

CORAZON MINING LIMITED

ACN 112 898 825

ENTITLEMENT OFFER PROSPECTUS

For a non-renounceable entitlement offer of one (1) Share for every five (5) Shares held by those Eligible Shareholders registered at the Record Date at an issue price of \$0.002 per Share, together with one (1) free attaching New Option for every Share subscribed for and issued, to raise up to \$963,958 (based on the number of Shares on issue as at the date of this Prospectus) (**Entitlement Offer**).

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Securities offered by this Prospectus should be considered as speculative.

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1. CORPORATE DIRECTORY

Directors

Terry Streeter
Non-Executive Chairman

Brett Smith
Managing Director

Jonathan Downes
Non-Executive Director

Mark Qiu
Non-Executive Director

Company Secretary
Robert Orr

Registered Office

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WEST PERTH WA 6005

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Share Registry*

Advanced Share Registry Services
110 Stirling Highway
NEDLANDS WA 6009

Telephone: +61 8 9389 8033
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Auditor*

PKF Perth
Level 5, 35 Havelock Street
WEST PERTH WA 6005

Solicitors

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

* These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus.

2. IMPORTANT NOTES

This Prospectus is dated 3 July 2020 and was lodged with the ASIC on that date. The ASIC, the ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered highly speculative.

Applications for Securities offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form or Shortfall Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

2.1 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 7 of this Prospectus.

2.2 Electronic prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on (08) 6364 0518 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at www.corazon.com.au.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

2.3 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

2.4 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing share or option certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

2.5 Privacy Act

If you complete an application for Securities, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

3. KEY OFFER INFORMATION

3.1 Timetable

Lodgement of Prospectus with the ASIC	Friday, 3 July 2020
Lodgement of Prospectus & Appendix 3B with ASX	Friday, 3 July 2020
Ex-date	Wednesday, 8 July 2020
Record Date for determining Entitlements	Thursday, 9 July 2020
Issue of the Placement Shares and the Dunlop Shares*	Friday, 10 July 2020
Offer opening date, Prospectus despatched to Shareholders & Company announces despatch has been completed	Tuesday, 14 July 2020
Last day to extend Closing Date	Monday, 20 July 2020
Closing Date**	Thursday, 23 July 2020
Securities quoted on a deferred settlement basis	Friday, 24 July 2020
ASX notified of under subscriptions	Tuesday, 28 July 2020
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Shares	Thursday, 30 July 2020
Quotation of Shares issued under the Entitlement Offer**	Friday, 31 July 2020

* This date is indicative only and may change without notice.

**The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. As such the date the Securities are expected to commence trading on ASX may vary.

3.2 Summary of the Placement and Entitlement Offer

As announced on 1 July 2020, the Company is intending to conduct a placement and non-renounceable entitlement offer in order to raise up to approximately \$1.678 million (before costs).

Placement

The Company has received firm commitments from sophisticated and professional investors to raise approximately \$713,968 via the issue of up to 356,984,000 Shares at an issue price of \$0.002 per Share. Participants will also be issued one (1) attaching unlisted Option for every one (1) Share subscribed for and issued (**Placement Options**), subject to Shareholder approval.

It is anticipated that the Placement Shares will be issued on Friday 10 July 2020 pursuant to the Company's available placement capacity under ASX Listing Rule 7.1. The Company will seek Shareholder approval at a general meeting to be held on or around August 2020, to issue the Placement Options to participants in the Placement.

Further details in respect of the Placement are set out in the ASX announcement released by the Company on 1 July 2020.

Entitlement Offer

The Entitlement Offer is being made as a pro-rata non-renounceable entitlement offer of one (1) Share for every five (5) Shares held by Eligible Shareholders registered at the Record Date at an issue price of \$0.002 per Share to raise up to \$963,958, together with one (1) free attaching unlisted Option for every one (1) Share issued (exercisable at \$0.0035 each on or before 30 June 2021).

Further details in respect of the Entitlement Offer are set out in Section 4.

3.3 Risk factors

Potential investors should be aware that subscribing for Securities in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 7 of this Prospectus. These risks, together with other general risks applicable to all investments in securities not specifically referred to, may affect the value of Securities in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

A summary of some of the Company's key specific risks include:

Risk	Description	Reference in Prospectus
Potential for significant dilution	Upon implementation of the Entitlement Offer and the Placement, assuming that 356,984,000 Shares are issued under the Placement, all Entitlements are accepted, and no convertible securities are exercised prior to the Record Date, the number of Shares in the Company will increase from 2,409,895,954 Shares currently on issue to 3,248,859,145 Shares. In addition, the Company will issue the Dunlop Shares, which will result in the number of Shares on issue increasing to 3,253,359,145 Shares. This means that each Share will represent a significantly lower proportion of the ownership of the Company. Further, if the New Options are subsequently exercised and Shares are issued on exercise of those New Options, each Share will represent a significantly lower proportion of the ownership of the Company. It is not possible to predict what the value of the Company or a Share will be following the completion of the Entitlement Offer and the Placement and the Directors do not make any representation as to such matters. The last trading price of Shares on ASX prior to the Prospectus being lodged of \$0.002 is not a reliable indicator as to the potential trading price of Shares after implementation of the Entitlement Offer and the Placement.	Section 7.2(a)

Risk	Description	Reference in Prospectus
Going Concern	The Company's financial report for the half year ended 31 December 2019 (released to ASX on 28 April 2020) includes a note on the financial condition of the Company and the possible existence of an inherent uncertainty about the consolidated entity's ability to continue as a going concern. Notwithstanding the 'going concern' paragraph included in the financial report for the half year ended 31 December 2019, the Directors believe that the Company has sufficient funds to adequately meet the Company's current expenditure commitments and short-term working capital requirements. However, it is highly likely that further funding will be required to meet the medium to long term working capital costs of the Company.	Section 7.2(b)
Additional Requirements for Capital	As set out above, the Company may require further funding in the future to effectively implement its business and operations plans, to take advantage of opportunities for acquisitions, joint ventures or other opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to scale back its exploration programmes, as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.	Section 7.2(c)
Exploration Risks	No assurance can be given that exploration will be successful or that a commercial mining operation will eventuate. The ultimate success and financial viability of the Company depends on the discovery and delineation of economically recoverable ore reserves, design and construction of efficient mining and processing facilities, and competent operational and managerial performance. There is no assurance that exploration and development of the mineral interests held by the Company (which are all at an exploration stage), or any other projects that may be acquired by the Company in the future, will result in the discovery of an economic deposit. Even if an apparently viable deposit is identified,	Section 7.2(d)

Risk	Description	Reference in Prospectus
	there is no guarantee that it can be profitably exploited. Development of a commercial mining operation is also dependent on the Company's ability to obtain necessary governmental and other regulatory approvals.	
Project and Joint Venture Risk	There is a risk of financial failure or default under the joint venture arrangements by a participant in any joint venture to which the Company is, or may become, a party. Any withdrawal by a joint venture party or any issues with their ability to perform the obligations due under the joint venture arrangements could have a material adverse impact on the financial position of the Company. There is also the risk of disputes arising with the Company's joint venture partners, the resolution of which could lead to delays in the Company's proposed development activities or financial loss.	Section 7.2(e)
COVID-19	The outbreak of the coronavirus disease (COVID-19) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company. The Company confirms that it has not been materially affected by the COVID-19 pandemic to date. The Directors are monitoring the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain. In compliance with its continuous disclosure obligations, the Company will continue to update the market in regard to the impact of COVID-19 on the Company. If any of these impacts appear material prior to close of the Entitlement Offer, the Company will notify investors under a supplementary prospectus.	Section 7.4(a)

3.4 Directors interest in securities

The relevant interest of each of the Directors in the Securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below.

Director	Shares	Options	Performance Rights	Entitlement		
				Shares	New Options	\$
Terry Streeter	10,000,000	5,000,000 ¹	10,000,000 ²	2,000,000	2,000,000	\$4,000
Brett Smith	14,322,542 ³	2,222,220 ⁴	0	2,864,509	2,864,509	\$5,729
Jonathan Downes	23,499,465 ⁵	0	0	4,699,893	4,699,893	\$9,400
Mark Qiu	12,915,537 ⁶	0	0	2,583,108	2,583,108	\$5,166

Notes:

1. Unquoted Options exercisable at \$0.007 each on or before 10 July 2022.
2. The Performance Rights will vest upon the volume weighted average price of the Company's shares on the ASX being equal to or greater than \$0.01 for twenty consecutive trading days within three years from the date of grant of the Performance Rights.
3. Comprising 7,348,484 Shares held by New Generation Exploration Pty Ltd <Smith Super Fund> (**New Generation**), 125,000 Shares held by Feliz (WA) Pty Ltd <Casero Family A/C> (an entity of which Mr Smith's spouse is a director) (**Feliz**), and 6,849,058 Shares held by Topaz Corporate Pty Ltd (an entity of which Mr Smith is the sole director and a controlling shareholder) (**Topaz**).
4. Comprising 1,111,110 listed Options exercisable at \$0.07 each, on or before 10 July 2022 held by New Generation and 1,111,110 listed Options exercisable at \$0.007 each, on or before 10 July 2022 held by Topaz.
5. Comprising 6,675,522 Shares held by Mr Downes, 5,605,805 Shares held by Mrs Katrina Downes (the spouse of Mr Downes), 693,291 Shares held by Mr Jonathan Downes and Mrs Katrina Downes <J&K Downes SuperFund A/C>, 10,190,485 Shares held by Kiandra Nominees Pty Ltd (an entity of which Mrs Katrina Downes is the sole director and Mr Downes is the sole shareholder) and 334,389 Shares held by Gold Member Pty Ltd (an entity of which Mr Downes is the sole director and shareholder).
6. Held by Qiu Family Super Pty Ltd <Qiu Family Super Fund>, of which Mr Qiu is a beneficiary and a director of the corporate trustee.

The Board recommends all Shareholders take up their Entitlement. The Directors reserve the right to take up their respective Entitlements in whole or in part at their discretion.

3.5 Details of substantial holders

Based on publicly available information as at 3 July 2020, there are no persons who (together with their associates) have a relevant interest in 5% or more of the Shares on issue.

3.6 Underwriting

The Entitlement Offer is not underwritten.

3.7 Effect on control of the Company and potential dilution to Shareholders

Based on the current Shareholding and Entitlements of Shareholders (including substantial Shareholders) as at the date of this Prospectus, regardless of the amount raised under the Entitlement Offer, no Shareholder will increase their holding, to an amount in excess of 19.9% of all the Shares on issue through applying for their Entitlements.

As set out in Section 4.7, on the basis of the allocation policy, no person will acquire, through participation in the Shortfall Offer a holding of Shares of, or increase their holding to, an amount in excess of 19.9% of all the Shares on issue on completion of the Entitlement Offer.

Further, there will be no change to any Shareholder's voting power as a result of the issue of the New Options. Where New Options are exercised into Shares, the voting power of the Shareholders who exercise the New Options will increase. The likelihood of New Options being exercised is dependent on the price of Shares from time to time until the New Options expire.

Shareholders should note that if they do not participate in the Entitlement Offer or the Placement (assuming that 356,984,000 Shares are issued under the Placement, 4,500,000 Shares are issued to the Dunlop Vendors and the Entitlement Offer is fully subscribed), their holdings are likely to be diluted by approximately 25.93% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus) from the issue of Shares.

Examples of how the dilution may impact Shareholders are set out in the table below:

Holder	Holding as at Record date	% at Record Date	Entitlements under the Entitlement Offer	Holdings if Entitlement Offer not taken up	% post Entitlement Offer
Shareholder 1	100,000,000	4.15%	20,000,000	100,000,000	3.07%
Shareholder 2	50,000,000	2.07%	10,000,000	50,000,000	1.54%
Shareholder 3	15,000,000	0.62%	3,000,000	15,000,000	0.46%
Shareholder 4	4,000,000	0.17%	800,000	4,000,000	0.12%
Shareholder 5	500,000	0.02%	100,000	500,000	0.02%

Notes:

1. This is based on a share capital of 2,409,895,954 Shares as at the date of the Prospectus and assumes no Options or Performance Rights currently on issue or New Options issued under the Prospectus are exercised.
2. The dilutionary effect shown in the table is the maximum percentage on the assumption that 356,984,000 Shares are issued under the Placement, 4,500,000 Shares are issued to the Dunlop Vendors and those Entitlements not accepted are placed under the Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

No immediate dilution will occur as a result of the issue of New Options under this Prospectus. However, the subsequent exercise of any or all the New Options will result in dilution. Assuming all New Options offered pursuant to this Prospectus are issued and exercised into Shares, Shareholders who do not participate in the Entitlement Offer or the Placement (assuming that 356,984,000 Shares are issued under the Placement, 4,500,000 Shares are issued to the Dunlop Vendors and the Entitlement Offer is fully subscribed) are likely to be diluted by an aggregate of

approximately 35.48% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). If Shareholder approval is obtained for the issue of the Placement Options, further dilution will occur as a result of the exercise of the Placement Options.

4. DETAILS OF THE ENTITLEMENT OFFER

4.1 The Entitlement Offer

The Entitlement Offer is being made as a non-renounceable entitlement offer of one (1) Share for every five (5) Shares held by Shareholders registered at the Record Date at an issue price of \$0.002 per Share, together with one (1) free attaching New Option for every one (1) Share subscribed for and issued. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, (and assuming no existing Options are exercised prior to the Record Date) a maximum of 481,979,191 Shares and 481,979,191 New Options will be issued pursuant to this Entitlement Offer to raise up to \$963,958 (before costs of the Entitlement Offer). No additional funds will be raised from the issue of the New Options.

As at the date of this Prospectus, the Company has 534,630,094 Options on issue all of which may be exercised prior to the Record Date in order to participate in the Entitlement Offer. Please refer to Section 5.4 of this Prospectus for information on the exercise price and expiry date of the Options on issue.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 6 for further information regarding the rights and liabilities attaching to the Shares.

All of the New Options offered under this Prospectus will be issued on the terms and conditions set out in Section 6.2 of this Prospectus.

All Shares issued on conversion of the New Options will rank equally with the Shares on issue at the date of this Prospectus.

The purpose of the Entitlement Offer and the intended use of funds raised are set out in Section 5.1 of this Prospectus.

4.2 Minimum subscription

There is no minimum subscription.

4.3 Acceptance

Your acceptance of the Entitlement Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for the maximum Entitlement.

You may participate in the Entitlement Offer as follows:

- (a) if you wish to accept your **full** Entitlement:
 - (i) complete the Entitlement and Acceptance Form; and
 - (ii) arrange payment for the amount indicated on the Entitlement and Acceptance Form by:
 - (A) BPAY® in accordance with Section 4.5; or

- (B) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency in accordance with Section 4.6.
- (b) if you wish to accept your **full** Entitlement and **apply for additional Shortfall Securities**:
 - (i) complete the Entitlement and Acceptance Form for the amount indicated on your Entitlement and Acceptance Form plus any additional Shortfall Securities you wish to apply for. You will be deemed to have applied for that number of Shortfall Securities which in aggregate with your Entitlement is covered in full by your application monies. In order to participate in the Shortfall Offer, you must also apply for your Entitlement in full; and
 - (ii) arrange payment for the appropriate application monies (at \$0.002 per Share) by:
 - (A) BPAY® in accordance with Section 4.5; or
 - (B) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency in accordance with Section 4.6.
- (c) if you only wish to accept **part** of your Entitlement:
 - (i) fill in the number of Shares you wish to accept in the space provided on the Entitlement and Acceptance Form; and
 - (ii) arrange payment for the appropriate application monies (at \$0.002 per Share) by:
 - (A) BPAY® in accordance with Section 4.5; or
 - (B) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency in accordance with Section 4.6.
- (d) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

The Entitlement Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

4.4 Implications of an acceptance

Returning a completed Entitlement and Acceptance Form or paying any application monies by BPAY® will be taken to constitute a representation by you that:

- (a) you have received a copy of this Prospectus and the accompanying Entitlement and Acceptance Form, and read them both in their entirety; and
- (b) you acknowledge that once the Entitlement and Acceptance Form is returned or a BPAY® payment in relation to any application monies, the application may not be varied or withdrawn except as required by law.

4.5 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Securities which is covered in full by your application monies; and
- (c) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall Securities (if any) under the Shortfall Offer, to the extent of the excess.

It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 5:00pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Any application monies received for more than your final allocation of Securities (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.

One (1) New Option with an exercise price of \$0.0035 and an expiry date of 30 June 2021 will be issued for every one (1) Share subscribed for and issued under the Entitlement Offer.

4.6 Payment by cheque/bank draft

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "Corazon Mining Limited" and crossed "Not Negotiable".

Your completed Entitlement and Acceptance Form and cheque must reach the Company's share registry no later than 5:00 pm WST on the Closing Date.

4.7 Shortfall Offer

Any Entitlement not taken up pursuant to the Entitlement Offer will form the Shortfall Offer.

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.002 being the price at which Shares have been offered under the Entitlement Offer.

If you do not wish to take up any part of your Entitlement you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall Offer and potentially be allocated to other Eligible Shareholders or other third parties as part of the Shortfall Offer. The Shortfall Offer will only be available where there is a Shortfall between applications received from Eligible Shareholders and the number of Securities proposed to be issued under the Entitlement Offer.

Eligible Shareholders who wish to subscribe for Securities above their Entitlement are invited to apply for Shortfall Securities under the Shortfall Offer by completing the appropriate section on their Entitlement and Acceptance Form or by making payment for such Shortfall Securities in accordance with Sections 4.5 and 4.6 of this Prospectus.

The Directors reserve the right to issue Shortfall Securities at their absolute discretion. The Board presently intends to allocate Shortfall Securities as follows:

- (a) to Eligible Shareholders who apply for an excess of their full Entitlement, so long as the issue of Shortfall Securities to that Eligible Shareholder would not take their voting power to in excess of 19.99%; and
- (b) to other parties identified by the Directors, which may include parties not currently Shareholders of the Company. No Shares will be issued to a party under the Shortfall Offer if the effect would be to increase that party's voting power in the Company to an amount greater than 19.99%.

The Company reserves the right to issue an Eligible Shareholder a lesser number of Shortfall Securities than applied for or no Shortfall Securities at all. However, the Directors do not intend to refuse an application for Shortfall Securities from Eligible Shareholders other than in circumstances of oversubscription or where acceptance may result in a breach of the Corporations Act. If the number of Shortfall Securities applied for by Eligible Shareholders exceeds the total Shortfall, the Shortfall Securities will be allocated among applying Eligible Shareholders proportionate to their existing holdings.

All decisions regarding the allocation of Shortfall Securities will be made by the Directors and will be final and binding on all applicants under the Shortfall Offer; as such there is no guarantee that any Shortfall Securities applied for will be issued to Eligible Shareholders.

The Company will have no liability to any Applicant who receives less than the number of additional Securities they applied for under the Shortfall Offer. If the Company scales back any applications for Securities under the Shortfall Offer any application monies will be returned (without interest) as soon as practicable.

4.8 Commissions payable

The Company reserves the right to pay a commission of up to 6% (exclusive of goods and services tax) of amounts subscribed through any licensed securities dealers or Australian financial services licensee in respect of any valid applications lodged and accepted by the Company under the Shortfall Offer and bearing the stamp of the licensed securities dealer or Australian financial services licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian financial services licensee.

4.9 ASX listing

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest. The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

The Company will not apply for Official Quotation of the New Options offered under this Prospectus as the New Options will not be quoted.

4.10 Issue of Securities

Securities issued pursuant to the Entitlement Offer will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Securities issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Securities issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Pending the issue of the Securities or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Securities issued under the Entitlement Offer and Shortfall Securities issued under the Shortfall Offer will be mailed in accordance with the ASX Listing Rules.

4.11 Overseas shareholders

This Entitlement Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Securities these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Entitlement Offer is not being extended and Securities will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

New Zealand

This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 (Aust) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

This Entitlement Offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 (Aust) and the regulations made under that Act set out how the offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime. The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Entitlement Offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

Nominees and custodians

Nominees and custodians may not submit an Entitlement and Acceptance Form on behalf of any Shareholder resident outside Australia and New Zealand without the prior consent of the Company, taking into account relevant securities law restrictions. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

4.12 Enquiries

Any questions concerning the Entitlement Offer should be directed to Robert Orr, Company Secretary, on (08) 6364 0518.

5. PURPOSE AND EFFECT OF THE ENTITLEMENT OFFER AND THE PLACEMENT

5.1 Purpose of the Entitlement Offer and the Placement

The purpose of the Entitlement Offer is to raise up to \$963,958 (before expenses). No funds will be raised from the issue of the New Options.

The purpose of the Placement is to raise up to approximately \$713,968 (before expenses). No funds will be raised from the issue of the Placement Options.

The funds raised from the Entitlement Offer and the Placement are planned to be used in accordance with the table set out below:

Item	Proceeds of the Entitlement Offer and the Placement	Full Subscription (\$)	%
1.	Exploration at Mount Gilmore ¹	\$200,000	11.92%
2.	Exploration at Lynn Lake ²	\$1,070,000	63.77%
3.	Expenses of the Entitlement Offer and the Placement ^{3,4}	\$77,926	4.64%
4.	Working capital ⁴	\$330,000	19.67%
	Total	\$1,677,926	100%

Notes:

1. At Mt Gilmore in New South Wales, the Company's exploration seeks to define drill targets within the large copper-cobalt-silver-gold geochemical anomalies that have been identified within the plus twenty-kilometre long project area. Current studies are focussed on using detailed geochemical analysis of the mineralisation and alteration to vector in on target areas.
2. The Company's exploration focus is on the Lynn Lake Project in Manitoba, Canada. Proposed exploration at Lynn Lake includes the continued exploration for new nickel-copper sulphide deposits, utilizing geophysics, geochemistry and drilling; as well as the continued advancement of resource, metallurgical and mining studies within the Lynn Lake Mining Centre.
3. Refer to Section 8.7 of this Prospectus for further details relating to the estimated expenses of the Entitlement Offer and the Placement.
4. As set out in Section 4.8 of this Prospectus, the Company may pay a commission of up to 6% (ex GST) of amounts subscribed through any licensed securities dealers or Australian financial services licensee in respect of any valid applications lodged and accepted by the Company under the Shortfall Offer. The calculation of the expenses of the Entitlement Offer and the Placement as set out in the table above assumes that the Entitlement Offer is fully subscribed and 356,984,000 Shares are issued under the Placement. If the Entitlement Offer is not fully subscribed and the Shortfall is subsequently placed, a commission of up to \$57,388 will be payable, which will reduce the amount allocated to working capital.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis. The Company retains a level of flexibility to vary its future funding commitments. Funds raised from the Entitlement Offer and the Placement will augment existing cash at bank.

The Directors believe that on completion of the Entitlement Offer and the Placement, the Company will have sufficient working capital to carry out its stated objectives. In the event the Entitlement Offer is not fully subscribed, operational

objectives are likely to be modified, which may result in delay, or substantial changes to the Company's future plans. In this event (and after accounting for associated Entitlement Offer costs) it is likely that the Company will appropriately scale back funds available for exploration at the Lynn Lake Project (Item 2) and the Mt Gilmore Project (Item 1) on a proportionate basis.

5.2 Effect of the Entitlement Offer and the Placement

The principal effect of the Entitlement Offer and the Placement, assuming all Entitlements are accepted, 356,984,000 Shares are issued under the Placement and no Options are exercised prior to the Record Date, will be to:

- (a) increase the cash reserves by \$1,600,000 (after deducting the estimated expenses of the Entitlement Offer and the Placement) immediately after completion of the Entitlement Offer and the Placement;
- (b) increase the number of Shares on issue from 2,409,895,954 as at the date of this Prospectus to 3,248,859,145 Shares following completion of the Entitlement Offer and the Placement. In addition, the Company is intending to issue 4,500,000 Vendor Shares which will result in the number of Shares on issue increasing to 3,253,359,145 Shares; and
- (c) increase the number of Options on issue from 534,630,094 as at the date of this Prospectus to 1,016,609,285 Options following completion of the Entitlement Offer. If Shareholder approval is subsequently obtained for the issue of Options to participants in the Placement, the number of Options on issue will further increase to 1,373,593,285 Options.

5.3 Pro-forma balance sheet

The unaudited balance sheet as at 31 March 2020 and the unaudited pro-forma balance sheet as at 30 June 2020 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming 356,984,000 Shares are issued under the Placement, all Entitlements are accepted, no Options are exercised prior to the Record Date and including expenses of the Entitlement Offer and the Placement.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	Unaudited 31 March 2020	Significant Changes Since 31 March 2020	Effect of Placement and Entitlement Offer	Proforma 30 June 2020
CURRENT ASSETS				
Cash ¹	887,082	(637,082)	1,600,000	1,850,000
Other current assets	75,849	-	-	75,849
TOTAL CURRENT ASSETS	962,931	-	-	1,925,849

	Unaudited 31 March 2020	Significant Changes Since 31 March 2020	Effect of Placement and Entitlement Offer	Proforma 30 June 2020
NON-CURRENT ASSETS				
Exploration ¹	3,655,062	500,000	-	4,155,062
Other non-current assets	59,653	-	-	59,653
TOTAL NON-CURRENT ASSETS	3,714,715	-	-	4,214,715
TOTAL ASSETS	4,677,646	-	-	6,140,564
CURRENT LIABILITIES				
Creditors and other liabilities	124,868	-	-	124,868
TOTAL CURRENT LIABILITIES	124,868	-	-	124,868
TOTAL LIABILITIES	124,868	-	-	124,868
NET ASSETS (LIABILITIES)	4,552,778	-	-	6,015,696
EQUITY				
Share capital	40,965,051	-	1,600,000	42,565,051
Options Reserve	1,143,933	-	-	1,143,933
Retained loss	(37,556,205)	(137,082)	-	(37,693,287)
TOTAL EQUITY	4,552,779	-	-	6,015,697

Notes:

- Significant changes since 31 March 2020 include the following transactions:
 - a decrease of \$500,000 in cash resulting from operations and exploration costs from 1 April 2020 to 30 June 2020; and
 - a decrease of \$137,082 in cash resulting from administration costs from 1 April 2020 to 30 June 2020.
- The pro forma assumes that 356,984,000 Shares are issued under the Placement and the Entitlement Offer is fully subscribed leading to the issue of 838,963,191 Shares at \$0.002 per Share to raise \$1,677,926, less costs of the Placement and Entitlement Offer of \$77,926.

5.4 Effect on capital structure

The effect of the Entitlement Offer and the Placement on the capital structure of the Company, assuming that 356,984,000 Shares are issued under the Placement, all Entitlements are accepted, and no convertible securities are exercised prior to the Record Date, is set out below.

Shares	Number
Shares currently on issue	2,409,895,954
Shares offered pursuant to the Placement	356,984,000
Shares offered pursuant to the Entitlement Offer	481,979,191

Shares	Number
Shares offered to the Dunlop Vendors	4,500,000
Total Shares on issue after completion of the Entitlement Offer and the Placement	3,253,359,145

Notes:

- As announced on 17 April 2020, the Company has completed all earn-in requirements to acquire 100% of the Lynn Lake Nickel Copper Cobalt Sulphide Project area in Canada, and has now exercised the option to acquire 100% of the Project area. The change of ownership also triggers the obligation to issue 4,500,000 Shares (**Dunlop Shares**) to the original vendors of the Australian and Canadian holding companies (the **Dunlop Vendors**).

Options	Number
Options currently on issue:	
Quoted Options exercisable at \$0.007 on or before 10 July 2022	529,630,094
Unquoted Options exercisable at \$0.007 on or before 10 July 2022	5,000,000
Total Options on issue as at the date of this Prospectus	534,630,094
New Options offered pursuant to the Entitlement Offer ¹	481,979,191
Placement Options offered pursuant to participants in the Placement ²	356,984,000
Total Options on issue after completion of the Entitlement Offer and the Placement	1,373,593,285

Notes:

- The New Options will be exercisable at \$0.0035 each on or before 30 June 2021. For the full terms and conditions of the New Options refer to Section 6.2 of this Prospectus.
- The issue of the Placement Options will be subject to the Company obtaining Shareholder approval. If Shareholder approval is obtained, the Placement Options will be issued on the same terms as the New Options. For the full terms and conditions refer to Section 6.2 of this Prospectus.

Performance Rights	Number
Performance Rights currently on issue:	10,000,000
Performance Rights offered pursuant to the Entitlement Offer	-
Performance Rights offered pursuant to participants in the Placement	-
Total Performance Rights on issue after completion of the Entitlement Offer and the Placement	10,000,000

The capital structure on a fully diluted basis as at the date of this Prospectus is 2,954,526,048 Shares and on completion of the Entitlement Offer and the Placement (assuming that 356,984,000 Shares are issued under the Placement, all Entitlements are accepted and no convertible securities are exercised prior to the Record Date) would be 4,636,952,430 Shares.

No Securities on issue are subject to escrow restrictions, either voluntary or ASX imposed.

6. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

6.1 Shares

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

6.2 Options

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.0035 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 30 June 2021 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within five Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are not transferable.

7. RISK FACTORS

7.1 Introduction

The Securities offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Securities.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

7.2 Company specific

(a) Potential for significant dilution

Upon implementation of the Entitlement Offer and the Placement, assuming that 356,984,000 Shares are issued under the Placement, all Entitlements are accepted, and no convertible securities are exercised prior to the Record Date, the number of Shares in the Company will increase from 2,409,895,954 Shares currently on issue up to 3,248,859,145 Shares. In addition, the Company will issue the Dunlop Shares, which will result in the number of Shares on issue increasing up to 3,253,359,145 Shares. This means that each Share will represent a significantly lower proportion of the ownership of the Company.

Further if the New Options are subsequently exercised and Shares are issued on exercise of those New Options, each Share will represent a significantly lower proportion of the ownership of the Company.

It is not possible to predict what the value of the Company or a Share will be following the completion of the Entitlement Offer and the Placement and the Directors do not make any representation as to such matters.

The last trading price of Shares on ASX prior to the Prospectus being lodged of \$0.002 is not a reliable indicator as to the potential trading price of Shares after implementation of the Entitlement Offer and Placement.

(b) Going concern

The Company's financial report for the half year ended 31 December 2019 (released to ASX on 28 April 2020) includes a note on the financial condition of the Company and the possible existence of an inherent uncertainty about the consolidated entity's ability to continue as a going concern.

Notwithstanding the 'going concern' paragraph included in the financial report for the half year ended 31 December 2019, the Directors believe that the Company has sufficient funds to adequately meet the Company's current expenditure commitments and short-term working

capital requirements. However, it is highly likely that further funding will be required to meet the medium to long term working capital costs of the Company. Please refer to Section 7.2(c) below for further details.

(c) **Additional Requirements for Capital**

As set out above, the Company may require further funding in the future to effectively implement its business and operations plans, to take advantage of opportunities for acquisitions, joint ventures or other opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to scale back its exploration programmes, as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(d) **Exploration Risks**

No assurance can be given that exploration will be successful or that a commercial mining operation will eventuate. The ultimate success and financial viability of the Company depends on the discovery and delineation of economically recoverable ore reserves, design and construction of efficient mining and processing facilities, and competent operational and managerial performance.

There is no assurance that exploration and development of the mineral interests held by the Company (which are all at an exploration stage), or any other projects that may be acquired by the Company in the future, will result in the discovery of an economic deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be profitably exploited.

Development of a commercial mining operation is also dependent on the Company's ability to obtain necessary governmental and other regulatory approvals.

(e) **Project and Joint Venture Risk**

There is a risk of financial failure or default under the joint venture arrangements by a participant in any joint venture to which the Company is, or may become, a party. Any withdrawal by a joint venture party or any issues with their ability to perform the obligations due under the joint venture arrangements could have a material adverse impact on the financial position of the Company. There is also the risk of disputes arising with the Company's joint venture partners, the resolution of which could lead to delays in the Company's proposed development activities or financial loss. A summary of the Company's current joint venture agreements is set out below.

Mount Gilmore Project

The Company has an 80% equity ownership of exploration licence 8379, which forms part of the Mt Gilmore Project (**Tenement**). Details of the Mt Gilmore Project are set out in the ASX announcement released on 16 June 2016.

The Company is a registered joint owner and manager of the Tenement with the New South Wales Government Department of Planning and Environment and therefore the Company is responsible for compliance with the terms and conditions of the Tenement and any other applicable legislation. Any failure to comply with these obligations may result in the Company losing its interest in the Tenement, which may have a material adverse effect on the Company's operations and the performance and value of the Securities. The Company has no current reason to believe it will not meet and satisfy its respective obligations under the relevant agreement, the Tenement conditions and other applicable legislation.

Lynn Lake – Victory Project

On 1 April 2015, the acquisition of the Victory Project from Victory Nickel Inc. (the **Vendor**) was finalised. Details of the agreement to acquire the Victory Project are set out in the ASX announcement released on 1 April 2015.

The terms of the acquisition include a requirement to spend an aggregate amount of AUD\$3.5 million on exploration and resource development in a five-year period (concluding on 19 December 2019). In November 2019 the Company notified the Vendor that this expenditure commitment had been met.

The Company has notified the Vendor that it considers it has satisfied the expenditure requirement. If a dispute arises as to the satisfaction of the expenditure requirement, the Company may be required to pay the Vendor the difference between AUD\$3.5 million expenditure requirement and was actually spent (in cash or Shares) or return the Victory Project to Vendor.

(f) **Estimation of Mineral Resources and Ore Reserves**

Mineral resource and reserve estimates are necessarily imprecise and involve subjective judgements regarding the presence and grade of mineralisation and the ability to economically extract and process the mineralisation, including future copper, cobalt, gold, silver and nickel prices, operating costs, transport costs, capital expenditures and other costs.

Fluctuations in the price of minerals, results of additional drilling, metallurgical testing and the evaluation of mine plans subsequent to the date of any mineral resource or reserve estimate may require revision of such estimate. Any material reductions in estimates of mineral resources or reserves, could have a material adverse effect on the Company's financial position.

Investors should not assume that resource estimates are capable of being directly reclassified as reserves under the JORC code. The inclusion of resource estimates should not be regarded as representation that these amounts can be economically exploited, and investors are cautioned not to place reliance on resource estimates.

(g) **Native Title**

It is possible that tenements in which the Company will acquire an interest in may be subject to a native title claim. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

(h) **Exploration Success**

The Company's tenements are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that exploration of the Company's tenements, or any other licenses that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

(i) **Tenement applications and license renewal**

The Company cannot guarantee additional applications for tenements made by the Company will ultimately be granted, in whole or in part. Further the Company cannot guarantee that renewals of valid tenements will be granted on a timely basis, or at all.

7.3 Industry specific

(a) **Environmental**

The operations and proposed activities of the Company are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive.

Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.

(b) **Mine development**

Possible future development of a mining operation at any of the Company's projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

If the Company commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement of hazardous weather conditions and fires, explosions or accidents. No assurance can be given that the Company will achieve commercial viability through the development or mining of its projects and treatment of ore.

(c) **Native Title and Aboriginal Heritage**

In relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

(d) **Operations**

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

(e) **Climate Change**

There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:

- (i) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and
- (ii) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

7.4 General risks

(a) **COVID-19**

The outbreak of the coronavirus disease (**COVID-19**) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company. The Company confirms that it has not been materially affected by the COVID-19 pandemic to date.

The Directors are monitoring the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain. In compliance with its continuous disclosure obligations, the Company will continue to update the market in regard to the impact of COVID-19 on the Company. If any of these impacts appear material prior to close of the Entitlement Offer, the Company will notify investors under a supplementary prospectus.

(b) **Economic**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(c) **Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(d) **Dividends**

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

(e) **Taxation**

The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Securities from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Securities under this Prospectus.

(f) **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

7.5 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus.

Therefore, the Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

8. ADDITIONAL INFORMATION

8.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

8.2 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;

- (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
01/07/2020	Proposed issue of Securities – CZN
01/07/2020	Placement and Entitlements Offer
25/06/2020	Trading Halt
25/06/2020	Pause in Trading
12/06/2020	Company Presentation
3/06/2020	Listing Rule 5.3 disclosure
27/05/2020	Fraser Lake Technical Presentation
13/05/2020	Change of Director's Interest Notice
1/05/2020	Lynn Lake high grade drill results
28/04/2020	Quarterly Activities Report
28/04/2020	Quarterly Cashflow Report
21/04/2020	Section 708 cleansing statement
21/04/2020	Appendix 2A
17/04/2020	Lynn Lake Option Exercised
8/04/2020	Results of Meeting
1/04/2020	Options expire
18/03/2020	Lynn Lake Drilling Commenced
12/03/2020	Half Yearly Report and Accounts
6/03/2020	Notice of Meeting
20/02/2020	RIU Presentation
19/02/2020	Placement Cleansing Notice
19/02/2020	Appendix 2A
13/02/2020	Proposed issue of Securities - CZN
13/02/2020	Placement
11/02/2020	Trading Halt

Date	Description of Announcement
30/01/2020	Quarterly Activities Report
30/01/2020	Quarterly Cashflow Report
22/01/2020	Lynn Lake Project Presentation
21/01/2020	Lynn Lake further high grade drill results
16/01/2020	Lynn Lake high grade drill results
7/01/2020	Change of address
3/01/2020	Response to ASX Price and Volume Query
3/01/2020	Pause in trading
20/12/2019	Section 708 notice
20/12/2019	Change of Director's Interest Notice
20/12/2019	Appendix 3B
20/12/2019	Corporate Governance Statement
18/12/2019	Lynn Lake Sulphides Intersected
13/12/2019	Lynn Lake Sulphides Intersected
11/12/2019	The New Worlds Metals Conference Presentation
2/12/2019	Lynn Lake drilling commenced
29/11/2019	Final Director's Interest Notice
29/11/2019	Results of Meeting
29/11/2019	Director resignation
29/11/2019	AGM Presentation
27/11/2019	Lynn Lake Resource Upgrade
13/11/2019	Lynn Lake drilling to proceed
30/10/2019	Quarterly Activities Report
30/10/2019	Quarterly Cashflow Report
25/10/2019	Notice of Annual General Meeting
16/10/2019	Presentation Resources Roundup
24/09/2019	Section 708 notice
24/09/2019	Listing Rule 7.1A information
24/09/2019	Appendix 3B
20/09/2019	Appendix 4G
20/09/2019	Annual Report to shareholders

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website www.corazon.com.au.

8.3 Market price of shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest	\$0.003	4-5, 7-18, 22-25, 27-29 May 2020 and 1, 4, 9-15, 17-23 June 2020
Lowest	\$0.002	4-6, 8-15, 19, 22-25, 27-28 May 2020, 2-4, 9-15, 18-30 June 2020 and 1-2 July 2020
Last	\$0.002	2 July 2020

8.4 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Entitlement Offer.
- (c) the Entitlement Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Entitlement Offer.

Security holdings

The relevant interest of each of the Directors in the Securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set in Section 3.4 of this Prospectus.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors'

remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$400 000 per annum.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive directors.

Director	Proposed Remuneration for Financial Year Ending 30 June 2021	Remuneration for Financial Year Ended 30 June 2020	Remuneration for Financial Year Ended 30 June 2019
Terry Streeter ¹	\$80,000	\$60,000	-
Brett Smith	\$240,000	\$240,000	\$240,000
Jonathan Downes	\$45,000	\$45,000	\$45,000 ²
Mark Qiu	\$45,000	\$45,000	\$45,000

Notes:

1. Appointed on 18 September 2019.
2. Includes a cash payment of \$41,096 and \$3,904 in post-employment/superannuation benefits.

8.5 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Entitlement Offer.

(f) the Entitlement Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

(g) the formation or promotion of the Company; or

(h) the Entitlement Offer.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Entitlement Offer. The Company estimates it will pay Steinepreis Paganin \$15,000 (excluding GST and disbursements) for these services.

8.6 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section; and
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

8.7 Expenses of the Entitlement Offer and the Placement

In the event that all Entitlements are accepted, the total expenses of the Entitlement Offer and the Placement are estimated to be approximately \$77,926 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	\$3,206
ASX fees	\$7,836
Legal fees	\$15,000
Broker commission in respect of the Placement	\$42,838
Miscellaneous (including printing and distribution)	\$9,046
Total	<u>\$77,926</u>

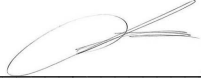
Notes:

1. As set out in Section 4.8 of this Prospectus, the Company may pay a commission of up to 6% (ex GST) of amounts subscribed through any licensed securities dealers or Australian financial services licensee in respect of any valid applications lodged and accepted by the Company under the Shortfall Offer. The calculation of the expenses of the Entitlement Offer and the Placement as set out in the table above assumes that the Entitlement Offer is fully subscribed. If the Entitlement Offer is not fully subscribed and the Shortfall is subsequently placed, a commission of up to \$57,388 will be payable, which will reduce the amount allocated to working capital.

9. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



Terry Streeter
Non-Executive Chairman
For and on behalf of
CORAZON MINING LIMITED

10. GLOSSARY

\$ means the lawful currency of the Commonwealth of Australia.

Applicant means a Shareholder who applies for Shares pursuant to the Entitlement Offer or a Shareholder or other party who applies for Shortfall Shares pursuant to the Shortfall Offer.

Application Form means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the date specified in the timetable set out at the commencement of this Prospectus (unless extended).

Company means Corazon Mining Limited (ACN 112 898 825).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the directors of the Company as at the date of this Prospectus.

Dunlop Shares has the meaning given in Section 5.4 of this Prospectus.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Entitlement Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

Entitlement Offer means the pro-rata non-renounceable entitlement issue the subject of this Prospectus.

New Option means an Option issued on the terms set out in Section 6.2 of this Prospectus.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out at the commencement of this Prospectus.

Securities means Shares and/or New Options offered pursuant to the Entitlement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Shortfall means the Shares not applied for under the Entitlement Offer (if any).

Shortfall Application Form means the shortfall application form either attached to or accompanying this Prospectus.

Shortfall Offer means the offer of the Shortfall on the terms and conditions set out in Section 4.7 of this Prospectus.

Shortfall Securities means those Securities issued pursuant to the Shortfall.

WST means Western Standard Time as observed in Perth, Western Australia.