

**Corona Minerals**

**Annual Report**

**EL21/2010**

**For Period 21 December 2012**

**to 20 December 2013**

**Tasmania**

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**Author:**

Charles Hughes Bsc (Hons).  
Senior Geologist  
Perth, WA

**Copies to:**

MRT  
Corona Minerals Ltd

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## List of Digital Files Accompanying this Report

EL212010\_201111\_01 Text  
 CZP\_DHSURV\_DEC2013  
 CZP\_COLLAR\_DEC2013  
 CZP\_ASSAYS\_DEC2013

## 1.0 INTRODUCTION

EL21/2010 is located east of Queenstown on the West Coast of Tasmania, directly adjacent and partially surrounding the Copper Mines of Tasmania Mt Lyell Mining Lease. Corona Minerals Ltd (“Corona”) conducted a round of Air core drilling within the Linda Valley and has intersected significant zinc-lead-silver mineralisation hosted within the “Chamonix Shale”-a unit that sits at the interpreted top of the Gordon Group. 8m @ 7.1% Zn, 1.3% Pb, 20.4 g/t Ag from 18m was intercepted in CZA002 with the hole ending in mineralisation.

## 2.0 TENURE

Corona Minerals Ltd owns 100% of EL21/2010, which encompasses 21 km<sup>2</sup> of tenure and covers crown land, the gazetted townships of Linda and Gormanston, and minor amounts of HEC land near Lake Burberry.

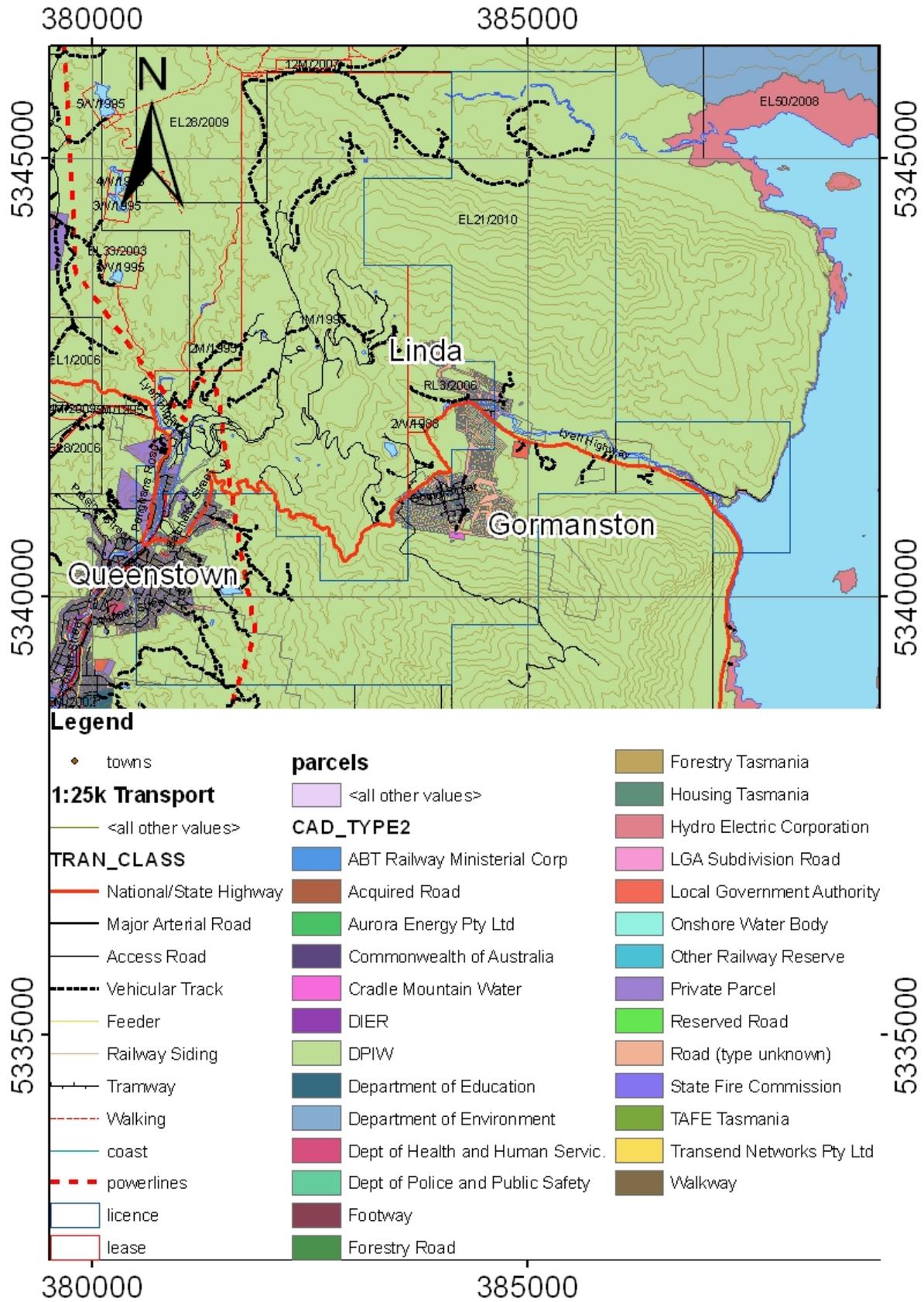


FIGURE 1: TENURE

### **3.0 ACCESS**

Access within the tenement is excellent with the Lyell Highway running through the Linda valley and serviceable 4WD roads access in the Little Owen area.

### **4.0 GEOLOGY**

The mid-late Cambrian Mount Read Volcanics (MRV) dominate the southern half of the tenement where the rocks are the direct strike extent from the Mt Lyell Mining Lease and are intensely altered in places. The volcanic succession is composed of Central Volcanic Complex (CVC) rhyolites, and Western Volcano Sedimentary (WVS) volcanoclastic. The WVS sequence, and probably CVC sequence, is host to several andesite-basalt units which appear to be contemporaneous with mineralisation throughout the MRV. Ordovician aged Owen group siliciclastic conglomerates and sandstones are found in the east of the tenement forming prominent bluffs and mountains. Ordovician Marine sequences of the Gordon group are seen in the Linda and Comstock valleys, inferred to be sitting either in half graben or synclinal positions in the valley floors. The Gordon group is mainly composed of Limestone sequences, but a unit in the Cemetery creek area of Linda Valley has the appearance of a Black Shale and is host to zinc dominated stratabound or stratabound base metal mineralisation. Silurian aged Eldon Group sandstone and siltstones overly the Gordon Group in the Linda Valley. The Linda and Comstock Valleys are mostly covered with tertiary glacial moraine, with variable thicknesses of cover.

### **5.0 MINERALISATION**

Stratabound and possibly stratabound massive, semi-massive and disseminated pyrite-sphalerite-galena mineralisation is hosted within the "Chamonix shale" interpreted to be upper Gordon Group. Bedding parallel quartz veining is common within this unit, and is not seen in the underlying limestone—a distinction used to argue the Chamonix Shale is a separate unit and not just "decomposed Limestone". Mineralisation is inferred to be primary Ordovician in age of MVT, Irish style or even possibly CD (SEDEX) style, with a Devonian aged overprint.

### **6.0 STRUCTURE**

Predominant structure has a north west orientation, with the North Lyell fault. 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**

EL21/2010 was initially targeted for mineralisation associated with the Mount Read Volcanics. Further research indicated Zn mineralisation has been outlined in Ordovician rocks in the Linda valley.



## 8.0 EXPLORATION HISTORY.

Exploration in this area has been ongoing since the late 1800's when Mt Lyell was first discovered. A total of 11 copper prospects, 4 gold prospects and one base metals prospect occur within the area of interest and 33 recorded holes had been drilled prior to Corona's involvement. A more detailed compilation can be found in Hughes 2012.

## 9.0 PREVIOUS WORK COMPLETED BY CORONA

A helicopter supported VTEM and aeromagnetic survey was conducted in the previous reporting period. Large conductive bodies have been outlined within the Linda and Comstock Valleys. Geochemical sampling has confirmed widespread zinc anomalism within the Linda Valley.

## 10.0 WORK COMPLETED IN THE CURRENT REPORTING PERIOD

During the current reporting period Corona has conducted an aircore drilling program at the Chamonix Zinc Prospect in the Linda Valley targeting "Chamonix shale" hosted zinc-lead-silver mineralisation.

### 10.1 AIRCORE DRILLING AT THE CHAMONIX ZINC PROSPECT-LINDA VALLEY

A total of 357 m were drilled in 15 holes over six days (five full days and two half days), utilising both Aircore (blade) and RC (hammer) drilling techniques. Tas Drilling Pty Ltd, owned and operated by Mick Macgregor, was contracted to undertake the Air Core/ RC drilling program using an Isuzu truck mounted "Explorer 500" Air Core rig was used.

One metre intervals were composited into 2m intervals and sent to Genalysis Intertek Adelaide for assay using four acid digest and an ICPMS finish for Ag, Al, As, Au, Ba, Bi, Ca, Cd, Ce, Co, Cr, Cu, Fe, K, La, Li, Mg, Mn, Mo, Na, Ni, P, Pb, S, Sb, Sc, Sn, Sr, Te, Ti, Tl, V, W, Zn, and Zr. Over range Zn, Pb and S were re-assayed using a 4 acid HBr digest and ICPMS finish.

Significant Zn-Pb-Ag was intersected in 5 of the drill holes hosted within "Chamonix shale". Gold up to 0.3 g/t was also intersected in "Chamonix shale" and footwall Limestone.

Pre-existing tracks were utilised within the Linda Valley (a pre-requisite of the Program Of Work). Drilling was conducted adjacent to an historic Cemetery and within a Cemetery Reserve. Significant mineralisation was intersected near the Cemetery.

The drilling method was not sufficient to penetrate fluvio-glacial cover that exists in part of the prospect, was not able to deal effectively with groundwater conditions, and was not able to penetrate large quartz veins which are found in the host horizon Chamonix Shale. As such three of the drill holes (CZA002, 005, 006) were abandoned in heavy mineralisation, and several drill holes were abandoned before reaching the host horizon. Significant "fines" were lost, sulphide appeared to be floating on the surface of the water.

Drilling results are tabulated below and data can be found in Appendix 1. Figures 3, 4 and 5 show anomaly compilation map, drilling plan and cross section respectively.

Table 1: Drilling results

Hole No.	GDA94 Easting	GDA94 Northing	Dip	Azi.	Total Depth	From, m	To, m	Width, m	Grade/notes
CZA001	385145	5341530	-90	-	10	NSA	NSA	NSA	NSA did not penetrate fluvio-glacial cover
CZA002	384862	5341666	-90	-	28	16	28	12	5.3%Zn, 0.9% Pb, 15.4 g/t Ag- Hole abandoned in mineralisation due to quartz vein
						18	26	8	Including @ 5% Zn+Pb cut off 7.1% Zn, 1.3% Pb, 20.4 g/t Ag
						18	22	4	Including @ 10% Zn+Pb cut off 9.3% Zn, 1.9% Pb, 26.1 g/t Ag
CZA003	384809	5341603	-90	-	27	NSA	NSA	NSA	NSA Hole abandoned before host horizon
CZA004	384826	5341646	-90	-	29	NSA	NSA	NSA	NSA Hole abandoned before host horizon
CZA005	384839	5341654	-90	-	28	22	28	6	4.8% Zn, 0.3% Pb, 7.4 g/t Ag- Hole abandoned in mineralisation due to quartz vein
						24	28	4	Including @ 5% Zn+Pb cut off 6.7% Zn, 0.4% Pb, 10.6 g/t Ag
CZA006	384864	5341661	-90	-	30	18	20	2	4.7% Zn, 0.02% Pb, 6 g/t Ag. Hole abandoned in mineralisation due to quartz vein
						24	30	6	And 4.2% Zn, 0.2% Pb, 7.2 g/t Ag
						24	26	2	Including @ 5% Zn+Pb cut off 5.2% Zn, 0.3 % Pb, 15.4 g/t Ag
CZA007	384935	5341709	-90	-	36	8	14	6	2.2% Zn, 0.1% Pb, 4 g/t Ag
						12	14	2	Including @ 5% Zn+Pb cut off 4.8% Zn, 0.3% Pb, 6.2 g/t Ag
						24	32	8	Also 1.3% Zn, 0.2% Pb 3.9 g/t Ag
CZA008	384968	5341674	-90	-	40	NSA	NSA	NSA	NSA Drilled into the footwall limestone
CZA009	384938	5341749	-90	-	32	0	6	6	2.2% Zn, 0.1% Pb, 2.9 g/t Ag
CZA010	385373	5341691	-90	-	16	NSA	NSA	NSA	NSA Hole drilled into the footwall limestone
CZA011	385471	5341677	-90	-	22	NSA	NSA	NSA	NSA Hole drilled into the footwall limestone
CZA012	385148	5341529	-90	-	12	NSA	NSA	NSA	NSA Hole did not penetrate fluvio-glacial cover
CZA013	385102	5341483	-90	-	11	NSA	NSA	NSA	NSA Hole did not penetrate fluvio-glacial cover
CZA014	385111	5341630	-90	-	20	NSA	NSA	NSA	NSA Hole intersected large void and footwall limestone
CZA015	385090	5341699	-90	-	17	NSA	NSA	NSA	NSA Hole drilled into the footwall limestone

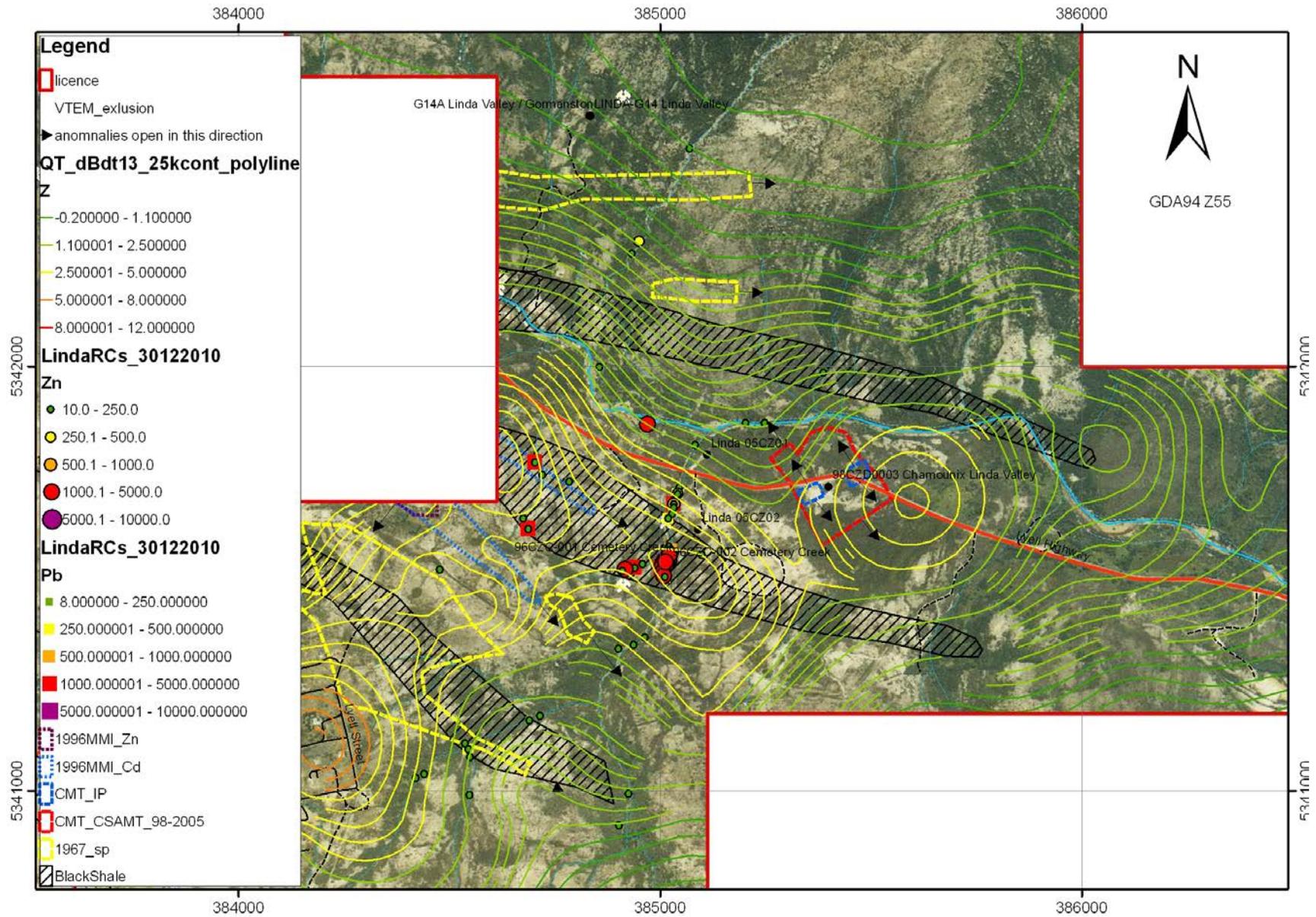


FIGURE 3: ANOMALY COMPILATION WITHIN LINDA VALLEY

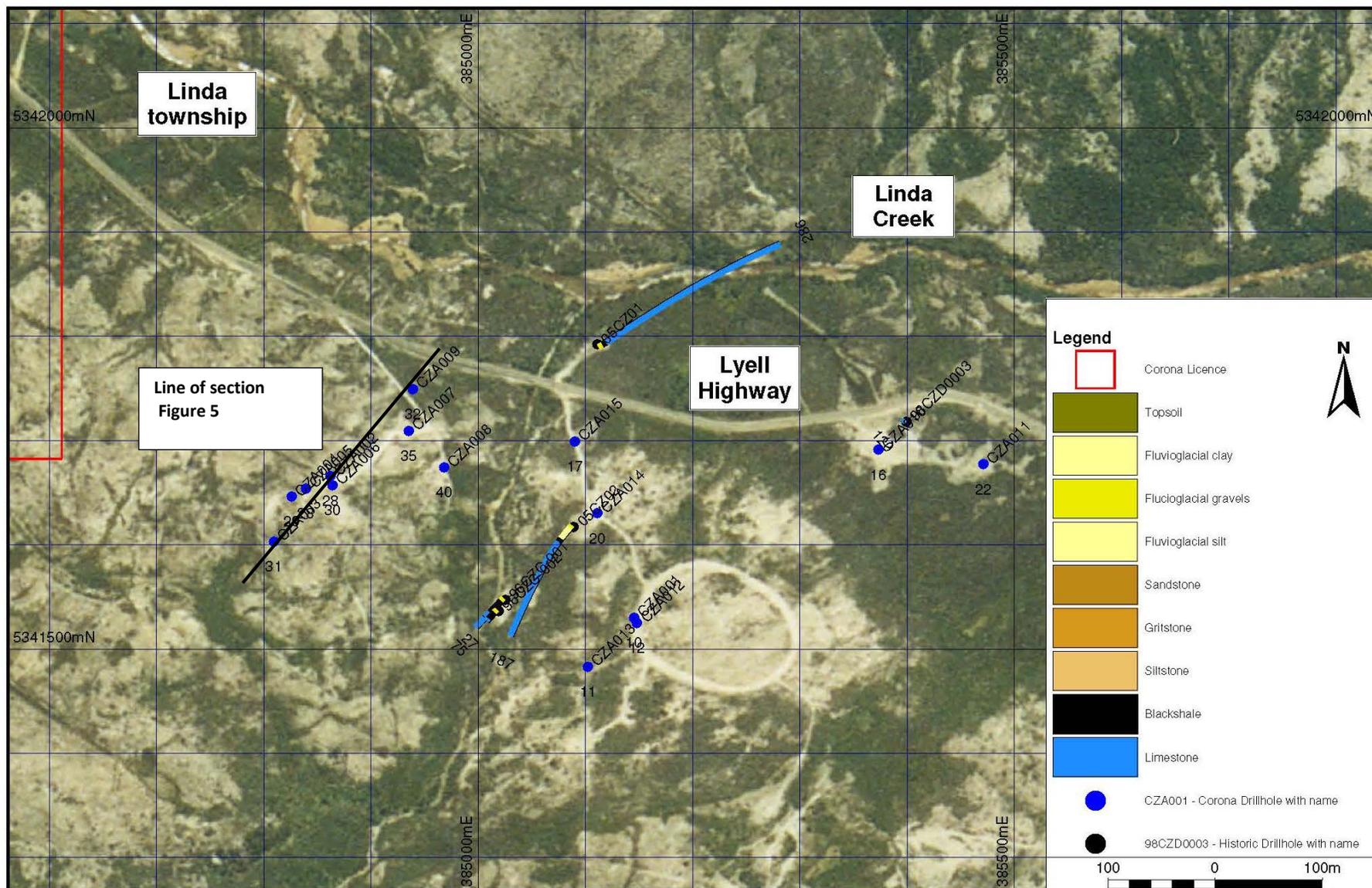


FIGURE 4: CORONA AND HISTORIC DRILLING WITHIN THE CHAMONIX ZINC PROSPECT ON AIRPHOTO

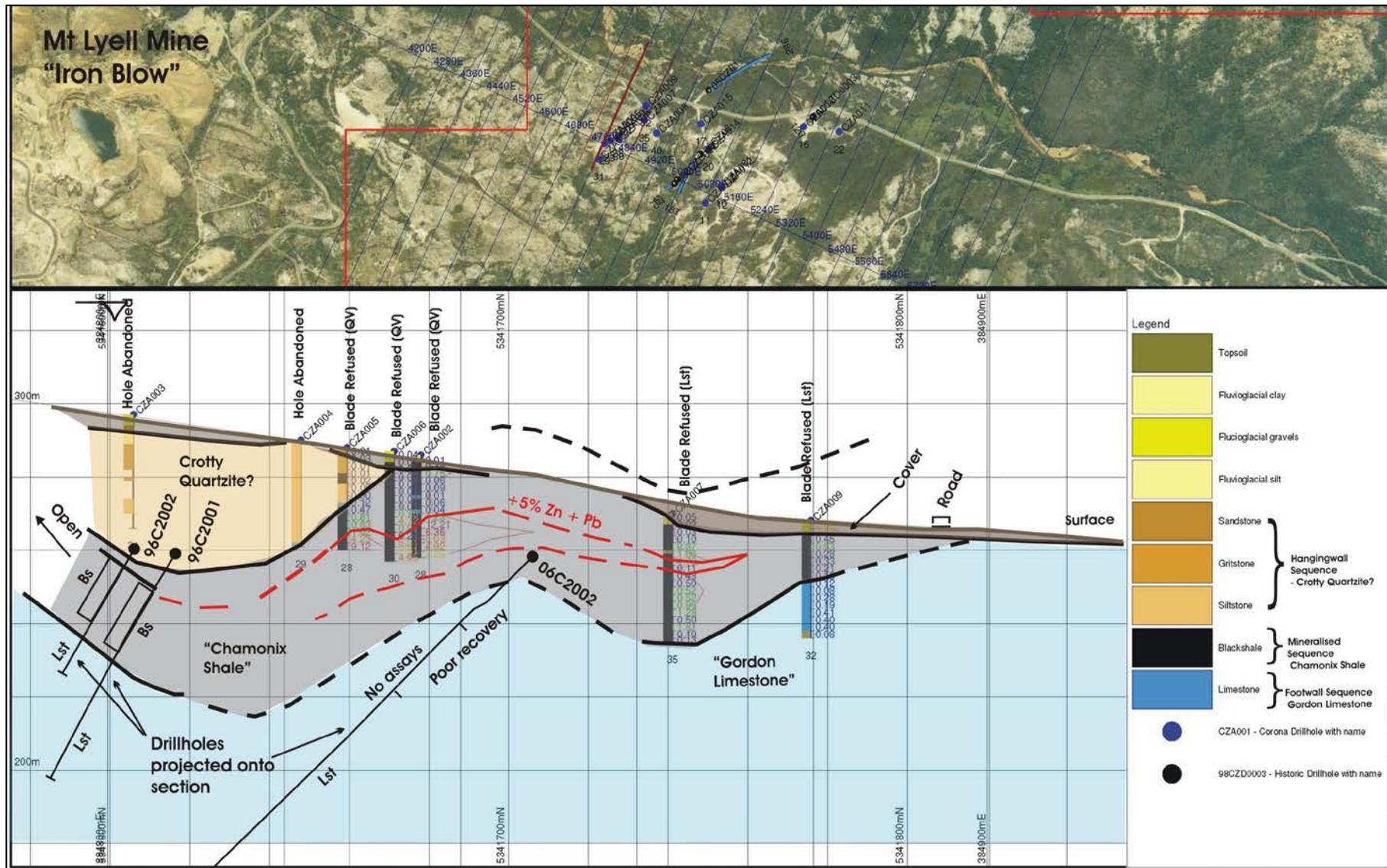


FIGURE 5: SECTION SHOWING CORONA DRILLING, HISTORICAL DRILLING PROJECTED ONTO SECTION AND INTERPRETED GEOLOGY

## 11.0 DISCUSSION/CONCLUSION

Drilling at the Chamonix Zinc Prospect has revealed significant Zn-Pb-Ag potential. Near surface mineralisation is present over 240m along strike and 150m across strike. There is potential for in excess of 1500m of along strike length and up to 500m across strike length. PQ3 drilling is planned for early 2014, mineralogy and metallurgy will be conducted on core retrieved.

## 12.0 ENVIRONMENT

15 Aircore holes were drilled, holes were plugged with an "ocotplug" and back filled to top with material from the surface. No holes have made water. Existing tracks were utilised no roadworks were needed.

## 13.0 EXPENDITURE

**Table 2: Expenditure for the period**

ITEM	Cost		
Salaries and wages	\$23,131		
Accommodation	\$3,553		
Consumables	\$1,320		
Vehicle Hire	\$1,090		
Drilling	\$28,033		
Tenement Costs	\$549		
Printing/Stationary etc	\$32		
Sub Total	\$57,708		
Administration @ 10%	\$5,770		
		Total	\$63,478

#### **14.0 REFERENCES**

Hughes, C. E. D., 2012. Linda Valley Project, EL21/2010. Annual report for period 20 December 2011 to 21 December 2012. Annual technical report for corona Minerals Ltd.