Corona Minerals

Annual Report

EL12/2009

For Period 21 December 2016 to

20 December 2017

Tasmania

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1.0 INTRODUCTION

EL12/2009 is located due south of Queenstown on the West Coast of Tasmania.

Corona Minerals Ltd ("Corona") entered into a Joint Venture agreement (JV) with Pacifico Minerals Ltd ("Pacifico") on 9 June 2010 to explore EL12/2009.

Corona has since earned more than 80% of EL12/2009, and is the operator of the tenement. Pacifico has elected not to contribute to exploration and Corona is now increasing its tenement ownership accordingly.

Corona has been undertaking an admission to the ASX for the past year. As such, company funds have been depleted by non exploration activities and pared back exploration programs have been conducted. The former mining lease 14M/1996 expired or was withdrawn by the Government during this reporting period. The area previously held by the mining lease has "fallen" into EL12/2009. This represented an opportunity for Corona to investigate the King River Gold mine workings and attempt to understand the mineralisation.

2.0 TENURE

EL12/2009 encompasses 55km^2. Tenure is composed of Crown Land and Forestry land.

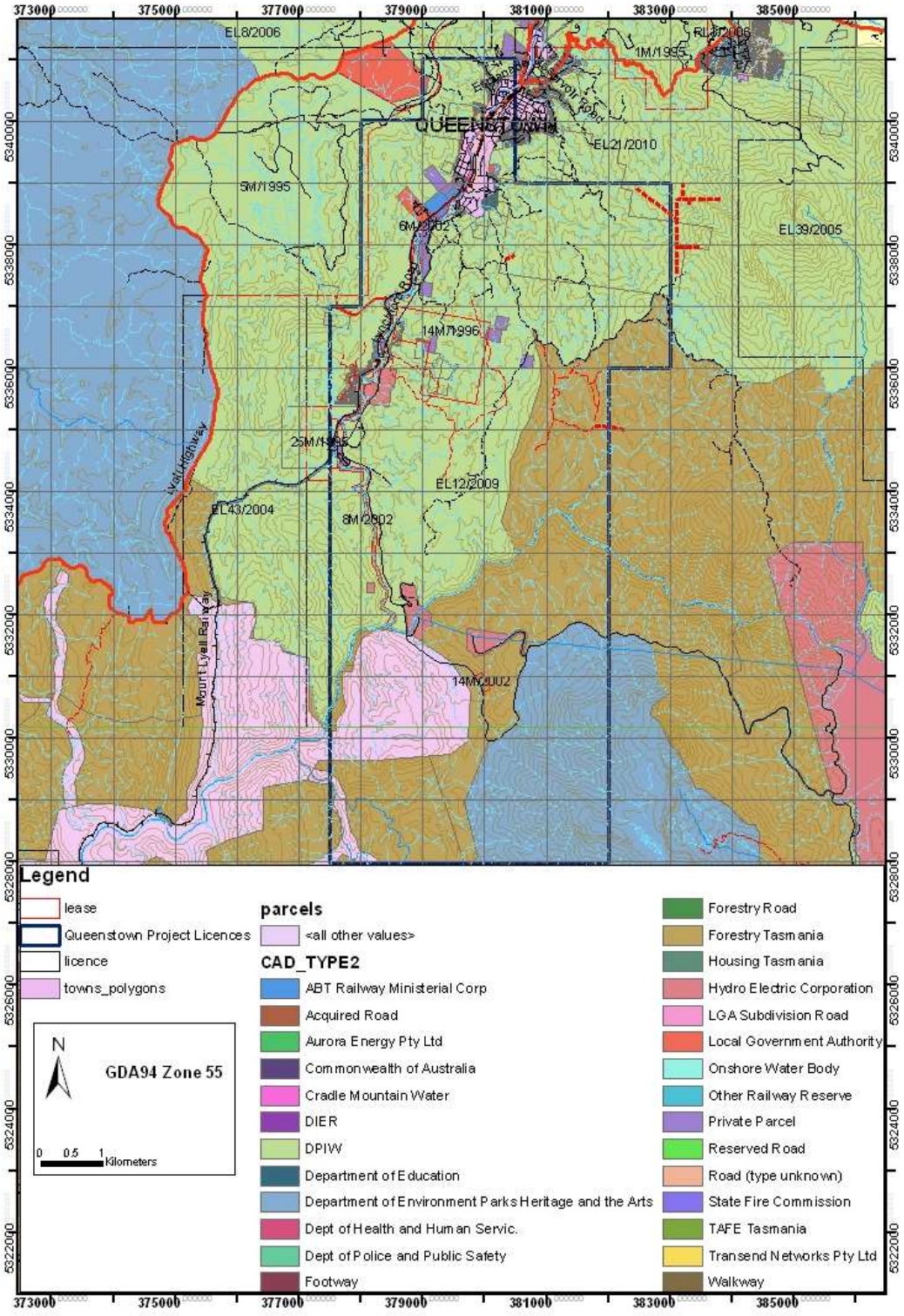

FIGURE 1: TENURE

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.

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. The Lynchford Tuff is host to the exhalative Pb-Zn massive sulphide bodies at Comstock and Tasman Crown within the Mt Lyell mining lease and composes the lower most Tyndal group within EL12/2009.

Ordovician aged Owen group siliciclastic conglomerates and sandstones are found in the south east of the tenement, and a thin unit of Gordon Limestone is found in the west.

Silurian aged Eldon group shales sandstones and minor conglomerates are found in the west of the tenement.

5.0 MINERALISATION

20 historical prospects are known within the tenement, the majority are gold workings within the MRV, spatially associated with a major North-West trending fault. Minor mineralisation was intersected in diamond drilling at Specimen Creek associated with a VTEM anomaly, NW trending fault and prospective lithologies similar to those seen at Hellyer. A review of the geology of the area has posed the potential for a similar style of mineralisation to that seen at Henty. There is a clustering of EM anomalies (historic and Corona) adjacent to the Specimen Creek fault and close to the contact between the Lynchford Member and the andesite-basalt sequence.

6.0 STRUCTURE

Predominant structure has a north-north-east plastic deformation orientation with a north west static deformation 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

EL12/2009 was targeted for VHMS and related mineralisation, with a focus on the apparent association of gold workings and a major North West trending structure. Previous work by Newcrest (Kitto, 2008) recorded a 20 m zone of anomalous gold mineralisation (~0.2 g/t) 400m vertically below the Mt Ellen gold mine (on the adjacent EL51/2008 tenement also operated by Corona), associated with albite-silica alteration. Corona hypothesised this could represent a distal setting to a system similar to Henty. In addition to this it is recognised that the geology within the Lynchford area is similar to that of Hellyer, and previous workers identified a zone of intense hydrothermal alteration within volcanics that are adjacent to a hypothesised synvolcanic fault (Specimen Creek fault). Corona has since identified a VTEM conductor within this area of alteration.

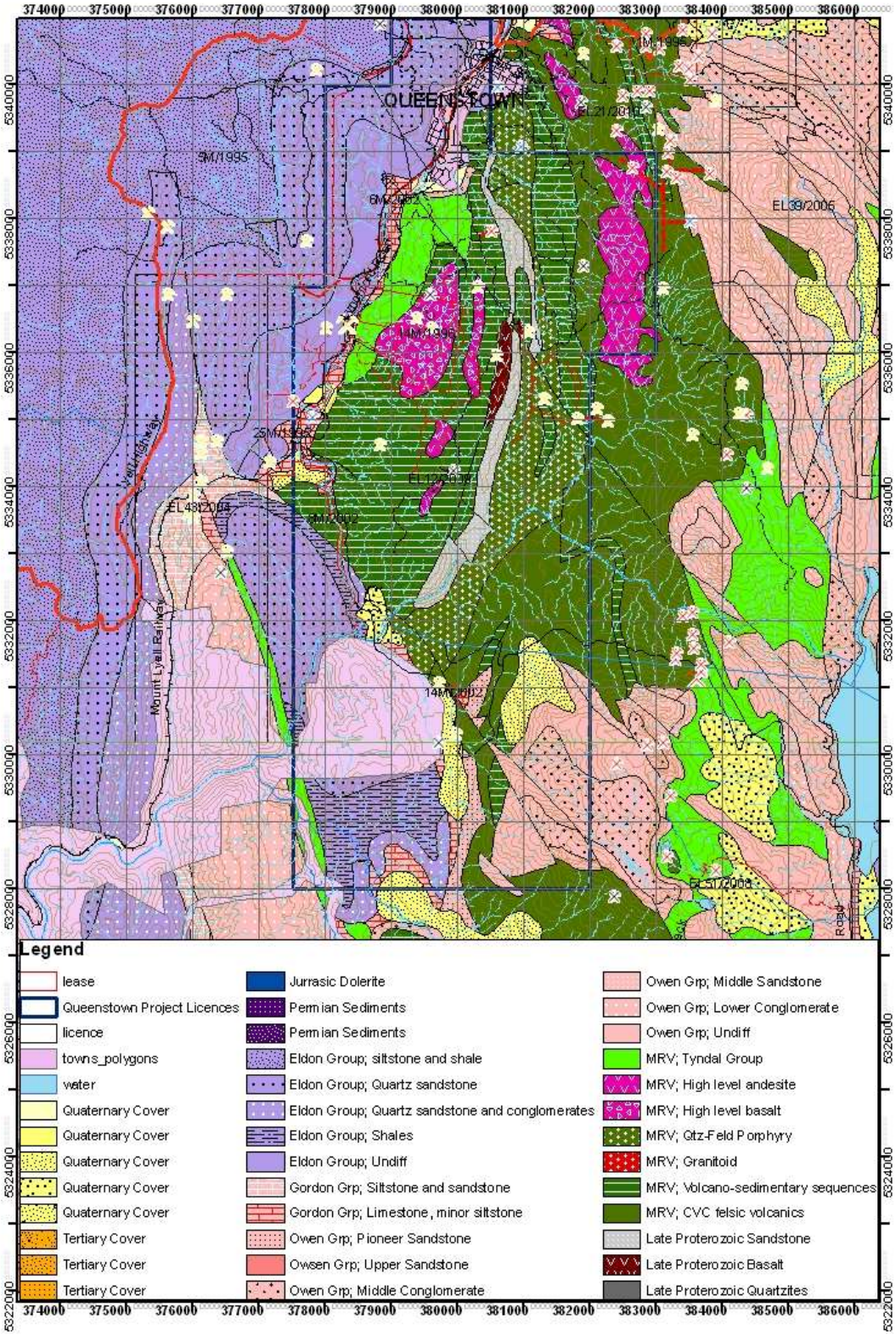

FIGURE 2: GEOLOGY

8.0 EXPLORATION HISTORY

Mineral exploration in and around EL12/2009 began in the 1880's, with the discovery of gold in the Lynchford area predating the discovery of the Mt Lyell system.

Modern exploration began in earnest in the 1960's, and has been intermittent since then. Summary of historical exploration is presented in Table 1 over leaf.

Year	Operator(s)	Relevant Reports	Exploration Activities	Significant Results
1965-67	Picklands Mather	6805_12	Stream and soil geochemistry and ground magnetic survey	Only background levels of base metals in MRV
1971-72	Cyprus Mines Corp.	71_0814 72_0858	Soil and rock chip sampling petrographic samples, IP, ground magnetics and mapping of area between Lynch Creek and Roaring Meg Creek, including the King Gold Mine.	Prospective MRV mapped in area with significant alteration of volcanics. Broad >100ppm Cu in soil anomaly.
1979-81	MLMR	81_1519 84_2258	24km airborne Dighem EM survey, IP over old Cyprus grid.	Re-interpretation of Dighem data by consultant geophysicist produced 11 very small anomalies of minor significance.
1985-88	CRA	87_2636	Ground EM survey, stream sediment and soil sampling.	Minor zones of Cu-Zn-Ba soil geochemistry were identified in Specimen Creek related to fuchsite-sericite-pyrite tuff outcropping in the area.
1988-94	Aberfoyle (JV with CRA)	89_2977 90_3152 94_3539 95_3706	Mapping, gridding, rock chip and soil sampling, costeaning, petrology, UTEM ground survey, ground magnetic survey, helimag survey, grab sampling and drilling of one diamond drill hole for 697m.	At Specimen Creek a Ba/As + low order Au in soil anomaly outlined. Soil anomalism followed-up with costeaning. One costean north of Fu/Se/Py/Cb alteration zone returned peak Ba 3.6% and 9775ppm Pb. Ground magnetics delineated mafic bodies and outlined extent of Comstock Tuff. Helimag survey allowed reinterpretation of the Specimen Creek alteration zone with geometry indicative of a structurally controlled dispersion halo. Two conceptual targets were recommended with the prioritized FW target testing the Lynchford Tuff-Lower Tyndall Group correlate and stratigraphic contact between the Lynchford Tuff and altered mafic Lynch Creek Basalt due to stratigraphic correlation with Rosebery and Comstock-style VHMS mineralisation. This target was drilled in 1994 but intersected no significant mineralisation, nor did it reach the Lynch Creek Basalt contact despite end of hole at 697m. DHEM failed to detect any off-hole conductors.
1991-95	Pasminco	91_3278	Detailed mapping, radiometric survey and UTEM survey Lynchford area	Mapping at Lynchford outlined several weakly mineralized units which could correlate to Rosebery-Hercules host rock stratigraphic position. Geochemical similarities with Que-Hellyer volcanics also previously recognized. UTEM identified several bedrock responses, one of which (G) was associated with a broadly coincident Ba/As/Pb soil anomaly. Anomalism is interpreted to be associated with sheared and veined graphitic siltstone and not considered part of a volcanogenic massive sulphide system. Aeromagnetics highlighted a major east-west oriented structural corridor reflecting deep seated fracture and potential mineralisation feeder system.
1994-99	RGC	95_3732 97_4016 98_4200	Evaluation of magnetic anomaly in Miners Ridge area. Soil and rock chip grid, 1:5000 scale mapping, helimag survey.	Weak Cu in soil levels coincide with bulls-eye magnetic anomaly and weak Pb and Zn results rim the low level Cu anomalism like at Garfield. Drill hole LF002 failed to intersect a magnetic source to explain the magnetic target. Drill hole LF005 intersected significant quantities of magnetic pyrrhotite which may explain the magnetic anomaly. Rare sulphides (Py-Sp) intersected in either hole were interpreted to be epigenetic and hence not related to a Cambrian hydrothermal event.

2005-08	Bass Metals Ltd	09_5799	Aster	None

Table 1. Historical Exploration Summary

9.0 PREVIOUS WORK COMPLETED BY CORONA

A helicopter supported VTEM and aeromagnetic survey and modeling of VTEM results has been conducted this reporting period. Two small VTEM anomalies were delineated, one between Diorite Hill and Nasty Knob (anomaly one), and one on the western boundary with 14M/1996 in the vicinity of specimen creek (anomaly two). Both anomalies have been modeled by SGC, and warrant follow up work (see Figure 3). Further details can be found in Hughes (2011).

Corona has reviewed exploration targets within EL12/2009. Of note are two gold workings which require further investigation. The Princess River Gold Mine and the Halls Creek Gold Mine which have both produced gold in the late 1800's/early 1900's and both operations were stopped due to unmanageable water inflow. There is little information available for both of these workings but Blake (1949) indicated that several thousand ounces of gold was mined from The Princess River Gold Mine at a grade of about 24 g/t.

Corona Staff visited the Halls Creek Gold mine which is situated near the John Butters Power Station. The area is accessed by a track that is open to the public leading from the car park near the power station. Several open stopes, adits and shafts are visible, along with historical mining related items such as skiffs and the remains of a battery stamp, within an area that has numerous young Huon Pine growing.

Corona contracted Independent Geologist (IG) to drill 9 short BQ diamond holes in a fence pattern over the VTEM anomaly reported at Specimen creek. Access was prepared by Rogers Exploration Pty Ltd. Drilling utilised a very small "rucksack drillrig", to drill vertical holes to capacity (~10m), in order to assess the geology which is obscured by valley cover in the vicinity of the VTEM anomaly. The core was logged and photographed by IG at site and carried out by hand and transported to Corona's core yard in Queenstown. The core will be logged by Hylogger or ASD before it is cut and assayed as the cutting process will destroy most of the core. Modelling of the VTEM anomaly indicated a potentially outcropping massive sulphide source. No massive sulphides were intersected, and alteration intersected in drilling doesn't appear to be proximal, although sericite alteration with weak pyrite stockworking (oxidised) was encountered.

An exemption from conditions was applied for and received for EL12/2009 during the 2016 reporting period.

10.0 WORK COMPLETED IN THE CURRENT REPORTING PERIOD

The Mining Lease 14M/1995 that was held in Estate over the King River Gold mine lapsed and the area has been consumed by EL12/2009.

The King River Goldmine was the initial "find" in the Queenstown area and lead to the prospecting rush that eventually uncovered the Mt Lyell mine. High grade gold was removed from the area initially but the clayey nature of the ground made it very difficult to operate the prospect and the mine was abandoned by the turn of the 20th century. No modern gold exploration has taken place over this prospect, Cyprus Mines Ltd held the ground in the early 1970's and conducted mapping, sampling and geophysics, but never assayed for gold.

A preliminary inspection has been undertaken by Corona assisted by 3km of track preparation and limited rockchip sampling (results not yet received at time of writing). Details of the preliminary inspection are to be found in Appendix 1.

11.0 DISCUSSION/CONCLUSION

With the recent acquisition of the King River Gold mine area, Corona will focus on this prospect moving forward.

12.0 ENVIRONMENT

3km of access preparation was completed using a chainsaw. Tracks were cut to 1m in width. It was noted that an extremely high amount of alien invasive vegetation species was met with.

13.0 EXPENDITURE

Table 2. Expenditure

ITEM	Cost 2017 per		
Access Preparation	9000		
Diamond drilling			
Travel and accom	2000		
Wages & Oncosts	8000		
Storage costs	1200		
Hire vehicles	1000		
Sub Total	21200		
Administration @ 10%	2120		
		Total	**23320**

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