

NEXT PHASE OF DRILLING TO COMMENCE AT FRASER LAKE COMPLEX

- **Drilling at Lynn Lake expected to commence first week of March, 2017.**
 - **Initial drill target - strong conductor identified by downhole EM survey.**
 - **Other drill targets - strong IP/magnetic anomalies within interpreted feeder-zone:**
 - Includes re-interpreted target for the area where massive sulphides were intersected in CZN's previous drilling programme.
 - **Additional priority drill targets currently being generated:**
 - Detailed ground magnetic geophysics completed over main IP anomaly and feeder zone;
 - Ground IP geophysics underway to test extensions to main target, over prospective feeder zone.
 - **Initial results from Phase 1 Drilling expected soon.**
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Corazon Mining Limited (ASX: CZN) ("Corazon" or "the Company") is pleased to provide an update on activities at its Lynn Lake Nickel-Copper-Cobalt Project in Canada.

Preparations are well underway for the recommencement of drilling at the Fraser Lake Complex (FLC) within the Lynn Lake project area. Personnel are expected to arrive on site the week commencing Monday 6th of March, and drilling is expected to commence almost immediately.

This next phase of drilling will initially target a very strong conductor identified by a downhole electromagnetic (DHEM) survey, as well as other priority targets identified as strong induced polarisation (IP)/magnetic anomalies. The drill targeting and refining process is currently on-going.

Refining Drill Targets

Drilling by Corazon earlier this year identified extensive magmatic nickel-copper sulphide mineralisation associated with a large IP anomaly (Matrix HC IP Anomaly – Figure 1). Two holes (FLC-2017-002 and -003) targeted coincident IP/magnetic anomalies within this trend. The Company believes that while the results from the drilling were extremely encouraging, neither drill hole has intersected mineralisation that would explain the strength of the geophysical anomalies.

Geological modelling and DHEM surveys from the Company's recently completed drilling at the FLC has allowed for the reinterpretation and refinement of the IP and targeting process.

Initial Drill Targets

- The initial target is a very strong conductor (10,000 siemens) identified by a DHEM survey on drill hole FLC-2017-002, which was completed last month (ASX announcement 13 February 2017). This target is coincident with a strong IP chargeable anomaly over a strike of at least 150 metres, situated approximately 350 meters below surface. The geophysical characteristics of this anomaly are indicative of massive sulphide.

- An additional priority target is associated with the sulphides intersected within hole FLC-2017-003. The small zone of semi-massive and massive sulphides intersected in this hole are thought to be part of a larger system. The existence of these sulphides underpins the potential for the processes that created the extensive sulphide mineralisation within the Matrix Trend, to 'make' higher-grade massive sulphide. The geophysics for this area have been re-interpreted, and at least two priority targets have been identified.

Refining of the drill hole targeting process is on-going. Currently two ground geophysical surveys are underway, including IP and magnetics. The combination of IP and magnetic geophysical methods have proven to be a highly effective means of identifying typical Lynn Lake magmatic sulphide mineralisation. This exploration is expected to identify additional priority drill targets.

Detailed ground magnetics has been completed over the Matrix HC IP Trend and the interpreted feed-zone for the FLC. Magnetics is critical for the differentiation of the magnetic Lynn Lake style of mineralisation from the "barren-uneconomic" sulphide-rich xenoliths caught up in the intrusion. To date, aeromagnetic data has been used to refine drill targets. The ground survey will provide a much more detailed and precise dataset.

IP is a critical geophysical method and is responsible for identifying sulphide mineralisation within the Lynn Lake district. The Company's previous survey completed at the FLC only covers about 600 metres of strike of the prospective Matrix Trend. Work is underway to extend the survey for at least another 1 kilometre to the southwest, covering the interpreted feeder zone of the FLC.

Ground EM Ineffective

Ground electromagnetic (EM) geophysical surveys have been completed over the strong sulphide intersected in drill hole FLC-2017-003 and the off-hole DHEM conductor identified from hole FLC-2017-002. Neither survey identified conductors and the Company believes that the abundant, barren, sulphide-rich xenoliths at surface are too conductive for ground EM to be effective.

These barren sulphide bodies have proven to be a distraction for past explorers of the FLC. DHEM is considered effective because measurements are taken below surface, well away from the barren conductors. Similarly, IP is effective, because the station spacing used in the surveys have facilitated 'seeing' beneath surficial barren sulphide rich bodies.

Drilling Results

First assay results from Phase 1 Drilling are expected to be available very soon; all assay results are on track to be received by the end of March 2017.

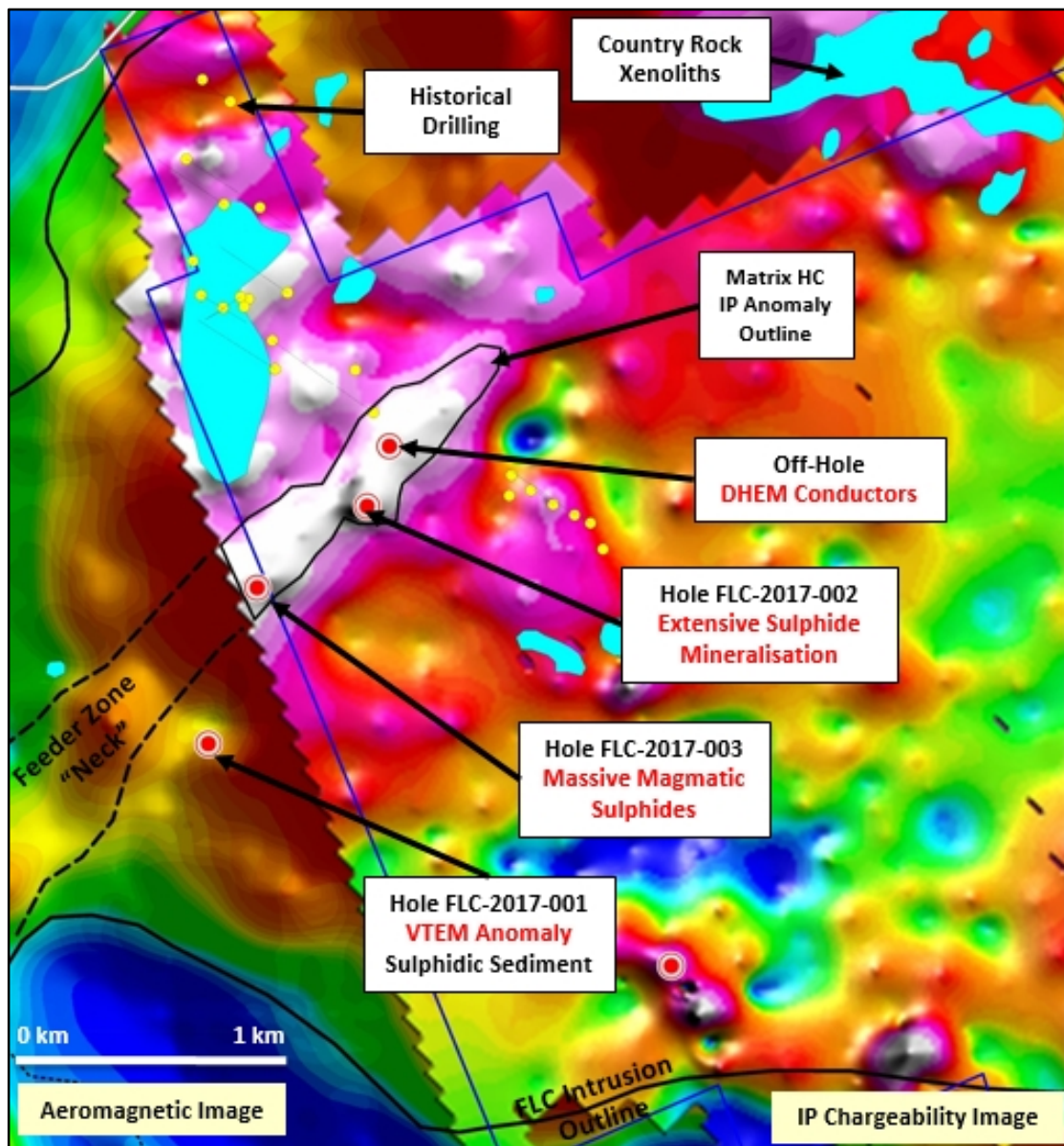


Figure 1 – Geophysical Features and Targets. Aeromagnetic Total Field image overlain by Gradient Array IP Chargeability image, with the main IP anomaly (Matrix HC IP), IP Survey outline, historical drill hole and current drill hole locations (FLC-2017-*). A gravity high anomaly to the south of the FLC 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.

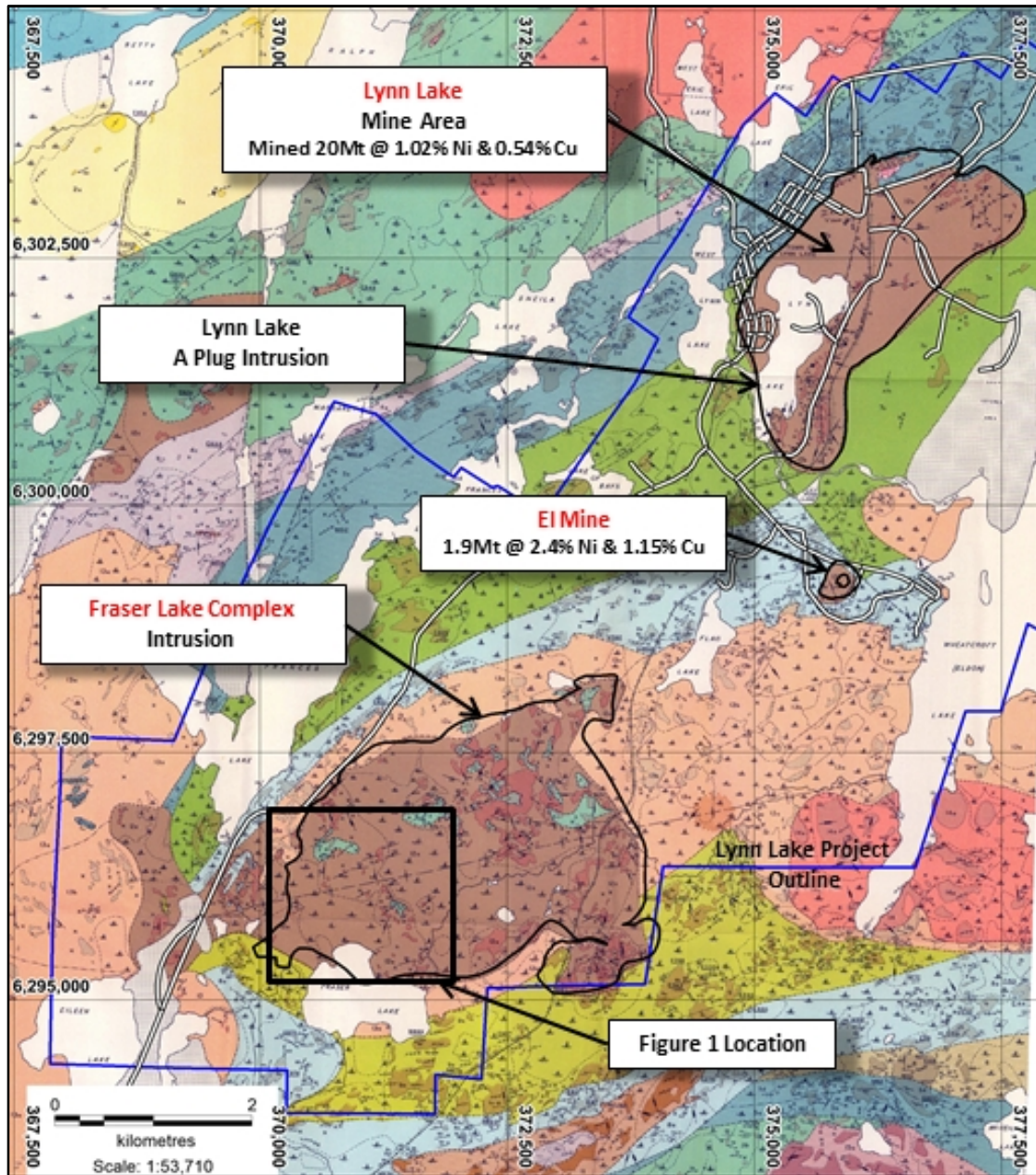


Figure 2 – Project Location and Geology. Interpreted Geology – Emslie, R.R. and Moore, J.M. 1961. Manitoba Mines Branch, Publication 57-4. Datum UTM Zone 14 (NAD83). Lynn Lake is considered an historically significant nickel mine and remains the fourth largest nickel producing districts in Canada, despite 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.

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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 Columbia, 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.