
CORAZON MINING LIMITED

ACN 112 898 825

NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 10.00 am

DATE: 30 May 2019

PLACE: PKF Perth Level 5, 35 Havelock Street, West Perth WA 6005

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5.00pm on 28 May 2019.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 115,405,350 Shares on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. RESOLUTION 2 – ISSUE OF PLACEMENT OPTIONS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 76,936,900 Options on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. RESOLUTION 3 – ISSUE OF SHARES AND OPTIONS RELATING TO THE SPP

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 333,333,333 Shares and 222,222,222 Options on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person may underwrite or sub-underwrite the offer of Shares and Options under the Share Purchase Plan, any person who is expected to participate in the Shortfall Offer and any associates of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. RESOLUTION 4 – ISSUE OF OPTIONS TO CLIVE JONES – DIRECTOR PARTICIPATION IN SPP OFFER

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 3,333,333 Options to Clive Jones (or his nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Clive Jones (and his nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. RESOLUTION 5 – ISSUE OF OPTIONS TO BRETT SMITH - DIRECTOR PARTICIPATION IN SPP OFFER

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 3,333,333 Options to Brett Smith (or his nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Brett Smith (and his nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. RESOLUTION 6 – ISSUE OF OPTIONS TO JONATHAN DOWNES - DIRECTOR PARTICIPATION IN SPP OFFER

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up 3,333,333 Options to Jonathan Downes (or his nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Jonathan Downes (and his nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

7. RESOLUTION 7 – ISSUE OF OPTIONS TO MARK QIU - DIRECTOR PARTICIPATION IN SPP OFFER

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 3,333,333 Options to Mark Qiu (or his nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mark Qiu (and his nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

8. RESOLUTION 8 – ISSUE OF SHARES TO VENDORS OF MT GILMORE PROJECT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to that number of Shares, when multiplied by the deemed issue price, will raise up to \$250,000 Shares on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Dated: 18 April 2019

By order of the Board

Rob Orr
Company Secretary

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6142 6366.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. BACKGROUND

1.1 Placement

On 3 April 2019, the Company announced that it had received firm commitments from sophisticated, professional and institutional investors to raise up to \$346,316 through a placement of 115,405,350 Shares (**Placement Shares**) at an issue price of \$0.003 per Placement Share, together with two Options for every three Placement Shares subscribed for and issued (**Placement Options**) (**Placement**).

The Company issued the Placement Shares without prior Shareholder approval out of its 15% annual placement capacity. Resolution 1 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Placement Shares.

The issue of the Placement Options remains subject to Shareholder approval and is the subject of Resolution 2.

1.2 Share Purchase Plan

In conjunction with the Placement, the Company is providing an opportunity for eligible shareholders to participate in raising up to a further \$1,000,000 through a share purchase plan (**Share Purchase Plan**). Under the Share Purchase Plan, eligible shareholders may each apply for up to \$15,000 of new Shares at an issue price of \$0.003 together with two (2) free attaching Options for every three (3) Shares subscribed for and issued, consistent with the Placement (**SPP Offer**).

Shares and Options not taken up pursuant to the SPP Offer (**Shortfall Securities**) will form the shortfall (**Shortfall SPP Offer**). Eligible shareholders may participate in the Shortfall SPP Offer. However, the Directors reserve the right to issue at their discretion any Shortfall Securities under the Shortfall SPP Offer.

On 17 April 2019, the Company was granted a waiver from ASX Listing Rules 7.1 and 10.11 (**Waiver**) to the extent necessary to permit the Company, without obtaining Shareholder approval, to issue Shares under the Share Purchase Plan at an issue price no less than the lower of the issue price of the shares issued under the Placement (being \$0.003 per Share) and 80% of the Company's volume weighted average market Share price over the last 5 days on which trades were recorded, either before the day on which the SPP was announced or on which the Shares are issued under the SPP.

Resolution 3 seeks Shareholder approval for the issue of up to 333,333,333 Shares and 222,222,222 Options to participants in the SPP Offer and the Shortfall SPP Offer.

The Company confirms that the maximum of Shares to be issued under the Share Purchase Plan is 333,333,333 Shares, which may be issued to eligible Shareholders without obtaining Shareholder approval in accordance with the Waiver or issued to participants in the Shortfall SPP Offer pursuant to the approval under Resolution 3. The maximum number of Options to be issued under the Share Purchase Plan is 222,222,222 Options which will be issued

pursuant to the approval under Resolution 3. Directors, Clive Jones, Brett Smith, Jonathan Downes and Mark Qiu (or their respective nominees) (**Related Parties**) wish to participate in the SPP Offer by subscribing for up to an aggregate of 20,000,000 Shares and 13,333,332 Options. The Company intends to issue up to 20,000,000 Shares to the Related Parties without Shareholder approval in accordance with the Waiver. Resolutions 4, 5, 6 and 7 seek Shareholder approval for the issue of up to 13,333,332 Options under the SPP Offer to the Related Parties (**SPP Participation**).

1.3 Mt Gilmore Project

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

The Company has been working towards fulfilling the conditional terms of its second earn-in agreement with Providence Gold and Minerals Pty Ltd (**Vendor**), in order to secure a further 29% interest (increasing the Company's interest to 80%) in the Mt Gilmore Project.

The Company has satisfied the first two conditions, being:

- (a) the issue of \$150,000 worth of Shares to the Vendor upon completion of a minimum spend of \$500,000 on the Mt Gilmore Project; and
- (b) the expenditure of a minimum of \$2,000,000 on the Mt Gilmore Project.

The final condition to be satisfied is the payment of \$250,000 in cash or issue of \$250,000 worth of Shares (at a deemed issue price of the five day volume weighted average price for Shares calculated over the 5 days on which sales in the Shares are recorded before the day on which the issue is made) to the Vendor (or its nominees).

Resolution 8 seeks Shareholder approval for the issue of up to that number of Shares, when multiplied by the deemed issue price will equal \$250,000 to the Vendor (or its nominees).

2. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES

2.1 General

Resolution 1 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Placement Shares. Further details of the Placement are set out in Section 1.1.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

2.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 1:

- (a) 115,405,350 Shares were issued;
- (b) the issue price was \$0.003 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to sophisticated, professional and institutional investors who are clients of Hartleys or existing Shareholders. None of these subscribers are related parties of the Company; and
- (e) the funds raised from this issue are being used to accelerate exploration activities at the Mt Gilmore Project.

3. RESOLUTION 2 – ISSUE OF PLACEMENT OPTIONS

3.1 General

Resolution 2 seeks Shareholder approval for the issue of the Placement Options. Further details of the Placement are set out in Section 1.1.

A summary of ASX Listing Rule 7.1 is set out in Section 2.1 above.

The effect of Resolution 2 will be to allow the Company to issue the Placement Options during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

3.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 2:

- (a) the maximum number of Options to be issued is 76,936,900;
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Options will occur on the same date;
- (c) the issue price of the Options will be nil as they will be issued free attaching with the Placement Shares;
- (d) the Options will be issued to the subscribers in the Placement the subject of Resolution 1 on the basis of two Options for every three Placement Shares subscribed for and issued;
- (e) the Options will be issued on the terms and conditions set out in Schedule 1; and

- (f) no funds will be raised from issue of the Placement Options as the Options are being issued for nil cash consideration. Details of the use of funds raised under the Placement are set out in Section 2.2(e).

4. RESOLUTION 3 – ISSUE OF SHARES AND OPTIONS RELATING TO THE SPP

4.1 General

Resolution 3 seek Shareholder approval for the issue of SPP Shares and SPP Options the subject of the SPP Offer and the Shortfall SPP Offer.

Further details in respect of the SPP Offer are set out in Section 1.2.

Voting exclusions apply to Resolution 3 as detailed in the Notice. The Company has been granted a waiver of ASX Listing Rule 7.3.8 to enable Shareholders to vote in relation to Resolution 3 notwithstanding that they may be successful applicants for Shares and Options under the SPP Offer. However, any proposed underwriter or sub-underwriter in respect of the SPP Offer and any persons who is expected to participate in the Shortfall SPP Offer will be excluded from voting on Resolution 3.

The Company confirms that the maximum of Shares to be issued under the Share Purchase Plan is 333,333,333 Shares, which may be issued to eligible Shareholders without obtaining Shareholder approval in accordance with the Waiver or issued to participants in the Shortfall SPP Offer pursuant to the approval under Resolution 3. The maximum number of Options to be issued under the Share Purchase Plan is 222,222,222 Options which will be issued pursuant to the approval under Resolution 3.

A summary of ASX Listing Rule 7.1 is set out in Section 2.1 above.

The effect of Resolution 4 will be to allow the Company to issue the Shares and Options pursuant to the SPP Offer (including any Shortfall Securities under the SPP Offer) during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

4.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 3:

- (a) the maximum number of Shares to be issued is 333,333,333 and the maximum number of Options to be issued is 222,222,222;
- (b) the Shares and Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares and Options will occur on the same date;
- (c) the issue price will be \$0.003 per Share and nil per Option as the Options will be issued free attaching with the Shares on the basis of two Options for every three Shares subscribed for and issued;
- (d) the Shares and Options will be issued to participants under the Share Purchase Plan. None of these subscribers are related parties of the Company, other than Mr Jones, Mr Smith and Mr Downes (or their respective nominees) for whom Shareholder approval to participate in the SPP Offer is being sought under Resolutions 4, 5 and 6);

- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the Options will be issued on the terms and conditions set out in Schedule 1; and
- (g) the Company intends to apply the funds raised under the SPP Offer to fund exploration activities at the Mt Gilmore Project, the Lynn Lake nickel Project and for general working capital.

5. **RESOLUTIONS 4 TO 7 – ISSUE OF OPTIONS TO RELATED PARTIES - DIRECTOR PARTICIPATION IN SPP OFFER GENERAL**

Resolution 3 seek Shareholder approval for the issue of up to 333,333,333 Shares and 222,222,222 Options to participants in the SPP Offer.

Directors, Clive Jones, Brett Smith, Jonathan Downes and Mr Mark Qiu (or their respective nominees) (**Related Parties**) wish to participate in the SPP Offer by subscribing for up to an aggregate of 20,000,000 Shares and 13,333,332 Options. The Company intends to issue up to 20,000,000 Shares to the Related Parties without Shareholder approval in accordance with the Waiver.

Resolutions 4, 5, 6 and 7 seek Shareholder approval for the issue of up to 13,333,332 Options under the SPP Offer to the Related Parties (**SPP Participation**).

5.1 **Chapter 2E of the Corporations Act**

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The SPP Participation will result in the issue of Options which constitutes giving a financial benefit and Mr Jones, Mr Smith, Mr Downes and Mr Qiu are related parties of the Company by virtue of being Directors.

The Directors (other than Mr Jones who has a material personal interest in Resolution 4) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Resolution 4 because the Options will be issued to Mr Jones on the same terms as Options issued to non-related party participants in the SPP Offer and as such the giving of the financial benefit is on arm's length terms.

The Directors (other than Mr Smith who has a material personal interest in Resolution 5) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Resolution 5 because the Options will be issued to Mr Smith on the same terms as Options issued to non-related party participants in the SPP Offer and as such the giving of the financial benefit is on arm's length terms.

The Directors (other than Mr Downes who has a material personal interest in Resolution 6) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Resolution 6 because the Options will be issued to Mr Downes on the same terms as Options issued to non-related party participants in the SPP Offer and as such the giving of the financial benefit is on arm's length terms.

The Directors (other than Mr Qiu who has a material personal interest in Resolution 7) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Resolution 7 because the Options will be issued to Mr Qiu on the same terms as Options issued to non-related party participants in the SPP Offer and as such the giving of the financial benefit is on arm's length terms.

5.2 Section 195(4) of the Corporations Act

Section 195 of the Corporations Act provides that a Director of a public company may not vote or be present during meetings of Directors when matters in which that Director holds a "material personal interest" are being considered, except in certain limited circumstances. Section 195(4) relevantly provides that if there are not enough Directors to form a quorum for a Directors meeting because of this restriction, one or more of the Directors may call a general meeting and the general meeting may pass a resolution to deal with the matter.

It might be argued (but it is neither conceded nor, indeed, is it thought by the Board to be the case) that all of the Directors comprising the Board have a material personal interest in the outcome of Resolutions 4, 5 and 6. If each does have such an interest, then a quorum could not be formed to consider the matters contemplated by Resolutions 4, 5, 6 and 7 at Board level.

Accordingly, for the avoidance of any doubt, and for the purpose of transparency and best practice corporate governance, the Company also seeks Shareholder approval for Resolutions 4, 5, 6 and 7 for the purposes of section 195(4) of the Corporations Act in respect of the reliance on the reasonable remuneration exception and the decision not to seek Shareholder approval under Chapter 2E of the Corporations Act.

5.3 ASX Listing Rule 10.11

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the SPP Participation involves the issue of Shares and Options to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

5.4 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the SPP Participation:

- (a) the maximum number of Securities to be issued is 13,333,332 Options, comprising of:

- (i) up to 3,333,333 Options to Mr Jones (or his nominee) which is the subject of Resolution 4;
 - (ii) up to 3,333,333 Options to Mr Smith (or his nominee) which is the subject of Resolution 5;
 - (iii) up to 3,333,333 Options to Mr Downes (or his nominee) which is the subject of Resolution 6; and
 - (iv) up to 3,333,333 Options to Mr Qiu (or his nominee) which is the subject of Resolution 7;
- (b) the Options will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
 - (c) the issue price will be nil per Option as the Options will be issued free attaching with the Shares on the basis of two Options for every three Shares subscribed for and issued;
 - (d) the Options will be issued on the terms and conditions set out in Schedule 1; and
 - (e) the Company intends to apply the funds raised under the SPP Offer to fund exploration activities at the Mt Gilmore Project, the Lynn Lake nickel Project and for general working capital.

Approval pursuant to ASX Listing Rule 7.1 is not required for the SPP Participation as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares to the Related Parties (or their nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

6. RESOLUTION 8 – ISSUE OF SHARES TO VENDORS OF MT GILMORE PROJECT

6.1 General

Resolution 8 seeks Shareholder approval for the issue of up to that number of Shares, when multiplied by the deemed issue price will equal \$250,000 to the Vendor (or its nominees) in consideration for the acquisition of a further 29% interest in the Mt Gilmore Project, which increases the Company's interest to 80% (**Acquisition**). Refer to Section 1.3 for further details of the Acquisition.

A summary of ASX Listing Rule 7.1 is set out in Section 2.1 above.

The effect of Resolution 8 will be to allow the Company to issue the Shares pursuant to this Resolution during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

6.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 8:

- (a) the maximum number of Shares to be issued is up to that number of Shares which, when multiplied by the deemed issue price, equals \$250,000;

- (b) the deemed issue price will be not less than 80% of the volume weighted average price for Shares calculated over the 5 days on which sales in the Shares are recorded before the day on which the issue is made or, if there is a prospectus, over the last 5 days on which sales in the securities were recorded before the date the prospectus is signed;
- (c) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (d) the Shares will be issued in nil cash consideration in consideration for the Acquisition;
- (e) the Shares will be issued to the Vendor (or its nominee), who is not a related party of the Company;
- (f) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (g) no funds will be raised from the Placement as the Shares are being issued in part consideration for the acquisition of a further 29% interest in the Mt Gilmore Project, which increases the Company's interest to 80%.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Company means Corazon Mining Limited (ACN 112 898 825).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

General Meeting or **Meeting** means the meeting convened by the Notice.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – TERMS AND CONDITIONS OF OPTIONS

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.007 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date that is three years from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.