

The Manager – Company's Announcements
Australian Securities Exchange

CORAZON TO RAISE UP TO \$3M VIA- SHARE PURCHASE PLAN

- **SPP to raise up to \$3 million**
- **SPP provides existing shareholders with an opportunity to subscribe for discounted shares in Corazon**
- **Funding provides capacity to:**
 - **complete proposed phase 2 drilling of the Company's compelling nickel-copper-cobalt targets at the Lynn Lake Project in Canada**
 - **define and test extensions to the high-grade cobalt mineralisation at Cobalt Ridge, Mt Gilmore Project in New South Wales**

Corazon Mining Limited (ASX: CZN) ("Corazon" or "the Company") announces its intention to conduct a share purchase plan (**SPP** or **Plan**) to raise up to \$3 million to fund the next phase of exploration at its projects in Canada and Australia.

Share Purchase Plan

Under the SPP, the Company is giving Eligible Shareholders the opportunity to purchase up to \$15,000 worth of fully paid ordinary shares in the Company (Shares) at an issue price of \$0.035 per Share, irrespective of the size of their shareholding, without incurring brokerage or transaction costs.

The right to participate under the Plan is optional and is available exclusively to shareholders who are registered as holders of Shares at 5.00pm (WST) on the Record Date of 13 February 2017 and whose registered address is in Australia or New Zealand (**Eligible Shareholders**).

The Company reserves the right to close the SPP early and scale back applications in its absolute and sole discretion should the total demand exceed \$3 million. When determining the amount (if any) by which to scale back an SPP application, the Company may take into account a number of factors, including the size of an applicant's shareholding in the Company, the extent to which an applicant has sold or bought additional shares in the Company after the SPP record date and the date on which an application was made with earlier applications given precedence.

In the event that less than \$3 million is applied for, the full amount of shortfall of the Plan may be placed at the discretion of the board of the company. The placement of the shortfall of the Plan (if any) is subject to the Company receiving shareholder approval in accordance with ASX listing Rule 7.1. A notice of meeting to seek this approval will be issued in due course.

Under the ASX Listing Rules, the offer under the SPP must be not less than a discount of 20% to the volume weighted average market price (**VWAP**) for the Shares over the last 5 days on which sales in the Shares were recorded before the day on which the issue was announced.

The VWAP of Shares traded on the ASX during this period was \$0.033 per Share. The closing price of the Company's Shares at the close of business 13th February was \$0.042 per Share.

The Plan will have different participation levels, being:

	Total amount payable	Shares to be issued
Offer A	\$15,000	428,571
Offer B	\$10,000	285,714
Offer C	\$5,000	142,857
Offer D	\$2,000	57,143

Indicative Timetable

Record Date for Share Purchase Plan	13 February 2017
Announce Share Purchase Plan	14 February 2017
Dispatch Share Purchase Plan booklet to Eligible Shareholders and release Offer Letter on the ASX	On or before 20 February 2017
Share Purchase Plan Opens	23 February 2017
Closing Date for Share Purchase Plan	8 March 2017
Quotation on ASX of new Shares under the Share Purchase Plan	10 March 2017

These dates are indicative only. The Company may vary the dates of the Offer indicated above and reserves the right to close the SPP early.

Issue of Options to Directors and Employees

Additionally, in accordance with a remuneration review, the Company resolved in December 2016 to issue up to 40,000,000 options to directors and employees, exercisable at \$0.035 per option expiring three years from the date of issue. The issue of these options is subject to the Company receiving shareholder approval in accordance with ASX listing Rules 7.1 and 10.11, at a subsequent General Meeting. A notice of meeting for these issues will be dispatched in due course.

Exploration Program

The proceeds of the SPP will be used primarily for exploration activities at Corazon's Lynn Lake Project in Canada and the Mt Gilmore Project in New South Wales, as well as for general working capital purposes.

In relation to the capital raising, Corazon's Managing Director, Mr Brett Smith, said: *"We were keen to give our shareholders the opportunity to participate further in the next exciting phase of the project and we have determined that the SPP is the fairest way to achieve this. Following completion of the SPP, we will be fully funded for the second phase of exploration at the Lynn Lake Project. The results to date have been very encouraging and we are particularly excited to be able to immediately continue the drill program into the next phase."*

Phase 1 Drill Programme Complete

Corazon has completed its Phase 1 Drilling programme at Lynn Lake Nickel-Copper-Cobalt Project in Canada. This programme comprised five (5) holes for approximately 1,600 metres of core drilling, testing high priority geophysical anomalies within the Fraser Lake intrusive Complex. An update on the status of the drilling programme have been provided in the Company's ASX releases dated 6th and 13th of February 2017.

Phase 2 Drill Programme

With the completion of Corazon's initial phase of drilling at Lynn Lake, the Company is now undertaking planning and targeting for Phase 2 Drilling, proposed to commence later this month. Further detail on drill targets will be provided in due course. First assay results from Phase 1 Drilling are expected to be available later this month and all assay results are on track to be received by the end of March 2017.

END.

For further information visit 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.

Forward Looking Statements

This announcement contains certain statements that may constitute "forward looking statement". Such statements are only predictions and are subject to inherent risks and uncertainties, which could cause actual values, results, performance achievements to differ materially from those expressed, implied or projected in any forward looking statements.