ASX Announcement
13th February

The Manager – Company's Announcements
Australian Securities Exchange

STRONG CONDUCTORS IDENTIFIED IN DOWNHOLE EM AT FRASER LAKE COMPLEX

- **Two off-hole conductors identified by downhole electro-magnetic (EM) survey**
  - **Strong response of up to 10,000 siemens indicative of massive sulphide mineralisation.**
  - **Conductors are approximately 340m from massive sulphide intersected in recent drilling - yet to be tested with EM.**
- **Follow-up ground EM is underway to fully explore the target area for additional conductors – completion expected this week.**
- **Phase I drilling completed – first assays due this month.**
- **Phase II drilling proposed to commence late February**

Corazon Mining Limited (ASX: CZN) ("Corazon" or "the Company") is pleased to announce the results of a downhole electro-magnetic (DHEM) geophysical survey conducted on recently completed drilling within the Fraser Lake intrusive complex ("FLC") at the Lynn Lake Nickel-Copper-Cobalt Project in Canada.

Downhole EM Survey Results

Results from the DHEM survey of drill hole FLC-2017-002 indicates the presence of an off-hole, high CT (conductivity thickness) conductor with a strong response of more than 5,000 siemens, located 120 metres to the north-northeast of the hole (Figure 1). Anomalous conductivity starts at about 340 metres below surface and extends down to at least 480 metres. Late channel responses indicate very high CT values in excess of 10,000 siemens.

A possible second conductive body has also been observed at a shallower depth of about 250 metres down hole. The DHEM data for this feature is in the process of analysis and interpretation.

The conductors identified are approximately 340 metres from the massive sulphide identified in drill hole FLC-2017-003 (ASX announcement 6th February, 2017) and are likely to represent separate features. All, however, are located within the same high-chargeability IP anomaly (the Matrix HCIP feature) targeted by Corazon's drilling and are coincidental with a > 30 m/s IP (induced polarisation) chargeability maxima within this zone.

Based on the strength of the conductive anomalies, their interpreted depth, and the depth of massive sulphide intersected in drilling, the Company has commenced a ground EM survey. This survey will cover the full extent of the targeted high-chargeability anomaly (Figure 1 - Matrix HCIP Anomaly), attempting to better define potential massive magmatic sulphides at depth within this feature.

The ground EM survey undertaken is a Transient Electromagnetic survey utilising SQUID sensors capable of detecting massive sulphides at depths in excess of 500 metres. Data collection from this survey is expected to be completed this week.

DHEM completed on the FLC drilling utilised EMIT's Digiatlantis B-Field BHTEM system. The Atlantis is a unique three-component borehole tool for the low-noise measurement of magnetic (B) fields in TEM, MMR and other electrical geophysical surveys or geomagnetic applications. DHEM surveys completed consisted of an in-hole loop (LoopA) and an out-hole loop (LoopB).

Although the anomalies identified from the DHEM surveys are extremely encouraging, it is recognised the FLC has numerous xenoliths of sulphidised sediments (VMS deposits and sulphidised roof pendants) that can generate strong EM conductors. Hole FLC-2017-001 targeting a VTEM conductor anomaly identified one such feature within the FLC (ASX announcement 6th February, 2017).

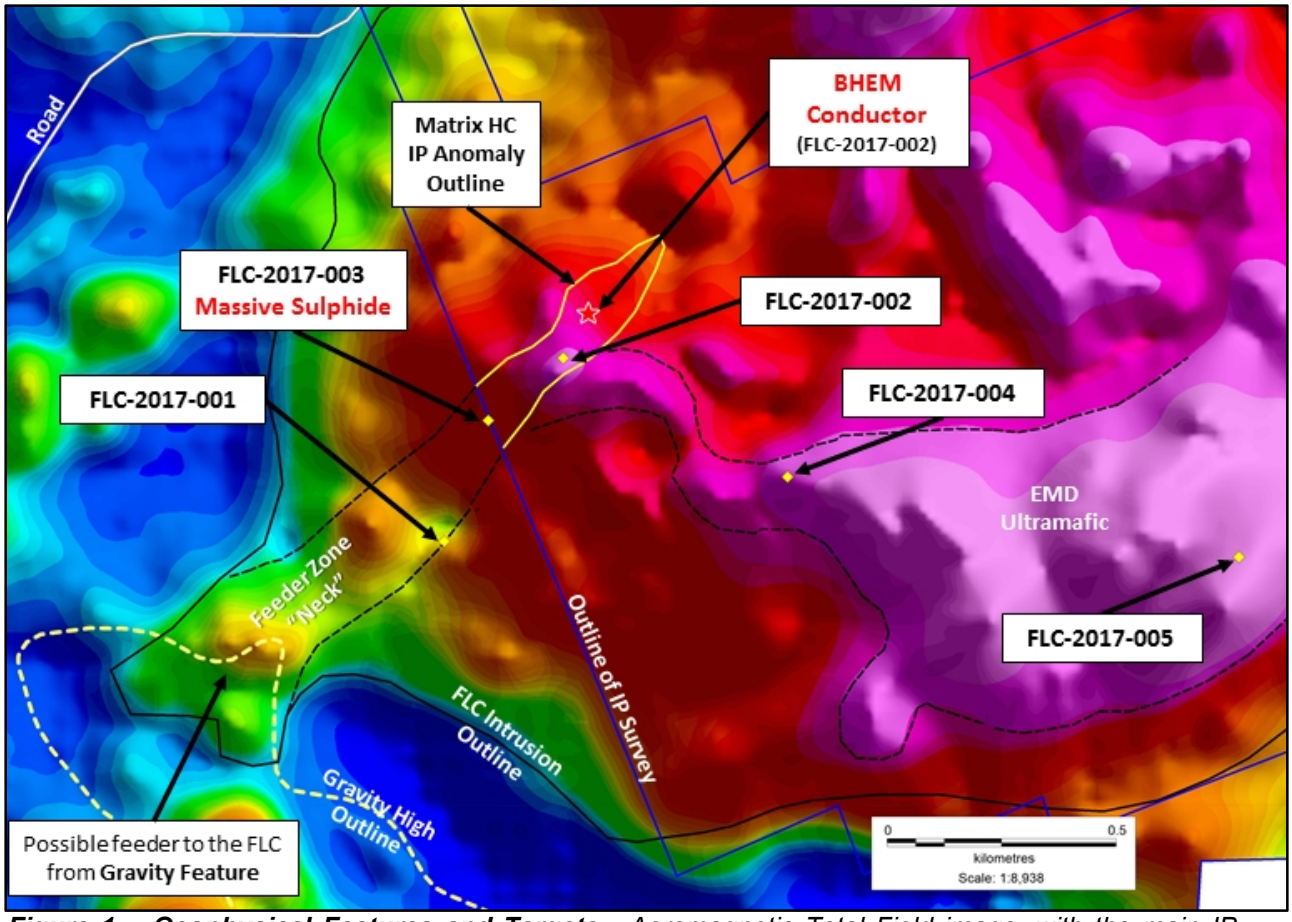

Figure 1 – Geophysical Features and Targets. *Aeromagnetic Total Field image, with the main IP anomaly (Matrix HC IP), IP Survey outline and drill hole locations (FLC-2017-*). A gravity high anomaly to the south of the FLC intrusion is believed to be the source of mantle material that feed the intrusion. The main IP anomaly trends off the IP surveyed area and is in alignment with the interpreted neck/feeder zone of the intrusion.*

Phase 1 Drill Programme Complete

Corazon has completed its phase 1 drilling programme at FLC. This programme comprised five (5) holes for approximately 1,600 metres of core drilling, testing high priority geophysical anomalies within the FLC.

An update on the status of the drilling programme was provided in the Company's ASX release dated 6th February 2017. Since that report, drill holes FLC-2017-003 and FLC-2017-005 have been completed to depths of 603 metres and 203 metres respectively.

Drill hole **FLC-2017-003** tested the main IP chargeable anomaly trend (the Matrix HCIP anomaly - Figure 1). Sulphide content throughout the hole graded from weakly disseminated to strongly disseminated, interstitial to matrix and massive style of mineralisation, dominated by pyrrhotite (iron sulphide), with chalcopyrite (copper) and pentlandite (nickel). Massive to semi-massive sulphide was intersected over four and a half (4.5) metres (388 to 392.5 metres downhole - ASX announcement 6th February, 2017) within a larger zone of approximately 25 metres of strong sulphide mineralisation.

Drill hole **FLC-2017-005** (Figure 1) was drilled some distance from the main IP target, testing a coincident IP/magnetic anomaly within the Eastern Magnetic Domain on the southern side of the FLC. This hole was drilled to a depth of 203 metres and has not identified the source of the IP anomaly (which the Company believes to be deeper). The lithologies intersected include magnetite bearing gabbros, explaining the makeup of the Eastern Magnetic Zone within the FLC. The IP anomalies within this part of the FLC remain prospective, however they have a lower order of priority compared with the Matrix HCIP trend.

Next Steps

With the completion of Corazon's initial phase of drilling at the FLC, the Company is now undertaking planning and targeting for Phase 2 Drilling, which is expected to commence later this month. Further detail on drill targets will be provided in due course.

First assay results from Phase 1 Drilling are expected to be available later this month and all assay results are on track to be received by the end of March 2017.

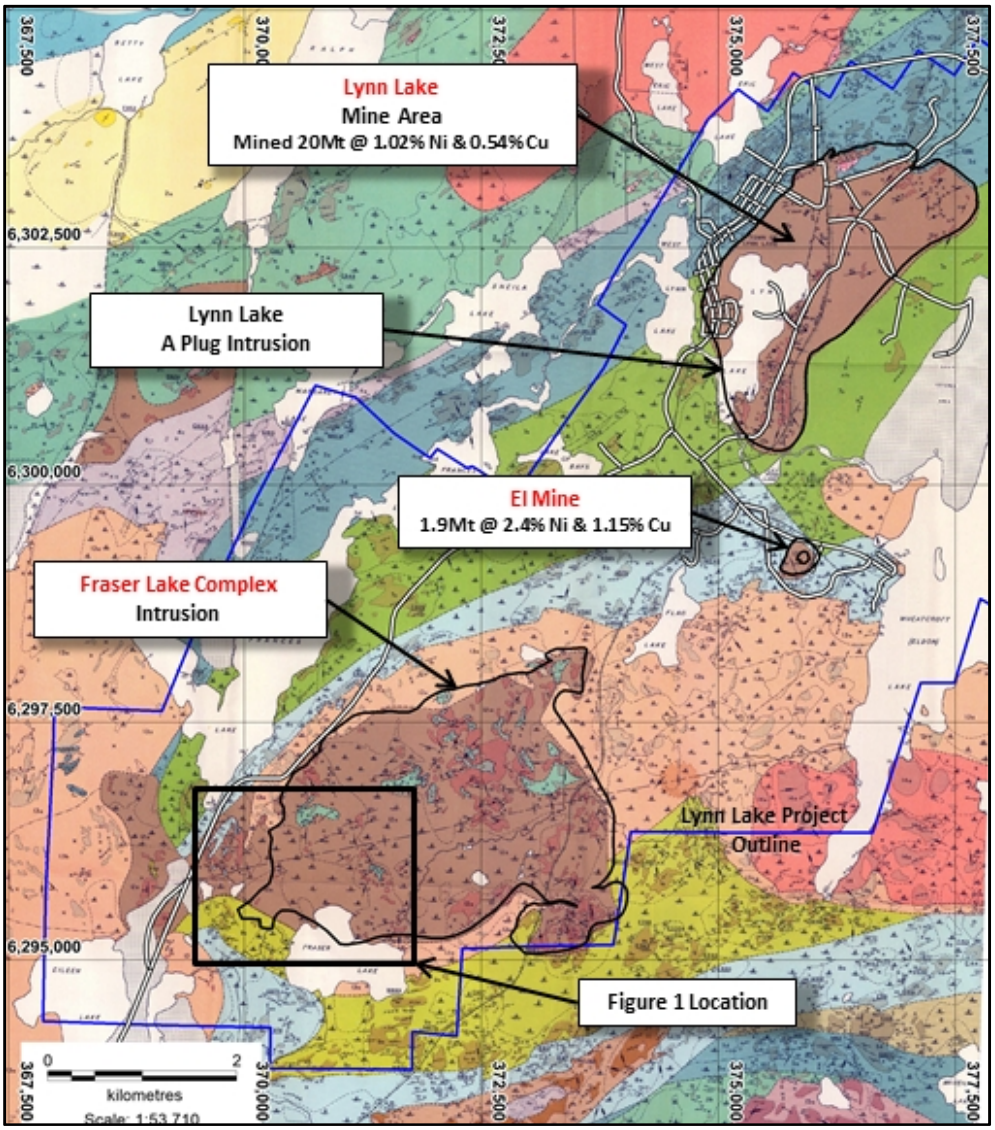

Figure 2 – Project Location and Geology. *Interpreted Geology – Emslie, R.R. and Moore, J.M. 1961. Manitoba Mines Branch, Publication 57-4. Datum UTM Zone 14 (NAD83). Lynn Lake is considered an historically significant nickel mine and remains the fourth largest nickel producing districts in Canada, despite the mine closing in 1976. The Fraser Lake Complex is twice as large as Lynn Lake and in many facets is geologically identical to Lynn Lake.*

END.

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 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 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.

Canadian geologist Dr Larry Hulbert has been engaged by Corazon to manage the collation of past exploration information and the definition of new targets at Lynn Lake. Dr Hulbert has extensive knowledge of the Lynn Lake district and over 40 years' experience in Ni-Cu-PGM exploration and research. Dr Hulbert is one of North America's foremost experts on magmatic sulphide deposits and would 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. Hulbert has authored numerous professional papers, was the recipient of the Barlow Medal from CIM in 1993, a Robinson Distinguished Lecturer for the Geological and Mineralogical Association of Canada for 2001-2002, and in 2003 received the Earth Sciences Sector Merit Award from Natural Resources Canada.

This announcement tables results of a downhole electromagnetic (DHEM) survey completed by Discovery Int'l Geophysics Inc, ("Discovery") based in Saskatchewan, Canada. Discovery are an accredited geophysical consultancy with extensive experience in this form of geophysical technique targeting this style of mineralisation.

The results of the BHEM survey have been audited and interpreted by the Company's consultant geophysicist and 'expert', Martin St. Pierre (P. Geophysicist) from St Pierre Geoconsultant Inc., based in British Colombia, Canada.

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.

Table 1: Checklist of Assessment and Reporting Criteria

13th February, 2017

Core Drilling and Downhole EM - Fraser Lake Complex - Lynn Lake Project, Canada.

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	**Drill Core Sampling** Half core is sampled on the basis of geology. Minimum interval 200mm, maximum interval sampled is 1.5m. The drill core is cut using an industry standard core saw. Individual samples are collected in labelled calico bags. Sample weights are typically between 2kg and 5kg. To date, no assay results have been received. **Downhole Electromagnetic Survey** Details of and techniques are presented within this report in the section titled "Other Substantive Exploration Data".
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	NQ drill core is being undertaken by Vital Drilling Services using an Atlas Capco CS 1000. Rod lengths are 3m (NM – Atlas Capco), with core run lengths also of 3m. Depth capacity of this drill rig is approximately 700 metres.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	Recovery of the core drilling is excellent (+99%).

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Core Drilling and Downhole EM - Fraser Lake Complex - Lynn Lake Project, Canada.

Criteria	JORC Code explanation	Commentary
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	Core is geologically logged and tested for magnetic susceptibility & conductivity. A hand-held XRF (Niton) is used for the purposes of assisting with mineral identification and metal content.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	Drill core is cut and typically half core is taken as a sample for analysis. Quality control measures include core duplicates (1/4 core), CANMET certified reference materials (standards) and silica blanks. Samples are transported to TSL Laboratories in Saskatoon for sample preparation, including total sample crushing and pulverising to 80% passing 75 microns. Sample analysis is completed by ACME Laboratories in Vancouver. Sample security is overseen by Aurora Geosciences personnel until shipment from site to the Laboratory. Shipment and transport is overseen by Corazon's Lynn Lake site manager.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	Once sample preparation was completed by TSL Laboratories, they are transported to ACME Laboratories in Vancouver for analysis. A multi-element analysis is completed using ICP-MS with a 4 acid digest (30 gram samples). A total of 37 elements are tested for (ACME method code AQ525). Both TSL and ACME are accredited Canadian laboratories. To date, no assay results have been received.

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13th February, 2017

Core Drilling and Downhole EM - Fraser Lake Complex - Lynn Lake Project, Canada.

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	Drilling is being managed by experienced geological personnel from Aurora Geosciences and overseen by Corazon's consultant and nickel sulphide expert Dr Larry Hulbert. To date, no assay results have been received.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	Drill holes were positioned using a hand-held Trimble GEOXH GPS and Reflex Northfinder APS. The survey data is recorded in real-world grid system NAD 83 Zone 14.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	Drill holes are widely space and targeted at individual geophysical anomalies. This exploration is reconnaissance in nature and as such will not result in the immediate definition of a mineral resource estimation.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	Drill holes are widely space and targeted at individual geophysical anomalies. Azimuths and dips are variable, dependent on the targets being tested. No bias for the sampling has been established.
Sample security	• *The measures taken to ensure sample security.*	Sample security is overseen by Aurora Geosciences personnel until shipment to the Laboratory. Individual samples are collected in calico bags, before being bundled together into sealed in large PVC bags and sealed with security tags for transport to the laboratory. Shipment and transport of the samples to TSL Laboratories is overseen by

Criteria	JORC Code explanation	Commentary
		Corazon's Lynn Lake site manager.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	To date, no assay results have been received. As such no audits or reviews have been conducted.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	The Fraser Lake Complex (FLC) is predominantly covered in an agreement between Mr Peter Dunlop and Corazon Mining Limited whereby Corazon has the option to acquire 100% of the project by meeting certain conditions. This agreement was originally announced within a Company ASX announcement dated 18 May 2010, with the most recent amendments to this agreement presented in a Company ASX announcement dated 29 July 2015. The tenure includes multiple Mineral Claims as defined by the Provincial Government of Manitoba. All claims are currently in good standing. Corazon Mining works closely with First Nation groups and several government organizations responsible for mining and the environment. Work Permits are currently in place for the FLC and covers activities such as ground geophysics and land-based drilling.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	Where exploration has been completed by other parties, those parties have been referenced in this document or within previous ASX announcements by the Company. In particular refer to CZN ASX announcement dated 11 April 2016.
Geology	• *Deposit type, geological setting and style of mineralisation.*	Magmatic nickel-copper-cobalt sulphide deposits associated within mafic/ultramafic intrusive rock (gabbro related). Volcanogenic massive sulphide (VMS) deposits. Zinc dominant +/- lead, copper, silver and gold.

Table 1: Checklist of Assessment and Reporting Criteria

13th February, 2017

Core Drilling and Downhole EM - Fraser Lake Complex - Lynn Lake Project, Canada.

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td>Drill hole Information</td><td>

A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:

easting and northing of the drill hole collar
elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar
dip and azimuth of the hole
down hole length and interception depth
hole length.

If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.

</td><td>Drill Hole Survey Data
<table>
<tr><th>Hole ID</th><th>East</th><th>North</th><th>RL</th><th>Dip</th><th>Azim</th><th>Depth (m)</th></tr>
<tr><td>FLC-2017-01</td><td>370646</td><td>6295799</td><td>354</td><td>-60</td><td>020</td><td>83</td></tr>
<tr><td>FLC-2017-02</td><td>370915</td><td>6296179</td><td>359</td><td>-86</td><td>334</td><td>605</td></tr>
<tr><td>FLC-2017-03</td><td>370735</td><td>6296079</td><td>348</td><td>-87</td><td>334</td><td>603</td></tr>
<tr><td>FLC-2017-04</td><td>371423</td><td>6295986</td><td>351</td><td>-86</td><td>156</td><td>107</td></tr>
<tr><td>FLC-2017-05</td><td>372382</td><td>6295787</td><td>362</td><td>-86</td><td>156</td><td>203</td></tr>
</table>
Survey data presented in real-world grid system NAD 83 Zone 14</td></tr>
<tr><td>Data aggregation methods</td><td>

In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.
Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.
The assumptions used for any reporting of metal equivalent values should be clearly stated.

</td><td>No data aggregation has been reported in this announcement.</td></tr>
<tr><td>Relationship between mineralisation widths and intercept lengths</td><td>

These relationships are particularly important in the reporting of Exploration Results.
If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.
If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg ‘down hole length, true width not known’).

</td><td>Typical Lynn Lake Ni-Cu-Co Magmatic Sulphide Deposits

Known nickel-copper-cobalt magmatic sulphide deposits in the Lynn Lake Mining Centre are typically “pipe-like” in form, averaging between 80m and 120m in strike, 30m to 60m in width and with vertical extents of 100’s of metres. The historically mined deposits in the Lynn Lake area have been developed to a maximum depth of approximately 1,100 metres.

Multiple sulphide pipe-like deposits have been identified and mined in the Lynn Lake area.</td></tr>
</table>

Table 1: Checklist of Assessment and Reporting Criteria

13th February, 2017

Core Drilling and Downhole EM - Fraser Lake Complex - Lynn Lake Project, Canada.

Criteria	JORC Code explanation	Commentary
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Appropriate diagrams have been included in the announcement.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	This report tables early findings with respect to core drilling currently being undertake within the FLC at Lynn Lake.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	The announcement contains results of current and past exploration programs including surface sampling, drilling, geophysics and geological mapping. Information regarding this work has been referenced in this document or within previous ASX announcements by the Company. **Downhole Electromagnetic Survey** This announcement tables results of an BHEM survey completed on drilling reported within. This work was completed by Discovery Int'l Geophysics Inc, based in Saskatchewan, Canada. Discovery are an accredited geophysical consultancy with extensive experience in this form of geophysical technique targeting this style of mineralisation. The results of the BHEM survey have been audited and interpreted by the Company's consultant geophysicist and 'expert', Martin St. Pierre (P. Geophysicist) from St Pierre Geoconsultant Inc., based in British Colombia, Canada. Downhole EM (DHEM) has been completed on the FLC drilling utilizing EMIT's Digiatlantis B-Field BHTEM system. The Atlantis is a unique 3-component borehole tool for the low-noise measurement of magnetic (B) fields in TEM, MMR and other electrical geophysical surveys or geomagnetic applications. DHEM surveys completed consisted of an in-hole loop (LoopA) and an out-hole loop (LoopB).

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Core Drilling and Downhole EM - Fraser Lake Complex - Lynn Lake Project, Canada.

Criteria	JORC Code explanation	Commentary
		Geophysical equipment consisted of an EMIT DigiAtlantis 3D simultaneous B-Field BHTEM system; a Geonics BH43-3D dB/dt sequential system, Monex Geoscope TerraTx-50 Transmitter, Geonics EM-57/67 4.5kW TEM transmitter, portable generators; down-hole running gear and wire-loops. Two loops are used per drill hole with transmitter current of 25 to 40 Amps. The loops have been designed to test the full depth of the drill holes (approximately) and utilize existing cut lines (completed for the IP geophysical survey).
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Results of the BHEM completed will be used to target additional drilling within the FLC prospect. Assay results from drilling completed at the FLC are expected prior to the end of March, 2017. Extension of the IP geophysics coverage further to the west, covering the interpreted feeder-zone (neck) of the FLC intrusion, is proposed. Due to access issues, this work will need to be completed this winter.