CORAZON MINING LIMITED

AND ITS CONTROLLED ENTITIES
(ABN 87 112 898 825)

ANNUAL REPORT

for the financial year ended 30 June 2021

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CORPORATE DIRECTORY

NON-EXECUTIVE CHAIRMAN
Terry Streeter

EXECUTIVE MANAGING DIRECTOR
Brett Smith

NON-EXECUTIVE DIRECTORS
Jonathan Downes
Mark Qiu

COMPANY SECRETARY
Robert Orr

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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 2021.

The year has been one of progress and great opportunity for Corazon.

The Company's core asset is its 100%-owned Lynn Lake Nickel Sulphide Project (Lynn Lake), situated in the central Canadian province of Manitoba. Lynn Lake is a historically significant mining centre with a substantial nickel sulphide resource, strong exploration potential and good local infrastructure in a mining-friendly jurisdiction. The project presents what Corazon considers to be an excellent nickel sulphide exploration and development opportunity, and has been the Company's central focus throughout the year.

The forecast in demand for nickel and other "battery-metals", off the back of a growing rechargeable battery sector, is unprecedented. The proximity of Lynn Lake to growing markets in North America and Europe, underpins Corazon's commitment in pursuing the possible redevelopment of Lynn Lake, for the benefit of our shareholders.

The commencement of new mining studies is a 'game changer' for Lynn Lake's evolution. These studies are seeking to utilise modern mining and processing practices to potentially deliver a nickel-sulphide mining operation that would be substantially different to the historical operation.

Parallel to the Company's development plans for Lynn Lake, exploration at the project's historical Mining Centre and regionally at the Fraser Lake Complex has continued to deliver results. Systematic exploration programs have developed the Company's deep understanding of the geology at Lynn Lake and solidified the view that excellent opportunities exist to make new discoveries and add value to the project's already significant resource base.

Consistent with our nickel focus this year, Corazon entered into an option agreement to acquire the highly prospective Miriam Nickel Sulphide Project in Western Australia's Eastern Goldfields. This acquisition would complement the more advanced Lynn Lake Project, and due diligence on the acquisition is currently being completed.

Work also continued at the Mt Gilmore Copper-Cobalt-Gold Project in New South Wales, which represents another exciting exploration prospect with the potential to host large mineralised systems.

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

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 as at the end of the financial year ended 30 June 2021.

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
Brett Smith	Executive Managing Director
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 $830,072 (2020: $1,778,384)

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.

DIRECTOR'S REPORT (cont)

7. Review of Operations

Corazon Mining Limited (ASX: CZN) (Corazon or Company) is an Australia-based base metals explorer with ownership of the 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.

Corazon's projects host large mineralised systems, prospective for metals critical for the emerging rechargeable battery industry.

Lynn Lake Nickel-Copper-Cobalt Sulphide Project

Corazon owns 100% of the Lynn Lake Project (Figure 1), a prolific historical mining centre that was mined for 24 years before closure in 1976. Corazon is the first company to have control of the entire Lynn Lake nickel camp since mine closure. Highlights of the Lynn Lake Project include:

- 100% ownership of nickel sulphide district
- Large JORC resource (ASX release 27 November 2019)
- Exciting and proven exploration upside
- Beneficial infrastructure that would reduce start-up capital requirements
- Township originally built for the historical mining operation
- Hydro-Power – an important component for any future sustainable, environmentally compliant mining operation
- Nearby to emerging North American and European rechargeable battery industries

Corazon has a two-pronged strategy at Lynn Lake, focused on development and exploration. Mining Centre studies are seeking cost and performance efficiencies in mining and processing practices, progressing the possible development of a significant large-tonnage, low-cost mining operation. Exploration in the mine area is looking to expand the near-surface JORC resource base in search of start-up feed to complement existing resources at depth. Exploration within the greater project area has focused on the Fraser Lake Complex, where a large magmatic sulphide system, bigger than the Lynn Lake mine area, has been discovered. Together, this work will enable the determination of value for Lynn Lake, at a time when there is an expectation of future increased demand for metals.

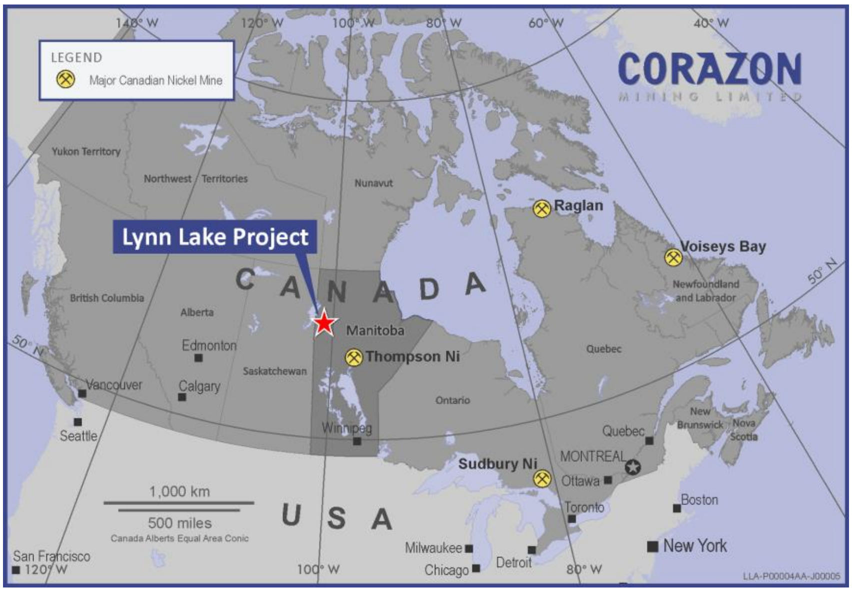

Figure 1: Lynn Lake Project location map

DIRECTOR'S REPORT (cont)

Mt Gilmore Copper-Cobalt-Gold Project

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

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

Work by Corazon since acquisition in mid-2016, underpins the belief that Mt Gilmore is prospective for hosting large intrusive related copper-gold systems, enriched in cobalt.

Corazon's recent exploration of the prospective "Mt Gilmore trend" uncovered a major copper–cobalt–silver-gold geochemical trend, representing a +20 kilometre-long district-scale exploration play for large intrusive related copper-cobalt-gold deposits.

Figure 2: Mt Gilmore Project location map

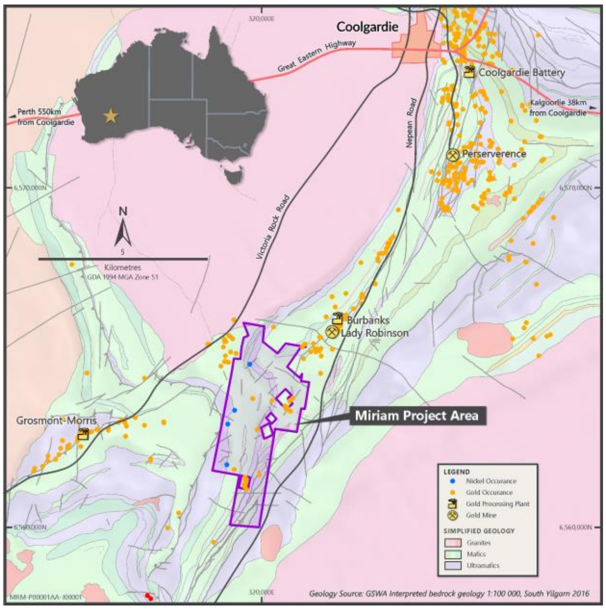

Figure 3: Miriam Project Location Map

Miriam Nickel-Copper Sulphide Project

Subsequent to year-end, Corazon announced it has entered into an option agreement pursuant to which it has been granted an exclusive option to acquire 100% of the Miriam Nickel Sulphide Project (Miriam or Miriam Project) near Coolgardie in Western Australia's Goldfields minerals district (Figure 3) (ASX announcement 26 July 2021).

Miriam is a highly prospective nickel exploration project hosting the Miriam Nickel Deposit and the Miriam North and Bouchers North nickel prospects, where drilling since the late 1960's has intersected 'high nickel tenor' massive and disseminated sulphides.

At the time of writing this report, Corazon was undertaking due diligence for the potential acquisition of the Miriam Project.

DIRECTOR'S REPORT (cont)

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 that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Smith consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

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.

DIRECTOR'S REPORT (cont)

CORPORATE ACTIVITIES

Annual/General Meeting Results

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

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

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

Consolidation of equity securities

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

The resultant post-consolidation equity structure was as follows:

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

Exploration acquisitions

On 10 July 2020, the Company issued 4,500,000 ordinary fully paid shares (post consolidation 225,000) with a deemed issued price of $0.002 to the vendor of the Lynn Lake Project, this fulfilled the final consideration component of the option acquisition agreement resulting in the acquisition of the Project.

Issues and lapses of equity securities

On 10 July 2020, the Company placed 356,984,000 (consolidated 17,849,200) ordinary fully paid shares with an issue price of $0.002 per share with sophisticated investors, raising $713,969 for Company exploration programs and working capital purposes. The shares were each issued with a free attaching listed option with an exercise price of $0.0035 and an expiry of 30 June 2021. The issue of the options required shareholder approval, which was granted at the General Meeting, held on 26 August 2020.

On 11 August 2020 Company issued 481,979,191 (consolidated 24,098,960) ordinary fully paid shares with an issue price of $0.002 per share following a non-renounceable entitlement offer to shareholders, raising $963,959 for Company exploration programs and working capital purposes. The shares were each issued with a free attaching unlisted option with an exercise price of $0.0035 and an expiry of 30 June 2021 (481,979,191 options in total were issued, 24,098,960 consolidated).

DIRECTOR'S REPORT (cont)

On 31 August 2020 356,984,000 (17,849,200 consolidated) free attaching listed options (CZNO) from the 10 July 2020 placement were issued following shareholder approval.

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

On 20 May 2021 the Company issued 15,540,000 share options exercisable at $0.10 on or before 20 May 2024. 4,000,000 share options were issued to brokers following the March 2021 placement, 6,500,000 share options were issued to directors, and 5,040,000 were issued to employees and contractors pursuant to the Company's Incentive Option Plan.

On 30 June 2021 the 41,498,214 unlisted options with an exercise price of $0.07 expired unexercised.

Corona Virus Impact

The impact of the Corona Virus (COVID-19) pandemic is on-going and whilst it has had no financial impact for the Consolidated Entity up to 30 June 2021, 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 vaccination rollouts, maintaining social distancing requirements, quarantine, travel restrictions and economic stimulus.

No other matters or circumstances have arisen subsequent to 30 June 2021 that has significantly affected, or may significantly affect, the state of affairs or operations of the reporting entity in future financial periods.

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 $4,091,778 at 30 June 2020 to $6,874,448 at 30 June 2021.

As at 30 June 2021, the Consolidated Entity had $638,109 (2020: $539,678) cash on hand. On 15 September 2021 the Company announced that it has received firm commitments for a placement to raise approximately $2.6 million. The Consolidated Entity may require further funding during the 2022 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.

DIRECTOR'S REPORT (cont)

Exploration

The Consolidated Entity has two main exploration projects being the consolidated Lynn Lake Project, in Manitoba, Canada (inclusive of the Lynn Lake and Victory projects), 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. On 26 July 2021 the Company announced that it had been granted an exclusive option to acquire an additional project being the Miriam Nickel Project, located in Western Australia's Goldfields region. As the agreement is an option to acquire, The Miriam Project will be accounted as an *Intangible asset* and will be annually impairment tested.

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 impairment tested at 30 June 2021, and subsequently all costs have been carried forward. Each project is individually discussed below:

Lynn Lake Project

On 17 April 2020, Corazon announced it had exercised the option to acquire 100% of the Lynn Lake Nickel-Copper-Cobalt Sulphide 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.

Corazon's consolidation of the entire historical Lynn Lake Nickel Copper Cobalt Mining Centre (inclusive of the Victory Nickel-Copper Project and the Dunlop Project areas, and collectively known as Lynn Lake) in the province of Manitoba is the first time Lynn Lake has been under the control of one company since mine closure in 1976.

The Dunlop Project are represents a critical component of the wider Lynn Lake Project, covering the high-grade EL Mine and the Fraser Lake Complex, located five kilometres from the Lynn Lake Mining Centre, which has been the subject of the Company's recent, targeted drilling programs.

During the financial year, the Company assessed the $2,617,765 carrying value of its exploration expenditure on the Lynn Lake 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 Company's 100% interest in the project.

Mt Gilmore Project

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

During the financial year, the Company assessed the $3,651,153 carrying value of its exploration expenditure on the Mt Gilmore Project and considered it to be the net realisable value on the basis of the facts and circumstances notably the continued exploration expenditure and activities and the Company's 80% interest in the project.

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 26 July 2021 the Company announced that it had entered into an exclusive option agreement to acquire the Miriam Nickel Project, located in the Western Australian Goldfields. The main terms of the agreement include:

- The Company being granted a due diligence period of three months in consideration for a $75,000 option fee.
- Post due diligence if the Company elects to exercise the option, the Company must then pay a non-refundable $125,000 fee to the Vendor within five days.
- Post six months following the exercise of the option agreement, or grant of tenure (whichever is earliest) pay the Vendor a further $400,000.
- The Company will also grant the Vendor a net smelter return royalty of 2%.

On 15 September 2021 the Company announced that it has received firm commitments for a placement to raise approximately $2.6 million from sophisticated, professional and institutional investors (Placement).

The Placement consists of the issue of up to 82,013,423 ordinary fully paid shares (Shares) at an issue price of $0.032 per Share, raising approximately $2.6 million, to be completed in two tranches, as follows:

- Tranche 1: approximately 50,763,423 Shares will be issued on or about 22 September 2021 under the Company's Listing Rule 7.1 and 7.1A capacity;
- Tranche 2: approximately 31,250,000 Shares will be issued subject to the Company obtaining shareholder approval at a general meeting of shareholders which is expected to be held on or around October 2021.

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.

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 discovered and developed 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	—	600,000 fully paid ordinary shares 500,000 performance rights 250,000 options exercisable at $0.14 expiring 10 July 2022 1,000,000 options exercisable at $0.10 expiring 20 May 2024
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	—	859,353 fully paid ordinary shares 4,500,000 options exercisable at $0.10 expiring 20 May 2024 111,112 options exercisable at $0.14 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	—	1,204,296 fully paid ordinary shares 500,000 options exercisable at $0.10 expiring 20 May 2024
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	—	645,777 fully paid ordinary shares 500,000 share options with exercise price of $0.10 and expiry 20 May 2024
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

DIRECTOR'S REPORT (cont)

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
Brett Smith	Executive Managing Director
Jonathan Downes	Non-Executive Director
Mark Qiu	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 2021. 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.

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 10%, 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

DIRECTOR'S REPORT (cont)

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.

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:

2021

Company Key Management Personnel	Position held as at 30 June 2021 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 term.	-	-	-	82	18	100
Brett Smith	Executive Managing Director	No fixed term. 3 months notice required to terminate.	-	-	-	76	24	100
Jonathan Downes	Non-Executive Director	No fixed term.	-	-	-	72	28	100

DIRECTOR'S REPORT (cont)

Company Key Management Personnel	Position held as at 30 June 2021 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	
			%	%	%	%	%	%
Mark Qiu	Non-Executive Director	No fixed term.	-	-	-	81	19	100
Robert Orr	Company Secretary	No fixed term.	-	-	-	73	27	100

2020

Company Key Management Personnel	Position held as at 30 June 2021 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	-	-	-	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 Qiu	Non-Executive Director	No fixed term.	-	-	-	75	25	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.

DIRECTOR'S REPORT (cont)

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 $
2021					
Terry Streeter	80,007	-	17,158	-	97,165
Brett Smith	240,000	-	77,210	-	317,210
Jonathan Downes	18,596	3,904	8,579	-	31,079
Mark Qiu	37,500	-	8,579	-	46,079
Robert Orr	69,630	-	25,737	-	95,367
	445,733	3,904	137,263	-	586,900
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 Qiu	33,750	-	11,250	-	45,000
Robert Orr	56,760	-	-	-	56,760
	421,637	2,928	46,250	3,383	474,198

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

Key management equity holdings

<u>Option Holdings</u>

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 1.7.2020	Net Change Other (a)	Consolidation reduction 1:20 (b)	Granted as Compensation (c)	Options Expired (d)	Balance 30.06.2021	Total Vested and Exercisable
Terry Streeter	5,000,000	2,000,000	(6,650,000)	1,000,000	(100,000)	1,250,000	1,250,000
Brett Smith	2,222,220	2,864,509	(4,832,391)	4,500,000	(143,226)	4,611,112	4,611,112
Jonathan Downes	-	2,038,092	(1,936,187)	500,000	(101,905)	500,000	500,000
Mark Qiu	-	-	-	500,000	-	500,000	500,000
Robert Orr	-	-	-	1,500,000	-	1,500,000	1,500,000
	7,222,220	6,902,601	(13,418,578)	8,000,000	(345,131)	8,361,112	8,361,112

(a) On 11 August 2020 Company issued a free attaching listed option with an exercise price of $0.0035 (post consolidation exercise price $0.07) and an expiry of 30 June 2021, as part of an issuance of fully paid ordinary shares pursuant to a non-renounceable entitlement offer to shareholders,
(b) On 29 January 2021 the Company undertook a consolidation of all equity securities on issue on the basis of one (1) security for every twenty (20) securities held.
(c) On 20 May 2021 the Company issued share options to directors with an exercise price of $0.10 and an expiry of 20 May 2024.
(d) On 30 June 2021 share options with an exercise price of $0.07 expired.

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 1.7.2020	Net Change Other (a)	Consolidation reduction 1:20 (b)		Balance on Resignation / Appointment (c)	Balance 30.6.2021
Terry Streeter	10,000,000	2,000,000	(11,400,000)		-	600,000
Brett Smith	14,322,542	2,864,509	(16,327,698)		-	859,353
Jonathan Downes	22,047,828	2,038,092	(22,881,624)		-	1,204,296
Mark Qiu	12,915,537	-	(12,269,760)		-	645,777
Robert Orr	1,500,000	-	(1,425,000)	-	-	75,000
	61,285,907	6,902,601	(64,304,082)			3,384,426

a) On 11 August 2020 Company issued ordinary fully paid shares with an issue price of $0.002 per share following a non-renounceable entitlement offer to all shareholders including key management.

b) On 29 January 2021 the Company undertook a consolidation of all equity securities on issue on the basis of one (1) security for every twenty (20) securities held.

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 1.7.2020	Consolidation reduction 1:20 (a)	Conversion into shares	Cancelation	Balance on Resignation / Appointment	Balance 30.6.2021
Terry Streeter	10,000,000	(9,500,000)	-	-	-	500,000
Brett Smith	-	-	-	-	-	-
Jonathan Downes	-	-	-	-	-	-
Mark Qiu	-	-	-	-	-	-
Robert Orr	-	-	-	-	-	-
	10,000,000	(9,500,000)	-	-	-	500,000

a) On 29 January 2021 the Company undertook a consolidation of all equity securities on issue on the basis of one (1) security for every twenty (20) securities held.

End of Remuneration report

DIRECTOR'S REPORT (cont)

16. Meetings of Directors

During the financial year, 11 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	11	11
Clive Jones	11	11
Brett Smith	11	11
Jonathan Downes	11	11
Mark Qiu	11	11

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 (2020: $13,500) and extends to cover the following Directors and officers:

- Terry Streeter
- 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	$0.14	9,402,454
20/12/2019	10/07/2022	$0.14	250,000
21/04/2020	10/07/2022	$0.14	17,079,106
20/05/2021	20/05/2024	$0.10	15,540,000
			42,271,560
Performance rights			
20/12/2020	20/12/2023	-	500,000
			42,771,560

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 2021:

Taxation compliance service $4,250 (2020: $1,900)

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 2021 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

Brett Smith
Executive Managing Director
Dated this 24th day of September 2021

Advisory • Audit
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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 2021, 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

24 September 2021
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 2021

	Note	2021 $	2020 $
Other revenue	2	121,604	41,995
Administrative expense		(47,976)	(58,967)
Compliance and regulatory expense		(293,023)	(198,066)
Consultancy expense		(130,764)	(92,883)
Directors fees		(184,103)	(218,151)
Employee benefits expense	3	(11,409)	(20,124)
Employee share based payments		(198,002)	(3,383)
Exploration expenditure	3,12	(983)	(915,504)
Unrealised movements on financial assets	3	650	(550)
Finance costs		(16,356)	(3,324)
Impairment of intangible asset	3,11	-	(231,167)
Insurance expense		(28,253)	(33,246)
Occupancy expense		(34,532)	(37,442)
Travel expenses		(6,925)	(7,572)
Profit/(loss) for the year from continuing operations		(830,072)	(1,778,384)
Income tax expenses	4	-	-
Profit/(loss) for the year		**(830,072)**	**(1,778,384)**
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		**(830,072)**	**(1,778,384)**
Basic and diluted profit/(loss) per share for continuing and discontinuing operations (cents per share)	5	(0.48)	(1.76)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Note	2021 $	2020 $
CURRENT ASSETS			
Cash and cash equivalents	6	638,109	539,678
Trade and other receivables	7	25,132	36,169
Other assets	8	15,369	36,500
TOTAL CURRENT ASSETS		678,610	612,347
NON-CURRENT ASSETS			
Other assets	8	59,000	59,000
Financial assets	9	1,053	403
Intangible asset	11	-	-
Exploration and evaluation expenditure	12	6,268,918	3,979,707
TOTAL NON-CURRENT ASSETS		6,328,971	4,039,110
TOTAL ASSETS		7,007,581	4,651,457
CURRENT LIABILITIES			
Trade and other payables	13	107,150	541,201
Provisions	14	25,983	18,478
TOTAL CURRENT LIABILITIES		133,133	559,679
TOTAL LIABILITIES		133,133	559,679
NET ASSETS		6,874,448	4,091,778
EQUITY			
Issued capital	15	44,553,996	40,904,138
Reserves	16	290,017	327,133
Accumulated losses		(37,969,565)	(37,139,493)
TOTAL EQUITY		6,874,448	4,091,778

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Issued Capital	Share Based Payments Reserve	Contingent Reserves	Accumulated Losses	Total
	$	$	$	$	$
Balance at 1 July 2019	**38,154,907**	**994,400**	**303,750**	**(36,355,509)**	**3,097,548**
Profit/(loss) for the year	-	-	-	(1,778,384)	(1,778,384)
Other comprehensive income	-	-	-	-	-
Total other comprehensive loss	-	-	-	(1,778,384)	(1,778,384)
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**
Profit/(loss) for the year	-	-	-	(830,072)	(830,072)
Other comprehensive income	-	-	-	-	-
Total other comprehensive loss	-	-	-	(830,072)	(830,072)
Transactions with owners, recorded directly in equity					
Issue of share capital	3,697,216	-	-	-	3,697,216
Deferred consideration for Lynn Lake acquisition.	303,750		(303,750)	-	-
Transaction costs on share issue	(351,108)	-	-	-	(351,108)
Share-based payments	-	266,634	-	-	266,634
Lapse of options on expiry	-	-	-	-	-
Total transactions with owners	3,649,858	266,634	(303,750)	-	3,612,742
Balance at 30 June 2021	**44,553,996**	**290,017**	**-**	**(37,969,565)**	**6,874,448**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE FINANCIAL YEAR ENDED 30 June 2021

	Note	2021 $	2020 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments for exploration and evaluation		(983)	-
Payments for staff costs		(188,006)	(92,963)
Payment for administration and corporate costs		(716,011)	(489,477)
Interest received		808	1,269
Proceeds from government grants and tax incentives		99,121	17,927
Proceeds from sale of geological data		21,672	-
Net cash generated from/(used in) operating activities	20	(783,399)	(563,244)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capitalized exploration and evaluation		(2,289,211)	(1,647,186)
Payments for intangible assets		-	(285,488)
Payments for plant and equipment		-	-
Net cash generated from/(used in) investing activities		(2,289,211)	(1,932,674)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		3,741,442	2,895,461
Payment for costs of capital raising		(300,401)	(274,540)
Net cash generated from financing activities		3,171,041	2,620,921
Net increase/(decrease) in cash and cash equivalents held		98,431	125,003
Cash and cash equivalents at beginning of financial year		539,678	414,675
Cash and cash equivalents at end of financial year	6	638,109	539,678

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 June 2021

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report of Corazon Mining Limited for the year ended 30 June 2021 was authorised for issue in accordance with a resolution of Directors on 24 September 2021. 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. There was no significant impact in the adoption of these standards.

New Accounting 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 consolidated entity for the annual reporting period ended 30 June 2021. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (cont)

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 when the fair value of the goods and services acquired cannot be readily estimated. The fair value of share options is determined using an appropriate valuation model. Refer to note 19 for further details.

(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.

A review of the impairment indicators is 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) *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 2021 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".

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (cont)

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (cont)

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:

- 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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (cont)

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.

(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 assessed 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (cont)

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.

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:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (cont)

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.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (cont)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (cont)

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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (cont)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (cont)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (cont)

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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (cont)

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).

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (cont)

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 2021 the Group had net assets of $6,874,448 (2020: $4,091,778) and reported loss for the year of $830,072: (2020: $1,778,384) and had a net working capital of $545,477 (2020: $52,668).

The ability of the Group 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.

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 Group'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 Group 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.

2. OTHER REVENUE

	2021 $	2020 $
Operating activities		
Interest received	811	1,057
Government grants and other tax incentives	99,121	17,927
Sale of exploration data	21,672	-
Other revenue (i)	-	23,011
	121,604	41,995

(i) In the prior year key-personnel were 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (cont)

3. EXPENSES

Profit / (losses) for the year are arrived at after charging the following expenses:	**2021** **$**	**2020** **$**
Impairment of intangible asset	-	231,167
Exploration expenses	983	915,504
Fair value movements on financial assets	650	550
Superannuation expenses	3,904	3,904
Employee benefit expense (excluding superannuation)	7,505	16,220
Short-term lease	28,046	27,966

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 25% (2020: 25%)	(215,819)	(489,056)
Add/(less):		
Tax effect of:		
— Non-deductible tax expenses	54,755	937
— Non-assessable amounts	(25,771)	(11,258)
— Impact of reduction in future tax rates	-	416,223
— Deferred tax asset not brought to account	186,835	83,154
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% (2020:25%):

Carry forward revenue losses	5,270,225	5,007,696
Foreign tax losses	2,397,209	4,161,941
Impairment of investments	238	763
Capital raising costs	97,696	65,876
Capital losses	152,286	152,286
Provisions and accruals	10,303	7,245
	7,927,957	9,395,807

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (cont)

	2021 $	2020 $
Deferred tax liabilities at 25% (2020: 25%):		
Fair value of investments		-
Exploration expenditure	1,305,453	944,516
Prepayment	3,842	9,125
Accrued income	145	144
	1,309,440	953,785

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.

5. PROFIT/(LOSS) PER SHARE

		2021 $	2020 $
a.	Profit/(loss) from continuing operations used in the calculation of basic and diluted EPS	(830,072)	(1,778,384)
b.	Weighted average number of ordinary shares outstanding during the year used in calculating the basic and dilutive EPS	178,821,053	101,182,406

There are 42,771,560 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

	2021 $	2020 $
Cash at bank and in hand	638,109	539,678
	638,109	539,678
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	638,109	539,678

7. TRADE AND OTHER RECEIVABLES

CURRENT		
GST receivable	24,554	35,594
Interest receivable	578	575
	25,132	36,169

Refer to note 24 Financial Risk Management for further details.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (cont)

8. OTHER ASSETS

	2021 $	2020 $
CURRENT		
Prepayments	15,369	36,500
	15,369	36,500
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 0.95% (2020: 1.75%). This term deposit has a maturity of a year.

Refer to note 0 Financial Risk Management for further details.

9. FINANCIAL ASSETS

	2021	2020
NON-CURRENT		
Financial assets	1,053	403
	1,053	403

Reconciliation

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

	2021	2020
Opening fair value	403	953
Additions	-	-
Disposals	-	-
Revaluation increments/(decrements)	650	(550)
Closing fair value	1,053	403

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 (%)* 2021	2020
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*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (cont)

11. INTANGIBLE ASSET

	2021 $	2020 $
Balance at the beginning of the year	-	-
Option payments	-	231,167
Impairment of intangible asset	-	(231,167)
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.*

12. EXPLORATION AND EVALUATION EXPENDITURE

	2021 $	2020 $
Exploration and evaluation expenditure	6,268,918	3,979,707
Movement in carrying value:		
Brought forward	3,979,707	3,203,784
Exploration project expenditure	2,289,211	1,691,427
Exploration earn-in expenditure	-	-
Impairment of exploration expenditure	-	(915,504)
At reporting date	6,268,918	3,979,707

Lynn Lake Project

In the prior year 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.

In the prior year the Company's held exploration interest at Lynn Lake known as the Victory Project which is located immediately adjacent to the Company's Lynn Lake Project, and contains the main nickel resources in that area. Corazon has now consolidated the entire historical Lynn Lake Nickel Copper Cobalt Mining Centre (collectively known as Lynn Lake) in the province of Manitoba. It is the first time Lynn Lake has been under the control of one company since mine closure in 1976.

Mt Gilmore Project

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

The value of the exploration expenditure is dependent upon:

- The continuance of the rights to tenure of the areas of interest;
- The results of future exploration; and

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (cont)

– The recoupment of costs through successful development and exploitation of the areas of interest or alternatively by their sale.

13. TRADE AND OTHER PAYABLES

	2021 $	2020 $
CURRENT		
Trade payables	54,320	81,068
Sundry payables and accrued expenses	52,830	460,133
	107,150	541,201

Refer to note 23 Financial Risk Management for further details.

14. PROVISIONS

	2021	2020
<u>Employee benefits</u>		
Annual leave	25,983	18,478
	25,983	18,478

Opening balance at 1 July 2020	18,478
Increase of provision	7,505
Balance at 30 June 2021	25,983

15. ISSUED CAPITAL

	2021 $	2020 $
203,054,144 (2020: 2,409,895,954) fully paid ordinary shares	47,646,129	43,645,163
Less: Capital raising costs	(3,092,133)	(2,741,025)
	44,553,996	40,904,138

a. Ordinary shares

	2021 No.	2020 No.
At the beginning of reporting year	2,409,895,954	1,380,688,667
Shares issued during the year		
— Share purchase plan (non-renounceable entitlement)	481,979,191	166,666,622
— Placements	397,369,738	739,254,138
— Consideration for acquisition of projects	4,500,000	83,333,334
— Key personnel equity-based remuneration	-	39,953,193
— Consolidation of capital 1:20	(3,090,690,739)	-
At reporting date	203,054,144	2,409,895,954

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (cont)

	2021 $	2020 $
At the beginning of reporting year	40,904,138	38,154,907
Shares issued during the year		
- Share purchase plan (non-renounceable entitlement)	963,959	499,969
- Placements	2,733,257	2,169,718
- Consideration for acquisition of projects	303,750	250,000
- Key personnel equity-based remuneration	-	79,906
- Consolidation of capital 1:20	-	-
Less: capital raising costs	(351,108)	(250,362)
At reporting date	44,553,996	40,904,138

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.

<u>Shares issued during the year</u>

Share purchase plans (non-renounceable entitlement)

On 11 August 2020 Company issued 481,979,191 (consolidated 24,098,960) ordinary fully paid shares with an issue price of $0.002 per share following a non-renounceable entitlement offer to shareholders, raising $963,959.

Placements

On 10 July 2020, the Company placed 356,984,000 (consolidated 17,849,200) ordinary fully paid shares with an issue price of $0.002 per share with sophisticated investors, raising $713,969.

On 2 March 2021 the Company issued 40,385,738 fully paid ordinary shares at an issue price of $0.05 to sophisticated and institutional investors raising $2,019,288.

Consideration for acquisition of project

On 10 July 2020, the Company issued 4,500,000 ordinary fully paid shares (post consolidation 225,000) with a fair value issue price of $0.0675 (deemed issue price of $0.002) to the vendor of the Lynn Lake Project, this fulfilled the final consideration component of the option acquisition agreement resulting in the acquisition of the Project.

Consolidation of capital

On 29 January 2021 the Company undertook a consolidation of all equity securities on issue on the basis of one (1) security for every twenty (20) securities held.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (cont)

b) Options

On 10 July 2020, the Company issued 356,984,000 (consolidated 17,849,200) free attaching listed option with an exercise price of $0.0035 and an expiry of 30 June 2021, which accompanied the share issue on the same date.

On 11 August 2020 Company issued 481,979,191 (consolidated 24,098,960) free attaching unlisted option with an exercise price of $0.0035 and an expiry of 30 June 2021, which accompanied the share issue on the same date.

On 31 August 2020 356,984,000 (17,849,200 consolidated) free attaching listed options (CZNO) from the 10 July 2020 placement were issued following shareholder approval.

On 20 May 2021 the Company issued 15,540,000 share options exercisable at $0.10 on or before 20 May 2024. 4,000,000 share options were issued to brokers following the March 2021 placement, 6,500,000 share options were issued to directors, and 5,040,000 were issued to employees and contractors pursuant to the Company's Incentive Option Plan.

On 30 June 2021 the 41,498,214 unlisted options with an exercise price of $0.07 expired unexercised.

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 (post 2021 consolidation: 500,000 rights) 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 (post 2021 consolidation : $0.20) 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (cont)

16. RESERVES

	Share based payment reserve $	Contingent reserve $	Total
Reserves at 1 July 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 30 June 2020	23,383	303,750	327,133
Employee share option plan issue			
Lapse of options on expiry			
Issue of equity securities to consultants	68,632	-	68,632
Issue of equity securities to employees/directors	198,002	-	198,002
Issue of equity shares to Vendor to acquire Lynn Lake Project	-	(303,750)	(303,750)
Reserves at 30 June 2021	290,017	-	290,017

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

On 20 May 2021 the Company issued 15,540,000 share options exercisable at $0.10 on or before 20 May 2024. 4,000,000 share options were issued to brokers following the March 2021 placement, 6,500,000 share options were issued to directors, and 5,040,000 were issued to employees and contractors pursuant to the Company's Incentive Option Plan.

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. On 10 July 2020 Company issued shares with a deemed issued price of $0.002 to the vendor of the Lynn Lake Project.

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. Currently there are no obligations as the Group has met all minimum commitments.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (cont)

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.

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 2021				
Revenue	-	72,822	48,782	121,604
Total segment revenue	-	72,822	48,782	121,604
Segment net operating profit/(loss) after tax	-	71,839	(901,911)	(830,072)
Exploration expense	-	(983)	-	(983)
Government grants and other tax incentives	-	72,822	26,299	99,121
Segment assets	2,617,765	3,675,153	714,663	7,007,582
Segment liabilities	(13,825)	(11,333)	(107,975)	(133,133)
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)
Exploration expense	(915,504)	-	-	(915,504)
Intangible asset impairment	(231,167)	-	-	(231,167)
Segment assets	504,105	3,499,602	647,750	4,651,457

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (cont)

Segment liabilities	(109,269)	(289)	(450,121)	(559,679)

Segment analysis by geographical region

	Non-current assets	
	2021	**2020**
Canada	2,617,765	504,105
Australia	3,711,206	3,535,005
	6,328,971	4,039,110

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:

	2021		**2020**	
	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	5,000,000	$0.007	40,000,000	$0.035
Consolidation 1:20	(4,750,000)	-		
Granted	11,540,000	$0.10	5,000,000	$0.007
Exercised	-		-	-
Expired	-		(40,000,000)	$0.035
Outstanding at year-end	11,790,000	$0.10	5,000,000	$0.007
Exercisable at year-end	11,790,000	$0.10	5,000,000	$0.007

On 29 January 2021 the Company undertook a consolidation of all equity securities on issue on the basis of one (1) security for every twenty (20) securities held including share options.

On 20 May 2021 the Company issued 11,540,000 share options exercisable at $0.10 on or before 20 May 2024. 6,500,000 share options were issued to directors, and 5,040,000 were issued to employees and contractors pursuant to the Company's Incentive Option Plan. The total value of the options was $198,002.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (cont)

Issue to **consultants**	2021 Number of Options	2021 Weighted Average Exercise Price	2020 Number of Options	2020 Weighted Average Exercise Price
Outstanding at beginning of year	20,000,000	$0.007	20,000,000	$0.015
Consolidation 1:20	(19,000,000)	-	-	-
Granted	4,000,000	$0.10	20,000,000	$0.007
Exercised	-	-	-	-
Expired	-	-	(20,000,000)	$0.015
Outstanding at year-end	5,000,000	$0.11	20,000,000	$0.007
Exercisable at year-end	5,000,000	$0.11	20,000,000	$0.007

On 29 January 2021 the Company undertook a consolidation of all equity securities on issue on the basis of one (1) security for every twenty (20) securities held including share options.

On 20 May 2021 the Company issued 4.000,000 share options exercisable at $0.10 on or before 20 May 2024 to brokers following the March 2021. The total value of the options was $68,632.

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	250,000	20/12/2019	10/7/2022	0.14	0.0127
iv)	Consultants	1,000,000	21/04/2020	10/07/2022	0.14	0.02
v)	Staff and key personnel	11,540,000	20/05/2021	20/05/2024	0.10	0.0172
vi)	Consultants	4,000,000	20/05/2021	20/05/2024	0.10	0.0172

The options outstanding at 30 June 2021 had a weighted average exercise price of $0.10 (2020: $0.07) and a weighted average remaining contractual life of 2.75 years (2020: 2.03 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)	Series (iv)	Series (v)	Series (vi)
Grant date share price	$0.009	$0.026	$0.02	$0.02	$0.04	$0.04
Exercise price	$0.015	$0.035	$0.07	$0.14	$0.10	$0.10
Expected volatility	95.77%	157%	100%	100	100	100
Option life	3 years	3 years	2 years	2 years	3 years	3 years
Risk-free interest rate	1.48%	1.89%	0.65%	0.65%	0.075%	0.075%

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (cont)

PERFORMANCE RIGHTS ISSUED

Issue to **employees and key personnel**	2021 Nos.	2021 Fair value at grant date $	2021 Total Fair value of rights $	2020 Nos.	2020 Fair value at grant date	2020 Total Value of rights $
Outstanding at the beginning of the year	10,000,000	0.00002	200	-	-	-
				-	-	-
Granted	-	-	-	10,000,000	0.00002	200
Consolidation reduction 1:20	(9,500,000)	-	-	-	-	-
Converted	-	-	-	-	-	-
Forfeited/cancelled	-	-	-	-	-	-
Outstanding at year-end	500,000	0.0004	200	10,000,000	0.00002	200
Exercisable at year-end	500,000	0.0004	200	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.

On 29 January 2021 the Company undertook a consolidation of all equity securities including performance rights on issue on the basis of one (1) security for every twenty (20) securities held.

ORDINARY SHARES ISSUED

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

	2021 $	2020 $
20. CASH FLOW INFORMATION		
Reconciliation of Cash Flow from Operations with Net Profit/(Loss)		
Profit/(Loss) after income tax	(830,072)	(1,778,384)
Non-cash flows in profit		
Other income		(23,011)
Employee share based payments	198,002	3,383
Impairment of intangible asset	-	231,167
Unrealised movements on financial assets	(650)	550
Exploration expenditure written off	-	915,504

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (cont)

	2021 $	2020 $
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
(Increase)/decrease in receivables and prepayments	32,168	(5,201)
Increase/(decrease) in trade and other payables	(190,352)	85,103
Increase/(decrease) in provisions	7,505	7,645
Cashflow from operations	783,399	(563,244)

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)
Brett Smith	Executive Managing Director
Jonathan Downes	Non-Executive Director
Mark Qiu	Non-Executive Director
Robert Orr	Company Secretary

Key management personnel compensation

	2021 $	2020 $
The key management personnel compensation comprised:		
Short term employment benefits	445,733	421,637
Post-employment benefits	3,904	2,928
Share based payments – short term employment benefits	137,263	46,250
Share based payments – performance based remuneration	-	3,383
	586,900	474,198

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

22. AUDITORS' REMUNERATION

	2021 $	2020 $
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	30,250	30,018
Preparation of tax return	4,250	1,900
Total remuneration	34,500	31,918

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (cont)

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 borrowing facilities 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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (cont)

(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:

	2021	2020
Financial Assets:	**$**	**$**
Cash and cash equivalents	638,109	539,678
Receivables	25,132	36,169
Other assets	59,000	59,000
Investments	1,053	403
Total Financial Assets	723,294	635,250
Financial Liabilities:		
Trade and sundry payables	107,150	541,201
Total Financial Liabilities	107,150	541,201

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

Less than 1 month	107,150	541,201
Greater than 1 year	-	-
	107,150	541,201

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)

2021	Level 1	Level 2	Level 3	Total
Assets	$	$	$	$
Ordinary shares	1,053	-	-	1,053
Total assets	1,053	-	-	1,053

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (cont)

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

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

Monetary items exposed to interest rate fluctuations at reporting date	**2021** **$**	**2020** **$**
Cash and cash equivalents	638,109	539,678
Other assets	59,000	59,000
	697,109	598,678

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)	5,159	4,340
Decrease in interest rate by 1% (100 basis points)	(5,159)	(4,340)
Change in equity		
Increase in interest rate by 1% (100 basis points)	5,159	4,340
Decrease in interest rate by 1% (100 basis points)	(5,159)	(4,340)

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%	78	29
Decrease in All Ordinaries Index by 10%	(78)	(29)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (cont)

	2021 $	2020 $
Change in equity		
Increase in All Ordinaries Index 10%	78	29
Decrease in All Ordinaries Index by 10%	(78)	(29)

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 26 July 2021 the Company announced that it had entered into an exclusive option agreement to acquire the Miriam Nickel Project, located in the Western Australian Goldfields. The main terms of the agreement include:

- The Company being granted a due diligence period of 3 months in consideration for a $75,000 option fee.
- Post due diligence if the Company elects to exercise the option, the Company must then pay a non-refundable $125,000 fee to the Vendor within 5 days.
- Post six months following the exercise of the option agreement, or grant of tenure (whichever is earliest) pay the Vendor a further $400,000.
- The Company will also grant the Vendor a net smelter return royalty of 2%.

On 15 September 2021 the Company announced that it has received firm commitments for a placement to raise approximately $2.6 million from sophisticated, professional and institutional investors (Placement).

The Placement consists of the issue of up to 82,013,423 ordinary fully paid shares (Shares) at an issue price of $0.032 per Share, raising approximately $2.6 million, to be completed in two tranches, as follows:

- Tranche 1: approximately 50,763,423 Shares will be issued on or about 22 September 2021 under the Company's Listing Rule 7.1 and 7.1A capacity;
- Tranche 2: approximately 31,250,000 Shares will be issued subject to the Company obtaining shareholder approval at a general meeting of shareholders which is expected to be held on or around October 2021.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (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, besides the Share Based Payments disclosed in this financial report.

29. PARENT ENTITY DISCLOSURES

	2021 $	2020 $
Financial position		
Assets		
Current assets	627,815	561,776
Non-current assets	6,354,606	3,982,654
Total assets	6,982,421	4,544,430
Liabilities		
Current liabilities	107,975	452,654
Non-current liabilities	-	-
Total liabilities	107,975	452,654
Net assets	6,874,446	4,091,776
Equity		
Issued capital	44,553,996	40,904,138
Option reserves	290,017	23,383
Contingent reserves	-	303,750
Accumulated losses	(37,969,567)	(37,139,495)
Total equity	6,874,446	4,091,776
Financial performance		
Profit/(loss) for the year	(830,072)	(1,778,384)
Other comprehensive income/(loss)	-	-
Total comprehensive income/(loss)	(830,072)	(1,778,384)

Commitments

The commitments of the Parent Entity are consistent with that of the Consolidated Entity (refer to note 17).

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).

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

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 2021 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 2021

PKF Perth

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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 2021, 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 accompanying 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 2021 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 Relating to Going Concern

Without modifying our opinion, we draw attention to the financial report which indicates the consolidated entity has incurred a loss of $830,072 (2020: loss of $1,778,384) and operating cash outflows of $699,438 (2020: outflows of $787.234) for the year ended 30 June 2021. These conditions along with other matters in note 1, 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 (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 each matter below, our description of how our audit addressed the matter is provided in that context

Carrying Value of Exploration and Evaluation Expenditure

Why significant

As at 30 June 2021 the carrying value of exploration and evaluation assets was $6,268,918 (2020: $ 3,979,707), as disclosed in Note 12.

The consolidated entity's accounting policy in respect of exploration and evaluation expenditure is outlined in Note 1.

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.

How our audit addressed the key audit matter

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 Note 1 and 12.

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in the consolidated entity's annual report for the year ended 30 June 2021 but does not include the financial report and our auditor's report thereon.

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 and, in doing so, 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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors' for the Financial Report

The Directors of the Client 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 2021.

In our opinion, the Remuneration Report of Corazon Mining Limited for the year ended 30 June 2021, complies with section 300A of the Corporations Act 2001

Advisory • Audit
Business Solutions

Responsibilities

The Directors of the Client 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

24 September 2021
WEST PERTH,
WESTERN AUSTRALIA

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
203,054,144 fully paid shares are held by 2,677 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

26,481,560 Listed options are held by 139 individual option holders
Option exercisable at $0.10, expiring at 10/07/2022

16,290,000 unquoted options are held by 19 individual option holders.
Options do not carry a right to vote.

Distribution of holders of equity securities

Category (size of holding)	Number: Fully paid ordinary shares	Number: Listed Options
1 – 1,000	427	1
1,001 – 5,000	544	0
5,001 – 10,000	348	2
10,001 – 100,000	1,000	87
100,001 – and over	358	49
	2,677	139

20 Largest Shareholders — Ordinary Shares
A record of the 20 largest shareholders as at 15 September 2021 is as follows:-

	Ordinary shareholders	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1	HANKING AUSTRALIA INVESTMENT PTY LTD	6,000,000	2.95
2	ESM LIMITED	6,000,000	2.95
3	CRESCENT NOMINEES LIMITED	5,291,007	2.61
4	PELOTON CAPITAL PTY LTD	4,600,000	2.27
5	EQUITY TRUSTEES LIMITED <LOWELL RESOURCES FUND A/C>	3,749,440	1.85
6	CITICORP NOMINEES PTY LIMITED	3,098,447	1.53
7	WIP FUNDS MANAGEMENT PTY LTD <PORTER FAMILY S/F A/C>	3,000,000	1.48
8	MR BRANDON HA	2,575,000	1.27
9	BNP PARIBAS NOMS PTY LTD <DRP>	2,209,000	1.09
10	HANKING AUSTRALIA INVESTMENT PTY LTD	2,135,000	1.05
11	MISS LYNETTE KAIRI	2,070,035	1.02
12	MRS VERONIKA WALSH + MR KEVIN LIAM WALSH	2,000,000	0.98
13	MR SHANE MICHAEL JONES	1,813,862	0.89
14	FUNGSVALE PTY LTD <A & P FAMILY A/C>	1,800,000	0.89
15	MR BENJAMIN LEIGH HARPER	1,788,412	0.88
16	REHOBOTH SMSF PTY LTD <REHOBOTH S/F A/C>	1,700,000	0.84
17	VICEX HOLDINGS PROPRIETARY LIMITED <VICEX SUPER A/C>	1,630,000	0.8
18	MR ZHONGLI LI	1,628,000	0.8
19	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	1,609,721	0.79
20	MR POH SENG TAN	1,600,000	0.79

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES (CONT.)

20 Largest Optionholders — Listed options
Option exercisable at $0.14, expiring at 10/07/2022
A record of the 20 largest shareholders as at 15 September 2021 is as follows:-

	Option holders	Number of Listed Options	% Held of Listed Options
1	MR GARY JOHN SPELTA + MRS NARELLE SPELTA	3,694,851	13.95
2	PAUL THOMSON FURNITURE PTY LTD <THOMSON S/F A/C>	1,750,048	6.61
3	MISS SIHONG ZENG	1,500,711	5.67
4	SCINTILLA STRATEGIC INVESTMENTS LIMITED	1,428,572	5.39
5	MS CHUNYAN NIU	1,000,000	3.78
6	MS CHUNYAN NIU	887,159	3.35
7	ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD <CUSTODIAN A/C>	800,000	3.02
8	JETOSEA PTY LTD	714,286	2.7
9	JETOSEA PTY LTD	714,286	2.7
10	HANKING AUSTRALIA INVESTMENT PTY LTD	556,667	2.1
11	ZENIX NOMINEES PTY LTD	555,556	2.1
12	VERTIGO TRADING PTY LIMITED <DOWNES SUPER FUND A/C>	500,000	1.89
13	MR DEAN ROBERT MELLERS <DAHRC A/C>	500,000	1.89
14	PUBMATE AUSTRALIA PTY LTD	473,334	1.79
15	MRS SHANTHINI SIVASUPRAMANIAM	450,000	1.7
16	MR SCOTT ROBERT FAIRFAX SEVILLE	450,000	1.7
17	MR LEON ASHLEY JAHN	442,500	1.67
18	MR TERRY JAMES GARDINER + MRS VICTORIA HELEN GARDINER <TERRY JAMES GARDINER S/F A/C>	435,000	1.64
19	MR DANIEL AARON HYLTON TUCKETT	382,176	1.44
20	MR ANDREW JOHN MEEK + MS SASKIA ELLE MEEK <ANDREW MEEK SUPERFUND A/C>	343,143	1.3

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%	
LYNN LAKE	P7698E	Canada	100%	
LYNN LAKE	P8370E	Canada	100%	
LYNN LAKE	P7699E	Canada	100%	
LYNN LAKE	P7702E	Canada	100%	
LYNN LAKE	P3163F	Canada	100%	
LYNN LAKE	P3164F	Canada	100%	
LYNN LAKE	P3165F	Canada	100%	
LYNN LAKE	P2291F	Canada	100%	
LYNN LAKE	P3534F	Canada	100%	
LYNN LAKE	MB2482	Canada	100%	
LYNN LAKE	MB3566	Canada	100%	
LYNN LAKE	MB3567	Canada	100%	
LYNN LAKE	P1045F	Canada	100%	
LYNN LAKE	MB3580	Canada	100%	
LYNN LAKE	MB3581	Canada	100%	
LYNN LAKE	MB7346	Canada	100%	
LYNN LAKE	MB7349	Canada	100%	
LYNN LAKE	MB7350	Canada	100%	
LYNN LAKE	MB7025	Canada	100%	
LYNN LAKE	MB7361	Canada	100%	
LYNN LAKE	MB7362	Canada	100%	
LYNN LAKE	MB6364	Canada	100%	
LYNN LAKE	MB5175	Canada	100%	
LYNN LAKE	MB5701	Canada	100%	
LYNN LAKE	MB8734	Canada	100%	
LYNN LAKE	MB8735	Canada	100%	
LYNN LAKE	MB9218	Canada	100%	
LYNN LAKE	MB5399	Canada	100%	
LYNN LAKE	MB6360	Canada	100%	
LYNN LAKE	MB6361	Canada	100%	
LYNN LAKE	MB6362	Canada	100%	
LYNN LAKE	MB6363	Canada	100%	
LYNN LAKE	MB9453	Canada	100%	
LYNN LAKE	MB5672	Canada	100%	
LYNN LAKE	MB5669	Canada	100%	
LYNN LAKE	MB10070	Canada	100%	
LYNN LAKE	MB10071	Canada	100%	
LYNN LAKE	MB10085	Canada	100%	
LYNN LAKE	MB10086	Canada	100%	
LYNN LAKE	MB10382	Canada	100%	

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES (CONT.)

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

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 %	Tonnes Ni	Tonnes Cu	Tonnes 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	Tonnes Cu	Tonnes 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**

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

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.)

Company secretary
Mr. Robert Orr

Principal registered office
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West Perth WA 6005
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Share registry
Advanced Share Registry Services
2/150 Stirling Highway
NEDLANDS WA 6009
Telephone +61 (0) 8 9389 8033

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/