

The Manager - Company's Announcements
Australian Securities Exchange

**- PROJECT UPDATE -
Lynn Lake Nickel-Copper-Cobalt**

- **Surface geochemical testing of Fraser Lake Complex (FLC) Induced Polarisation (IP) anomalies is underway –**
 - **Approximately 500 samples will test the surface-expression of priority anomalies - results expected October 2016**
 - **Targets predominantly under cover - interpreted to extend from near surface to depths +700m**
 - **Sampling will target nickel-copper-cobalt magmatic sulphide indicator elements**
- **Geochemistry will assist in determining priority drill targets from multiple high-priority targets defined with very strong IP anomalies**
- **Sampling will also test areas where chargeability IP anomalies trend off survey area, towards interpreted feeder zone to the intrusive complex**
- **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**
 - **Past sampling and drilling indicates area is anomalous in nickel-copper sulphides.**

Corazon Mining Limited (ASX: CZN) ("Corazon" or "the Company") is pleased to provide an update on exploration activities at the Company's Lynn Lake Nickel-Copper-Cobalt Sulphide Project in the central Canadian province of Manitoba.

Recent geophysical surveys by the Company at the Fraser Lake Complex (FLC) have identified numerous Induced Polarisation (IP) anomalies with similar characteristics to known mineralisation within the Lynn Lake Mining Centre, situated just 5km to the north (ASX announcement 27th July, 2016).

Twenty (20) high priority targets of significant strength and depth-extents to warrant drill testing or further exploration follow-up have been identified in the surveyed area. Approximately 500 sample sites have been selected for geochemical sampling.

The geochemical sampling program has commenced and is proposed to include two weeks' fieldwork. The program is designed to assist in determining priority drill targets from the multiple high-priority targets with very strong-IP anomalies, which were defined by Corazon's geophysical surveys.

CAPITAL STRUCTURE

ASX: CZN	
Market cap. @ A\$0.015	A\$9.7M
Ordinary shares	648.4M
Options	27.5M

BOARD OF DIRECTORS

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

CONTACT US

P: +61 (8) 6142 6366
M: PO Box 8187, Subiaco East WA 6008
E: info@corazon.com.au
W: www.corazon.com.au

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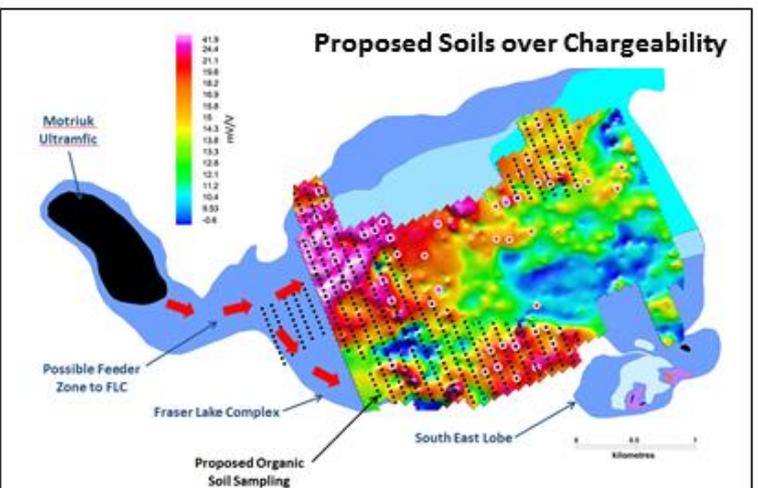
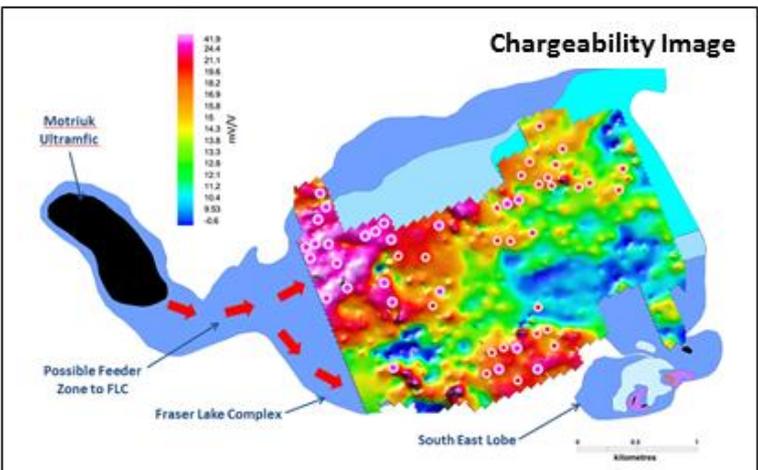
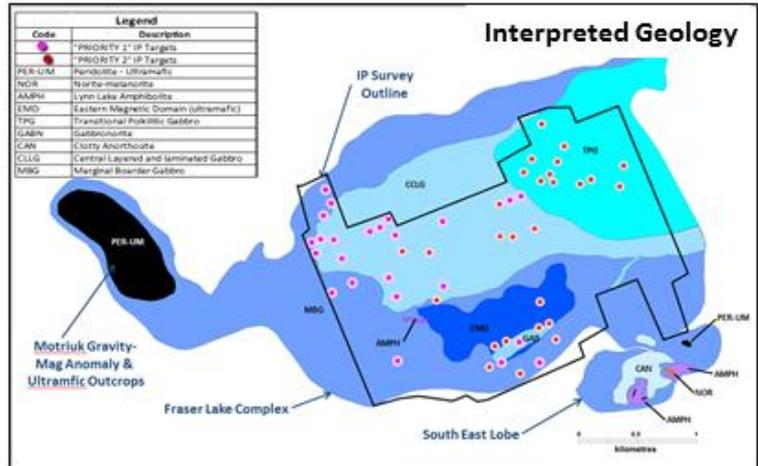
Assay results are expected to be available in October, 2016.

The sampling program will also test areas where chargeability IP anomalies trend off the survey area, towards the interpreted feeder zone to the intrusive complex.

The sampling method will involve cutting and peeling back the organic material and sampling fine soils at the A0-horizon (base of organic/root systems). This method will attempt to identify nickel and indicator minerals for magmatic sulphide deposits, and is acknowledged as the only effective sampling technique in the muskeg (swamp) environments of the FLC.

Corazon believes the anomalies identified at the FLC by the Company's geophysical surveys 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.



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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 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 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 three million dollars 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.

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.

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

Brett Smith
Managing Director
Corazon Mining Limited
P: +61 (8) 6142 6366
E: info@corazon.com.au

James Moses
Media and Investor Relations
Mandate Corporate
M: +61 (0) 420 991 574
E: james@mandatecorporate.com.au

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.

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