

CORAZON
MINING LIMITED

# Building a Significant Nickel Sulphide Asset in Canada & Exploring a New Copper-Cobalt-Gold District in New South Wales




January 2021 | ASX: **CZN**

# Forward Looking Statement

This presentation has been prepared by Corazon Mining Limited ("Corazon"). It contains forecasts and forward looking statements which are not a guarantee of future performance and which involve certain risks. Actual results and future outcomes will in all likelihood differ from those outlined herein. The presentation should not be construed as an offer or invitation to subscribe for or purchase securities in Corazon. Nor is it an inducement to make an offer or an invitation with respect to said securities.

The Company believes that it has a reasonable basis for making the forward-looking Statements in the announcement based on the information contained in this and previous ASX announcements.

**The Company is not aware of any new information or data that materially affects the information included in this presentation, and the Company confirms that, to the best of its knowledge, all material assumptions and technical parameters underpinning the exploration results in this release continue to apply and have not materially changed.**

Forward-looking statements are statements that are not historical facts. Words such as "expect(s)", "feel(s)", "believe(s)", "will", "may", "anticipate(s)" and similar expressions are intended to identify forward-looking statements. These statements include, but are not limited to statements regarding future production, resources or reserves and exploration results. All such statements are subject to certain risks and uncertainties, many of which are difficult to predict and generally beyond the control of the Company, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include, but are not limited to: (i) those relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations, (ii) risks relating to possible variations in reserves, grade, planned mining dilution and ore loss, or recovery rates and changes in project parameters as plans continue to be refined, (iii) the potential for delays in exploration or development activities or the completion of feasibility studies, (iv) risks related to commodity price and foreign exchange rate fluctuations, (v) risks related to failure to obtain adequate financing on a timely basis and on acceptable terms or delays in obtaining governmental approvals or in the completion of development or construction activities, and (vi) other risks and uncertainties related to the Company's prospects, properties and business strategy. Our audience is cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof, and we do not undertake any obligation to revise and disseminate forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of or non-occurrence of any events.



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# Corazon Mining Limited – At A Glance

## Projects

**Lynn Lake** – **Nickel-Copper-Cobalt Sulphide**

- Manitoba, Canada
- Advanced exploration/development project
- Historical mine + prospective exploration ground
- **Resource: 116,800t Ni, 54,300t Cu, 5,300t Co**

**Mt Gilmore** – **Copper-Cobalt-Gold-Silver Sulphide**

- NSW, Australia
- Early stage exploration play, major upside potential
- High-grade copper and cobalt from drilling and rock chips
- Large surface anomalies in a new region (+20Km strike)

## Board of Directors

| | |
|---|---|
| Terry Streeter | Non Executive Chairman |
| Brett Smith | Managing Director |
| Jonathan Downes | Non Executive Director |
| Mark Yumin Qiu | Non Executive Director |

## Capital Structure – ASX:CZN

| | |
|---|---|
| Issued Shares | 3.25b |
| Quoted Options(1) | 529.6m |
| Unlisted Options(1) | 844m |
| Market Cap (@ $0.003/share) | $9.76m |
| Cash (Sept Qtr 2020) | $1.0m |

## Shareholders

| | |
|---|---|
| Number of Shareholders | 3,006 |
| Top 20 Shareholders | 25.07% |
| Board and Management | 1.7% |
| Hanking Australia Investments(2) | 5.00% |

(1) Quoted Options exercisable at $0.007 by 10 July 2022. Additional Unlisted Options include 839m at $0.0035 by 30 June 2021; 5m at $0.007 10 July 2022; and 10m Performance Rights dated 20 December 2023.

(2) Australian subsidiary of major Chinese mining house - Hanking Holdings Limited (HK$2.75B Mkt Cap - Hong Kong SE).

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# Corazon Mining Limited – Share Consolidation

**Shareholders have approved the consolidation of issued capital on the basis of one (1) share for every twenty (20) shares held**

| Capital Structure – ASX:CZN | |
|---|---|
| Market Cap (@ $0.003/share) | $9.76m |
| Cash (Sept Qtr 2020) | $1.0m |

| | Current | Post Consolidation |
|---|---|---|
| Issued Shares | 3.25b | 162.67m |
| Quoted Options(1) | 529.6m | 26.48m |
| Unlisted Options(1) | 844m | 42.20m |

(1) Refer to previous slide

## Important Dates – Share Consolidation

| | |
|---|---|
| Effective Date of Consolidation (General Meeting) | 21 January 2021 |
| Pre-Consolidation Trading – Last Day | 22 January 2021 |
| Record Date & Post-Consolidation Trading Starts – Deferred Settlement Basis | 25 January 2021 |
| Registration of Transfers – Pre-Consolidation Basis (Last Date) | 27 January 2021 |
| Update of Register and issue of new holding statements (From Date) | 28 January 2021 |
| Update of Register and issue of new holding statements (Last Date) | 3 February 2021 |

*For Additional Information Refer to ASX Announcement Dated 17 December 2020*



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# Two Quality Projects – 2020 Headlines

## LYNN LAKE – CANADA
## Nickel-Copper-Cobalt

- Secured 100% Ownership of Prolific Nickel Mining Centre and Prospective Exploration Ground
- **High-Grade Near-Surface Drill Results – Mine Area**
- Regional Drilling Extends Priority Exploration Target Area
- **New Innovative Geophysical Survey Underpins Search for Massive Sulphide Deposits – Drill Targets Defined**




## MT GILMORE – NEW SOUTH WALES
## Copper-Cobalt-Gold

- Priority Target Identified for Drilling - Within Regionally Substantive Copper Trend
- **Copper Porphyry Potential Confirmed**
- Co-Funding Agreement with NSW Government (Cooperative Grant) for Drilling Testing the Priority Geochemical/Geophysical Target
- **Native Title Access Agreement Signed**



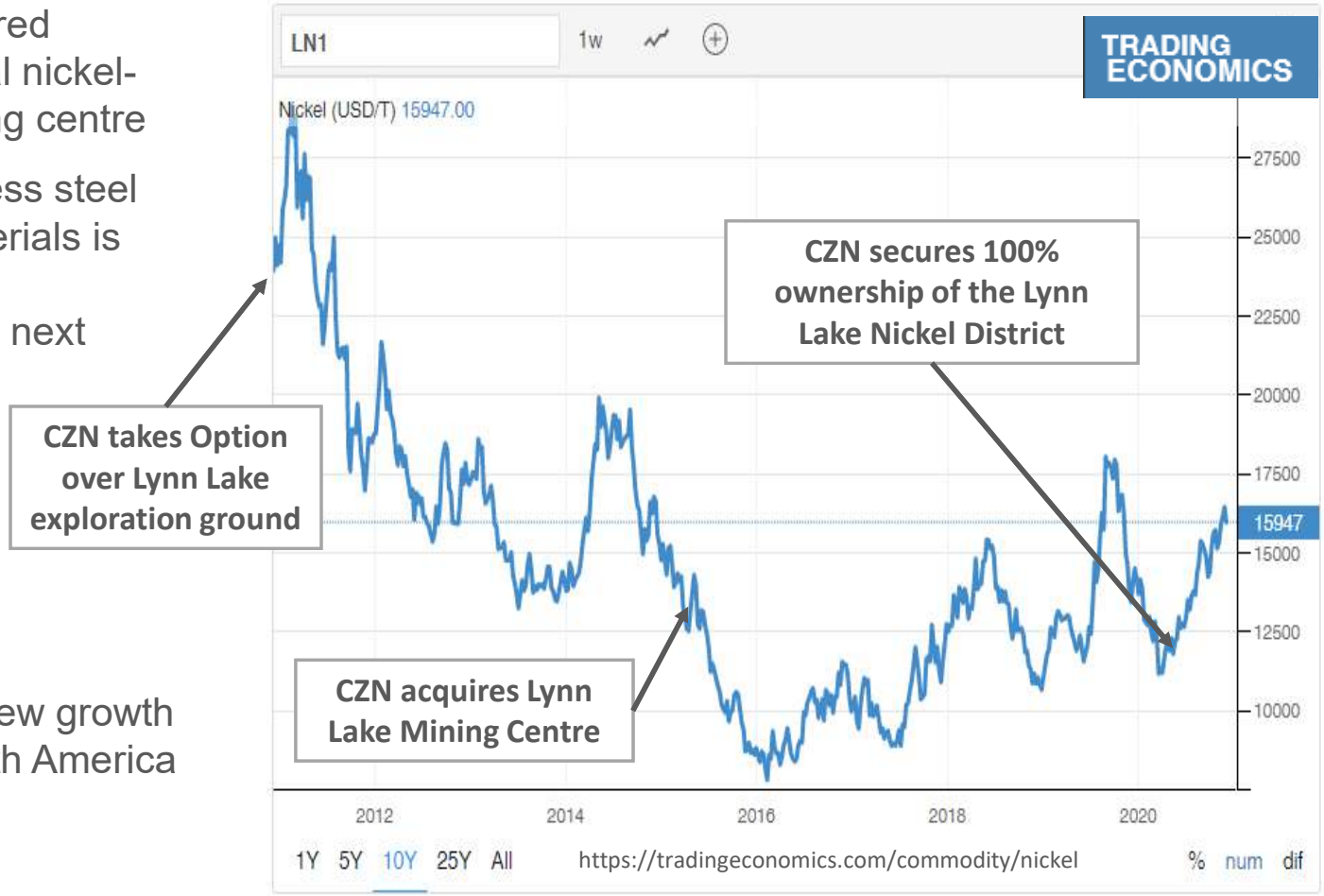

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# Corazon Mining Limited – Building a Significant Nickel Asset

## A LONG-TERM STRATEGY THAT HAS DEVELOPED INTO AN INCREDIBLE OPPORTUNITY AT THE RIGHT TIME

- On the back of suppressed nickel prices and market sentiment – Corazon has acquired 100% of Lynn Lake – a prolific historical nickel-copper-cobalt sulphide producing mining centre
- Continued growth in demand for stainless steel and a surge in demand for battery materials is expected to result in an unheralded requirement for Class 1 Nickel over the next decade
- Global push for the reduction of greenhouse gas emissions (Europe 50% by 2030) to combat climate change – rechargeable batteries are critical to this strategy
- Chinese dominated battery industry - new growth markets developing in Europe and North America

Nickel Price Chart – 4 December 2020



# Lynn Lake Strategy

## CORAZON HAS A TWO-PRONGED STRATEGY FOR EXPLORATION AND DEVELOPMENT

1. Mine Area
   - Expand near-surface JORC 2012 resource base at the Mining Centre to complement existing resources at depth
   - Seek cost and performance efficiencies in mining and processing practices, progressing the possible development of a significant low-cost mining operation

2. Exploration Ground
   - Explore for new world-class nickel sulphide deposits within the Lynn Lake Project

# Lynn Lake Project

## OPERATIONAL BENEFITS FOR A POTENTIAL NEW DEVELOPMENT

- Not remote – exceptional existing infrastructure, including **hydro-power**, would significantly reduce the start-up capital requirements of a new mining operation
- Metallurgically de-risked – mined for 24 years until 1976 – **producing 206,200t Nickel and 107,600t Copper**
- Large resource base with growth potential
- Exciting brown-fields and regional exploration play – has delivered modern discoveries with strong potential for further discoveries
- Market requirements – metal Vs sulphate – expected to play a critical role in determining the makeup of any future mine operation

### Total Contained 116,800t Ni , 54,300t Cu, 5,300t Co

| Category | Base Cut Ni % | Tonnes | Ni % | Cu % | Co % |
|---|---|---|---|---|---|
| Indicated | 0.5 | 12,899,000 | 0.70 | 0.33 | 0.034 |
| Inferred | 0.5 | 3,422,000 | 0.79 | 0.33 | 0.027 |
| **Total** | **0.5** | **16,321,000** | **0.72** | **0.33** | **0.033** |

| Tonnes | | |
|---|---|---|
| Ni | Cu | Co |
| 89,800 | 42,900 | 4,400 |
| 27,000 | 11,400 | 900 |
| **116,800** | **54,300** | **5,300** |

**JORC Resource Estimate** - Published 27th November 2019













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# Nickel Sulphide Vs Nickel Sulphate Production at Lynn Lake

## WHY AN ONSITE NICKEL SULPHATE FACILITY WILL BE CONSIDERED

- In operations with similar ore-types, sulphate production has demonstrated lower production costs with better nickel and cobalt recovery
- Sulphate production typically provides better environmental sustainability credits, with overall:
  - lower power usage;
  - lower emissions; and
  - more control over waste streams, or even the generation beneficial by-products
- Sulphate can attract a premium price compared to sulphide concentrate and is not penalised with smelter/refinery charges

  The differences can be significant – As an example …

| Nickel Sulphate Premium (US$/t) | $1,500 | $2,000 | $2,500 | $3,000 | $3,500 |
|---|---|---|---|---|---|
| Relative Payability Equivalent | 76% | 79% | 82% | 85% | 88% |

**Independence Group NL (ASX:IGO) ASX Release 2 April 2019. Downstream Nickel Sulphate Study Update – Nova Nickel Cobalt Concentrate Feed** – Table 2: Relative playabilities as a sensitivity to the nickel sulphate premium that could be achieved at the targeted study nickel sulphate conversion cost.

- Off-site concentrate costs – concentrate transport and smelter/refinery costs – are a significant penalty for a nickel sulphide operations when compared to on-site sulphate production options

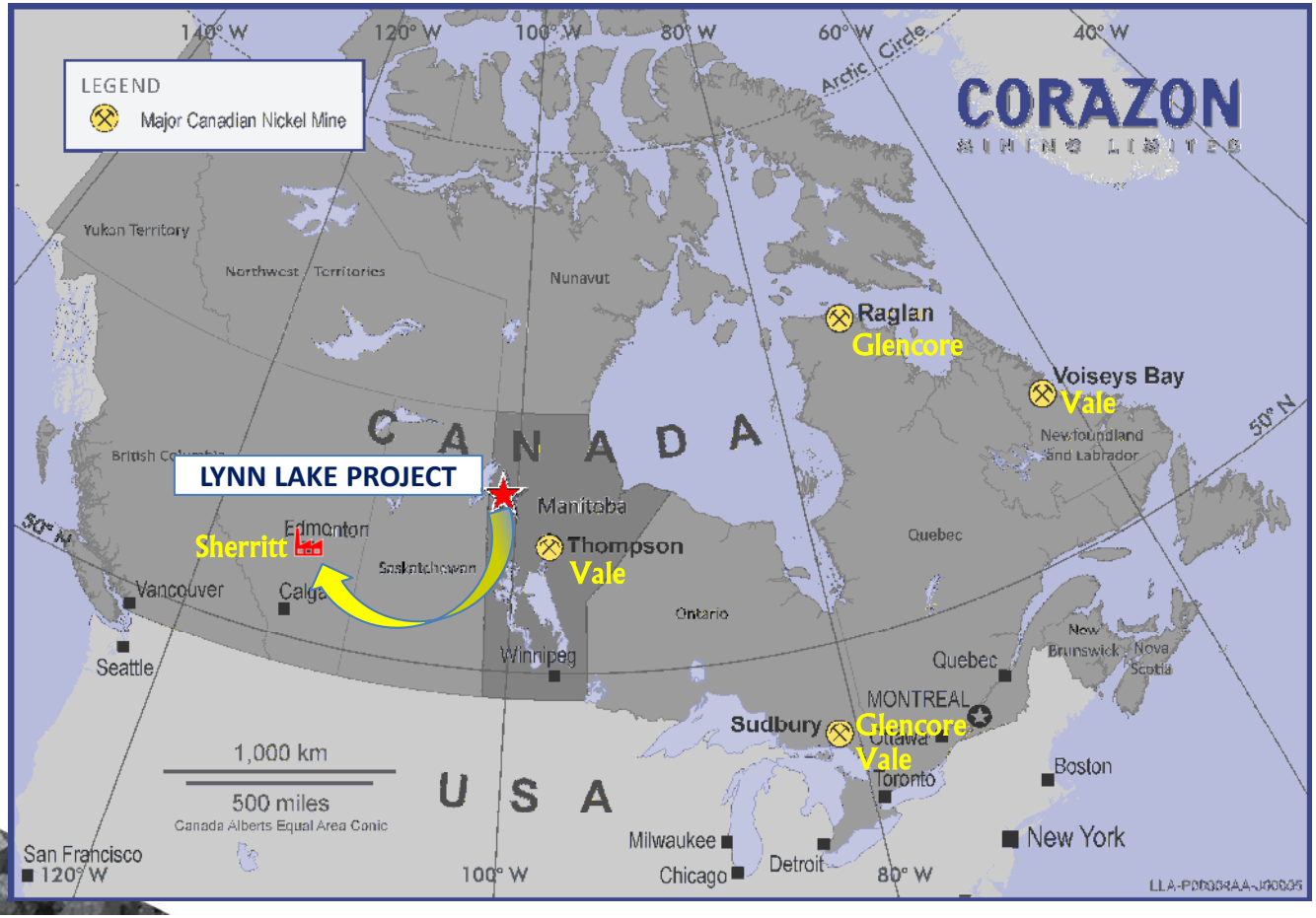


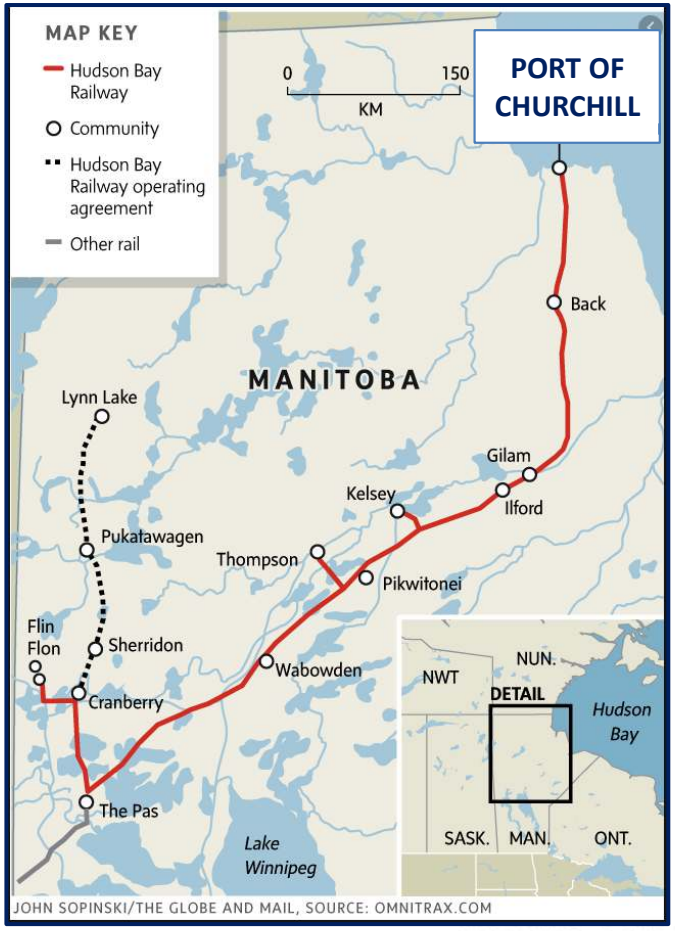
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# Markets Exist for a Lynn Lake Product

## EXTENSIVE RAIL, ROAD AND SEA NETWORK LINK CANADIAN NICKEL OPERATIONS

- Historically, Lynn Lake concentrate was railed to Sherritt's Fort Saskatchewan (now a HPAL facility) in Alberta – many more transport options are now available

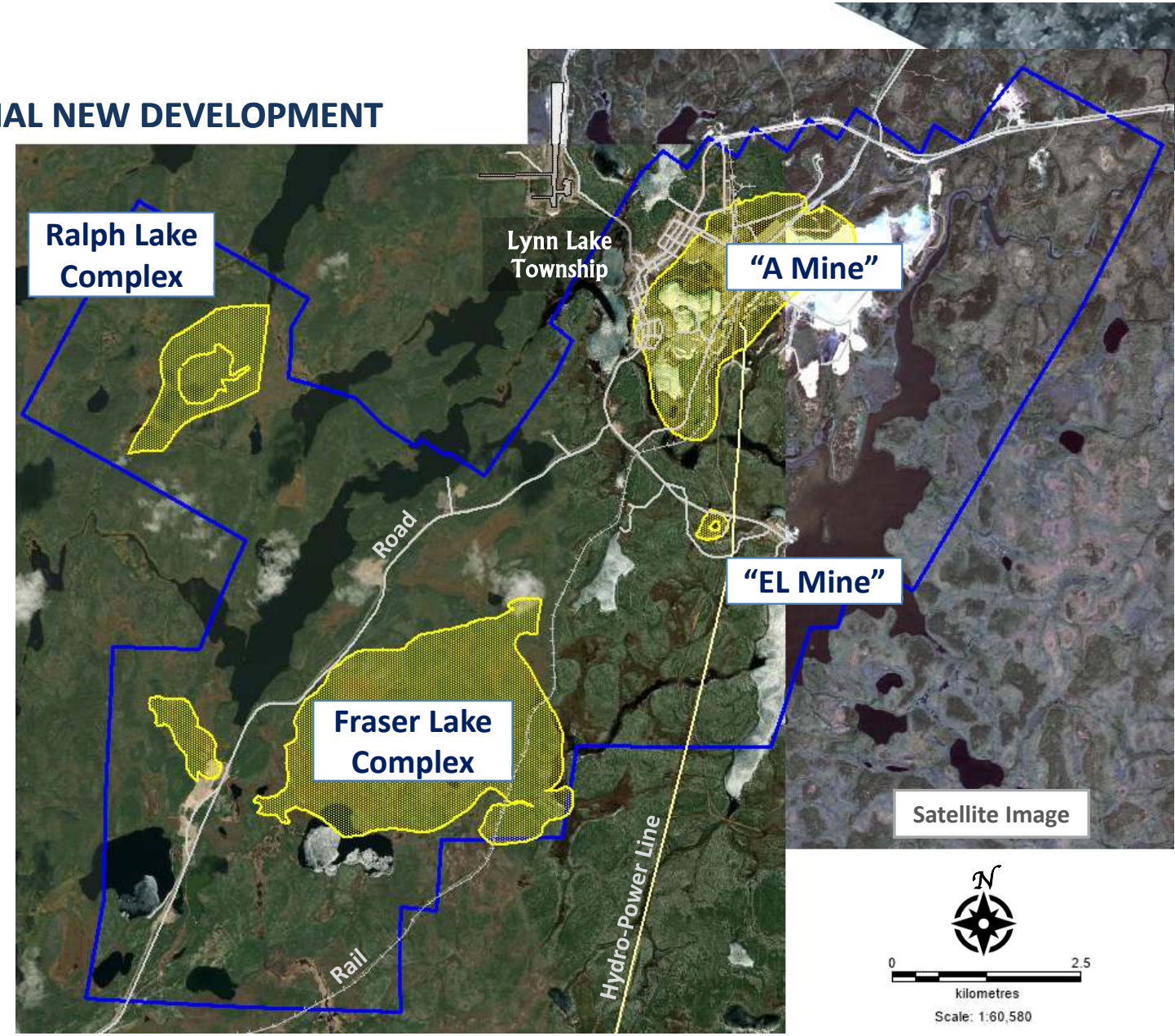


# Lynn Lake Project

## OPERATIONAL BENEFITS FOR A POTENTIAL NEW DEVELOPMENT

- 100% ownership of nickel sulphide mining centre and prospective exploration ground
- Not remote – exceptional infrastructure – significantly reduces any start-up capital requirements
- Mined for 24 years until 1976 – **producing 206,200t Nickel and 107,600t Copper**
- Large JORC resource base with growth potential
- Exciting brown-fields and regional exploration play – has delivered modern discoveries with excellent potential for further discoveries



# Significant Nickel Sulphide Asset

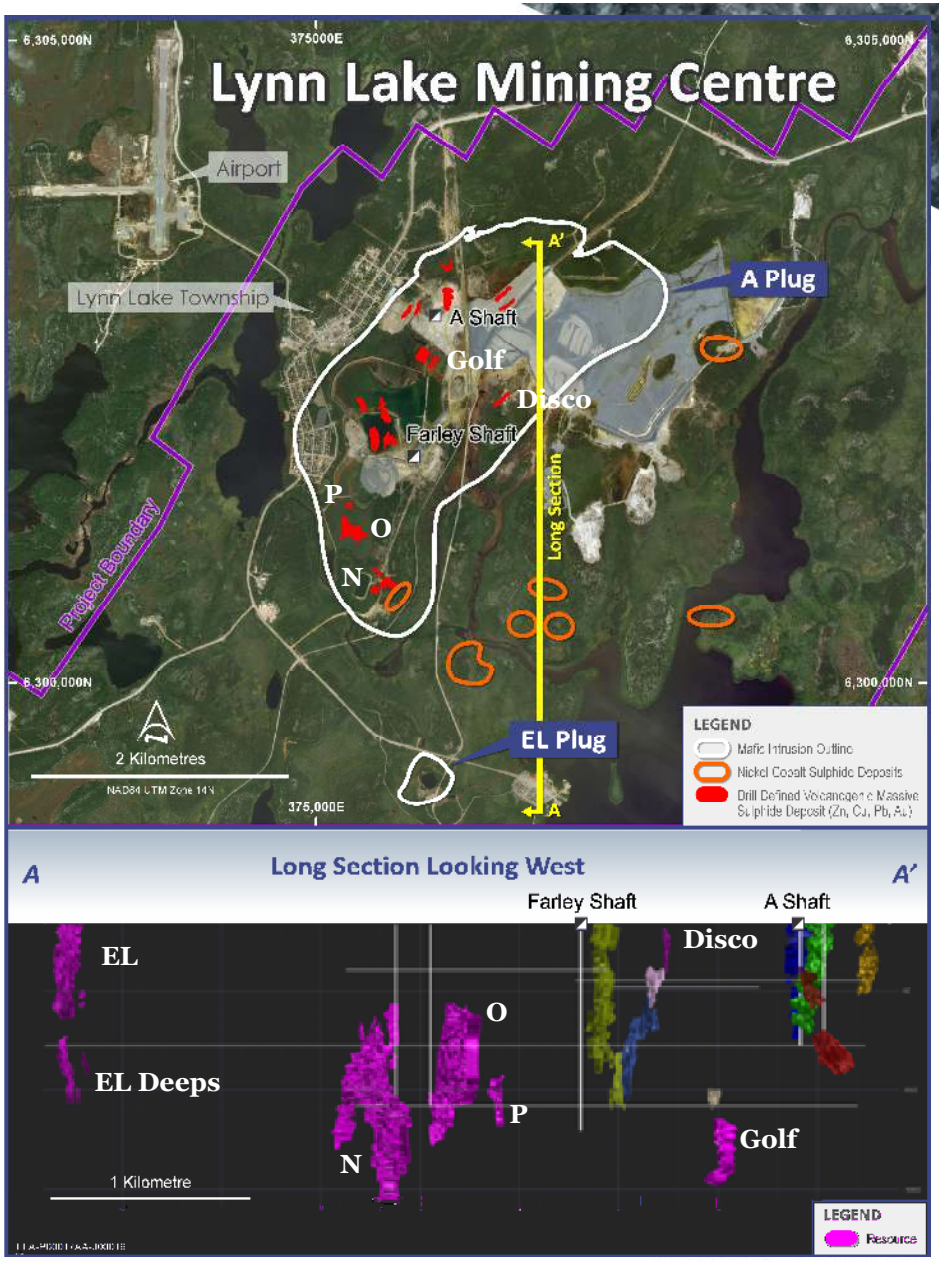
## DEFINED POTENTIAL FOR GROWTH

- Historical production from two mafic intrusions
  - *A Plug - 18Mt @ 0.88% Ni + 0.47%Cu*
  - *EL Plug - 1.9Mt @ 2.4% Ni + 1.15% Cu*
- Total Indicated + Inferred JORC Resources* for six deposits:

  *16.3Mt @ 0.72% Ni, 0.33% Cu, 0.033% Co for total contained 116,800t Ni, 54,300t Cu, 5,300t Co (0.5%Ni cut-off)*
- A new mining operation could include a start-up open-cut operation, before going underground
- Corazon drilling within the Mining Centre identified high-grade mineralisation near surface, including:
  - ***37.8m @ 1.68% Ni & 0.67% Cu*** *from 10m*
    *Incl* ***22.6m @ 2.30% Ni & 0.82% Cu***
  - ***37.0m @ 1.34% Ni & 0.50% Cu*** *from 8m*
    *Incl* ***8.40m @ 2.36% Ni & 0.66% Cu***

And at depth:

- *EL Deeps –* ***23.75m @ 3.34% Ni, 1.54% Cu*** *(discovery hole)*






(* = Refer to Slide #7 - Resource - Published 27th November 2019)

# Exciting Discovery Potential Within Region

## MODERN EXPLORATION TESTING FOR CONCEALED DEPOSITS

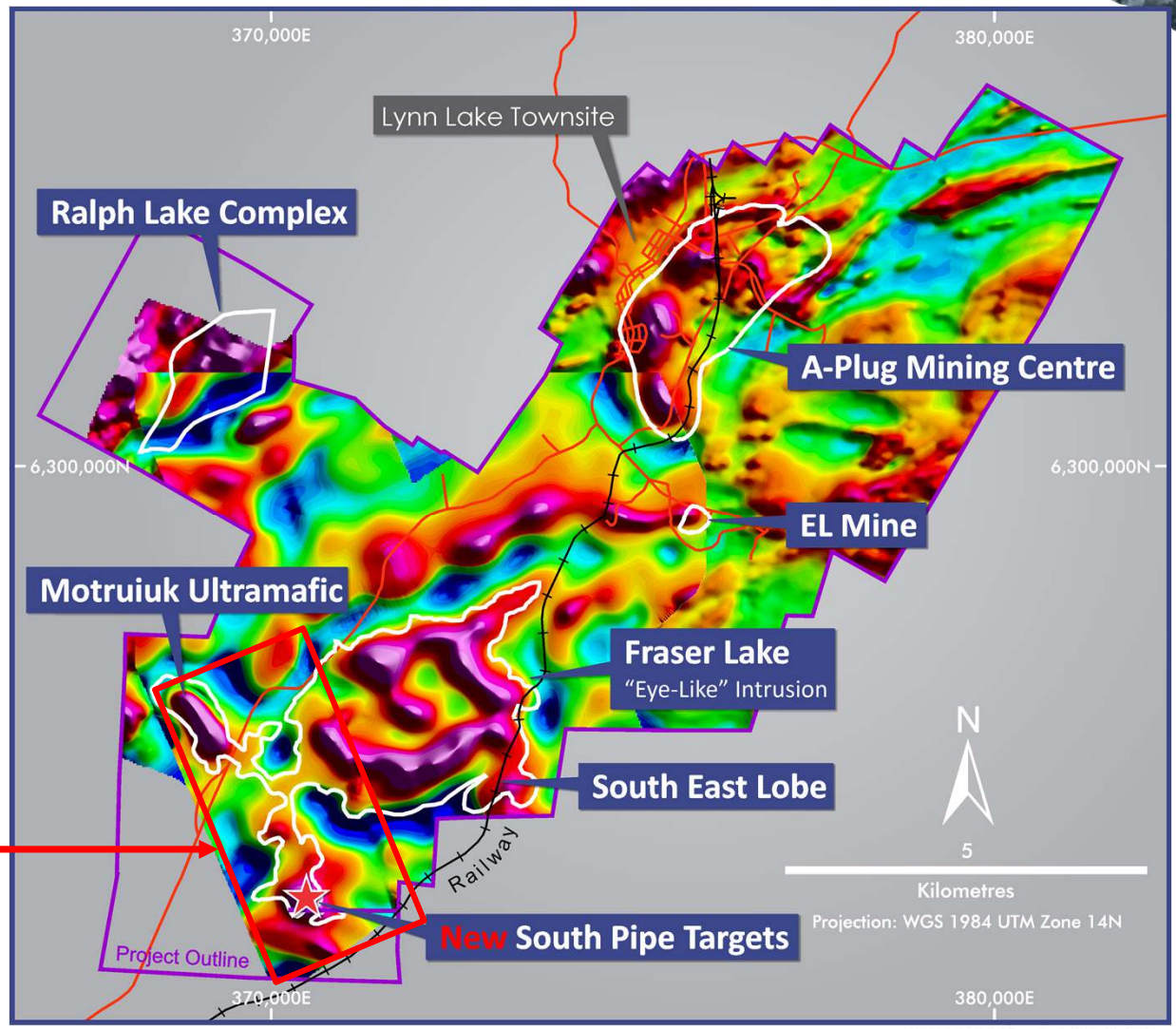
- Exploration drilling by Corazon identifies potential both within the mining Centre and regionally within similar mafic plugs
- The regional search for nickel massive-sulphide has been hampered due to the ineffectiveness of commonly used Electro-Magnetic geophysics in the Lynn Lake area
- Recently completed, new innovative MobileMT geophysical method underpins the search for massive sulphide deposits (nickel and VMS)

### Early results are encouraging

- Conductive geophysical anomalies located within interpreted magma channel-ways west of the Fraser Lake Complex (FLC), provide exploration targets for massive sulphide mineralisation

**Exploration Focus**

Aeromagnetic Image (2021 MobileMT Survey)

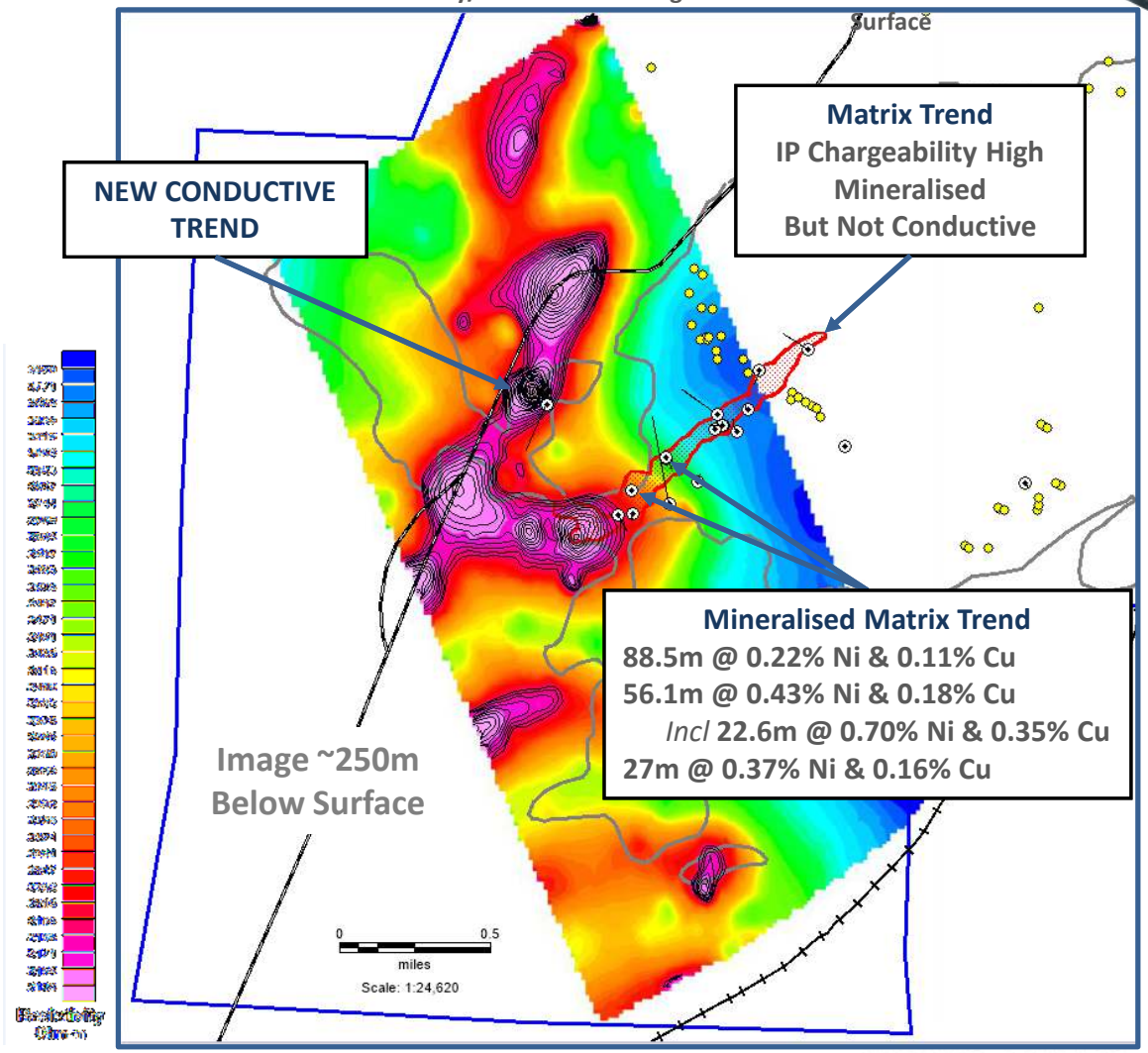


# Exciting Discovery Potential Within Region

## NEW CONDUCTOR TARGETS IDENTIFIED FOR DRILL TESTING

- The innovative MobileMT geophysical method has identified new conductors – targets of interest are defined and ranked on the basis of their intensity and coincidental anomalism with other geophysical characteristics (such as magnetics, gravity and IP)
- New areas of conductance have the potential to host massive nickel-copper-cobalt sulphide bodies
- The main historical target for exploration – the main FLC intrusion and the Matrix Trend – are extensively mineralised (with disseminated sulphides) but are not conductive
- The Matrix Trend hosts multiple stacked flat-lying magmatic flows – extending from the newly defined area of conductance and polluted with sulphides
- Drilling of priority conductors of interest is expected to commence as early as possible in 2021 – ground preparation has already commenced

Mobile MT Resistivity/Conductance Image Plan at ~250m Below Surface

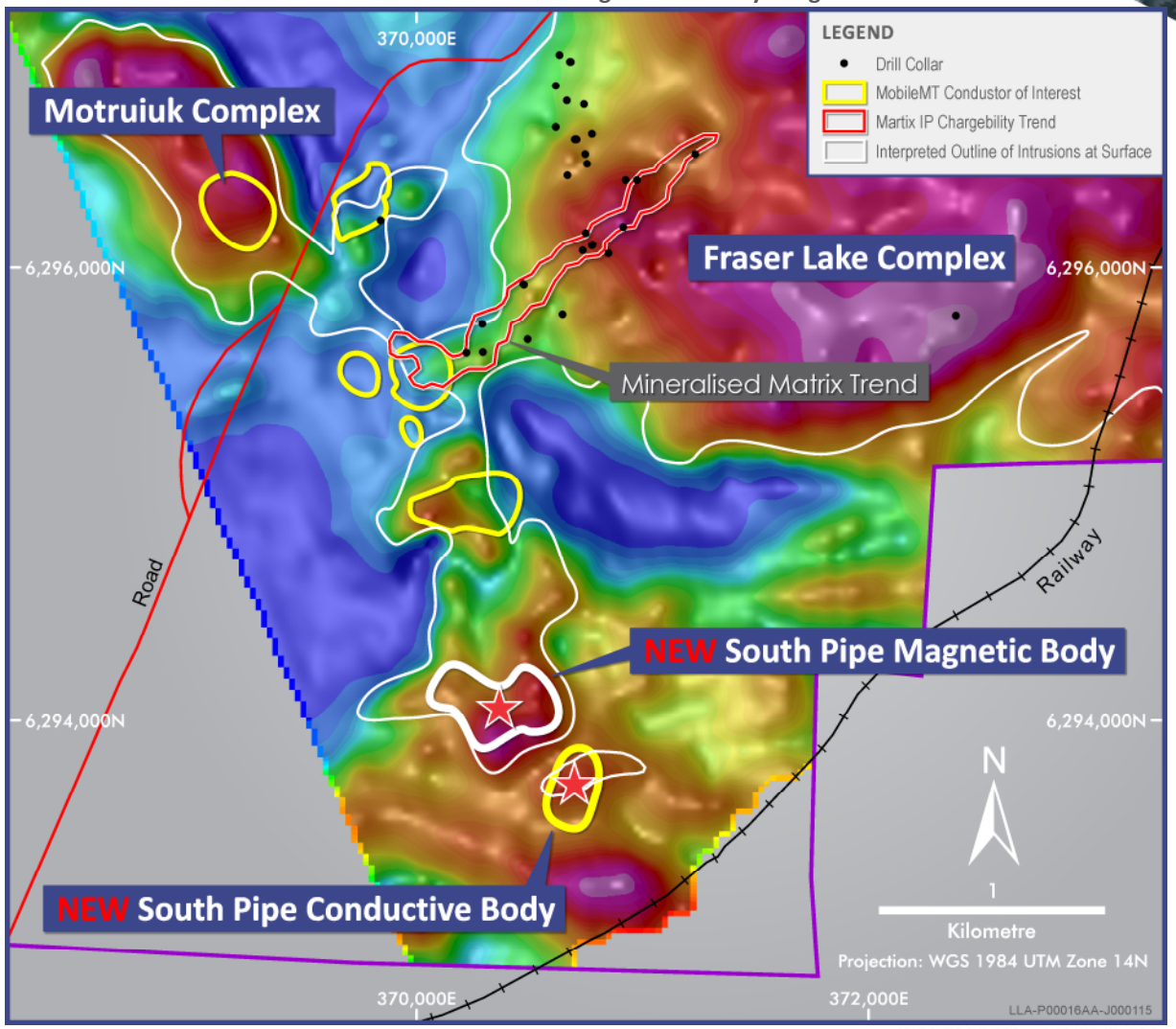


# Exciting Discovery Potential Within Region

## NEW INTRUSIVE MODEL FOR THE FRASER LAKE COMPLEX

- The area west of the FLC portrays a complex interconnection of mafic and ultramafic intrusive bodies, underlain by deep crustal-tapping structures
- The South Pipe represents a major vertical pathway for magma into an area that hosts extensive disseminated magmatic sulphide mineralisation (Matrix Trend) and multiple new conductor targets
- The new South Pipe Target includes two substantial parallel magnetic pipe-like bodies. The southern anomaly is conductive from about 100 metres below surface, to at least 850 metres
- The “target model” for the South Pipe conductor is the EL Deposit at Lynn Lake – mined to only 250m below surface for
  1.9Mt @ 2.4%Ni and 1.15%Cu

MobileMT Total Magnetic Intensity Image



# Corazon – Way Forward

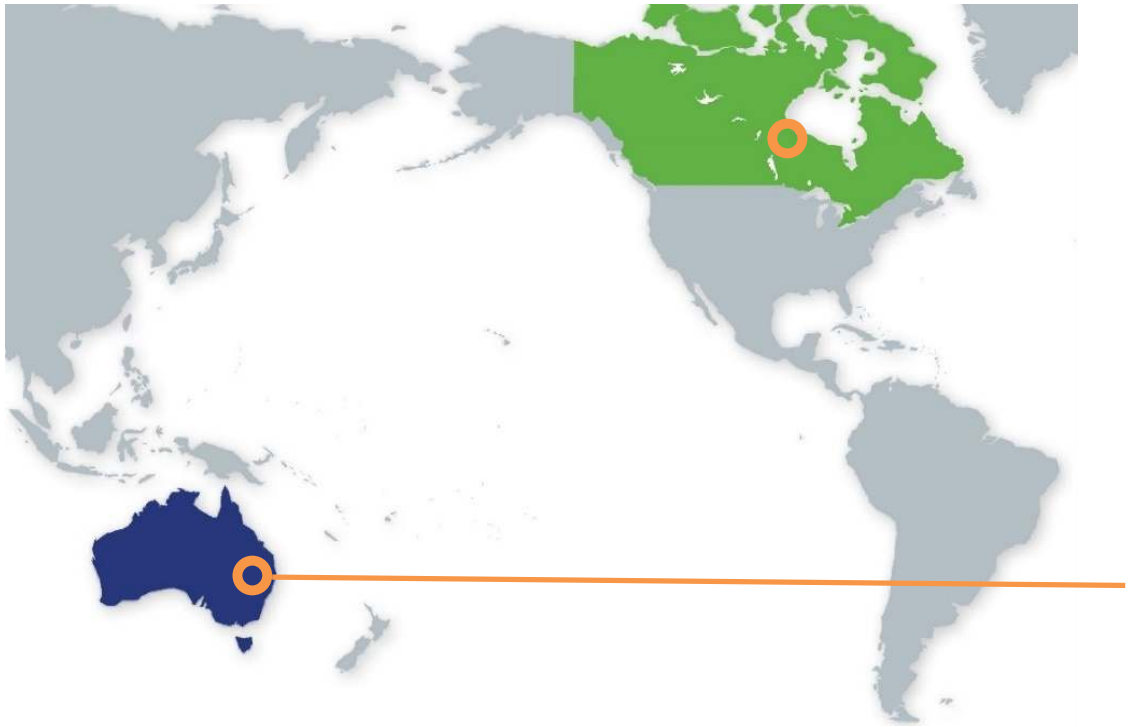
## RIGHT COMMODITIES – PERFECT TIMING

- **Lynn Lake Nickel-Copper-Cobalt Sulphide Project**
  - One of the best nickel exploration plays in North America
    - Underpinned by significant Resource with additional expansion potential:
      *116,800t nickel, 54,300t copper, 5,300t cobalt*
  - Market support and sentiment for nickel sulphide projects is growing
  - Mining and Processing studies seeking to minimise costs and optimise the potential for a mining operation
  - Discovery opportunity – new methods delivering new drill targets in a fertile project area
  - Preparation for **drilling** is underway



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# Mt Gilmore Project - Targeting “Battery Metals” in Australia



## Mt Gilmore
## Copper-Cobalt-Gold

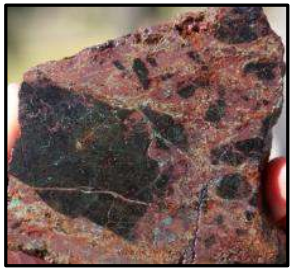
- Giant copper-cobalt-silver-gold geochemical anomalies
- Porphyry potential confirmed – main exploration focus
- Cobalt Ridge Prospect – Cobalt dominant sulphide deposit



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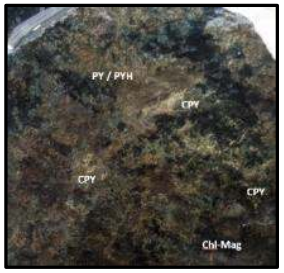
# Mt Gilmore – Large Copper Target



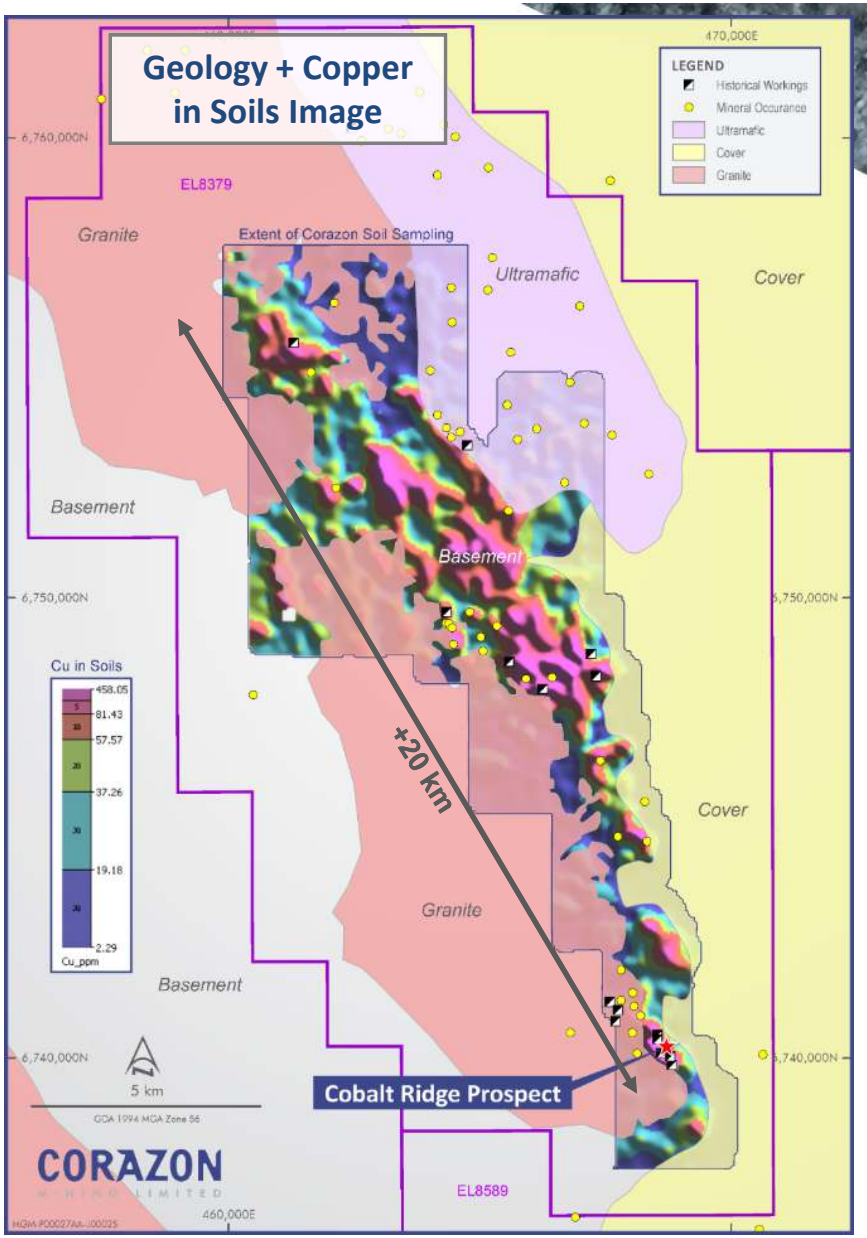












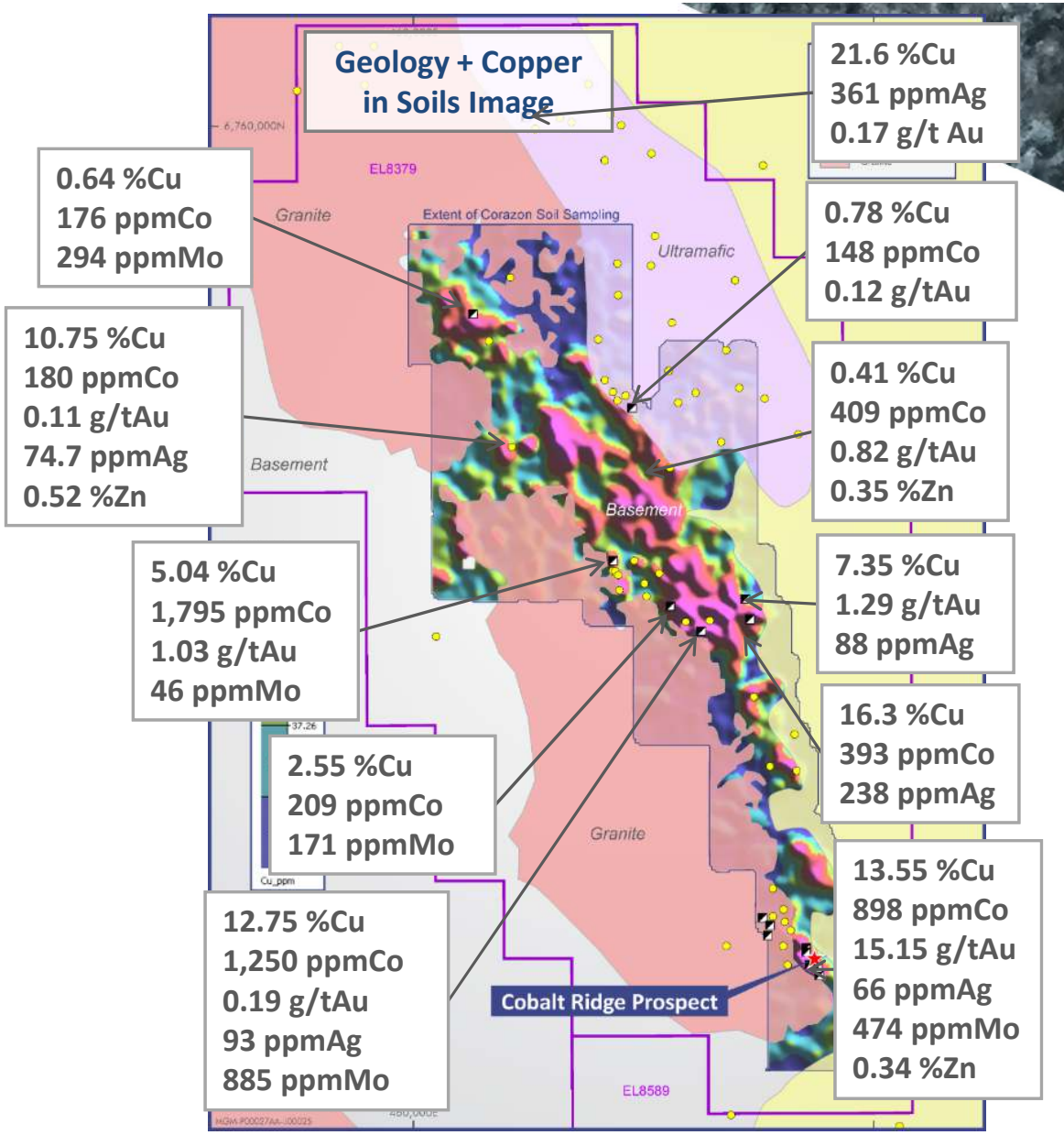
# Mt Gilmore – High Grade Copper

## UNIQUE – EARLY STAGE – DISTRICT SCALE – EXPLORATION PLAY

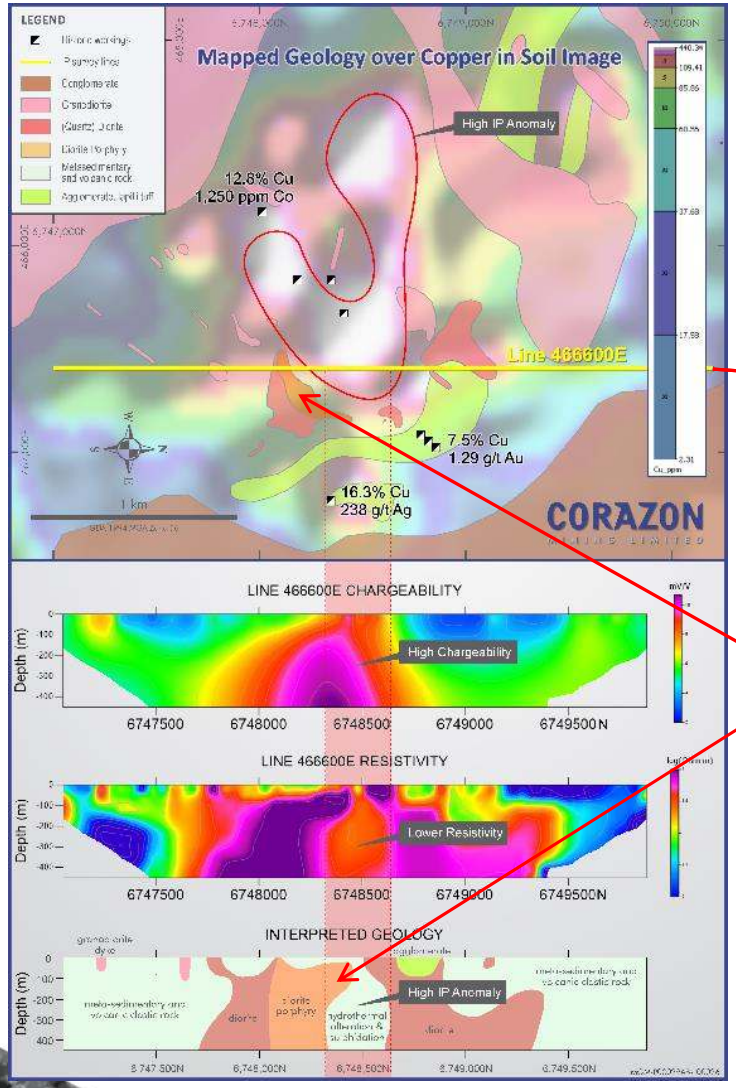
- Large geochemical anomalies indicative of hydrothermal “Intrusive Related” or “Replacement” style of deposits
- High-grade copper within structures crosscutting geochemical anomalies – Possible “Leakage Structures”
- High cobalt content of mineralisation indicative of a unique geological setting

## MINERALISED PORPHYRY DISCOVERED

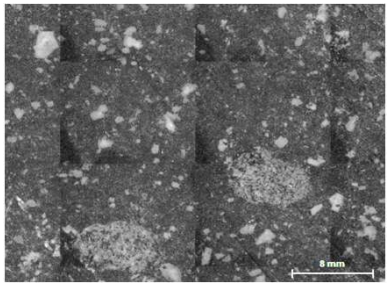
- Outcropping porphyry intrusive identified within the large Gordonbrook Hill copper anomaly
- Chalcopyrite (copper sulphide) associated with favourable potassic alteration
- Target coincident with IP chargeability anomaly.



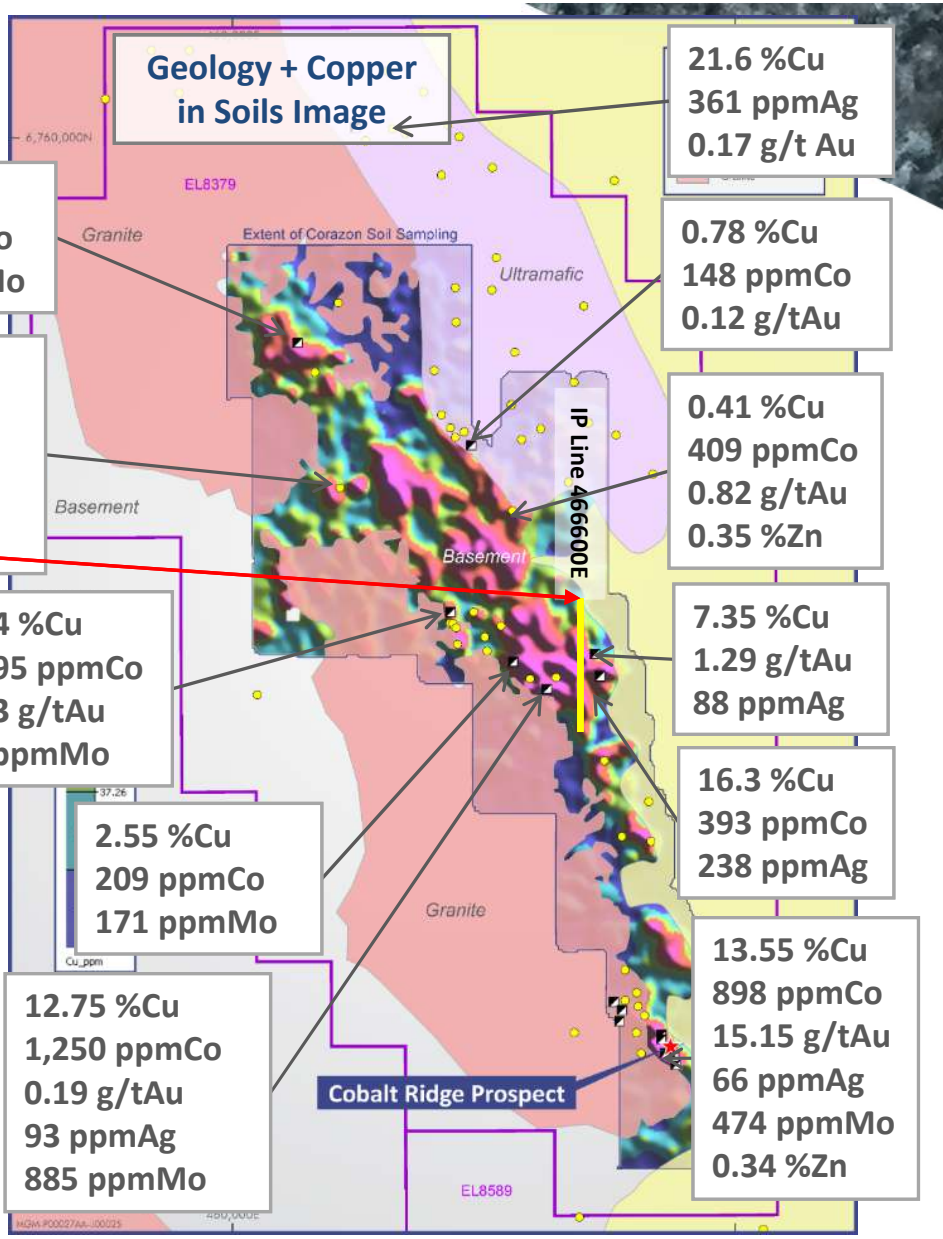
# Gordonbrook Hill Copper Anomaly




**Diorite Porphyry**



Porphyry Micrograph

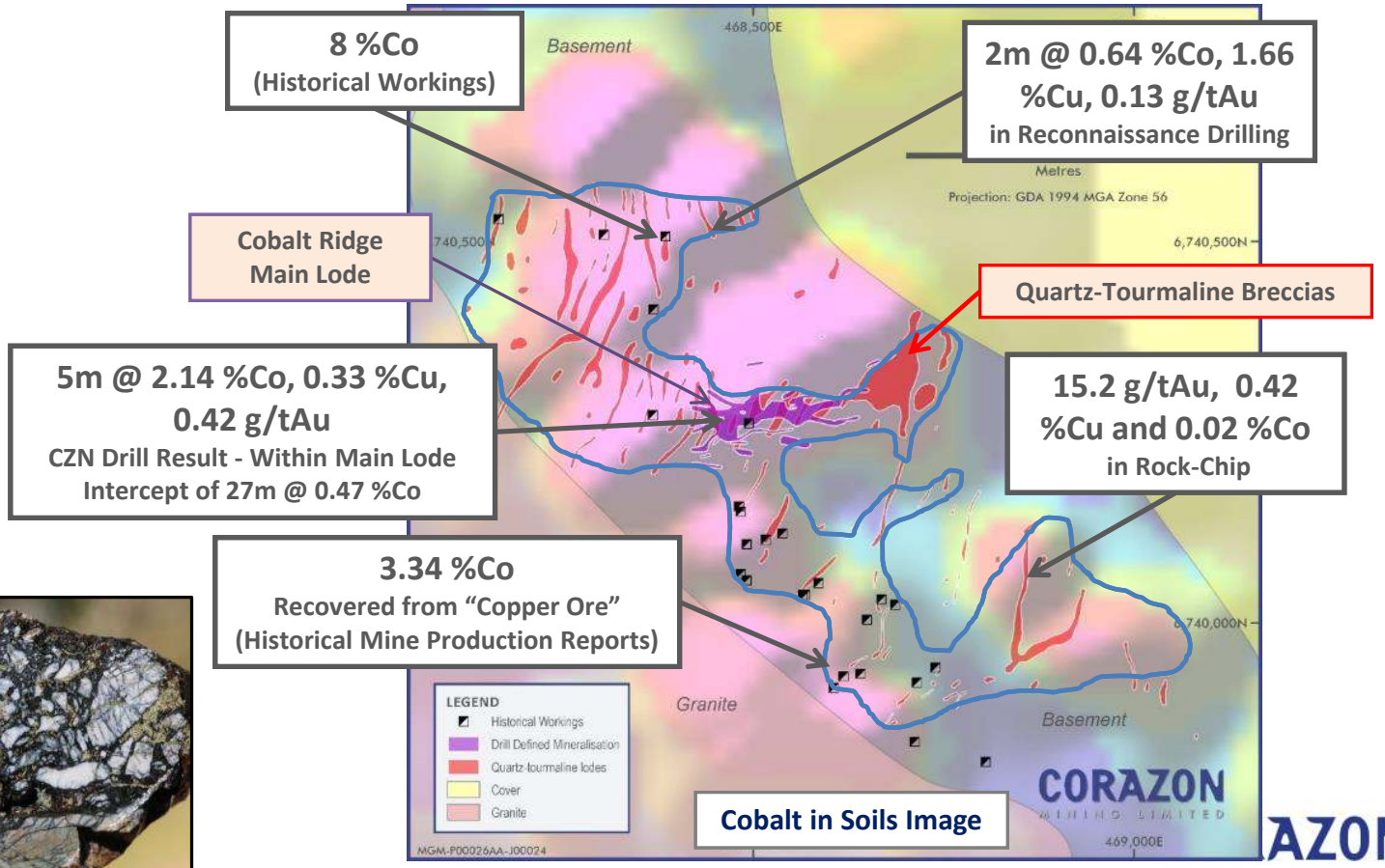


# Mt Gilmore Project - Cobalt Ridge Prospect

## LARGE AREA IDENTIFIED PROSPECTIVE FOR RESOURCE DEFINITION WORK

- Only the **Cobalt Ridge Main Lode** has been effectively drill tested
- Quartz-tourmaline breccias spatially associated with mineralisation
- Cobalt Ridge breccias indicate a long-lived, structurally hosted, intense hydrothermal environment

## HIGH GRADE COBALT + COPPER + GOLD






# Corazon – Way Forward

## RIGHT COMMODITIES – PERFECT TIMING

- **Lynn Lake Nickel-Copper-Cobalt Sulphide Project**
  - One of the best nickel exploration plays in North America
    - Underpinned by significant Resource with additional expansion potential:
      *116,800t nickel, 54,300t copper, 5,300t cobalt*
  - Market support and sentiment for nickel sulphide projects is growing
  - Mining and Processing studies seeking to minimise costs and optimise the potential for a mining operation
  - Discovery opportunity – new methods delivering new drill targets in a fertile project area
  - Drilling expected to commence late January to early February 2021

- **Mt Gilmore Copper-Cobalt-Silver-Gold Sulphide Project**
  - Early stage, district scale copper play with strong cobalt signature
  - Several compelling targets for copper-cobalt-gold-silver sulphide deposits – **drilling in 2021**
  - Cobalt Ridge – unique cobalt dominant sulphide deposit – room to grow



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# Competent Person Statement

The information in this report that relates to Exploration Results and Targets is based on information compiled by Mr. Brett Smith, B.Sc Hons (Geol), Member AusIMM, Member AIG and an employee of Corazon Mining Limited. Mr. Smith has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Smith consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

The information in this report that relates to the Processing and Metallurgy for the Lynn Lake and Mt Gilmore projects is based on and fairly represents information and supporting documentation compiled by Damian Connelly who is a Member of The Australasian Institute of Mining and Metallurgy and a full time employee of METS Engineering (METS). Damian Connelly has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Damian Connelly consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resources for the EL, Disco, Gulf, 'N', 'O 'and 'P' deposits contained within the Lynn Lake Nickel Project is based on information compiled by Mr Stephen Hyland who is a Fellow of the Australasian Institute of Mining and Metallurgy and who has provided expert guidance on resource modelling and resource estimation. Mr Hyland is a Principal Consultant Geologist at HGMC consultants and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Hyland consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

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## CONTACT

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