

The Manager - Company's Announcements
Australian Securities Exchange

CORAZON TO ACQUIRE NICKEL PROJECT

Consolidation of Major Lynn Lake Nickel-Copper Field in Canada

Key points:

- Corazon to acquire the Victory Nickel Project at Lynn Lake in Canada from Victory Nickel Inc. (TSX: NI)
- Lynn Lake is Canada's 3rd largest nickel producing district; Victory Nickel Project contains the main nickel resources in Lynn Lake
- 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
- Exploration upside includes recently discovered deposits and drill defined mineralisation adjacent to old mines
- Lynn Lake is an established mining area, well serviced with infrastructure and only 320km from the Thompson nickel refinery
- Acquisition contingent on obtaining approvals and completion of a final agreement

Corazon Mining Limited (ASX: CZN) ("Corazon" or "the Company") is pleased to announce terms have been finalised for Corazon's acquisition of 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 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

CAPITAL STRUCTURE

Market cap. @ A\$0.006	A\$2.4M
Ordinary shares	401.6M
Options	35M
ASX: CZN	

BOARD OF DIRECTORS

Clive Jones	Non-executive Chairman
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largest nickel mining region and, following completion of the Victory Project acquisition, will be controlled entirely by Corazon.

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

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. Further information regarding this foreign resource is presented below, in the relevant section of this document.

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.

Ni Eq = (((Cu%*2*22.04622)+(Ni%*7.22*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).

Corazon and Victory have executed a Binding Term Sheet and will seek any necessary approvals and finalise the formal agreement. Details of terms for the acquisition are provided in this announcement.

On completion of the acquisition, Corazon intends to generate a JORC 2012 compliant Resource at both the A Plug and EL Plug. Mining Studies will also be progressed. This work will predominantly involve desktop resource modelling and can be completed within the next 12 months by Corazon using existing funds.

Corazon's key target within its Lynn Lake project area has been the EL Deposit, which was the highest grade mine at Lynn Lake, producing 1.9Mt at 2.5% nickel and 1.15% copper. In 2011, Corazon discovered a new high-grade sulphide breccia at depth below the EL Mine, a discovery that confirmed the prospectivity of the Lynn Lake field, despite the extensive past mine life.

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

- **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:

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

Including:-

- **3.85m @ 2.83% Ni, 0.24% Cu & 0.073% Co from 773.93m**
- **11.03m @ 2.31% Ni, 1.01% Cu & 0.062% Co from 784.90m**
- **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 will commence shortly.

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 discoveries have not been mined or included in any resources studies.

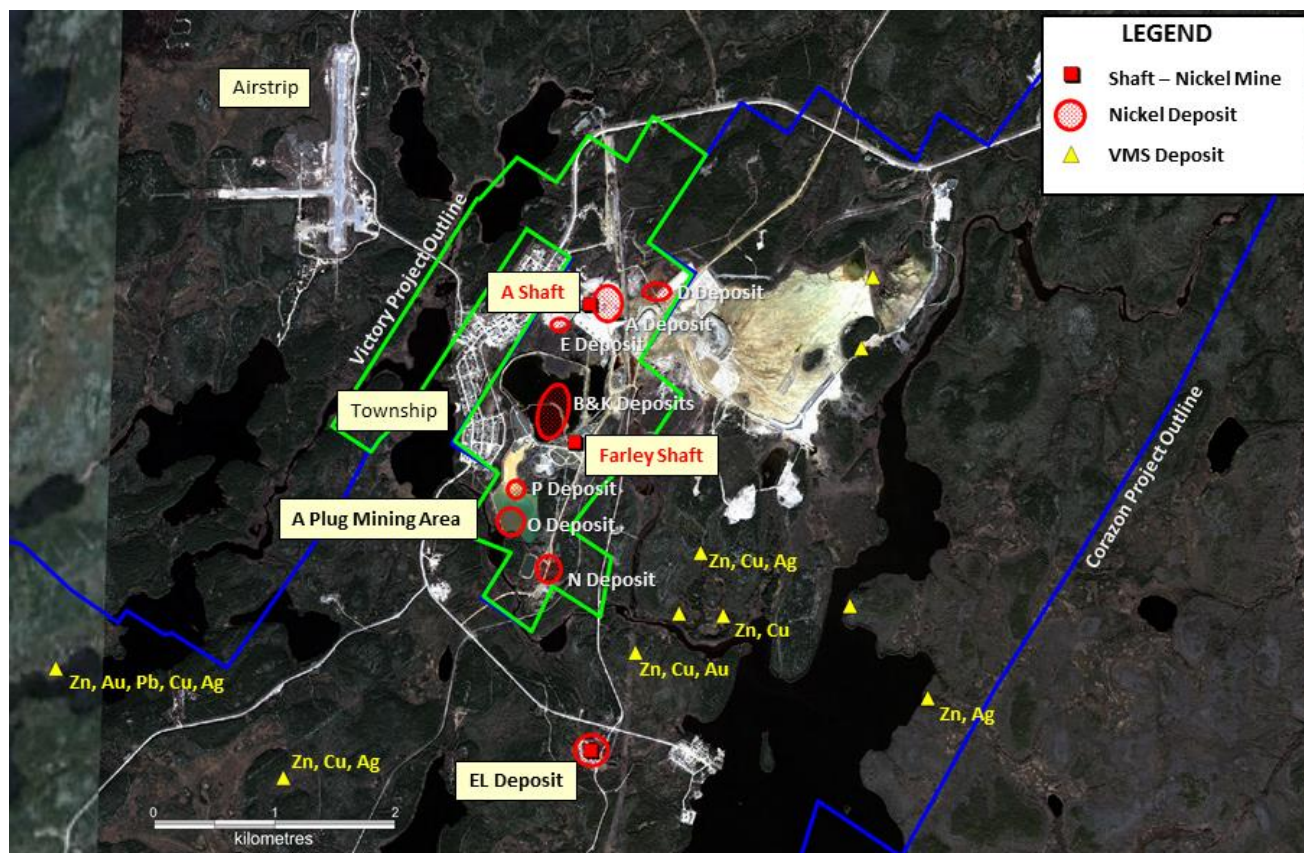


Figure 1 – Lynn Lake Claim Outline and Prospect Location

Terms of Victory Nickel Project Agreement

The terms of the Victory Nickel Project acquisition include:

Corazon to earn 100% of Victory's Lynn Lake Project by:

1. Issuing 40 million Corazon shares to Victory, upon settlement.
2. 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.
3. 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:
 - The difference between AUD\$3.5M expenditure requirement and what is actually spent, must be paid to Victory in cash or shares; or
 - The project is returned to Victory.
4. 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).

Background to consolidation of Lynn Lake Nickel-Copper Field

Upon completion of the acquisition of the Victory Project, Corazon will have secured rights to the entire Lynn Lake Nickel-Copper-Cobalt mining area under two separate agreements; the “Dunlop Agreement” (most recent announcement 9th August, 2012) and the “Victory Agreement” (this announcement).

The Lynn Lake nickel camp is Canada’s third largest nickel mining region, producing 22.2Mt @ 1% nickel and 0.5% copper at the rate of approximately 1 million ton per annum, between 1953 and 1976. There has been minimal exploration in the region since this time.

The Manitoba Provincial Government is supportive and is actively encouraging mineral exploration and mining. The wider Lynn Lake project area carries no historical environmental liability from previous mining activities.

The Lynn Lake project area is well serviced with infrastructure and support, and is situated immediately adjacent to the Lynn Lake Township. The major Thompson Nickel Refinery is located only 320km from the project and is accessible by sealed road, which may assist in the potential development of the project. A rail line links Lynn Lake with the mining town of Flin Flon, approximately 270km to the south (northern 100km of railway line not currently in use).

The historical nickel-copper-cobalt sulphide mining at Lynn Lake occurred in two areas. The “A Plug” and the “EL Plug”. These plugs are differentiated mafic intrusive bodies which host the mineralisation.

- The A Plug is larger and hosts the majority of the mined deposits and past production.
- The EL Plug is a small satellite intrusion that supported the highest grade mine in the field.

Since 2010, Corazon has been predominantly exploring the EL Plug. This exploration has been successful in discovering high-grade mineralisation at depth below the old mine (refer to Company’s previous announcements from 2011). The stated Resource at the EL Plug (JORC 2004 Resource – announced 13th October 2010) is an interim calculation based on early drilling completed by Corazon, and past drilling where drill core, down-hole surveys and assays have been located.

It is considered that this Resource does not currently represent the full potential of the EL Plug. In addition to the discovered high-grade mineralisation at depth, there is significant drill defined mineralisation near surface that has not yet been included in a resource.

Exploration and mining/processing studies on the A Plug have been carried out by a number of previous operators. The most recent and significant work includes resource and reserve models completed in 2005 by Lynn Lake Nickel Mining Company Ltd, in 2007 by Independent Nickel Corp, and in 2009 - 2010 by Prophecy Resources Corp. These resource and reserves modelled were completed by the same major international consultancy group. This work has been included in a pre-feasibility study (2007) predominantly focussed on the N and O deposits within the A Plug. The reports covering this work are considered to be of a very good standard and are publically available and obtained from the Canadian SEDAR filing system (www.sedar.com).

The N and O deposits within the A Plug host the largest resource potential and are the deposits closest to Corazon's EL Deposit (Figure 1). There are reports that define further remnant tonnages for most of the deposits within the A Plug, however the quality of this work cannot be determined and as such have been excluded from the current resource.

The results of the most recent resource studies (2009 - 2010) have been summarised in Table 1 and Table 2. The stated NI 43-101 resource is a "foreign estimate of mineralisation" as defined by JORC 2012. 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 consistent with best practice standards as required by JORC 2012.

A good level of confidence is attributed to the Lynn Lake resource and mining studies. The consultancy group that completed the work utilised more than 20 years of mining and resource data at Lynn Lake to validate and critique their models.

Methodologies for the reported 2009/2010 NI 43-101 resource modelling include:-

- Software – Datamine Studio 3® version 3.18.2715.0.
- 3D wireframe modelling based on a nickel equivalent cut-off of greater than 0.3% and validation against the 2007 resource model for the N, O and G deposits.
- Calculation of tonnage factors based on past mining, as well as metallurgical and geochemical composition.
- Creation of a regularised block model for the N, O and G deposits.
- Resource classification based on CIM requirements and guidelines, experience with similar deposits and spatial continuity.
- Validation of models included visual comparison, comparison of various modelling techniques (including ordinary kriging, ID², nearest neighbour and composites) and comparison of historic production reported for modelled areas already mined.
- The zones of mineralisation interpreted for each area are generally contiguous. Some non-assayed or non-mineralised intervals were incorporated into the interpreted models. No minimum thickness criteria for sulphide mineralisation were used in the development of the wireframes.

Table 2: A Plug NI 43-101 Resource¹ (0.6 Ni% Eq² cut-off grade)

Lynn Lake, February 2010

Deposit	Category	Tonnes ³	Tons	Grade			Contained Metal	
				Ni%	Cu%	Ni% Eq ²	Tonnes Ni	Tonnes Cu
Measured & Indicated Resource								
N	MEAS	380,014	418,894	0.89	0.41	1.11	3,382	1,558
O	MEAS	433,745	478,122	0.75	0.34	0.93	3,253	1,475
Total	MEAS	813,759	897,016	0.82	0.37	1.01	6,635	3,033
N	IND	7,261,880	8,004,853	0.65	0.35	0.82	47,202	25,417
O	IND	5,237,963	5,773,866	0.67	0.31	0.83	35,094	16,238
Total	IND	12,499,844	13,778,719	0.66	0.33	0.83	82,297	41,654
Total MEAS & IND		13,313,603	14,675,735	0.67	0.34	0.84	88,932	44,687
Inferred Resource								
N	INF	3,026,316	3,335,942	0.59	0.33	0.75	17,855	9,987
O	INF	321,923	354,859	0.61	0.31	0.77	1,964	998
G	INF	322,447	355,437	0.83	0.38	1.03	2,676	1,225
Total INF		3,670,685	4,046,238	0.61	0.33	0.78	22,495	12,210

Table 2 Notes: The bottom cut-off grade (COG) used in this table is 0.6% NiEq². 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.

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Ends

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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.

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.