ASX ANNOUNCEMENT

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The Manager - Company's Announcements
Australian Securities Exchange

Multiple Large Nickel-Copper-Cobalt Targets Identified

- LYNN LAKE PROJECT -

Key facts:

- **Fraser Lake Complex (FLC) Induced Polarisation (IP) survey identifies:**
  - **20 high-priority targets defined with very strong-IP anomalies**
    - **12 targets interpreted to come close to surface (under shallow cover)**
    - **Most display good depth extents (+700m below surface)**
  - **More than 30 second-order targets with strong-IP anomalies**
- **Walk up drill targets identified**
- **Chargeability IP anomalies trend off survey area, towards interpreted feeder zone to the intrusive complex – an untested Voisey's Bay style target**
- **FLC is only 5km from Lynn Lake, historically one of Canada's most prolific nickel producing mining centres:**
  - **FLC twice as large as the Lynn Lake host intrusion, and**
  - **Anomalous in nickel-copper sulphides (past sampling and drilling)**
- **Targets predominantly under shallow cover.**

Corazon Mining Limited (ASX: CZN) ("Corazon" or "the Company") is pleased to announce the completion of detailed interpretation and analysis of Induced Polarisation ("IP") and Resistivity ground geophysical surveys at the Fraser Lake Complex (FLC), located within the Company's Lynn Lake Nickel-Copper-Cobalt Sulphide Project (the Project) in the central Canadian province of Manitoba.

The results are highly encouraging, with this recent work identifying numerous anomalies with similar IP characteristics to known mineralisation within the Lynn Lake Mining Centre, situated just 5km to the north (Figure 1). Corazon believes these anomalies are representative of nickel-copper-cobalt sulphide mineralisation and that the FLC has the potential to host a mineralised system similar to Lynn Lake, historically one of Canada's most prolific nickel producing areas. The FLC intrusion is twice the size of the Lynn Lake host intrusion, and the area containing priority IP targets within the FLC is larger than the mine area at Lynn Lake.

IP anomalism within the FLC is open to the west (Figures 3 and 5), towards what is interpreted to be the "feeder zone" to the intrusive complex. The existence of a feeder zone may present the possibility for a "Voisey's Bay" style setting for mineralisation (in addition to the Lynn Lake style).

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Background to IP Survey

In February and March 2016 Corazon completed 49km of Gradient Array IP and 13.5km of Pole-Dipole IP over the FLC, testing an area of approximately 3km by 1.6km within the FLC (Figures 1 and 2).

An initial reconnaissance Gradient Array survey (ASX announcement 11th April, 2016) identified several zones of geophysical interest from near surface to depths of up to 700m, warranting further exploration. A detailed follow-up Pole-Dipole survey targeted the most prominent IP signatures and mapped them in detail from surface to a depth of 92m. The merging of these two surveys has provided an effective exploration tool for identifying walk-up drill targets.

Early analysis from the integration of these surveys (ASX announcement 12th May, 2016) indicated the presence of several prominent IP signatures at depth, with some anomalies appearing to extend to shallower depths (near outcropping).

IP in tandem with other complementary geophysical methods including magnetics, gravity and electromagnetics provide powerful predictive tools for exploring under cover in the Lynn Lake area.

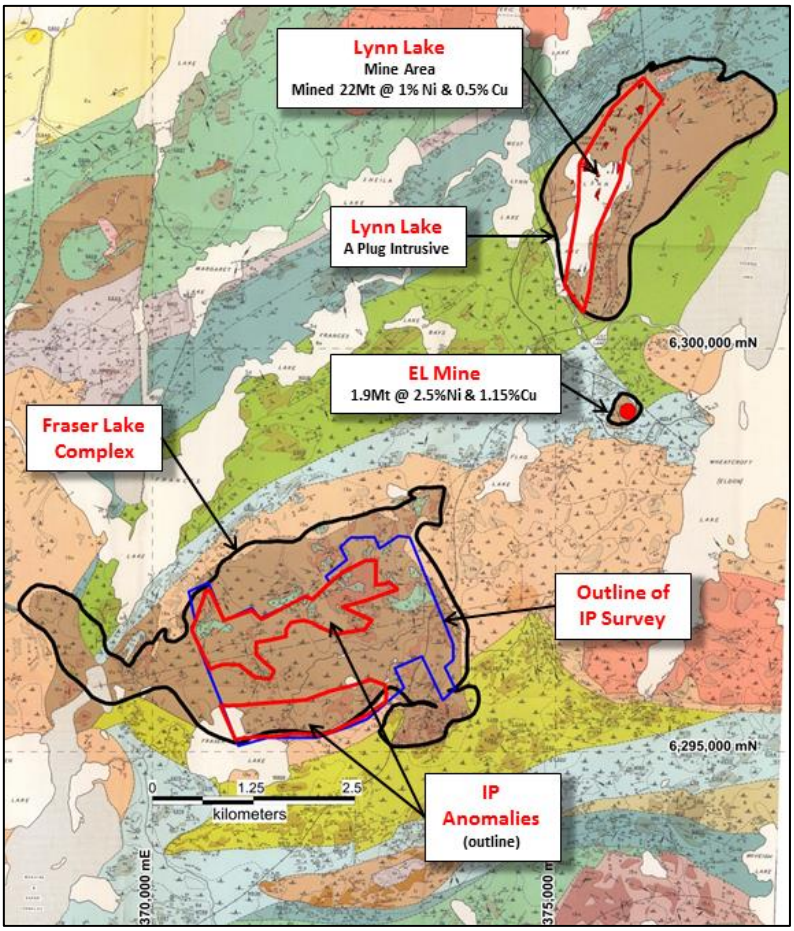

Figure 1 - Interpreted Geology – Emslie, R.R. and Moore, J.M. 1961. Manitoba Mines Branch, Publication 57-4. Datum UTM Zone 14 (NAD83).

IP Survey Results

The priority geophysical targets have been selected on the basis of their chargeability strength, resistivity association and their characteristics, in terms of geometry, source depth and vertical/horizontal extent.

Twenty (20) high priority targets have been identified in the surveyed area, which are of significant strength and depth extents to warrant drill testing or further exploration follow-up.

As many as **thirty-one (31) lower priority targets** have also been selected, showing similar geophysical characteristics to the high priority targets. These targets are ranked lower because they generally lack detailed Pole-Dipole IP coverage or display poor or inconsistent line-to-line correlation.

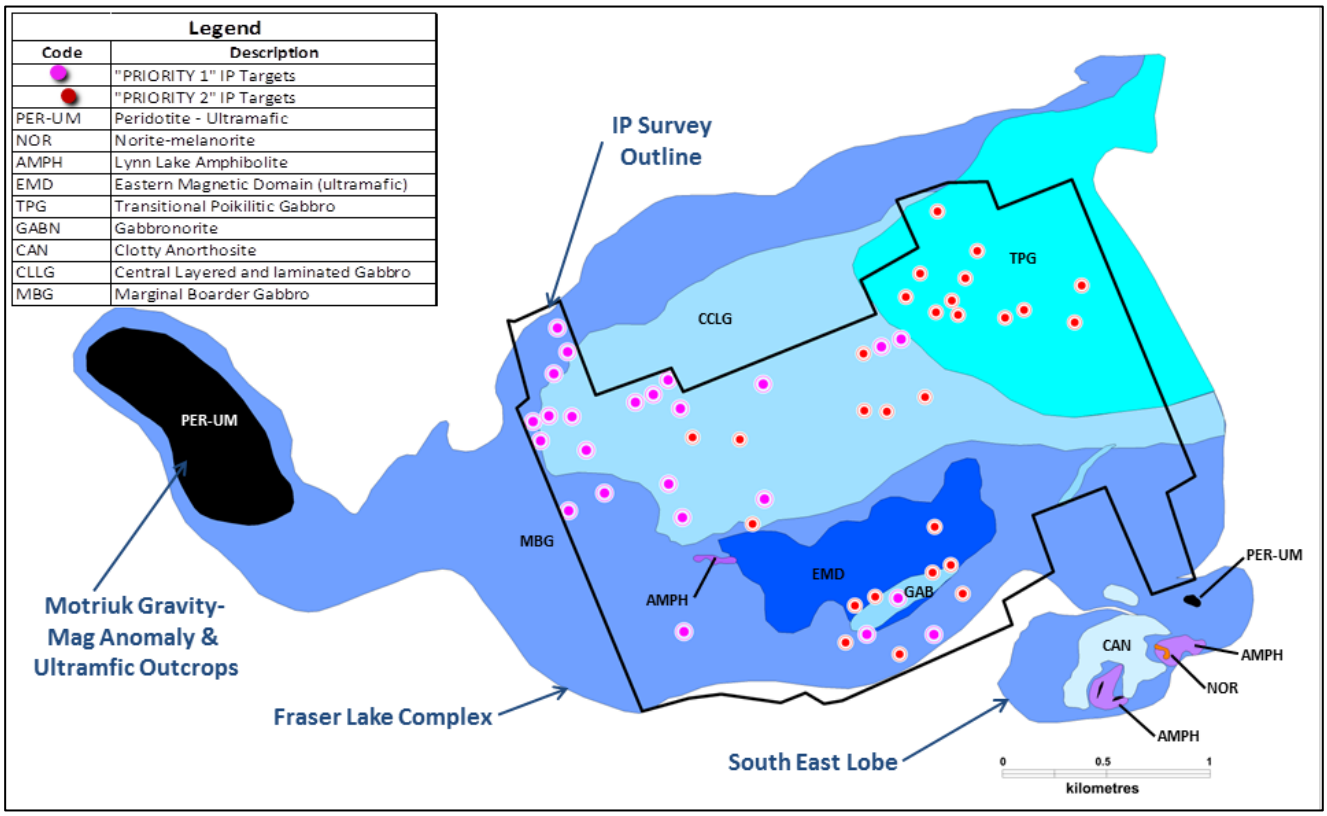

Figure 2 - Fraser Lake Complex geological interpretation, IP Survey Outline and "Priority IP Targets"

The IP responses at FLC have been differentiated based on their strength and associated resistivity. Expected response for **disseminated style mineralisation** is characterised by increased chargeability and associated high/contact resistivity. **Massive sulphide style mineralisation** is typically characterised by increased chargeability and low resistivity.

The anomalies identified at the FLC are generally sub-vertical and extend from near surface (potentially outcropping) to significant depths (+700m). Strong to very strong IP anomalies appear to be enveloped by moderate values, likely representing strongly sulphide zones within a halo of weaker mineralisation. This signature is typical of the Lynn Lake style of mineralisation.

Though the main targets identified by Corazon's recent work have not previously been tested by surface geochemistry or drilling, past exploration has shown the FLC to be fertile with nickel

mineralisation. Anomalous nickel and base metal mineralisation within the FLC was originally recognised by mining company Sherritt-Gordon in the late 1940's to early 1950's, around the same time as their massive sulphide discovery at Lynn Lake. Lynn Lake went on to be mined for 24 years before closure in 1976 and remains the 4th largest nickel producing area in Canada (behind Sudbury, Voisey's Bay and Raglan).

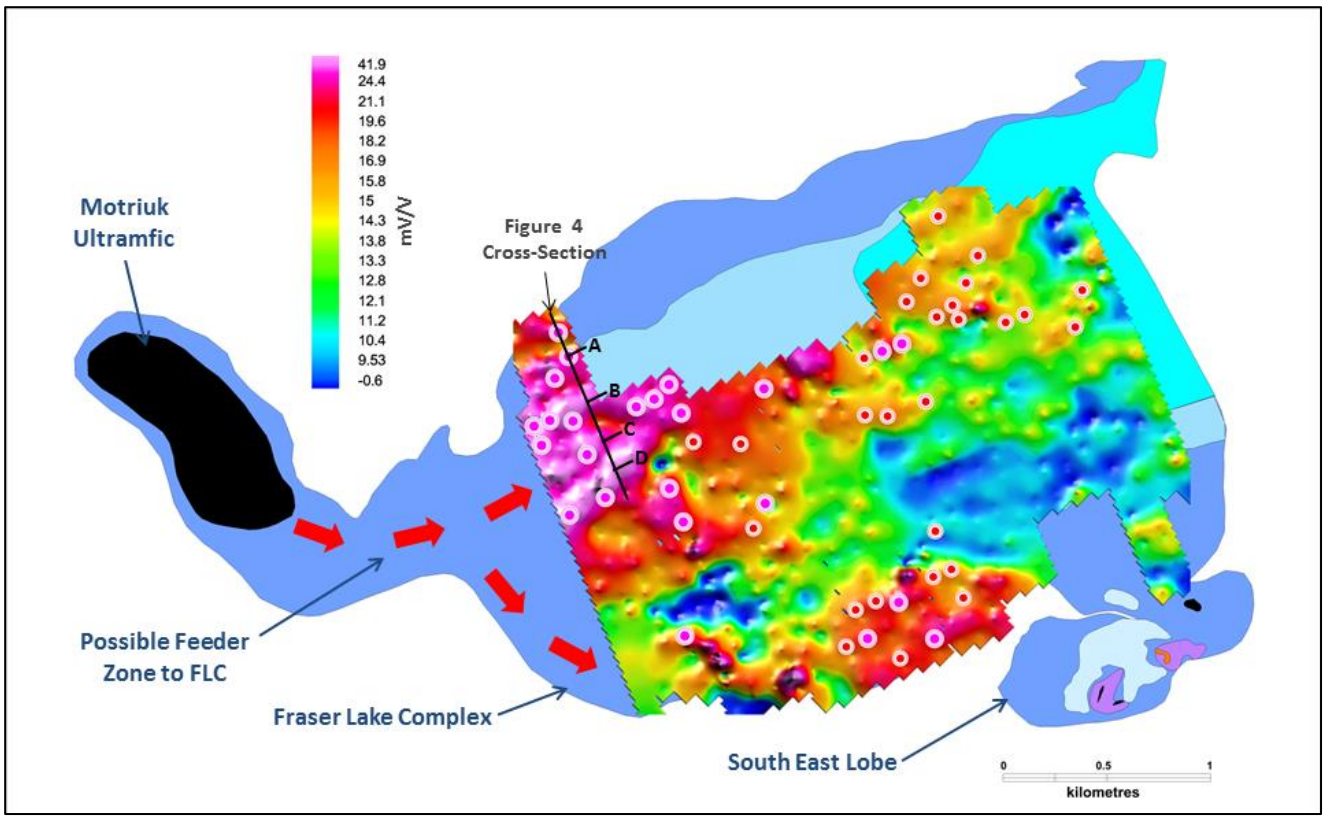

Figure 3 - Chargeability Image (regional Gradient IP survey) over interpreted geology of the FLC.

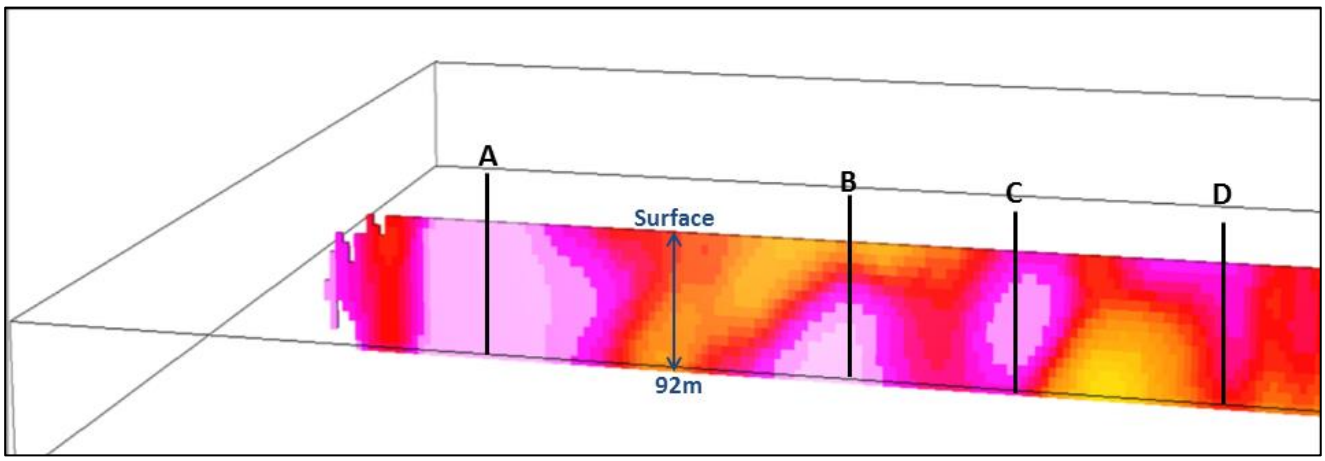

Figure 4 - 2D IP Chargeability Section . Voxel from detailed Pole-Dipole survey (line 3+08 1292N to 430N). Location of section provided in Figure 3.

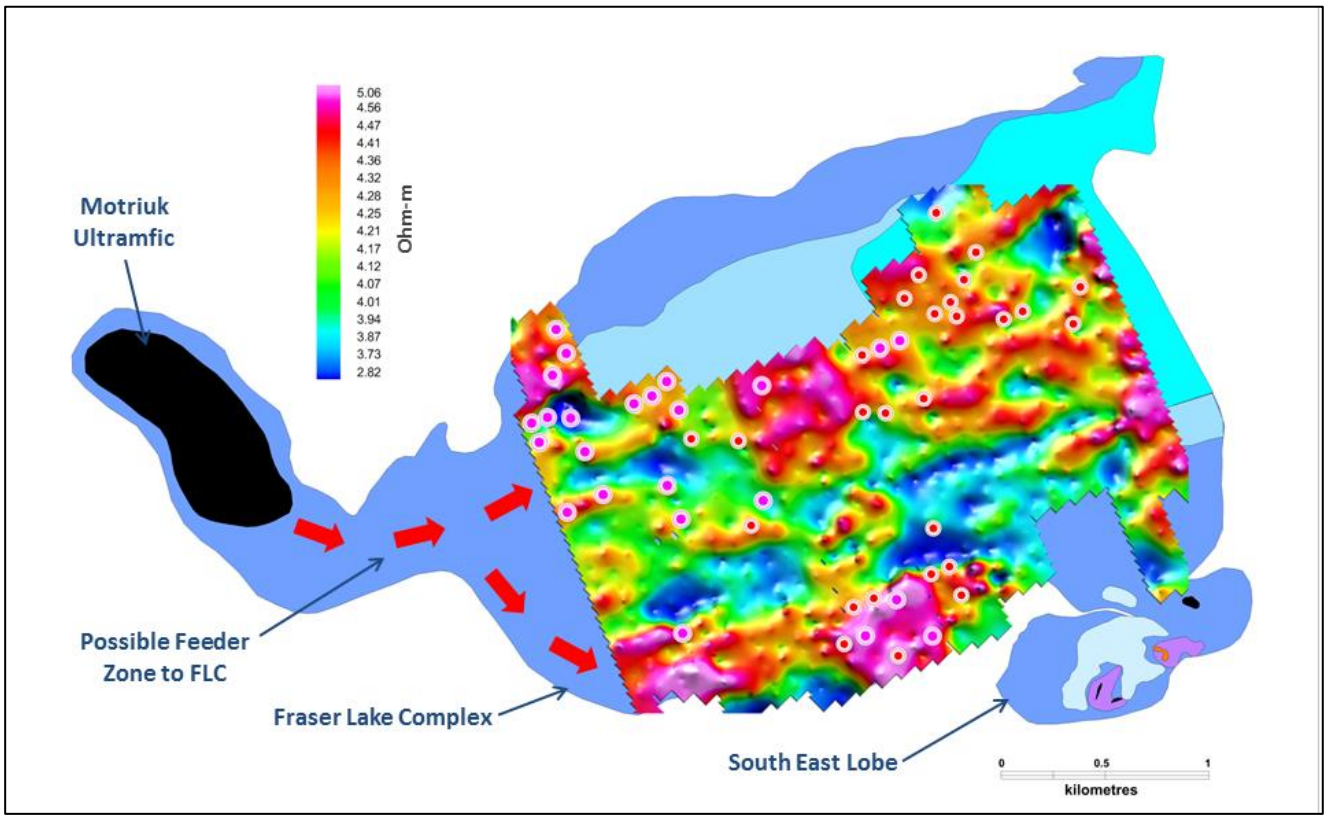

Figure 5 - Resistivity Image (regional Gradient IP survey) over interpreted geology of the FLC.

The IP targets identified have been subset into three regions; Northwest, Southern and Northeast.

The Northwest area displays geophysical characteristics and strike orientation similar to the 'N Deposit' and 'Disco Deposit' within the main Lynn Lake Mining Centre. The main anomalous IP trend within this area of the FLC is approximately 500m and open to the west. This feature is significant by Lynn Lake standards where orebodies have an average strike of between 80m and 120m.

The Southern area has not been as well tested as the Northwest area, with detailed pole-dipole lines widely spaced and focussed on some key targets which were identified in the initial gradient array survey. As such, there is less understanding of the geometry of the anomalies and less information regarding the geophysical nature of the features nearer to surface. Regardless, the anomalies appear typical of the Lynn Lake style of mineralisation, with narrow strong IP features surrounded by a broader halo with a weaker IP signature.

No detailed IP surveys were completed in the Northeast area of the FLC. The initial gradient array survey for this area indicate different geophysical characteristics than the other two areas, possibly reflecting an interplay between sulphidised (uneconomic) country rock roof pendants and magmatic sulphides in the gabbro. Selected IP targets are typical of a more disseminated mineralisation nature.

The location of the majority of the anomalies within both the Northwest and Southern areas, on the margin of the intrusive complex, is typical of the targeted deposit models. The interaction of the intrusive rocks with the surrounding (sulphur rich) country rocks is critical for the formation of sulphide deposits.

The anomalous Northwest and Southern areas are open to the west. Current theories for the formation of the FLC has the gabbroic rocks being sourced from what is identified as the Motriuk Ultramafic (Figures 2, 3, 5). This model suggests that the neck of the FLC in the west could be a "feeder zone" and presents the possibility for a Voisey's Bay style of mineralisation (in addition to the Lynn Lake style deposits). Voisey's Bay is a world class deposit and currently Canada's second largest nickel producing region.

The IP contractor (Matrix Geo Technologies) has considerable experience with this style of mineralisation and in 2010 completed a similar IP survey over the Lynn Lake Mining Centre. The 2010 survey identified known orebodies, extensions to the mined areas and new targets, some of which have been substantiated with drilling.

Corazon's recent survey was overseen by Canadian geologist Dr Larry Hulbert. Dr Hulbert has extensive knowledge of the Lynn Lake district and over 40 years' experience in Ni-Cu-PGM exploration and is one of North America's foremost experts on magmatic sulphide deposits.

On-going Work

The 20 priority targets identified to date will be further ranked using existing magnetic and gravity geophysical surveys over the FLC. The orebodies at Lynn Lake are strongly magnetic due to the high concentration of magnetic mono-clinic pyrrhotite. From this work a shortlist of targets will be selected for ground truthing and possibly soil sampling.

Soil sampling of fine material at the base of organic/root systems in muskeg (swamp) environments can be useful in identifying nickel and indicator minerals for magmatic sulphide deposits.

This proposed work provides a quick and effective way of testing the quality of the near surface targets.

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

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Lynn Lake Project Summary

On 1st April 2015, Corazon announced it had consolidated the Lynn Lake Nickel-Copper Field under the ownership of one company for the first time since mine closure in 1976 and, in doing so, created a significant nickel-copper sulphide asset.

Consolidating the nickel field improves the economics of any potential mining operation and provide benefits in scale and possible mine life, enhancing the opportunity to take advantage of an appreciating nickel metal price.

Despite closing in 1976, Lynn Lake remains Canada's fourth largest nickel producing districts. Between 1953 and 1976 approximately 22.2Mtons at 1% nickel and 0.5% copper (cobalt not reported) were mined. The Lynn Lake deposits are favourable for large-scale, low-cost mining methods and in places have been exploited down to depths of more than one kilometer.

On 16th April 2015, the Company published an initial JORC Indicated and Inferred Mineral Resource Estimate for the consolidated Lynn Lake Project of 9.4Mt @ 0.88% nickel and 0.40% copper, for 83,000 tonnes of contained nickel and 37,800 tonnes of contained copper.

The Resource grade is consistent with historical grades from the Lynn Lake Mine, which operated for 24 years as a large tonnage, low cost mine. Corazon is of the view that there are obvious areas where the existing Resource may be increased. **In recent years, three new discoveries have been made at Lynn Lake, in the "shadow of the headframe".** These discoveries are not included in the current Resource and have the potential to add to the existing Resource inventory.

Since consolidating the Project in 2015, Corazon has completed extensive work in locating and acquiring all exploration and mining data for Lynn Lake. This has been an enormous task with information scattered throughout Canada held by multiple parties and predominantly in paper format. The Company reasonably estimates $3 million worth of geophysics has been accumulated.

In addition to the geophysical data, the digital drill-hole database has increased from 3,800 drill-holes to almost 9,000 drill-holes, and the surface geochemical dataset has developed from zero to 2,783 samples of predominantly research-quality element analysis.

This information has generated the targets currently being tested at the FLC and the data will also be used to target additional resource opportunities in the Lynn Lake Mining Centre.

The Lynn Lake project area is situated immediately adjacent to the **Lynn Lake Township** which was established in the 1950s to support the Lynn Lake mining operation; as such, the area boasts excellent infrastructure and the capacity to support the recommencement of mining.

The Thompson Nickel Refinery (owned by Vale) is located only 320km from the Lynn Lake Project and is accessible by a major road. In addition to road, a rail line links Lynn Lake with the mining town of Flin Flon, approximately 270km to the south (northern 100km of railway line not currently in use).

The Manitoba Provincial Government is supportive and is actively encouraging mineral exploration and mining. The Lynn Lake project area carries no historical environmental liability from previous mining activities.

Important Information

Competent Persons Statement:

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

Canadian geologist Dr Larry Hulbert has been engaged by Corazon to manage the collation of past exploration information and the definition of new targets at Lynn Lake. Dr Hulbert has extensive knowledge of the Lynn Lake district and over 40 years' experience in Ni-Cu-PGM exploration and research. Dr Hulbert is one of North America's foremost experts on magmatic sulphide deposits and would qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".

Dr. Hulbert has authored numerous professional papers, was the recipient of the Barlow Medal from CIM in 1993, a Robinson Distinguished Lecturer for the Geological and Mineralogical Association of Canada for 2001-2002, and in 2003 received the Earth Sciences Sector Merit Award from Natural Resources Canada.

Matrix GeoTechnologies Ltd (Matrix) has been engaged by Corazon to design, complete and analyse an Induced Polarization (IP) ground geophysical survey within the Fraser Lake Complex at Lynn Lake. Matrix is a Canadian based geophysical consultancy, leading the field in multi-disciplinary geoscientific surveying, interpretation and presentation. Matrix is active worldwide and has considerable experience in the Lynn Lake region and in particular within the mining centre.

Matrix senior geophysicists engaged by Corazon for the current IP survey include Dr Kapllani and Mr Genc Kallfa. Dr. Kapllani (PhD AIPG) is the co-founder and President of Matrix with over 35 years' experience in geophysical methodology and research gained over countless assignments spreading across North America, Europe, Africa, Asia, and South America. Mr. Kallfa (BSc PGeo) has more than 29 years' experience and is co-founder and CEO of Matrix as well as a member of Association of Professional Geoscientists of Ontario. Both Dr Kapllani and Mr Kallfa would qualify as Competent Persons as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".