

Corona Minerals

Annual Report

EL21/2010

For Period 21 December 2015

to 20 December 2016

Tasmania

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1. 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 applied for and was granted exemption from conditions for the period.

2. Tenure

Corona Minerals Ltd owns 100% of EL21/2010, which encompasses 21 km² of tenure and covers crown land, the gazetted townships of Linda and Gormanston, and minor amounts of HEC land near Lake Burbury.

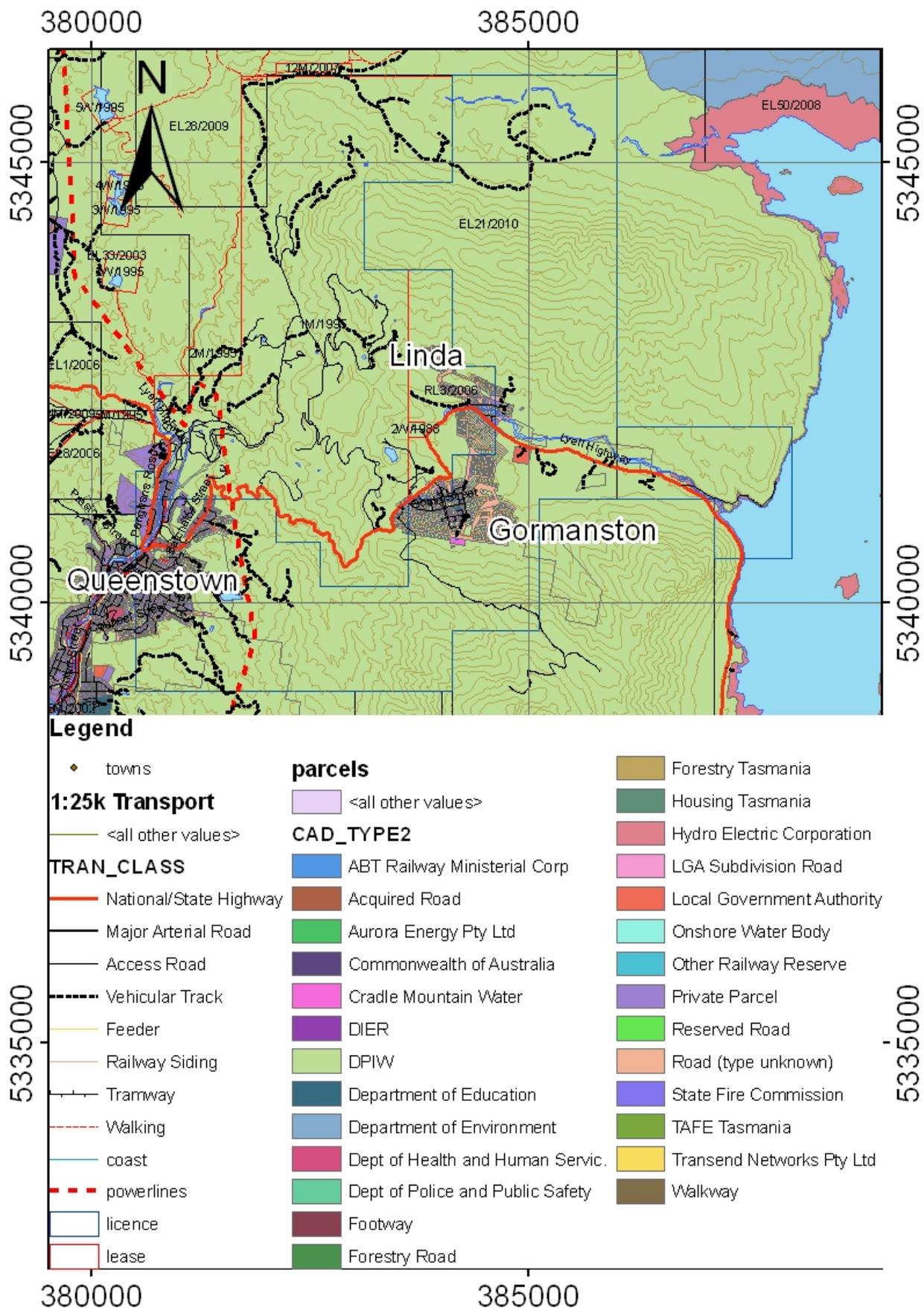


FIGURE 1: EL21/2010 TENURE

3. 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. 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 strataform 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. Mineralisation

Stratabound and possibly strataform 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. Mineralisation is inferred to be similar to that seen at Grieves Siding near Zeehan.

6. Structure

A major structure is inferred to run through the Linda Valley in an east-west direction. The north Lyell fault runs North west along the northern edge of the Linda Valley. A north bearing normal fault is observable running roughly along the line of cemetery creek with east side down displacement visible in the northern slopes of Mt Owen. Several phases of folding starting in the late Cambrian, throughout the Ordovician and during the Devonian Tabberaberan orogeny have created complex structural relationships.

7. 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.

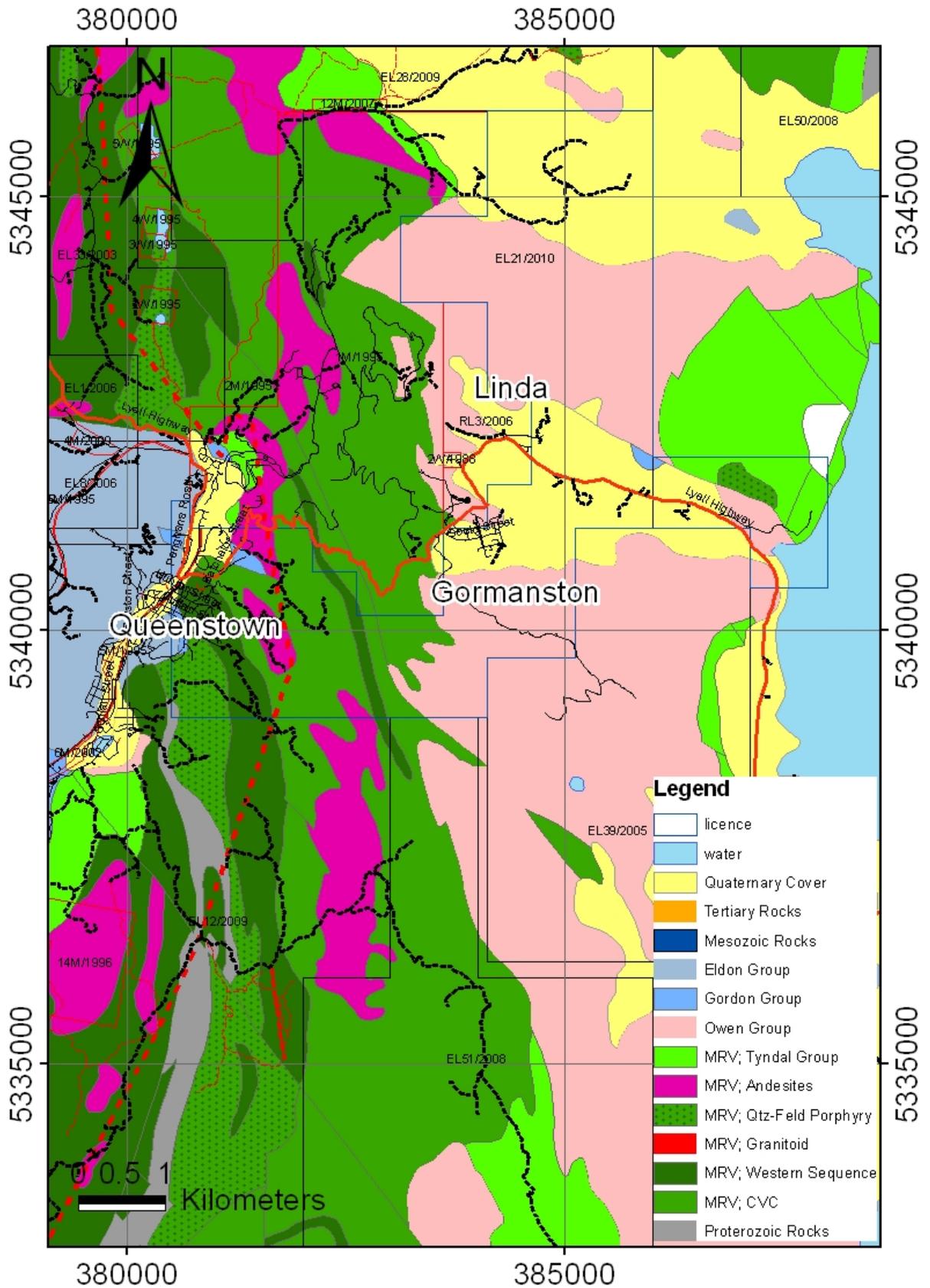


FIGURE2: EL21/2010 GEOLOGY

8. 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. Previous Work Completed by Corona

A helicopter supported VTEM and aeromagnetic survey was conducted in 2011, which outlined large conductive bodies within the Linda and Comstock Valleys. Geochemical sampling and mapping in 2012 confirmed widespread zinc anomalism within the Linda Valley, and a reassessment of the geology and a new model for mineralization was outlined. Based upon this work and the new model developed, in 2013 Corona drilled 15 Air core holes at the Chamonix Zinc prospect intersecting significant Zn-Pb-Ag mineralisation in the Chamonix Shale. In 2014 Corona drilled a total of 338.3 m were drilled in 7 vertical holes utilising PQ3 and HQ3 diamond drilling techniques in order to maximise recovery. Wholecore was contracted to undertake the drilling program utilising a Coretach CSD1200 track mounted diamond drill rig. Drilling pads, sumps and access roads were constructed using a 20t excavator provided by Williams Earth moving. Drilling was very difficult but in terms of recovery quite successful. The very soft and clayey nature of the host package was problematic but manageable, the main problems with recovery arose when large quartz veins were intersected cutting this package.

10. Work Completed by Corona in Current Period

Corona applied for and received exemption from conditions for this reporting period.

Corona assessed the prospectivity of various targets within the tenement and has prioritised the Little Owen Spur area for further work. Little Owen is a series of historical adits operated for gold and has seen two historical diamond drill holes which returned anomalous gold grades. Corona proposes to drill this target over a two year period with access and pads to be constructed in the first year, and drilling to be carried out the following season.

11. Environment

No environmental disturbance was recorded in this reporting period

12. Expenditure

ITEM	Cost		
Salaries and wages	3,344		
Accommodation	280		
Consumables			
Vehicle Hire			
Drilling			
Assays			
Tenement Costs			
Earthmoving			
Other	984		
Mineragraphy			
Sub Total	4610		
Administration @ 10%			
		Total \$4610	

Table 1: Expenditure for the period

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