

The Manager – Company's Announcements
Australian Securities Exchange

CAPITAL RAISING OF UP TO \$1.68M TO ADVANCE LYNN LAKE NICKEL SULPHIDE PROJECT

- Corazon is undertaking a capital raising of up to \$1.68M to fund its ongoing exploration at the Lynn Lake Nickel Copper-Cobalt Sulphide Project in Canada
- The capital raise consists of a Placement to sophisticated and professional investors, and an Entitlement Offer to eligible shareholders
- Firm commitments for the Placement have been received to raise approximately \$714,000
- A pro-rata non-renounceable Entitlement Offer to eligible shareholders of 1 new Share for every 5 Shares held is proposed to raise up to an additional \$964,000
- Both the Placement and the Entitlement Offer will include the issue of 1 free attaching option for every Share issued. The issue of options to participants in the Placement will be subject to the Company obtaining shareholder approval
- Funds raised will enable the extension of exploration and drilling at Lynn Lake
- Drill rig is on-site and drilling is expected to re-commence this month at the Fraser Lake Complex

Corazon Mining Limited (ASX: CZN) (Corazon or the Company) is pleased to announce a capital raising to raise up to \$1.678 million to fund ongoing exploration at the Lynn Lake Nickel-Copper-Cobalt-Sulphide Project (Lynn Lake or Project) in Manitoba, Canada.

The raising comprises a Placement as well as an Entitlement Offer to eligible shareholders, as follows;

- **Placement:** Corazon has received firm commitments from sophisticated and professional investors to raise approximately **\$714,000** via the issue of up to 356,984,000 fully paid ordinary shares (Shares) at an issue price of \$0.002 per Share. Participants will also be issued one (1) attaching option for every one (1) Share subscribed for, subject to shareholder approval.
- **Entitlement Offer:** Corazon will also undertake a pro-rata non-renounceable Entitlement Offer to raise up to **\$964,000** via the issue of approximately 481.9 million Shares at an issue price of \$0.002 per Share, on the basis of one (1) Share for every five (5) Shares held. Participants will also be issued one (1) attaching option for every one (1) Share issued.

Corazon's Chairman, Mr Terry Streeter, stated:

"The Company's ongoing focus on the Lynn Lake project has continued to reap benefits, with our recent targeted drilling programs, delivering multiple high-grade nickel sulphide

intersections, further adding to the expansion potential of the already substantial resource base delineated by Corazon. In particular, the current phase of exploration drilling at Fraser Lake represents a highly exciting exploration and discovery opportunity, and is testing new large geophysical anomalies, in an area that we know (from previous drilling) is extensively mineralised."

Details of Capital Raise

Placement

Corazon has received firm commitments from sophisticated and professional investors for a placement of up to 356,984,000 fully paid Shares at an issue price of \$0.002 per Share to raise approximately \$714,000 (Placement). Participants in the Placement will also be issued one (1) attaching option for every one (1) Share subscribed for and issued, exercisable at \$0.0035 each on or before 30 June 2021 (the Attaching Options), subject to shareholder approval.

The Placement Shares are intended to be issued on Friday, 10 July 2020, under the Company's existing placement capacity under ASX Listing Rule 7.1. The Company will seek shareholder approval at a general meeting to be held on or around August 2020, to issue the Attaching Options to participants in the Placement.

Participants in the Placement will not be eligible to participate in the Entitlement Offer, except to the extent they are existing eligible Shareholders, in which case they can participate to their relevant pro-rata amount.

The Company will pay a 6% commission on funds raised under the Placement to licensed securities dealers and Australian financial services licensees who assisted with the Placement.

Entitlement Offer

Corazon will also undertake a pro-rata non-renounceable entitlement offer of approximately 481.9 million new Shares at an issue price of \$0.002 per Share on the basis of one (1) new Share for every five (5) Shares held on the record date to raise up to \$964,000, together with one (1) free attaching unlisted option for every one (1) share issued exercisable at \$0.0035 each on or before 30 June 2021.

The Company reserves the right to place any shortfall arising from the Entitlement Offer. The new Shares issued under the Entitlement Offer will be listed on ASX and will rank pari-passu with the existing fully paid ordinary shares in the Company.

The Company anticipates that a prospectus will be lodged in respect of the Entitlement Offer on Friday 3 July 2020.

The funds raised pursuant to the Placement and Entitlements Offer will be used to progress exploration activities at the Lynn Lake Project and Mt Gilmore Project, for working capital and costs of the Placement and Entitlements Offer.

Lynn Lake Exploration Program

Exploration at Lynn Lake is focused on a number of fronts including exploration drilling targeting new Lynn Lake-style nickel-copper-cobalt sulphide discoveries at the Fraser Lake Complex (FLC), situated five (5) kilometres south of the Lynn Lake Mining Centre (Mining Centre), and defining areas for near-surface mineralisation at the Mining Centre.

Fraser Lake Exploration

Corazon's recent exploration work within the Mining Centre has refined targeting methodologies, particularly with respect to the processing and interpretation of geophysical datasets. These new processes can be easily and quickly applied regionally in the exploration for new deposits.

A priority target area is the FLC, where past drilling by Corazon has discovered a large magmatic sulphide system that is analogous to the Lynn Lake deposits.

Drilling is currently underway at the FLC (ASX announcement 1 May 2020), testing a compelling new target defined by a number of geophysical methods, at the basal contact of the FLC gabbroic intrusion.

The initial drill hole (FLC2020-22) into this target has reached the top of the defined anomaly. Of important note is that the hole has displayed an increase in sulphide content (of between 1% and 8% from about 490 metres down-hole) with depth closer to the geophysical target and in line with the Company's geological model for the target.

This drilling is presently paused due to unsafe surface ground conditions on-site caused by high water levels from the seasonal melt of the northern winter snowfall. Corazon expects to recommence drilling at the FLC this month.

Drilling of hole FLC2020-22 was stopped at a downhole depth of 523.4 metres (approximately 400 metres below surface), at the top of the targeted anomaly.

Mine Exploration

The Company's recent exploration at Lynn Lake focused on defining additional areas of mineralisation with the potential to add to the Project's already significant resource base. The results-to-date of this work has bolstered the Company's belief in the Project's strong potential to host near-surface mineralisation to add beneficial "start-up" material for any future mining operation at Lynn Lake. Defining such tonnages is a key priority for Corazon as it moves towards feasibility work.

About Corazon

Corazon Mining Limited is an Australian resource company with projects in Australia and Canada.

In Canada, Corazon has consolidated the entire historical Lynn Lake Nickel Copper Cobalt Mining Centre in the province of Manitoba. It is the first time Lynn Lake 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 due to recent increases in the value of both nickel and cobalt metals, and their

expected strong demand outlooks associated with their core use in the emerging global electric vehicle industry.

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

Mt Gilmore is a recently 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 strong position to take advantage of the growing demand for commodities critically required for the booming rechargeable battery sector.

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

Authorisation of Announcement

This announcement has been authorised by Managing Director, Mr Brett Smith, on behalf of Corazon Mining Limited.

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Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Brett Smith, B.Sc Hons (Geol), Member AusIMM, Member AIG and an employee of Corazon Mining Limited. Mr Smith has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Smith consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

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.