

# ASX ANNOUNCEMENT

30 October 2012



The Manager  
Company's Announcements  
Australian Securities Exchange

## **Corazon Acquires Giant Copper-Gold Target in WA**

- **Subject to shareholder approval, Corazon will acquire up to 75% of the Top Up Rise (TUR) Project, which hosts one of the largest amplitude untested residual gravity anomalies in Australia**
- **The recently discovered anomaly is located under shallow cover in the Gibson Desert region of north eastern Western Australia**
- **The Project is prospective for Olympic Dam/ Prominent Hill style iron-oxide copper gold (IOCG) mineralisation**
- **Closest regional outcrops are anomalous in IOCG indicator minerals and adjacent to a major intrusive alteration system with characteristics associated with copper-gold mineralisation**
- **Work programs to be initiated immediately (pending approvals), with drilling anticipated to commence in late Q1 or early Q2 2013**
- **The TUR Project represents an exciting exploration opportunity with major upside potential**
- **This acquisition complements Corazon's existing portfolio of base and precious metals assets**

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Australian mineral exploration company, Corazon Mining Limited (ASX:CZN) ("Corazon" or "the Company"), is pleased to announce it has secured an option to earn up to 75% of Border Exploration Pty Ltd ("Border"), which owns 100% of the Top Up Rise Project ("TUR Project") in Western Australia.

The TUR Project is located in the Gibson Desert region of north-eastern Western Australia and is prospective for large gold-copper intrusive related deposits, similar in style to Olympic Dam, Prominent Hill and Carapateena. The primary target is an unexplored gravity anomaly, which presents one of the largest amplitude residual gravity anomalies in Australia. The core of the anomaly is 8 kilometres by 4 kilometres in area, similar in size to the Olympic Dam geophysical anomaly.

**ASX : CZN**

### **Capital Structure**

Ordinary shares 137.89M  
Options 71.54M  
M.Cap (@ \$0.026) \$3.6M

### **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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The closest outcrops (some 20 kilometres away) are anomalous in IOCG pathfinder minerals (including rare-earths, haematite, magnetite, copper, gold and uranium) and are adjacent to a large Proterozoic age intrusive alteration system with geochemical characteristics common to known world-class copper-gold deposits.

Corazon Chairman, Mr Clive Jones stated: *“We believe this project presents a unique opportunity to quickly test and explore for a world class style of deposit on our doorstep. The project displays numerous indicators for the Olympic Dam style IOCG mineralisation. The anomaly is very large and, being one of the largest residual gravity anomalies in Australia, represents an exciting opportunity for the Company.”*

The TUR Project complements Corazon's existing portfolio of exploration and development projects, which includes the Lynn Lake nickel-copper sulphide development opportunity and the Beaucage Lake high grade gold exploration play, both located in Canada.

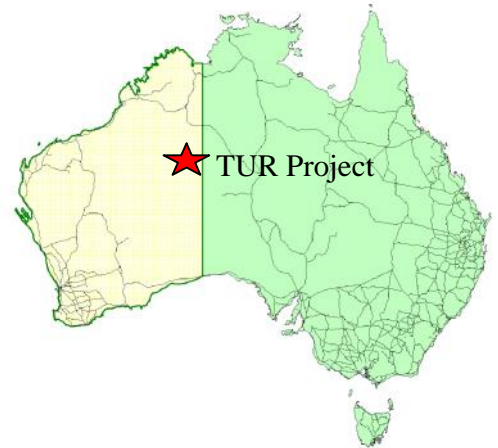


Figure 1:- Project Location

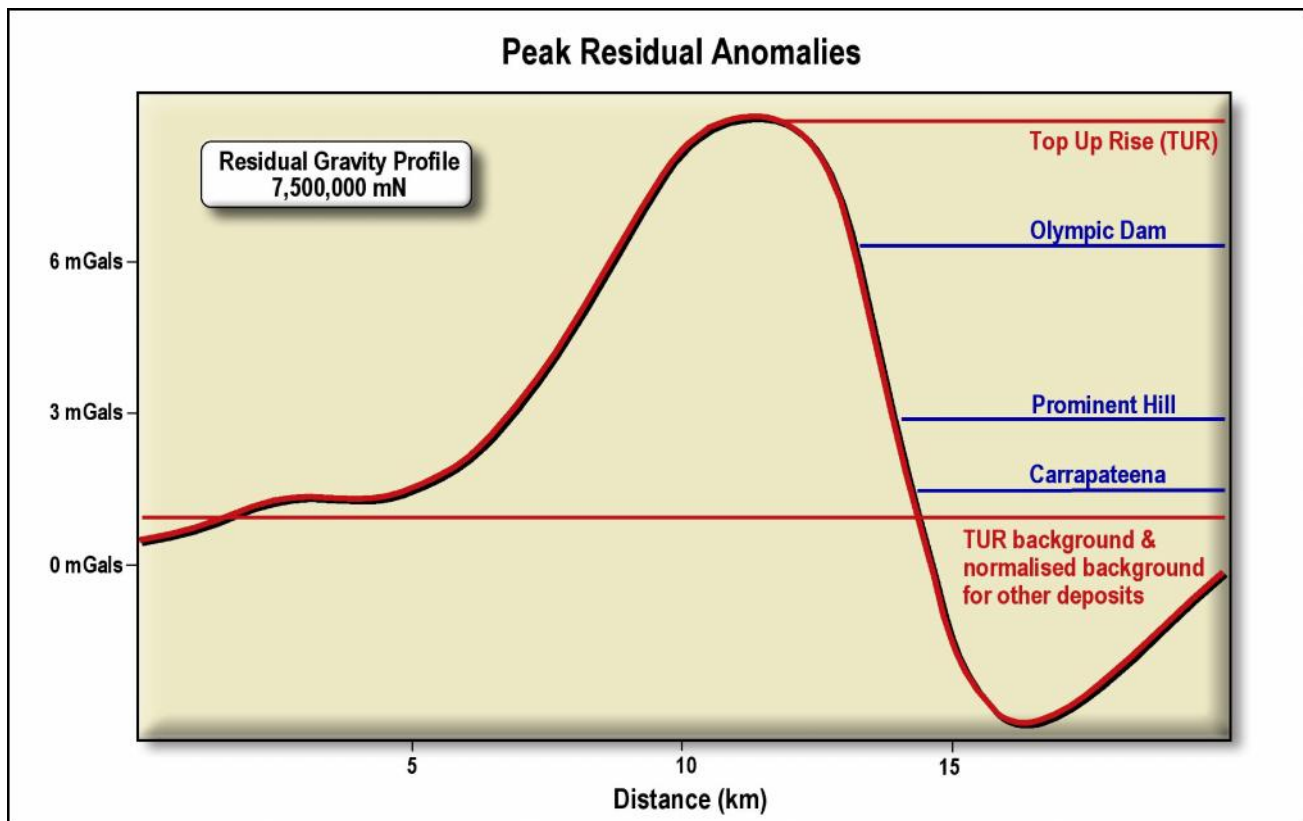


Figure 2:- Residual Gravity Profile at 7,500,000 North – with IOCG Deposit Peak Anomalies

### The Top Up Rise Project Gravity Anomaly

The TUR Project is located on the eastern edge of the Gibson Desert in Western Australia and includes three granted exploration licences. The nearest major centre is Alice Springs, approximately 700 kilometres to the east. Access to the project is via gravel road from the Kiwirrkurra Aboriginal Community, which is approximately 50 kilometres from the project area, then via community and historical oil exploration tracks. This anomaly has undergone no previous ground exploration.

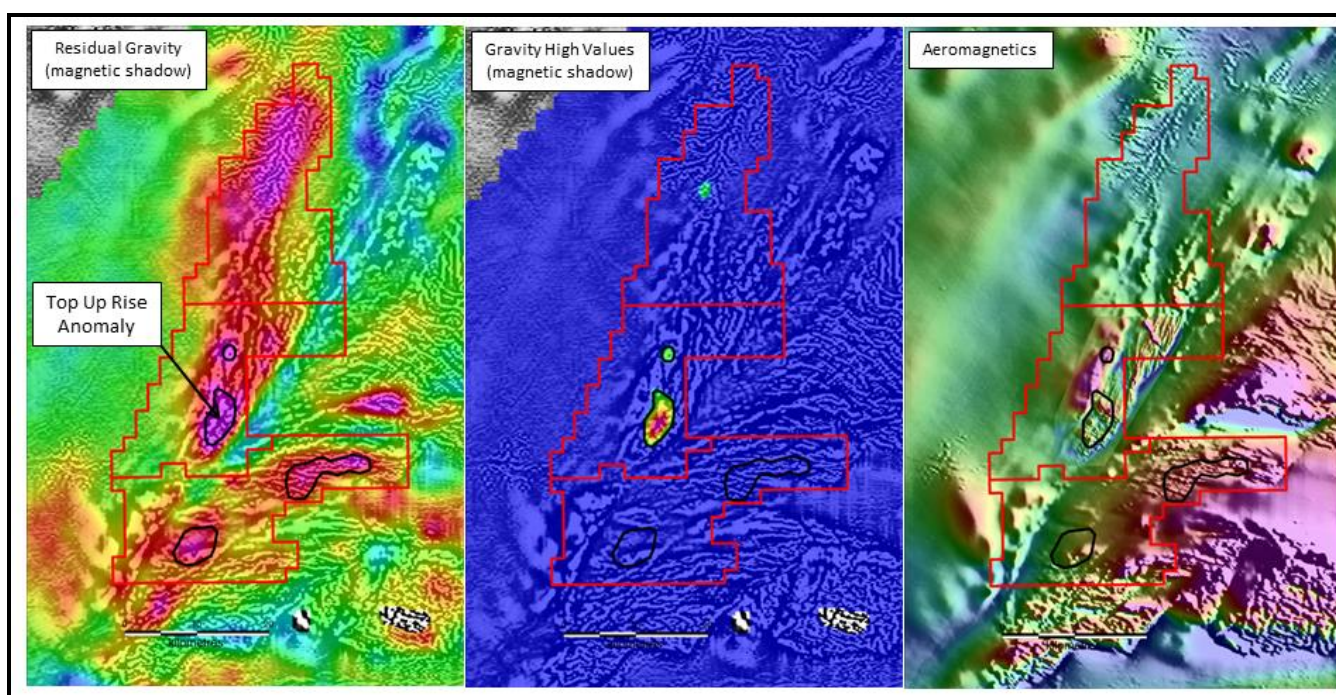


Figure 3:- Top Up Rise Project - Geophysical Images, with Project and Tenement Location

The TUR Project gravity anomaly is a large residual gravity-high with no coincident magnetic high, a common association with many IOCG deposits. The target sits within a regional gravity-high trend, with the main part of the anomaly being 8 kilometres by 4 kilometres (figures 3 and 4). The TUR anomaly was identified as a result of a gravity survey completed by Geoscience Australia and the Geological Survey of Western Australia in 2006.

With respect to amplitude, the peak residual gravity anomaly is greater than 7 mGals above background, on a gravity high ridge of approximately 4 mGals (with a background of less than 1 mGal) (Figure 2). Residual Gravity is a gravity anomaly after the effects of regional variations in the earth's gravity field have been removed (i.e. data is normalised to the earth's gravity field).

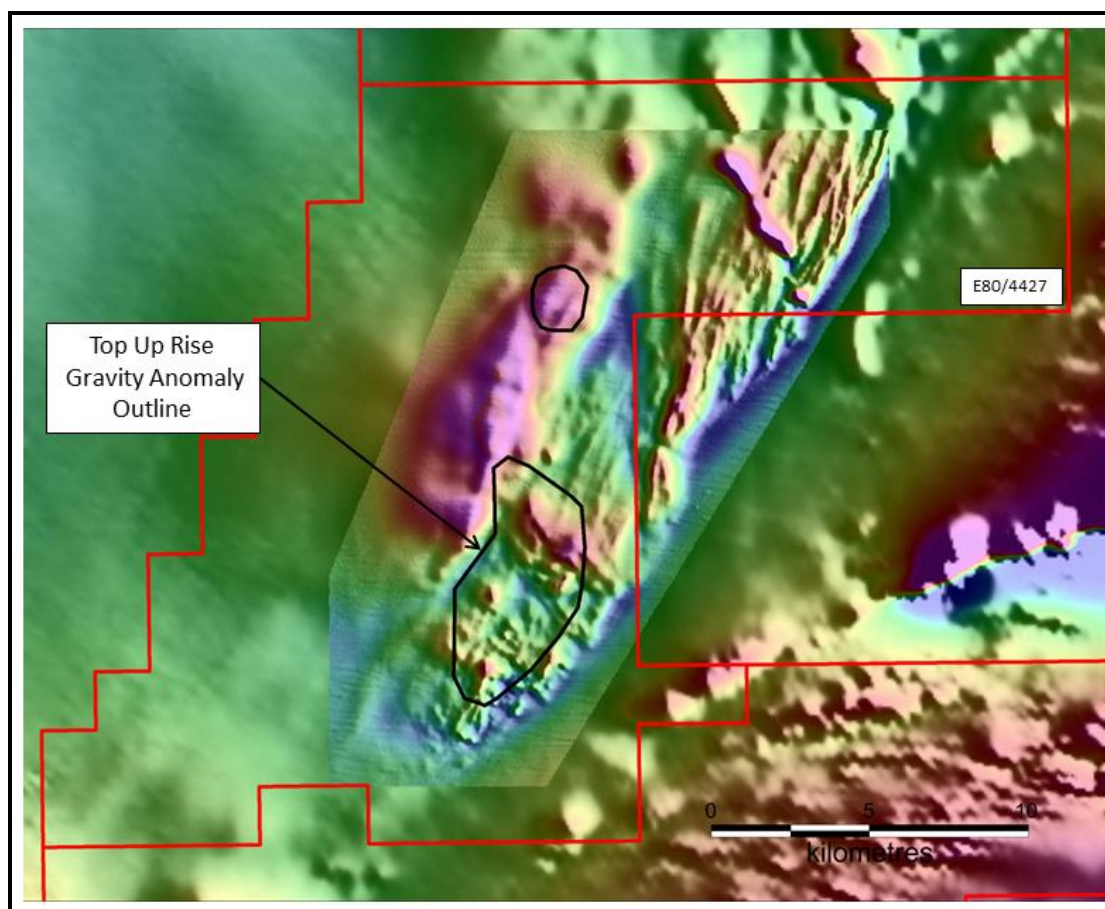


Figure 4:- Aeromagnetic Image – displaying gravity anomaly outline

### Regional Indicators for Copper-Gold Mineralisation

The first work program which identified the region as prospective for intrusive related metal deposits was completed by the Australian Geological Survey Organisation (AGSO) in the mid to late 1990s. From this point onwards, several exploration companies have identified copper, silver and gold occurrences in the Mount Webb and Pollock Hills region, as well as reported IOCG style occurrences in the areas to the west and north of Lake Mackay in Western Australia and the Northern Territory (Figure 5).

AGSO established that the primary and alteration geochemistry of the rocks in the Mount Webb and Pollock Hills region resemble those of Proterozoic copper-gold mineralised areas elsewhere in Australia. There is extensive evidence of magmatic alteration associated with a large intrusive granite system.

In 2011, exploration by Toro Energy Limited, east of the TUR Project (Figure 5), identified anomalous rare-earth elements (REE), copper and uranium in surface sampling. Toro proposed this alteration/mineralisation was similar to the Bayan Obo IOCG deposit in China, one of the largest REE mines in the world.

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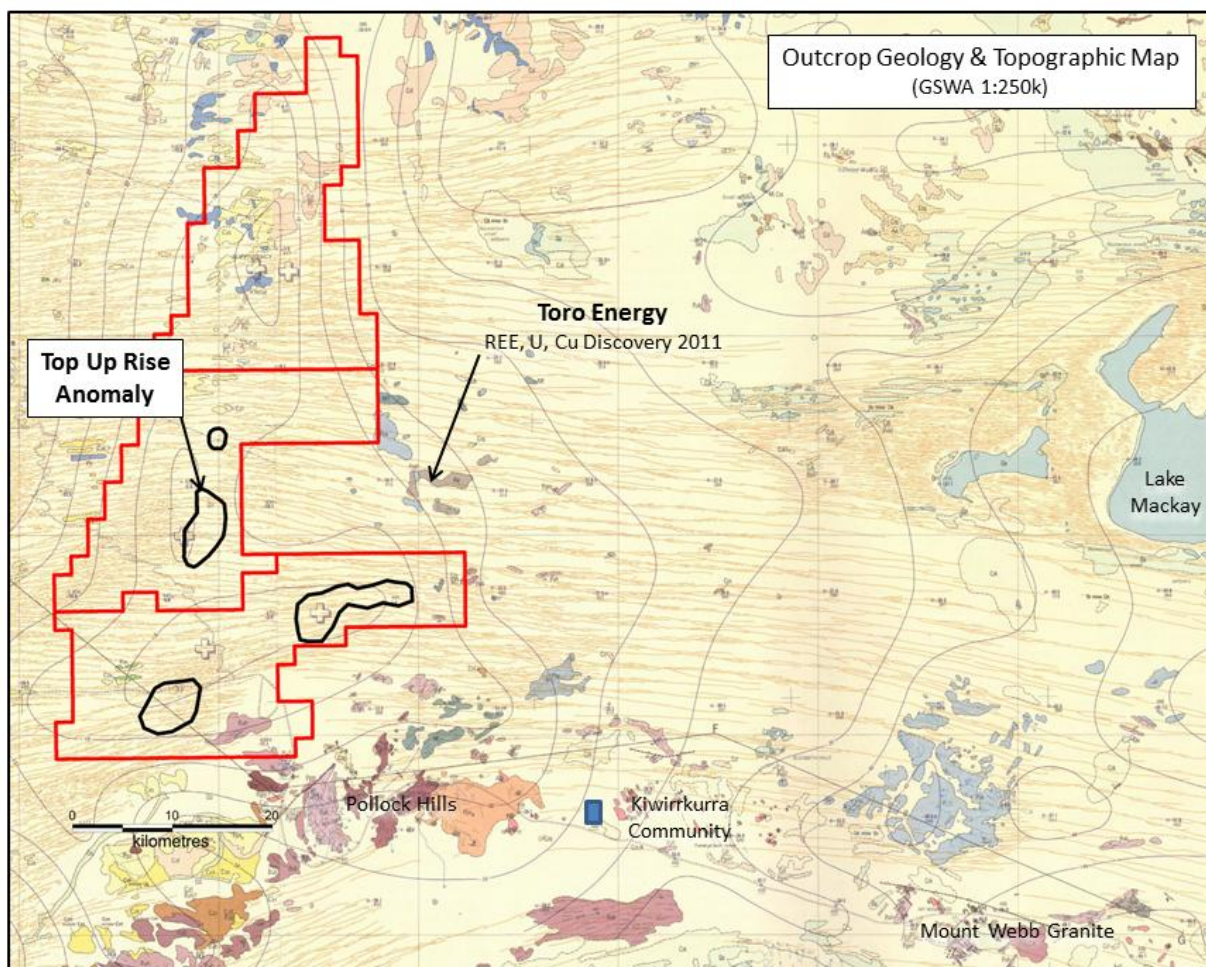


Figure 5:- Outcrop Geology and Topography Map – Project and Anomaly Location

## Exploration Program

Corazon is currently seeking heritage clearances for ground geophysics and drilling. These clearances are expected to be finalised this year, with field work to commence in late Q1 2013, or as soon as weather conditions permit.

Due to sand cover, high resolution ground gravity and electrical surveys will be utilized to accurately define prospective drill targets. A suitable drill rig has already been secured for the 2013 drilling program.

## Agreement Details

A Binding Heads of Agreement has been executed, under which Corazon will earn an interest in Border Exploration Pty Ltd, owners of 100% equity in the TUR Project. Corazon may earn up to 75% equity interest in Border via a three stage earn-in process.

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Completion is subject to a number of Conditions Precedent, including:

- Grant of a Ministerial Entry Permit to the Project;
- Parties obtaining all necessary consents and approvals, including all necessary shareholder approvals; and
- Corazon completing due diligence to its satisfaction.

Details of the earn-in agreement include:

- **Stage 1** – Corazon to earn 10% in Border through the issue of 15 million Corazon shares and 15 million Corazon options (3 year expiry date, at a price 134% of the 5 day VWAP at issue) and cash consideration to Border for costs (of up to \$250,000);
- **Stage 2** – At its election, Corazon to earn a further 41% (total of 51%) in Border by paying the vendors \$200,000 in cash, and either defining a JORC compliant Mineral Resource and completing a Scoping Study on the TUR Project or spending a minimum of \$4 million on exploration; and then subsequently issuing Border with Corazon shares or cash equal to 10% of the issued capital of Corazon;
- **Stage 3** – At its election, Corazon to earn a further 24% (total of 75%) in Border by completing a definitive feasibility study on the TUR Project (if the vendors decide not to contribute towards development at this stage). Consideration for the Stage 3 interest will be calculated with reference to a sliding scale, based on Corazon's market capitalisation at the time. The maximum consideration payable will be \$6 million (payable in either cash or shares or combination of both, at the election of Corazon) should Corazon's market capitalisation be greater than \$500 million;
- The vendors of Border will be free carried until a decision to mine is made; and
- Upon Corazon making a decision to mine the TUR Project, the vendors and Corazon will form a formal production joint venture. A pre-emptive right will exist between the parties to the joint venture.

## Shareholder Approval

The acquisition of an interest in Border by Corazon will be subject to all necessary Corazon shareholder approvals, including those approvals required because Corazon Managing Director Mr Brett Smith is a Director and Shareholder of Border. Further details of the date of the shareholder meeting, as well as all related meeting documents, will be provided in coming weeks.

## ENDS

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

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## Disclosure Statements and Important Information

### Competent Persons

*The information in this report related to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr A Byass, B.Sc Hons (Geol), B.Econ, FSEG, MAIG an employee of Corazon Mining Limited. Mr Byass has sufficient experience relevant to the style of mineralisation 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 Byass consents to the inclusion in the report of the matters based on this information in the form and context in which it appear.*