CORAZON MINING LIMITED

MAJOR RESOURCE UPGRADE FOR LYNN LAKE NICKEL SULPHIDE PROJECT

First inclusion of Cobalt and a 35% increase in Nickel & Copper metal

- **New, upgraded JORC Mineral Resource Estimate for the Lynn Lake Nickel-Copper-Cobalt Project (Canada) of;**
  - **15.3Mt @ 0.72% Ni, 0.34% Cu, 0.034% Co (Indicated & Inferred, 0.5%Ni cut-off)**
  - **Total contained metal of 110,300t Ni, 51,400t Cu, 5,200t Co**
- **New Resource Estimate represents more than a 60% increase in total tonnes and a 35% improvement in nickel and copper metal from previous 2015 Resource Estimate**
- **Cobalt included in Lynn Lake Resource Estimate for the first time, adding significant value**
- **Includes an internal high-grade Resource Estimate of;**
  - **5.2Mt @ 1.00% Ni, 0.41% Cu, 0.044% Co (Indicated & Inferred, 0.7%Ni cut-off)**
- **Resource upgrade from only five deposits at the Lynn Lake Project – 11 other deposits yet to be assessed, providing significant further Resource upgrade potential**
- **New Resource plus positive results from ongoing metallurgical work expected to deliver major benefits to mining and development studies – planned to be completed early 2019**

Corazon Mining Limited (ASX: CZN) (**Corazon** or **Company**) is pleased to announce its new, upgraded Mineral Resource Estimate (**Resource Estimate**) for the Lynn Lake Nickel-Copper-Cobalt Sulphide Project (**Lynn Lake** or **Mining Centre**) in Canada.

Lynn Lake was **mined for 24 years before closure in 1976** and remains one of Canada's most prolific nickel sulphide mining centres. The newly upgrade Resource incorporates the EL, N, O and P deposits, as well as the recently discovered Disco deposit.

The Resource Estimate includes:

- **15.3Mt @ 0.72% Ni, 0.34% Cu, 0.034% Co** (Indicated and Inferred, at a 0.5%Ni cut-off), for total contained metal of 110,400t Ni, 51,400t Cu, 5,200t Co
- The upgraded Resource also includes a high-grade Resource Estimate of **5.2Mt @ 1.00% Ni, 0.41% Cu, 0.044% Co** (Indicated & Inferred, 0.7%Ni cut-off).

Full details of the new Resource Estimate are provided in Tables 1, 2 and 3, included within.

The new Resource Estimate represents more than a **60% increase in total tonnes and a 35% increase in nickel and copper metal,** in comparison to the previous JORC Mineral Resource Estimate of 2015

(ASX announcement, 16 April 2015). Furthermore, cobalt has been included in the new Resource Estimate (historically excluded), adding significant value.

The Mineral Resource Estimate was completed in accordance with the guidelines of the JORC Code (2012 edition). The estimation is of a very high quality and is well supported by drilling and historical mining data. It is anticipated that very little additional verification drilling and sampling will be required to upgrade the majority of the defined tonnages in the Resource to the higher Measured JORC category.

This resource provides an excellent foundation upon which to base mining and development studies. These studies are expected to be undertaken subsequent to detailed metallurgical testwork, which is currently in progress and scheduled for completion by the end of this year.

Managing Director, Mr. Brett Smith stated; "*this Resource represents a huge improvement in quality from the previous work and, along with the first modern metallurgical testwork which is currently underway, will give us a very clear indication of Lynn Lake's value and what is needed for the re-development of the Mining Centre*."

Lynn Lake Mining Centre – New Mineral Resource Estimation

Corazon engaged independent resource consultants HGMC to provide a new Mineral Resource estimation for several deposits within the Lynn Lake Mining Centre. This estimation is summarised in Table 1, below, with further details provided in Tables 2 and 3, appended to this announcement.

JORC Category	Base Cut Ni %	Tonnes	Ni %	Cu %	Co %	Tonnes		
						Ni	Cu	Co
Indicated	0.5	12,899,000	0.7	0.33	0.034	89,700	42,900	4,400
Inferred	0.5	2,403,000	0.86	0.35	0.034	20,600	8,500	800
Total	**0.5**	**15,302,000**	**0.72**	**0.34**	**0.034**	**110,300**	**51,400**	**5,200**

JORC Category	Base Cut Ni%	Tonnes	Ni %	Cu %	Co %	Tonnes		
						Ni	Cu	Co
Indicated	0.7	4,280,000	0.93	0.4	0.044	39,800	16,900	1,900
Inferred	0.7	903,000	1.33	0.47	0.043	12,100	4,300	400
Total	**0.7**	**5,183,000**	**1.00**	**0.41**	**0.044**	**51,900**	**21,200**	**2,300**

Table 1: Lynn Lake Indicated and Inferred Mineral Resource Estimate – October 2018

The estimation has focused on the EL, N, O, P and Disco deposits (Figures 1 to 3) within the Mining Centre. Table 2 presents a breakdown of the Resource Estimate on a deposit basis. The EL, N, O and P deposits are proximal to each other, located in the southern part of the mine area, and have been subjected to historical mining and development. The Disco deposit was discovered in 2008, well after mine closure in 1976.

Lynn Lake hosts an additional 11 deposits, as well as numerous occurrences of drill-defined mineralisation, that have yet to be considered for resource studies. These areas support the potential for further upgrades to Lynn Lakes Mineral Resource.

The Lynn Lake deposits provide the opportunity for mining using large tonnage, low cost methods. The historical mined grades at the A Plug were approximately 0.86% Ni and 0.44% Cu; with the higher-grade EL Plug being mined at 2.50% Ni and 1.15% Cu. The new Resource Estimate grades are consistent with this tenor of mineralisation.

Lynn Lake Mining Centre – Metallurgical Testwork Underway

The commencement of metallurgical testwork for the Lynn Lake mineralisation represents an important step in Corazon's development pathway for Lynn Lake.

The processing technology previously used at Lynn Lake for the extraction of nickel, copper and cobalt metals was developed in the 1950's and 1960's, and detailed testwork has not been completed on Lynn Lake mineralisation since mine closure.

Modern advances in processing technologies are expected to provide substantial benefits with respect to metal recoveries and product quality, which may in turn deliver significant reductions in both operating and capital costs associated with any future development of Lynn Lake.

Testwork will focus on ore characterisation, flotation and product definition for down-stream processing and is designed to provide key data for future mining and development studies for the possible re-commencement of mining at Lynn Lake. The study is being managed by internationally recognised metallurgical consultants, METS Engineering, and is expected to be completed over approximately three to four months. Milestone results will be released to the market as they become available.

About Corazon

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

In Canada, Corazon has pulled together the entire historical Lynn Lake Nickel Copper Cobalt Mining Centre within the province of Manitoba. It is the first time this project has been under the control of one company since mine closure in 1976.

Lynn Lake presents Corazon with a major development opportunity that is becoming increasingly prospective as a result of recent increases in the value of both nickel and cobalt metals.

In Australia, Corazon has recently acquired the Mt Gilmore Cobalt Copper Gold Sulphide Project located in New South Wales. The Mt Gilmore Project hosts the Cobalt Ridge Deposit, which is a unique high-grade cobalt-dominant sulphide deposit.

Mt Gilmore is a newly recognised, regionally substantive hydrothermal system with extensive cobalt, copper and gold anomalism. The Company has recently completed definition drilling at the Cobalt Ridge deposit and is currently identifying new areas prospective for additional Cobalt Ridge lookalike deposits.

Both Lynn Lake and Mt Gilmore place Corazon in a great position to take advantage of the growing demand for commodities critically required for the booming rechargeable battery sector.

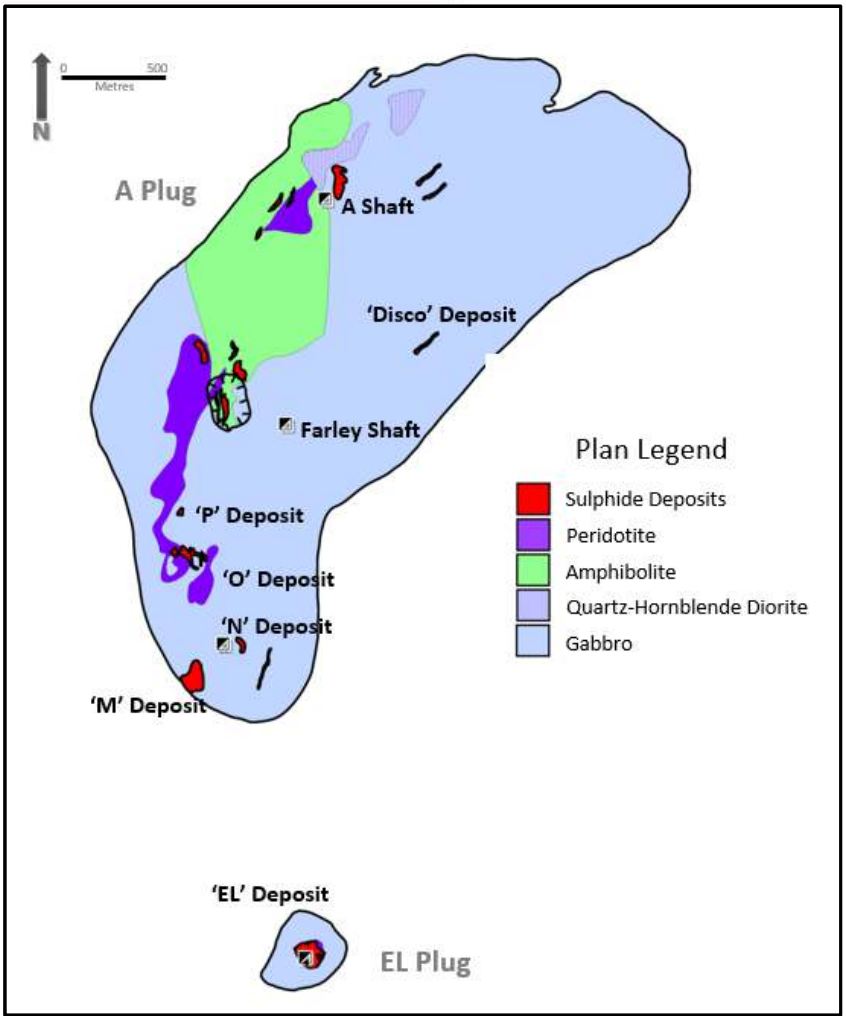

Figure 1: Plan - Geological Interpretation of A Plug and EL Plug

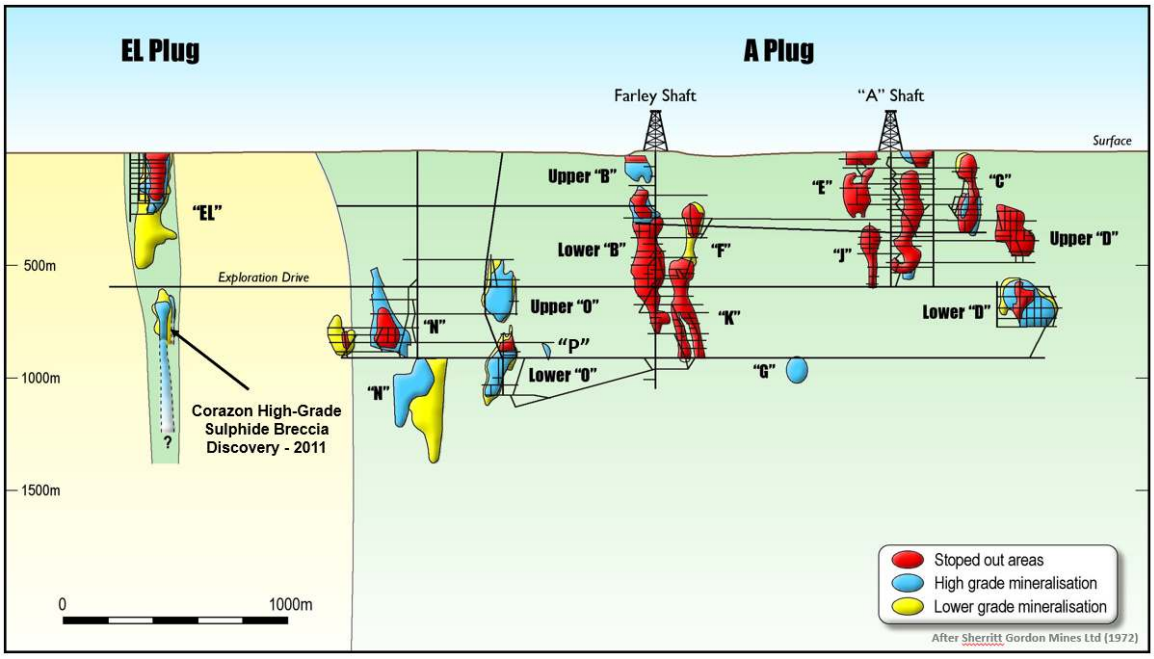

Figure 2: Section - Geological Interpretation of A Plug and EL Plug with Historical Workings (After Sherritt Gordon Mines Ltd – 1972)

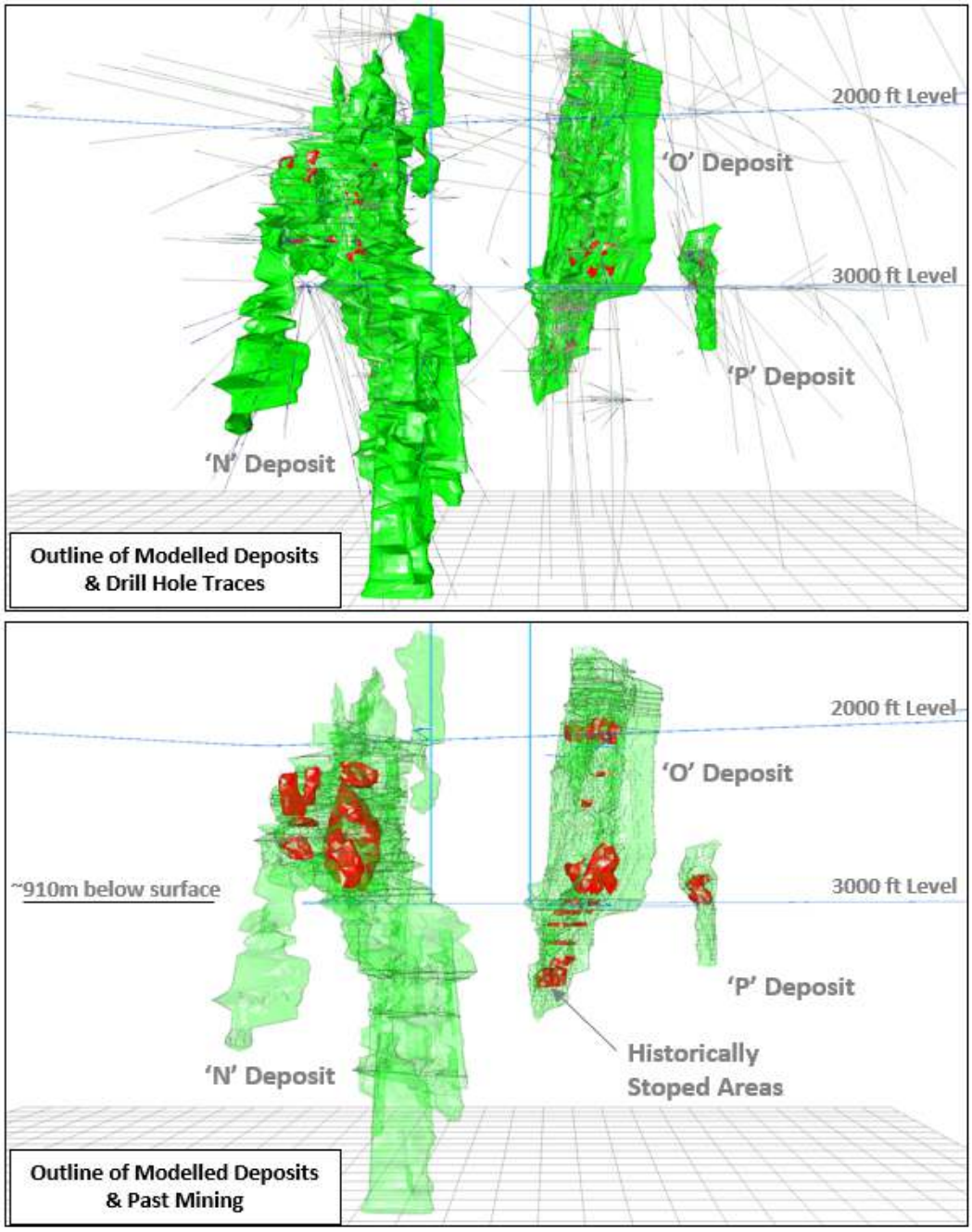

Figure 3: 3D View – N, O and P Deposit Outlines - with Historical Workings and Drilling

Summary of Additional Information Required in Accordance with ASX Listing Rule 5.8.1

Geology and Geological Interpretation

The geological interpretations utilised for the new resource estimates were based on well-established geological models of ore genesis, geological history and structural deformation which has been described in general project reporting, including a thorough detailed report produced by government geologist Pinsent (1980), plus various academic papers. These geological models were developed and continuously improved upon during exploration and mining throughout the 1960s and 1970s. The models and mineralisation interpretation work assisted in the successful mining of some the deposits over a +30 year period. Subsequent research has generally upheld the integrity of the models. HGMC has used this modelling as the underlying basis to develop updated 3D mineralisation models used for current resource estimation and reporting.

The nickel-copper-cobalt deposits of Lynn Lake are concentrations of sulphides occurring within two intrusive plugs of mafic to ultramafic igneous rocks, derived from a large intermediate to ultramafic igneous pluton that has been intruded into metavolcanic strata. Classification of the magmatic origins of the main rock types is of the tholeiitic affinity. The mineralisation in both the A-Plug area containing the N, O and P deposits and the El-Plug typically occur within structurally controlled vertical to subvertical pipe intrusions of remobilised peridotite and amphibolite. These pipes typically display four types of mineralisation broadly grouped as massive sulphide, disseminated sulphides, cemented breccia sulphides and stockworks of sulphide stringers.

The bulk of the mineralisation occurs in multiple discrete pipe shaped lodes, characteristically containing disseminated sulphide-bearing anhydrous norite and/or plutonic breccia mineralisation found at the pipe interface with the gabbro host rock. Most of the pipes occur within the larger A Plug complex containing the N, O and P deposits and several other economically significant pipes are identified in the EL Plug area. The pipes can be described as extensive, although the highest grade mineralisation may be localised. The sulphides, locally segregated into discrete silicate enriched mineralised fluids, either within the source magma chamber, or in transit to the plug, forming "high-grade" sulphide pipes and lenses within mineralisation pipes or within the host rock. A history of the geological events of the Lynn Lake deposits is outlined by Pinsent (1980).

Drilling Techniques

The majority of the data utilised for the new resource estimates is historic underground diamond drill data from the mining and exploration undertaken by Sherritt between 1945 and 1976. The majority of the data has been manually input from the original paper copies. A total of 390 drill holes from the EL-Plug area, 3,434 underground drill-holes for the combined N, O and P deposit area had their collar positions, surveys, assays, lithologies and other pertinent information captured. The relatively small Disco area has a total of 106 drill holes available within the newly developed resource model area.

Corazon has undertaken a series of diamond drill programs into the EL Plug since acquiring the Lynn Lake Project in 2009. The diamond drilling was undertaken from surface using B20 skid mounted diesel/hydraulic diamond rigs contracted from Bodnar and Prospector drilling NQ2 sized wireline core.

Sampling and Sub-sampling

Sampling is understood to have been predominantly whole core or partial core and is considered representative of the material drilled. Inspection of the remaining historic ore indicates that it was all cut in half to provide assay samples, with the method used for the majority of samples being

manual cleaving of core with a hammer and chisel, which was a standard practice at the time. Due to the very large number of samples taken, the method appears to have been adequate and representative. Justification of the approach follows the observation that the sulfidic igneous rocks comprising the mineralisation are generally solid and competent (not too brittle or friable), providing a relatively clean break under sharp impact. The modern core from the Corazon drill-programs has been cut and sampled using an electric rotary diamond saw blade disc.

Details of much of the sample preparation technique of the historic diamond drill samples are not available and downstream drill sample preparation details are not well recorded.

Details of quality control (QA/QC) procedures of the historic data are not available. It is likely that only limited quality control procedures were adopted. Corazon has used modern standards and blanks to monitor sample quality.

The sample size as taken from the diamond core diameter in use at Lynn Lake is considered appropriate for the mineralisation type and style.

Sample Analysis Method

Much of the details of the nature and quality of the assaying and laboratory procedures used for the historic data are not available. During the period of mine operation it is understood that the drill sample preparation and analysis was predominantly completed on site at the Sherritt mill complex.

The small amount of recent verification drilling work by Corazon centred around the EL-Plug deposit complies with current industry best practice standards.

Details of the quality control procedures of the historic data are not available, therefore determination of the acceptable level of accuracy and precision is subject to the judgement of the Competent Person. Contingent in this assessment is the fact that a very large amount of drilling and a very large number of samples have been collected form the majority of the project areas, particularly the N, O and P deposits and also the smaller EL-Plug area.

Excellent verification of significant intersections has been obtained through the successful mining of the EL-Plug and N, O and P deposit areas, leaving little doubt that diamond drill intersections are genuine and reliable. Significant geological reports and scientific papers have been written by Sherritt Gordon Mines (previous mine operator), academic and government geologists about the deposits. Reviews of data by number of different companies including information derived from personal communication with geological consultants familiar with the Project, along with additional recently drilled confirmation drill hole data, have confirmed the reliability of sampling and assaying as it pertains to the existing established geological interpretations.

No use of twinned holes has been made in the resource estimation; however, a large amount of high density development drilling has given a high level of confidence to mineralisation geometry and grade distribution interpretations.

For the historic data, documentation of the procedures used to compile the primary logging, and sampling information followed by the entry of the analytical data are not available. Previous data verification exercises have been undertaken by previous Qualified Persons and documented in detailed NI-43-101 standard technical reports. This work included: an internal validation from the original drill hole logs and the drill hole database on 186 (5%) of the 3,709 drill holes in the total database on collar co-ordinates, end of hole depth, down-the-hole survey measurements, ‘from’ and ‘to’ depth measurements of geology and assay sampling intervals. In addition, lithological unit and nickel and copper percentages that were compiled from hand written drill logs were also reviewed. A core review was undertaken on 23 historic drill holes to confirm the historical logging and identify any discrepancies from the logging.

A 10 sample check assay program was completed on historical half split core during the 2015 site visit. The sampling was from two mineralised drill holes from the N orebody and was sent to ALS Chemex laboratory in Toronto. Overall results from this sampling showed a decrease of 13% nickel and 22% copper, comparing assay results over the same intervals from historical drill hole data.

HGMC consider that this very small sample set is not large enough to draw any firm useful conclusions. The core was oxidised which is known to have some impact on the grade of similar mineralisation similarly tested at other deposits.

No adjustments to assay data has been made in any of the current resource estimations.

Estimation Methodology

Resource estimation was carried out based on the main analytical elements Nickel (Ni%) and Copper (Cu%) and included parallel regression calculation estimation for a Cobalt (Cu%) item. The new resource estimation was based on a new series of block models constructed by HGMC for the EL-Plug, Disco, N, O and P deposit areas.

The new modelling work for the N, O and P areas was based on earlier resource estimation work carried out by independent consultants (Wardrop) undertook a comprehensive block modelling and mineral resource estimation study of the N, O and G Zones of the Lynn Lake Project in 2005, which was documented in an NI 43-101 report (Carter 2005). This mineral resource formed the basis of the 2009 estimate by Wardrop (McCracken 2010) which re-reported the majority of the Carter report. No additional drilling was added for this estimate, which probably used exactly the same modelling methodology, software and input data.

No previous modelling or resource estimation work has been carried out on the Disco area. The EL-Plug area was most recently modelled in 2015 by Ravensgate and has now been revisited by HGMC. This was considered necessary as a major survey grid update program was carried out by Corazon in late 2017 which consolidated drilling data-set available for the EL-Plug deposit and the Lynn Lake Project generally.

For statistical analysis HGMC composited the drill hole assay data for each deposit area into uniform 2 metre composite lengths for consistency. [This compares to the 3.04 metre (10 feet) down hole lengths for example used by Wardrop previously for the N and O deposits]. Summary tables of the composite statistics for each of the five areas were interrogated top review overall population distribution. Assays and resulting composites below the detection limit, identified as "SNR" or "Not Sampled" in the drill hole database were recorded as 'null' grades values of "-1" in the composited dataset in each deposit database. A few assays recorded as trace were assigned where necessary a grade of 0.0% for Ni and Cu.

Histograms and probability plots were also generated to provide a comparison of composite grades within the various Area sub-domains within each interpreted deposit area mineralisation wire-frame solids. Some obvious inflections are evident in many probability plots, indicating data probably contains a number of grade populations, and also indicates that, due to minor wire-frame construction precision difficulties, a small proportion of low-grade composites (and mineralisation) is captured within the wireframes. All of these histogram and probability plots were viewed by HGMC and were found to support the geological interpretation. The general lack of extreme outliers meant that heavy grade cutting or limiting was not warranted.

Further semi-variogram based spatial distribution analysis of nickel and copper were used to determine parameters for geostatistical grade interpolation parameters into the block model. Resource modelling and variography was undertaken using MineSight software and was completed for the main Ni and Cu reporting grade items in the EL-Plug, Disco and the N, O and P areas. Downhole variograms were used to determine the short range local nugget and sill values for each zone and longer range 'between-hole' variograms were preliminary modelled to assess appropriate distances that may be applied to interpolation search ellipsoids.

Grade interpolation was completed using the ordinary kriging estimation method. Ordinary kriging was considered geostatistically appropriate for carrying out grade estimation given the overall the spatial distribution characteristics and the low coefficient of variation observations. Ordinary Kriging is a commonly used interpolation technique for base metal deposits such as the ones under consideration at the Project area.

The interpolation process was carried out using a primary search and a secondary search ellipsoid in one calculation pass for each defined sub-area of the mineralisation domains and were adjusted for mineralisation zone orientation. Typical search ellipsoid dimensions used for each of the deposit areas was as follows: 100 metres (X) x 50 metres (Y) x 50 metres (Z). Anisotropic weighting using the designated local search ellipsoids was applied to all interpolation

Resource Classification

The Resource model uses a classification scheme at EL-Plug, Disco and the N, O and P Areas used the same standard approach and was based upon additional block model estimation parameters. These included Kriging Variance, number of composites in search ellipsoid, and the composite distance to block centroid. These inputs were used to derive relative confidence levels or 'quality of estimate index' (QLTY item) within the block model) which has a range of 1 to 3, where QLTY = 1, 2 or 3 represents high, medium or low confidence respectively.

QLTY=1

- Drill spacing of 15 metres x 20 metres or less.
- Composites – Ni item parameters only used as basis for classification.
- Search ellipsoid distances 0-20m.
- Composite numbers 15 or greater.
- Kriging Variance 0 - 0.4. (EL-Plug), 0 - 0.01 (Disco) and 0 - 0.025 (N, O, & P Zones).

QLTY=2

- Drill spacing of nominally 20 metres x 40 metres to 40 metres x 40 metres (depending on deposit and variography results).
- Composites – Ni item parameters only used as basis for classification.
- Search ellipsoid distances 20 metres -50 metres .
- Composite numbers 10-15.
- Kriging Variance 0.4-0.6 (EL-Plug), 0.01 - 0.015 (Disco) and 0.025-0.05 (N, O, & P Zones).

QLTY=3

- Drill spacing out to or greater than 80 metres x 80 metres (depending on deposit and variography results).
- Composites – Ni item parameters only used as basis for classification.
- Search ellipsoid distances 50 metres -100 metres or greater distances.
- Composite numbers 0 to 10.
- Kriging Variance 0.6 or greater (EL-Plug), 0.015 or greater (Disco) and 0.05 or greater (N, O, & P Zones).

The QLTY item parameter values have been further 'condensed' into an RCAT assignment item describing the confidence of the localized resource base in the block model. Preliminary Resource Classification Item coding was carried out as – (RCAT) Values 1-3 – (Nominally 'Measured', 'Indicated' and 'Inferred' [1, 2 or 3]. For EL-Plug the QLTY=1 and QLTY=2 material is designated as Indicated Resources (RCAT=2) with the remaining QLTY = 3 material reporting as Inferred Resources. (RCAT=3).

At the Disco Zone all material has been designated as an Inferred Resource owing to the relatively low drilling and sampling density present.

At the N, O and P areas all QLTY=1 and QLTY=2 material was designated Indicated Resources (RCAT=2) with the remaining QLTY = 3 material being designated as Inferred Resources. (RCAT=3).

Cut-off Grade

For EL-Plug, Disco, N, O and P Areas the three-dimensional wireframe models of mineralisation were based on a nominal Nickel lower cut-off of 0.2-0.3% Ni. HGMC has used a default 0.5% Ni lower cut-off for reporting Mineral Resources from the final block models. Additional resource tables are also presented using a 0.7% lower cut-off level to reflect likely future appropriate underground economic cut-off levels. The estimated contained cobalt has not influenced any mineralisation delineation decisions or the final resource reporting lower cut-offs at this stage of project development since more drilling ands sampling work is required to accurately characterise the cobalt distributions within each deposit area.

Mining and Metallurgical Methods and Parameters and other modifying factors

Future mining or mineral extraction at the EL-Plug deposit area deposit is anticipated to be initially open pit mining (as remnant mineralisation is still present close to topographic surface) followed by further underground mining.

Similarly at the Disco area, mining of the deposit due to its close proximity to topographic surface (~30m) is anticipated to be initially open pit.

For the N, O and P Areas all future mining or mineral extraction from these deposits due to their depth and access will be mined using underground mining methods only.

Underground mining methods will probably be very similar to the methods employed during the previous historic mining phases. No other assumptions on mining methodology have been made.

At the EL-Plug, Disco, N, O and P areas it is noted that historic mining, milling and processing of ore from the various deposit areas has been well recorded and it is not expected that any major metallurgical recover concerns will be encountered at such a mature project.

HGMC understands Corazon is planning more detailed test work in the future with the aim of identifying and optimising the best processing route for the production of nickel concentrate as well as recover ancillary elements such as copper and cobalt.

Any operational impacts on the environment in the vicinity of the EL-Plug, Disco, N, O and P Areas is likely to be small owing to these areas already having been cleared for mining and underground operation have little surface impact also. HGMC has not made any assessment regarding waste rock or tailings disposal. It is expected the uses of standardised rock waste dumps and tailing dams of modern design could be utilised without any significant impact on the local environment.

Deposit	Base Cut Ni%	Tonnes	Ni(%)	Cu(%)	Co(%)	Tonnes		
						Ni	Cu	Co
EL Plug	0.50	1,745,000	0.76	0.28	0.023	13,300	4,800	400
O Deposit	0.50	5,165,000	0.68	0.31	0.027	35,300	16,300	1,400
N Deposit	0.50	5,793,000	0.69	0.36	0.044	39,700	20,900	2,600
P Deposit	0.50	196,000	0.71	0.47	0.028	1,400	900	0
Disco	0.50	0	0.00	0.00	0.000	0	0	0
TOTAL INDICATED		**12,899,000**	**0.70**	**0.33**	**0.034**	**89,700**	**42,900**	**4,400**

Deposit	Base Cut Ni%	Tonnes	Ni(%)	Cu(%)	Co(%)	Tonnes		
						Ni	Cu	Co
EL Plug	0.50	692,000	1.38	0.45	0.039	9,600	3,100	300
O Deposit	0.50	837,000	0.68	0.32	0.027	5,700	2,700	200
N Deposit	0.50	775,000	0.59	0.29	0.038	4,600	2,300	300
P Deposit	0.50	22,000	0.69	0.48	0.027	200	100	0
Disco	0.50	77,000	0.71	0.41	0.014	500	300	0
TOTAL INFERRED		**2,403,000**	**0.86**	**0.35**	**0.034**	**20,600**	**8,500**	**800**

Total IND + INF (0.5% Ni)		**15,302,000**	**0.72**	**0.34**	**0.034**	**110,300**	**51,400**	**5,200**

Table 2: Lynn Lake Indicated and Inferred Mineral Resource Estimate – October 2018 – Defined on the basis of Deposits.

ENDS

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

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***Competent Persons Statement*:**

The information in this report that relates to Mineral Resources for the EL, Disco, 'N', 'O 'and 'P' deposits contained within the Lynn Lake Nickel Project is based on information compiled by Mr Stephen Hyland who is a Fellow of the Australasian Institute of Mining and Metallurgy and who has provided expert guidance on resource modelling and resource estimation. Mr Hyland is a Principal Consultant Geologist at HGMC consultants and has sufficient experience relevant to the style of mineralisation 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 Hyland consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

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 mineralisation 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.

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.

Forward-looking statements are statements that are not historical facts. Words such as "expect(s)", "feel(s)", "believe(s)", "will", "may", "anticipate(s)" and similar expressions are intended to identify forward-looking statements. These statements include, but are not limited to statements regarding future production, resources or reserves and exploration results. All such statements are subject to certain risks and uncertainties, many of which are difficult to predict and generally beyond the control of the Company, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include, but are not limited to: (i) those relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations, (ii) risks relating to possible variations in reserves, grade, planned mining dilution and ore loss, or recovery rates and changes in project parameters as plans continue to be refined, (iii) the potential for delays in exploration or development activities or the completion of feasibility studies, (iv) risks related to commodity price and foreign exchange rate fluctuations, (v) risks related to failure to obtain adequate financing on a timely basis and on acceptable terms or delays in obtaining governmental approvals or in the completion of development or construction activities, and (vi) other risks and uncertainties related to the Company's prospects, properties and business strategy. Our audience is cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof, and we do not undertake any obligation to revise and disseminate forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of or non-occurrence of any events.

The Company believes that it has a reasonable basis for making the forward-looking Statements in the announcement based on the information contained in this and previous ASX announcements.

The Company is not aware of any new information or data that materially affects the information included in this ASX release, and the Company confirms that, to the best of its knowledge, all material assumptions and technical parameters underpinning the exploration results in this release continue to apply and have not materially changed.

TABLE 3 Checklist of Assessment and Reporting Criteria - JORC Code, 2012 Edition – 11th October 2018

Lynn Lake Nickel Copper Cobalt Sulphide Project – Canada.

Section 1 - Sampling Techniques and Data		
Criteria	**Explanation**	**Comment**
Sampling techniques	*Nature and quality of sampling.*	The Lynn Lake Project's (**Lynn Lake** or **Project**) mineral resources reported have been defined entirely from diamond drilling. Surface exploration drilling by Corazon Mining Limited (**Corazon** or **Company**) into the EL Plug deposit has confirmed historic diamond drilling. The N, O and P deposits have been defined entirely from historic diamond drilling mainly undertaken from underground during mining operations, which extended from 1946 to 1976 (year of mine shutdown). The Disco zone has undergone limited drilling from surface. HGMC understands all drilling information as has been made available has been used to define the remaining resources for the EL-Plug, Disco and the N, O and P deposit areas. Significant knowledge of the deposits has been gained through studying mine geology records and maps.
	Measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Details of the sample preparation, analyses and security of the historic (pre-1976) data were not all discoverable by independent consultants Wardrop during their investigations (2005 – 2010) and some aspects are not known. Either the procedures were never documented, or the relevant documentation has been lost. During the period of mine operation it is understood that the drill samples preparation and analysis was completed on site at the Sherritt mill complex. The large volume of drilling data available lends considerable support towards the reliability of the Project data presented.
	Aspects of the determination of mineralisation that are Material to the Public Report.	The historic nature of the majority of the data used to estimate the mineral resources is the most important element having material impact to the public report. The various specific issues stemming from the historic nature of the data are described specifically in the appropriate sections of this Table 2 Commentary, and more expansively in HGMC's technical report on the mineral resource estimate.
Drilling techniques	*Drill type and details.*	The majority of the data used has been historic underground diamond drill data derived from Sherritt mining and exploration undertaken between 1945 and 1976. The majority of the data has been manually input from the original paper copies. A total of 390 drill holes from the EL-Plug area, 3,434 underground drill-holes for the combined N, O and P deposit area had their collar positions, surveys, assays, lithologies and other pertinent information captured. The relatively small Disco area has a total of 106 drill holes available within the newly developed resource model area. Corazon has undertaken a series of diamond drill programs into the EL Plug since acquiring the Project in 2009. The diamond drilling was undertaken from surface using B20 skid mounted diesel/hydraulic diamond rigs contracted from Bodnar and Prospector drilling NQ2 sized wireline core.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	Details of all the recording and assessing core and chip sample recoveries of the historic data are not available.

Section 1 - Sampling Techniques and Data		
Criteria	**Explanation**	**Comment**
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	Details of all the measures taken to maximise sample recovery and ensure representative nature of historic samples are not available.
	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.	Details and procedures relating to the sample recovery of all the historic drilling are not available.
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.*	Core logging records for the historic data are generally available as hand written records which have been subsequently scanned and input into a digital database used to guide the geological interpretation. Geotechnical logs are not available and therefore not used to support structural impacts on the mineral distribution or the resource estimate. A long history of mining within various deposits with the Lynn Lake Project area has provided sufficient information towards the integrity of the interpretation of mineralisation.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	Core logging records for the historic data are generally quantitative in nature. Limited core photography is available.
	The total length and percentage of the relevant intersections logged.	Details of the total length and percentage of logging of the historic data are not available. Recent drilling by Corazon includes this information and was used for some validation of drilling records from historic drilling and sampling.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	Inspection of the remaining historic ore indicates that it was all cut in half to provide assay samples, with the method used for the majority of samples being manual cleaving of core with a hammer and chisel, which was a standard practice at the time of Sherritt's mine operations. Due to the very large number of samples taken, the method appears to have been adequate. Justification of the approach follows the observation that the sulfidic igneous rocks comprising the mineralisation are generally solid and tough but not brittle, providing a relatively clean break under sharp impact. The modern core from the Corazon drill-programs has been cut and sampled using an electric rotary diamond saw blade disc.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	Not applicable as only diamond core sampling has been used in the resource.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Details of the sample preparation technique of the historic diamond drill samples are not available. Modern drill sample preparation details are variable and have been provided by the Companies operating the project and commercial laboratories.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	Details of the quality control procedures of the historic data are not available. It is likely that only limited quality control procedures were adopted. Corazon have used modern standards and blanks to monitor sample quality.

Section 1 - Sampling Techniques and Data		
Criteria	**Explanation**	**Comment**
	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.	Comprehensive details of the quality control procedures of the historic data are not available. Sampling has been predominantly whole core or partial core and is considered representative of the material drilled.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	The sample size is considered appropriate for the mineralisation type and style.
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.*	Details of the nature and quality of the assaying and laboratory procedures used for the historic data are not available. During the period of mine operation it is understood that the drill samples' preparation and analysis was completed on site at the Sherritt mill complex. Recent work by Corazon complies with current industry best practice standards.
	For geophysical tools, the parameters used in determining the analysis.	Geophysical surveys have been undertaken during exploration on the Lynn Lake Project, but the results are not immediately relevant to the mineral resource estimates at the local scale.
	Nature of quality control procedures adopted and whether acceptable levels of accuracy and precision have been established.	Details of the quality control procedures of the historic data are not available, therefore determination of the acceptable level of accuracy and precision is subject to the judgement of the Competent Person. Contingent in this assessment is the fact that a very large amount of drilling and a large number of samples were collected from the majority of the Project areas, particularly the N, O and P deposits and the EL-Plug.
Verification of sampling and assaying	*The verification of significant intersections by independent or alternative company personnel.*	Excellent verification of significant intersections has been obtained through the successful mining of the EL-Plug and N, O and P deposit areas, leaving little doubt that diamond drill intersections are genuine and reliable. Significant geological reports and scientific papers have been written by Sherritt Gordon (previous operator of the mine), academic and government geologists about the deposits. Reviews of data by number of different companies including information derived personal communication with geological consultants familiar with the Lynn Lake Project along with additional recently drilled confirmation drill holes have confirmed the existing geological interpretations.
	The use of twinned holes.	No use of twinned holes has been made in the resource estimation but a large amount of high density development drilling has given a high level of confidence to mineralisation geometry and grade distribution interpretations.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	For the historic data, documentation of primary data and data entry procedures are not available. Previous data verification exercises have been undertaken by previous Qualified Persons and documented in detailed NI-43-101 standard technical reports. This work included: an internal validation from the original drill hole logs and the drill hole database on 186 (5%) of the 3,709 drill holes in the total database on collar co-ordinates, end of hole depth, down-the-hole survey measurements, 'from' and 'to' depth measurements of geology and assay sampling intervals, lithological unit and nickel and copper percentages that were compiled from hand written drill logs. A core review was undertaken on 23 historic drill holes to confirm the historical logging and identify any discrepancies from the logging to a visual review. A ten-sample check assay program was completed on historical half split core during the

Section 1 - Sampling Techniques and Data		
Criteria	**Explanation**	**Comment**
		2015 site visit. The sampling was from two mineralised drill holes from the N orebody and was sent to ALS Chemex laboratory in Toronto. Overall results from this sampling showed a decrease of 13% nickel and 22% copper, comparing assay results over the same intervals from historical drill hole data. HGMC consider that the sample set is not large enough to draw any firm useful conclusions. The core was oxidised which is known to have some impact on the grade of similar mineralisation similarly tested at other deposits.
	Discuss any adjustment to assay data.	No adjustment to assay data has been made in the resource estimation.
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.*	Details of the original collar and downhole survey methods for the historic data are not available. It is assumed they were made by qualified mine surveyors. The majority of drilling data from the database plots in the right proximity with respect to the known positions and extents of the mine development infrastructure (predominantly underground). The recent Corazon surface diamond holes were routinely surveyed upon completion by a Reflex Maxibore II tool from collar to end of hole.
	Specification of the grid system used.	All the historic holes were surveyed in the local mine grid. For the EL Plug, Disco, and the N, O, and P areas, the historic hole surveys were converted from the local grid to modern DGPS NAD83 and UTM co-ordinates by Corazon. Checks on the local grid transformation were made by picking up the main shaft collar (surveyed originally in the SGML imperial local grid) and comparing with Mines Department engineering plans of the EL Mine infrastructure. Previous interrogation of the differences between modern DGPS NAD83 co-ordinates as available from the historic imperial SGML co-ordinates used for infrastructure design were found to be +/-0.50 metres, which demonstrates sufficient confidence in the historic survey data for use in ongoing resource development studies.
	Quality and adequacy of topographic control.	The topography at the project area is relatively flat and featureless, with the exception of the collapsed stopes and open pits remnant from historic mining. The topography DTM surface utilised incorporated surface drill collar elevation data and was combined with pit survey DTM surfaced data was sourced from historic survey information. It is considered to be of high quality and accuracy.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	The Project's nickel-copper deposits were drilled systematically from the main underground levels of 800, 950 (12th level of A mine), 14th Diesel Haulage, 2000 and 3000 feet levels with horizontal drill holes spaced laterally every 121.9 metres (400 feet) out to or near the contact between the intrusive plug and the metavolcanics or metasediments. Unless large amounts of consistent mineralisation were intersected in these horizontal drill holes no additional drilling was conducted by Sherritt. When considerable lengths of mineralisation and grade were intersected, drilling was generally conducted systematically on 15.2 metres (50 feet) and then 7.6 metres (25 feet) intervals and designated an 'alpha' orebody or zone identification. Historic information indicates that the majority of drilling was carried out from underground using either EX or BM diameter core drilling equipment. Corazon diamond drilling into the EL Plug was undertaken from surface and fanned out from available drill sites around the current open pit (which is now a lake) to target the resource area on a nominal 50 metre x 25 metres grid. Drilling was undertaken from four different orientations to best define the intrusive pipes limits.

Section 1 - Sampling Techniques and Data		
Criteria	**Explanation**	**Comment**
	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.	The Competent Persons have determined that 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). Formal reporting classification weighted with respect to relative levels of drilling density has been applied to the EL Plug, Disco and N, O, P deposits. The same classification approach has been consistently applied to each of the deposit areas.
	Whether sample compositing has been applied.	For the EL Plug, Disco, and the N, O and P Area deposits, all available assay data has been composited into uniform length 2.0 metre downhole composites. This length was chosen following a series or spatial distribution reviews of domain coded composites to observe effects on overall reported Ni and Cu average grades and associated coefficients of variation (CV).
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.*	Because underground access was available for drilling, drill holes fans were able to be designed to adequately test the deposits largely without bias from drill hole orientation. It is noted that the deeper deposit areas tended to have higher angle drill intersections into the generally vertically orientated mineralised zones, however, the estimation method utilised has helped mitigate any unwanted stationarity biases in the estimates.
	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.	At EL Plug: Drilling was undertaken from four different orientations to best define the intrusive pipes limits. Drill core was not orientated, as historic development and stoping is considered to have already confirmed the attitude of the pipe and the main contacts are easily identifiable and universally sub-vertical. The intersections are at a fairly low angle but the range of orientations has reduced the potential bias of this effect. At Disco, the drilling angle is also at a relatively high angle with respect to the interpreted steeply dipping plug style mineralisation also. The lower drilling density in this area consequently has necessarily lowered the classification of reported resources to the Inferred category only. For the N, O and P areas there had been comprehensive underground development access which has allowed for the establishment of a large number of drilling locations for drill hole 'fans' to be drilled throughout most of the known deposit area in order to firmly establish the interpreted mineralisation geometry.
Sample security	*The measures taken to ensure sample security.*	Details of the sample security measures of the historic data are not available, however, being a company owned mining operation this is unlikely to have been an issue. Sample security measures undertaken by Corazon were subject to rigorous storage and transport procedures both to and from the assay laboratory with no loss of samples or data. HGMC's review of the Corazon processes found them to be in line with industry best practice procedures and acceptable for the acquisition of data to be used for the purposes of resource estimation.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	For the historic data, no record of any historic audits or reviews of sampling techniques and data is available. Subsequent workers have validated the majority of this data as far as it is known. Detailed descriptions of data sources have been previously documented and also recently reviewed and updated at the end of 2017.

Section 2 - Reporting of Exploration Results		
Criteria	**Explanation**	**Comment**
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 areas covered by this Mineral Resource Estimation pertain to two agreements in which Corazon has 100% beneficial equity in the ground. These agreements are titled the Dunlop Agreement (which includes the EL Deposit) and the Victory Agreement (which cover the N, O, P and Disco Deposits). The tenure includes multiple Mineral Claims, Mineral Leases and Mining Claims, as defined by the Provincial Government of Manitoba. All claims are currently in good standing. Much of the exploration ground at Lynn Lake and the satellite EL Mine (EL Deposit) is covered by the Dunlop agreement. In this agreement, 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 main mining centre (including the N, O, P and Disco deposits) are cover by an agreement between Victory Nickel Inc and Corazon, which was announced on 1 April 2015. This agreement saw Corazon acquire 100% equity in the tenure, with expenditure commitments of $3.5M to be complete by 19 December 2020. Corazon works closely with First Nation groups and several government organizations responsible for mining and the environment. Work Permits are currently in place for the Fraser Lake Complex within the Project area and covers activities such as ground geophysics and land-based drilling.
	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 Project tenements are understood by HGMC to be in good standing and with no impediment to obtaining a licence to operate in the area. Mining and processing has previously been undertaken. A number of agreements have been signed between Corazon and previous/current owners of the property which require certain payments and royalties to be paid to other companies, which would need to be satisfied to undertake mining operations.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	1941 Austin McVeigh located the discovery outcrop. 1945-1946 Sherritt Gordon (Sherritt) staked 353 claims and conducted exploration 1948-1950 Sherritt began sinking the A shaft. This, along with geophysical exploration and drilling increased the resource to 14 million tons averaging 1.22% nickel and 0.62% copper (1) 1953-1976 Sherritt operated the Lynn Lake Nickel Mine from 1953-1976. During this time they discovered/developed additional zones and commissioned the Farley Shaft in 1961. The mine produced over 22 million tons of ore at a grade of 1.023% Ni and 0.535% copper (1) 1988-1989 Lynn Gold Resources Inc., owned by Hayes Resources Inc., conducted an assessment of Sherritt's stated historic reserve of 19.3 million tons grading 0.61% nickel and 0.32% copper (1). 1993-2005 Black Hawk Mining Inc. used the Property mill from 1993-2000 to process ore from the Farley Lake open pit gold mine, approximately 36 km east of Lynn Lake. The gold tailings were pumped into the B pit and then into open stopes of the abandoned underground workings.

Section 2 - Reporting of Exploration Results		
Criteria	**Explanation**	**Comment**
		2005-2008 Independent Nickel conducted the following exploration activities on the A Plug area: re-established the historic mine grid at 1000 foot intervals, line-cutting of 41.75 total line kilometres, an electromagnetic ground survey, a ground magnetometer survey, borehole EM surveys, an induced polarisation survey, drilled 87 boreholes totalling >28,000m. 2007 Independent Nickel filed a Preliminary Economic Assessment and a Pre-Feasibility Study on the A Plug area. Both studies are available on SEDAR. 2009-2014 Prophecy Resources Inc. entered into an agreement with Victory Nickel Inc. to acquire the A Plug area. Prophecy subsequently withdrew from this agreement. 2009-2015 Corazon Mining Limited acquired an option over the EL Plug area from Dunlop and carried out an updated resource estimate for the EL-Plug deposit during 2015. 2014-2015 Corazon Mining Limited acquired the A Plug area from Victory Nickel Inc.
Geology	*Deposit type, geological setting and style of mineralisation.*	The nickel, copper and cobalt deposits of Lynn Lake are concentrations of sulphides occurring within intrusive plugs mafic to ultramafic igneous rocks. These host rocks are derived from a large intermediate to ultramafic igneous pluton that has been intruded into Wasekwan Group metavolcanic strata. Classification of the magmatic origin is of the tholeiitic affinity. The mineralisation in both plugs typically occurs within structurally controlled vertical to subvertical pipe intrusions of remobilised peridotite and amphibolite, displaying four types of mineralisation: massive sulphide, disseminated sulphides, cemented breccia sulphides and stockworks of sulphide stringers. The nickel and copper mineralisation of the Lynn Lake plugs consists primarily of pyrrhotite, pentlandite and chalcopyrite with minor amounts of pyrite and trace of sphalerite, magnetite and ilmenite. Cobalt distribution appears coincident to nickel. Disseminated sulphides consist of interstitial and fine-grained sulphides that are distributed in a homogenous structureless nature. Plutonic breccia material occurs at the contact of the mineralised intrusive pipe and the barren gabbro country rock displaying sub-rounded xenoliths of either diorite or gabbro. There has been a significant amount of structural deformation to the deposits. Although the strongest spatial association of mineralisation is occurring in ultramafic to mafic intrusive rocks, there is also a strong spatial association of mineralisation with areas of faulting or intense fracturing. Higher grade mineralisation occurs in areas of intensely fractured or brecciated mafic intrusive rock and ore minerals are found in all types of material within the fracture zone, including late acid dykes. Faulting within the basic plugs is believed to be related to the regional north-south faults, which resulted from a thrust from the west.
Drill hole Information		The drill hole data relating to the resource estimates reviewed in this study are all previously reported results. No new drilling has taken place since 2015. Ongoing studies for these prospect areas are focused on the metallurgical characteristics of the mineralisation and development of updated process technologies. Drill hole collar, geology and assay data for each prospect area investigated in this study are provided in the main current Corazon Drill Hole database.
Data		Most drill hole samples have been collected over 1 metre or 2 metre down-hole intervals. Assay compositing

Section 2 - Reporting of Exploration Results		
Criteria	**Explanation**	**Comment**
aggregation methods		completed for each deposit in preparation for statistical analysis and grade estimation was conducted using length weighted averaging of the input assay data by corresponding sample lengths. No metal equivalent calculations have been used in this assessment.
Relationship between mineralisation widths and intercept lengths		The mineralisation at the various Lynn lake Project nickel deposit areas have a strong global sub-vertical orientation. Where possible, previous Lynn Lake developers have used multiple drilling orientations for all exploration drill holes in order to focus on the predominantly vertically oriented nickel – copper mineralisation. All vertical drill holes drilled from surface tend to intersect the mineralisation at relatively high angles in consideration of the vertical orientation of mineralisation. Allowance has been made to ensure down-hole widths and true widths for vertical and steeply dipping holes are accurately represented.
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.*	Diagrams used in this report were either supplied by Corazon or generated by HGMC and in some cases reproduced from diagrams used in previous reports on the deposits.
Balanced reporting		Not applicable to this report. All data, assumptions and resource estimated have previously been reported.
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported.*	Not applicable for reports on Mineral Resources. Refer to commentary in Section 3 of this table.
Further Work	*The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).*	Not applicable to this report.
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Infill additional verification drilling of all areas including EL-Plug and particularly the Disco zone is warranted before decisions are made with respect to future mine planning. Additional drilling in all areas including the N, O and P deposit areas will add value towards to allowing higher confidence resource classification levels to be reported.

Section 3 - Estimation and Reporting of Mineral Resources		
Criteria	**Explanation**	**Comment**
Database integrity	*Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.*	The majority of the data used has been historic underground diamond drill data from the mining and exploration undertaken by Sherritt between 1945 and 1976. The majority of the database consists of this historic data which has been manually input from the original paper copies of drill logs, survey sheets and assay sheets and digitised from hand drafted cross sections and mine plans by the independent consultancy Wardrop in 2005 and by Corazon. A total of 3,709 drill holes had their collar positions, surveys, assays, lithologies and other pertinent information manually entered into an Access database. Approximately 3,900 historic drill holes remain to be digitised; however, these drill holes are from deposits which are not included in this mineral resource estimate. In addition, a total of 395 drawings of sections and plans were scanned from historic data and subsequently digitised. More recent drilling (2005-2009) has been added to the Access database by previous owners (Independent Nickel and Victory) although the details of this have been poorly described in their reports. Corazon have added 16 diamond drill holes to the database, all from drilling into the EL Plug deposit. These holes were used to help validate previous historically derived data. Corazon also retrieved 19 historic AX/BN diamond holes which were added to the drilling database for inclusion in resource modelling and estimation.
	Data validation procedures used.	**N, O and P Deposit Areas:** A validation study on the historical logging which comprised re-logging the remaining half core from 23 historic diamond drill holes was conducted during a site visit by Cater (2005). The review found that the geology of the inspected core was consistent with the original geological logging, except for in hole U5622 drilled on the P orebody, where within the gabbro, amphibolite and quartz-hornblende-diorite units were inconsistent with the drill log. Sampling intervals matched the assay sampling intervals from the drill log in all cases. A very limited sample check assay program was completed on historical half split core. The sampling was from two mineralised drill holes from the N orebody and was sent to ALS Chemex laboratory in Toronto. Overall results from this sampling showed a decrease of 13% nickel and 22% copper, comparing assay results over the same intervals from historical drill hole data.
		Disco Area: The resource estimate carried out for the Disco zone by HGMC used the 106 available drill holes, which helped confirm some of the preliminary historical mineralisation zone interpretations.
		EL Plug: The resource estimate carried out for EL-Plug by HGMC followed previous validation of the historic drill holes where the 16 holes drilled by Corazon were used to help validate previous historically derived data. Corazon also retrieved 19 historic AX/BN diamond holes, which were also added to the drilling database for inclusion in resource modelling and estimation.

Section 3 - Estimation and Reporting of Mineral Resources		
Criteria	**Explanation**	**Comment**
Site visits	*Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* *If no site visits have been undertaken indicate why this is the case.*	The Independent Qualified Person, Mr Stephen Hyland of HGMC (formerly of Ravensgate), visited the Lynn Lake township and Project in March 5th 2015. The visit included: • Visit to historic Mine Site Areas including A-Plug, N, O and P areas as well as the EL Plug area. • Visits to the exploration drill sites and the old EL Plug Pit and associated outcrop exposures. • Visit to the rehabilitated old A-Plug Tails Dam areas. Review of geological setting of the deposit and some surrounding areas. • Inspection of available drill-core and some of the laboratory equipment used for sample preparation and bulk density measurements of samples. From the site visit, no significant concerns relating to previous historic reporting against current status of the Project were identified.
Geological interpretation	*Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.*	The geological interpretations utilised for this resource estimate were based on well-established geological models of ore genesis, geological history and structural deformation which has been described in general Project reporting, including a thorough detailed report produced by government geologist Pinsent (1980), plus various academic papers. These geological models were developed and continuously improved upon during exploration and mining throughout the 1960s and 1970s. The models and mineralisation interpretation work assisted in the successful mining of some the deposits over a +30 year period. Subsequent research has generally upheld the integrity of the models. HGMC has used this modelling basis to develop updated 3D mineralisation models used for current resource estimation and reporting. The nickel-copper-cobalt deposits of Lynn Lake are concentrations of sulphides occurring within two intrusive plugs of mafic to ultramafic igneous rocks, derived from a large intermediate to ultramafic igneous pluton that has been intruded into metavolcanic strata. Classification of the magmatic origins of the main rock types is of the tholeiitic affinity. The mineralisation in both the A-Plug and the El-Plug areas typically occurs within structurally controlled vertical to subvertical pipe intrusions of remobilised peridotite and amphibolite, displaying four types of mineralisation. These are broadly grouped as massive sulphide, disseminated sulphides, cemented breccia sulphides and stockworks of sulphide stringers. The bulk of the mineralisation occurs in discrete pipe shaped lodes, characteristically containing disseminated sulphide-bearing anhydrous norite and/or plutonic breccia ore found at the pipe interface with the gabbro host rock. Many ore pipes occur within the larger A Plug complex and several economically significant pipes are identified in the EL Plug. The pipes are extensive, though the mineralisation may be localised. The sulphides, locally segregated into a discrete silicate enriched ore fluids, either within the source magma chamber, or in transit to the plug, forming “high-grade” sulphide pipes and lenses within ore pipes or within the host rock. A history of the geological events of the Lynn Lake deposits is outlined by Pinsent (1980).
	Nature of the data used and of any assumptions made.	The majority of the data used for modelling the EL-Plug and N, O and P areas has been from the available comprehensive historic underground diamond drill data acquired from the mining and exploration undertaken

Section 3 - Estimation and Reporting of Mineral Resources		
Criteria	**Explanation**	**Comment**
		by Sherritt between 1945 and 1976. Some assumptions have been made about the veracity of all this data because little record of the methods of drilling, logging, sampling, assaying and QAQC were written down or preserved. Independent consultancy Wardrop compiled and reviewed this data and determined it suitable for resource estimation purposes. HGMC concurs with this opinion and also noted that the sheer volume of drilling data available, particularly for the N, O and P areas lends support to the continuity and integrity of the data-sets. HGMC have made some allowances for modifying factors as it relates to data quality and has reduced classification confidences where necessary of some resources from previously reported Measured resources to to JORC Indicated or inferred. The main uncertainties considered relate to possible inaccuracies of sample locations (dues to aspect line no down-hole surveys) and possible analytical grade inaccuracies caused by unquantified sampling problems such as sample loss or contamination.
	The effect, if any, of alternative estimation interpretations on Mineral Resource estimation	Very low risk, as alternative estimation interpretations are unlikely to be valid. The mineralisation in both the A-Plug area including the well drilled N, O and P areas as well as the EL-plug typically occurs within structurally controlled vertical to subvertical pipe intrusions. The deposit models used and interpreted and remobilised peridotite and amphibolite, displaying four types of mineralisation: massive sulphide, disseminated sulphides, cemented breccia sulphides and stockworks of sulphide stringers further confine the interpretation of mineralisation zone geometry and grade distributions. Sherritt's successful mining operation which ran for +30 years were based on the underlying understanding and interpretation of geology provided further confirmation that other interpretations are not likely to be valid. The early interpretation models differ little from those independently derived mineralisation zone modelling developed independently by HGMC. The continuity in geometry and grade of the mineralisation between drill holes has been absolutely confirmed through successful underground drifting and stoping of the majority of the deposits discovered in the Lynn Lake field.
	The use of geology in guiding and controlling Mineral Resource estimation.	There are significant geological controls on the geometry and grade continuity of the mineralisation and geological interpretation involves taking these controls into account. Sulphide mineralisation only occurs in certain well-established rock types in patterns predictable through ore genesis models and geological logging and mapping. Structural offset of deposits by late faulting has been clearly established and documented through underground mapping and diamond drilling interpretation.
	The factors affecting continuity both of grade and geology.	The main mineralised zones occur in the western half of the A Plug associated with more mafic to ultramafic rock types of gabbro, amphibolite and peridotite in three main centres within the pluton as follows: • A, C, Upper D, Lower D, E and J zones at the north end of A Plug situated around the A shaft area; • B, F, K and B-K zones that lie west of the Farley shaft in the middle of the A Plug; • The near surface Disco Area • O, N and P zones at the south end of the A Plug; • The EL deposit lies in the centre of EL Plug. Significant structural controls on the geology of the mineralisation have been defined: All the ore zones appear to be affected by some faulting. The Lynn Lake fault or Griffith shear defines the

Section 3 - Estimation and Reporting of Mineral Resources		
Criteria	**Explanation**	**Comment**
		southern contact of the A Plug and the O fault disrupts and offsets the O and N zones. These two major reverse faults strike northwest and dip moderately to the northeast. The reverse movement on the O fault has caused sections of the O and N zones to be thrusted southwest over the Wasekwan Group country rock below the 3,500 foot level. The Lynn Lake fault with a similar sense of movement has moved the weakly mineralised portions of the O and N to the southwest over the Wasekwan. The mineralised portions of the N and O zone lie between the two faults from the 1,600 and 3,500 foot levels. If the known weakly mineralised M zone, which lies at surface, is the thrusted hangingwall equivalent of the N zone the offset of the faulting is on the order of 500 to 600 metres. The O zone pipe thrusted hanging wall extension has not been located or the footwall truncated portion of the Lower O zone.
Dimensions	*The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	**EL-Plug:** The main upper EL-Plug zone is vertically orientated and extends from topographic surface down to a depth of approximately 480 metres. The deepest EL-Plug mineralisation zone extends for approximately 340 metres starting at approximately 560 metres below the topographic surface. The upper EL-Plug zone is approximately 120 metres in diameter. Similarly the lower EL-Plug zone is approximately 50 metres in diameter **Disco Zone :** The Disco zone is also sub-vertically oriented extending from approximately 30 metres from topographic surface and extends down for approximately 220 metres. The approximate diameter of the Disco zone is 30-35 metres. **N Zone:** The N zone is interpreted to be the faulted disrupted counterpart of the M zone once being a single mineralised pipe. This pipe extends from the O fault at 4,500 feet below surface to the subsurface outcrop of the M zone. The mineralisation therefore lies above and below the Lynn Lake fault (300°/50°NE). The N zone mineralisation is located adjacent to the A Plug contact and the country rock Wasekwan volcanics at about 1,100 metres south of the Farley Shaft. Mineralisation extends from the Lynn Lake Fault on the 1,600 foot level to the O fault at approximately 1,400 metres from surface. The majority of the mineralisation is disseminated sulphides. It consists of several lenses within a pipe of mineralised amphibolite to gabbro that has been cut by a large peridotite body and numerous thrust faults (030°/30°NW). The faulting has displaced these blocks successively higher to the southeast. The Lynn Lake fault overlies, and the O fault underlies, the N zone mineralisation. The upper and lower 1,730 shear separate the upper and lower N zones. The uppermost part of the N mineralised pipe is located approximately 420 metres from topographic surface. It is crudely sub-circular in shape on the order of 250 metres to 300 metres in diameter and extends for approximately 720 metres to maximum interpreted depth. **O Zone:** The O zone is located 750 metres from the Farley Shaft, hosted in mineralised amphibolite that intruded the A Plug gabbro. The O zone extends from the O fault on the 3,550 foot level to the Lynn Lake fault on the 1,600 foot level. Extensive faulting on the Dyke shear has displaced the O zone into upper and lower portions. The complex Dyke shear that trends north-south and dips 40° to the west has separated the Upper

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		and Lower by approximately 90 to 100 metres. The upper O zone pipe has been structurally juxtaposed by a number of reverse faults from 1,900 to 2,400 foot level. These reverse faults are probably curved splays from the underlying Dyke shear that trends north-south and dips off to the west. The mineralised lenses of the upper O zone consists of disseminated, sulphide breccia and veins of massive sulphides in a sub-circular nature. The lower O zone that lies below the complicated Dyke shear consists mainly of disseminated sulphide material hosted in amphibolite. The uppermost part of the O mineralised pipe is located approximately 430 metres from topographic surface. The lower O zone is sub-circular to irregular in shape and plunges steeply to the southeast and has an approximate length of 200 metres and approximately 150 metres across. The pipe is cut out by the O fault on the 3,550 foot level and the total depth extent is roughly 900 metres with the base at approximately 1400 metres from topographic surface. **P Zone:** The P Zone is located approximately 50 metres north of the O Zone and is also sub-vertically oriented with the uppermost part located approximately 760 metres from topographic surface. The total depth extent of the P Zone is approximately 240 metres and has an approximate diameter of 60 metres.
Estimation and modelling techniques:- ***A Plug deposits*** ***N zone*** ***O zone*** ***P zone*** ***+*** ***Disco Area*** ***+*** ***+ EL-Plug Area***	*The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.*	Independent consultants Wardrop undertook a comprehensive block modelling and mineral resource estimation study of the N, O and G Zones of the Lynn Lake Nickel Project in 2005, which was documented in an NI 43-101 report on the Project (Carter 2005). This mineral resource formed the basis of the 2009 estimate by Waldrop (McCracken 2010) which re-reported the majority of the Carter report. No additional drilling was added for this estimate which probably used exactly the same modelling methodology, software and input data. HGMC has remodelled the N, O and P zones based upon the earlier Wardrop modelling work. The Disco area has not had any previous modelling or resource estimation work carried out. The EL-Plug area was most recently modelled in 2015 by Ravensgate and has now been revisited by HGMC due to a major survey grid consolidation carried out in late 2017 for the drilling data-set available for the Lynn Lake Project. For statistical analysis HGMC composited the drill hole assay data into uniform 2 metre composite lengths for, El-Plug, Disco and the N, O and P areas for consistency. [This compares to the 3.04 metre (10 feet) down hole lengths used by Wardrop previously]. Summary tables of the composite statistics for each of the five areas were investigated. Assays below the detection limit, identified as “SNR” or “Not Sampled” in the drill hole database were recorded as ‘nul’ grades values of “-1” in thye composited dataset in the database. Assays recorded as trace were assigned a grade of 0.0% for Ni and Cu. Histograms and probability plots were created to provide a comparison of composite grades within the various interpreted solids for each zone. Several inflections are evident in many probability plots indicating data probably contains a number of grade populations, probably indicating a proportion of low-grade material within the wireframes. All of these histogram and probability plots were viewed by HGMC and found to support the geological interpretation. The lack of extreme outliers meant that grade cutting or trimming was not necessary. Spatial analysis of the grade distribution of nickel and copper were used to determine parameters for

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		geostatistical grade interpolation into the block model. Resource modelling and variography was undertaken using MineSight software and was completed for Ni and Cu grade items in the EL-Plug, Disco and the N, O and P areas. Downhole variograms were used to determine the short range local nugget and sill values for each zone. Grade interpolation was completed using the ordinary kriging estimation method. Ordinary kriging was considered geostatistically appropriate for carrying out grade estimation given the overall the spatial distribution characteristics and coefficient of variation observations for the base metal deposit areas under consideration at Lynn Lake. The interpolation process was carried out using a primary search and a secondary search ellipsoid in one pass for each defined sub-Area domains of each of the mineralized zones. Typical search ellipsoid dimensions used for each of the deposit areas was as follows: 100 metres (X) x 50 metres (Y) x 50 metres (Z).
	The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.	From 1953 to 1976 a significant mining and mineral processing operation was undertaken by Sherritt. Over this 24 year period, approximately 22.2 million tons (20.1Mt) of sulphide ores were mined and processed at an average grade of 1.023% Ni and 0.535% Cu. The production was primarily from underground operations in the A Plug area with a smaller proportion of high-grade production extracted from the EL Plug area. The mines closed in 1976 with a substantial nickel-copper resource remaining in-situ and partially developed. However, production records are not sufficiently detailed that the resources for individual zones of mineralisation now modelled or updated can be reconciled directly against production records as they exist.
	The assumptions made regarding recovery of by-products.	It is assumed that copper will be recovered along with the nickel. Cobalt occurs in the ore in an approximate 30 to 1 ratio to nickel grade. Cobalt was recovered into the nickel concentrate during historic mining and processing. Low grade cobalt (due to its high current market price) was estimated into the various block models. Due to limited assay data specifically for cobalt in most areas the cobalt grade has been estimated based on the reliable Ni-Co correlations as observed, particularly from the EL-Plug area where the correlation coefficient of Ni vs Co was determined to be 0.91 which is interpreted as very reliable.
	Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).	The majority of the samples have only been assayed for nickel and copper, with a small number of samples from more recent drilling analysed for a full suite of elements. It is noted that whilst a full analytical suite for all deposits is not available the Lynn Lake deposits have nevertheless been successfully processed through a mills which commenced operation some 50 years ago. There can be little doubt that a modern mill would successfully handle the majority of deleterious elements in the mineralisation. The mineralisation is very sulphide rich, so acid drainage issues will necessarily need to be dealt with in any mine environmental planning.
	In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.	As is typical with underground drilling patterns, drill hole spacing is quite variable across the deposits especially in the vertical direction. The majority of the drilling in the underground developed areas is tightly spaced at either 7.62 metre or 15.24 metre lateral intervals. Only the Lower N area below elevation 3,000 feet has used wider spaced at 30.48 metre intervals. Mineralisation targets that have been drilled from surface drilling tend to be least well drilled, although still more than adequate in most places for deposit modelling and resource estimation purposes In conjunction with the down-hole composite length of 2m being used HGMC

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		has chosen a standard block size for a all areas of 5 metres (E) x 5 metres (N) x 5 metres (RL) in order to accommodate the locally complex mineralisation geometries particularly as defined by the closely spaced drilling. This block size is small, however, it is an acceptable compromise between volume variance effect minimization and better local scale mineralisation zone definition. Models with smaller block sizes are inherently more useful for use in detailed mine planning studies.
	Any assumptions behind modelling of selective mining units.	No detailed assumptions have been made with regard to modelling of selective mining units, except for future mining, which is expected to use similar underground mining methods to those used historically. The block sizes utilised are expected to be in line with the general mining method assumptions including the use of standardised stope extraction.
	Any assumptions about correlation between variables.	There is a good correlation between nickel grades and cobalt grades observed at EL-Plug with a correlation coefficient of 0.91 observed for the main mineralized zone. It is assumed from a global perspective that a similar correlation level is present in most of the deposit areas. The correlation of Ni vs Cu for EL-Plug is significantly less strongly correlated with a correlation coefficient of just 0.66 observed reflecting the different deposition environments for nickel and copper.
	Description of how the geological interpretation was used to control the resource estimates.	Three-dimensional wireframe models of mineralisation were developed for each of the EL-Plug, Disco, N, O and P zones based on a Nickel nominal lower cut-off grade of greater than 0.2-0.3% Ni. The zones of mineralisation interpreted for each area were generally contiguous, except where affected by interpreted block faulting. A minimum thickness criterion for sulphide mineralisation of approximately 4 metres was used in the development of the solids. Both sectional and plan interpretations were digitised MineSight software, and these interpretations were linked and triangulated to build three-dimensional solid wireframes (solid) models. The wireframe solids were validated and then used to constrain the limits of block model cells. Historic mining has been undertaken in the EL-Plug and the N, O and P zones. For the El-Plug HGMC utilised the historic stope and open pit survey information to construct depletion zone solids used to eliminate this previously mines material from the remaining resource estimations. Similarly, for the N and O zones, the volumes of rock material mined out through historic stoping and drift development were previously defined by Wardop, which, HGMC has adopted for depletion of the resource base in the mined out area. HGMC assume that this stope volume information was derived from the scanned historic mine plans and cross sections. For the P area specifically, HGMC has had to roughly estimate an indicative stope location and volume based on the understood production records for this area. It is assumed the stoping was carried out in the area of best mineralisation and therefore has deplete some of the better (higher grade) resources. HGMC has taken this conservative stance as a consequence of no actual underground survey volume information being available for the P Area and recognise this is an area requiring additional future verification and validation work. Given the long life and professional nature of the historic mining operation at Lynn Lake, a fair degree of confidence can be attached to the accuracy of the drafting of these plans and the survey work which determined the locations of the workings. However, no verification of the accuracy of the historic mine plans has as yet been attempted.
	Discussion of basis for using or not using grade cutting or capping.	Some non-assayed intervals are present in the database. These have been interpreted as non-mineralised

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		intervals and assigned zero grade for the purposes of block grade estimation. In situations where non-mineralised intervals are included within broader mineralised intervals these non-mineralised intervals were incorporated into the interpreted solids.
	The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.	Validation for all five of the deposit block models constructed by HGMC in the following order of completion - EL-Plug, Disco and the N, O, and the P area. Validation was carried out graphically and statistically to ensure that the block model grades accurately represent the input drill hole data. A number of methods were employed to validate the block model including: global mean comparison; visual comparison; trend plot comparison. The global mean comparison between drill composite grades and model grades within each of the mineralised zone wireframes shows that, globally, the estimates validate well within all well-informed domains for both deposits. Cross sections were viewed on-screen and showed a good comparison between the drill hole data and the block model grades. A volume comparison between the volume of the block model cells within each mineralised zone and the volume of the corresponding wireframe. The results of volume checking were, as in previous models, within acceptable limits. For the El-Plug area the wireframe volumes for each area domain were compared to those developed for the 2015 modelling program where it was observed that some drill-hole survey changes necessitate a small update of mineralisation zone interpretation with a coincident small reduction in defined resource volume. From interrogation and comparisons of block model grades with composite grades for each of the modelled deposit it was observed that there is a reasonable correlation between the values. No significant discrepancies were apparent from the sections and plans reviewed. In some outlying portions of the model, larger discrepancies are reflected as a result of lower drill density. There is a degree of smoothing apparent from the ordinary kriging, which reflects the data density to a great extent.
Estimation and modelling techniques:- ***EL Plug*** ***EL deposit***	*The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.*	The well established interpretation of the Lynn Lake deposits clearly describes them as concentrations of sulphides occurring within two intrusive plugs of mafic to ultramafic igneous rocks (refer "Geological Interpretation" commentary above). The interpreted nickel-copper mineralisation distribution is based on a nominal minimum of 0.2% Ni cut-off which has been used to interpret and construct wireframes of mineralisation within the EL-Plug, Disco, N, O and P Areas. Interpolation estimates were carried out using MineSight® software. Block sizes for the EL-Plug, Disco, N, O and P areas models based on drill spacing and deposit geometry are as follows: • 5 metres x 5 metres x 5 metres (all deposits) • (Uniform Block Size – No Sub-Blocks) These have been allocated ZONE code numbers for modelling use and have been designated at EL-Plug as ZON1=1 (low grade) and ZON2=1 (high grade) zones. For all other deposits (Disco, N, O and P) a single zone code designation has been used (ZONE1=1) for all zones coded into the block models. All models used zone codes with an associated block percentage sub-division (1% precision) to maintain accurate volume reporting. 'Low grade' nickel domains were coded using items ZON1 and a corresponding

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		ZON1%. Similarly the high grade nickel domains within the EL-Plug deposit were coded using a ZON2 item with a corresponding ZON2% block proportion coding item. Grade estimation using ordinary kriging was completed for main reportable element items; NIKR1 for Ni% and CUKR1 for Cu%. Cobalt grades were calculated from regression calculations based on the interpolated nickel grades and written to the COKR1 block item. The option to generate and report a Nickel Equivalent item NIEQ1 based on the NIKR1, CUKR1 and COKR1 items was not pursued at this time due to the rapidly changing metal price market which could lead to some reporting complications. A grade / cut-off distance restriction regime utilised during interpolation to limit the influence of very high, usually set at approximately the 99th percentile level or slightly higher depending on ZONE and AREA domain designation. The associated distance of outlier restriction for the various deposit zones was also variable and was usually set at approximately two down-hole variogram ranges or approximately 2 block lengths for all mineralisation zone constrained composites. The effect of the grade / distance restriction regime as applied to composite grade outliers is to limit how far very high grades can be interpolated into model blocks, particularly those parts of the resource model with relatively low levels of drilling density. Grade continuity for each ZONE was measured using geostatistical techniques. Directional variograms were modelled using traditional and co-variance transformation variograms. Nugget values for all elements were observed to range from moderate through to high depending on zone designation. Estimation search ellipsoids were also defined according to the local geometry orientation as defined by an additional AREA domain code.
	The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.	Previous economic mining activity has taken place within the EL-Plug, N, O and P Areas. A comparison review of the resource estimate for EL-Plug carried out to compare the 2015 estimate with the 2018 estimates. A small reduction in the overall resource has resulted from a more accurate interpretation of some of the mineralisation zones being carried out. No detailed review or direct comparison of any previous resource estimates has been carried out due to data acquisition difficulties and given the time elapsed or due to differences in reporting detail available including differing reporting lower cut-offs grades making it difficult to compare previous historic estimates. Corazon had previously reported an “interim” Inferred Mineral Resource for EL-Plug according to the the JORC 2004 Code using a 0.6% Nickel (Ni%) lower cut-off was of 1.8Mt at 0.8%Ni, 0.4%Cu and 0.02%Co (ASX Announcement dated 13 October, 2010). In 2015, the resources for the EL deposit was re-estimated for JORC 2012 and the previously reported Canadian NI43-101 resources were converted to JORC 2012 (ASX Announcement dated 16 April 2015). The global Indicated and Inferred Resource Estimate was stated as 9.4Mt at 0.88% Ni and 0.4% Cu. Cobalt was not reported. Deposits included in this estimation were the EL, N, O and G.
	The assumptions made regarding recovery of by-products.	Mining and mineral processing of mineralised material from the EL-Plug, Disco and the N, O, and P area deposits is expected to primarily produce nickel concentrate with associated ancillary elements copper and cobalt that may be recoverable excess or saleable by-products.

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	Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).	No significant deleterious toxic metal elements have been identified or reported to date. Historically some problems have been observed with high sulphur materials resulting in unwanted acid mine drainage. Corazon is aware of these particular concerns.
	In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.	**EL Plug:** Drilling of the deeper zones of the EL Plug from surface has resulted in high angle intersections of the deposit and broader drill spacing. **Disco Area:** Drilling of the deeper zones of the Disco Zone from surface has also resulted in high angle intersections of the deposit and broader drill spacing. The relatively low number of drill-holes available for this area has informed HGMC's decision to report Inferred resource from this area only. **N, O and P Areas:** Drilling into each of these zones, particularly N, and O from numerous locations along underground development drives has resulted in a large number of both low and high angle intersections of the deposit with quite close drill spacing.
	Any assumptions behind modelling of selective mining units.	**EL Plug:** Given the scale of the EL-Plug Deposit, the block size used by HGMC for block model construction 5 m x 5 m x 5 m (X,Y,Z) is a reasonable selective mining unit (**SMU**) allowing for good modelling resolution. The relatively high drilling density present in much of the shallower and near surface mineralisation (10 m x 10 m) also allows for a smaller higher resolution block size to be considered. **Disco Area:** The block size used by HGMC for block model construction at Disco of 5 m x 5 m x 5 m (X,Y,Z) is an appropriate SMU given the scale of the Disco deposit and it's closer proximity to topographic surface. **N, O and P Areas:** The block size used for the N, O and P zones was also 5 m x 5 m x 5 m (X,Y,Z). Again this is considered by HGMC to be a reasonable SMU given the scale of the deposits concerned allowing for good modelling resolution. The relatively high drilling density present in much of the shallower and near surface mineralisation also allows for a smaller higher resolution block size to be considered.
	Any assumptions about correlation between variables.	**EL Plug:** The primary element nickel is strongly correlated with ancillary elements cobalt and, to a lesser extent, copper. Mining production will be aimed at maximising nickel recovery and therefore recovering most of the cobalt and copper. There are a few minor locations identified where relatively high copper and cobalt grades occur in conjunction with very low inherent nickel grades. **Disco Area:** The primary element nickel is correlated with ancillary elements copper. As was observed for EL-Plug, there are a few minor locations identified where relatively high copper and cobalt grades occur in conjunction with very low inherent nickel grades. For the purposes of cobalt grade assignment in the block model, cobalt was estimated using the regression calculation as was derived from the EL-Plug Ni vs Co correlation analysis **N, O and P Areas:** The primary element Nickel is correlated with ancillary elements copper. There are numerous locations observed where high Copper grades occur in conjunction with very low inherent Nickel grades. For the purposes of Cobalt grade assignment in the block model and given no Cobalt analyses were available form this areas the block model Cobalt item was estimated using the regression calculation as was

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		derived from the EL-Plug Ni vs Co correlation analysis.
	Description of how the geological interpretation was used to control the resource estimates.	**EL Plug, Disco, N, O and P Areas:** The major lithology types interpreted and modelled to date have been used to guide the mineralisation wire-frames used to code the block model. In addition, at least one known interpreted fault zone has been shown to cut or off-set mineralisation, and this has been incorporated in the block modelling where possible
	Discussion of basis for using or not using grade cutting or capping.	**EL Plug, Disco, N, O and P Areas:** Statistical analysis showed the populations in the main mineralisation domains in each deposit to generally have low to moderate coefficients of variation levels. Therefore, a moderated grade / cut off and associated distance restriction regime was applied during kriging interpolation individually on a zone by zone basis. The distance restriction threshold was applied at approximately the 99th percentile level. It should be noted that composite grades were not cut prior to use in kriging interpolation, but their area of influence was significantly restricted.
	The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.	Model validation was carried out graphically and statistically for all block model areas to ensure that the block model grades accurately represent the input drill hole data. A number of methods were employed to validate the block model including: • Global mean comparison; • Visual comparison, and • Bench trend plot comparison. The global mean comparison between drill composite grades and model grades within each of the mineralised zone wireframes for the Ni item shows that globally the estimates compare favourably within all the well drilled parts of the main mineralised domains. Some localised bench variations are observed with the bench trend plots. These areas of variation are due to the locally inherent bench variability and non-stationarity of the Ni composite data. Cross sections were viewed on-screen and showed a good comparison between the drill hole data and the block model grades. A volume comparison between the volume of the block model cells within each mineralised zone and the volume of the corresponding wireframe was carried out to ensure coding methods were within acceptable limits.
Moisture	*Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	The tonnages are estimated on a dry basis.
Cut-off parameters	*The basis of the adopted cut-off grade(s) or quality parameters applied.*	**EL-Plug, Disco, N, O and P Areas:** Three-dimensional wireframe models of mineralisation were developed for EL-Plug, Disco and the N, O and P zones based on a nominal Nickel lower cut-off of 0.2-0.3% Ni. HGMC has used a default 0.5% Ni lower cut-off for reporting Mineral Resources as well as at the 0.7% lower cut-off level to reflect likely future appropriate underground economic cur-off levels.

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Mining factors or assumptions	*Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution.*	**EL Plug:** Future mining or mineral extraction at the EL-Plug deposit area deposit is anticipated to be initially open pit mining followed by further underground mining. **Disco Area:** Future mining or mineral extraction at the Disco deposit area deposit due to its close proximity to topographic surface (~30m) is anticipated to be initially mined from open pit. **N, O and P Areas:** Future mining or mineral extraction at the N, O and P area deposit due to their depth and access will be mined using underground mining methods only. Underground mining methods will probably be very similar to the methods employed during the previous historic mining phases. No other assumptions on mining methodology have been made.
Metallurgical factors or assumptions	*The basis for assumptions or predictions regarding metallurgical amenability.*	**EL-Plug, Disco, N, O and P Areas:** Historic mining, milling and processing of ore from the various deposit areas has been well recorded and it is not expected that any major metallurgical recovery concerns will be encountered at such a mature Project. HGMC understands Corazon is planning more detailed test work in the future with the aim of identifying and optimising the best processing route for the production of nickel concentrate, as well as recovering ancillary elements such as copper and cobalt.
Environmental factors or assumptions	*Assumptions made regarding possible waste and process residue disposal options.*	**EL-Plug, Disco, N, O and P Areas:** HGMC has not made any assessment regarding waste rock or tailings disposal. It is expected the uses of standardised rock waste dumps and tailing dams of modern design could be utilised without any significant impact on the local environment.
Bulk density	*Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* ***The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.*** *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	**Disco, N, O and P Areas:** The available database for these deposits does not include any bulk density core measurement data, nor does it contain any tonnage factor statistics from historic production. Neither historic mine nor recent explorers have acquired or formally recorded Archimedes data, despite the very significant amount of drill core available. Tonnage factors were derived from Ni and Cu grades using trendline formulas, graphing iron (Fe) and insolubles (Insol) against Ni grades on assayed intervals for each zone and orebody. Strong relationships were identified between assayed Ni values and percentages of Fe and Insol. These correlations were then used to estimate tonnage factors for each individual zone based on trendline formulas, sample assay data and chemical formulas of chalcopyrite, pentlandite and pyrrhotite. Certain assumptions were used in order to determine the tonnage factor: • Amount of total Fe is derived from pyrrhotite, pentlandite and chalcoyprite. • Cu is derived entirely from chalcopyrite • Ni is derived entirely from pentlandite • Insolubles specific gravity assumed as 2.85

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		EL Plug: The bulk density information utilised by HGMC was derived from data contained within the Corazon drilling database. Approximately 240 bulk density measurements were carried out using the Archimedes Method on 120 linear metres of diamond core acquired as part of the Corazon drilling programs. HGMC's opinion is that this is a reasonable number of physically measured bulk density measurements, in conjunction with associated assay analytical data for nickel and sulphur, to reliably describe mineralisation bulk density characteristics. HGMC elected to use the available nickel versus bulk density correlation analysis with an observed correlation coefficient confirmation derived at 0.907 which was slightly better than that observed for nickel for sulphur. The bulk average densities assigned at EL-Plug were 3.15 tonnes per cubic metre within the 'low grade' mineralization zones and 3.50 tonnes per cubic metre within the 'high grade' zones. At the Disco zone the average bulk density assigned was 3.10 tonnes per cubic metre for the total mineralization zone. The average bulk densities for N, O Zones were 3.10 tonnes per cubic metre and for the P zone the average bulk density assigned was 3.11, tonnes per cubic metre.
Classification	*The basis for the classification of the Mineral Resources into varying confidence categories. Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data). Whether the result appropriately reflects the Competent Person's view of the deposit.*	**EL Plug, Disco, N, O and P Areas:** Estimation parameters including kriging variance, number of composites informing the interpolated block and distance of block centroid from nearest drill hole were considered during the classification process. These parameters were condensed into a quality of estimate (QLTY) item which was used as a starting basis for decisions relating to resource classification and further re-condensing of the QLTY parameter into a RCAT (Resource Category) item summary. The Resource model uses a classification scheme at EL-Plug, Disco and the N, O and P Areas used the same standard approach and was based upon additional block model estimation parameters. These included Kriging Variance, number of composites in search ellipsoid, and the composite distance to block centroid. These inputs were used to derive relative confidence levels or 'quality of estimate index' (QLTY item) within the block model) which has a range of 1 to 3, where QLTY = 1, 2 or 3 represents high, medium or low confidence respectively. QLTY=1 • Drill spacing of 15 metres x 20 metres or less. • Composites – Ni item parameters only used as basis for classification. • Search ellipsoid distances 0-20m. • Composite numbers 15 or greater.

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		• Kriging Variance 0 - 0.4. (EL-Plug), 0 - 0.01 (Disco) and 0 - 0.025 (N, O, & P Zones). QLTY=2 • Drill spacing of nominally 20 metres x 40 metres to 40 metres x 40 metres (depending on deposit and variography results). • Composites – Ni item parameters only used as basis for classification. • Search ellipsoid distances 20 metres -50 metres . • Composite numbers 10-15. • Kriging Variance 0.4-0.6 (EL-Plug), 0.01 - 0.015 (Disco) and 0.025-0.05 (N, O, & P Zones). QLTY=3 • Drill spacing out to or greater than 80 metres x 80 metres (depending on deposit and variography results). • Composites – Ni item parameters only used as basis for classification. • Search ellipsoid distances 50 metres -100 metres or greater distances. • Composite numbers 0 to 10. • Kriging Variance 0.6 or greater (EL-Plug), 0.015 or greater (Disco) and 0.05 or greater (N, O, & P Zones). The QLTY item parameter values have been further 'condensed' into an RCAT assignment item describing the confidence of the localized resource base in the block model. Preliminary Resource Classification Item coding was carried out as – (RCAT) Values 1-3 – (Nominally 'Measured', 'Indicated' and 'Inferred' [1, 2 or 3]. For EL-Plug the QLTY=1 and QLTY=2 material is designated as Indicated Resources (RCAT=2) with the remaining QLTY = 3 material reporting as Inferred Resources. (RCAT=3). At the Disco Zone all material has been designated as an Inferred Resource owing to the relatively low drilling and sampling density present. At the N, O and P areas all QLTY=1 and QLTY=2 material was designated Indicated Resources (RCAT=2) with the remaining QLTY = 3 material being designated as Inferred Resources. (RCAT=3).

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Criteria	**Explanation**	**Comment**
Audits or reviews	*The results of any audits or reviews of Mineral Resource estimates.*	**EL Plug, Disco, N, O and P Areas:** HGMC have undertaken a review of the previous mineral resource estimates for the N, O and P deposits areas. The review has not been to the depth of a full audit of the previous estimates nor of the database which supports the estimates. HGMC notes that the capture of the historic data and the previous resource estimates of the N, and O deposits were made by consultant geologists employed by a fully independent geological consultancy. HGMC utilised this previous block modelling and resource estimation work as the basis for generating new mineralisation wireframes including the associated cut-off and block model interpolation parameters which have resulted in new updated reported mineral resource estimates for theses deposits. **EL Plug:** HGMC has re-estimated the mineral resources for the EL deposit using MineSight® software. HGMC's resource estimates for the Lynn Lake deposits have not been externally audited or reviewed.
Discussion of relative accuracy/ confidence	*Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	HGMC considers the most important factors on relative accuracy and confidence level in the Mineral Resource estimates to be: • Adequate levels of drilling and sample density; • Precise drilling and sampling technique; • Regular checking of assay data quality; • Adequate survey control for drill holes and sample points; • Reliable estimation and allowance for variability of specific gravity; • Consistent and accurate logging of drill hole data; • Precise definition and modelling of mineralisation zones with reference to geology; • Thorough reviews of deposit statistics; • Realistic application of grade cut-offs and area of influence restrictions;

Section 3 - Estimation and Reporting of Mineral Resources		
Criteria	**Explanation**	**Comment**
		• Correct application of interpolation techniques; • Thorough analysis of all modelling parameters and the results derived; and • The minimisation of all assumptions where possible. These factors have helped ensure resources as reported from the EL-Plug, Disco, N, O and P area lock models are robust estimates of nickel, copper and cobalt resources.