

Corona Minerals

Annual and Final Report

EL21/2010

For Period 21 December 2018

to 20 December 2019

Tasmania

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SUMMARY

This report is the final annual report for EL21/2010.

No work was completed on the EL during the last year of tenure.

Due to a combination of time constraints on this mature EL and limited finances, Carona Minerals have decided to relinquish the EL and concentrate on their remaining tenement EL51/2008 covering the Jukes-Darwin area.

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1 INTRODUCTION

1.1 LOCATION AND ACCESS

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. The EL covers rocks of the Cambrian Mt Read Volcanics (MRV) and the younger Cambrian to Silurian siliciclastics of the Wurrawina Supergroup (Owen Group). The topography of the EL is dominated by the West Coast Range with Mt Lyell and Mt Owen dominating the EL. The mountainous country is steep, and often wet recording the highest rainfall in Tasmania. Much of the EL is denuded of vegetation from historic mining activities. Regrowth consists of patchy thick tea tree, blackwood and willow wattle with lesser rainforest species, mainly confined to creeks and gullies.

Access within the tenement is excellent with the Lyell Highway running through the Linda Valley and serviceable 4WD road access in the Little Owen area. The light vegetation allows reasonable foot access to much of the tenement.

1.2 TENURE

EL21/2010 encompasses 21 km² and covers crown land, the gazetted townships of Linda and Gormanston, and minor amounts of HEC land near Lake Burbury (Figure 1).

The tenements is beyond its expiry date and has required Terms of Extension to extend tenure. Corona Minerals have opted not to renew the tenement and this document is the 2018 Annual and Final Report.

1.3 EXPLORATION PHILOSOPHY

Corona are exploring for volcanogenic mineralisation within the MRV's, with copper-gold (Prince Lyell) and gold (Henty style) being the principle targets. The area covered by the EL has a long mining history commencing in the 1880's.

Sediment hosted basemetal mineralisation is associated with Ordovician shales and limestone located at the top of the Gordon Group and is considered to be of syngenetic origin similar to MVT or Irish Style.

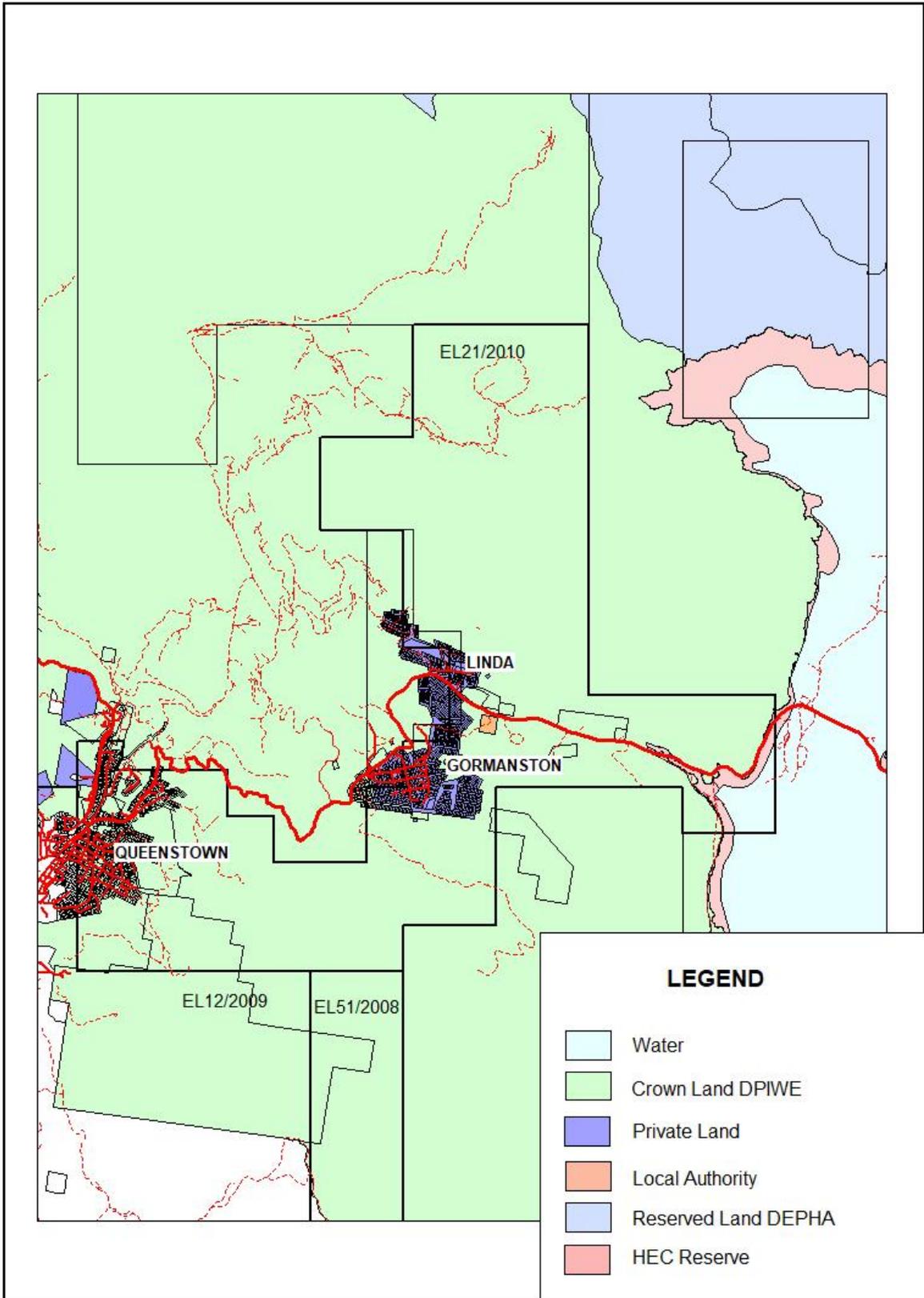


Figure 1. EL21/2010 Location and Tenure

2 GEOLOGY

2.1 REGIONAL GEOLOGY

Western Tasmania has been subject to complex deformation, igneous activity and sedimentation from the Late Proterozoic to the present. The Dundas Trough exerted a major control on the pre-Carboniferous geology of Western Tasmania.

Around 700Ma a shallow rift basin developed between the northwest and eastern basement blocks of dominantly Proterozoic meta-sediments. Early basin infill consisted of the Oonah Formation and Success Creek Formation siliciclastic and carbonate sediments. Continued rifting in the Late Proterozoic-Early Cambrian (580-550Ma) resulted in the deposition of a thick sequence (>5km) of tholeiitic volcanics and associated sediments of the Crimson Creek Formation.

During the Middle Cambrian (515-510Ma) a sequence of mafic-ultramafic complexes were emplaced into the western margin of the Dundas Trough. Ultramafic detritus in clastic rocks suggests they were emplaced towards the top of or above the Crimson Creek Formation and were subject to Middle Cambrian erosion (Corbett, 1989). Berry and Crawford, (1992) proposed an obduction model for the emplacement of the mafic-ultramafic complexes and associated sedimentary sequences where a fore arc terrain was thrust over a passive continental margin.

Post collision extensional tectonics produced troughs into which the Cambrian Dundas Group and Mt Read Volcanics (MRV) were deposited (Corbett, 1992). The Dundas Group forms a complex sequence of locally derived sediments and volcanics along the western margin of the Dundas Trough.

The MRV form a 200km long by 20km wide broadly north-south trending belt adjacent to and in some areas on-lapping and intruding Proterozoic basement rocks on the eastern margin of the Dundas Trough. The volcanics include dominantly calc-alkaline intermediate to felsic lavas, sub-volcanic porphyries and granites, volcanoclastics and basement-derived sedimentary rocks. The MRV is one of the most mineral rich areas in the world, hosting the Rosebery and Hellyer world class volcanic hosted massive sulphide (VHMS) deposits as well as several other smaller VHMS deposits (Que River and Hercules). The MRV also host volcanogenic gold and copper deposits including the Mt Lyell Field and the Henty Gold Mine. Several regional fault structures subdivide the MRV including the Rosebery and Henty Faults.

The Henty Fault divides the MRV into north western and south-eastern provinces with predominantly VHMS deposits to the north and copper gold deposits to the south. EL 51/2008 covers rocks of the south-east province only. The MRV south of the Henty fault comprise 4 main lithological groups (Corbett, 1992):

Central Volcanic Complex (CVC) consisting of mainly rhyolitic to andesitic volcanic rocks with minor sedimentary and mafic units.

Eastern quartz-porphyritic sequence of lavas and volcanoclastics

Tyndall Group comprising quartz porphyritic lavas and volcanoclastic rocks

Western Sequence of volcano-sedimentary siltstone, shale, quartzose and volcanoclastic turbidite and felsic porphyry intrusions.

The Late Cambrian Delamerian orogeny resulted in localised uplift and erosion of the Tyennan Block and subsidence of the Dundas Trough, forming structural and erosional basins that were subsequently filled with Late Cambrian to Devonian Wurrawina Supergroup sedimentary rocks including the Owen, Gordon and Eldon Groups.

The Middle Devonian Tabberabberan Orogeny encompassed polyphase deformation (Williams, 1978). The development of folding, cleavage and regional thrusts in lower Palaeozoic rocks were associated with this event. Several small to medium sized post tectonic I and S type granites intrude the early lithologies at shallow levels. A number of styles of mineralization are associated with the Devonian granites including tin-tungsten and lead-zinc-silver.

In the Quaternary extensive unconsolidated glacial and fluvio-glacial deposits accumulated. These deposits now obscure parts of the Palaeozoic geology.

2.2 LOCAL GEOLOGY

The geology of EL21/2010 is dominated by the Late Cambrian Mt Read Volcanics (MRV) and Cambrian to Silurian siliciclastic sediments of the Wurrawina Super Group (Figure 2). The MRV and Wurrawina Supergroup are located on the eastern margin of the north-south trending Dundas Trough and form the geology of the prominent West Coast Ranges.

The MRV consist of the Central Volcanic Complex (CVC), Western Volcano Sedimentary Sequence (WVS), Eastern Quartz Phyric Sequence (EQPS) and the younger Tyndall Group. Morrison (2002) suggests there is no distinction between the EQPS and the Tyndall Group.

The WVS consists mainly of rhyolitic volcano-sedimentary turbidites, siltstones and conglomerates with intercalated shale. The WVS is intruded by several late quartz-feldspar porphyries and lesser basaltic-andesite volcanics which may be equivalents of the Que Hellyer volcanics in the northern MRV.

The CVC consists of dominantly feldspar phyric to aphyric rhyolitic to dacitic coherent volcanics with lesser associated volcanoclastics and breccias. Feldspar-hornblende phyric andesitic volcanics intrude the upper CVC in the Queenstown area (Figure 2).

Alteration within the CVC is variable with strong silica-sericite alteration developed in competent rhyodacites near little Owen. Intense sericite + pyrite + silica and chlorite-pyrite alteration is developed in volcanics within the Mt Lyell Mine lease just west of the EL.

The Tyndall Group unconformably overlies both the CVC on the eastern side of the tenement. It is dominated by quartz-feldspar phyric volcanoclastic breccias and crystal sandstones with local quartz-feldspar phyric rhyolitic intrusions. Quartz phyric rhyolite intrusives, breccias and volcanoclastics dominate the eastern Tyndall Group.

Much of the tenement consists of late Cambrian to Ordovician aged Owen Group siliciclastic conglomerates and sandstones unconformably and disconformably overlying the MRV. These erosion resistant siliciclastic rocks form the higher peaks of the West Coast Ranges. The Owen Group was deposited in deep structural grabens on the eastern margin of the Dundas Trough, with thick sequences in the east rapidly thinning westwards. Overlying the Owen Group is the Ordovician Gordon Limestone which generally outcrops poorly forming topographic lows to the east and west of the EL. Minor outcrops of Silurian aged Eldon group shales sandstones and minor conglomerates are found in the west of the tenement.

Structurally the area is dominated by basin wide early (Cambrian Delamerian Orogeny) north trending folds and faults strongly deformed by later northwest trending folding and faulting associated with the Devonian Tabberabberan Orogeny.

2.3 MINERALISATION AND PROSPECTS

The EL lies immediately south and east of the Mt Lyell Mine Lease. Numerous historical prospects are known within the tenement, the majority being copper-gold workings just west and north of the tenement in the Mt Lyell Field (Figure 2). Several styles of mineralisation are thought to be present including:

Prince Lyell/North Lyell analogues at Little Owen, Great Lyell and Hematite Tunnel

Native copper in "Copper Clay" deposits at Lyell Consols

Stratabound pyrite-sphalerite-galena mineralisation hosted within the upper Gordon Group.

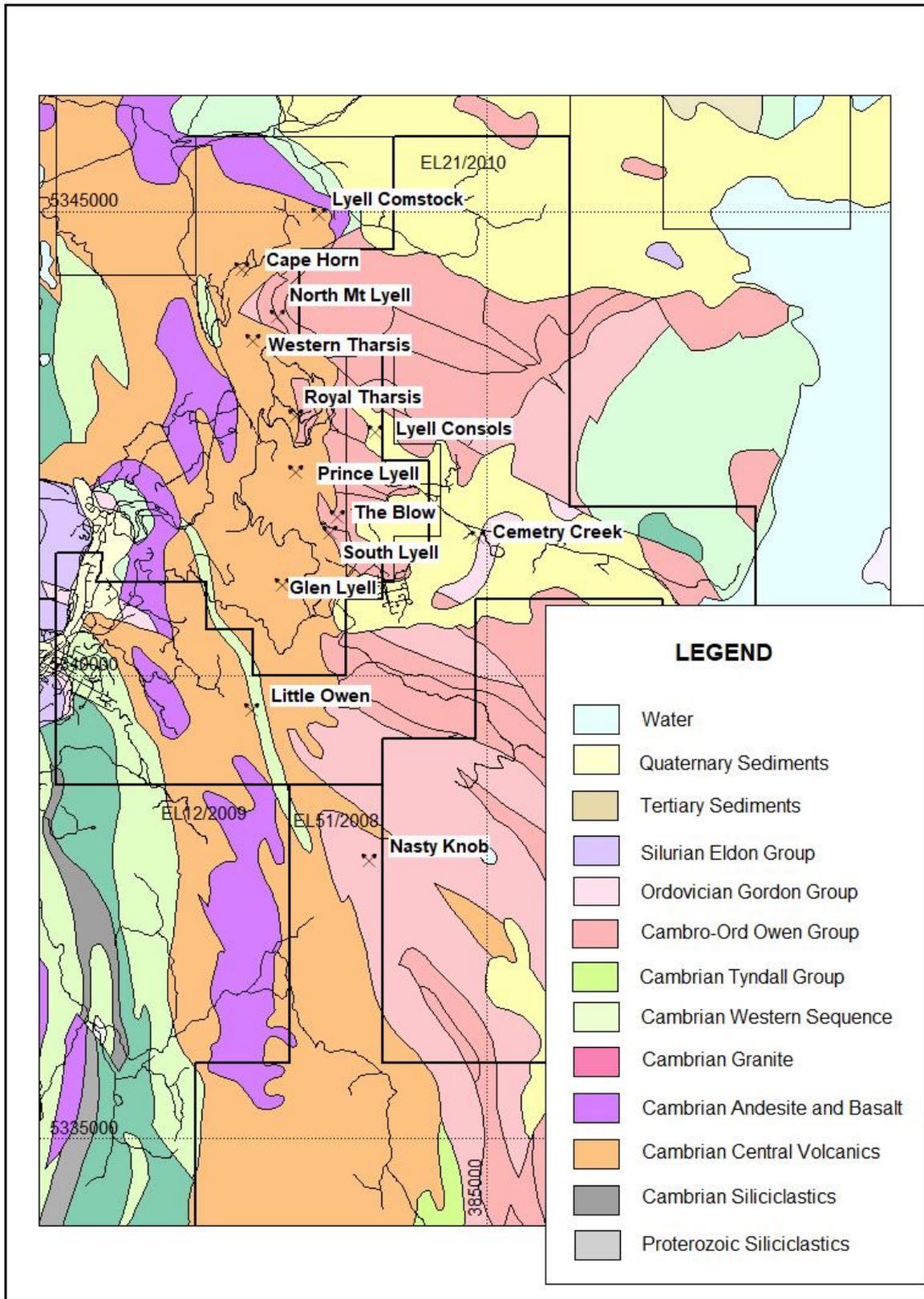


Figure 2. EL21/2010 Geology and Prospect Locations

3 EXPLORATION HISTORY

A compilation the exploration history prior to the granting of EL21/2010 can be found in the first annual report (Hughes, 2011).

Mining and mineral exploration of the district has been ongoing since the 1880's following the discovery of Mt Lyell. At least 11 copper prospects, 4 gold prospects and one base metal prospect occur within the area of interest. A total of 33 drillholes holes have been recorded prior to the granting of EL21/2010.

4 WORK COMPLETED BY CORONA

2011

Work completed by Corona Minerals in 2011 consisted of an airborne TEM and aeromagnetic survey (Hughes, 2011). Two large conductive bodies within the Linda and Comstock Valleys were identified.

2012

Geochemical sampling and mapping in 2012 confirmed widespread zinc anomalism within the Linda Valley (Chamonix Prospect), and a reassessment of the geology. A sediment hosted basemetal model for mineralization was outlined (Hughes, 2012).

2013

A total of 15 aircore reverse circulation ACRC holes for 357 m were drilled intersecting significant Zn-Pb-Ag mineralisation in the Chamonix Prospect. Significant basemetal-silver mineralisation was identified in carbonaceous shale at the top of the Gordon Group including:

CZA002	12m @ 5.3% Zn, 0.9% Pb and 15.4g/t Ag from 16m
CZA005	6m @ 4.8% Zn, 0.3% Pb and 7.4g/t Ag from 22m
CZA007	6m @ 2.2% Zn, 0.1% Pb and 4g/t Ag from 8m
	8m @ 1.3% Zn, 0.2% Pb and 2.9g/t Ag from 24m
CZA009	6m @ 2.2% Zn, 0.1% Pb and 2.9g/t Ag from 0m

2014

Drilling of 7 vertical PQ3 and HQ3 diamond holes for 338.3m at the Chamonix basemetal prospect. Significant intercepts include:

CZD001	0.5m @ 6.5% Zn from 9.5m
CZD002	2m @ 2.6% Zn from 3m
CZD003	6.6m @ 3.9% Zn and 9.5g/t Ag from 5.2m
CZD005	1.9m @ 2.4% Zn and 7.1g/t Ag from 27.5m
CZD006	1m @ 3.2% Zn from 23m

Mineragraphy identified the mineralisation as pyrite-sphalerite-galena-tetrahedrite hosted in silicified and sericitised carbonaceous shale. The deposit extends over 240m by 150m with a possible strike length of 1500m by 500m (Hughes, 2014).

2015

No work completed

2016

No work completed. An exemption from conditions was granted.

2017

No significant work completed (Hughes 2018).

2018

No work has been completed by Corona Minerals in the last year of tenure. The EL has been allowed to expire.

5 DISCUSSION

Significant although sub economic sediment hosted Pb-Zn-Ag sulphide mineralisation was identified over 240m by 150m at the Chamonix Prospect in the Linda Valley. Mineralisation consists of stratabound pyrite-sphalerite-galena-tetrahedrite associated with brecciated, silicified and sericitised carbonaceous shale.

The prospect remains open and can be extended potentially over a 1500 by 500m area.

No work was conducted in the Mt Read Volcanics south of the Mt Lyell Mining Lease. Numerous historic workings and prospects are located in the Little Owen to Great Lyell area. Historic exploration has identified significant Cu-Au geochemical and IP anomalies in the area, many of which require further investigation.

Due to a combination of time constraints on this mature EL and limited finances, Carona have decided to relinquish this EL and concentrate on their remaining tenement EL51/2008 covering the Jukes-Darwin area.

6 ENVIRONMENT

All drill collars from the 2013 and 2014 drilling program were capped, cemented and covered back over using an excavator, all pads were rehabilitated, all roads constructed were rehabilitated. Corona rehabilitated historical holes on the tenement also.

No further rehabilitation is required.

7 EXPENDITURE

ITEM	Cost		
Salaries and wages	5,532		
Accommodation			
Consumables			
Vehicle Hire			
Drilling			
Assays			
Tenement Costs			
Earthmoving			
Other	6,275		
Mineragraphy			
Sub Total			
Administration @ 10%			
Total	11,807		

REFERENCES

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

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