

31 October 2012



The Manager
Company's Announcements
Australian Securities Exchange

Quarterly Activities Report for the period ending 30 September 2012

Q3 Highlights

- **CAD\$3M exploration earn-in commitment achieved for the Lynn Lake Nickel-Copper Sulphide Project**
- **3 year extension, to 2015, secured for Lynn Lake Project acquisition**
- **Improved terms secured over the option to acquire 100% equity in Lynn Lake**
- **Expansion of landholding in Lynn Lake region through the addition of new exploration ground, including:**
 - **The South Plug – nickel-copper sulphide target**
 - **Barrington Lake Copper Deposit**
 - **Beaucage Lake Gold Project**

Post Q3 Highlight

- **Option to acquire the Top Up Rise Project, a giant copper-gold target in Western Australia secured**

Australian exploration company Corazon Mining Limited (ASX: CZN) ("Corazon" or the "Company") is pleased to present its Quarterly Activities Report for the period ending 30 September 2012.

Corazon's strategy throughout the September Quarter was to progress the Company's activities at Lynn Lake in a cost effective manner and maintain and consolidate its position in the Lynn Lake Mining Camp, whilst implementing measures to preserve cash.

Corazon has successfully negotiated improved terms for its option to acquire 100% equity in Lynn Lake, including the reduction of the acquisition cost from CAD\$2 million to CAD\$1 million, addition of the South-Plug target and Barrington Lake deposit to its landholding, as well as securing the option to acquire the Beaucage Lake gold project located nearby to its Lynn Lake Nickel-Copper sulphide project.

CORAZON SNAPSHOT

ASX: CZN

Capital Structure

139.141 M CZN Shares

48.07 M CZNO Options

23.47 M Unlisted Options

MCap A\$3.6M (@ \$0.026)

Board of Directors

Clive Jones
Non-Executive Chairman

Brett Smith
Managing Director

Jonathan Downes
Non-Executive Director

Adrian Byass
Non-Executive Director

Officers

Rob Orr
Company Secretary

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Lynn Lake Nickel-Copper Sulphide Project, Canada

3 Year Extension of terms to acquire 100% of the Lynn Lake Project

The renegotiation of the Earn-In and Option Agreements were made in response to the current financial markets and depressed nickel metal prices. The new agreements provide a three year extension to the acquisition date and a reduced consideration. The renegotiated agreements are consistent with Corazon's strategy to consolidate and expand its land holdings in the Lynn Lake district, a strategic and prospective position in a metal rich region in the central northern part of Canada.

The original agreement provided Corazon with an option to acquire 100% ownership of the Lynn Lake Nickel-Copper Project by spending CAD\$3 million on exploration and paying CAD\$2 million in cash prior to the 20th October 2012.

Renegotiated terms for the acquisition of the project include:

- Acknowledgement that existing earn-in obligations have been satisfied;
- Extension of the option period from 20 October 2012 to 20 October 2015;
- Payment of CAD\$100,000 per annum for each annual extension period;
- Payment of CAD\$1M (reduced from CAD\$2M) to acquire 100% equity in the project at any time during the option period; plus
- A deferred consideration of CAD\$750,000 on the earliest of either:
 - Defining a JORC compliant resource greater than 30,000 tonnes of nickel metal;
 - Completion of a positive feasibility study; or
 - The commencement of commercial mining.

Payments to the owner for the extension of terms are CAD\$3,000 in cash and one million Corazon shares. Under the renegotiated terms, the owner of the Lynn Lake Project also provided additional mineral claims to the project area to be acquired by Corazon, as outlined below.

Acquisition of Additional Exploration Ground

During the quarter, the below prospects were added to the Corazon's Lynn Lake Project, providing incremental value to Lynn Lake's exploration prospectivity.

The South Plug nickel-copper target: located immediately south of Corazon's land holding and contains a differentiated mafic/ultramafic intrusion similar to those hosting the nickel-copper deposits in the Lynn Lake mining camp. The main target includes a large geophysical anomaly coincident with extensive sulphide mineralisation. Exploration to date is yet to locate economic nickel-copper mineralisation, but there is enough evidence to support the prospectivity of this area for such deposits.

The Barrington Lake copper deposit: located 43 kilometres east-northeast of Lynn Lake. Exploration activities, including drilling, in the early 1990's defined copper mineralisation in structures, plus numerous geophysical anomalies which are yet to be followed up with drilling. The main focus of past work is an outcropping zone of approximately 107 metres in strike and 4.6 metres in width, with an average grade of 2.63% copper. There is also another copper showing, believed to be the same zone, outcropping approximately 900 metres to the west.

Beaucage Lake Gold Project

Option to acquire a Canadian Gold Project

During the quarter, Corazon secured an option to acquire the Beaucage Lake Gold Project (“Beaucage” or “the Project”), in the Lynn Lake mining district of central Canada. Beaucage is located 45 kilometres south-east of Corazon’s core asset, the Lynn Lake nickel-copper sulphide project, and the acquisition further expanded Corazon’s strategic exploration ground holding in the Lynn Lake district.

Corazon believes the high tenor of gold mineralisation, over a large area near Beaucage Lake, may be indicative of a large scale mineralised system and the acquisition of Beaucage provides the Company with an additional exploration focus and complementing Corazon’s Lynn Lake nickel-copper project and the Barrington Lake copper deposit.

Top Up Rise Copper-Gold Project, Australia

Option to acquire a Giant Copper-Gold Target in Western Australia

Subsequent to the September quarter, Corazon announced it had secured an option to earn up to 75% of Border Exploration Pty Ltd (“Border”), which owns 100% of the Top Up Rise Project (“TUR Project”) in Western Australia.

The TUR Project is located in the Gibson Desert region of north-eastern Western Australia and is believed prospective for large gold-copper intrusive related deposits, similar in style to Olympic Dam, Prominent Hill and Carapateena. The primary target is an unexplored gravity anomaly, which presents one of the largest amplitude residual gravity anomalies in Australia. The core of the anomaly is 8 kilometres by 4 kilometres in area, similar in size to the Olympic Dam geophysical anomaly.

Corporate Activities

Cash available to the Company at the end of the September 2012 Quarter was approximately \$544,000. Listed investments readily convertible to cash for exploration purposes total approximately \$651,000 we are also expecting a refund of tax paid in Canada of approximately \$220,000 in the next quarter.

Issue of Shares

Subsequent to the quarter, the Company announced it had issued 1.25 million fully paid ordinary shares as consideration for the extension of the option to acquire the Lynn Lake Nickel Sulphide Project in Canada, and as consideration to acquire an option over the Beaucage Lake gold project in Canada

The Company remains committed to the Lynn Lake nickel-copper project and believes there is good potential to re-establish mining at Lynn Lake with improved metal prices. Corazon has one of the largest land holdings in the Lynn Lake district, and has additional mineral properties in the district currently under review. The Company’s recent acquisition of the Western Australia Top Up Rise Project complements its existing portfolio of exploration and development projects and represents an exciting opportunity for the Company.

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

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ABOUT CORAZON MINING LIMITED

The Lynn Lake Project

Corazon has an option to acquire 100% equity in the Lynn Lake Nickel Sulphide Project in the central Canadian province of Manitoba, which hosts the historic EL Nickel Mine. The EL Mine was the highest grade deposit at Lynn Lake and produced 1.9Mt @ 2.5% nickel and 1.15% copper (combined metal of approximately 3% nickel equivalent⁽²⁾). Mining was conducted to a depth of 210 metres below surface, with development to 270 metres and drilling defined mineralisation to a depth of at least 600 metres.

The Lynn Lake nickel camp is Canada's third largest nickel mining region, which produced 22Mt of nickel/copper/cobalt ore between 1953 and 1976, at an average grade of 1% nickel and 0.5% copper. There has been minimal exploration in the region since this time. Mining at adjacent deposits has shown that mineralisation extended to more than 1,100 metres below surface. Metal recoveries for nickel, copper and cobalt are historically very good, averaging above 85-90%.

Corazon is the largest land holder in the Lynn Lake Camp, and in addition to the EL Mine, the project area containing several drill defined base metal deposits and numerous un-tested geophysical anomalies.

The area is well serviced with mining infrastructure and support, offering rapid development potential. The Thompson Nickel Refinery is located only 320km from the project and is accessible by all-weather roads. In addition there is rail access (currently under care and maintenance) to the Flin Flon zinc-copper refineries approximately 250km to the south.

Disclosure Statements and Important Information

Competent Person

The information in this report that relates to mineral Resources or Reserves is based on information compiled by Mr Andrew John Thompson, B.Sc Hons (Geol), Member AusIMM and a consultant to Corazon Mining Limited. Mr Thompson 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 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Thompson 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 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 2004 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.

Exploration Target¹

This Exploration Target is conceptual in nature, there has been insufficient exploration (namely drilling of verifiable quality) to define a mineral resource and it is uncertain if further exploration will result in the determination of a mineral resource.

The Exploration Target has been estimated to a depth of 1,200 metres below surface. It follows the discovery of a high-grade nickel sulphide breccia at depth below the historic EL Mine, as well as the recognition in historical drilling of a substantial amount of near surface low-grade mineralisation.

Base Case	Tonnes	Grade			Contained Metal		
		Ni%	Cu%	Co%	Tonnes Ni	Tonnes Cu	Tonnes Co
Upper Zone (0-200m)	2,200,000	0.7	0.3	0.01	15,000	6,000	200
Mid Zone (200-800m)	2,100,000	0.8	0.4	0.02	16,000	8,000	500
Lower Zone (800-1200m)	900,000	2.4	0.9	0.06	21,000	8,000	500
Total	5,200,000	1.0	0.4	0.02	52,000	23,000	1,200

Upper Case	Tonnes	Grade			Contained Metal		
		Ni%	Cu%	Co%	Tonnes Ni	Tonnes Cu	Tonnes Co
Upper Zone (0-200m)	2,600,000	0.7	0.3	0.01	17,000	7,000	300
Mid Zone (200-800m)	2,100,000	0.8	0.4	0.02	16,000	8,000	500
Lower Zone (800-1200m)	2,800,000	3.8	1.4	0.11	106,000	40,000	3,200
Total	7,400,000	1.9	0.7	0.05	139,000	55,000	3,900

Table 3: Exploration Target ranges for the EL Deposit, Lynn Lake Nickel-Copper Sulphide Project. The numbers within the table have been rounded. Some rounding errors may occur.

The basis for this target for the EL Deposit includes:-

- Historical mining at the deposit to a depth of 210 metres below surface
- Historical mine development to at least 270 metres below surface
- Underground exploration drilling, sampling and mapping to a depth of approximately 600 metres below surface
- The regional mining and development depth for the Lynn Lake camp is approximately 1,200 metres
- There has been approximately 72,300 metres of historical surface and underground drilling complete
- At the date of definition of the Exploration Target, Corazon Mining Limited had completed in excess of 10,700 metres of surface core drilling
- Good continuity and predictability of geology down-plunge
- Geological evidence for a deep-seated, explosive mineralising event.

Past exploration and mining records for the EL Mine are extensive and reflects high standards of work. Mining and processing was conducted at Lynn Lake for approximately 23 years.

The zones defined in the Exploration Target include the Upper, Mid and Lower Zones. The **Upper Zone** includes lower grade material that has the potential to be exploited from lower cost mining methods such as open pit mining. This zone extends to 200 metres below surface. The **Mid Zone** covers an area defined predominantly by the current Inferred Resource (reported at a 0.6% Ni equivalent² bottom cut-off grade), between 200 and 800 metres below surface. The **Lower Zone** extends from 800 metres to 1,200 metres below surface, the latter being the maximum depth at which historical underground development was conducted.

Analytical Method

Assay results are obtained from ALS Mineral Services in Thunder Bay, Ontario, Canada. Samples are prepared using single stage pulverization of the entire sample. Base metals are obtained by 4 Acid digestion using ICP with either Atomic emission spectrometry (AES) or atomic absorption spectrometry (AAS) analysis techniques. Full analytical quality assurance - quality control (QAQC) is achieved using a suite of certified standards, laboratory standards, laboratory duplicates, blanks and grind size analysis. Assays quoted in announcements may be of a preliminary nature.