

ASX ANNOUNCEMENT

9 August 2012



The Manager
Company's Announcements
Australian Securities Exchange

ASX : CZN

3 year extension secured for Lynn Lake Project acquisition

Expansion of landholding in Lynn Lake region

"A new high grade nickel-copper sulphide discovery ... in a major Canadian mining camp."

Capital Structure

Ordinary shares 137.89M
Options 71.54M
M.Cap (@ \$0.02) ~ \$2.9M

Board of Directors

Clive Jones
Non-Executive Chairman

Brett Smith
Managing Director

Jonathan Downes
Non-Executive Director

Adrian Byass
Non-Executive Director

Rob Orr
Company Secretary

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- Corazon has achieved earn-in requirements for the Lynn Lake Project via a CAD\$3M exploration spend since 2009
- Company has agreed to improved terms for its option to acquire 100% equity in project

Renegotiated terms of agreement include:

- Option period to acquire project extended to 20 October 2015
 - Acquisition cost reduced from CAD\$2M to CAD\$1M, plus
 - CAD\$750,000 payable on performance
- Corazon has expanded its position as the largest landholder in the Lynn Lake region with the addition of new exploration ground including:
 - South Plug: Nickel-Copper Target
 - Barrington Lake: Copper Deposit

Nickel sulphide exploration company, Corazon Mining Limited (ASX:CZN) ("Corazon" or "the Company"), is pleased to announce the successful renegotiation of the Earn-In and Option agreements to acquire the Lynn Lake nickel-copper sulphide project ("Lynn Lake" or "the Project") in Canada, and the expansion of its Lynn Lake project area.

The renegotiation of the agreement is in response to the current financial markets and depressed nickel metal prices. The new agreement provides a three year extension to the acquisition date and a reduced consideration. The renegotiated agreement is consistent with Corazon's strategy to consolidate and expand its land holdings in the Lynn Lake district, a strategic and prospective position in a metal rich region in the central northern part of Canada.

The original agreement provided Corazon with an option to acquire 100% ownership of the Lynn Lake Nickel-Copper Project by spending CAD\$3 million on exploration and paying CAD\$2 million in cash prior to the 20th October 2012.

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Renegotiated terms for the acquisition of the project include:

- Acknowledgement that existing earn-in obligations have been satisfied;
- Extension of the option period from 20 October 2012 to 20 October 2015;
- Payment of CAD\$100,000 per annum for each annual extension period;
- Payment of CAD\$1M (reduced from CAD\$2M) to acquire 100% equity in the project at any time during the option period; plus
- A deferred consideration of CAD\$750,000 on the earliest of either:
 - Defining a JORC compliant resource greater than 30,000 tonnes of nickel metal;
 - Completion of a positive feasibility study; or
 - The commencement of commercial mining.

Payments to the owner for the extension of terms are CAD\$3,000 in cash and one million Corazon shares. The owner of the Lynn Lake Project has also provided additional mineral claims to the project area to be acquired by Corazon, as outlined below.

Acquisition of additional exploration ground

The following prospects will be added to the Company's Lynn Lake Project and provide incremental value to Lynn Lake's exploration prospectivity.

The South Plug nickel-copper target is located immediately south of Corazon's land holding and contains a differentiated mafic/ultramafic intrusion similar to those hosting the nickel-copper deposits in the Lynn Lake mining camp. The main target includes a large geophysical anomaly coincident with extensive sulphide mineralisation. Exploration to date is yet to locate economic nickel-copper mineralisation, but there is enough evidence to support the prospectivity of this area for such deposits.

The Barrington Lake copper deposit is located 43 kilometres east-northeast of Lynn Lake. Exploration activities, including drilling, in the early 1990's defined copper mineralisation in structures, plus numerous geophysical anomalies which are yet to be followed up with drilling. The main focus of past work is an outcropping zone of approximately 107 metres in strike and 4.6 metres in width, with an average grade of 2.63% copper. There is also another copper showing, believed to be the same zone, outcropping approximately 900 metres to the west.

Corazon has secured a large strategic land holding in the Lynn Lake district, an area displaying rich metal endowment, prospective for both base and precious metal deposits. The Company will continue to review additional mineral properties in the district that may add incremental value to the Project.

Corazon's strategy, in light of the weak financial markets, is to progress exploration at Lynn Lake in a cost effective manner, maintain and consolidate its position in the Lynn Lake Mining Camp, whilst implementing measures to preserve cash. The Company remains committed to the Lynn Lake nickel-copper project, where it has spent more than CAD\$3 million on exploration and in 2011 delineated a new nickel sulphide discovery. The Board believes that with improved metal prices there is good potential to re-establish mining at Lynn Lake.

ENDS

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Disclosure Statements and Important Information

Competent Persons

The information in this report that relates to mineral Resources or Reserves is based on information compiled by Mr Andrew John Thompson, B.Sc Hons (Geol), Member AusIMM and a consultant to Corazon Mining Limited. Mr Thompson 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 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Thompson consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

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 2004 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.

About the Lynn Lake Project

Corazon has an option to acquire 100% equity in the Lynn Lake Nickel Sulphide Project in the central Canadian province of Manitoba, which hosts the historic EL Nickel Mine. The EL Mine was the highest grade deposit at Lynn Lake and produced 1.9Mt @ 2.5% nickel and 1.15% copper. Mining was conducted to a depth of 210 metres below surface, with development to 270 metres.

In May 2011 Corazon discovered a high-grade nickel-copper sulphide breccia in drilling below the EL Mine. The discovery hole (XND001W2) returned:

23.91m @ 2.27% Ni, 0.80% Cu & 0.055% Co from 715.09 m;

Including

4.53m @ 3.34% Ni, 1.05% Cu & 0.081% Co from 715.09 m and

1.82m @ 4.38% Ni, 0.37% Cu & 0.101% Co from 726.18 m

Recent drilling has defined this sulphide zone between approximately 700m and 820m below surface. Mineralisation remains open at depth, with the deepest mineralised intercept returning:-

44.8m @ 1.6%Ni, 0.7%Cu & 0.04%Co from 773.9m

This mineralisation displays some of the strongest sulphide breccia textures drilled to date by Corazon, with higher grade zones including:-

3.9m @ 2.8%Ni, 0.2%Cu & 0.07%Co from 773.9m

11.0m @ 2.3%Ni, 1.0%Cu & 0.06%Co from 784.9m

11.5m @ 2.4%Ni, 0.8%Cu & 0.06%Co from 807.2m

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The Lynn Lake nickel camp is Canada's third largest nickel mining region, which produced 22Mt of nickel/copper/cobalt ore between 1953 and 1976, at an average grade of 1% nickel and 0.5% copper. The size and continuity of the Lynn Lake deposits provide large tonnage – low cost mining opportunities.

There has been minimal exploration in the region since this time. Mining at adjacent deposits has shown that mineralisation extended to more than 1,100 metres below surface. Metal recoveries for nickel, copper and cobalt are historically very good, averaging above 85-90%.

Corazon is the largest land holder in the Lynn Lake Camp, and in addition to the EL Mine, the project area containing several drill defined base metal deposits and numerous un-tested geophysical anomalies.

The area is well serviced with mining infrastructure and support, offering rapid development potential. The Thompson Nickel Refinery is located only 320km from the project and is accessible by all-weather roads. In addition there is rail access (currently under care and maintenance) to the Flin Flon zinc-copper refineries approximately 250km to the south.