

The Manager - Company's Announcements

Australian Securities Exchange

QUARTERLY ACTIVITIES REPORT

PERIOD ENDING 31 DECEMBER 2014

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- **Corazon finalises agreement to acquire the Victory Nickel Project at Lynn Lake in Canada from Victory Nickel Inc. (TSX: NI)**
 - **Victory Nickel Project hosts 17Mt @ 0.66% nickel & 0.33% copper (NI 43-101 resource @ plus 0.6% NiEq, a "foreign estimate of mineralisation" not reported in accordance with JORC)**
 - **Strategic acquisition complements Corazon's adjacent Lynn Lake Nickel Project, consolidates Corazon's ownership of the Lynn Lake mining centre**
 - **Acquisition creates a significant nickel-copper asset with benefits in scale and mine-life for potential future mining operation**
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Corazon Mining Limited (ASX: CZN) ("Corazon" or "the Company") is pleased to present its Quarterly Activities Report for the period ending 31 December 2014.

During this quarter an appreciating nickel price fuelled the Company's focus on its Lynn Lake Nickel-Copper Sulphide Project in the Manitoba region of Canada and supported Corazon's announcement regarding its finalisation of terms for the acquisition of the Victory Nickel Project, located in the Lynn Lake Nickel-Copper Field.

Corazon's consolidation of the Lynn Lake field will provide a significant nickel-copper asset. The Company believes bringing the two nickel projects together improves the economics of any potential mining operation and provides benefit in scale and possible mine life, enhancing the opportunity to take advantage of an appreciating nickel metal price.

The Company is currently waiting for the provincial Manitoba government to grant the mineral rights title transfer to Corazon. In anticipation of completing the acquisition, Corazon has commenced updating the resources for the region to JORC 2012. These resources will form the basis of new mining and processing studies for the Lynn Lake operation.

Corazon will fund this work at Lynn Lake from existing cash reserves (\$1.3 million in the bank). The Company has also made application for a Government funded expenditure rebate of approximately \$1 million. These funds are subject to review and approval, which should be finalised early in 2015.

CAPITAL STRUCTURE

Market cap. @ 0.4cps	\$1.6M
Ordinary shares	401.6M
Unlisted Options	30M
ASX: CZN	

BOARD OF DIRECTORS

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

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LYNN LAKE NICKEL-COPPER SULPHIDE PROJECT, CANADA

The Lynn Lake Nickel-Copper Sulphide Project (“Lynn Lake”) continues to represent a significant development opportunity for Corazon. The Lynn Lake mining centre operated from 1953 until 1976, producing 22.2Mt @ 1% nickel and 0.5% copper at a rate of approximately 1 million tons per annum. Lynn Lake is Canada’s third largest nickel mining region and, following completion of the Victory Project acquisition, will be controlled entirely by Corazon.

The key target within Corazon’s 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 2011, 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. Lynn Lake is an old mining centre with large remnant nickel-copper-cobalt resources, and Corazon believes the EL Deposit at Lynn Lake is a critical asset for the re-commencement of mining in the district.

The discovery drill hole (XND001W1 - announced 28th June 2011) intersected:

- o **23.75m @ 3.34% Ni, 1.54% Cu & 0.079% Co from 731.25 m**

With the deepest drill hole to date (CRZ012, announced 2nd December 2011) intersecting:

- o **44.75m @ 1.55% Ni, 0.65% Cu & 0.044% Co from 773.93m**

Including:-

- o **3.85m @ 2.83% Ni, 0.24% Cu & 0.073% Co from 773.93m**
- o **11.03m @ 2.31% Ni, 1.01% Cu & 0.062% Co from 784.90m**
- o **11.51m @ 2.37% Ni, 0.78% Cu & 0.062% Co from 807.17m**

The mineralisation defined by this drilling is not included in the interim resource stated for the EL Plug (JORC 2004 Resource, announced 13th October 2010). The 2010 resource has not been updated and as such no new information regarding the resource is being reported. Work on defining a new resource including the most recent drilling has commenced.

In addition to its potential at depth, 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, but is defined by the “Upper-Zone Exploration Target” and may be exploitable by open-pit mining methods (details of Exploration Target have been provided in ASX announcement dated 9th December 2011). Corazon believes this mineralisation is critical to the recommencement of mining at Lynn Lake and is a priority resource definition target.

Within the main mining area of Lynn Lake, recent discoveries have been within the Victory Nickel Project. In 2008, Western Areas NL (ASX: WSA) discovered the Disco (Maxwell) Deposit with a hole that returned 18m @ 1.5% Ni, 0.70% Cu & 0.040% Co from 96m (announced 23 April 2008); and, in 2010, Prophecy Resources Corp (TSXV: PCY) identified the Tango Deposit with a result of 17m @ 0.6% Ni & 0.30% Cu (announced 6th December 2010).

These recent discoveries have not been included in any resource calculation.

ACQUISITION OF VICTORY NICKEL PROJECT, CANADA

In November 2014, Corazon announced it had finalised the acquisition terms for the Victory Nickel Project ("Victory Project" or "the Project") in the Lynn Lake Nickel-Copper Field, in the central Canadian province of Manitoba. Under the agreement, Corazon will acquire the Victory Project from Victory Nickel Inc. (TSX:NI) ("Victory"). The Victory Project is located immediately adjacent to Corazon's Lynn Lake Nickel Project, and the acquisition will consolidate the Lynn Lake Nickel-Copper Field for the first time since its closure in 1976.

The Company believes bringing the two nickel projects together creates a significant nickel/copper asset, improves the economics of any potential mining operation and provides benefits in scale and possible mine life, thus enhancing the opportunity to take advantage of an appreciating nickel metal price.

Corazon and Victory executed a Binding Term Sheet and subsequently entered into full form Purchase Agreements. Parties are currently waiting for the granting by the Government of the mineral rights title transfer to Corazon before settling the transaction.

The Victory Project has a Canadian (NI 43-101) Measured, Indicated and Inferred Resource totalling 17Mt @ 0.66% Ni and 0.33% Cu, for the deposits closest to Corazon's EL Deposit (Figure 1, Table 1 & 2).

Table 1: Summary - A Plug NI 43-101 Resource¹
N, O & G Deposits, Lynn Lake, February 2010

Deposit	COG Ni% Eq ²	Tonnes ³	Tons	Grade			Contained Metal	
				Ni%	Cu%	Ni% Eq ²	Tonnes Ni	Tonnes Cu
Measured, Indicated & Inferred Resource Categories								
N, O, G	0.4	28,098,866	30,973,698	0.55	0.29	0.70	155,770	82,832
N, O, G	0.6	16,984,288	18,721,973	0.66	0.33	0.83	111,427	56,897

Table 1 Notes: While this foreign resource is not reported in compliance with the JORC Code, it is the Company's opinion (and the opinion of the Competent Person for this document), that the data quality and validation criteria, as well as the resource methodology and check procedures, are reliable and consistent with criteria as defined by JORC 2012.

Previous operators of the Lynn Lake Project had a preference for reporting resources at a bottom cut-off grade (COG) of 0.4%NiEq². Corazon has reported the interim resource at the EL Deposit at 0.6%NiEq (JORC 2004 Resource – announced 13th October 2010). For the purposes of clarity, the resources at both COG's have been reported in this table.

1. This resource estimate is a foreign resource estimate and is not reported in accordance with the JORC Code. Insufficient work by the competent person has been undertaken on the foreign resource estimate to classify in accordance with the JORC Code and it is uncertain that, following evaluation and/or further exploration work, the foreign resource estimate will be able to be reported as a mineral resource in accordance with the JORC Code.

2. Nickel equivalent grades are provided as an indicator of value in a multi-metallic deposit. Lynn Lake has a long history as a nickel, copper and cobalt mining camp. It is the Company's opinion that all elements included in the metal equivalent calculation have a reasonable potential to be recovered. Past mining of these deposits has reported minimum recoveries above 85% for all metals, typically greater than 90% for Ni, Cu, Co.

$$\text{Ni Eq} = (((\text{Cu}\% \times 2 \times 22.04622) + (\text{Ni}\% \times 7.22 \times 22.04622)) / 7.22) / 20$$
 where Ni = 7.22 \$US/lb Cu = 2.00 \$US/lb.

3. The original NI 43-101 resource used Canadian imperial measurements. For the purposes of this announcement, 1 Ton (US Short) = 0.90718474 Tonnes (metric).

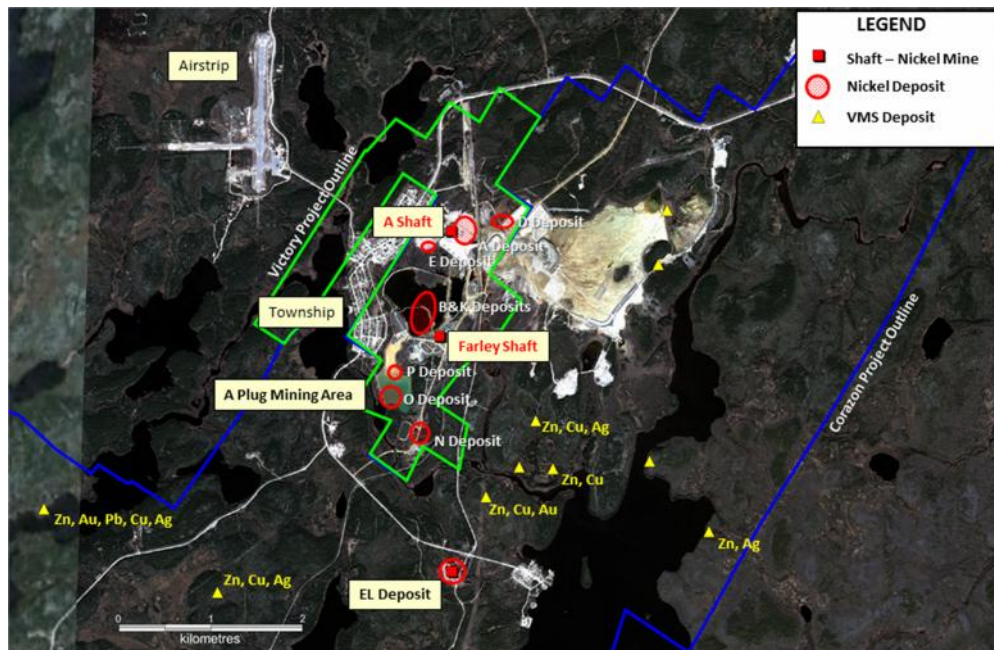


Figure 1 – Lynn Lake Claim Outline and Prospect Location

Terms of the Victory Nickel Project Agreement

The terms of the Victory Nickel Project acquisition (for Corazon to earn 100% of the Victory Project) include:

- Issuing 40 million Corazon shares to Victory, upon settlement.
- Victory to retain a 1.5% net smelter royalty on production from the Victory project area. Corazon has the right to purchase 1% of the 1.5% royalty for AUD\$1M.
- Over the five years following execution of the full agreement, Corazon is required to spend an aggregate AUD\$3.5M on exploration and resource development. In the event that Corazon fails to meet this expenditure requirement:
 - o The difference between AUD\$3.5M expenditure requirement and what is actually spent, must be paid to Victory in cash or shares; or
 - o The project is returned to Victory.
- Within 30 days of the re-commencement of ore processing at Lynn Lake, Victory will receive a payment of AUD\$1M (cash and/or shares at Corazon's discretion).

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CURRENT ACTIVITIES

Desk-top resource and mining studies on the Lynn Lake Project have commenced. Corazon is looking to up-grade the existing JORC 2004 resource for the EL Deposit, the NI 43-101 resource for the Victory Project and potentially other drill defined mineralisation to JORC 2012 resource status. These resources will form the basis of additional mining and processing work.

Corazon will fund this work from existing cash reserves (\$1.3 million in the bank). The Company has also made application for a Government funded expenditure rebate of approximately \$1 million. These funds are subject to review and approval, which should be finalised early in 2015.

NOTICE OF ANNUAL GENERAL MEETING

Corazon's Annual General Meeting of Shareholders took place on 28 November 2014, at the Company's office in Subiaco, Western Australia. All resolutions put to the meeting were passed unanimously by a show of hands.

OPTION EXPIRY

During the December quarter, the Company advised the expiry of 5,000,000 Options exercisable at \$0.20 on or before 1 December 2014.

Ends.

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

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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 is an employee of Corazon Mining Limited and has sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and to the activity being undertaken, to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration, Results, Mineral Resource and Ore Reserves (JORC Code 2012).

With regards to the "foreign estimates of mineralisation" defined by the NI 43-101 resource presented for Lynn Lake, Mr Smith concludes that the information provided in this document complies with ASX Listing Rule 5.12 and is an accurate representation of the data and studies available for the resource. Mr Smith consents to the inclusion in this document of the matters based on this information in the form and context in which it appears.

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Some of the information contained in this announcement is historic data that was prepared and first disclosed under the JORC 2004 edition. It has not been updated since to comply with the JORC Code 2012 edition on the basis that the information has not materially changed since it was last reported.

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
LYNN LAKE PROJECT				
LYNN LAKE	P7700E	Canada	100% ¹	
LYNN LAKE	P7698E	Canada	100% ¹	
LYNN LAKE	P8370E	Canada	100% ¹	
LYNN LAKE	P7699E	Canada	100% ¹	
LYNN LAKE	P7702E	Canada	100% ¹	
LYNN LAKE	P3163F	Canada	100% ¹	
LYNN LAKE	P3164F	Canada	100% ¹	
LYNN LAKE	P3165F	Canada	100% ¹	
LYNN LAKE	P2291F	Canada	100% ¹	
LYNN LAKE	P3534F	Canada	100% ¹	
LYNN LAKE	MB2482	Canada	100% ¹	
LYNN LAKE	MB3566	Canada	100% ¹	
LYNN LAKE	MB3567	Canada	100% ¹	
LYNN LAKE	P1045F	Canada	100% ¹	
LYNN LAKE	MB3580	Canada	100% ¹	
LYNN LAKE	MB3581	Canada	100% ¹	
LYNN LAKE	MB7346	Canada	100% ¹	
LYNN LAKE	MB7349	Canada	100% ¹	
LYNN LAKE	MB7350	Canada	100% ¹	
LYNN LAKE	MB7025	Canada	100% ¹	

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

BEAUCAGE LAKE PROJECT				
BEAUCAGE LAKE	MB9646	Canada	0% ²	-100% ²
BEAUCAGE LAKE	MB9647	Canada	0% ²	-100% ²
BEAUCAGE LAKE	MB9648	Canada	0% ²	-100% ²
BEAUCAGE LAKE	NV9649	Canada	0% ²	-100% ²
BEAUCAGE LAKE	MB9650	Canada	0% ²	-100% ²
BEAUCAGE LAKE	MB9651	Canada	0% ²	-100% ²
BEAUCAGE LAKE	MB9652	Canada	0% ²	-100% ²
BEAUCAGE LAKE	MB9653	Canada	0% ²	-100% ²
BEAUCAGE LAKE	MB9655	Canada	0% ²	-100% ²
BEAUCAGE LAKE	MB9640	Canada	0% ²	-100% ²
BEAUCAGE LAKE	MB9642	Canada	0% ²	-100% ²
BEAUCAGE LAKE	MB9643	Canada	0% ²	-100% ²
BEAUCAGE LAKE	MB9644	Canada	0% ²	-100% ²
BEAUCAGE LAKE	MB9645	Canada	0% ²	-100% ²
BEAUCAGE LAKE	MB5785	Canada	0% ²	-100% ²
BARRINGTON LAKE PROJECT				
BARRINGTON LAKE	MB9634	Canada	100% ¹	

¹ Option to acquire up to 100% of Lynn Lake, Barrington Lake refer to prior announcement for terms of the agreement.

² Corazon withdrew from the Option to acquire Beaucage Lake during the quarter.