui	Non-Executive Director	No fixed term.	-	-	-	75	25	100
Robert Orr	Company Secretary	No fixed term.	-	-	-	100	-	100

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DIRECTOR'S REPORT (cont)

2019

Company Key Management Personnel	Position held as at 30 June 2020 and any change during the year	Contract details	Proportion of elements of remuneration related to performance			Proportion of elements of remuneration not related to performance (Salary/fees/ superannuation)		Total
			Non-Salary cash-based incentives	Shares/ Units	Options/ Rights	Cash-based	Shares/ Units	
			%	%	%	%	%	%
Terry Streeter	Non-executive chairman	No fixed terms	-	-	-	-	-	-
Clive Jones	Non-Executive Director	No fixed term.	-	-	-	100	-	100
Brett Smith	Executive Managing Director	No fixed term. 3 months notice required to terminate.	-	-	-	100	-	100
Jonathan Downes	Non-Executive Director	No fixed term.	-	-	-	100	-	100
Mark Qui	Non-Executive Director	No fixed term.	-	-	-	100	-	100
Robert Orr	Company Secretary	No fixed term	-	-	-	100	-	100

This report details the nature and amount of remuneration for each key management person of Corazon Mining Limited, and for the executives receiving the highest remuneration.

Key Management Personnel Remuneration

Key Management Personnel	Short Term Employee Benefits Cash and salary $	Post-Employment Benefits Superannuation $	Share Based Payments Non-Performance (a) $	Share Based Payments Performance (b) $	Total $
2020					
Terry Streeter	63,005	-	-	3,383	66,388
Clive Jones	7,300	-	13,750	-	21,050
Brett Smith	230,000	-	10,000	-	240,000
Jonathan Downes	30,822	2,928	11,250	-	45,000
Mark Qui	33,750	-	11,250	-	45,000
Robert Orr	56,760	-	-	-	56,760
	421,637	2,928	46,250	3,383	474,198

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DIRECTOR'S REPORT (cont)

Key Management Personnel	Short Term Employee Benefits Cash and salary	Post-Employment Benefits Superannuation	Share Based Payments Non-Performance (a)	Share Based Payments Performance (b)	Total
2019					
Terry Streeter	-	-	-	-	-
Clive Jones	55,000	-	-	-	55,000
Brett Smith	240,000	-	-	-	240,000
Jonathan Downes	41,096	3,904	-	-	45,000
Mark Qui	45,000	-	-	-	45,000
Robert Orr	56,760	-	-	-	56,760
	437,856	3,904	-	-	441,760

Performance income as a proportion of total income

No bonuses were paid to Executive or Non-Executive Directors during the year.

Option Holdings

The number of options over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the Consolidated Entity, including the personally related parties, is set out below:

	Balance 1.7.2019	Granted as Compensation (a)	Options Exercised	Options Expired (b)	Net Change Other (c)	Balance 30.06.2020	Total Vested and Exercisable
Terry Streeter	-	5,000,000	-	-	-	5,000,000	5,000,000
Clive Jones	5,000,000	-	-	(5,000,000)	2,222,222	2,222,222	2,222,222
Brett Smith	10,000,000	-	-	(10,000,000)	2,222,220	2,222,220	2,222,220
Jonathan Downes	7,000,000	-	-	(7,000,000)	-	-	-
Mark Qui	-	-	-	-	-	-	-
Robert Orr	3,000,000	-	-	(3,000,000)	-	-	-
	25,000,000	5,000,000	-	(25,000,000)	4,444,442	9,444,442	9,444,442

(a)
On 20 December 2019 Mr Streeter was issued 5,000,000 options exercisable at $0.007 expiring 10 July 2022. The fair value of each share option issued is $0.0006.

(b)
On 31 March 2020 options with an exercise price of $0.035 expired.

(c)
On 10 July 2019 listed option with an exercise price of $0.007 and an expiry of on or before 10 July 2022 where issued as per a 'share purchase plan'.

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DIRECTOR'S REPORT (cont)

Share holdings

The number of shares in the company held during the financial year by each director and other member of key management personnel of the Consolidated Entity including their personally related parties is set out below:

	Balance 1.7.2019	Received as Compensation (a)	Options Exercised	Net Change Other (b)	Balance on Resignation / Appointment (c)	Balance 30.6.2020
Terry Streeter	-			10,000,000	-	10,000,000
Clive Jones	4,235,330	-		3,333,333	(7,568,663)	-
Brett Smith	7,107,131	3,882,079	-	3,333,332	-	14,322,542
Jonathan Downes	9,357,370	10,190,458	-	2,500,000	-	22,047,828
Mark Qui	1,269,300	11,646,237	-		-	12,915,537
Robert Orr	1,843,940	-	-	-	-	1,843,940
	23,813,071	25,718,774	-	19,166,665	-7,568,663	61,129,847

(a)
On 20 December 2019 the Company issued fully paid ordinary shares at an issue price $0.0026 to directors in consideration of their director's fees. This is consistent with the Company's policy to reduce administrative cash flows.

(b)
On 10 July 2019 the Company announced that Mr Jones and Mr Smith had acquired fully paid ordinary shares (3,333,333 and 3,333,332 respectfully) via the share purchase plan.

On 20 December 2019 the Company announced that it had issued 10,000,000 shares with a share price of $0.0025 for a consideration of $25,000 to Mr Streeter.

On 13 May 2020 the Company announced that Mr Jones had acquired 2,500,000 fully paid ordinary shares on market.

(c)
On 29 November 2019 Mr Jones resigned.

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DIRECTOR'S REPORT (cont)

Performance rights

The number of performance rights in the company held during the financial year by each director and other member of key management personnel of the Consolidated Entity including their personally related parties is set out below:

	Balance 1.7.2019	Received as Compensation (a)	Conversion into shares	Cancelation	Balance on Resignation / Appointment	Balance 30.6.2020
Terry Streeter	-	10,000,000	-	-	-	10,000,000
Clive Jones	-	-	-	-	-	-
Brett Smith	-	-	-	-	-	-
Jonathan Downes	-	-	-	-	-	-
Mark Qui	-	-	-	-	-	-
Robert Orr	-	-	-	-	-	-
	-	10,000,000	-	-	-	10,000,000

(a)
On 20 December 2019 10,000,000 performance rights were issued to Mr Terry Streeter. The performance rights will be considered vested and convertible if during the period of issue, the Company's share price on the ASX trades with a share price of $0.01 or greater for a period of 20 consecutive trading days or more. The performance rights were issued for nil consideration, with nil consideration required on conversion. The rights expire on 20 December 2023. The fair value of each performance right issued is $0.00002.

End of Remuneration report

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DIRECTOR'S REPORT (cont)

16. Meetings of Directors

During the financial year, ten meetings of directors were held. Attendances by each director during the year was as follows:

Directors' Meetings

	Number Eligible to Attend	Number attended
Terry Streeter	8	8
Clive Jones	5	5
Brett Smith	10	10
Jonathan Downes	10	10
Mark Qiu	10	10

17. Indemnifying Officers

During or since the end of the financial year the Company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

The Company has paid premiums to insure each of the Directors and officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The amount of the premium was $12,380 (2019: $13,500) and extends to cover the following Directors and officers:

- Terry Streeter
- Clive Jones
- Brett Smith
- Jonathan Downes
- Mark Qiu
- Robert Orr

18. Indemnity and Insurance of Auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor. During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

19. Options

At the date of this report, the unissued ordinary shares of Corazon Mining Limited under option or rights entitlement are as follows:

Share options Grant Date	Date of Expiry	Exercise Price	Number under Option
10/07/2019	10/07/2022	$0.007	188,047,956
20/12/2019	10/07/2022	$0.007	5,000,000
21/04/2020	10/07/2022	$0.007	341,582,138
11/08/2020	30/06/2021	$0.0035	481,979,191
31/08/2020	30/06/2021	$0.0035	356,984,000
			1,373,593,285
Performance rights			
20/12/2020	20/12/2023	-	10,000,000
			1,383,593,285

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DIRECTOR'S REPORT (cont)

20. Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

21. Non-Audit Services

The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001.* The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and the objectivity of the auditor; and
- the nature of the services provided to not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The following fees were paid to PKF Perth for non-audit services provided during the year ended 30 June 2020:

Taxation compliance service	$1,900 (2019: $4,200)

22. Officers of the company who are former partners of PKF Perth

There are no officers of the company who are former partners of PKF Perth.

23. Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2020 has been received and can be found on page 27 of the Directors' Report.

Signed in accordance with a resolution of the Board of Directors.

Brett Smith
Executive Managing Director
Dated this 24th day of September 2020

PKF Perth

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AUDITOR'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF CORAZON MINING LIMITED

In relation to our audit of the financial report of Corazon Mining Limited for the year ended 30 June 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
PARTNER

24TH SEPTEMBER 2020
WEST PERTH,
WESTERN AUSTRALIA

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	Note	2020 $	2019 $
Other revenue	2	41,995	229,090
Administrative expense		(58,967)	(96,060)
Compliance and regulatory expense		(198,066)	(227,663)
Consultancy expense		(92,883)	(140,450)
Depreciation and amortisation expense		-	(5,053)
Directors fees		(218,151)	(189,096)
Employee benefits expense	3	(20,124)	(14,737)
Employee share based payments		(3,383)	-
Exploration expenditure	3,12	(915,504)	(1,560,341)
Unrealised movements on financial assets	3	(550)	(1,550)
Finance costs		(3,324)	1,311
Impairment of intangible asset	3,11	(231,167)	(216,414)
Insurance expense		(33,246)	(27,662)
Occupancy expense		(37,442)	(59,892)
Realised loss on disposal of fixed assets		-	(28,033)
Travel expenses		(7,572)	(16,072)
Profit/(loss) for the year from continuing operations		(1,778,384)	(2,352,622)
Income tax expenses	4	-	-
Profit/(loss) for the year		**(1,778,384)**	**(2,352,622)**
Other comprehensive income/(loss),net of income tax			
Items that may be reclassified subsequently to profit and loss			
Net changes in fair value of financial assets		-	-
Other comprehensive profit/(loss) (net of tax)		-	-
Total comprehensive profit/(loss) for the year		**(1,778,384)**	**(2,352,622)**
Basic and diluted profit/(loss) per share for continuing and discontinuing operations (cents per share)	5	(0.09)	(0.18)

The accompanying notes form part of these financial statements.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Note	2020 $	2019 $
CURRENT ASSETS			
Cash and cash equivalents	6	539,678	414,675
Trade and other receivables	7	36,169	27,860
Other assets	8	36,500	47,978
TOTAL CURRENT ASSETS		612,347	490,513
NON-CURRENT ASSETS			
Other assets	8	59,000	59,000
Financial assets	9	403	953
Intangible asset	11	-	-
Exploration and evaluation expenditure	12	3,979,707	3,203,784
TOTAL NON-CURRENT ASSETS		4,039,110	3,263,737
TOTAL ASSETS		4,651,457	3,754,250
CURRENT LIABILITIES			
Trade and other payables	13	541,201	645,869
Provisions	14	18,478	10,833
TOTAL CURRENT LIABILITIES		559,679	656,702
TOTAL LIABILITIES		559,679	656,702
NET ASSETS		4,091,778	3,097,548
EQUITY			
Issued capital	15	40,904,138	38,154,907
Reserves	16	327,133	1,298,150
Accumulated losses		(37,139,493)	(36,355,509)
TOTAL EQUITY		4,091,778	3,097,548

The accompanying notes form part of these financial statements.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	Issued Capital	Share Based Payments Reserve	Contingent Reserves	Accumulated Losses	Total
	$	$	$	$	$
Balance at 1 July 2018	**37,890,941**	**994,400**	**303,750**	**(34,002,887)**	**5,186,204**
Profit/(loss) for the year	-	-	-	(2,352,622)	(2,352,622)
Other comprehensive income	-	-	-	-	-
Total other comprehensive loss	-	-	-	(2,352,622)	(2,352,622)
Transactions with owners, recorded directly in equity					
Issue of share capital	346,216	-	-	-	346,216
Transaction costs on share issue	(82,250)	-	-	-	(82,250)
Total transactions with owners	263,966	-	-	-	263,966
Balance at 30 June 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)
Transactions with owners, recorded directly in equity					
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 accompanying notes form part of these financial statements.

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CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	Note	2020 $	2019 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		1,269	1,437
Government COVID incentives		17,927	-
Payment for administration and corporate costs		(489,477)	(491,429)
Payments for environmental bonds		-	-
Payments for exploration and evaluation		(1,647,186)	(1,694,117)
Proceeds from Research & Development grant		-	227,652
Payments for staff costs		(92,963)	(169,159)
Net cash generated from/(used in) operating activities	20	(2,210,430)	(2,125,616)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for intangible assets		(285,488)	(162,092)
Payments for plant and equipment		-	(726)
Net cash generated from/(used in) investing activities		(285,488)	(162,818)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		2,895,461	346,216
Payment for costs of capital raising		(274,540)	(20,147)
Net cash generated from financing activities		2,620,921	326,069
Net increase/(decrease) in cash and cash equivalents held		125,003	(1,962,365)
Cash and cash equivalents at beginning of financial year		414,675	2,377,040
Cash and cash equivalents at end of financial year	6	539,678	414,675

The accompanying notes form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 June 2020

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report of Corazon Mining Limited for the year ended 30 June 2020 was authorised for issue in accordance with a resolution of Directors on 24 September 2020. The Directors have the power to amend and reissue the financial statements.

This financial report includes the consolidated financial statements and notes of Corazon Mining Limited ('the Company') and controlled entities ('Consolidated Entity' or 'Group').

Corazon Mining Limited is a listed public company, trading on the Australian Securities Exchange, limited by shares, incorporated and domiciled in Australia.

New, revised or amended standards and interpretations adopted by the group

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are 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 except for AASB 2018-6 Amendments to the Australia Accounting Standards – Definition of a business.

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

The following Accounting Standard and Interpretations are most relevant to the Group:

AASB 16 Leases

The Group adopted the new standard using the modified retrospective approach and applied the practical expedient per AASB 16.C10(a) and (c). Lease assets and liabilities are measured at the present value of future payments on the initial date of application, being 1 July 2019. The Group has not restated comparative for the reporting period as permitted under the specific transitional provisions in the standard. There was no significant impact on the statement of financial position as at 1 July 2019 on adoption of AASB16, due to the Groups office lease being short-term.

AASB 16 provides a new lessee accounting model which requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months unless the underlying asset is of low value. The depreciation of the lease assets and interest on the lease liabilities are recognised in the consolidated profit or loss and other comprehensive income statement. Before the adoption of AASB 16, the Group classified leases (as lessee) at inception either as a finance lease or operating lease.

Practical expedients applied
In applying AASB16 for the first time, the Group has used the following practical expedients permitted by the standard:
• The use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
• Reliance on previous assessment on whether leases are onerous;
• The accounting for operating leases with a remaining term of less than 12 months as at 1 July 2019 as short-term leases;
• The exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application; and

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020 (cont)

• The use of hindsight in determining the leases term where the contract contains options to extend or terminate the lease.

At the date of initial application the Group's office lease was based on a month-to-month agreement, therefore no lease asset (right to use asset) or lease liability was recognised.

New standards and interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2020. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.
(i) Conceptual Framework for Financial Reporting (Conceptual Framework)

The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 January 2020 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the consolidated entity has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the consolidated entity may need to review such policies under the revised framework. At this time, the application of the Conceptual Framework is not expected to have a material impact on the consolidated entity's financial statements.

Basis of Preparation

The accounting policies set out below have been consistently applied to all years presented.

Statement of Compliance
The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) issued by the Australian Accounting Standard Board (AASB) and the *Corporations Act 2001* as appropriate for for-profit oriented entities. The consolidated financial report of the Group complies with International Financial Reporting Standards (IFRSs) and Interpretations as issued by the International Accounting Standards Board (IASB).

Basis of Measurement

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

a. 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 on-going 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 using an appropriate valuation model. Refer to note 19 for further details.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020 (cont)

(ii) *Impairment of exploration and evaluation assets and investments in and loans to subsidiaries*

The ultimate recoupment of the value of exploration and evaluation assets, the Company's investment in subsidiaries, and loans to subsidiaries is dependent on the successful development and commercial exploitation, or alternatively, sale, of the exploration and evaluation assets.

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

The key areas of judgement and estimation include:

– Recent exploration and evaluation results and resource estimates;
– Environmental issues that may impact on the underlying tenements;
– Fundamental economic factors that have an impact on the planned operations and carrying values of assets and liabilities. Refer to note 12 for further details.

(iii) *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. Refer to note 4 for further details.

(iv) *Classification of investments*

The Group has decided to classify investments in listed securities as financial assets. These securities are accounted for at fair value. Any increments or decrements in their value at year end are charged or credited to the revaluation reserves, unless they are impaired, of which any accumulated losses are reclassified to the statement of comprehensive income for the current year. Refer to note 9 for further details.

(v) *Intangible assets*

As the ownership in the Lynn Lake Project is an option to acquire and considered to be an intangible asset, exploration and evaluation expenditure has been expensed in the statement of comprehensive income until such time that the Company converts its option to an ownership interest. Refer to note 11 for further details.

(vi) *Fair value measurement hierarchy*

The Consolidated Entity is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020 (cont)

(vii) Impact of the COVID-19 pandemic

The COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020. The outbreak and the response of Governments in dealing with the pandemic is interfering with general activity levels within the community, the economy and the operations of the Company. The scale and duration of these developments remain uncertain as at the date of this report. The Company has considered the potential impact of the COVID-19 pandemic in the significant accounting judgements, estimates and assumptions at reporting date and has concluded there to be no significant economic impact.

b. Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by Corazon Mining Limited ("Corazon") as at 30 June 2020 and the results of all controlled entities for the year then ended. Corazon Mining Limited and its controlled entities together are referred to in this financial report as the "Consolidated Entity" or "Group".

Subsidiaries are all those entities over which the Consolidated Entity has control. The Consolidated Entity controls an entity when the Consolidated Entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are de-consolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. All controlled entities have a June financial year.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the Parent.

Where the Consolidated Entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Consolidated Entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

A list of controlled entities is contained in Note 10 to the financial statements.

c. Exploration and Evaluation Assets

Exploration and evaluation expenditure and earn-in expenditure, including the costs of acquiring licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Consolidated Entity has obtained the legal rights to explore an area are recognised in the statement of profit or loss and other comprehensive income.

Exploration and evaluation assets are only recognised if the rights of interest are current and either:

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020 (cont)

- The expenditures are expected to be recouped through successful development and exploitation of the area of interest; or
- Activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

An impairment exists when the carrying amount of capitalised exploration and evaluation expenditure relating to an area of interest exceeds its recoverable amount. The asset is then written down to its recoverable amount. Any impairment losses are recognised in the statement of profit and loss and other comprehensive income.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from exploration and evaluation expenditure to mining property and development assets within property, plant and equipment and depreciated over the life of the mine.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Where applicable, such costs are determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

d. Impairment

(i) Financial Assets

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020 (cont)

(ii) *Exploration and Evaluation Assets*

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount at the reporting date.

Exploration and evaluation assets are tested for impairment in respect of cash generating units, which are no larger than the area of interest to which the assets relate.

(iii) *Non-financial Assets other than Exploration and Evaluation Assets*

The carrying amounts of the Consolidated Entity's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of profit or loss and other comprehensive income. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units, then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exits. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

e. Income Tax

The charge for current income tax expense is based on the profit or loss for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the reporting date.

Deferred tax is accounted for using the liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on either accounting profit or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020 (cont)

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Consolidated Entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Tax Consolidation
Corazon Mining Limited and its wholly-owned Australian subsidiaries have not formed an income tax consolidated group under tax consolidation legislation.

f. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment

Plant and equipment are measured on the cost basis.

The cost of fixed assets constructed within the Group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial year in which they are incurred.

g. Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a diminishing value basis over the asset's useful life to the Consolidated Entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	30-40%
Office furniture and equipment	18%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020 (cont)

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income. When re-valued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings

h. Leases

Post adoption of AASB 16 on 1 July 2019, when a contract is entered into, the Group assesses whether the contract contains a lease. A lease arises when the Group has the right to direct the use of an identified asset which is not substitutable and to obtain substantially all economic benefits from the use of the asset throughout the period of use.

The Group separates the lease and non-lease components of the contract and accounts for these separately. The Group allocates the consideration in the contract to each component on the basis of their relative stand-alone prices.

Lease assets and lease liabilities are recognised at the lease commencement date, which is when the assets are available for use. The assets are initially measured at cost, which is the present value of future lease payments adjusted for any lease payments made at or before the commencement date, plus any make-good obligations and initial direct costs incurred.

Lease assets (right of use) are depreciated using the straight-line method over the lease term. Periodic adjustments are made for any re-measurements of the lease liabilities and impairment losses, assessed in accordance with the Group's impairment policies.

Lease liabilities are initially measured at the present value of future minimum lease payments, discounted using the Group's incremental borrowing rate if the rate implicit in the lease cannot be readily determined, and are subsequently measured at amortised cost using the effective interest rate. Minimum lease payments are fixed payments.

The lease liability is remeasured when there are changes in future lease payments arising from a change in rates, index or lease terms from exercising an extension or termination option. A corresponding adjustment is made to the carrying amount of the lease assets, with any excess recognised in the consolidated profit or loss and other comprehensive income statement.

Short term leases (lease term of 12 months or less) and leases of low value assets are recognised as incurred as an expense in the consolidated profit or loss and other comprehensive income statement. Low value assets comprise plant and equipment.

Prior to adoption of AASB 16, the Group's accounts policy was that fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership are transferred to the lessee, were classified as finance leases. Finance leases were capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Lease payments were apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in the statement of comprehensive income.

Leased assets are depreciated on a diminishing value basis over their estimated useful lives where it is likely that the Group will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020 (cont)

i. Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Financial assets at fair value through profit or loss
Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income
Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets
The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

j. Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principle market; or in the absence of a principal market, in the most advantageous market.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020 (cont)

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair-value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

k. Foreign Currency Transactions and Balances

Functional and presentation currency
The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transactions and balances
Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of profit or loss and other comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of profit or loss and other comprehensive income.

Group companies
The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

– assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
– income and expenses are translated at average exchange rates for the period; and
– retained earnings are translated at the exchange rates prevailing at the date of the transaction.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020 (cont)

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the statement of profit or loss and other comprehensive income in the period in which the operation is disposed.

l. Employee Benefits

a. *Wages, salaries and annual leave*
Liabilities for wages, salaries and annual leave expected to be settled within one year of the reporting date are recognised in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

b. *Employee benefits payable later than one year*
Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

c. *Superannuation*
Contributions are made by the Consolidated Entity to superannuation funds as stipulated by statutory requirements and are charged as expenses when incurred.

d. *Employee benefit on costs*
Employee benefit on costs, including payroll tax, are recognised and included in employee benefits liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

e. *Equity settled compensation*

Equity-settled and cash-settled share-based compensation benefits are at times provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Consolidated Entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020 (cont)

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Consolidated Entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Consolidated Entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

m. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

n. Revenue and Other Income

Other income revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Interest revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

o. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flow on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020 (cont)

p. Trade and Other Receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Consolidated Entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

q. Trade and Other Payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

r. Earnings per share (EPS)

Basic earnings per share
Basic earnings per share is determined by dividing the net profit after income tax attributable to members of the Consolidated Entity, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

s. Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

t. Investments

Interests in listed and unlisted securities are initially brought to account at cost.

Controlled entities are accounted for in the consolidated financial statements as set out in Note 1(b).

Other securities are included at fair value at reporting date. Unrealised gains/losses on securities held for short term and long term investment are accounted for as set out in Note 1 (iv).

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020 (cont)

u. Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within twelve months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within twelve months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

v. Acquisition of Assets

The purchase method of accounting is used for all acquisitions of assets regardless of whether equity instruments or other assets are acquired. Cost is determined as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition.

w. Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Consolidated Entity only. Supplementary information about the Parent entity is disclosed in Note 29.

x. Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the managing director. The managing director is responsible for the allocation of resources to operating segments and assessing their performance.

y. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

z. Going concern basis

These financial statements have been prepared on a 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. As at 30 June 2020 the Group had net assets of $4,091,778 (2019: $3,097,548) and loss for the year of $1,778,384: (2019: 2,352,622) and had a net working capital of $52,668 (2019: $166,189 deficit).

The ability of the Company to continue to pay its debts as and when they fall due is dependent on the Company successfully raising additional share capital and ultimately developing its mineral properties.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020 (cont)

The directors believe it is appropriate to prepare these financial statements on a going concern basis because:

- The directors have appropriate plans to raise additional funds as and when required. In light of the Company's current exploration projects, the directors believe that the additional capital can be raised in the market; and
- The directors have an appropriate plan to contain certain operating and exploration expenditure if required funding is not available.

These financial statements have been prepared on the basis that the Company can meet its commitments as and when they fall due and can therefore continue normal business activities, and the realisation of its assets and settlement of its liabilities can occur in the ordinary course of business.

In the event that the Group is unable to satisfy future funding requirements, a material uncertainty would arise that may cast significant doubt on the Group's ability to continue as a going concern with the result that the Group may be required to realise its assets at amounts different from those currently recognised, settle liabilities other than in the ordinary course of business and make provisions for costs which may arise as a result of cessation or curtailment of normal business operations.

	2020 $	2019 $
2. OTHER REVENUE		
Operating activities		
Interest received	1,057	1,438
Exploration research and development refund	-	227,652
COVID goverrment grants	17,927	-
Other revenue (i)	23,011	-
	41,995	229,090

(i) On 20 December 2019 key-personnel where issued shares in lieu of cash based remuneration. The fair-value on issue attributed to these shares was $0.0026 per share, however at the date of shareholder approval (granting) the share price was $0.002. This realised a gain of $23,011, which was recorded as other revenue.

3. EXPENSES

Profit / (losses) for the year are arrived at after charging the following expenses:		
Impairment of intangible asset	231,167	216,414
Exploration expenses	915,504	1,560,341
Fair value movements on financial assets	550	1,550
Superannuation expenses	3,904	2,603
Employee benefit expense (excluding superannuation)	16,220	12,134
Short-term lease	27,966	19,165

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020 (cont)

	2020 $	2019 $
4. INCOME TAX EXPENSE		
a. The components of tax expense comprise:		
Current tax	-	-
Deferred tax	-	-
	-	-
b. The prima facie tax on profit/(loss) from ordinary activities before income tax is reconciled to the income tax as follows:		
Prima facie tax payable on profit/(loss) from ordinary activities before income tax at 27.5% (2019: 27.5%)	(489,056)	(646,971)
Add/(less):		
Tax effect of:		
— Non-deductible tax expenses	937	-
— Non-assessable amounts	(11,258)	(62,604)
— Impact of reduction in future tax rates	416,223	-
— Deferred tax asset not brought to account	83,154	709,575
Income tax expense/(benefit)	-	-
The applicable average weighted tax rates are as follows:	0%	0%

c. The following deferred tax balances have not been recognised:
Deferred Tax Assets at 25% (2019:27.5%):

Carry forward revenue losses	5,007,696	5,223,085
Foreign tax losses (2020: 15% corporate tax rate)	4,161,941	1,833,207
Impairment of investments	763	426
Capital raising costs	65,876	61,522
Capital losses	152,286	167,514
Provisions and accruals	7,245	7,161
	9,395,807	7,292,915

The tax benefits of the above Deferred Tax Assets will only be obtained if:
The Company derives future assessable income of a nature and an amount sufficient to enable the benefits to be utilised; and
The Company continues to comply with the conditions for deductibility conditions imposed by the law; and
No change in income tax legislation adversely affects the Company in utilising the benefits.

	2020 $	2019 $
Deferred tax liabilities at 25% (2019: 27.5%):		
Fair value of investments	-	-
Exploration expenditure	944,516	881,041
Prepayment	9,125	-
Accrued income	144	216
	953,785	881,257

The above Deferred Tax Liabilities have not been recognised as they have given rise to the carry forward revenue losses for which the Deferred Tax Assets have not been recognised.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020 (cont)

	2020 $	2019 $
5. PROFIT/(LOSS) PER SHARE		
a. Profit/(loss) from continuing operations used in the calculation of basic and diluted EPS	(1,778,384)	(2,352,622)
b. Weighted average number of ordinary shares outstanding during the year used in calculating the basic and dilutive EPS	2,023,648,115	1,290,647,130

There are 534,630.094 share options 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.

6. CASH AND CASH EQUIVALENTS

	2020 $	2019 $
Cash at bank and in hand	539,678	414,675
Short-term bank deposits	-	-
	539,678	414,675
Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flow is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	539,678	414,675

7. TRADE AND OTHER RECEIVABLES

CURRENT		
GST receivable	35,594	27,073
Interest receivable	575	787
	36,169	27,860

Refer to note 24 Financial Risk Management for further details.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020 (cont)

8. OTHER ASSETS

	2020 $	2019 $
CURRENT		
Prepayments	36,500	47,978
	36,500	47,978
NON-CURRENT		
Environmental bonds	24,000	24,000
Term deposit for credit card	35,000	35,000
	59,000	59,000

The effective interest rate on the credit card term deposit was 1.75% (2019: 2.40%). This term deposit has a maturity of a year.

Refer to note 23 Financial Risk Management for further details.

9. FINANCIAL ASSETS

	2020	2019
NON-CURRENT		
Financial assets	403	953
	403	953

Reconciliation
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

	2020	2019
Opening fair value	953	2,503
Additions		-
Disposals		-
Revaluation increments/(decrements)	(550)	(1,550)
Closing fair value	403	953

Financial assets comprise of investments in the ordinary issued capital of various entities. There are no fixed returns or fixed maturity dates attached to these investments.

The Consolidated Entity's exposure to credit, market and liquidity risk related to financial assets is disclosed in Note 23.

10. CONTROLLED ENTITIES

	Country of Incorporation	Percentage Owned (%)* 2020	2019
Subsidiaries of Corazon Mining Ltd:			
Resource Investment Group Pty Ltd	Australia	100	100
Manitoba Nickel Pty Ltd	Australia	100	100
Manitoba Nickel Inc	Canada	100	100
Mt Gilmore Resources Pty Ltd	Australia	100	100

** Percentage of voting power is in proportion to ownership*

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020 (cont)

11. INTANGIBLE ASSET

	2020 $	2019 $
Balance at the beginning of the year	-	-
Option payments	231,167	216,414
Impairment of intangible asset	(231,167)	(216,414)
Balance at the end of the year	-	-

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.* The project was impairment tested prior to acquisition and an individual impairment expense of $231,167 was recorded against the project.

12. EXPLORATION AND EVALUATION EXPENDITURE

	2020 $	2019 $
Exploration and evaluation expenditure	3,979,707	3,203,784
Movement in carrying value:		
Brought forward	3,203,784	3,149,997
Exploration project expenditure	1,691,427	412,789
Exploration earn-in expenditure	-	1,201,339
Exploration tenement acquisition costs (a)	-	-
Impairment of exploration expenditure	(915,504)	(1,560,341)
At reporting date	3,979,707	3,203,784

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.

<u>Victory Project</u>
The Victory Project is located immediately adjacent to the Company's Lynn Lake Project, and contains the main nickel resources in that area.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020 (cont)

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.

On 2 July 2019 the Company issued 83,333,334 fully paid ordinary shares to *Providence Gold and Minerals Pty Ltd* with and aggregate valuation of $250,000 to acquire a further 29% in the Mt Gilmore Project. This recent acquisition increases the Company's interest in the project from 51% to 80%.

Lynn Lake Project

The Lynn Lake Project is an advanced nickel-copper-cobalt-sulphide deposit in Canada.

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 acquisition the Lynn Lake Project was treated as an intangible asset given it was a staged option to acquire the project and accounted for under *AASB 138, Intangible Assets.*

	2020	2019
13. TRADE AND OTHER PAYABLES	**$**	**$**
CURRENT		
Trade payables	81,068	152,334
Sundry payables and accrued expenses	460,133	493,535
	541,201	645,869

Refer to note 23 Financial Risk Management for further details.

14. PROVISIONS

	2020	2019
Employee benefits		
Annual leave	18,478	10,833
	18,478	10,833

Opening balance at 1 July 2019	10,833
Increase of provision	7,645
Balance at 30 June 2020	18,478

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020 (cont)

15. ISSUED CAPITAL	2020 $	2019 $
2,409,895,954 (2019: 1,380,688,667) fully paid ordinary shares	43,645,163	40,645,569
Less: Capital raising costs	(2,741,025)	(2,490,662)
	40,904,138	38,154,907

a. Ordinary shares	2020 No.	2019 No.
At the beginning of reporting year	1,380,688,667	1,265,283,317
Shares issued during the year		
— Share purchase plan	166,666,622	-
— Placements	739,254,138	115,405,350
— Consideration for acquisition of projects	83,333,334	-
— Key personnel equity-based remuneration	39,953,193	-
At reporting date	2,409,895,954	1,380,688,667

	2020 $	2019 $
At the beginning of reporting year	38,154,907	37,890,941
Shares issued during the year		
- Share purchase plan	499,969	-
- Placements	2,169,718	346,216
- Consideration for acquisition of projects	250,000	-
- Key personnel equity-based remuneration	79,906	
Less: capital raising costs	(250,362)	(82,250)
At reporting date	40,904,138	38,154,907

a) **Ordinary shares**

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. These fully paid ordinary have no par value.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

There is no current on-market share buy-back.

Shares issued during the year

Share purchase plan

On 10 July 2019 pursuant to a Share Purchase Plan ("SPP") the Company issued 166,666,622 fully paid ordinary shares with an issue price of $0.003, raising $499,969 for Company exploration programs and working capital purposes.

Placements

On 24 September 2019, the Company placed 407,672,000 ordinary fully paid shares with an issue price of $0.0025 per share with sophisticated investors raising $1,019,180. An additional 10,000,000 Shares raising a further $25,000 was issued to Mr Terry Streeter on 20 December 2019 following the required shareholder approval at the annual general meeting.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020 (cont)

On 19 February 2020, the Company placed 321,582,138 ordinary fully paid shares with an issue price of $0.0035 per share with sophisticated investors, raising $1,125,538 for Company exploration programs and working capital purposes.

Consideration for acquisition of projects

On 2nd July 2019, the Company issued Providence Gold Ltd (the Vendor) 83,333,334 fully paid ordinary shares as consideration to acquire the further 29% interest in the Mt Gilmore Project. The shares had a total value of $250,000.

Key personnel equity-based remuneration

On 20 December 2019 the Company issued 39,953,193 fully paid ordinary shares at an issue price $0.0026 to key personnel in consideration of their director's fees. This is consistent with the Company's policy to reduce administrative cash flows. The fair-value on issue attributed to these shares was $0.0026 per share, however at the date of shareholder approval (granting) the share price was $0.002. This realised a gain of $23,011, was recorded as other revenue. Refer to Note 2. Other Revenue.

b) Options

On 10 July 2019 188,047,956 listed options were issued. The options were exercisable at $0.007 each on or before 10 July 202. These options were free attaching to fully paid ordinary shares issued in the Share Purchase Plan (76,936,895 listed options attributable), and also the April 2019 capital raising shares (111,111,061 listed options).

On 20 December 2020 5,000,000 unquoted options with an exercise price of $0.007 and expiry of 10 July 2022 were issued to Mr Terry Streeter.

On 21 April 2020 the Company issued 341,582,138 listed options (CZNO) exercisable at $0.007 each on or before 10 July 2022. 321,582,138 of these options were free attaching to fully paid ordinary shares issued as part of the February 2020 placement. The remaining 20,000,000 were issued to the placement broker as part-consideration of their facilitation fee (value $20,000).

For information relating to the Corazon Mining Limited employee option plan, including details of options issued, exercised and lapsed during the financial year and the options outstanding at year-end, refer to Note 19 Share-based Payments.

c) Performance rights

On 20 December 2019 10,000,000 performance rights was issued to Mr Terry Streeter. The performance rights will be considered vested and convertible if during the period of issue, the Company's share price on the ASX trades with a share price of $0.01 or greater for a period of 20 consecutive trading days or more. The performance rights were issued for nil consideration, with nil consideration required on conversion. The rights expire on 20 December 2023.

d) Capital Management

The Directors' primary objective is to maintain a capital structure that ensures the lowest cost of capital to the Group. At reporting date the Group has no external borrowings. The Directors are confident that the Company will raise capital through the issue of additional shares when and as required. The Group is not subject to any externally imposed capital requirements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020 (cont)

16. RESERVES

2020	Share based payment reserve $	Contingent reserve $	Total
Reserves at 1 July 2018	994,400	303,750	1,298,150
Employee share option plan issue	-	-	-
Lapse of options on expiry	-	-	-
Reserves at 30 June 2019	994,400	303,750	1,298,150
Employee share option plan issue			
Lapse of options on expiry	(994,400)	-	(994,400)
Issue of equity securities to consultants	20,000	-	20,000
Issue of equity securities to employees	3,383	-	3,383
Reserves at 20 June 2020	23,383	303,750	327,133

The *share based payment reserve* records items recognised as expenses on valuation of employee and consultant equity securities.

Consultant equity securities issued

On 21 April 2020 the Company issued 20,000,000 listed options (CZNO) exercisable at $0.007 each on or before 10 July 2022, to a placement broker as part-consideration of their facilitation fee (value of options $20,000).

Employee equity securities issued

On 20 December 2019 5,000,000 unquoted options with an exercise price of $0.007 and expiry of 10 July 2022 were issued to Mr Terry Streeter. The total value of the options was $3,183.

On the same date 10,000,000 performance rights were also issued to Mr Terry Streeter. The performance rights will be considered vested and convertible if during the period of issue, the Company's share price on the ASX trades with a share price of $0.01 or greater for a period of 20 consecutive trading days or more. The performance rights were issued for nil consideration, with nil consideration required on conversion. The rights expire on 20 December 2023. The total value of the rights was $200.

Contingent reserve

The *contingent reserve* is used to record the contingent consideration that relates to the issue of a further 4,500,000 shares in Corazon on the completion of acquisition of the title to the Lynn Lake Project in accordance with the terms of the Lynn Lake option agreement

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020 (cont)

17. CAPITAL 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.

VICTORY PROJECT

On 1 April 2015, the acquisition of the Victory Project from Victory Nickel Inc. (“the Vendor”) was finalised. The Victory Project is located immediately adjacent to the Company’s Lynn Lake Project, and contains the main nickel resources in that area.

The terms of the acquisition included a requirement to spend an aggregate amount of AUD$3.5 million on exploration and resource development in a five year period (concluding on the 19 December 2019). Prior to 19 December 2019 the Company notified Victory Nickel that it had met the expenditure requirement and the Project would be retained

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

On 16 June 2016 the Company announced that it had executed an earn-in agreement for exclusive rights to acquire up to 80% of the Mt Gilmore Cobalt-Copper-Gold Project in New South Wales, Australia from private company Providence Gold and Minerals Pty Ltd “the Vendor”.

On 2 July 2019 the Company concluded this agreement with the Company fulfilling its final contractual commitment being the issue of 83,333,334 fully paid ordinary shares to *Providence Gold and Minerals Pty Ltd (the “vendor”),* to finalise the acquisition of the remaining 29% interest. This increases the Company overall interest in the project to 80%. The earn-in component of this agreement was fulfilled during the 2017 financial year.

The Company has no further contractual 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020 (cont)

18. OPERATING SEGMENTS

Identification of reportable segments

The Consolidated Entity has identified its operating segments based on the internal reports that are reviewed and used by the managing directors 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 managing director maker 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.

	Canada $	Australia $	Unallocated $	Total $
30 June 2020				
Revenue	-	-	41,995	41,995
Total segment revenue	-	-	41,995	41,995
Segment net operating profit/(loss) after tax	(1,146,671)	-	(631,713)	(1,778,384)
Depreciation expense	-	-	-	-
Exploration expense	(915,504)	-	-	(915,504)
Intangible asset impairment	(231,167)	-	-	(231,167)
Realised loss on disposal of fixed assets	-	-	-	-
Segment assets	504,105	3,499,602	647,750	4,651,457
Segment liabilities	(109,269)	(289)	(450,121)	(559,679)

	Canada $	Australia $	Unallocated $	Total $
30 June 2019				
Revenue	-	227,652	1,438	229,090
Total segment revenue	-	227,652	1,438	229,090
Segment net operating profit/(loss) after tax	(1,786,638)	208,759	(774,743)	(2,352,622)
Depreciation	(743)	-	(4,310)	(5,053)
Exploration expense	(1,560,341)	-	-	(1,560,341)
Exploration R&D grant		227,652		227,652
Intangible asset impairment	(216,414)	-	-	(216,414)
Realised loss on disposal of fixed assets	(9,140)	(18,893)	-	(28,033)
Segment assets	-	3,227,784	526,466	3,754,250
Segment liabilities	(65,252)	(286,117)	(305,333)	(656,702)

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020 (cont)

Segment analysis by geographical region

	Non-current assets 2020	Non-current assets 2019
Canada	504,105	-
Australia	3,535,005	3,263,737
	4,039,110	3,263,737

19. 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.

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:

	2020		2019	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Issue to **employees and key personnel**				
Outstanding at the beginning of the year	40,000,000	$0.035	40,000,000	$0.035
Granted	5,000,000	$0.07	-	-
Exercised	-	-	-	-
Expired	(40,000,000)	$0.035	-	-
Outstanding at year-end	5,000,000	$0.07	40,000,000	$0.035
Exercisable at year-end	5,000,000	$0.07	40,000,000	$0.035

On 20 December 2019 5,000,000 unquoted options with an exercise price of $0.007 and expiry of 10 July 2022 were granted to Mr Terry Streeter. The total value of the options was $3,183.

	2020		2019	
Issue to **consultants**				
Outstanding at the beginning of the year	20,000,000	$0.015	20,000,000	$0.015
Granted	20,000,000	$0.07	-	-
Exercised	-	-	-	-
Expired	(20,000,000)	$0.015	-	-
Outstanding at year-end	20,000,000	$0.07	20,000,000	$0.015
Exercisable at year-end	20,000,000	$0.07	20,000,000	$0.015

On 21 April 2020 the Company granted 20,000,000 listed options (CZNO) exercisable at $0.007 each on or before 10 July 2022 to a placement broker as part-consideration of their fee (value of options $20,000).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020 (cont)

The following share-based payment arrangements were in existence during the current and prior reporting periods:

	Options series	Number	Grant date	Expiry date	Exercise Price $	Fair value at grant date $
i)	Consultants	20,000,000	29/07/2016	29/07/2019	0.15	0.0079
ii)	Staff and key personnel	40,000,000	31/03/2017	31/03/2020	0.035	0.021
iii)	Staff and key personnel	5,000,000	20/12/2019	10/7/2022	0.007	0.0006
iv)	Consultants	20,000,000	21/04/2020	10/07/2022	0.007	0.001

The options outstanding at 30 June 2020 had a weighted average exercise price of $0.07 (2019: $0.03) and a weighted average remaining contractual life of 2.03 years (2019: 0.53 years). The options were valued using a Black and Scholes option pricing model. Inputs used in valuations are listed below:

Inputs into the models	Series (i)	Series (ii)	Series (iii)
Grant date share price	$0.009	$0.026	$0.20
Exercise price	$0.015	$0.035	$0.07
Expected volatility	95.77%	157%	100%
Option life	3 years	3 years	2 years
Risk-free interest rate	1.48%	1.89%	0.65%

Series (iv) have been valued based on the fair value of the listed options at grant date.

PERORMANCE RIGHTS ISSUED

	2020			**2019**		
Issue to **employees and key personnel**	**Nos.**	**Fair value at grant date $**	**Total Fair value of rights $**	**Nos.**	**Fair value at grant date**	**Total Value of rights $**
Outstanding at the beginning of the year	-	-		-	-	-
Granted	10,000,000	0.00002	200	-	-	-
Converted	-	-	-	-	-	-
Forfeited/cancelled	-	-	-	-	-	-
Outstanding at year-end	10,000,000	0.00002	200	-	-	-
Exercisable at year-end	10,000,000	0.00002	200	-	-	-

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

The performance rights will be considered vested and convertible if during the period of issue, the Company's share price on the ASX trades with a share price of $0.01 or greater for a period of 20 consecutive trading days or more. The performance rights were issued for nil consideration, with nil consideration required on conversion. The rights expire on 20 December 2023. The rights were valued using a Black and Scholes option pricing model. Inputs used in valuation are listed below:

Grant date share price	$0.00002
Exercise price	$0.00
Expected volatility	10%
Option life	4 years
Risk-free interest rate	0.66%

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020 (cont)

ORDINARY SHARES ISSUED

There were no fully paid ordinary share-based payments issued during the financial year.

20. CASH FLOW INFORMATION

Reconciliation of Cash Flow from Operations with Net Profit/(Loss)

	2020 $	2019 $
Profit/(Loss) after income tax	(1,778,384)	(2,352,622)
Non-cash flows in profit		
Other income	(23,011)	-
Depreciation	-	5,053
Employee share based payments	3,383	-
Impairment of intangible asset	231,167	216,414
Realised loss on disposal of fixed assets	-	28,033
Unrealised movements on financial assets	550	1,550
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
(Increase)/decrease in receivables and prepayments	(5,201)	29,585
(Increase)/decrease in other assets	-	-
(Increase)/decrease in exploration and evaluation expenditure	(714,942)	(53,788)
Increase/(decrease) in trade and other payables	68,363	(10,674)
Increase/(decrease) in provisions	7,645	10,833
Cashflow from operations	(2,210,430)	(2,125,616)

Please refer to Note 19 Share based payments for information relating to non-cash investing and finance activities.

21. KEY MANAGEMENT PERSONNEL COMPENSATION

The names of Directors and officers in office at any time during the year are:

Terry Streeter	Non-Executive Chairman (appointed 18 September 2019)
Clive Jones	Non-Executive Director (resigned 29 November 2019)
Brett Smith	Executive Managing Director
Jonathan Downes	Non-Executive Director
Mark Qiu	Non-Executive Director
Robert Orr	Company Secretary

Key management personnel compensation

	2020 $	2019 $
The key management personnel compensation comprised:		
Short term employment benefits	421,637	437,856
Post-employment benefits	2,928	3,904
Share based payments – short term employment benefits	46,250	-
Share based payments – performance based remuneration	3,383	-
	474,198	441,760

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020 (cont)

Key management personnel remuneration has been included in the Remuneration Report section of the Directors' Report.

	2020	2019
22. AUDITORS' REMUNERATION	**$**	**$**
During the financial year the following fees were paid or payable for services provided by PKF Perth, the auditor of the Group:		
Audit or review of financial statements	30,018	34,272
Preparation of tax return	1,900	4,200
Total remuneration	31,918	38,472

23. FINANCIAL RISK MANAGEMENT

Financial Risk Management Policies

The Consolidated Entity's financial instruments consist mainly of deposits with banks, local money market instruments, equity investments, accounts receivable and payable.

i. Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Consolidated Entity defines as net operating income divided by total shareholders' equity.

ii. Treasury Risk Management

The Board of Directors meet on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The Board's overall risk management strategy seeks to assist the Consolidated Entity in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Risk management policies are approved and reviewed by the Board on a regular basis. These include the use of credit risk policies and future cash flow requirements.

iii. Financial Risk Exposures and Management

The main risks the Consolidated Entity is exposed to through its financial instruments are liquidity risk, market risk, credit risk and price risk.

(a) *Liquidity risk*

Liquidity risk is the risk that the Consolidated Entity will not be able to meet its financial obligations as they fall due. The Consolidated Entity's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Consolidated Entity's reputation.

The Consolidated Entity currently does not have major funding in place. However, the Consolidated Entity continuously monitors forecasts and actual cash flows and the maturity profiles of financial assets and liabilities to manage its liquidity risk. Surplus funds are generally only invested in short term bank deposits.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020 (cont)

23. FINANCIAL RISK MANAGEMENT

Typically the Consolidated Entity ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 90 days; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. The Directors are confident that the Company will raise capital through the issue of additional shares when and as required.

The decision on how the Consolidated Entity will raise future capital will depend on market conditions existing at that time.

(b) *Market Risk*

Market risk is the risk that changes in market prices, such as interest rates and equity prices will affect the Consolidated Entity's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(c) *Credit risk*

Credit risk arises from the financial assets of the Consolidated Entity, which comprise cash and cash equivalents, other receivables and financial assets. Receivable balances are monitored on an on-going basis with the result that the Consolidated Entity's exposure to bad debts is not significant. The Consolidated Entity has adopted the policy of only dealing with credit worthy counterparties.

The Group's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

The Consolidated Entity does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Consolidated Entity.

(d) *Equity Price risk*

The Group is exposed to equity securities price risk from investments held that are classified on the statement of financial position as financial assets. Material investments are managed on an individual basis and all buy and sell decisions are approved by the Board.

The Consolidated Entity holds the following financial instruments:

	2020 $	2019 $
Financial Assets:		
Cash and cash equivalents	539,678	414,675
Receivables	36,169	27,860
Other assets	59,000	59,000
Investments	403	953
Total Financial Assets	635,250	502,488
Financial Liabilities:		
Trade and sundry payables	541,201	645,869
Total Financial Liabilities	541,201	645,869

Trade and sundry payables are expected to be paid as followed:

Less than 1 month	541,201	645,869
Greater than 1 year	-	-
	541,201	645,869

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020 (cont)

iv. Fair value of financial instruments

The following tables details the Group's fair values of financial instruments categorized by the following level:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)
- Level 3: Inputs for asset or liability that are not based on observable market data (Unobservable inputs)

2020	Level 1	Level 2	Level 3	Total
Assets	$	$	$	$
Ordinary shares	403	-	-	403
Total assets	403	-	-	403

2019	Level 1	Level 2	Level 3	Total
Assets	$	$	$	$
Ordinary shares	953	-	-	953
Total assets	953	-	-	953

There were no transfers between levels during the financial year.

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

v. Fair value of receivables

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.

vi. Sensitivity Analysis

Interest Rate Risk and Price Risk

The Group has performed sensitivity analysis relating to its exposure to interest rate risk and price risk at reporting date. This sensitivity analysis demonstrates the effect on the current year results and equity, which could result from a change in these risks.

Interest Rate Sensitivity Analysis

	2020	**2019**
Monetary items exposed to interest rate fluctuations at reporting date	**$**	**$**
Cash and cash equivalents	539,678	414,675
Other assets	59,000	59,000
	598,678	473,675

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020 (cont)

The effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

Change in loss		
Increase in interest rate by 1% (100 basis points)	4,340	3,434
Decrease in interest rate by 1% (100 basis points)	(4,340)	(3,434)
Change in equity		
Increase in interest rate by 1% (100 basis points)	4.340	3,434
Decrease in interest rate by 1% (100 basis points)	(4,340)	(3,434)

Price Risk Sensitivity Analysis

The majority of the Group's investments are publicly traded and are included in the ASX. The table below summarises the impact of increases/decreases of this index on the Group's post tax profit for the year and on equity. The analysis is based on the assumption that equity indexes had increased/decreased by 10% (2019: 10%) with all other variables held constant and all the Group's equity instruments moved according to the historical correlation with the index.

Change in profit		
Increase in All Ordinaries Index by 10%	29	69
Decrease in All Ordinaries Index by 10%	(29)	(69)
Change in equity		
Increase in All Ordinaries Index 10%	29	69
Decrease in All Ordinaries Index by 10%	(29)	(69)

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020 (cont)

24. RELATED PARTY DISCLOSURES

i. The ultimate parent entity in the Group is Corazon Mining Limited.
ii. No amounts in addition to those disclosed in the Remuneration Report in the Directors' Report were paid or payable to Directors of the Company at the end of the year.
iii. There were no loans to key management personnel at the end of the year.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

25. CONTINGENT ASSETS AND LIABILITIES

The Consolidated Entity is unaware of any contingent assets or liabilities that may have a material impact on the Company's financial position.

26. EVENTS AFTER THE REPORTING DATE

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 $713,968 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 the same date the Company issued a further 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.

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 $963,958 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 26 August 2020, the Company held a General Meeting of Shareholders (AGM). All resolutions put to the meeting were passed by a poll.

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

The impact of the Corona Virus (COVID-19) pandemic is ongoing and whilst it has been financially positive for the Consolidated Entity up to 30 June 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 required.

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020 (cont)

27. DIVIDENDS

There were no dividends paid or declared during the financial year.

28. SIGNIFICANT NON CASH TRANSACTIONS

There were no significant non-cash transactions during the financial year.

29. PARENT ENTITY DISCLOSURES

	2020 $	2019 $
Financial position		
Assets		
Current assets	561,776	438,959
Non-current assets	3,982,654	3,315,289
Total assets	4,544,430	3,754,248
Liabilities		
Current liabilities	452,654	656,702
Non-current liabilities	-	-
Total liabilities	452,654	656,702
Net assets	4,091,776	3,097,546
Equity		
Issued capital	40,904,138	38,154,907
Option reserves	23,383	994,400
Contingent reserves	303,750	303,750
Accumulated losses	(37,139,495)	(36,355,511)
Total equity	4,091,776	3,097,546
Financial performance		
Profit/(loss) for the year	(1,778,384)	(2,752,955)
Other comprehensive income/(loss)	-	-
Total comprehensive income/(loss)	(1,778,384)	(2,752,955)

Commitments

The commitments of the Parent Entity are consistent with that of the Consolidated Entity (refer to note17).

Contingent assets, contingent liabilities and guarantees

The contingent assets, contingent liabilities and guarantees of the Parent Entity are consistent with that of the Consolidated Entity (refer to note 25).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020 (cont)

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following: Investment in subsidiaries are accounted for at cost, less any impairment in the parent entity

30. COMPANY DETAILS

The registered office and principal place of business of the Company is:

Level 3, 33 Ord Street
West Perth WA 6005
Australia

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DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements, notes and additional disclosures included in the Directors' Report and designated as audited, are in accordance with the *Corporations Act 2001* and:

    a. comply with Accounting Standards (including Australian Accounting Interpretations) and the Corporations Regulations 2001;
    b. give a true and fair view of the financial position as at 30 June 2020 and of the performance for the year ended on that date of the Company and Consolidated Group; and
    c. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

2. The Chief Executive Officer and Chief Finance Officer have each declared that:

    a. the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
    b. the financial statements and notes for the financial year comply with the Accounting Standards;
    c. the financial statements and notes for the financial year give a true and fair view; and
    d. any other matters that are prescribed by regulations for the purposes of Section 295A(2) in relation to the financial statements and notes for the financial year are satisfied.

3. 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 Board of Directors.

Brett Smith
Executive Managing Director

Dated this 24th day of September 2020

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CORAZON MINING LIMITED

Report on the Financial Report

Opinion

We have audited the accompanying financial report of Corazon Mining Limited (the company), which comprises the consolidated statement of financial position as at 30 June 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 year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company and the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

In our opinion, the financial report of Corazon Mining Limited is in accordance with the Corporations Act 2001, including:

i) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2020 and of its performance for the year ended on that date; and

ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty related to going concern

Without modifying our opinion, we draw attention to Note 1(z) in the financial report, which indicated that the consolidated entity incurred a net loss after tax of $1,778,384 during the year ended 30 June 2020 (2019: loss of $2,352,622). The consolidated entity will be reliant on future capital raisings to continue as a going concern. This, along with other matters as set forth in Note 1(z), indicate the existence of a material uncertainty that 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.

The financial report of the consolidated entity does not include any adjustments in relation to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

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Independence

We are independent of the consolidated entity 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matter

A key audit matter is a matter that, in our professional judgement, was of most significance in our audit of the financial report of the current year. This matter was addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. For the matter below, our description of how our audit addressed the matter is provided in that context.

Carrying value of Capitalised Exploration Expenditure

Why significant	How our audit addressed the key audit matter

As at 30 June 2020 the carrying value of exploration and evaluation assets was $3,979,707 (2019: $3,203,784), as disclosed in Note 12. This represents 86% of the total assets of the consolidated entity.
The consolidated entity's accounting policy in respect of exploration and evaluation expenditure is outlined in Note 1a (ii) and 1c. Significant judgement is required:
• in determining whether facts and circumstances indicate that the exploration and evaluation assets should be tested for impairment in accordance with Australian Accounting Standard AASB 6 Exploration for and Evaluation of Mineral Resources ("AASB 6"); and
• in determining the treatment of exploration and evaluation expenditure in accordance with AASB 6, and the consolidated entity's accounting policy. In particular:
  ○ whether the particular areas of interest meet the recognition conditions for an asset; and
  ○ which elements of exploration and evaluation expenditures qualify for capitalisation for each area of interest.
	Our work included, but was not limited to, the following procedures:
	• Conducting a detailed review of management's assessment of impairment trigger events prepared in accordance with AASB 6 including:
	  ○ assessing whether the rights to tenure of the areas of interest remained current at reporting date as well as confirming that rights to tenure are expected to be renewed for tenements that will expire in the near future;
	  ○ holding discussions with the directors and management as to the status of ongoing exploration programmes for the areas of interest, as well as assessing if there was evidence that a decision had been made to discontinue activities in any specific areas of interest; and
	  ○ obtaining and assessing evidence of the consolidated entity's future intention for the areas of interest, including reviewing future budgeted expenditure and related work programmes.
	• considering whether exploration activities for the areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed;
	• testing, on a sample basis, exploration and evaluation expenditure incurred during the year for compliance with AASB 6 and the consolidated entity's accounting policy; and
	• assessing the appropriateness of the related disclosures in Notes 1a (ii), 1c and 12.

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Other Information

Other information is financial and non-financial information in the annual report of the consolidated entity which is provided in addition to the Financial Report and the Auditor's Report. The directors are responsible for Other Information in the annual report.

The Other Information we obtained prior to the date of this Auditor's Report was the Chairman's Letter, Director's Report and Additional Information for Listed Public Companies. The remaining Other Information is expected to be made available to us after the date of the Auditor's Report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information in the Financial Report and based on the work we have performed on the Other Information that we obtained prior the date of this Auditor's Report we have nothing to report.

Directors' Responsibilities for the Financial Report

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

In preparing the financial report, the Directors are responsible for assessing the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the consolidated entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the consolidated entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the consolidated entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the consolidated entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the consolidated entity to express an opinion on the group financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Corazon Mining Limited for the year ended 30 June 2020, complies with section 300A of the Corporations Act 2001.

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Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

PKF Perth

PKF PERTH

SIMON FERMANIS
PARTNER

24TH SEPTEMBER 2020
WEST PERTH,
WESTERN AUSTRALIA

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ADDITIONAL INFORMATION FOR LISTED COMPANIES

The following additional information is required by the Australian Securities Exchange Ltd in respect of listed public companies only.

Ordinary share capital

3,253,359,145 fully paid shares are held by 2,887 individual shareholders.

There were no shareholdings held in less than marketable parcels.

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

Options

529,630,094 Listed options are held by 150 individual option holders
Option exercisable at $0.007, expiring at 10/07/2022

843,963,191 unquoted options are held by 442 individual option holders.
Options do not carry a right to vote.

Distribution of holders of equity securities	**Number**	
Category (size of holding)	**Fully paid ordinary shares**	**Listed Options**
1 – 1,000	95	1
1,001 – 5,000	105	
5,001 – 10,000	82	
10,001 – 100,000	787	
100,001 – and over	1,818	149
	2,887	150

20 Largest Shareholders — Ordinary Shares

A record of the 20 largest shareholders as at 16 September 2020 is as follows:-

	Ordinary shareholders	**Number of Ordinary Fully Paid Shares Held**	**% Held of Issued Ordinary Capital**
1	HANKING AUSTRALIA INVESTMENT PTY LTD	120,000,000	3.69
2	CRESCENT NOMINEES LIMITED	105,820,140	3.25
3	SCINTILLA STRATEGIC INVESTMENTS LIMITED	55,000,000	1.69
4	CITICORP NOMINEES PTY LIMITED	50,248,880	1.54
5	EQUITY TRUSTEES LIMITED <LOWELL RESOURCES FUND A/C>	50,000,000	1.54
6	MR BRANDON HA	45,960,000	1.41
7	HANKING AUSTRALIA INVESTMENT PTY LTD	42,700,000	1.31
8	MR BENJAMIN LEIGH HARPER	35,768,230	1.1
9	LEXBAND PTY LTD <MACMILLAN SUPER FUND A/C>	30,000,000	0.92
10	VICEX HOLDINGS PROPRIETARY LIMITED <VICEX SUPER A/C>	30,000,000	0.92
11	PROVIDENCE GOLD & MINERALS PTY LTD	27,777,778	0.85
12	PEAK HILL HOLDINGS PTY LTD <GLOVER FAMILY A/C>	27,777,778	0.85
13	MR DUNG PHAM	26,500,000	0.81
14	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	25,391,238	0.78
15	MR KELVIN PANGAN MA	25,000,000	0.77
16	VERSOWORKS PTY LTD	24,000,000	0.74
17	MR MALCOLM JOHN MCCLURE	22,034,708	0.68
18	MR ALBERT WIJEWEERA	20,000,000	0.61
19	INVESTECH PTY LTD	20,000,000	0.61
20	MR POH SENG TAN	20,000,000	0.61

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ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES (CONT.)

20 Largest Options holders —

Unquoted equity security holdings greater than 20% as at 16 September 2020 is as follows:-

		Number of Options Held	% Held of Options in an unquoted class
Option exercisable at $0.007, expiring at 10/07/2022			
1.	Terry Streeter	5,000,000	100%

20 Largest Optionholders — Listed options **Option exercisable at $0.007, expiring at 10/07/2022** **A record of the 20 largest shareholders as at 16 September 2020 is as follows:-**		Number of Listed Options	% Held of Listed Options
Option holders			
1	CANGU PTY LTD <CANGU FAMILY A/C>	40,000,000	7.55
2	FIRST INVESTMENT PARTNERS PTY LTD	32,750,000	6.18
3	MR GARY JOHN SPELTA + MRS NARELLE SPELTA	28,999,621	5.48
4	SCINTILLA STRATEGIC INVESTMENTS LIMITED	28,571,428	5.39
5	CS THIRD NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 13 A/C>	20,000,000	3.78
6	MS CHUNYAN NIU	20,000,000	3.78
7	MS CHUNYAN NIU	17,743,174	3.35
8	JETOSEA PTY LTD	14,285,714	2.7
9	JETOSEA PTY LTD	14,285,714	2.7
10	MRS LUYE LI	13,000,000	2.45
11	HANKING AUSTRALIA INVESTMENT PTY LTD	11,133,333	2.1
12	ZENIX NOMINEES PTY LTD	11,111,113	2.1
13	MR LEON ASHLEY JAHN	10,000,000	1.89
14	MR DEAN ROBERT MELLERS <DAHRC A/C>	10,000,000	1.89
15	MR SAMUEL GERSHON JACOBS + MRS SARITA DEVI JACOBS + MISS MANEKHA BRIDGETTE JACOBS <THE PHOENIX SUPERFUND A/C>	10,000,000	1.89
16	MRS SHANTHINI SIVASUPRAMANIAM	9,000,000	1.7
17	MR DANIEL AARON HYLTON TUCKETT	7,643,515	1.44
18	PAUL THOMSON FURNITURE PTY LTD <THOMSON S/F A/C>	7,500,000	1.42
19	JORLYN INVESTMENTS PTY LTD	7,000,000	1.32
20	MRS MAUREEN LIVINGSTONE + MR KENNETH LIVINGSTONE <KENMO LIVINGSTONE S/F A/C>	6,222,222	1.17

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ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES (CONT.)

Schedule of Interests in Mining Tenements

Project	Mining tenements held	Location of tenements	Beneficial % interest at the end of the year	Change in the year
		LYNN LAKE PROJECT		
LYNN LAKE	P7700E	Canada	100%[1]	
LYNN LAKE	P7698E	Canada	100%[1]	
LYNN LAKE	P8370E	Canada	100%[1]	
LYNN LAKE	P7699E	Canada	100%[1]	
LYNN LAKE	P7702E	Canada	100%[1]	
LYNN LAKE	P3163F	Canada	100%[1]	
LYNN LAKE	P3164F	Canada	100%[1]	
LYNN LAKE	P3165F	Canada	100%[1]	
LYNN LAKE	P2291F	Canada	100%[1]	
LYNN LAKE	P3534F	Canada	100%[1]	
LYNN LAKE	MB2482	Canada	100%[1]	
LYNN LAKE	MB3566	Canada	100%[1]	
LYNN LAKE	MB3567	Canada	100%[1]	
LYNN LAKE	P1045F	Canada	100%[1]	
LYNN LAKE	MB3580	Canada	100%[1]	
LYNN LAKE	MB3581	Canada	100%[1]	
LYNN LAKE	MB7346	Canada	100%[1]	
LYNN LAKE	MB7349	Canada	100%[1]	
LYNN LAKE	MB7350	Canada	100%[1]	
LYNN LAKE	MB7025	Canada	100%[1]	
LYNN LAKE	MB7361	Canada	100%[1]	
LYNN LAKE	MB7362	Canada	100%[1]	
LYNN LAKE	MB6364	Canada	100%[1]	
LYNN LAKE	MB5175	Canada	100%[1]	
LYNN LAKE	MB5701	Canada	100%[1]	
LYNN LAKE	MB8734	Canada	100%[1]	
LYNN LAKE	MB8735	Canada	100%[1]	
LYNN LAKE	MB9218	Canada	100%[1]	
LYNN LAKE	MB5399	Canada	100%[1]	
LYNN LAKE	MB6360	Canada	100%[1]	
LYNN LAKE	MB6361	Canada	100%[1]	
LYNN LAKE	MB6362	Canada	100%[1]	
LYNN LAKE	MB6363	Canada	100%[1]	
LYNN LAKE	MB9453	Canada	100%[1]	
LYNN LAKE	MB5672	Canada	100%[1]	
LYNN LAKE	MB5669	Canada	100%[1]	
LYNN LAKE	MB10070	Canada	100%[1]	
LYNN LAKE	MB10071	Canada	100%[1]	
LYNN LAKE	MB10085	Canada	100%[1]	
LYNN LAKE	MB10086	Canada	100%[1]	
LYNN LAKE	MB10382	Canada	100%[1]	

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ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES (CONT.)

LYNN LAKE	MB10383	Canada	100%[1]	
LYNN LAKE	MB10384	Canada	100%[1]	
LYNN LAKE	MB10387	Canada	100%[1]	
LYNN LAKE	MB10388	Canada	100%[1]	
BARRINGTON LAKE PROJECT				
BARRINGTON LAKE	MB9634	Canada	100%[1]	
VICTORY PROJECT				
VICTORY PROJECT	MB11328	Canada	100%[2]	
VICTORY PROJECT	MB11388	Canada	100%[2]	
VICTORY PROJECT	MB11389	Canada	100%[2]	
VICTORY PROJECT	MB11390	Canada	100%[2]	
VICTORY PROJECT	M2228	Canada	100%[2]	
VICTORY PROJECT	M2229	Canada	100%[2]	
VICTORY PROJECT	M2230	Canada	100%[2]	
VICTORY PROJECT	M2232	Canada	100%[2]	
VICTORY PROJECT	M2233	Canada	100%[2]	
VICTORY PROJECT	M2234	Canada	100%[2]	
VICTORY PROJECT	M2248	Canada	100%[2]	
VICTORY PROJECT	M2249	Canada	100%[2]	
VICTORY PROJECT	M2251	Canada	100%[2]	
VICTORY PROJECT	M2252	Canada	100%[2]	
VICTORY PROJECT	M2253	Canada	100%[2]	
VICTORY PROJECT	M2254	Canada	100%[2]	
VICTORY PROJECT	M2255	Canada	100%[2]	
VICTORY PROJECT	M2256	Canada	100%[2]	
VICTORY PROJECT	ML77	Canada	100%[2]	
VICTORY PROJECT	ML90	Canada	100%[2]	
MT GILMORE PROJECT				
MT GILMORE	EL 8379	New South Wales	80%	29%

NOTES:

1. Acquired up to 100% of Lynn Lake and Barrington Lake Projects; for terms of the agreement, refer to ASX announcement dated 09/08/12.
2. Acquired up to 100% of the Victory Project; for terms of the agreement, refer to ASX announcement dated 01/04/15.

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ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES (CONT.)

Resource Statement

Corazon released a JORC 2012 compliant Resource Estimate ("Resource") for the Lynn Lake Nickel-Copper Project ("Project") on 27 November 2019. This estimation is an upgrade of the resources previously reported on 16 April 2015.

There has been no variation to this resource since the 27 November 2019 publication.

Corazon engaged independent resource consultants HGMC to provide an updated Mineral Resource estimation incorporating several deposits within the Lynn Lake Mining Centre. This estimation is summarised in table below.

The Mineral Resource Estimate was completed in accordance with the guidelines of the JORC Code (2012 edition). The estimation is of a very high quality and is well supported by drilling and historical mining data. It is anticipated that little additional verification drilling and sampling will be required to upgrade the majority of the defined tonnages in the Resource to the higher Measured category.

Lynn Lake was mined continuously for 24 years before its closure in 1976 and remains one of Canada's most prolific nickel sulphide mining centres. This resource estimation has focused on the EL, N, O, P, Disco and Golf deposits within the Mining Centre. The nickel sulphide deposits are proximal to each other, with the EL, N and O deposits having been subjected to historical mining and development. The Golf Deposit was drilled out just prior to mine closure and the Disco deposit was discovered in 2008, well after mine closure in 1976.

Mineral Resource for the Lynn Lake Project – 27 November 2019

Category	Base Cut Ni %	Tonnes	Ni %	Cu %	Co %
Indicated	0.5	12,899,000	0.70	0.33	0.034
Inferred	0.5	3,422,000	0.79	0.33	0.027
Total	**0.5**	**16,321,000**	**0.72**	**0.33**	**0.033**

Tonnes		
Ni	Cu	Co
89,800	42,900	4,400
27,000	11,400	900
116,800	**54,300**	**5,300**

Category	Base Cut Ni%	Tonnes	Ni %	Cu %	Co %
Indicated	0.7	4,279,000	0.93	0.40	0.044
Inferred	0.7	1,110,000	1.25	0.45	0.039
Total	**0.7**	**5,389,000**	**0.99**	**0.41**	**0.043**

Tonnes		
Ni	Cu	Co
39,700	17,200	1,900
13,900	5,000	400
53,600	**22,200**	**2,300**

More detailed information regarding this Resource Estimation, including a summary of "Additional Information Required in Accordance with ASX Listing Rule 5.8.1", can be found in the Company's ASX announcement dated 27 November 2019.

A review of factors was conducted which may affect the Resource Statement. These examined included;

- Sovereign risk
- Commodity prices
- Processing or metallurgical understanding
- Environmental or mineability setting
- Standing of consultants/contractors/technology used in estimation process.
- Any new information or data that materially affects the information included in this report

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ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES (CONT.)

Summary of governance and controls: The mineral resource for the Lynn Lake Project is reported in accordance with the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". This resource was published by Corazon Mining Limited in an announcement to the Australian Securities Exchange dated 27 November 2019. In accordance with requirements determined by the Australian Securities Exchange and the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves", a checklist for Assessment and Reporting Criteria is presented in that announcement.

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

Disclosure Statements

Competent Persons Statement:

The information in this report that relates to Mineral Resources for the EL, Disco, 'N', 'O.'P' and Golf 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.

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES (CONT.)

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Mr. Robert Orr

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Advanced Share Registry Services
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NEDLANDS WA 6009
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CORPORATE GOVERNANCE

Corazon Mining Limited and its controlled entities ("the Consolidated Entity") are committed to high standards of corporate governance. Policies and procedures which follow the "Principles of Good Corporate Governance and Best Practice Recommendations" 4th Edition issued by the Australian Securities Exchange ("ASX") Corporate Governance Council, to the extent they are applicable to the Consolidated Entity, have been adopted. The Companies corporate governance policies and procedures are disclosed on the Company web site at: http://corazon.com.au/corporate-governance/

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