

# COBALT NICKEL COPPER

***Company Presentation***

***ASX : CZN***

***24 August 2016***

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# CORPORATE OVERVIEW

## Company Focus

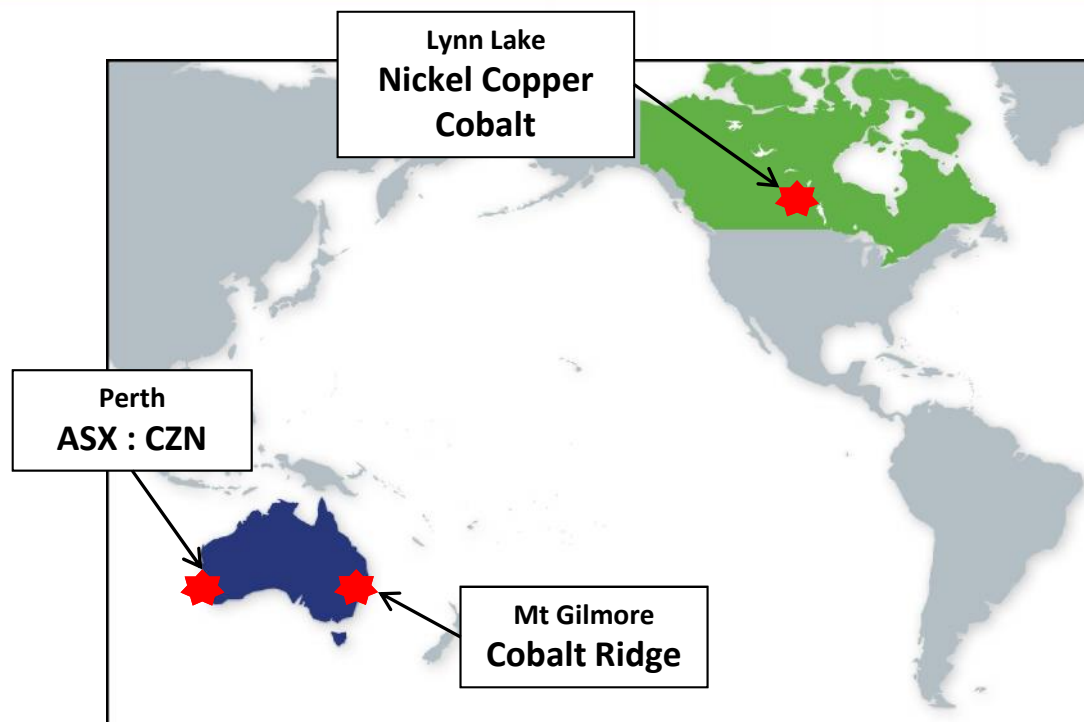
ASX listed exploration company

Canadian brown-fields exploration project

- Nickel-copper-cobalt
- Large development opportunity
  - Old mining centre
- Exciting exploration play
  - New area

New project acquisition – NSW Australia

- **Cobalt**-copper-gold
- Advanced high-grade cobalt deposit



## COBALT

- Major focus for CZN
- Significant market interest
- Cobalt growth sector - “Rechargeable Batteries”

## Capital Structure

Market Cap. @ 1.3 cps	A\$	7.78M
Shares on Issue	#	648.4M
Options on Issue	#	27.5M
Cash (approximate)	A\$	1.5M
52 week share trading range	A\$	\$0.003 – 0.017

Average Trading Volume **4.8M** per day

# COBALT DEMAND

## COBALT BATTERIES

**NiCd** – Nickel-Cadmium

**NiMH** – Nickel-Metal Hydride

**Lithium Ion Batteries** – **Accounts for growth in Cobalt usage**

- **LCO** – Lithium Cobalt Oxide – 60% Co
- **NMC** – Lithium Nickel Manganese Cobalt Oxide – 10-20% Co
- **NCA** – Lithium Nickel Cobalt – 9% Co

### Li-Ion Batteries

- Safer
- Cheaper to manufacture
- Best commercially accepted energy storage capacity
- Better energy density ratings

**75% of Market Share of Li-Ion Batteries in 2015 \*\***

Possible growth in demand due to Electric Vehicles (EV's) and Smart Grid Storage

## COBALT DEMAND

**Driven by rechargeable battery market**

- 2015 refined cobalt
  - Output 92,877t\*
  - Consumption 90,150t \*\*
    - 49% from rechargeable batteries
- Supply deficit of +10,000 tpa by 2020\*\*
- **Forecast 68% increase in cobalt consumption between 2015 and 2025\*\***

### EV's & Cobalt

- Measurable growth in EV production
- Government policy incentive stimulus
- Chinese sales of “New Energy Vehicles” up 343% in 2015 \*\*\*
- **To supply EV battery sector, energy requirements forecast to consume 75%-78% of total cobalt production \*\***

Sources:

\* Darton Commodities Limited – Cobalt Market Review 2015-2016

\*\* CRU Cobalt Market Outlook – 20 May 2016

\*\*\* Global and China Electric Vehicle Industry Report, 2016-2025

# COBALT SUPPLY CONCERNS

## COBALT SUPPLY

### Cobalt predominantly a by-product

- 60% from copper mining
- 38% from nickel mining (laterite + sulphide)
- 2% from primary cobalt mining

### Supply Sources

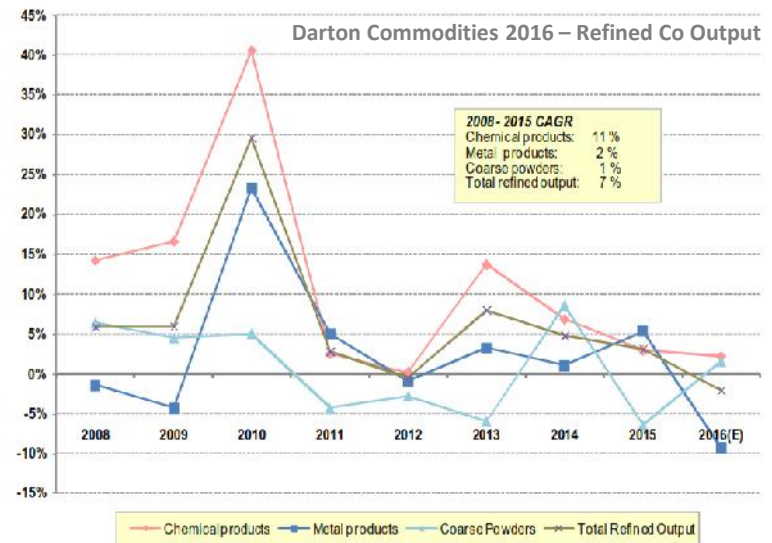
- Dominant supply from DRC copper mines (47%\*\* to 65%\*)
  - 22% of this is from DRC Artisanal Mining\*
- China - largest producer of refined cobalt
  - 94% of cobalt imported to China is sourced from DRC\*
- Remaining supply predominantly from laterite nickel mines in Australia, Cuba and Asia Pacific region

Sources:

\* Darton Commodities Limited – Cobalt Market Review 2015-2016

\*\* CRU Cobalt Market Outlook – 20 May 2016

\*\*\* Macquarie Wealth Management – Commodities Comment – 12 May 2016



### Supply Pressures

- Weak nickel and copper prices = less production = less cobalt
- Government policy affecting nickel laterite production – Indonesia & Philippines
- Government elections in DRC creating concern
- Integrity of supply source – Human Rights issues for DRC cobalt supply highlighted by Amnesty International in 2016
- Artisanal Mining – “low hanging fruit” – not a long-term supply

# MT GILMORE PROJECT – COBALT RIDGE PROSPECT

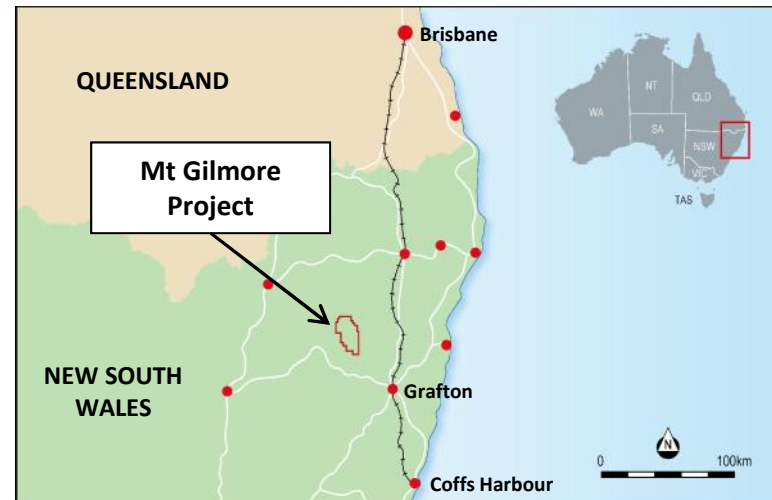
## Location

- North-eastern NSW
- 35km NW from Grafton
- Excellent access throughout Project

## CZN earning 80% equity in Project

- Currently with 51% equity
- \$200k expenditure requirement in 1<sup>st</sup> year
- \$2M earn-in over 3 years (1yr extension option)
- Small periodic payments
- All costs covered by CZN until decision to mine – with subsequent standard contribute/dilute JV

(full purchase agreement details in CZN ASX announcement dated 16 June, 2016)



# MT GILMORE – PROSPECTIVITY & SETTING

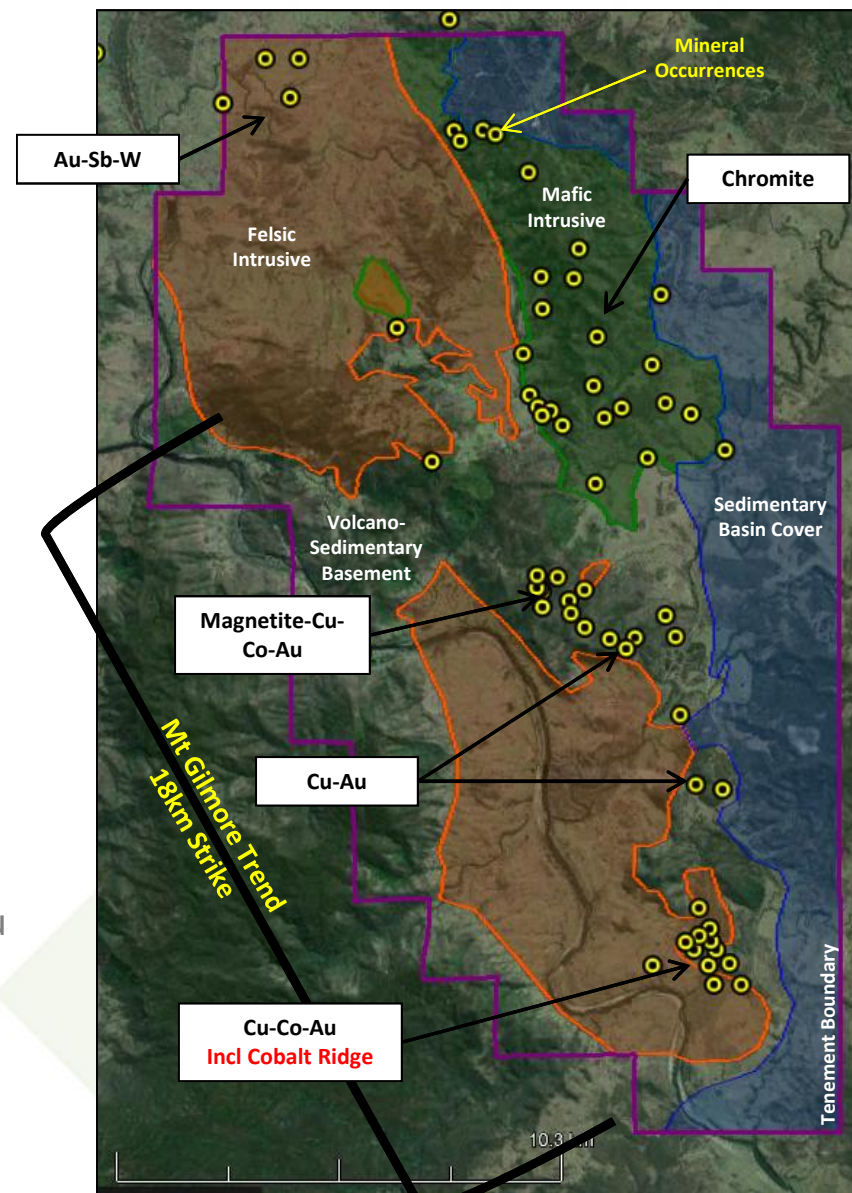
## EMERGING CU-AU PROVINCE

### Located in the New England Orogen

- Significant eastern Australia mineral province
- Gold endowment +35M ounces
- Potential to host large copper-gold systems
  - Mt Morgan Cu-Au Mine (+50Mt @ 5.9 g/t Au and 0.7% Cu)
  - Mt Rawdon Au Mine (50Mt @ 0.71 g/t Au)

### Mt Gilmore - a new trend and district scale opportunity

- Mineralised “Mt Gilmore Trend” 18km strike
- Under explored and largely undrilled
- +25 historic Cu-Au-Co-Fe workings and small mines
- Five large Cu-Au targets identified to date
- Target models include tourmaline breccia hosted Cu-Au deposits, Cu-Au-Fe skarns and quartz-sulphide vein system (such as porphyry Cu-Au deposits)
- **Corazon’s initial focus is the high-grade Co-Cu-Au deposit – Cobalt Ridge**



NSW Government 1:250 Geology Interp over Google Earth Digital Globe Image

# MT GILMORE – COBALT PROSPECTIVITY

## MULTIPLE TARGETS ENORMOUS POTENTIAL

Very little historical testing for cobalt

### Cobalt Ridge

Minimal work required for resource definition

- High grade – shallow historical mines
- Multiple sulphide lodes drill defined
- Drill tested over 300m strike
- Extensions open and un-tested

### Hassan's Creek

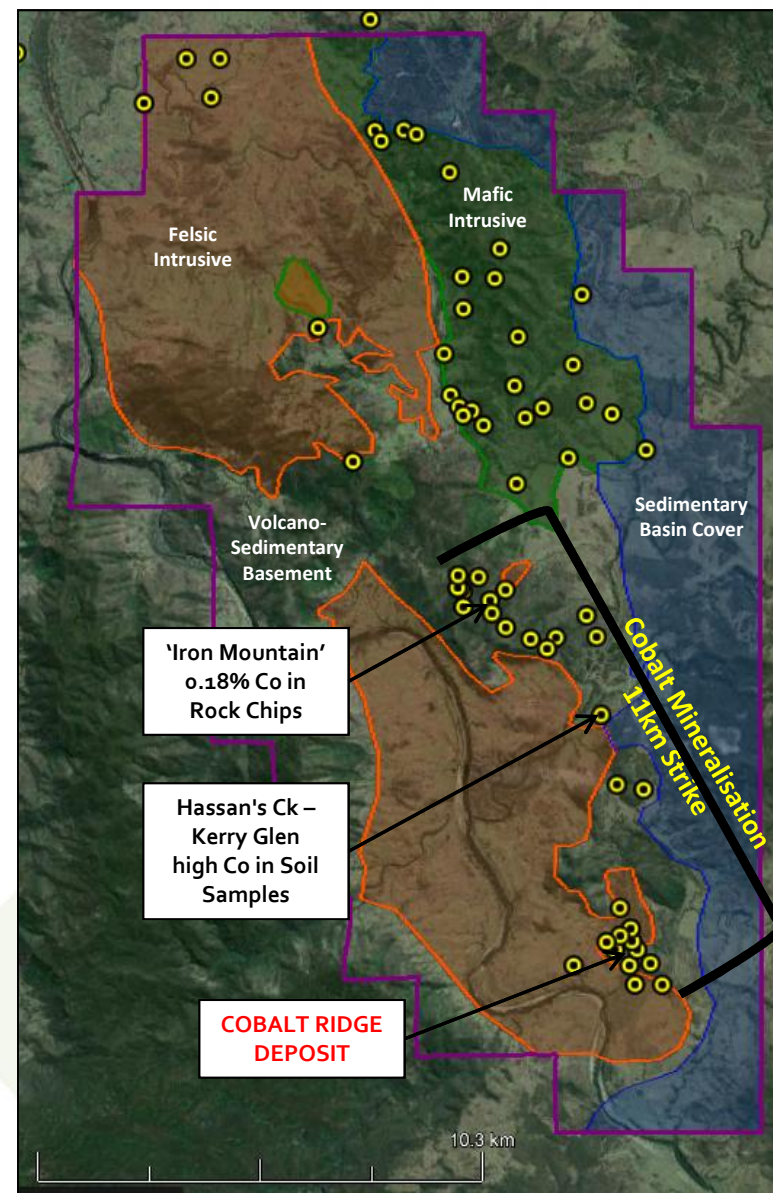
Recent soil geochemistry returned significant cobalt

- 792ppm Co peak result
- Higher than soil results over outcropping Cobalt Ridge prospect

### Iron Mountain

Recent rock chip sampling identified strong Co with Cu-Au mineralisation in 1980's magnetite quarry

- 0.18% Co peak result



Google Earth Digital Globe Image

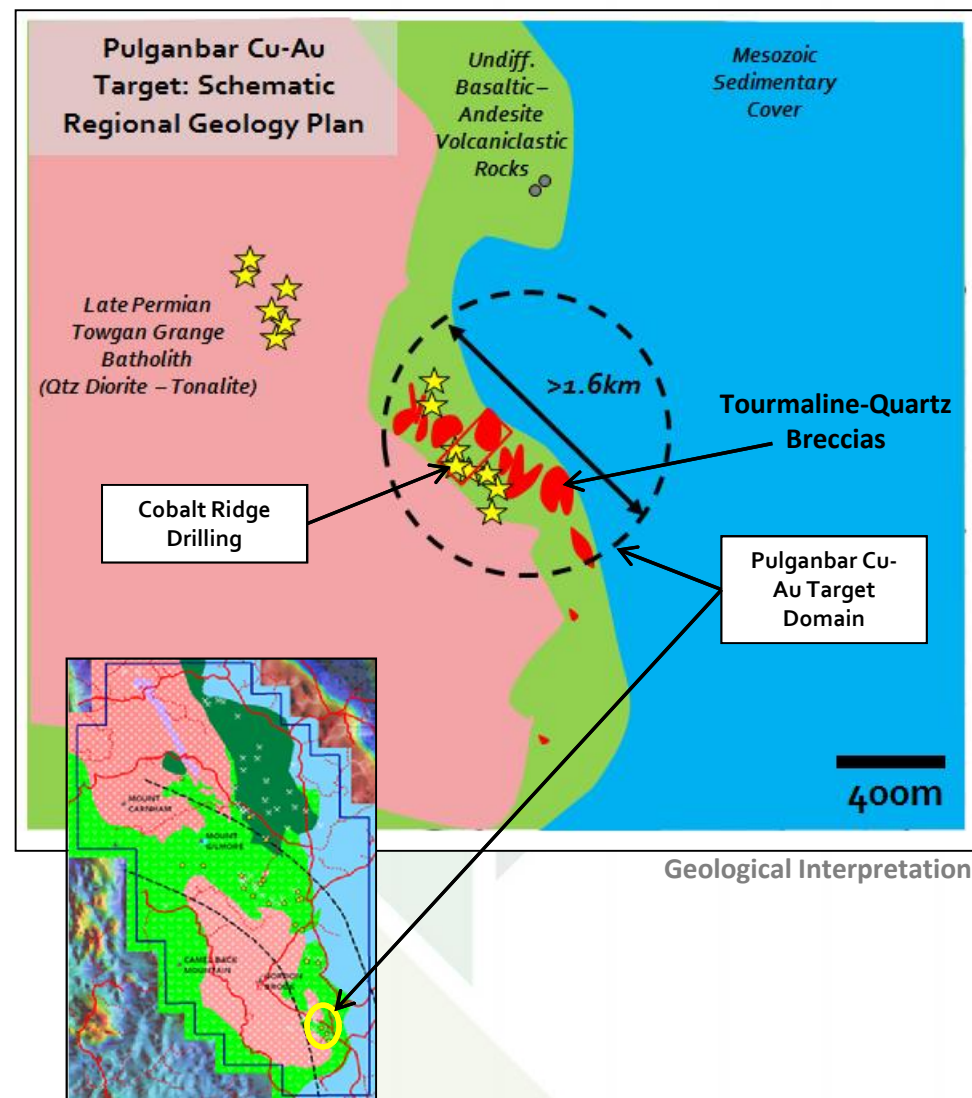
# SUMMARY – COBALT RIDGE

## An advanced cobalt project

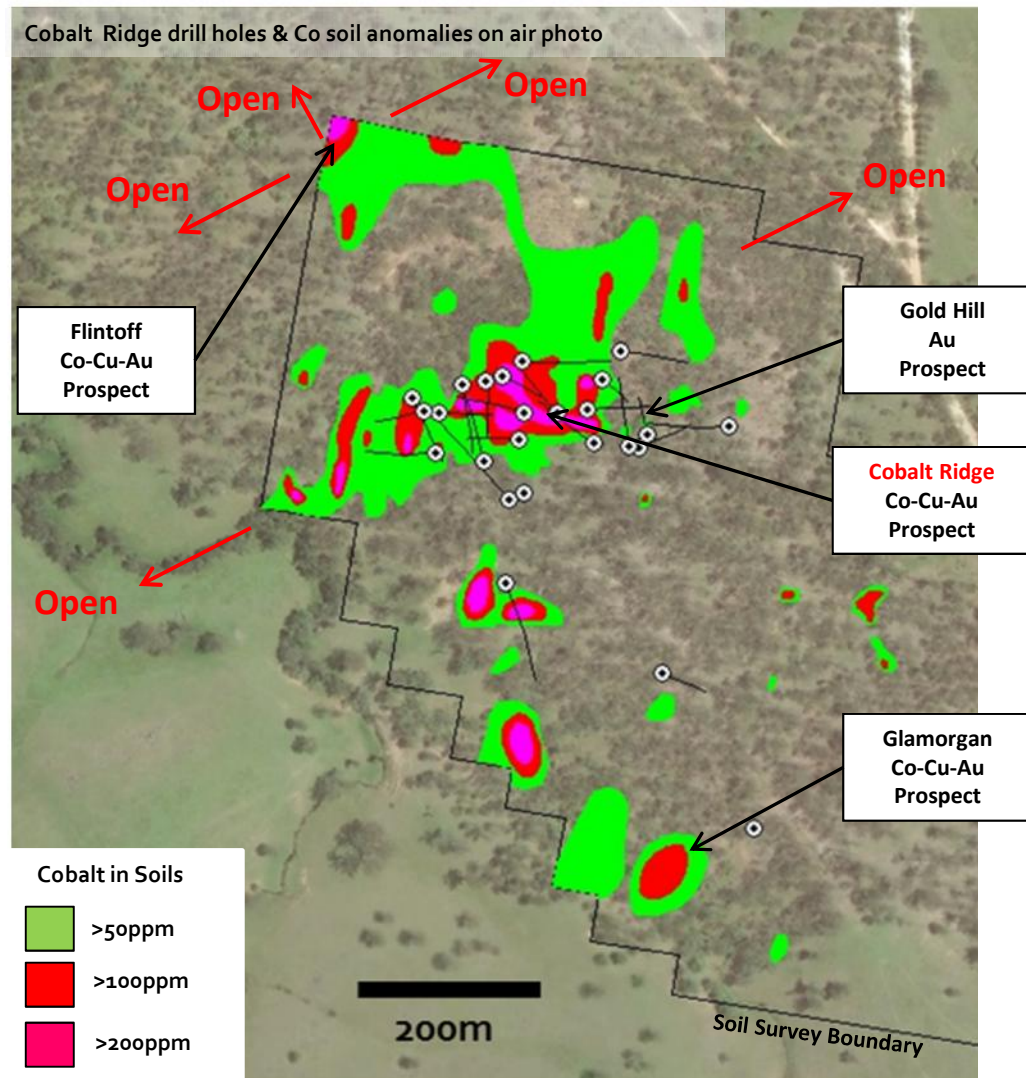
- Cobalt play – copper and gold credits
- Part of the large Pulganbar Cu-Au Target
- Shallow 1880's historical workings – high grade Cu-Co-Au production reported
- Shallow drilling – open in all directions
- JORC resource possible with minimal drilling

## Undefined upside

- Very little past exploration has focused on cobalt
- No drilling outside Cobalt Ridge
- Regionally, numerous untested cobalt prospects are emerging.



# COBALT RIDGE PROSPECT



## Advanced High-Grade Cobalt Project

- Multiple sulphide lodes intersected in drilling
- Strike 300m and open
  - Extensions indicated by geophysics
- Width 50m to 120m
  - Main Zone approximately 20m wide.
- Tested to 170m depth, average hole <100m
- Potential to “bulk out” deposit or focus on narrow higher grade material
  - Numerous drill results of +1% Co,
  - Maximum individual 1m drill results of 3.38% Co, 3.18% Cu & 4.92 g/t Au
- Several nearby surface cobalt anomalies provide upside potential

## Historic Glamorgan & Flintoff Mines

- Late 1800's, small scale production
- Complete records not available
- Ore/stope grades reported up to **8.9% Co**, 14.6% Cu, 54.4g/t Au & 66g/t Ag

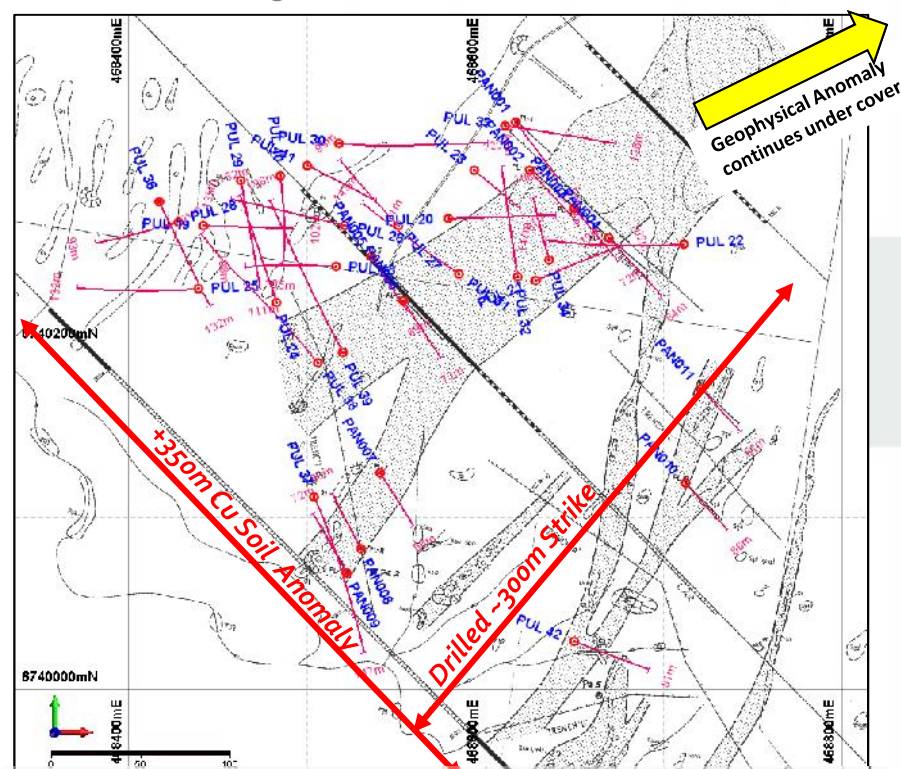
# COBALT RIDGE DRILLING RESULTS

Hole ID	Interval (m)		Width (m)	Co %	Cu %	Au g/t
	From	To				
PUL 18	37	53	16	0.30	0.21	0.10
Incl.	39	41	2	0.67	0.42	0.26
Incl.	51	52	1	1.46	1.14	0.57
	58	73	15	0.15	0.10	0.05
	96	107	11	0.32	0.18	0.11
PUL 19	24	30	6	0.37	0.55	0.19
Incl.	25	27	2	0.53	0.75	0.22
Incl.	29	30	1	0.87	1.38	0.59
	35	41	6	0.23	0.31	0.08
	59	76	17	0.37	0.13	0.17
Incl.	67	70	3	1.52	0.24	0.65
PUL 24	71	79	8	0.43	0.10	0.06
Incl.	77	79	2	0.66	0.13	0.07
PUL 27	62	65	3	0.38	1.64	0.63
	70	85	15	0.24	0.90	0.42
Incl.	73	76	3	0.55	2.30	0.90
PUL 29	79	98	19	0.32	0.24	0.12
Incl.	96	98	2	1.91	1.63	0.87
PUL 38	71.13	79.22	8.09	0.27	0.91	0.30
Incl.	75.43	76.5	1.07	1.40	3.18	1.30
	132.8	135.43	2.63	0.51	0.90	0.17
Incl.	133.65	134.64	0.99	1.07	0.80	0.19
	162	167.23	5.23	0.60	0.14	0.09
Incl.	162	163.34	1.34	1.67	0.43	0.30
	172.1	175.02	2.92	0.50	0.32	0.18
Incl.	174.42	175.02	0.6	2.12	1.05	0.86
PUL 40	54	63	9	0.18	0.40	0.13
	73	75	2	0.50	0.41	0.14
PUL 41	25	39	14	0.10	0.13	0.06
Incl.	33	34	1	0.48	0.07	0.12

Cobalt Ridge significant drilling intercepts as reported by Central West Gold NL between 2006 and 2008. Results >0.10% Co, utilizing a >500ppm cut-off and <3m internal dilution. Drill hole collar details presented in Table 2 attached.

## Cobalt Grades At Other Operations

- Canada - Lynn Lake Ni-Cu-Co sulphide – 0.02% to 0.04% Co, +1% Ni, 0.5% Cu
- Australia - Murrin Murrin Ni-Co laterite – 0.09% Co, 1.3% Ni
- USA - Idaho Underground Project (TSX:FCO) – 0.55% Co, 0.75% Cu, 0.53 g/t Au
- DRC – Kalongwe Cu-Co - 0.27% Co, 2.7% Cu

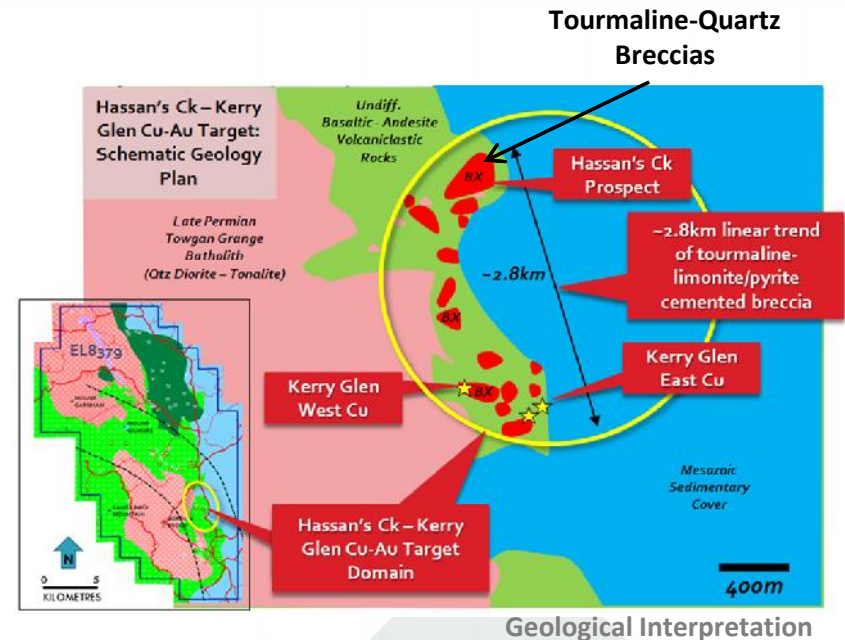


Drill Hole Location Plan – over interpreted geology

# HASSAN'S CU-AU-CO TARGET

## Cobalt potential previously unrecognised

- Recent reconnaissance soil sampling returned significant cobalt
  - 792ppm Co peak result**
  - Higher than soil results over outcropping Cobalt Ridge prospect
- No previous drill testing
- A 'basement window' of exposed magmatic-hydrothermal alteration and historic Cu workings may represent the western and upper extent of a much larger hydrothermal system concealed under Mesozoic cover to the east, prospective for:
  - Quartz-tourmaline-sulphide cemented, magmatic-hydrothermal breccia hosted Cu-Au-Mo deposit
  - Concealed porphyry Cu-Au-Mo ore body associated with quartz diorite to tonalite porphyry apophyses proximal to the tourmaline-sulphide cemented breccia's
  - Potential also exists for Cu-Au skarn

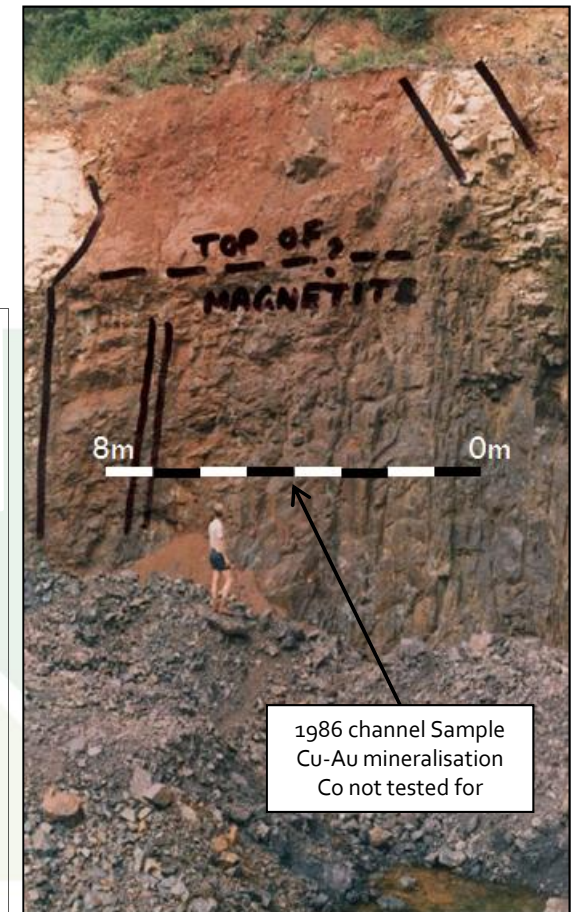
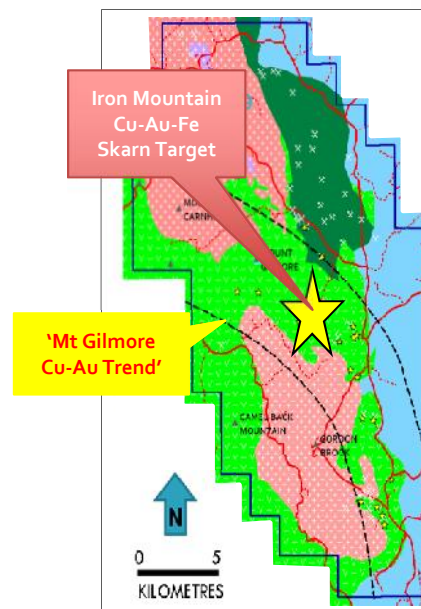


# IRON MOUNTAIN CU-AU-CO TARGET

## Large walk-up drill target

- Historic iron ore (magnetite) mine, with >700m strike
- **Recent rock chip samples up to 0.18% cobalt**
- Previously not tested for cobalt
- Exposed pyrite and chalcopyrite associated with a magnetite skarn in quarry – mine face 11m high by 25m long – all mineralised:
  - 11 grab samples averaged 0.64 g/t Au & 0.64% Cu, including up to 3.8 g/t Au & 2.08% Cu (Co not tested)
  - Channel sampling quarry face returned:
    - 8m @ 0.57% Cu & 0.12 g/t Au (Co not tested)  
Incl. 2m @ 1.52% Cu & 0.26 g/t Au
- Target undrilled – large coincident geophysical and geochemical anomaly

*Surface sampling and ground magnetic survey proposed to better define drill target*



# PROJECT STRATEGY – MT GILMORE

## Current Activities

- Generating work programs (including drilling) for approval

## Proposed Exploration Activities – Cobalt Ridge

- Drill program awaiting approval – infill and extension – **likely to be October 2016**
- Extension of soil geochemical and geophysical (IP) surveys
- Metallurgical studies

*Focussed on  
determining size &  
value of the Cobalt  
Ridge deposit*

## Proposed Exploration Activities – Regional Target Generation

- Compilation of exploration datasets and GIS
- Analysis of existing targets – especially for cobalt
- Identification of additional targets
- Determine exploration required to advance and rank targets

### **Additional priority work being considered**

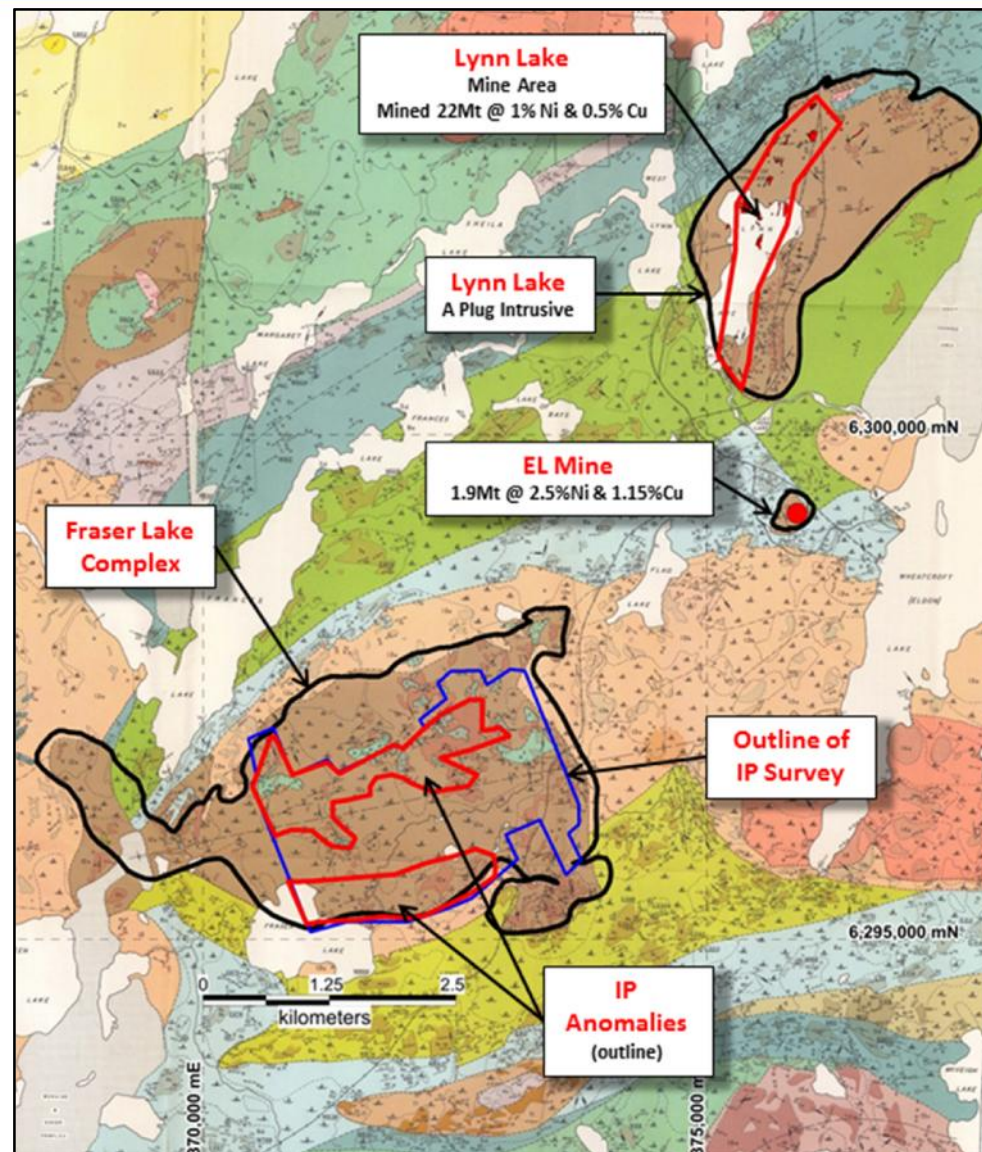
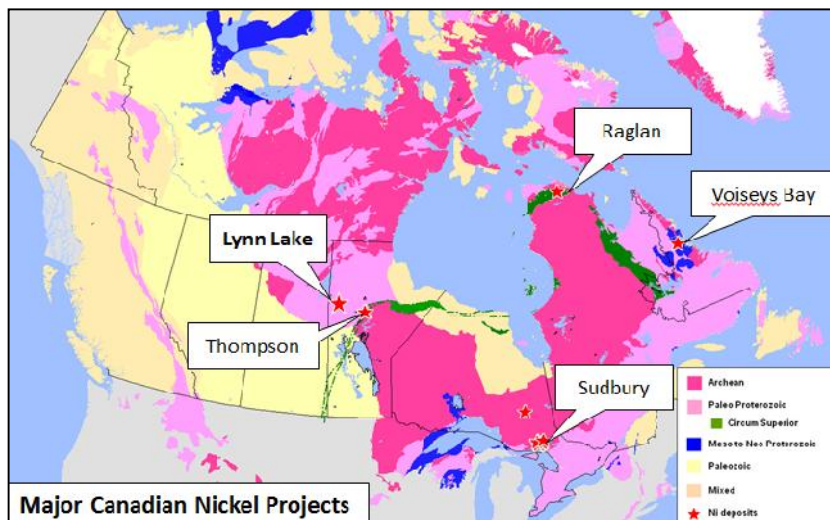
Soil geochemistry at Hassan's Creek  
Ground magnetics and drilling at Iron Mountain

*Identify  
Cobalt upside potential*

# LYNN LAKE – CANADIAN NICKEL-COPPER-COBALT

## Canada's 4<sup>th</sup> largest nickel producer

- 2015 consolidation of Mining Centre - first time since mine closure in 1976
  - 100% beneficial interest
- 23 years of mining – 1Mtpa
- Large remnant resources  
9.4Mt @ 0.88%Ni, 0.40%Cu
- Significant drill defined mineralisation not within current JORC resources
  - Three modern discoveries in mine area
  - Multiple un-tested targets
- Infrastructure benefiting development



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

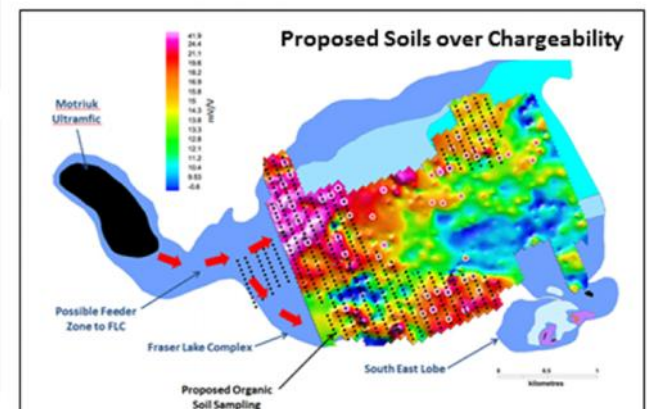
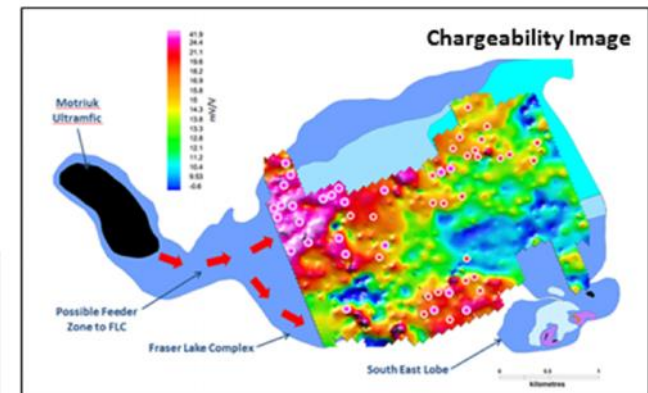
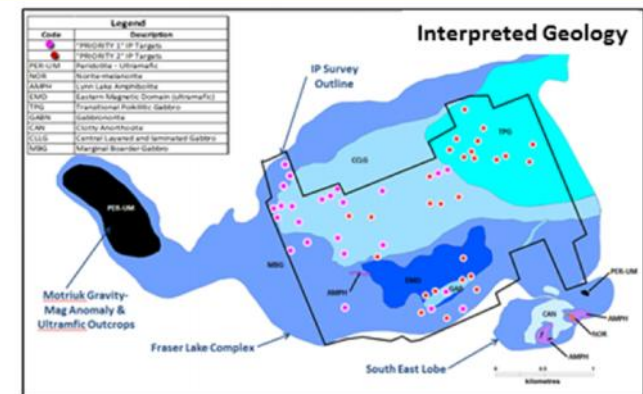
# FRASER LAKE COMPLEX (FLC) – COMPELLING TARGET

## Targets appears bigger & better than Lynn Lake

- Predominantly under shallow cover of muskeg (swamp) & overburden (till deposits)
- Fertile** in nickel and copper – geochemically and geophysically similar to Lynn Lake – same host rocks
  - Twice as large as Lynn Lake
- Strong amplitude IP anomalies - suggesting highly mineralised environment – **massive and disseminated** signatures
- "Mineralisation" is generally sub-vertical, extending from **near surface (outcrop) to great depths**
- Most prominent IP anomalies trend NE-SW
- Open to SW, off IP survey - Possible "**feeder zone**" of FLC – Voisey's Bay style target



*"Organic soil sampling" currently testing for indicators of magmatic sulphides*



# DISCLAIMER & IMPORTANT INFORMATION

## Competent Person

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 is an employee of Corazon Mining Limited and has sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and to the activity being undertaken, to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration, Results, Mineral Resource and Ore Reserves (JORC Code 2012).

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