

The Manager - Company's Announcements
Australian Securities Exchange

QUARTERLY ACTIVITIES REPORT – PERIOD ENDING 31 MARCH 2014

Corazon Mining Limited (ASX: CZN) (“Corazon” or “the Company”) is pleased to present its Quarterly Activities Report for the period ending 31 March 2014. Activities throughout the quarter centred on the analysis of results from the exploration conducted at the Company’s Top Up Rise (“TUR”) Project in the Gibson Desert region of Western Australia.

Post-quarter on 30 April 2014, the Company announced that it would not continue with the option to acquire private company Border Exploration Pty Ltd (“Border”) which owns the Top Up Rise (TUR) Project in Western Australia. The decision to withdraw from the agreement has been made in consideration of:

- To continue with the option to acquire the TUR Project required a cash payment of \$200,000 and future work expenditure commitment of \$4,000,000 over next 4 years.
- Results to date do not warrant the continuation of expenditure as defined by the agreement and no variation of the agreement was reached which was compatible to both parties.

As a result of the decision not to proceed with TUR, all non-essential expenditure has been halted to preserve the Company’s capital. Furthermore, the Board has agreed to a reduction of 50% in Directors’ remuneration for a minimum period of 2 months (to be reviewed at the end of June 2014).

Corazon is actively seeking new business opportunities, and a number of such opportunities are currently under review.

In light of the appreciation in the price of nickel, Corazon will continue to progress the Company’s main asset, the Lynn Lake Nickel-Copper Sulphide Project (“Lynn Lake”), located in Canada, which represents a significant development opportunity for the Company.

CAPITAL STRUCTURE

Market cap. @ 1.1cps	\$4.4M
Ordinary shares	401.5M
Options	35M
ASX: CZN	

BOARD OF DIRECTORS

Clive Jones	Non-executive Chairman
Brett Smith	Managing Director
Jonathan Downes	Director
Adrian Byass	Director

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EXPLORATION ACTIVITIES

TOP UP RISE PROJECT, AUSTRALIA

In an announcement dated 30 April 2014, the Company stated that it would not continue with the option to acquire private company Border Exploration Pty Ltd (“Border”) which owns the Top Up Rise (TUR) Project in Western Australia.

The TUR option was agreed in October 2012 (ASX announcement 30 October 2012) whereby Corazon could acquire up to 75% of Border. The Top Up Rise project included a large geophysical anomaly in a region identified by Government agencies as being prospective for Iron Oxide Copper Gold (IOCG) mineralisation similar to the world class Olympic Dam project.

Work completed by Corazon on Top Up Rise included both geophysical methods and direct drilling. Geophysical techniques completed over the project include magnetic, gravity, induced polarisation and versatile time domain electromagnetic (VTEM) surveys. On-ground exploration conducted by Corazon commenced in March 2013 (ASX announcement 21 March 2013) and drilling began in May 2013 (ASX announcement 27 May 2013). Cumulatively, 4,965 metres of drilling was completed (including 14 reverse circulation holes, 5 with core tails) in testing priority gravity targets.

An extension to the TUR Option Agreement date was granted to 30 April, 2014 (ASX announcement 31 March 2014).

To continue with the option to acquire the TUR Project required a cash payment of \$200,000 and future work expenditure commitment of \$4,000,000 over next 4 years. Results to date do not warrant the continuation of expenditure as defined by the agreement and no variation of the agreement was reached which was compatible to both parties. As such, the agreement is terminated.

LYNN LAKE NICKEL-COPPER SULPHIDE PROJECT, CANADA

The Lynn Lake Project continues to represent a significant development opportunity for Corazon. The key target within the project area is the EL Deposit, which was historically the highest grade deposit at Lynn Lake, producing 1.9Mt at 2.5% nickel and 1.15% copper.

In 2010, Corazon discovered a high-grade sulphide breccia at depth below the EL Mine, a discovery that confirmed the prospectivity of the Lynn Lake project area.

March quarter activities by the Company at Lynn Lake focused on continuing the definition of the EL Deposit’s benefits, with the view towards recommencing a mining operation in Lynn Lake. The EL Deposit has significant drill defined mineralisation from surface, surrounding the historical mine. This mineralisation is not included in the current interim Inferred Resource (JORC 2004), but is defined by the “Upper-Zone Exploration Target” and may be exploitable by open-pit mining methods (details of Exploration Target provided in ASX announcement dated 9th December 2011).

BEAUCAGE LAKE GOLD PROJECT, CANADA

Corazon's March quarter activities at the Beaucage Lake project were limited to the continued collation and interpretation of historical exploration data to assist in target generation for future drilling. Information acquired to date indicates a number of significant untested high grade gold anomalous zones identified from sampling of limited outcrop that are coincident with favourable geophysical trends that are potential drill targets.

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 Lake provides the Company with an additional exploration focus which complements Corazon's Lynn Lake nickel-copper project and Barrington Lake copper deposit.

CORPORATE ACTIVITIES

Cash at 31 March 2014

Cash available to the Company at the end of the March 2014 quarter was approximately \$1.7 million. In addition to these existing funds, Corazon has recently made application for approximately \$900,000 in R&D benefits (based on the past and current year claims), which are currently under assessment.

Review of Operations

In recognition of the implications of Corazon no longer conducting exploration on the Top Up Rise project, and the current market dynamics of the nickel market (which affect the Company's Lynn Lake Project), a corporate review is currently underway.

The Company maintains a healthy cash balance and no debt. To preserve the Company's stable financial situation, the Board has agreed to a reduction of 50% in remuneration for a minimum period of 2 months (to be reviewed at the end of June 2014) as it undertakes a review of corporate strategy. In the interim, all non-essential expenditure has been ceased to preserve the Company's capital.

Expiry of Options

During the quarter, the Company advised the expiry of 8,500,000 Options exercisable at \$0.145 on or before 25 February 2014.

Ends.

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

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Disclosure Statements and Important Information

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 of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Smith consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

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
TOP UP RISE PROJECT				
TOP UP RISE	E80/4427	Australia	75% ¹	
TOP UP RISE	E80/4583	Australia	75% ¹	
TOP UP RISE	E80/4584	Australia	75% ¹	
LYNN LAKE PROJECT				
LYNN LAKE	P7700E	Canada	100% ²	
LYNN LAKE	P7698E	Canada	100% ²	
LYNN LAKE	P8370E	Canada	100% ²	
LYNN LAKE	P7699E	Canada	100% ²	
LYNN LAKE	P7702E	Canada	100% ²	
LYNN LAKE	P3163F	Canada	100% ²	
LYNN LAKE	P3164F	Canada	100% ²	
LYNN LAKE	P3165F	Canada	100% ²	
LYNN LAKE	P2291F	Canada	100% ²	
LYNN LAKE	P3534F	Canada	100% ²	
LYNN LAKE	MB2482	Canada	100% ²	
LYNN LAKE	MB3566	Canada	100% ²	
LYNN LAKE	MB3567	Canada	100% ²	
LYNN LAKE	P1045F	Canada	100% ²	
LYNN LAKE	MB3580	Canada	100% ²	
LYNN LAKE	MB3581	Canada	100% ²	

LYNN LAKE	MB7346	Canada	100% ²	
LYNN LAKE	MB7349	Canada	100% ²	
LYNN LAKE	MB7350	Canada	100% ²	
LYNN LAKE	MB7025	Canada	100% ²	
LYNN LAKE	MB7361	Canada	100% ²	
LYNN LAKE	MB7362	Canada	100% ²	
LYNN LAKE	MB6364	Canada	100% ²	
LYNN LAKE	MB5175	Canada	100% ²	
LYNN LAKE	MB5701	Canada	100% ²	
LYNN LAKE	MB8734	Canada	100% ²	
LYNN LAKE	MB8735	Canada	100% ²	
LYNN LAKE	MB9218	Canada	100% ²	
LYNN LAKE	MB5399	Canada	100% ²	
LYNN LAKE	MB6360	Canada	100% ²	
LYNN LAKE	MB6361	Canada	100% ²	
LYNN LAKE	MB6362	Canada	100% ²	
LYNN LAKE	MB6363	Canada	100% ²	
LYNN LAKE	MB9453	Canada	100% ²	
LYNN LAKE	MB5672	Canada	100% ²	
LYNN LAKE	MB5669	Canada	100% ²	
LYNN LAKE	MB10070	Canada	100% ²	
LYNN LAKE	MB10071	Canada	100% ²	
LYNN LAKE	MB10085	Canada	100% ²	
LYNN LAKE	MB10086	Canada	100% ²	
LYNN LAKE	MB10382	Canada	100% ²	
LYNN LAKE	MB10383	Canada	100% ²	

LYNN LAKE	MB10384	Canada	100% ²	
LYNN LAKE	MB10387	Canada	100% ²	
LYNN LAKE	MB10388	Canada	100% ²	
BEAUCAGE LAKE PROJECT				
BEAUCAGE LAKE	MB9646	Canada	100% ²	
BEAUCAGE LAKE	MB9647	Canada	100% ²	
BEAUCAGE LAKE	MB9648	Canada	100% ²	
BEAUCAGE LAKE	NV9649	Canada	100% ²	
BEAUCAGE LAKE	MB9650	Canada	100% ²	
BEAUCAGE LAKE	MB9651	Canada	100% ²	
BEAUCAGE LAKE	MB9652	Canada	100% ²	
BEAUCAGE LAKE	MB9653	Canada	100% ²	
BEAUCAGE LAKE	MB9655	Canada	100% ²	
BEAUCAGE LAKE	MB9640	Canada	100% ²	
BEAUCAGE LAKE	MB9642	Canada	100% ²	
BEAUCAGE LAKE	MB9643	Canada	100% ²	
BEAUCAGE LAKE	MB9644	Canada	100% ²	
BEAUCAGE LAKE	MB9645	Canada	100% ²	
BEAUCAGE LAKE	MB5785	Canada	100% ²	
BARRINGTON LAKE PROJECT				
BARRINGTON LAKE	MB9634	Canada	100% ²	

¹ Option to acquire up to 75% of the Top Up Rise Projects refer to prior announcement for terms of the agreement. Post end of Quarter the Company announced it intended to withdraw from this project (announcement dated 30 April 2014).

² Option to acquire up to 100% of Lynn Lake, Beaucage Lake, Barrington Lake refer to prior announcement for terms of the agreement.