Annual Report

EL51/2008

For Period 16 December 2009 to 15 December 2010

Tasmania

21.10.2010

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Copies to:

MRT
Corona Gold Ltd
Jaguar Minerals Ltd

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1.0 Introduction

Corona Gold Ltd ("Corona") entered into a Joint Venture agreement (JV) with Jaguar Minerals Ltd ("Jaguar") in July 2010 to explore EL51/2008.

EL51/2008 is located due south of Queenstown on the West Coast of Tasmania. The Eastern boundary abuts the Gorgon Franklin National Park.

2.0 Tenure

EL51/2008 encompasses 130km^2. Tenure is composed of Crown Land, State Forrest, Regional Reserve, Hydro Tasmania Land.

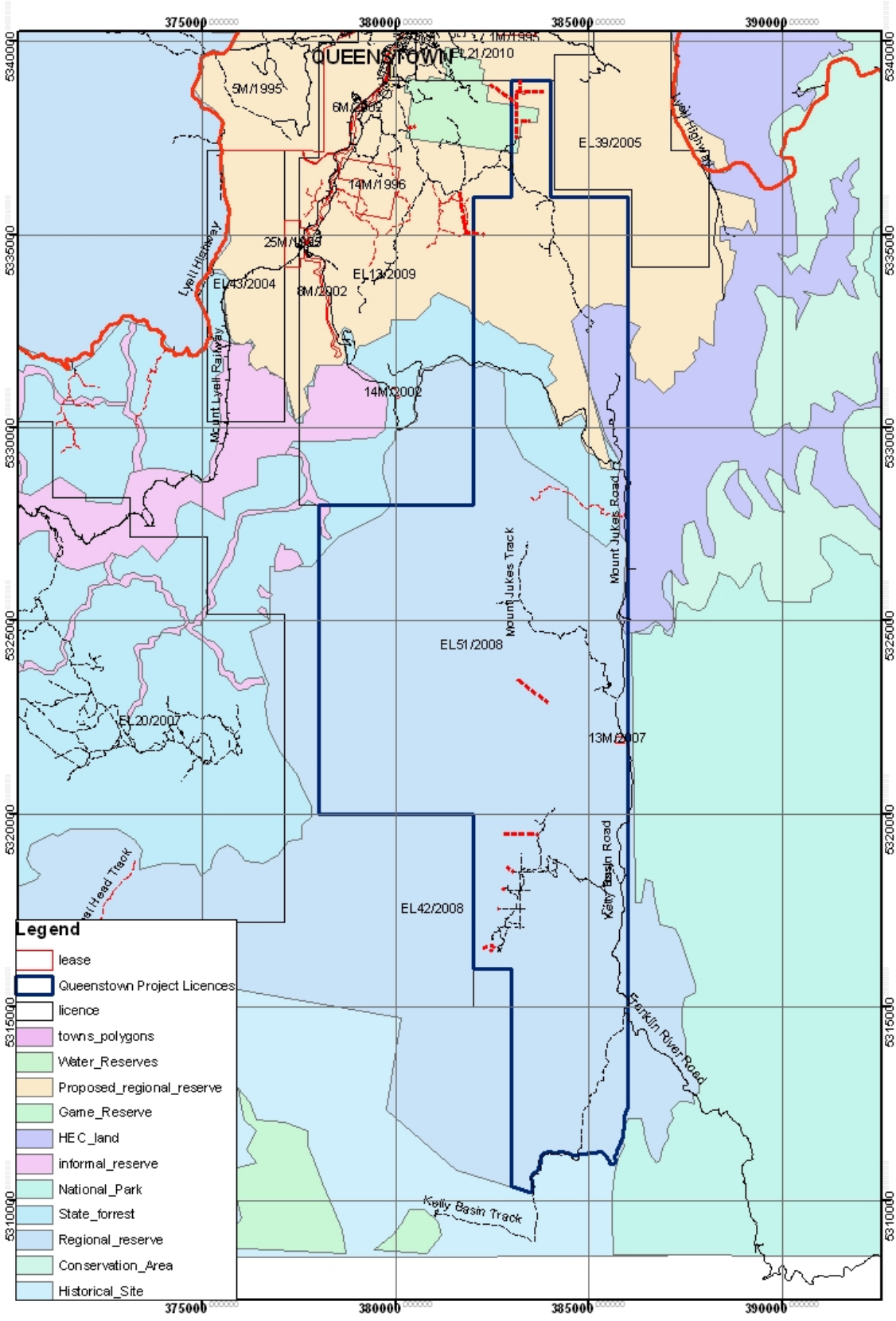

Figure 1. Tenure, EL51/2008

3.0 Access

Access within the tenement is good. Main access is roughly North-South bituminised Lynchford Road heading out of South Queenstown with numerous gravel tracks running east into the tenement, and a bituminised Hydro Tasmania road that runs south throughout the tenement. Several generations of explorers have left gravel tracks throughout the tenement that are mostly unusable.

4.0 Geology

The oldest rocks on the tenement are the Miners Ridge basalt and the Miners Ridge Sandstone, reputed to be of late Proterozoic or early Cambrian age, and are exposed in the core of a major anticline.
The mid-late Cambrian Mount Read Volcanics (MRV) dominate the tenement. The volcanic succession is composed of Central Volcanic Complex (CVC) rhyolites, Western Volcano Sedimentary (WVS) volcaniclastic and epiclastic sequences, and Tyndal group volcaniclastic sequences. The WVS sequence is host to several andesite-basalt units which appear to be contemporaneous with minerlisation throughout the MRV.
Ordovician aged Owen group siliciclastic conglomerates and sandstones are found throughout the tenement, and a thin unit of Gordon Limestone is found in the east.
Silurian aged Eldon group shales sandstones and minor conglomerates are found in the east of the tenement. A more comprehensive geological overview can be located in Hughes (2009).

5.0 Mineralisation

Ninety four historical prospects are known within the tenement, the majority are copper-gold workings within the MRV, spatially associated with the CVC-Tyndal contact. Several styles of mineralisation are thought to be present, including Prince Lyell analogues at the Garfield Prospect, structurally controlled gold mineralisation at the Norms Load prospect, carbonate or black shale hosted strataform zinc mineralisation a the Pearls Find prospect, including others.

6.0 Structure

Predominant structure has a north west orientation. Several phases of folding starting in the late Cambrian, throughout the Ordovician and during the Devonian Tabberaberan orogeny have created complex structural relationships.

7.0 Exploration Philosophy

EL51/2008 was targeted for VHMS and related mineralisation, with a focus on copper-gold mineralisation., analogous to the Mt Lyell field.

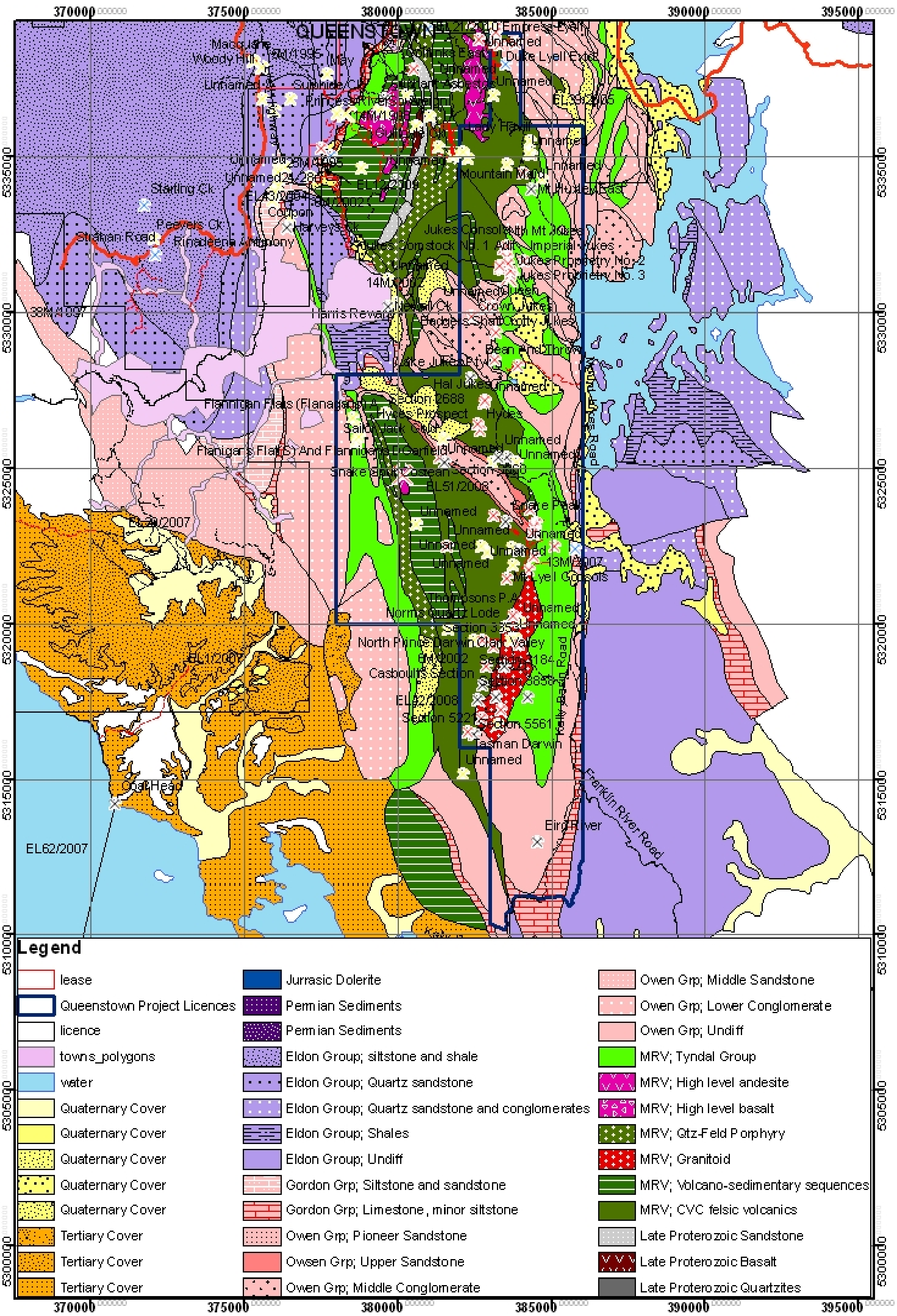

Figure 2. Geology Mt Jukes tenement

8.0 Exploration History.

For a comprehensive summary of past exploration visit Hughes (2009).

9.0 Work Completed This Reporting Period

Minor access and a VHTEM survey have been conducted during this reporting period.

9.1 Access

Access for the purpose of geological reconnaissance mapping , sampling and historical workings visits was completed this reporting period. The principle prospects on EL51/2008 that access was developed for are Mt Ellen, Nasty Knob, Conglomerate Creek Copper.

Rogers Exploration Services were contracted to prepare access lines within EL51/2008 as part of a larger access program including the adjacent EL12/2009 tenement also operated by Corona. Total access for El51/2008 prepared so far is 2.9km.

Geological reconnaissance was not completed at the time of writing.

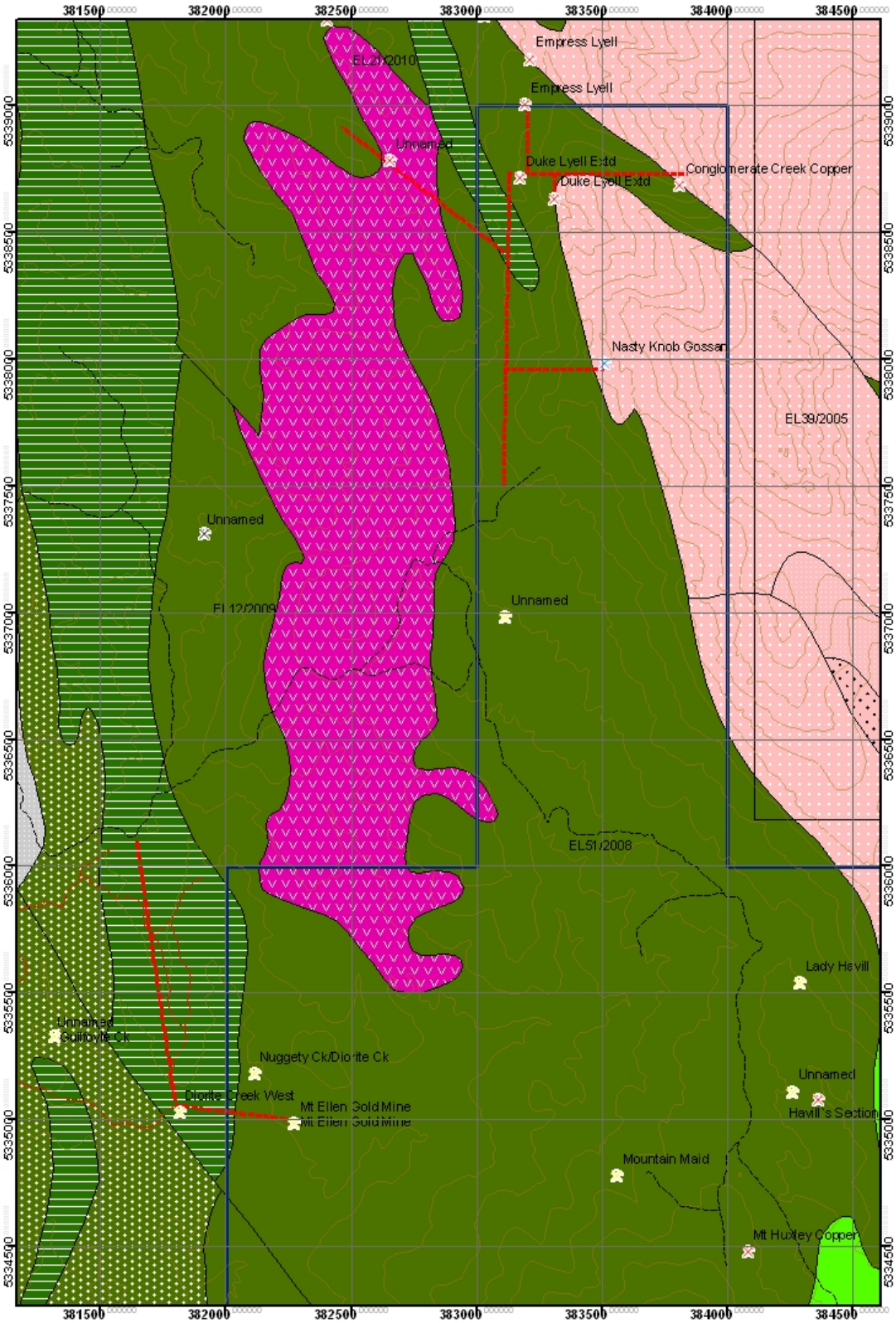

Figure 3. Prepared Access

9.2 VHTEM Survey

Geotech Airborne Pty Ltd ("Geotech") have been contracted to fly a VHTEM survey on 250 m line spacing's over Corona's tenure in the Queenstown area for an estimated total of 850 line km's. Southern Geoscience Consultants Ltd (SGC) have been contracted as Project Managers.

The survey will cover EL12/2009, El51/2008 and EL21/2010 (in application). 64% of costs will be allotted to EL51/2008 based upon tenement area as a percentage of the survey.

The survey is estimated to start at the beginning of December and will take 4-5 days to complete weather permitting. Sixty thousand dollars of the survey has been paid for as a retainer and to cover Geotech's mobilisation costs. The survey is estimated to cost ~$200,000, and will be reported in the next reporting period.

Geotech VHTEM proposal is appended as appendix 1. Figure 4 shows the proposed flight lines which will be subject to variation. Results of the VHTEM survey will be reported next year.

10.0 Environment

No environmental rehabilitation activities were undertaken in this reporting period due to continuing use of access lines.

11.0 Expenditure

ITEM	Cost		
Gridding/Access	$8,700		
Airborne Geophysical Survey	$38,400		
Storage	$300		
Accomodation	$350		
Consumables	$500		
Sub Total	$48,250		
Office Costs @ 10%	$4,825		
		Total	$53,075

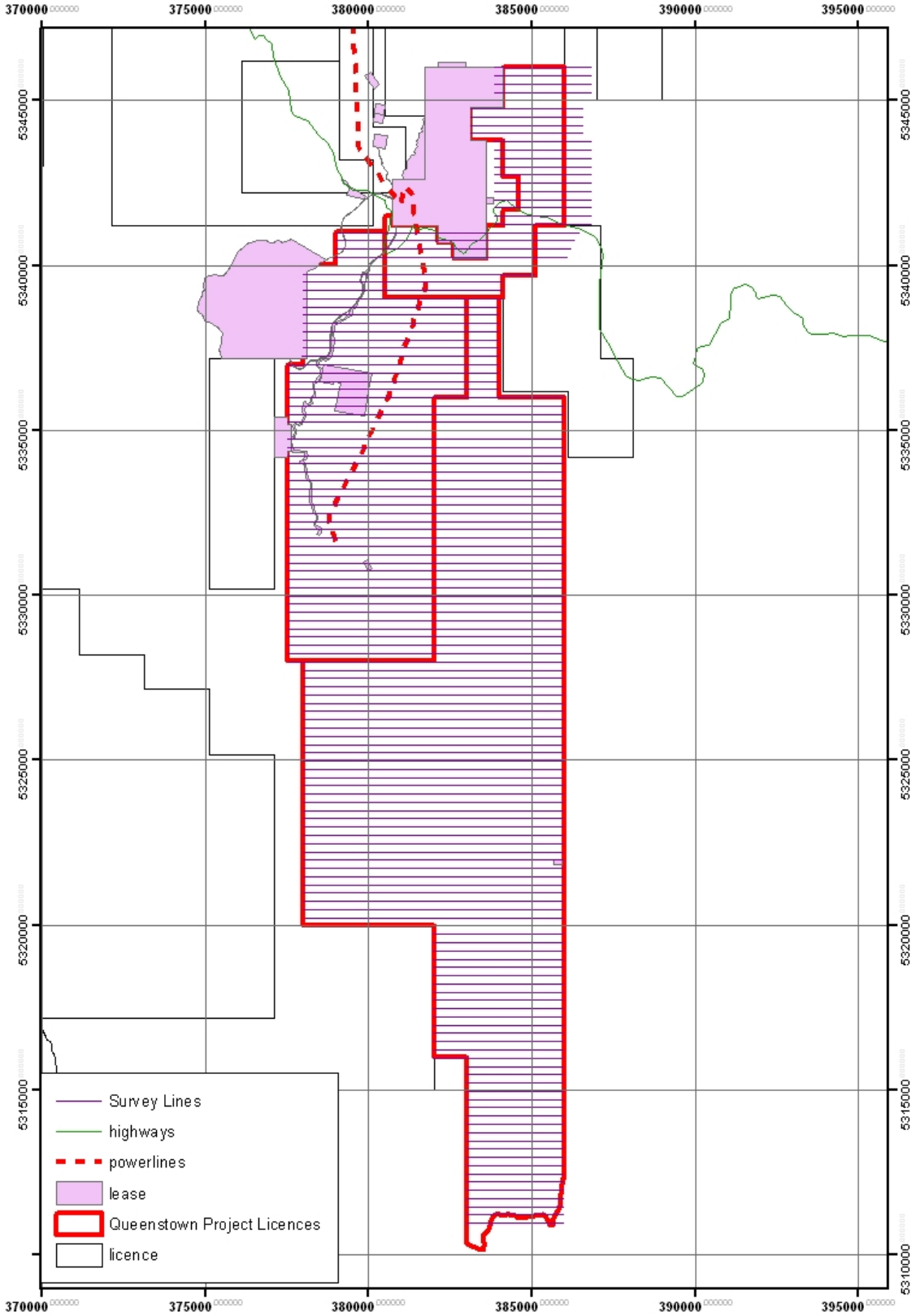

Figure 4. VHTEM Flight Lines

12.0 References

Hughes, C. E. D., 2009. Mt Jukes Project, EL51/2008. Annual report for period 16 December 2008 to 15 December 2009. Annual technical report for Jaguar Minerals Ltd.

Appendix One

Proposal for a Helicopter-borne TIME DOMAIN ELECTROMAGNETIC Geophysical Survey with a VTEM system

For

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(CORONA GOLD)

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Project # AA895 **17 September 2010**

CORONA GOLD - PROPOSAL

INTRODUCTION

Geotech Airborne Pty Ltd is pleased to submit this proposal for a helicopter-borne geophysical survey for approximately 849 line-kms over the Tasmania Area in Australia.

CORONA GOLD have requested a proposal for an airborne electromagnetic and magnetic survey for the purposes of investigating the mineral potential within the Tasmania project area. The survey location is detailed in the figures presented in section B1.

We propose the Geotech Versatile Time-Domain Electromagnetic (VTEM) geophysical system to survey your area, comprising the following main instrumentation:

- The VTEM Time Domain EM system for locating conductive anomalies and mapping earth resistivities
- A high-sensitivity proton precession magnetometer for mapping geologic structure and lithology.
- A proton precession magnetometer base station for diurnal correction.
- A Radar altimeter with an accuracy of approximately 1 meter
- A GPS Navigation System providing an in-flight accuracy up to 3 meters

The following are some of the features of our proposal, which will be of particular benefit to CORONA GOLD:

- The latest technology Time Domain System, exhibiting significant advantages over other commercially available systems such as:
  - *The industries highest signal/noise ratio and spatial resolution of conductors*
  - *Unparalleled depth of penetration AND highest resolution*
    - ✓ *25 or 30 Hz base frequency*
    - ✓ *26m Transmitter coil is the largest diameter loop size available on any airborne geophysical platform*
    - ✓ *Small footprint to discriminate smaller targets (eg. kimberlites)*
  - *Superior "Repair or Replace" Time*
    - ✓ *The VTEM system is field repairable within a few hours using the on-site available spares kit, even after damage due to hard landings, etc.*
    - ✓ *Multiple systems available. – In the event of a serious system or aircraft failure for whatever reason, the ready availability of identical systems will ensure that their will be no delays.*
  - *Concentric Transmitter – Receiver geometry ensures positive anomaly location*
    - ✓ *No need for ground follow-up resulting in huge time savings and cost savings.*
  - *Advanced trapezoid wave-form with a longer 'on-time' pulse width of 7 ms for more effective conductor saturation.*
  - *Helicopter Platform to provide the highest resolution survey.*
- Mobilization to the survey site after signature of contract and is anticipated to be in October 2010.
- Complete set of spares on site for this system
- High-resolution proton precession magnetometer, resolution 0.02 nT, sampling 10 times per

second

- GPS satellite navigation utilizing latest NovAtel's OEM4-G2 GPS receiver.

- Satellite Internet equipment (depending upon signal and local authority approvals) in the field to send the data from the field to the office daily. Data QC and data processing are done by experienced data processors; preliminary data may be made available on FTP site daily upon request.

- Data processing and mapping, by experienced geophysicists, using the latest computer technology and state-of-the-art software.

Terms & Conditions (separate document)

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SCHEDULE A

PRICING AND PAYMENTS

A1. Responsibilities

The survey will be flown out of a camp or other facility provided by CORONA GOLD which is to be located in or within 30km of the survey area.

Geotech will provide:

- Quality control of the geophysical data, final data processing will be performed at a Geotech processing centre;
- Survey helicopter including survey experienced pilots and related helicopter costs, including helicopter fuel.
- local transportation for crew in and around the survey base at Camp;
- positioned fuel for the helicopter at the survey site;

CORONA GOLD will provide:

- acquisition of all local licenses and permits required to carry out the survey;
- accommodations and meals for the survey crew at the survey base;
- detailed final location co-ordinates in WGS84 UTM of the survey area

A2. Charges

VTEM Basic Survey Charge per line km	$175.00	
For an estimated 849 line-km		$148,575.00
Shared Equipment & Crew mob/demob to Region		*$3,600.00*
Shared Helicopter mob/demob to Region		*$7,500.00*
Helicopter mob to Base of Operations		$1,000.00
Equipment and Crew mob to Base of Operations		$2,200.00
Set up Fee		$2,500.00
Estimated Survey Charge		**$165,375.00**
Additional Fuel Charges per line-km	$17.50	
Additional Fuel Charges		$14,857.50
Estimated Total Survey Charge		**$180,232.00**
Additional Charge for B-field (optional) per line-km	$5.00	
Additional Charge for B-field (optional)		$4,245.00
Estimated Survey Charge with B-field		**$184,477.50**

ALL TAXES EXTRA, ALL PRICES ARE IN AUSTRALIAN DOLLARS

Notes:

- Quotation conditional on the completion of a successful security and aviation risk evaluation of the survey area and is valid for 30 days.
- The survey will be flown in conjunction with Geotech's other projects within the immediate vicinity.

- Minimum line length is three kilometers;
- Standby Charges $3,600/day;

A standby day is defined by any day where any of the following takes place:

- survey production is less than 100 km after the equipment is installed (standby is not chargeable if the equipment or helicopter is inoperable for any reason);
- weather conditions prevent the crew to complete the installation;
- weather conditions prevent the crew from leaving the site after the survey is completed;

Standby charges will also apply for all days, or part days that are lost due to delays in acquiring local permits and licenses that are the responsibility of the Client.

A3. Payments

The minimum charge is defined as the number of estimated survey kilometres multiplied by the survey price per kilometre. The final survey charge is calculated on the basis of actual kilometres flown calculated by flight path.

The invoices shall be payable to the account, which will be provided on each invoice.

A3.1 Standard Preliminary Deliverables (no digital data released during course of survey)

Field preliminary maps will be prepared progressively throughout the actual survey flying. These maps will be provided in PDF format only. The maps will only be released upon receipt of payments as indicated below:

- 50% minimum payment before mobilization.
- 40% minimum payment when completion of flying
- 10% payment before delivery of final products.

A3.2 Optional Preliminary Deliverables (digital data released during course of survey)

If necessary, it can be arranged for digital data to be provided during the course of the survey. Digital data will be provided as long as CLIENT's account remains in good standing. All invoices, with the exception of the mobilization invoice are due on receipt.

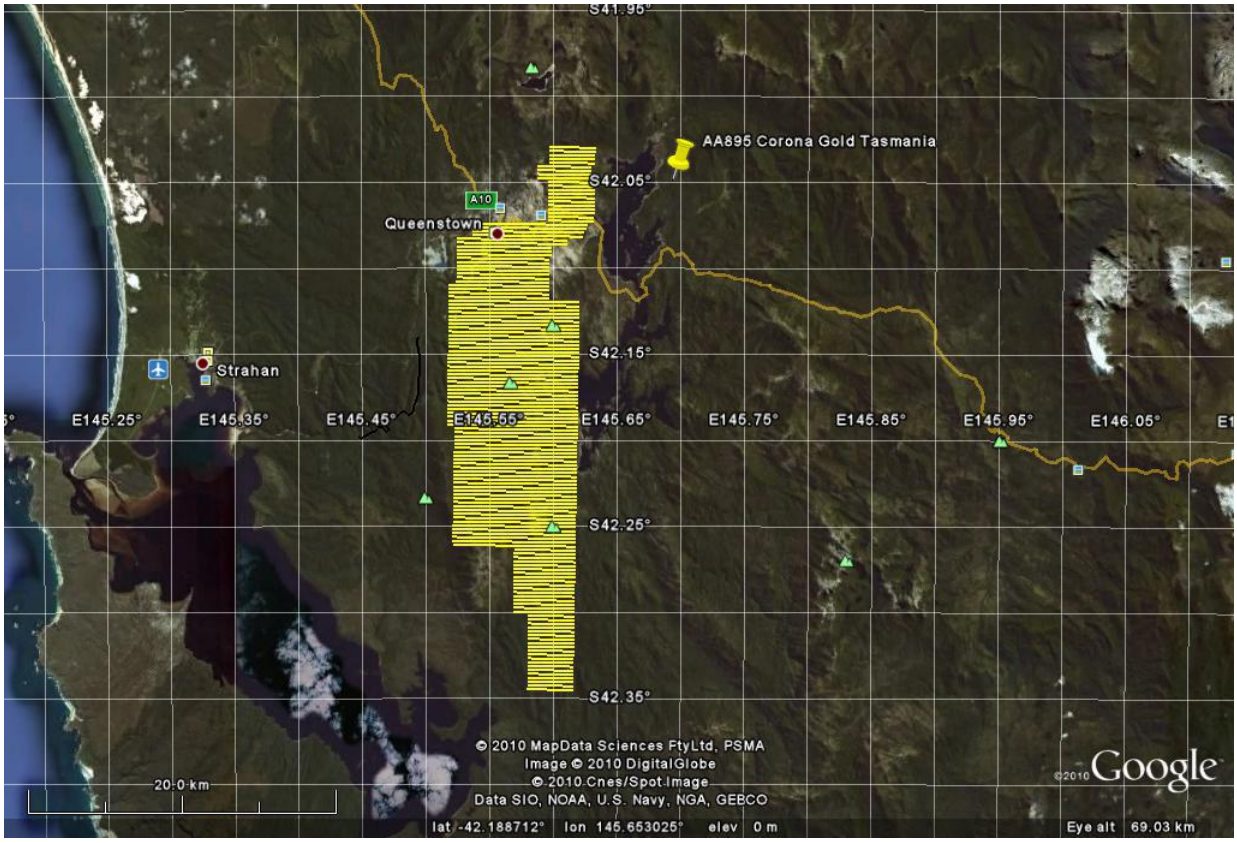
- 30% minimum payment before mobilization
- 40% minimum payment when flying begins.
- 20% minimum payment when completion of 50% of total flying.
- 10% billing/payment before delivery of final products.

A4. Terms of Payment

Geotech will issue invoices for payment as required, as per Section A3 above. These invoices will be due 14 days from receipt by the Client. Payments should be made by telegraphic bank transfer to Geotech's bank. Instructions will be posted on all invoices. Late payments will be subject to a 1.5% per month late payment charge on 14 days overdue.

SCHEDULE B - SURVEY AREA

B1. Outline of the Survey Area



Corona Gold Limited
Tasmania, Australia
VTEM Flight Plans
Google Earth™ Background
Geotech Airborne (Pty) Limited

CORONA GOLD

17 September 2010

Final survey co-ordinates must be provided in WGS84 UTM and will be agreed upon in writing prior to commencement of survey operations.

The above area was generated using the following UTM coordinates supplied by CORONA GOLD, assuming UTM Z 55S and the WGS84 spheroid.

Easting UTM55S	Northing UTM55S
385994.14	5310984.76
386000.00	5336000.00
383994.01	5336224.53

383994.02	5338749.40
384105.71	5338988.45
384105.70	5339496.40
385111.68	5339682.68
385105.75	5339989.43
386105.71	5340233.32
386581.55	5341234.82
386602.99	5345984.82
384105.73	5345990.00
384105.70	5344979.41
383105.71	5344740.37
383105.71	5343978.42
384105.70	5343730.13
384105.70	5342738.39
384105.71	5341483.43
384105.71	5341229.45
383605.70	5341030.00
383605.70	5340233.33
382609.24	5340243.41
382609.25	5340476.35
382099.71	5340990.41
378994.06	5340990.41
378994.06	5340243.41
377994.06	5340004.38
377994.06	5337255.40
377501.04	5336996.66
377496.29	5328004.43
377991.20	5327729.43
377994.08	5320239.52
381994.09	5319985.70
381994.09	5315983.41
382994.11	5315734.78
382994.12	5310984.76
385994.14	5310984.76

B2. Flight line Specifications

	Line spacing	Line Direction	TieLine Spacing	TieLine Direction	Line-kms
AA895	250	090-270	N/A	N/A	849
					849

SCHEDULE C

DATA ACQUISITION

C1. Helicopter

Geotech will fly the survey with an AS350B3 helicopter (or equivalent) with the necessary cargo hook. This helicopter has the necessary range and flight duration to fly this type of survey.

C2. Services provided by Geotech

1. Supervision of the helicopter and its crew.
2. Provision of the necessary qualified personnel required to complete the survey.
3. Supply of the technical equipment with spares necessary to fly the survey in an expeditious manner.
4. Quality Control of the geophysical data.
5. Preparation and delivery to CORONA GOLD of all the final products specified in Schedule E.

C3. Survey Scheduling

1. Survey preparations and mobilization to the survey area are expected to commence in October 2010 and the survey operations will take an estimated 1 Week.
2. Field preliminary maps will be prepared progressively throughout the actual survey flying and delivered in the field, if required.
3. Standard preliminary products will normally be delivered 2 weeks after receipt of the field data at Geotech's processing centre and after the second payment, due upon completion of flying, is received
4. Final maps and report will normally be delivered eight weeks after delivery of the preliminary products.

All phases of the survey scheduling will be coordinated with the requirements of the Client.

C4. Flight Specifications

1. Flight Lines

Line directions and spacing are as specified in Schedule B. The pilot will make every effort not to deviate from the flight plan more than 50m over a distance of 2km, but due to the terrain it could be more.

Optimum terrain clearances for the helicopter and instrumentation during normal survey flying are:

Helicopter – 75 to 85 meters (tow cable dependant)
EM sensor – 35 to 45 meters
Magnetic sensor – 60 to 70 meters (tow cable dependant)

Terrain clearance may vary, based on the pilot's judgment of safe flying conditions around man-made structures or in rugged terrain.

2. Airspeed

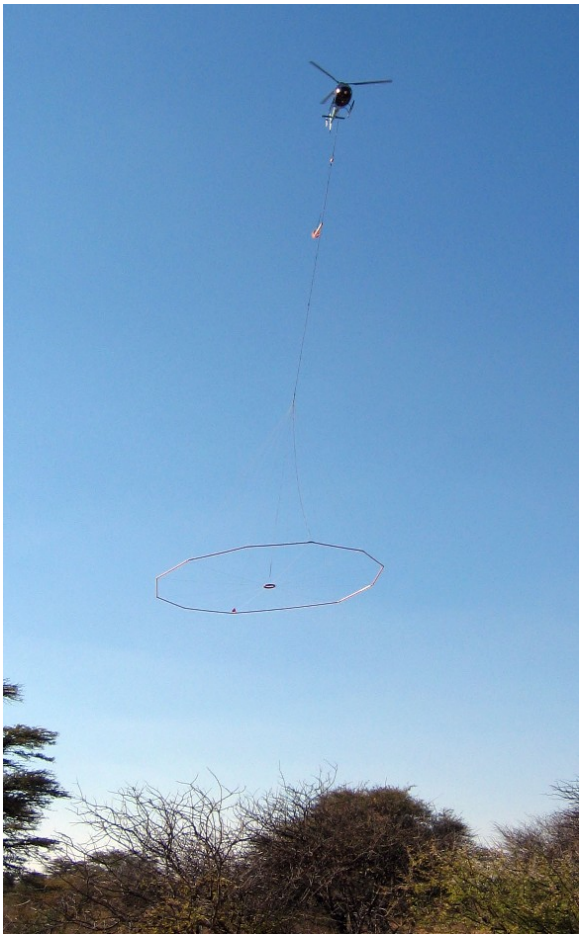
Normal helicopter airspeed will be approximately 90 km/hr, but this may vary in areas of rugged terrain. With a data-recording rate of 0.1 point per second, geophysical measurements are acquired approximately every 2.5 meters along the survey line.

3. Electromagnetic Data

Data will be re-flown at the Contractor's expense when the standard deviation of the normally processed 6340 µs time gate EM channel exceeds 0.01 pico volts per Amp-m^4 continuously over a horizontal distance of 2 km under normal survey conditions, or when Geotech's on-site representative deems the data to be un-interpretable.

C5. Survey Instruments

1. VTEM System



The VTEM or Versatile Time Domain Electro Magnetic system is the most innovative and successful airborne electromagnetic system to be introduced in more than 30 years. The proprietary receiver design using the advantages of modern digital electronics and signal processing delivers exceptionally low-noise levels. Coupled with a high dipole moment transmitter, the result is unparalleled resolution and depth of investigation in precision electromagnetic measurements.

Key features include:

- Superior Exploration Depth – Over 400 metres
- Low Base Frequency (25 or 30 Hz) for Penetration through conductive cover
- High Spatial Resolution – 2 to 3 metres
- Improved Interpretability due to Receiver-Transmitter symmetry
- Spotting drill targets directly off of the airborne results
- Excellent resistivity discrimination and detection of weak anomalies
- Virtually impervious to spheric activity.

The system was designed to be field configurable to best suit a large variety of different geophysical requirements from deep penetration to optimizing the discrimination within a narrow range of resistivity values.

The system is easily transportable. It can be disassembled for packaging in relatively small units for shipping to surveys around the world.
In the event of damage to the EM bird in-flight or while being transported between survey sites, the unique design allows the easy replacement of any part of the system in the field. The transmitter loop can be assembled or disassembled in 3-4 hours.

The recent surveys flown with VTEM have produced superior results over the same test areas flown by competing airborne EM surveys. VTEM has flown the Reid-Mahaffy, Caber, Perseverance and Montcalm test ranges and the results have demonstrated that VTEM provides the Industries highest signal/noise ratio and conductor spatial resolution.

2. Magnetometer

A Geometrics/Scintrex split-beam total field magnetic sensor, with a sampling interval of 0.1 seconds and an in-flight sensitivity of 0.02 nT, will be utilized. The magnetometer will perform continuously in areas of high magnetic gradient with the ambient range of the sensor approximately 20k-100k nT. Aerodynamic magnetometer noise will not exceed 0.5 nT.

3. Electronic Navigation - GPS

A GPS system utilizing the Novatel OEM4-G2-3151W GPS receiver will provide in-flight navigation control. This system determines the absolute position of the helicopter in three dimensions. As many as 11 GPS satellites may be monitored at any one time. Autonomous GPS will be used for flight navigation.

4. Altimeter

An altimeter system will record the ground clearance to an accuracy of approximately 1 m. The altimeters will be interfaced to the data acquisition system with an output repetition rate of 0.5 second. Recording will be in digital form.

5. Data Acquisition/Recording System

A Geotech data acquisition system will be used. Data will be recorded on a PCMCIA flash card.

6. Field Computer Workstation

A dedicated PC-based field computer workstation will be used in the field for purposes of displaying geophysical data for quality control, calculating and displaying the navigation, producing preliminary EM anomaly information and diurnally corrected magnetic maps, and copying/verifying the digital data.

7. Safety

Installation of the survey equipment in the helicopter will be done by qualified personnel. An airworthiness approval certificate is maintained for all installations.

8. Spares

A normal compliment of spare parts and necessary test instrumentation will be available in the field.

9. Base station

A dedicated computer including high sensitivity base station proton precession magnetometer will be employed to record magnetic activity.

C6. Survey Crew

The survey crew will consist of at least the following personnel:

1. An experienced Geophysicist or Geophysical Technician/Project Manager to supervise the survey operations, perform quality control of the data and to assist in arranging the survey logistics and field operations.
2. A Geophysical Operator to maintain and operate the geophysical instruments.
3. An experienced Survey Pilot, who has demonstrated his ability to fly the geophysical instrumentation safely and within survey specifications.
4. An experienced Aircraft Mechanic will be on stand-by at the helicopter base and should be ready to be on the survey site with minimal delay.

Curriculum Vitae of the key personnel who may be utilized during the survey work are available upon

request.

SCHEDULE D

FIELD DATA PROCESSING / QUALITY CONTROL

The field data processing includes the following quality control measures:

1. All digital data will be inspected on a daily basis to ensure that bad data is not present and to identify missing data sections.
2. A preliminary flight path map will be plotted and checked against survey specifications.
3. All digitally acquired survey data will be merged into a Geosoft Montaj database. Profiles will be edited to ensure completeness of all data traces.
4. The recorded EM data will be digitally processed to remove sferic events and filtered to reduce any system noise. Following the filtering process, base level adjustments will be made to the EM profile data, as required.

SCHEDULE E

PRODUCTS FOR DELIVERY

Please note that Preliminary and Final Data will be provided to SGC

E1. Preliminary maps

The digital preliminary maps will be produced as soon after the completion of flying as possible. The products will include:

- Color magnetic map
- EM profiles map

The preliminary maps are provided in digital form.

E2. Final standard products

1. Final standard digital maps at a scale specified will be delivered in two copies on CD-ROM or DVD-ROM.

- Color magnetic map
- EM profiles map at a logarithmic scale

2. The processed digital data will be delivered in two copies on CD-ROM or DVD-ROM. The line data will be delivered in the Geosoft Montaj GDB format. The maps will be delivered in the Geosoft Montaj MAP format. Full descriptions of the digital data formats will be included in the final report and as text files on each CD-ROM

3. Operational report will be delivered in two copies. The report will provide information pertaining to the acquisition, processing and presentation of the data.

E3. Additional products

The following additional products can be produced, if required.

• EM anomaly map (minimum US$1000)	- US$3.00/ line-km
• Apparent conductivity map for a selected time gate	- US$100/ channel as a Geosoft Database channel - US$250/ channel as a Geosoft Database channel and in map form
• Late Channel Time Constant (Tau) calculated on Automatically selected time gates and discriminated by correlation coefficient	- US$200 as a Geosoft Database channel - US$350 as a Geosoft Database Channel and in map form
• Magnetic derivative data (IGRF removed, 1st, 2nd vertical gradient, horizontal gradient, Reduction-to-the-Pole, analytical signal)	- US$100 per process as a Geosoft Database channel - US$250 per process as a Geosoft Database channel and in map form
• Digital Terrain map (derived from the radar altimeter and GPS height)	- US$250 per sheet -
• Resistivity-depth section on paper	- US$100 per section (minimum US$1000)
• Customer designed map	- US$300 per sheet -
Additional copies:	
• Paper copy from existing files	- US$80 per sheet
• Mylar copy from existing files	- US$120 per sheet
• Extra paper copy of the report	- US$40
• Extra copy of a CD/DVD	- US$40

SCHEDULE F

ACKNOWLEDGEMENTS

1. The client agrees to acknowledge in all press releases and other publications that the survey was flown with the VTEM time-domain system. The client also agrees that Geotech may advertise that the VTEM system was used by the client in the event that news articles are published purporting to a discovery in the Survey area, providing that the client approves the advertisement, which approval will not be unreasonably withheld.

2. Geotech will not divulge any information with respect to the Survey to third parties.

3. Until payment is received in full, the information, documents and data pertaining to the Survey shall remain the property of Geotech.

Proposal Accepted, SIGNED for and on behalf of Corona Gold Limited	SIGNED for and on behalf of Geotech Airborne Pty Ltd
Name:	Name:
Title:	Title:
Date:	Date: