

The Manager - Company's Announcements  
Australian Securities Exchange

## **NICKEL-COPPER AT SURFACE OVER GEOPHYSICAL TARGETS**

### **Lynn Lake Nickel-Copper-Cobalt Project**

- **Soil sampling at Fraser Lake Complex (FLC) has identified nickel-copper anomalism associated with nickel-copper sulphide geophysical targets**
  - **Strong correlation between nickel and copper supports magmatic sulphide source for metals**
  - **Two main target areas defined, including more than 8 coincident priority IP and geochemically anomalous targets**
  - **Targets predominantly under cover - interpreted to extend from near surface to depths +700m**
- **Analysis of Soil Sampling results ongoing - will assist in identifying priority drill targets**
- **Corazon fully permitted for drilling – proposed for Q1, 2017**
- **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 Mine host intrusion**
  - **FLC a compelling analogy for Lynn Lake Mining Centre.**

Corazon Mining Limited (ASX: CZN) ("Corazon" or "the Company") is pleased to provide preliminary results from a Soil Sampling Program at the Company's Lynn Lake Nickel-Copper-Cobalt Sulphide Project in the central Canadian province of Manitoba.

Soil sampling has been completed within the Fraser Lake Complex (FLC) over Induced Polarisation (IP) anomalies recently defined by the Company (ASX announcement 27<sup>th</sup> July, 2016) (Figure 1). The IP anomalies display similar characteristics to known mineralisation within the Lynn Lake Mining Centre, situated just 5km to the north (Figure 2).

Preliminary results from soil sampling indicate anomalous values of nickel and copper correlating to defined geophysical trends and targets. There is a strong correlation between nickel and copper, supporting evidence for a magmatic sulphide source for these metals.

The FLC is one of the most dominant mafic/ultramafic intrusions in the Lynn Lake area and has all the right chemical and physical characteristics to host magmatic sulphides. The results of this work support the belief that the FLC has strong potential to host significant new nickel-copper sulphide deposits similar to those previously mined within the Company's Lynn Lake Mining Centre.

#### **CAPITAL STRUCTURE**

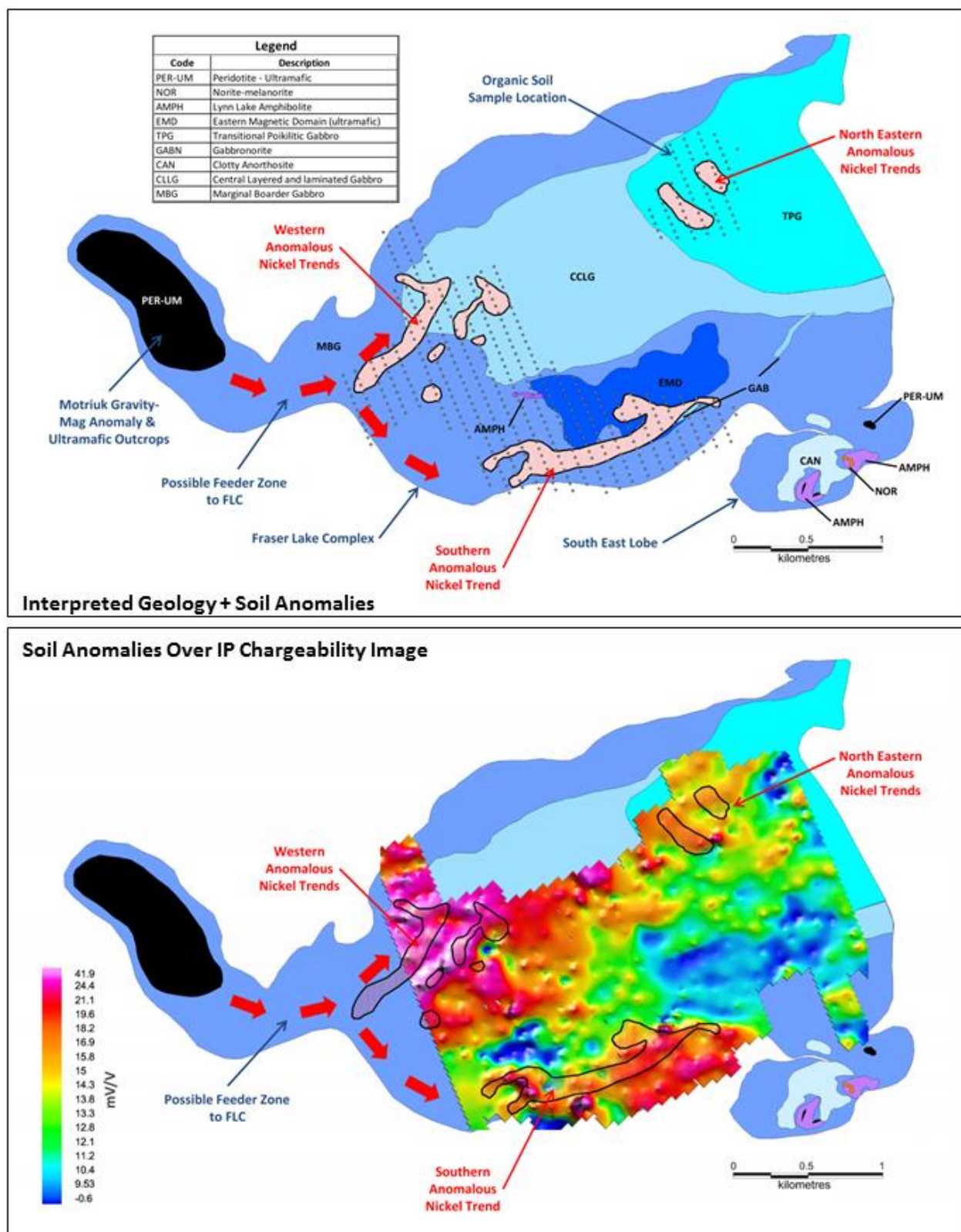
ASX: CZN	
Market cap. @ A\$0.018	A\$11.67M
Ordinary shares	648.4M
Options	20M

#### **BOARD OF DIRECTORS**

Clive Jones	Non-executive Chairman
Brett Smith	Managing Director
Jonathan Downes	Director
Adrian Byass	Director

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**Figure 1:** The Fraser Lake Complex – Interpreted Geology, Soil Sampling Locations, Soil Anomalies and IP Chargeability Image. Refer to Figure 2 for location of map area.

### **Background to Soil Sampling Program**

A recently completed IP geophysical survey within the Fraser Lake Complex (FLC) identified more than twenty (20) high priority targets of significant strength and depth-extents to warrant drill testing or further exploration follow-up. The quantity and quality of these anomalies necessitates the requirement for additional methods of prioritising and ranking targets for drilling.

The terrain at the FLC provides a difficult exploration scenario for traditional surface geochemical techniques such as soil and rock chip sampling. Defined targets are predominantly under shallow cover of muskeg (swamp) or glacial till deposits. Within similar terrains in Canada, "Organic Soil Sampling" has proven to be an effective test for minerals within the basement rocks.

Organic Soil Sampling involves sampling fine soils from the base of the "O-horizon", above the "A-horizon". Sampled material is organic rich, with minimal mineral matter within the sample. Details of this sampling and the method used are provided in Table 1 of this report.

The character of the sampled material provides much lower absolute values for elements when compared to standard soil sampling techniques. As an example, the 'median value' for nickel is between 8 and 9 ppm, with a peak value of 145 ppm. With this form of sampling, it is commonly the qualitative relationships between elements/minerals and terrain/basement that is more significant than the absolute quantitative values.

Results indicate there is a strong correlation between nickel and copper. A correlation coefficient of 0.71 is the highest correlation for all metals tested within the dataset. The Company believes this provides additional evidence that the IP anomalies generated are related to magmatic sulphide deposits, similar to those within the Lynn Lake Mining Centre.

As with the IP survey, three main areas of anomalism have been identified and include the Western, Southern and North Eastern regions. Detailed IP has only been completed in the Western and Southern areas; as such the North Eastern region is a lower exploration priority.

Both the Western and Southern target areas are located in "text book" settings for this style of mineralisation. It is the margins of such intrusions that provide the best contact between the gabbroic rocks and the sulphur rich country rocks, a prerequisite for the development of magmatic sulphide deposits.

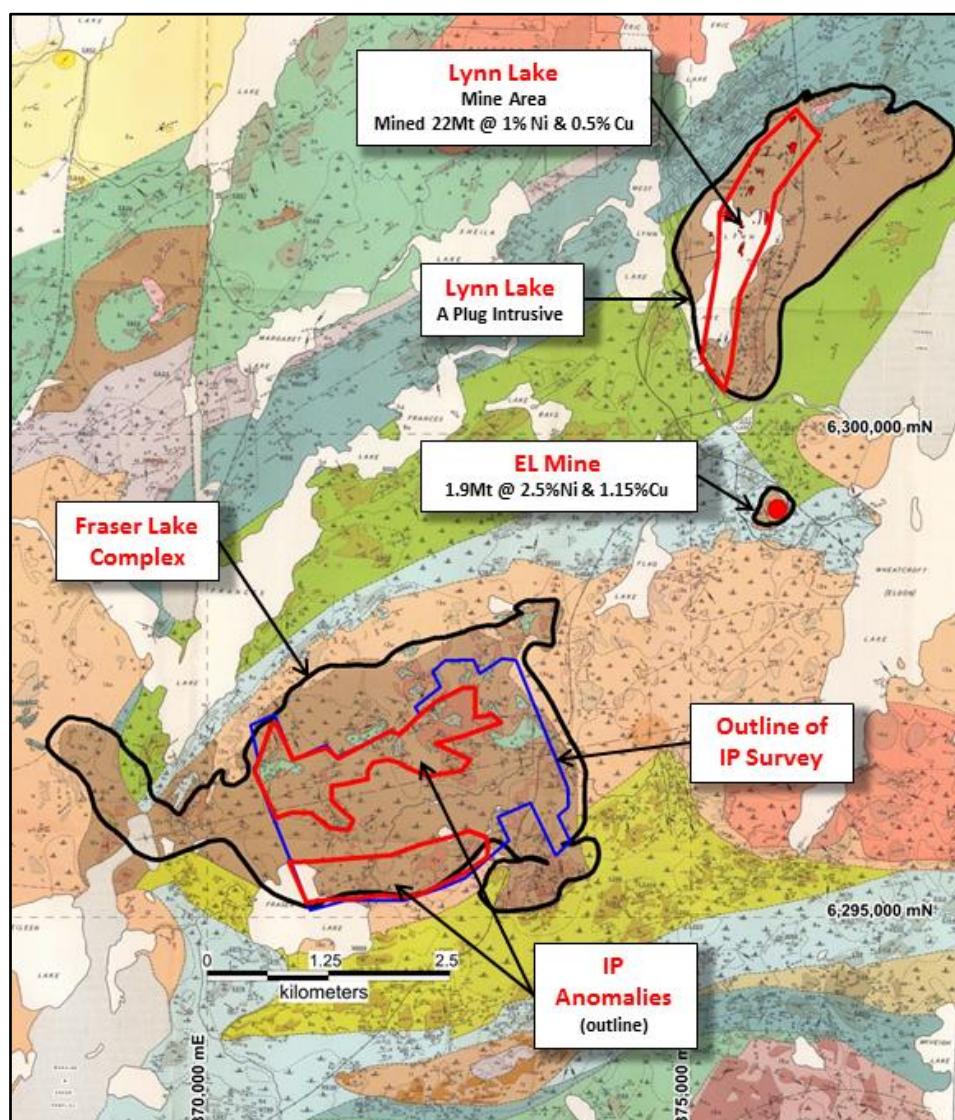
The soil sampling programme extended west from the IP survey into what is believed to be the intrusive neck (channel) for the main body of the FLC (Figure 1). Muskeg cover becomes deeper to the west and as such the tenor of the anomalies also diminishes. However, preliminary analysis of the soils suggests that the anomalies for both the Western and Southern areas remain open to the west and east.

### **Proposed Activities**

Analysis of the soil sampling results is continuing and will assist in the identification of priority drill targets. At this stage, at least eight (8) of the priority IP targets fall within geochemical trends identified within Figure 1.

Due to the nature of the terrain at FLC, access is difficult between seasons (partially frozen/thawed). The next period considered optimal for drilling will be in the northern winter, possibly January 2017.





**Figure 2:** Interpreted Geology – Emslie, R.R. and Moore, J.M. 1961. Manitoba Mines Branch, Publication 57-4. Datum UTM Zone 14 (NAD8)

### **Lynn Lake Project Summary**

On 1<sup>st</sup> 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 provides 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 16<sup>th</sup> 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 a significant undertaking with information scattered throughout Canada, held by multiple parties and predominantly in paper format. The Company reasonably estimates that it has acquired \$3 million worth of geophysical data.

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.

### **Company Overview – Corazon Mining Limited**

Corazon Mining Limited (ASX:CZN) (“Corazon” or “the Company”) is a Perth based Australian mineral exploration company with projects in Canada and Australia.

The Company’s flagship project is the Lynn Lake Nickel-Copper-Cobalt Project in the province of Manitoba in Canada. The recent acquisition of the Mt Gilmore Cobalt-Copper-Gold Project (ASX announcement, 16 June 2016) in New South Wales (Australia) provides the Company with an exciting dual focus and opportunity.

Lynn Lake is a significant historic nickel-copper-cobalt mining area that ceased operation in 1976, after 24 years of continuous production. Corazon has been active in the Lynn Lake area since 2010 and has, for the first time since mine closure in 1976, consolidated the Lynn Lake Mining Centre under the ownership of one company.

The Lynn Lake Project is a development opportunity and boasts large remnant nickel-copper-cobalt resources within the historical mining centre, as well as significant drill defined resource potential from historical drilling and modern discoveries proximal to the mines. In addition to the near-mine

opportunities, the exploration upside of this project is potentially enormous. Recent work by Corazon has highlighted a very large and compelling exploration target at the nearby Fraser Lake Complex (refer to Corazon's previous ASX announcements). The Fraser Lake Complex is predominantly under cover, twice as large as Lynn Lake, and has all the geophysical and geochemical characteristics of the Lynn Lake mineralisation.

The Australian Mt Gilmore Project provides the Company with an early-stage exploration play with indicators of large scale copper-gold systems such as porphyry and skarn intrusive related deposits. The most advanced exploration project within Mt Gilmore is the **Cobalt Ridge** prospect, a high-grade cobalt deposit with accompanying copper and gold mineralisation. The cobalt mineralisation within the Mt Gilmore Project provides an early focus for exploration activities for the Company.

**END.**

**For further information visit [www.corazon.com.au](http://www.corazon.com.au) or contact:**

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### ***Competent Persons Statement***

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

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

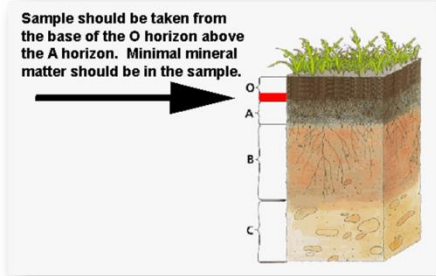
Dr. Hulbert has authored numerous professional papers, was the recipient of the Barlow Medal from CIM in 1993, a Robinson Distinguished Lecturer for the Geological and Mineralogical Association of Canada for 2001-2002, and in 2003 received the Earth Sciences Sector Merit Award from Natural Resources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

# Table 1: Checklist of Assessment and Reporting Criteria

26<sup>th</sup> October, 2016

## Organic Soil Sampling - Fraser Lake Complex - Lynn Lake Project, Canada.

### Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <li>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</li> </ul>	<p><b>Organic Soil Sampling</b></p> <p>Organic soil sampling is considered an effective test for minerals within muskeg (swamp) terrains of Canada. Samples of fine soils are taken from the base of the "O-horizon", above the "A-horizon". Sampled material is organic rich, with minimal mineral matter within the sample.</p>  <p>Sample holes were dug approximately 0.5m in diameter. The peat was peeled back and the surface layer of organic matter (loose debris below the peat) was removed. The sample was taken from the organic matter just above the first developed soil horizon with mineral content (clay, sand, gravel, etc...). The organic layer typically is less than 10cm thick and consisted mainly of root matter. The difference between the "O-horizon" and "A- horizon" is very well defined. The "A-horizon" is lighter colored and almost always had a high clay content.</p> <p>Sampling was conducted over geophysical anomalies generated from an IP survey completed by the Company. Samples were taken approximately 50 metres apart along cleared IP grind lines (approximately 100 metre spacing) over parts of the Fraser Lake Complex.</p> <p>Individual samples were collected in kraft paper bags. Full bags were collected</p>



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26<sup>th</sup> October, 2016

### Organic Soil Sampling - Fraser Lake Complex - Lynn Lake Project, Canada.

Criteria	JORC Code explanation	Commentary
		<p>at each station with approximate weight of 1 kg. Samples were partially air-dried on site, before being bundled together into sealed in poly-woven "rice" bags and sealed with security tags for transport to the laboratory.</p> <p>Samples shipped included 488 located samples, 9 field standards and 7 field duplicates. In addition, 8 CANMET certified reference materials (standards) were also submitted for analysis. The analytical laboratory also tested two of their in-house standards (21 times), and blanks (21 times), as well as completing repeat analysis of 21 samples.</p>
Drilling techniques	<ul style="list-style-type: none"> <li>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</li> </ul>	No drilling was completed.
Drill sample recovery	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>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.</li> </ul>	No drilling was completed.
Logging	<ul style="list-style-type: none"> <li>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.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	<p>Data captured at each site included sample ID, sample descriptions and location in NAD83 Zone 14N coordinates.</p> <p>Field data was captured on iPods using an app called PDF MAPS. This app records GPS locations, geo-referenced photos and all soil sample logs (using standard pick-lists generated for this form of sampling).</p>
Sub-sampling techniques	<ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> </ul>	<p>No field sub-sampling was undertaken.</p> <p>Quality control measures included collecting 9 field standards and 7 field</p>



**Table 1: Checklist of Assessment and Reporting Criteria***26<sup>th</sup> October, 2016***Organic Soil Sampling - Fraser Lake Complex - Lynn Lake Project, Canada.**

Criteria	JORC Code explanation	Commentary
<i>and sample preparation</i>	<ul style="list-style-type: none"> <li><i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></li> <li><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></li> <li><i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></li> <li><i>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.</i></li> <li><i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></li> </ul>	<p>duplicates in addition to the 488 sample sites tested. In addition, 8 CANMET certified reference materials (standards) were also submitted for analysis. The analytical laboratory also tested two of their in-house standards (21 times), and blanks (21 times), as well as completing repeat analysis of 21 samples..</p> <p>Samples were transported to TSL Laboratories in Saskatoon for sample preparation, including complete drying and screen sieving to -80 mesh size.</p>
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none"> <li><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></li> <li><i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i></li> <li><i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i></li> </ul>	<p>Once sample preparation was completed by TSL Laboratories, they were transported to ACME Laboratories in Vancouver for analysis. A multi-element analysis was completed using ICP-MS with an aqua regia digest (30 gram samples). A total of 37 elements were tested for (ACME method code AQ525).</p> <p>Both TSL and ACME are accredited Canadian laboratories.</p> <p>Organic Soil Sampling is considered an appropriate sampling technique for the muskeg terrain within the Fraser Lake Complex at Lynn Lake.</p> <p>The character of the sampled material provides much lower absolute values for elements when compared to standard soil sampling techniques. In regard to this, it is commonly the qualitative relationships between elements/minerals and terrain/basement that is more significant than the absolute quantitative values.</p> <p>Preliminary statistical analysis of Field Duplicates, Field Standards and Laboratory Standards, Repeats and Blanks indicated a high quality of control and accuracy at all levels. This quality of work has enabled in-depth analysis of results.</p>
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> <li><i>The verification of significant intersections by either independent or alternative company personnel.</i></li> <li><i>The use of twinned holes.</i></li> <li><i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></li> </ul>	<p>Sampling was completed by a two person crew from contractor Aurora Geosciences (Yellowknife Office). The crew included an experienced junior geologist and an experienced survey field hand.</p> <p>The Aurora personal were met on site by Corazon's consultant Dr Larry Hulbert,</p>

**Table 1: Checklist of Assessment and Reporting Criteria***26<sup>th</sup> October, 2016***Organic Soil Sampling - Fraser Lake Complex - Lynn Lake Project, Canada.**

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li><i>Discuss any adjustment to assay data.</i></li> </ul>	<p>where required sampling techniques were defined.</p> <p>Sample security was overseen by Aurora Geosciences personnel until shipment to the Laboratory. Shipment and transport was overseen by Corazon's Lynn Lake site manager (aka the King of Obsolete).</p> <p>With regard to verification of sample quality, included in the Laboratory submission were 9 field standards and 7 field duplicates. In addition, 8 CANMET certified reference materials (standards) were also submitted for analysis. The analytical laboratory also tested two of their in-house standards (21 times), and blanks (21 times), as well as completing repeat analysis of 21 samples.</p> <p>Preliminary statistical analysis of Field Duplicates, Field Standards and Laboratory Standards, Repeats and Blanks indicated a high quality of control and accuracy on all levels.</p>
<i>Location of data points</i>	<ul style="list-style-type: none"> <li><i>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.</i></li> <li><i>Specification of the grid system used.</i></li> <li><i>Quality and adequacy of topographic control.</i></li> </ul>	<p>Sampling was completed along lines cleared for the purposes of an IP geophysical survey earlier in the year. The IP lines were initially laid out and staked during line-clearing on a local grid established for the geophysics. The final survey data was recorded in real-world grid system NAD 83 Zone 14.</p> <p>Sampled sites have been recorded using hand-held GPS units.</p>
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> <li><i>Data spacing for reporting of Exploration Results.</i></li> <li><i>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.</i></li> <li><i>Whether sample compositing has been applied.</i></li> </ul>	<p>Samples were taken over geophysical anomalies generated from an IP survey completed by Corazon. Samples were taken approximately 50 metres apart along cleared IP grid lines (approximately 100 metre spacing) over parts of the Fraser Lake Complex.</p> <p>The soil sample spacing as a test for near-surface mineralisation over geophysical anomalies is considered detailed enough at this stage of exploration. It is believed this work will result in the accurate definition of priority drill targets.</p>
<i>Orientation of data in relation to</i>	<ul style="list-style-type: none"> <li><i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></li> </ul>	<p>The grid pattern and spacing for this survey is considered appropriate for the delineation of the targeted style of mineralisation.</p>

## Table 1: Checklist of Assessment and Reporting Criteria

26<sup>th</sup> October, 2016

### Organic Soil Sampling - Fraser Lake Complex - Lynn Lake Project, Canada.

Criteria	JORC Code explanation	Commentary
<i>geological structure</i>	<ul style="list-style-type: none"> <li><i>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.</i></li> </ul>	
<i>Sample security</i>	<ul style="list-style-type: none"> <li><i>The measures taken to ensure sample security.</i></li> </ul>	<p>Sample security was overseen by Aurora Geosciences personnel until shipment to the Laboratory.</p> <p>Individual samples were collected in kraft paper bags. Samples were air-dried on site, before being bundled together into sealed in poly-woven “rice” bags and sealed with security tags for transport to the laboratory.</p> <p>Shipment and transport of the samples to TSL Laboratories was overseen by Corazon’s Lynn Lake site manager.</p>
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <li><i>The results of any audits or reviews of sampling techniques and data.</i></li> </ul>	<p>Statistical analysis of soil sampling results is currently being completed. Early results indicate a high level of quality and accuracy.</p>

## Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> <li><i>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.</i></li> <li><i>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.</i></li> </ul>	<p>The Fraser Lake Complex (FLC) is predominantly covered in an agreement between Mr Peter Dunlop and Corazon Mining Limited whereby 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.</p> <p>The tenure includes multiple Mineral Claims as defined by the Provincial Government of Manitoba. All claims are currently in good standing.</p> <p>Corazon Mining works closely with First Nation groups and several government organizations responsible for mining and the environment. Work Permits are</p>

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26<sup>th</sup> October, 2016

### Organic Soil Sampling - Fraser Lake Complex - Lynn Lake Project, Canada.

Criteria	JORC Code explanation	Commentary
		currently in place for the FLC and covers activities such as ground geophysics and land-based drilling.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <li><i>Acknowledgment and appraisal of exploration by other parties.</i></li> </ul>	Where exploration has been completed by other parties, those parties have been referenced in this document or within previous ASX announcements by the Company. In particular refer to CZN ASX announcement dated 11 April 2016.
<i>Geology</i>	<ul style="list-style-type: none"> <li><i>Deposit type, geological setting and style of mineralisation.</i></li> </ul>	<p>Magmatic nickel-copper-cobalt sulphide deposits associated within mafic/ultramafic intrusive rock (gabbro related).</p> <p>Volcanogenic massive sulphide (VMS) deposits. Zinc dominant +/- lead, copper, silver and gold.</p>
<i>Drill hole Information</i>	<ul style="list-style-type: none"> <li><i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> <li><i>easting and northing of the drill hole collar</i></li> <li><i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> <li><i>dip and azimuth of the hole</i></li> <li><i>down hole length and interception depth</i></li> <li><i>hole length.</i></li> </ul> </li> <li><i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i></li> </ul>	<p>Pertaining to this report, no drilling has been completed.</p> <p><b>Historical Drilling</b></p> <p>The Company has recently collated a drill hole database of some 9,000 drill holes for the Lynn Lake district. The majority of these are within the Lynn Lake Mining Centre.</p> <p>Survey and sampling information exists for all drill holes.</p> <p>The drilling previously completed in the FLC includes 56 holes and is exploratory in density and quality. Information regarding this drilling is incomplete by modern best practice requirements and cannot be used for the purposes of resource estimation.</p>
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> <li><i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i></li> <li><i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be</i></li> </ul>	<p>No data aggregation has been reported on in this announcement.</p> <p>Statistical analysis of organic soil sampling results is on-going. This report presents early findings that trends in higher value base metal results and significant coincident relationships between elements, can be interpreted from the data and that these trends parallel features observed in the geophysics.</p> <p>The character of the sampled material provides much lower absolute values for elements when compared to standard soil sampling techniques. In regards to this, it is commonly the qualitative relationships between elements/minerals</p>



## Table 1: Checklist of Assessment and Reporting Criteria

26<sup>th</sup> October, 2016

### Organic Soil Sampling - Fraser Lake Complex - Lynn Lake Project, Canada.

Criteria	JORC Code explanation	Commentary
	<p><i>shown in detail.</i></p> <ul style="list-style-type: none"> <li><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></li> </ul>	<p>and terrain/basement rock that is more significant than the absolute quantitative values.</p>
<p><i>Relationship between mineralisation widths and intercept lengths</i></p>	<ul style="list-style-type: none"> <li><i>These relationships are particularly important in the reporting of Exploration Results.</i></li> <li><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></li> <li><i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i></li> </ul>	<p><b>Typical Lynn Lake Ni-Cu-Co Magmatic Sulphide Deposits</b></p> <p>Known nickel-copper-cobalt magmatic sulphide deposits in the Lynn Lake Mining Centre are typically "pipe-like" in form, averaging between 80m and 120m in strike, 30m to 60m in width and with vertical extents of 100's of metres. The historically mined deposits in the Lynn Lake area have been developed to a maximum depth of approximately 1,100 metres.</p> <p>Multiple sulphide pipe-like deposits have been identified and mined in the Lynn Lake area.</p>
<p><i>Diagrams</i></p>	<ul style="list-style-type: none"> <li><i>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.</i></li> </ul>	<p>Appropriate diagrams have been included in the announcement.</p>
<p><i>Balanced reporting</i></p>	<ul style="list-style-type: none"> <li><i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i></li> </ul>	<p>This report tables early finding with respect to organic soil sampling within the FLC at Lynn Lake.</p> <p>Anomalies defined as polygons in the plans are qualitative in nature. Within this report, there has been no attempt to quantitatively define soil/geochemical anomalies.</p> <p>Ranges in nickel values from the soil sampling are provided solely as evidence of the low level of absolute values of organic soil sampling compared with standard soil sampling.</p> <p>Plans depicting results of an Induced Polarization geophysical survey include the fully range of values from the survey, as referenced in the legends provided.</p>

## Table 1: Checklist of Assessment and Reporting Criteria

26<sup>th</sup> October, 2016

### Organic Soil Sampling - Fraser Lake Complex - Lynn Lake Project, Canada.

Criteria	JORC Code explanation	Commentary
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> <li><i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i></li> </ul>	<p>The announcement contains results of current and past exploration programs including surface sampling, drilling, geophysics and geological mapping.</p> <p>Information regarding this work has been referenced in this document or within previous ASX announcements by the Company. In particular refer to CZN ASX announcement dated 11 April 2016.</p>
<i>Further work</i>	<ul style="list-style-type: none"> <li><i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></li> <li><i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></li> </ul>	<p>Within the FLC more than 20 priority IP anomalies have been identified for follow up work and possibly drilling. The recently complete organic soil sampling program is part of the process of further testing these targets to establish a ranking priority for drilling.</p> <p>The results presented within are preliminary in nature and the Company is currently completing detailed analysis of the organic soil sampling.</p> <p>Corazon is fully permitted to complete land-based drilling at the FLC.</p>