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CORAZON
MINING

HALF YEAR REPORT
FOR THE FINANCIAL PERIOD ENDED
31 DECEMBER 2023

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by Corazon Mining Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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CORPORATE DIRECTORY**NON-EXECUTIVE CHAIRMAN**

Terry Streeter

EXECUTIVE MANAGING DIRECTOR

Brett Smith

NON-EXECUTIVE DIRECTORSKristie Young
Andrew Strickland
Mark Qiu**COMPANY SECRETARY**

Robert Orr

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Telephone: (02) 9698 5414**SECURITIES EXCHANGE LISTINGS**Australian Securities Exchange
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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 at the end of the half-year ended 31 December 2023.

1. DIRECTORS

The names of Directors who held office during or since the end of the half-year are:

Terry Streeter	Non-Executive Chairman
Brett Smith	Executive Managing Director
Kristie Young	Non-Executive Director (appointed 1 September 2023)
Andrew Strickland	Non-Executive Director (appointed 1 September 2023)
Jonathan Downes	Non-Executive Director (resigned 1 September 2023)
Mark Qiu	Non-Executive Director

Directors have held office for the entire period and to the date of this report unless otherwise stated.

2. PRINCIPAL ACTIVITIES

The principal activity of the Consolidated Entity during the half-year has been exploration and evaluation of the Consolidated Entity's tenement holdings.

3. RESULT OF OPERATIONS

The loss after tax for the half-year ended 31 December 2023 was \$405,224 (2022: \$389,380).

4. REVIEW OF OPERATIONS

EXPLORATION ACTIVITIES

Corazon Mining Limited (ASX: CZN) (Corazon or Company) is an Australian resource company with projects in Australia and Canada.

In Canada, Corazon has consolidated the entire historical Lynn Lake Nickel Copper Cobalt Mining Centre (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. Lynn Lake hosts a large JORC compliant nickel-copper-cobalt resource and presents Corazon with a major development opportunity that is becoming increasingly prospective due to the recent focus on critical metals including nickel, copper and cobalt, and their expected strong demand associated with the emerging global rechargeable battery sector.

In Australia, Corazon is exploring the Miriam Nickel Sulphide and Lithium Project (Miriam) in Western Australia and the Mt Gilmore Cobalt-Copper-Gold Sulphide Project (Mt Gilmore) in New South Wales.

Miriam is a highly prospective nickel sulphide exploration project, representing a strategic addition to Corazon's portfolio of nickel sulphide assets. Corazon's recent exploration work revealed Miriam's potential to host multiple lithium-rich pegmatites; subsequently, lithium exploration has become a priority alongside the exploration and expansion of the undeveloped Miriam Nickel Sulphide Deposit.

Mt Gilmore is centred on a regionally substantive hydrothermal system with extensive copper, cobalt, silver and gold anomalism, including high-grade rock chip samples over a strike of more than 20 kilometres. Mt Gilmore also hosts the Cobalt Ridge Deposit - a unique high-grade cobalt-dominant sulphide deposit.

DIRECTOR'S REPORT (cont)

The Company's strategic focus on nickel sulphide, in addition to the overall commodity mix of its projects, places it in a strong position to take advantage of the forecast future growth in the rechargeable battery and renewable energy industries.

EXPLORATION ACTIVITIES

Lynn Lake Nickel-Copper-Cobalt Sulphide Project, Canada

Corazon owns 100% of the Lynn Lake Nickel-Copper-Cobalt Sulphide Project (Lynn Lake) in Manitoba, Canada (Figure 1) - a prolific historical nickel-copper-cobalt 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 resources
- 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 and environmentally compliant mining operation; and
 - Nearby to emerging North American and European rechargeable battery industries.

Corazon's two-pronged strategy at Lynn Lake is 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, 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 (FLC), where a large magmatic sulphide system, bigger than the Lynn Lake mine area footprint, has been discovered. Together, this work will enable the determination of value for the Lynn Lake project at a time when there is an expectation of future increased demand for metals.

Half-Year Highlights

- Drilling intersects nickel-copper-cobalt sulphides – targets defined using new, groundbreaking geophysical methods. Additional high-priority targets still to be drilled and are a key focus for future drilling at Lynn Lake.
- The new geophysical methods have only tested ~20% of the FLC exploration area – planning underway to expand the survey.
- Second phase of ore-upgrading metallurgical testwork completed; two innovative processing technologies – Ore Sorting and Coarse Flotation (via HydroFloat) – achieved promising results and will be integrated into scoping studies and processing flowcharts.
 - Technologies target the removal of waste material from low to medium grade mineralisation – potentially resulting in a higher processing feed-grade and reduced costs.
 - Definitive testwork for all ore-types to be continued and refined.
- Exploration agreement signed with First Nation group, who are supportive of further exploration activity and potential nickel sulphide mining at Lynn Lake.

Next steps

Drilling of the compelling geophysical anomalies at the FLC is a priority, the timing of which is subject to ground conditions and exploration priorities. Typically, the best time for regional exploration drilling at Lynn Lake is during winter. This drilling is, however, currently a lower order priority to the drilling of the Miriam Project lithium target in Western Australia.

DIRECTOR’S REPORT (cont)

Activities at the Lynn Lake Mining Centre have focused on the completion of metallurgical testwork and geological and mining studies for the reestablishment of mining operations. This phase of work is expected to be completed Q1 2024.

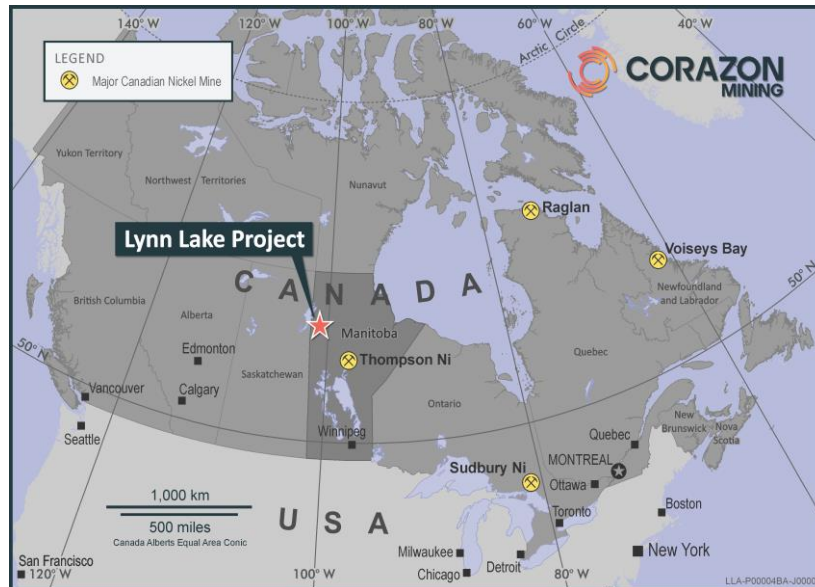


Figure 1: Lynn Lake Project location map

Mt Gilmore Cobalt -Copper-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 (N.S.W.) (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.

Corazon’s exploration of the prospective “Mt Gilmore trend” has uncovered a major copper-cobalt-silver-gold geochemical trend, potentially representing a district-scale exploration play for large intrusive related copper-cobalt-gold deposits.

The surface anomalism for metals at Mt Gilmore covers a large area; the recognition of the surface expression of a large hydrothermal system of more than 20 kilometres in strike, possibly associated with mineralised intrusive rocks, presents an exciting exploration undertaking for Corazon.

Half-Year Highlights

Corazon recently announced it is the recipient of an Australian Government Innovation Connections Grant to help advance exploration and assessment of the Mt Gilmore Project. The geochemical testwork program being undertaken with the University of Tasmania’s Centre of Ore Deposit and Earth Sciences has so far successfully confirmed that Mt Gilmore hosts key geochemical characteristics specific to large porphyry copper-gold deposits (ASX announcement 12 July 2022).

The second phase of the program has recently been completed; it was designed to expand on the first phase studies, and deliver more precise targeting from which exploration drilling can be planned. A draft report for this work was provided to the Company in the December Quarter, 2023.

The preliminary results from the mineral vectoring geochemical study are currently being assessed, with findings expected to be published in Q2 2024.

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DIRECTOR'S REPORT (cont)



Figure 2: Mt Gilmore Project location map

Miriam Nickel Sulphide & Lithium Project

The Miriam Nickel Sulphide and Lithium Project (Miriam) is located approximately 10 kilometres south-southwest of Coolgardie on a trend of ultramafics best identified by the Miriam and Nepean nickel deposits (Figure 3). Corazon holds 100% of the Miriam project and has sole control and management of this highly prospective nickel exploration project.

The Miriam Nickel Sulphide Deposit was discovered in 1969, with ‘high nickel tenor’ massive and disseminated sulphides intersected in drilling. Miriam has not been extensively explored and there is extensive untested opportunity for nickel sulphide mineralisation at depth and along strike from previous drilling. The existence of the defined target trend will allow Corazon to undertake focused and detailed exploration programs, utilising modern higher-powered electromagnetic (EM) geophysics.

Corazon’s exploration work to date has revealed Miriam’s potential to host multiple lithium-rich pegmatites (ASX announcement 8 December 2022); subsequently, lithium exploration has become a priority alongside the exploration and expansion of the undeveloped Miriam Nickel Sulphide Deposit.

Half-Year Highlights

- Drilling of the spodumene (lithium) bearing pegmatite discovery at the Miriam Project remains a major focus for Corazon.
- Securing work program approvals for drilling (from the WA Government) has been a lengthy process, which is expected to be completed Q1 2024.
- The lithium target is defined by weathered (depleted) rock samples returning up to 1.85% Li₂O, and detailed geochemical soil sampling revealing a main target of approximately 1.6 kilometres in strike, and a second trend of about 600 metres, linking into the main trend.

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DIRECTOR'S REPORT (cont)

Next Steps

Corazon's dual focus at Miriam incorporates nickel sulphide exploration along the Miriam Trend (ASX announcement 22 March 2023) and the search for lithium (spodumene) rich pegmatites. Initial exploration on both fronts has been successful, and the Company is now proceeding with requisite approvals for drilling.

Corazon plans to conduct a shallow drilling program to test the lithium anomalism, in parallel with its ongoing nickel sulphide exploration program at the Miriam nickel sulphide trend to the west.

An approved Conservation Management Plan (CMP) is required for exploration activities on the Miriam Project. Corazon's CMP is currently progressing through the various Western Australian government departments for consideration and approval. Following acceptance of the CMP, Corazon will be able to submit a Program of Works for drilling to the Department of Energy, Mines, Industry Regulation and Safety (DEMIRS) for approval.

Current expectations for the commencement of drilling at Miriam is Q2 2024.

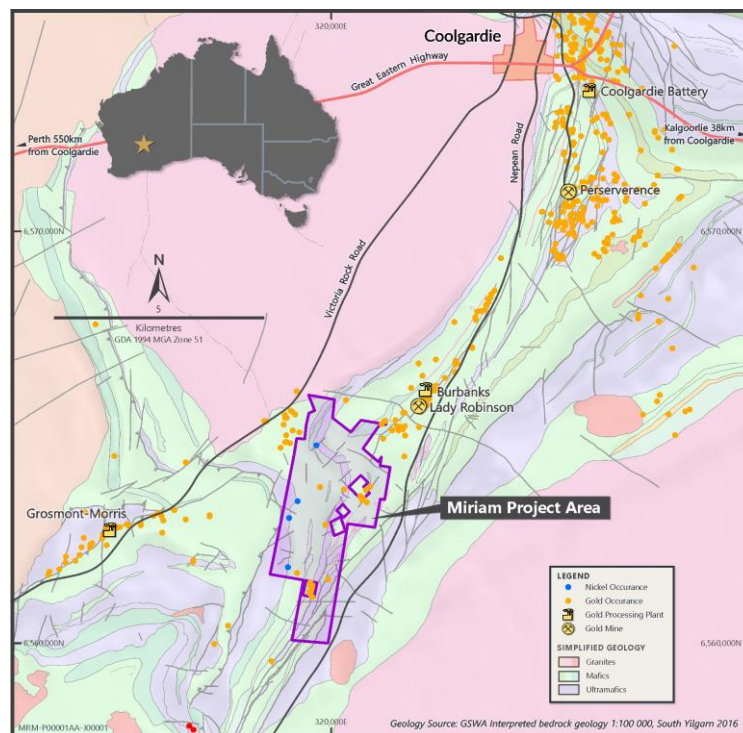


Figure 3: Miriam Project location map

Competent Persons Statement

The information in this report that relates to lithium Exploration Results and Targets is based on information compiled by Dr Ben Li, Member AIG and an employee of Corazon Mining Limited. Dr Li 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". Dr Li consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

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DIRECTOR'S REPORT (cont)

The information in this report that relates to nickel 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.

CORPORATE ACTIVITIES**Annual/General Meeting Results**

On 17 November 2023, the Company held its Annual General Meeting of Shareholders (AGM). All resolutions put to shareholders in both meetings were passed by a poll.

Issue of share-based payment to MNFC native title agreement

On 17 August 2023 the Company signed a new Exploration Agreement (Agreement) with the Marcel Colomb First Nation (MCFN) of the Lynn Lake area in Manitoba, Canada. The new Agreement replaces an existing exploration agreement established in 2018 in respect of the Lynn Lake Nickel Sulphide Project (Lynn Lake). The Company issued 5,267,338 ordinary fully-paid shares and 5,267,338 options (exercise price \$0.014 and 10 August 2026 expiry) on 18 August 2023 to the MCFN in consideration for entering into the Agreement.

Board updates

On 1 September 2023 the Company announced changes to its board Mr Jonathan Downes retired, and Ms Kristie Young and Mr Andrew Strickland were appointed as Non-Executive Directors.

Performance rights expiry

On 20 December 2023 500,000 performance rights were forfeited due to vesting terms and conditions being unfulfilled.

DIRECTOR'S REPORT (cont)**5. EVENTS SUBSEQUENT TO REPORTING DATE**

No other matters or circumstances have arisen subsequent to 31 December 2023 that has significantly affected, or may significantly affect, the state of affairs or operations of the reporting entity in future financial periods.

6. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no other significant changes in the state of affairs of the Consolidated Entity during the financial half-year.

7. AUDITOR'S DECLARATION

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 9 for the half-year ended 31 December 2023.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors.



Brett Smith
Managing Director
Dated this day 6 March 2024



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AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF CORAZON MINING LIMITED

In relation to our review of the financial report of Corazon Mining Limited for the half year ended 31 December 2023, 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

SIMON FERMANIS
PARTNER

6 MARCH 2024,
WEST PERTH,
WESTERN AUSTRALIA



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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF CORAZON MINING LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Corazon Mining Limited ("the company") and controlled entities ("consolidated entity") which comprises the consolidated statement of financial position as at 31 December 2023, 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 half-year ended on that date, and notes to the financial statements, including material policy information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at 31 December 2023, or during the half year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Corazon Mining Limited is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) Complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report.

Material Uncertainty Related to Going Concern

Without qualifying our conclusion, we draw attention to Note 1 in the financial report in which indicates that the consolidated entity incurred a net loss of \$405,224 during the half year ended 31 December 2023 and had negative operating cash flow of \$236,231. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which 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, and at the amounts stated in the financial report.

Independence

We are independent of the company 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 (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.



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Directors' Responsibility for the Interim Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the Corporations Act 2001 and for such internal controls as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporation Regulations 2001.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

PKF Perth

PKF PERTH

A handwritten signature in black ink that reads 'Simon Fermanis'.

SIMON FERMANIS
PARTNER

6 MARCH 2024
WEST PERTH,
WESTERN AUSTRALIA

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
for the half year ended 31 December 2023**

	Note	31 Dec 2023 \$	31 Dec 2022 \$
Other revenue	3	15,800	28,134
Administrative expense		(26,587)	(20,309)
Compliance and regulatory expense		(132,809)	(113,039)
Consultancy expense		(91,043)	(116,322)
Exploration expense	6	-	(38,905)
Finance costs		(813)	(3,053)
Insurance expense		(23,294)	(6,205)
Occupancy expense		(14,595)	(15,426)
Staff expenses		(131,327)	(113,599)
Travel expense		(506)	10,144
Unrealised movements on financial assets		(50)	(800)
Loss for the period before income tax expense		(405,224)	(389,380)
Income tax benefit/(expense)		-	-
Loss for the period		(405,224)	(389,380)
Other comprehensive income/(loss), net of income tax			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Net change in fair value of available for sale financial asset		-	-
Total comprehensive loss for the period		(405,224)	(389,380)
Loss per share			
Basic and diluted loss per share (cents)	5	(0.07)	(0.06)

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2023

	31 Dec 2023	30 June 2023
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	840,509	2,490,927
Trade and other receivables	50,684	226,638
Other assets	48,652	61,628
	<u>939,845</u>	<u>2,779,193</u>
NON-CURRENT ASSETS		
Other assets	59,000	59,000
Financial assets	10 353	403
Exploration and evaluation expenditure	6 16,156,698	15,071,331
	<u>16,216,051</u>	<u>15,130,734</u>
TOTAL ASSETS	<u>17,155,896</u>	<u>17,909,927</u>
CURRENT LIABILITIES		
Trade and other payables	134,570	631,288
Provisions	32,507	39,194
	<u>167,077</u>	<u>670,482</u>
TOTAL LIABILITIES	<u>167,077</u>	<u>670,482</u>
NET ASSETS	<u>16,988,819</u>	<u>17,239,445</u>
EQUITY		
Issued capital	7 57,204,556	57,125,546
Reserves	8 378,309	302,921
Accumulated losses	(40,594,046)	(40,189,022)
TOTAL EQUITY	<u>16,988,819</u>	<u>17,239,445</u>

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
for the half year ended 31 December 2023

	31-Dec-2023	31-Dec-2022
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest received	11,635	19,243
Proceeds from government grants and tax incentives	175,006	-
Payments for administration and corporate expenses	(304,883)	(324,136)
Payments for exploration and evaluation expenses	-	(39,904)
Payments for finance cost	(813)	(1,027)
Payments for staff expenses	(121,622)	(106,848)
Other cashflows from operating activities	4,446	379
NET CASH USED IN OPERATING ACTIVITIES	<u>(236,231)</u>	<u>(452,293)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for capitalised exploration and evaluation expense	<u>(1,412,850)</u>	<u>(2,084,464)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(1,412,850)</u>	<u>(2,084,464)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment for costs of share issue	<u>-</u>	<u>(24,264)</u>
NET CASH FROM FINANCING ACTIVITIES	<u>-</u>	<u>(24,264)</u>
Net increase/(decrease) in cash and cash equivalents	(1,649,081)	(2,561,021)
Effect of movement in foreign exchange rates on cash held	(1,337)	(2,026)
Cash and cash equivalents at the beginning of the reporting period	<u>2,490,927</u>	<u>7,921,880</u>
Cash and cash equivalents at the end of the reporting period	<u><u>840,509</u></u>	<u><u>5,358,833</u></u>

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the half year ended 31 December 2023

	Issued Capital \$	Share Based Payment Reserves \$	Accumulated Losses \$	Total \$
Balance at 1 July 2023	57,125,546	302,921	(40,189,022)	17,239,445
Loss for the period	-	-	(405,224)	(405,224)
Total comprehensive income for the period	-	-	(405,224)	(405,224)
<i>Transactions with owners, recorded directly in equity</i>				
Issue of share-based payment to Marcel Colomb First Nation (MCFN) as per agreement	79,010	75,588	-	154,598
Forfeiture of performance rights	-	(200)	200	-
Total transactions with owners	79,010	75,388	200	154,598
Balance at 31 December 2023	57,204,556	378,309	(40,594,046)	16,988,819
Balance at 1 July 2022	57,149,809	326,104	(39,539,302)	17,936,611
Loss for the period	-	-	(389,380)	(389,380)
Total comprehensive income for the period	-	-	(389,380)	(389,380)
<i>Transactions with owners, recorded directly in equity</i>				
Issue of share capital	-	-	-	-
Costs of issuing capital	(24,263)	-	-	(24,263)
Lapse of share options	-	(23,183)	23,183	-
Total transactions with owners	(24,263)	(23,183)	23,183	(24,263)
Balance at 31 December 2022	57,125,546	302,921	(39,905,499)	17,522,968

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONDENSED NOTES TO THE FINANCIAL STATEMENTS
for the half year ended 31 December 2023

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

Corazon Mining Limited (the Company) is a public company, limited by shares, domiciled and incorporated in Australia and listed on the Australian Securities Exchange. The consolidated half-year financial report of the Company for the six months ended 31 December 2023, comprise the Company and its subsidiaries (the "Consolidated Entity" or "Group").

The half-year consolidated financial report is a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting* as appropriate for for-profit orientated entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

The half-year consolidated financial report does not include full disclosures of the type normally included in an annual financial report. Accordingly, it is recommended that this half-year financial report be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by Corazon Mining Limited and its controlled entities during the half-year reporting period in accordance with the continuous disclosure requirements arising under the *Corporations Act 2001*.

These consolidated half year financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 6 March 2024.

Basis of preparation

The half-year consolidated financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied. The presentation and functional currency is Australian Dollars.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's annual financial report for the financial year ended 30 June 2023. Those accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

New, revised or amending Accounting Standards and Interpretations adopted

The Consolidated Entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are relevant to their operations and mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Consolidated Entity.

CONDENSED NOTES TO THE CONSOLIDATED STATEMENTS
for the half year ended 31 December 2023 (cont)*Impact of new standards and interpretations issued but not yet adopted*

There are no new standards that have been issued since 30 June 2023 that have been applied by the Consolidated Entity. The 30 June 2023 annual report disclosed that the Consolidated Entity anticipated no new material impacts arising from initial application of those standards issued but not yet applied at that date, and this remains the assessment as at 31 December 2023.

Going Concern Basis

The financial statements have been prepared on the 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. The Consolidated Entity incurred a net loss after tax of \$405,224 for the period ended 31 December 2023 (31 December 2022: \$389,380). As at 31 December 2023 the Consolidated Entity had net assets of \$16,988,819 (30 June 2023: \$17,239,445) and continues to incur expenditure on its exploration tenements drawing on its cash balances. The Company is able to reduce its discretionary exploration expenditure depending on its cash position and its access to funding. As at 31 December 2023 the Consolidated Entity had \$840,509 (30 June 2023: \$2,490,927) in cash and cash equivalents.

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 ongoing basis.

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. The fair value of share options is determined by an external valuer using an appropriate valuation model.

(ii) 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.

(iii) Impairment of exploration and evaluation assets

The ultimate recoupment of the value of exploration and evaluation assets is dependent on the successful development and commercial exploitation, or alternatively, sale, of the exploration and evaluation assets.

Impairment tests are 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 operations and carrying values of assets and liabilities.

CONDENSED NOTES TO THE CONSOLIDATED STATEMENTS
for the half year ended 31 December 2023 (cont)

2. SEGMENT INFORMATION

The Consolidated Entity has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) 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 CODM 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.

	Australia \$	Canada \$	Unallocated \$	Total \$
For the period ended 31 December 2023				
Revenue	-	-	15,800	15,800
Segment net operating loss after tax	-	-	(405,224)	(405,224)

Exploration expense

As at 31 December 2023

Segment assets	4,799,878	11,380,819	975,198	17,155,896
Segment liabilities	(17,253)	(52,143)	(97,681)	(167,077)

	Australia \$	Canada \$	Unallocated \$	Total \$
For the period ended 31 December 2022				
Revenue	-	-	28,134	28,134
Segment net operating loss after tax	(38,905)	-	(350,475)	(389,380)

Exploration expense

As at 30 June 2023

Segment assets	10,466,571	4,628,760	2,814,596	17,909,927
Segment liabilities	(547,152)	(5,478)	(117,852)	(670,482)

**CONDENSED NOTES TO THE CONSOLIDATED STATEMENTS
for the half year ended 31 December 2023 (cont)**

The accounting policies of the reportable segment are the same as the Group accounting policies.

	31 December 2023 \$	31 December 2022 \$
3. OTHER REVENUE		
<u>Operating activities</u>		
Interest received	11,634	19,629
Other revenue	4,166	8,505
	<hr/>	<hr/>
Total Other Revenue	15,800	28,134

4. EXPENSES

Profit / (losses) for the year are arrived at after charging the following expenses:

<u>Staff expenses</u>		
Director salary and fees	216,750	203,052
Employee salaries	97,917	80,000
Share based payments	-	-
Superannuation	14,538	10,557
Other staff expenses & accrued annual leave	(6,687)	4,390
(Less staff expenses classified as exploration and evaluation expense)	(191,191)	(184,400)
	<hr/>	<hr/>
	131,327	113,599

5. EARNINGS/(LOSS) PER SHARE

Profit/(loss) from continuing operations used in the calculation of basic and diluted EPS	<hr/>	<hr/>
	(405,224)	(389,380)

Weighted average number of ordinary shares outstanding during the year used in calculating the basic and dilutive EPS	<hr/>	<hr/>
	614,245,084	610,330,557

There are 24,807,338 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.

CONDENSED NOTES TO THE CONSOLIDATED STATEMENTS
for the half year ended 31 December 2023 (cont)

	31 December 2023 \$	30 June 2023 \$
6. EXPLORATION EXPENDITURE (CAPITALISED)		
Exploration project expenditure	<u>16,156,698</u>	<u>15,071,331</u>
Movement in carrying value:		
Brought forward	15,071,331	10,612,032
Exploration project expenditure	930,769	4,498,204
Share-based payment issued to MCFN exploration agreement (a)	154,598	-
Impairment of Miriam Nickel Project	-	<u>(38,905)</u>
At reporting date	<u>16,156,698</u>	<u>15,071,331</u>

(a) On 18 August 2023 the Company issued 5,267,338 ordinary fully paid shares & 5,267,338 share options in consideration for entering into the Marcel Colomb First Nation (MCFN) Exploration Agreement on 17 August 2023, the details of the consideration are discussed in Notes 7 & 8 to the financial statements.

Lynn Lake Nickel-Copper-Cobalt Sulphide Project

The Company holds 100% exploration interest in the Lynn Lake Project, which contains the main nickel resources in that area. Corazon has 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 Copper-Cobalt-Gold Project

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

Miriam Project

On 11 April 2022 the Company acquired the Miriam Nickel Sulphide Project (Miriam) pursuant to exercising an "option to purchase" and finalising the agreement. Miriam is located approximately 10 kilometres south-southwest of Coolgardie, and is a highly prospective nickel exploration project.

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

	31 December 2023 \$	30 June 2023 \$
7. ISSUED CAPITAL		
Fully paid ordinary shares	60,718,847	60,639,837
Less: capital issue costs net of tax	<u>(3,514,291)</u>	<u>(3,514,291)</u>
	<u>57,204,556</u>	<u>57,125,546</u>

**CONDENSED NOTES TO THE CONSOLIDATED STATEMENTS
for the half year ended 31 December 2023 (cont)**

	31 December 2023	30 June 2023
	No.	No.
Movement in number of shares:		
Brought forward	610,330,557	610,330,557
Shares issued under agreement with Marcel Colomb First Nation (a)	5,267,338	-
At reporting date	<u>615,597,895</u>	<u>610,330,557</u>

- a) On 18 August 2023 the Company issued 5,267,338 ordinary fully paid shares in consideration for entering into the Marcel Colomb First Nation (MCFN) Exploration Agreement on 17 August 2023. The aggregate fair value of the shares issued was \$79,010.

\$ \$

8. RESERVES

Share based payment reserve	<u>378,309</u>	<u>302,921</u>
Movement in carrying value:		
Brought forward	302,921	326,104
Options issued under agreement with Marcel Colomb First Nation (a)	75,588	-
Lapse of options on expiry	-	(23,183)
Forfeiture of performance rights (b)	(200)	-
At reporting date	<u>378,309</u>	<u>302,921</u>

- a) On 18 August 2023 the Company issued 5,267,338 options (exercise price \$0.014 and 10 August 2026 expiry) in consideration for entering into the Marcel Colomb First Nation (MCFN) Exploration Agreement on the 17 August 2023. The share options had an aggregate fair value of \$75,588. The fair value of the unlisted options was calculated at the grant date of 17 August 2023 using the Black-Scholes Model. Expected volatility was estimated by considering historical volatility of the Company's share price over the period commensurate with the expected term.

The following factors and assumptions were used to determine the fair value of the 5,267,338 unlisted options granted to MCFN during the period:

Grant Date	Vesting Date	Expiry Date	Fair Value Per Option	Exercise Price	Price of Shares on Grant Date	Expected Volatility	Risk Free Interest Rate	Div. Yield
17 August 2023	17 August 2023	10 August 2026	\$0.01435	\$0.014	\$0.015	229%	3.96%	-

- b) On 20 December 2023 500,000 performance rights were forfeited due to vesting terms and conditions being unfulfilled.

9. SHARE BASED PAYMENTS

Share Options on Issue

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**CONDENSED NOTES TO THE CONSOLIDATED STATEMENTS
for the half year ended 31 December 2023 (cont)**

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:

	Number of Options	Weighted Average Exercise Price \$
Issue to employees and key personnel		
Outstanding at beginning of the year	11,540,000	\$0.10
Granted	-	-
Lapsed (i)	-	-
Outstanding at year-end	<u>11,540,000</u>	<u>\$0.10</u>
Exercisable at year-end	<u>11,540,000</u>	<u>\$0.10</u>
Issue to consultants		
Outstanding at the beginning of the year	8,000,000	\$0.10
Expired (i)	-	-
Outstanding at year-end	<u>8,000,000</u>	<u>\$0.10</u>
Exercisable at year-end	<u>8,000,000</u>	<u>\$0.10</u>
Issue to native title land owners MCFM		
Outstanding at the beginning of the year	-	-
Granted (a)	5,267,338	\$0.014
Outstanding at year-end	<u>5,267,338</u>	<u>\$0.014</u>
Exercisable at year-end	<u>5,267,338</u>	<u>\$0.014</u>

(a) Details of the issue to native title holders is disclosed in Note 7&8 to the financial statements.

The options outstanding at 31 December 2023 had a weighted average exercise price of \$0.08 and a weighted average remaining contractual life of 0.86 years.

Performance Rights on Issue

	Nos of rights
Issue to employees and key personnel	
Outstanding at the beginning of the year	500,000
Granted	-
Converted	-
Forfeited/cancelled	<u>(500,000)</u>
Outstanding at year-end	-
Exercisable at year-end	<u>-</u>

On 20 December 2019 500,000 performance rights were issued to Mr Terry Streeter. Subsequently on 20 December 2023 these securities were forfeited due to vesting conditions being unfulfilled.

10. FAIR VALUE MEASUREMENT

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**CONDENSED NOTES TO THE CONSOLIDATED STATEMENTS
for the half year ended 31 December 2023 (cont)**

The following table details the Consolidated Entity's assets and liabilities, measured or disclosed at fair value, using quoted prices (unadjusted) in active markets for identical assets or liabilities that the Entity can access at the measurement date (level 1).

	31 December 2023 \$	30 June 2023 \$
<u>Assets</u>		
Ordinary shares	<u>353</u>	<u>403</u>

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.

11. CONTINGENT LIABILITIES

There has been no change to contingent liabilities since the last annual reporting date.

12. EVENTS SUBSEQUENT TO REPORTING DATE

No other matters or circumstances have arisen subsequent to 31 December 2023 that has significantly affected, or may significantly affect, the state of affairs or operations of the reporting entity in future financial periods.

13. DIVIDENDS

No dividends have been declared or paid during the half-year ended 31 December 2023.

14. COMMITMENTS

Often 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 however, the Company has no financial tenure commitments on any of its projects.

15. KEY MANAGEMENT PERSONNEL

Remuneration arrangements of key management personnel are disclosed in the annual financial report.

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DIRECTOR'S DECLARATION

The Directors of the Company declare that:-

1. The financial statements and notes, as set out on pages 12 to 23 are in accordance with the Corporations Act 2001, including:
 - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting, and Corporation Regulations 2001; and
 - (b) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date.
2. 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 directors made pursuant to s.303 (5) of the *Corporations Act 2001*.



Brett Smith
Managing Director

Dated this day 6 March 2024