

QUARTERLY ACTIVITIES REPORT – PERIOD ENDING 31 MARCH 2017

LYNN LAKE – FRASER LAKE COMPLEX, DRILLING HIGHLIGHTS

- **Maiden drill program discovers extensive nickel-copper sulphides at Fraser Lake Complex ("FLC"), 5km from the prolific Lynn Lake Mining Centre in Manitoba, Canada**
 - All holes completed intersected substantial widths of sulphide mineralisation, including narrow zones of massive sulphide, within a geophysical anomaly that defines a large nickel-copper bearing magmatic system
- **Geophysics extends the primary feeder zone target to at least 1.7 km in strike; defines new priority targets, strongest IP anomalies identified to date**
 - Large coincident chargeable-IP, gravity and magnetic-high anomalies at junction of "feeder zone" with interpreted deep mantle-tapping plumbing structure

MT GILMORE – COBALT RIDGE, DRILLING RESULTS & METALLOGICAL TESTWORK

- **Drilling results at the high-grade Mr Gilmore Cobalt-Copper-Gold Project in N.S.W. validate Corazon's assessment of Cobalt Ridge as a unique, high-grade, cobalt-dominant deposit**
 - Drill program included 18 RC holes, 3 with core tails, for 2,331.1m; 8 holes intersected the main cobalt lode
 - Results indicate a larger cobalt-copper-gold system – geochemistry and geophysics to be undertaken to extend existing and identify new targets for next phase of drilling
- **First pass flotation testwork recovers 92.2% of the cobalt, 89.0% of the copper and 75.5% of the gold in just 11.1% of the total sample mass**
 - Concentrate graded at 7.38% cobalt, 1.29% copper and 4.1g/t gold
 - Testwork completed on RC drill chips – improvements expected
 - Viable production of a bulk concentrate for processing and separation

CORPORATE

- **\$3 million Share Purchase Plan completed with strong demand from shareholders**
 - SPP closed early due to being heavily oversubscribed – strong market support

Corazon Mining Limited (ASX: CZN) ("Corazon" or "the Company") is pleased to present its Quarterly Activities Report for the period ending 31 March 2017. Corazon's exploration focus during this quarter included drilling at the Fraser Lake Complex within the Lynn Lake Nickel-Copper-Cobalt Sulphide Project in Canada, and metallurgical testwork on Cobalt Ridge mineralisation at the Mt Gilmore Cobalt-Copper-Gold Project in N.S.W.

The Company's corporate activities included the successful completion of a heavily oversubscribed \$3 million dollar Share Purchase Plan ("SPP"), which closed early and necessitated scale-backs to eligible applications. The overwhelming demand for the SPP was a direct reflection of the market's interest in Corazon's exploration activities. The surety of the funds raised has allowed the Company to fully commit to its March quarter and current June quarter phases of exploration at Lynn Lake and Mt Gilmore.

FRASER LAKE COMPLEX - LYNN LAKE MINING CENTRE

The Fraser Lake Complex ("FLC") is an intrusive mafic body situated approximately five kilometres south of the Lynn Lake Mining Centre in Manitoba, Canada (Figure 1). The FLC has physical and chemical characteristics that suggests it is prospective for hosting Lynn Lake style magmatic nickel-copper-cobalt deposits.

Exploration by Corazon during the Quarter included drilling and geophysics (induced polarization, ground magnetics, ground electromagnetics and down-hole electromagnetics), targeting what is interpreted to be the feeder zone to the FLC.

Drilling has focussed on a chargeable induced polarisation (IP) anomaly within the FLC, labelled the Matrix Trend (Figures 2 and 3). The Matrix Trend is more than 1.7km in strike, extending from what is interpreted to be a deep mantle source for the FLC. This anomaly represents a classic "feeder zone" environment and accordingly is a priority target for magmatic sulphide deposits.

Two phases of core drilling have been completed (ASX announcements dated 9th January, 23rd January, 13th February, 3rd March and 27th March 2017) including 9 holes for 3,506.5m drilled. This drilling included 6 holes as an initial test of the large Matrix Trend, over approximately 400m in strike, at what is now (subsequent to additional IP completed during the Quarter) interpreted to be the far north-eastern extents of the feeder zone. The area drilled within the Matrix Trend is the only area that the current Work Permits allow to be drilled. New Work Permit applications have been submitted, with drilling expected to recommence in early May 2017.

All holes drilled within the Matrix Trend reported significant sulphide mineralisation in an area that the Company now believes is peripheral to the main targets (which are closer to the deep mantle source {throat} from which the feeder zone originates) (Figures 2 and 3). There is little doubt that the chargeable IP anomaly that defines the Matrix Trend is caused by extensive magmatic nickel-copper-cobalt mineralisation.

Sulphide mineralisation in drill holes within the Matrix Trend Hole is pervasive and variable. Textures and geochemistry suggests that multiple pulses of sulphide rich melt has intruded the FLC. Thin zones of massive sulphide (typically less than 0.5m) have been intersected and these appear to be predominantly flat lying and characteristically different to the vertical pipe-like sulphide bodies within the Lynn Lake Mining Centre.

Initial assay results indicate that within the FLC a sulphide content of between 35% and 50% can be expected to return grades of about 1% nickel, 0.6% copper and 0.07% cobalt (ASX announcement 15th March 2017). These early results prove that the pyrrhotite, chalcopyrite and pentlandite sulphide mineralisation at the FLC is typical of the historical Lynn Lake Mining Centre.

The Company believes the potential exists to identify zones of higher grade mineralisation in the FLC, particularly massive sulphide mineralisation (50% to 100% sulphide content) which will deliver very strong nickel, copper and cobalt results. Indeed, hand-held Niton XRF analysis of the sulphide zones within the core samples substantiated the potential high-grade nature of the FLC mineralisation. The Company's analysis of two narrow fine-grained massive sulphide zones at approximately 82m and 145m downhole returned reproducible results of **2.0% to 2.5%** and **5.0% to 12.0%** nickel respectively. The nickel/copper ratio of these zones is in line with the 2.0-2.7/1.0 ratio of the Lynn Lake Mining Centre.

First pass gradient-array IP, completed over the entire length of the interpreted feeder zone, extended coverage southwest of where drilling activities have been focused. The anomalies generated from this geophysical work are significant and have identified new priority drill targets (ASX announcement 29th March 2017).

The extended IP survey over the FLC feeder zone identified:

1. A chargeable IP anomaly of more than 1.7km in strike, extending from what is interpreted to be a deep mantle source for the FLC, becoming stronger towards this source;
2. A large and intense chargeable IP anomaly (+40ms) at the "throat" of the intrusion and a second (+40ms) anomaly immediately adjacent; and
3. IP anomalies coincident with gravity and magnetic highs.

The new targets are between 300m and 800m southwest of where the recent drilling was conducted. New Work Permit applications have been submitted and drilling is expected to recommence in early May 2017.

The Company's discovery of magmatic nickel-copper sulphides with the Matrix Trend validates Corazon's exploration and targeting model, and re-confirmed the FLC's potential to host significant nickel-copper sulphide deposits.

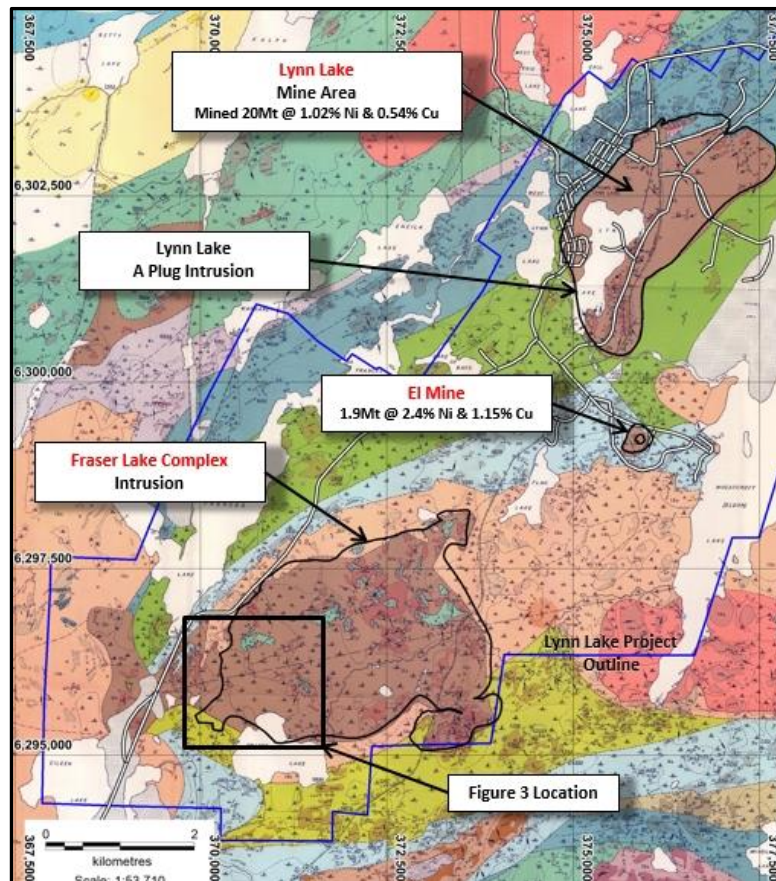


Figure 1: Project Location and Geology. Interpreted Geology – Emslie, R.R. and Moore, J.M. 1961. Manitoba Mines Branch, Publication 57-4. Datum UTM Zone 14 (NAD83). Lynn Lake is considered an historically significant nickel mine and remains the fifth largest nickel producing districts in Canada, despite the mine closing in 1976. The Fraser Lake Complex is twice as large as Lynn Lake and in many facets is geologically identical to Lynn Lake.

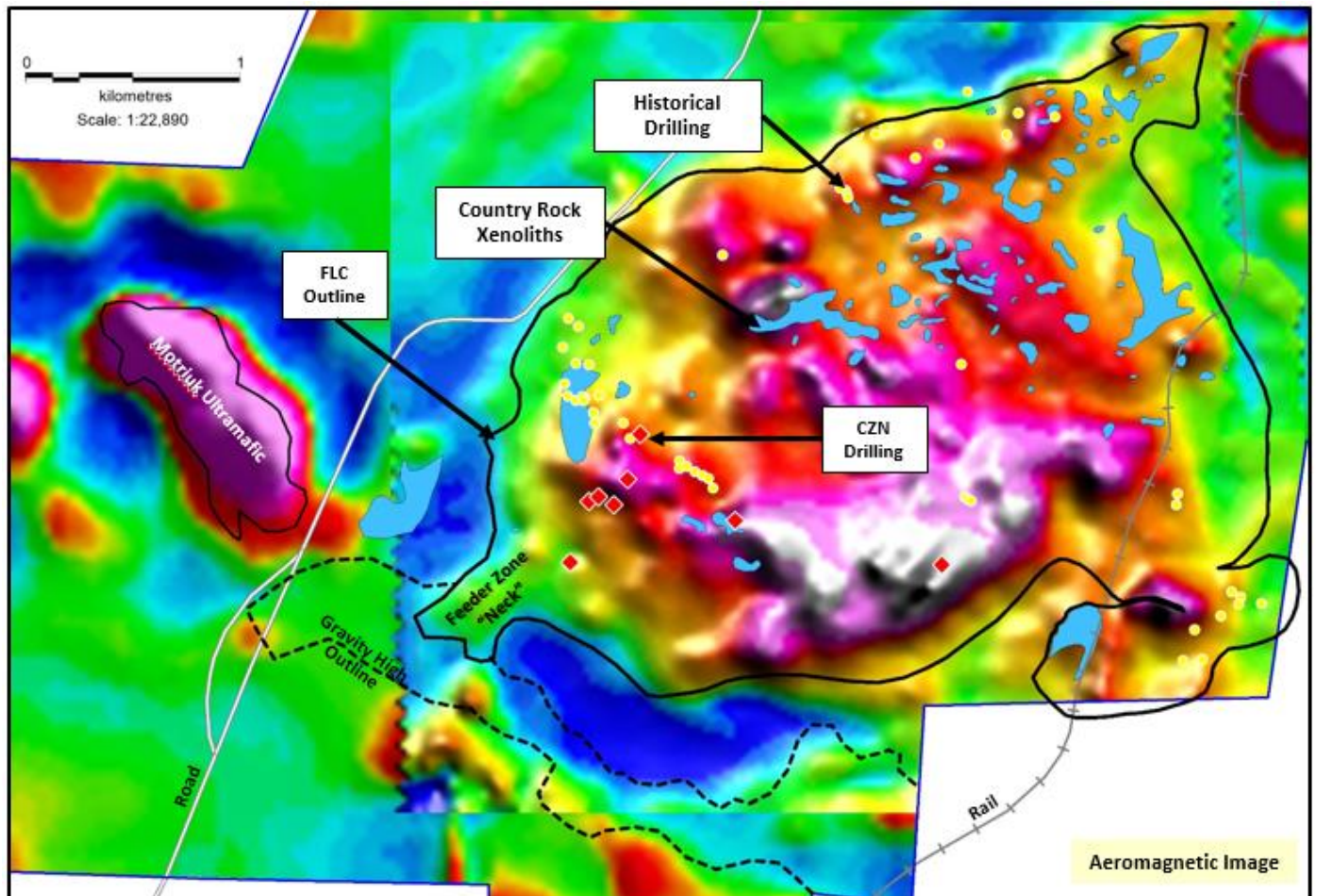


Figure 2: FLC Geophysical Features. Aeromagnetic Total Field image, with drill hole locations. A gravity high anomaly to the south of the FLC intrusion is believed to be the source of mantle material that feed the intrusion. The main IP anomaly trends off the IP surveyed area and is in alignment with the interpreted neck/feeder zone of the intrusion.

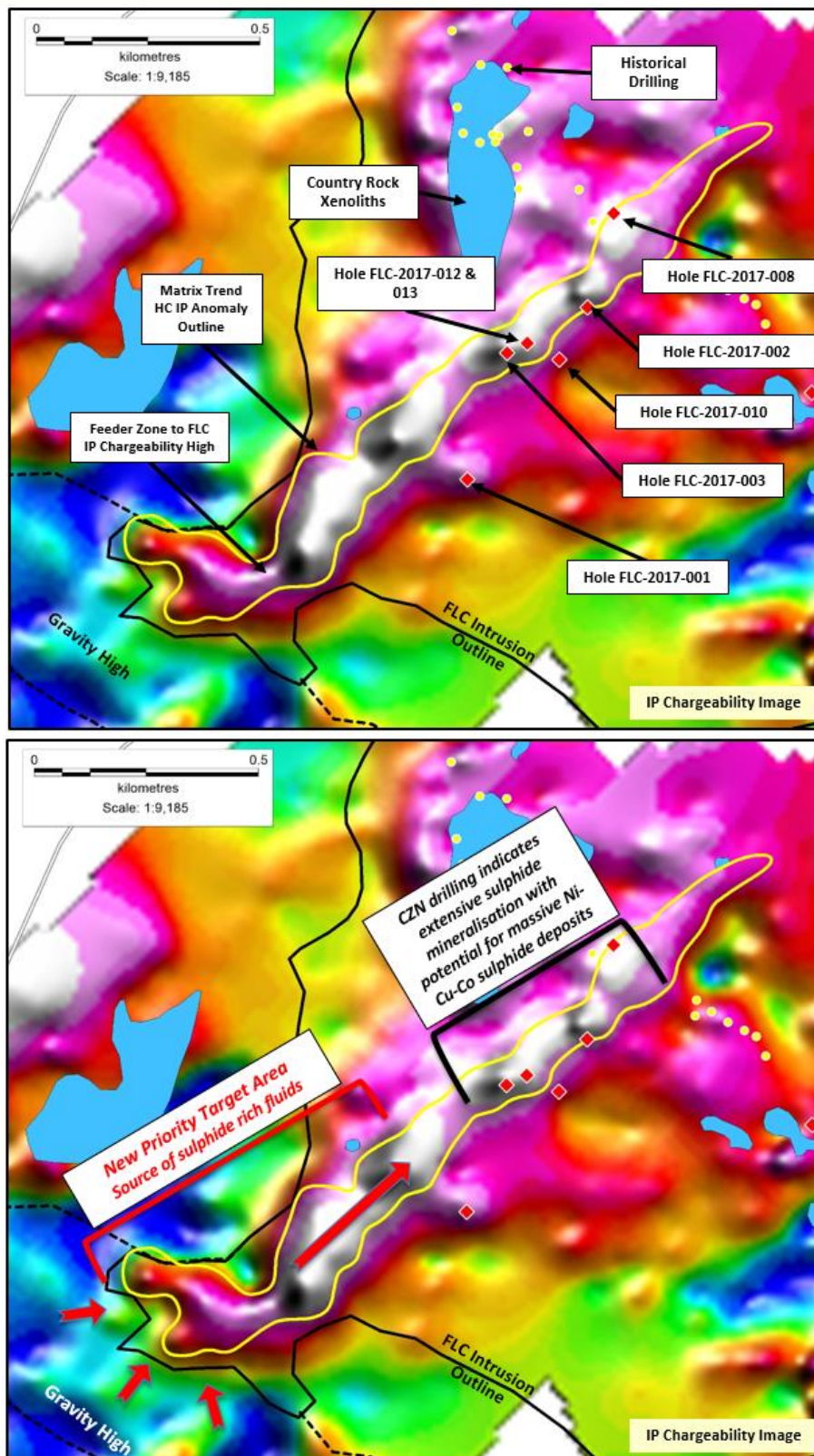


Figure 3: Geophysical Features and Targets. Gradient Array IP Chargeability image, with the main IP anomaly (Matrix HC IP), historical drill hole and current drill hole locations (FLC-2017-*). A gravity high anomaly to the south of the FLC intrusion is believed to be the source of mantle material that feed the intrusion. The main IP anomaly is in alignment with the interpreted neck/feeder zone of the intrusion.

MT GILMORE COBALT-COPPER-GOLD PROJECT

Corazon's maiden reverse circulation (RC) and core drill program at Mt Gilmore Cobalt-Copper-Gold Project (Mt Gilmore) (Figure 4) commenced during the December 2016 quarter and targeted the high-grade Cobalt Ridge prospect. Final assay results received by Corazon further validated Mt Gilmore as a unique, high-grade, cobalt-dominant deposit (ASX announcement 16th January, 2017), and preliminary metallurgical testwork completed on samples Mount Gilmore delivered excellent results (ASX announcement 7th March, 2017).

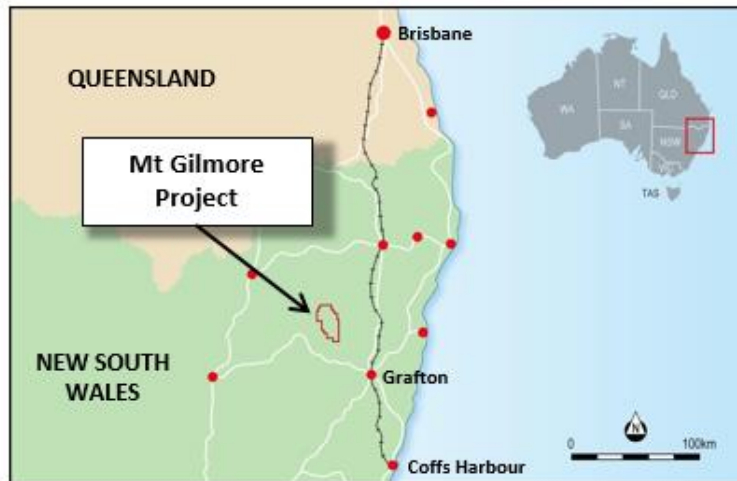


Figure 4: Project location map. Mt Gilmore is located in north-eastern New South Wales, with ease of access and close to beneficial infrastructure such as rail and port.

RC Drilling

Corazon's maiden drill program at Mt Gilmore was designed to confirm the historically-known continuity, position and extent of the cobalt-copper-gold mineralisation within the Cobalt Ridge prospect area. Corazon's drilling successfully validated historical mining and exploration results and confirmed the presence of multiple zones of sulphide mineralisation over a strike length of at least 300m. The mineralisation remains open along strike and at depth.

Corazon completed 18 RC holes at Cobalt Ridge, three of which were extended with core tails. In total 2,070m of RC and 261.10m of core were completed. Two of the three core tails completed and six RC holes intersected the Main Cobalt Lode (Table 1), which was drilled over a strike of about 200m, to a depth of 140m below surface (Figures 5 and 6). The mineralisation is open to the west, where it is coincident with soil geochemical anomalism and small-scale historical workings targeting copper mineralisation.

The main cobalt lode mineralisation is typically about 16m in down-hole width (~8m true width), with intersections up to 37m down-hole. Average cobalt grades for these intervals within the drilling completed by Corazon are between 0.23% and 0.65% cobalt. Multiple higher-grade zones of up to 1.48% cobalt exist, at between one and seven metres down hole widths. Best individual one metre assay from this drilling is 2.79% cobalt.

Previous drilling depths at Cobalt Ridge averaged less than 100m and identified multiple parallel sub-vertical Co-Cu-Au sulphide lodes over a strike length of 300m, with overall widths of between 50m and 120m.

Full details pertaining to assaying are available in the Company ASX announcement dated 16th January, 2017.

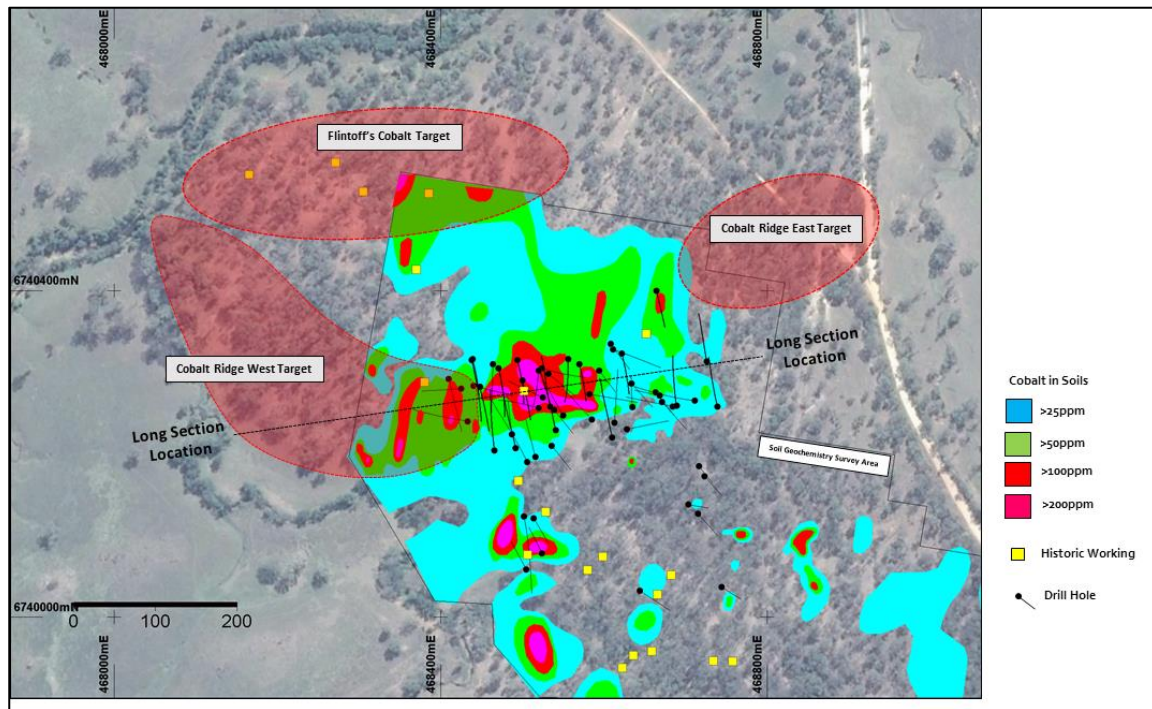


Figure 5: New Targets Identified at Cobalt Ridge (Datum GDA94 – Zone56)

Table 1 – Main Cobalt Lode Drill Hole Intercepts

Hole ID	Hole Type	From Depth (m)	Interval (m)	Co %	Cu %	Au g/t	CuEq %
MGRCD001	Core	165	13	0.18	0.54	0.17	1.72
		incl	1	1.12	1.96	0.81	9.11
MGRCD004	Core	128.3	3	0.54	1.83	0.17	5.13
		incl	1	0.73	4.51	0.23	8.97
MGRC002	RC	135	16	0.65	0.26	0.17	4.20
		incl	6	1.48	0.14	0.32	9.07
MGRC003	RC	0	37	0.14	0.23	0.08	1.08
		incl	2	0.36	1.37	0.38	3.74
		&	1	1.20	1.02	0.44	8.36
MGRC006	RC	42	34	0.23	0.26	0.08	1.67
		incl	4	0.48	0.27	0.15	3.21
		&	5	0.71	0.88	0.27	5.25
MGRC007	RC	41	15	0.33	0.25	0.17	2.31
		incl	3	0.82	0.26	0.42	5.37
		&	1	0.61	0.67	0.43	4.54
MGRC008	RC	97	17	0.35	0.09	0.07	2.18
		incl	7	0.72	0.02	0.14	4.37
MGRC009	RC	12	28	0.10	0.41	0.10	1.06
		incl	1	0.53	2.01	0.65	5.54

Cobalt Intercept calculation parameters: Greater than or equal to 0.3m down hole thickness, greater than or equal to 0.05% Co, greater than or equal to 0.05% Co cut-off and less than or equal to 3m internal dilution. Gold values at lower detection limit <0.01ppm are attributed a value of 0.005ppm for interval calculations.

Copper equivalents: The composited value of the cobalt-copper-gold mineralisation is presented as percentage copper equivalents (CuEq%). These metals have been historically extracted from small scale mining at Mt Gilmore and it is the Company's belief that the cobalt, copper and gold is recoverable. Metallurgical test work currently underway is expected to underpin these assumptions. $CuEq\% = Cu\% + (Co\% \times 5.89) + (Au_ppm \times 0.679)$. Metal prices used are Cu US\$5,642/t, Co US\$33,249/t and Au US\$1,191.86/oz (reference *infomine.com* spot prices quoted on 12-01-2017).

Cobalt Ridge Prospect Long Section

Interpreted drill hole intersection centre-point of the Main Cobalt Lode with intervals (greater or equal to 1m downhole thickness and greater or equal to 0.05% Co cut-off, with less-than 3m internal dilution)

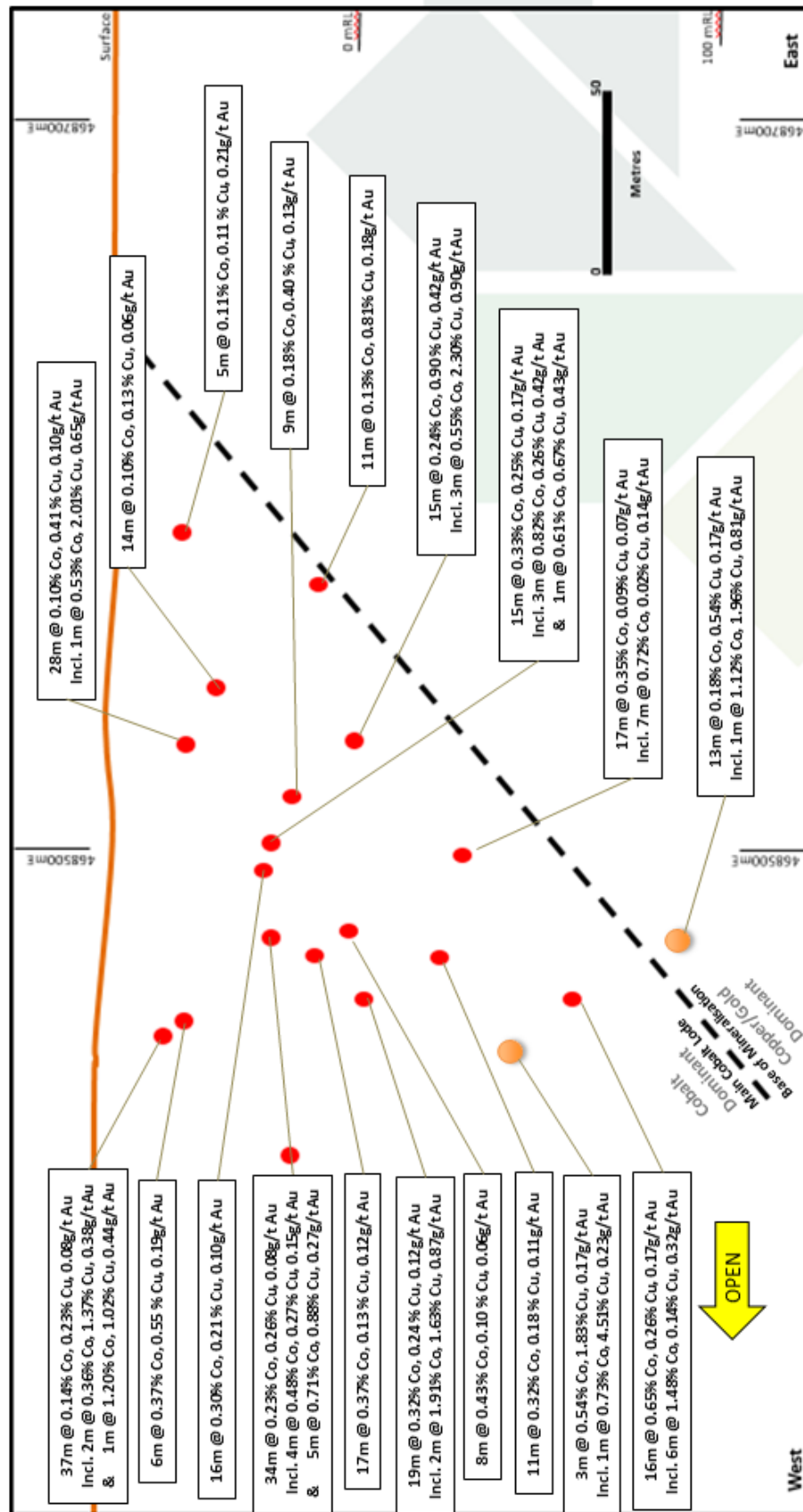


Figure 6: Cobalt Ridge Prospect Long Section

Metallurgical Testwork Results

Corazon's preliminary metallurgical testwork completed on samples from the Mount Gilmore Project delivered excellent results (ASX announcement 7th March 2017), with simple flotation testing yielding a recovery of 92.2% for cobalt, 89% for copper and 75.5% for gold, in a total concentrate with 11.1% mass recovery.

Testwork was conducted on a representative sample composited from reverse circulation (RC) chips from the Company's December 2016 drilling program, which intersected mineralisation from near surface to depths of up to 151m. The composite sample contained 0.84% cobalt, 0.21% copper and 0.47 g/t gold.

These are first pass results and the Company expects that even better results will be achieved following optimisation. Due to the fine nature of the material, samples from RC chips are typically difficult to control during flotation and it can be expected that the results would improve for testwork carried out on core or rock samples.

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

Mineralogy has confirmed the Company's expectations - cobalt is present as cobaltite, copper is present as chalcopyrite and the gold is predominantly associated with the sulphide minerals. The similar nature of the sulphide minerals, together with the gold association, has the potential to simplify the beneficiation process by the production of a bulk concentrate.

A micrograph of the initial flotation concentrate is shown in Figure 7, below. Cobaltite is abundant, exhibiting a highly reflective, violet-steely grey colour, and other sulphides including chalcopyrite and pyrite are also abundant, exhibiting their yellow/dark gold colour.

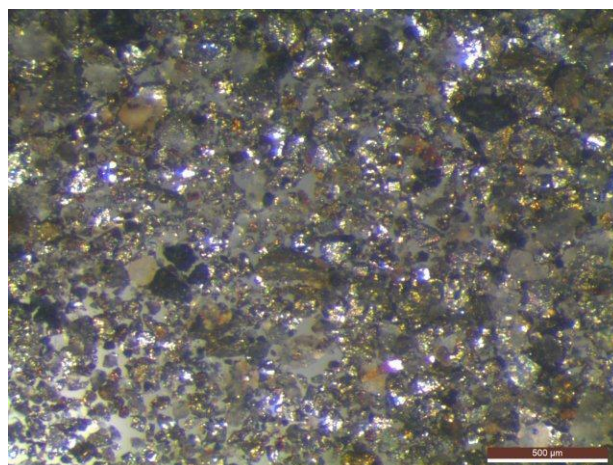


Figure 7: Micrograph of the flotation concentrate

CORPORATE

\$3 Million SPP to Fund Exploration Activities - Heavily Oversubscribed

On 14th February, Corazon announced its intention to conduct a Share Purchase Plan ("SPP") to raise up to \$3 million to fund the next phases of exploration at its projects in Canada and Australia. Under the SPP, eligible Corazon shareholders were invited to subscribe for new ordinary shares in the Company at an issue price of \$0.035 per share, up to a maximum value of \$15,000 per shareholder.

The Company announced that its Share Purchase Plan ("SPP") to raise approximately \$3 million had been completed and closed on Monday 27 February 2017 due to being heavily over-subscribed. Given the overwhelming demand, the Company scaled back eligible applications and attempted to do so in a manner that was as fair and transparent as possible. The approach adopted was broadly as follows:

- Directors of the Company voluntarily withdrew from the SPP, despite being eligible to participate, so as to not deprive other shareholders; and
- Applications were scaled back on a proportional basis, in accordance with Shareholders' holding(s) in the Company (as at 28 February 2017).

All applications received before the closure of the Plan, if deemed eligible, received SPP shares in the Company.

Issue of Shares

On 2nd March 2017, the Company announced it had issued 86,022,977 fully paid ordinary shares with an issue price of \$0.035. The shares were issued as part of the Company's Share Purchase Plan to raise up to \$3 million to fund exploration activities and for general working purposes.

Cash

Corazon closed the March 2017 quarter with \$3.45 million in cash.

General Meeting of Shareholders

The Company held a General Meeting of Shareholders on 30 March 2017 to put forward the Ratification of Prior Issues, Approval for Issue of SPP Shortfall Shares, and the Issue of Options to Directors and Employees. All resolutions were passed unanimously.

Issue of Options to Directors and Employees

On 31 March 2017, the Company announced it had issued 40,000,000 options to acquire fully paid ordinary shares with an exercise price of \$0.035 per option expiring three years from the date of issue (31 March 2020). The options were issued in accordance with a remuneration review completed in December 2016, whereby the Company resolved to issue up to 40,000,000 options to directors and employees. The issue of these options was subject to the Company receiving shareholder approval at a subsequent General Meeting (held on 30 March 2017).

END.

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Competent Persons Statement

The information in this report that relates to Exploration Results and Targets is based on information compiled by Mr Brett Smith, B.Sc Hons (Geol), Member AusIMM, Member AIG and an employee of Corazon Mining Limited. Mr Smith has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Smith consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Canadian geologist Dr Larry Hulbert has been engaged by Corazon to manage the collation of past exploration information and the definition of new targets at Lynn Lake. Dr Hulbert has extensive knowledge of the Lynn Lake district and over 40 years' experience in Ni-Cu-PGM exploration and research. Dr Hulbert is one of North America's foremost experts on magmatic sulphide deposits and would 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".

Dr. Hulbert has authored numerous professional papers, was the recipient of the Barlow Medal from CIM in 1993, a Robinson Distinguished Lecturer for the Geological and Mineralogical Association of Canada for 2001-2002, and in 2003 received the Earth Sciences Sector Merit Award from Natural Resources Canada.

Forward Looking Statements

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

Schedule of Tenements

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

LYNN LAKE	MB7025	Canada	100% ¹	
LYNN LAKE	MB7361	Canada	100% ¹	
LYNN LAKE	MB7362	Canada	100% ¹	
LYNN LAKE	MB6364	Canada	100% ¹	
LYNN LAKE	MB5175	Canada	100% ¹	
LYNN LAKE	MB5701	Canada	100% ¹	
LYNN LAKE	MB8734	Canada	100% ¹	
LYNN LAKE	MB8735	Canada	100% ¹	
LYNN LAKE	MB9218	Canada	100% ¹	
LYNN LAKE	MB5399	Canada	100% ¹	
LYNN LAKE	MB6360	Canada	100% ¹	
LYNN LAKE	MB6361	Canada	100% ¹	
LYNN LAKE	MB6362	Canada	100% ¹	
LYNN LAKE	MB6363	Canada	100% ¹	
LYNN LAKE	MB9453	Canada	100% ¹	
LYNN LAKE	MB5672	Canada	100% ¹	
LYNN LAKE	MB5669	Canada	100% ¹	
LYNN LAKE	MB10070	Canada	100% ¹	
LYNN LAKE	MB10071	Canada	100% ¹	
LYNN LAKE	MB10085	Canada	100% ¹	
LYNN LAKE	MB10086	Canada	100% ¹	
LYNN LAKE	MB10382	Canada	100% ¹	
LYNN LAKE	MB10383	Canada	100% ¹	
LYNN LAKE	MB10384	Canada	100% ¹	
LYNN LAKE	MB10387	Canada	100% ¹	
LYNN LAKE	MB10388	Canada	100% ¹	
LYNN LAKE	MB11838	Canada	100% ¹	
LYNN LAKE	MB11839	Canada	100% ¹	

LYNN LAKE	MB11840	Canada	100% ¹	
LYNN LAKE	MB11841	Canada	100% ¹	
LYNN LAKE	MB11842	Canada	100% ¹	
LYNN LAKE	MB11843	Canada	100% ¹	
LYNN LAKE	MB11844	Canada	100% ¹	
VICTORY PROJECT	MB11328	Canada	100%	
VICTORY PROJECT	MB11388	Canada	100%	
VICTORY PROJECT	MB11389	Canada	100%	
VICTORY PROJECT	MB11390	Canada	100%	
VICTORY PROJECT	M2228	Canada	100%	
VICTORY PROJECT	M2229	Canada	100%	
VICTORY PROJECT	M2230	Canada	100%	
VICTORY PROJECT	M2232	Canada	100%	
VICTORY PROJECT	M2233	Canada	100%	
VICTORY PROJECT	M2234	Canada	100%	
VICTORY PROJECT	M2248	Canada	100%	
VICTORY PROJECT	M2249	Canada	100%	
VICTORY PROJECT	M2251	Canada	100%	
VICTORY PROJECT	M2252	Canada	100%	
VICTORY PROJECT	M2253	Canada	100%	
VICTORY PROJECT	M2254	Canada	100%	
VICTORY PROJECT	M2255	Canada	100%	
VICTORY PROJECT	M2256	Canada	100%	
VICTORY PROJECT	ML77	Canada	100%	
VICTORY PROJECT	ML90	Canada	100%	
BARRINGTON LAKE	MB9634	Canada	100%	

NOTES:

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