Corona Minerals

ANNUAL REPORT

30 JUNE 2012

www.coronaminerals.com

CORPORATE DIRECTORY

DIRECTORS
T M Allen, (Chairman)
M P Wright, BBus
B J Hurley MAusIMM

COMPANY SECRETARY
M P Wright

EXECUTIVES
C Hughes, Geologist

SHARE REGISTRY
Computershare Investor Services
GPO Box D182
WEST PERTH WA 6005
Telephone: 08 9323 2000
Facsimile: 08 9323 2033

AUSTRALIAN BUSINESS NUMBER
95 105 161 644

SHARE CAPITAL
97.7M fully paid shares
6.0M options ($0.05 31/12/14)

MAJOR SHAREHOLDERS
Directors 46%

BANKERS
Macquarie Bank Limited
77 St Georges Tce
PERTH WA 6000

Westpac Banking Corporation
109 St Georges Tce
PERTH WA 6000

AUDITORS
Stantons International
1 Walker Avenue
WEST PERTH WA 6005

SOLICITORS
Gilbert & Tobin
1202 Hay Street
WEST PERTH WA 6005

REGISTERED OFFICE
703 Murray Street
WEST PERTH WA 6005
Telephone: 08 9486 4482
Email: admin@coronaminerals.com

POSTAL ADDRESS
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WEST PERTH WA 6872

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CHAIRMAN'S ADDRESS

Dear Shareholders

I would like to invite you to attend your company's AGM which will be held at 12pm (WST) on 30 November 2012.

The turbulent market conditions prevailing over the last few years has made it difficult to raise funds, but the company has successfully raised in excess of $1.5M via placements and a rights issue since the last annual report, which has allowed, and will continue to allow our exploration programme to continue.

The frustrating attempt to obtain a stock exchange listing on the Toronto Venture exchange was a set back as far as funding is concerned, however your support as shareholders in the recent rights issue will allow us to follow up last summer's successful drill programme in NW Tasmania, with at least one more drill hole at South Darwin planned to start before Christmas. At the time of writing we have successfully established a road to the next drill and camp site (at South Darwin). This should allow considerable cost savings on drilling, by replacing helicopter support with vehicles.

The more recent discovery of tin and direct shipping iron ore by nearby company Venture Minerals in Tasmania greatly enhances our enthusiasm for the Granite Tor Project. These Venture discoveries are hosted in a similar geological environment and are located approximately 30 kilometres from our tenements.

We hope market conditions will improve in order that an ASX listing will eventuate in the future.

The Board has faith in the exploration areas currently under our control and look forward to good summer weather to allow exploration to go forward.

I would like to thank our previous Canadian director, Jag Sandhu for his efforts in our attempt to list in Canada and to Terence Middleton who has retired for personal reasons, but remains a valued consultant to the Company.

T M Allen
Chairman

Company Projects

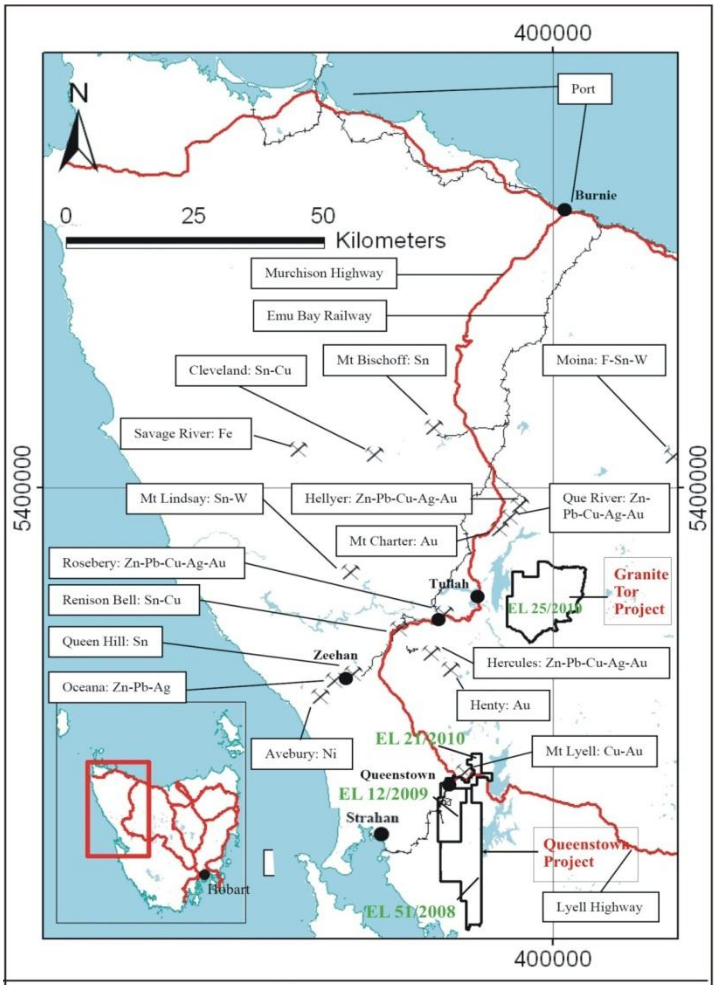

Figure 1.
West coast of Tasmania showing significant mines and deposits, Corona's tenure and major infrastructure.

Summary of Corona's Projects

Corona Minerals Ltd ("Corona") has acquired an interest in two mineral properties termed the "Queenstown Project" and the "Granite Tor Project" in the West Coast district of Tasmania. Corona believes the Tenements that make up the Queenstown Project are prospective for a host of metals and minerals including copper, gold, silver, lead zinc and iron. The Tenement that makes up the Granite Tor Project is prospective for tin, tungsten and iron.

The Proterozoic and Palaeozoic rocks of the West Coast district are particularly well endowed with metallic minerals that have yielded substantial amounts of copper, lead, zinc, silver, gold, tin, iron ore and nickel from the late 19th century up until the present day.

The Queenstown Project area, covering approximately 206km², is adjacent to and extends 25km south of the major copper mining centre of Queenstown, home of the Mt Lyell mine. It is held as three Exploration Licenses – two subject to a farm-in agreement with Jaguar Minerals Limited ("Jaguar") in which Corona has earned 80%. The other is held 100% by Corona. The area is quite rugged and forested and is mostly state owned land.

The Granite Tor Project area is covered by EL25/2010, a single Exploration License of approximately 166km² held 100% by Corona. It is centred about 13km east of the township of Tullah on the Murchison Highway.

Queenstown Project

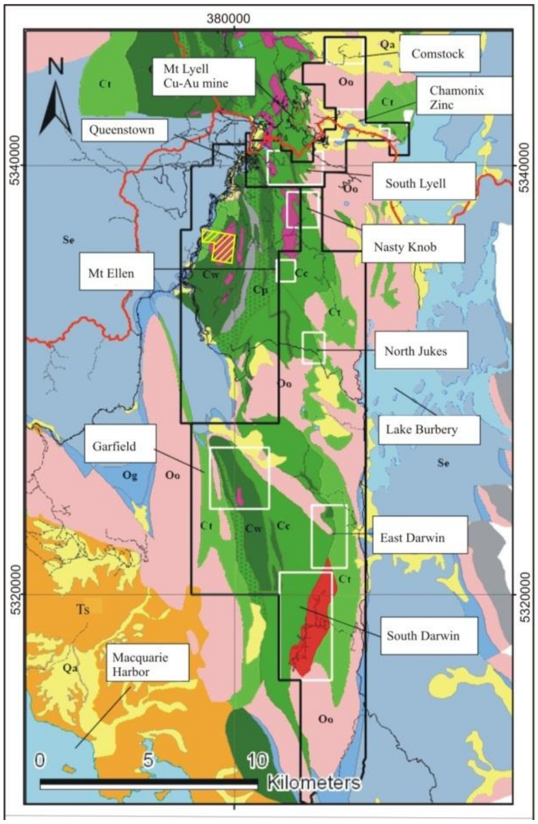

Figure 2
Local Geology of the Queenstown Project area showing main prospects.

LEGEND

The Queenstown Project is held as three Exploration Licences.

Corona has earned 80% equity in Exploration Licences 51/2008 and 12/2009 from Jaguar Minerals Ltd ("Jaguar"). As a condition of Corona having earned its 80% equity, Jaguar has elected to contribute to future programs pro-rata.

Exploration licence 21/2010 within the Queenstown Project is held 100% by Corona Minerals Ltd.

The Queenstown Project area covers almost 30km of north-south trend of the Cambrian aged Mt Read Volcanics which host the world class Mt Lyell copper-gold mine and the Rosebery and Hellyer stratiform massive sulphide zinc-lead-copper-silver-gold mines. These volcanics form the spine of the north-south trending West Coast Range and are capped by the Cambro-Ordovician aged Owen Group that is in turn overlain by remnants of Ordovician Gordon Limestone.

These rocks have been affected by several major tectonic events resulting in complex folding and faulting with structural settings playing a major part in mineral emplacement.
There are 137 known mineral showings within the Company's Project area according to Mineral Resources Tasmania. These are mostly copper, copper-gold, copper-magnetite, gold and zinc-lead-silver occurrences that were discovered at the turn of the 19th century.

The size, grade and lack of treatment facilities precluded serious development activities at that time. Company scale mineral exploration has taken place through the latter half of the 20th Century with large scale discoveries made as recently as the 1990's – viz Garfield.

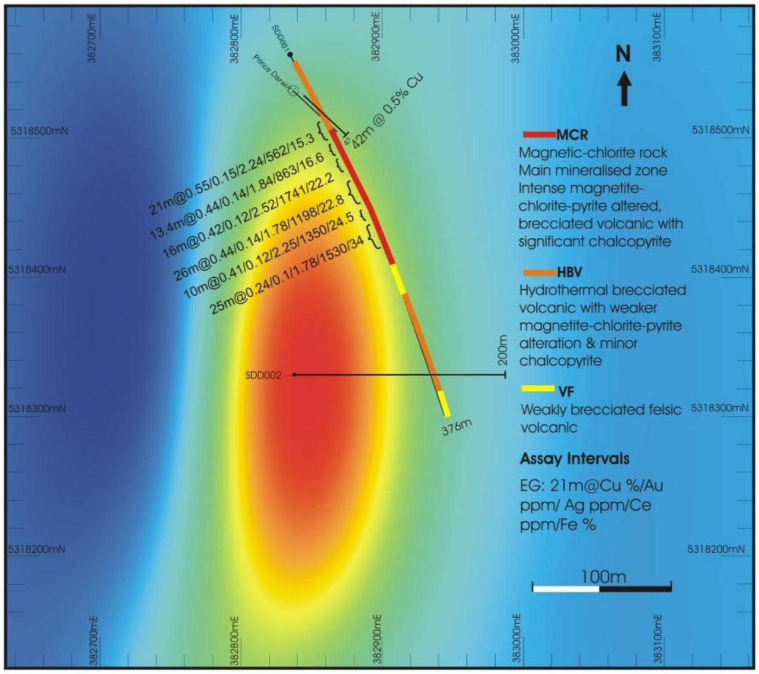

Figure 3

Plan showing Corona 2011 drilling and magnetic target at the Prince Darwin prospect

Despite the prospectivity of the region, drilling in most areas of the Corona prospects has been very limited when compared to the activity in most similar parts of Australia.

The Company believes there is potential to discover copper-gold deposits in the Mt Read Volcanics within the Queenstown Project as demonstrated drilling at the South Darwin Prospect where **124m at 0.4% Cu** was intersected in SDD001 in December, 2011. In addition there is potential for copper-magnetite, gold and shale hosted zinc-lead-silver bearing massive sulphides.

Corona has selected nine main prospects as being most worthy of serious exploration of which the Prince Darwin copper-magnetite zone in the South Darwin area (where Corona undertook their maiden drilling program); Garfield copper-gold prospect; Mt Ellen gold prospect; North Jukes copper-gold prospect are considered ready for immediate drilling.

Key aspects of the Queenstown Project are:

- Primary targets are copper, gold, base metals and magnetite
- World Class VHMS province
- Corona made a significant copper-gold-silver-REE (Rare Earth Elements)-magnetite mineralisation discovery at the South Darwin Prospect in Corona's maiden Tasmanian drilling program in 2011 with hole SDD001 returning **124m@0.4% Cu (figure 3 and Table 1)**
- area covers almost 30km of north-south trend of the Cambrian aged Mt Read Volcanics which host the world class Mt Lyell volcanic hosted copper-gold mine and the Rosebery and Hellyer stratiform massive sulphide zinc-lead-copper-silver-gold mines1.7km from the famous Mt Lyell mine (production 311 Mt of mine treated and remaining reserves at 1% Cu, 0.3 g/t Au)
- 137 historical mines and prospects within Project area
- Drilling approval is in place for four prospects
- Exploration is ongoing at South Darwin with further drilling expected to start min November 2012

Many targets have no, or very few, historical drill holes.

Table 1. Summary of assay results for drill hole SDD001.

HoleID	From (m)	To (m)	Interval (m)	Cu ppm (mean)	Au ppm (mean)	Ag ppm (mean)	Ce ppm (mean)	La ppm (mean)	Fe % (mean)
SDD001	66.0	87.0	21.0	5512	0.15	2.24	562	306	15.3
SDD001	92.6	106.0	13.4	4459	0.14	1.84	863	458	16.6
SDD001	109.0	125.0	16.0	4255	0.12	2.52	1741	912	22.2
SDD001	134.0	160.0	26.0	4428	0.14	1.78	1198	628	22.8
SDD001	167.0	177.0	10.0	4172	0.12	2.25	1350	717	24.5
SDD001	182.0	207.0	25.0	2463	0.10	1.78	1530	815	34.0
Maximum									
	138.0	139.0		11431					
	140.0	141.0			0.48				
	169.0	170.0				5			
	178.0	179.0					8283		
	178.0	179.0						4467	
	119.8	120.0							57.4

Granite Tor Project

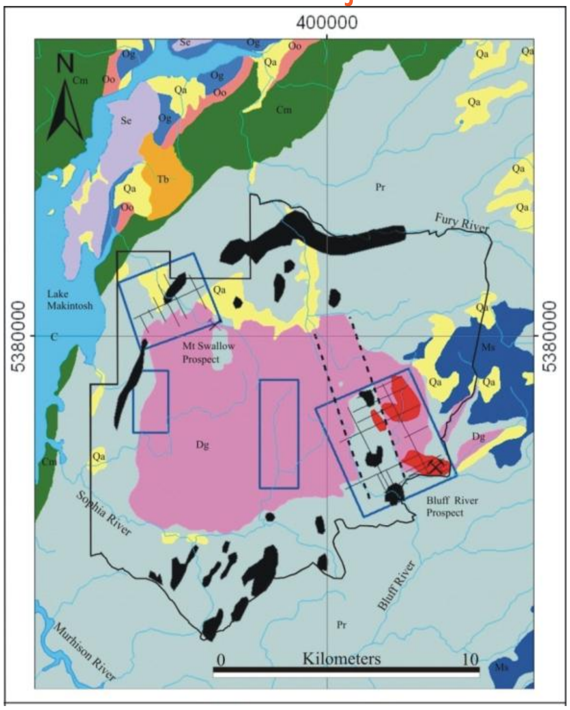

Figure 4

Granite Tor general geology, tin drainage and soil geochemistry anomalies and historical gridding

LEGEND

The Granite Tor Project is located 13 km east of Tullah in Tasmania and consists of a single exploration licence EL25/2010; approximately 166km2 in area and is 100% held by Corona.

The Granite Tor Project encompasses the Devonian age Granite Tor Pluton and the surrounding Proterozoic age Tyennan Group Metamorphics which have been intruded by the pluton. The Tyennan Group in the vicinity of the pluton contain carbonate bearing lithologies and skarns are reported to have formed in certain areas.

Elsewhere in Tasmania such Devonian age Granites have major tin and tungsten mineralisation associated with them including the world class Renison tin mine, operated by Metals X Ltd and located 25km west of the Project.

Within the Granite Tor Project there are historical alluvial tin workings that were developed along alluvial terraces as well as hard rock tin occurrences.

Alcoa are the only company to have undertaken tin-tungsten exploration within the project area in the 1970's; and the obtained significant tin-tungsten values in stream sediments samples and soil samples that were not systematically followed up. No drilling has been conducted within the Granite Tor Project.

Corona believes there is good potential to discover tin-tungsten mineralisation within the project area. There are several exploration targets to follow up on (see Figure 4) including numerous magnetic anomalies flanking the granite, large high tenor geochemical soil anomalies and known hard-rock tin mineralisation -e.g. Bluff River tin workings.

Competent Persons Statement

The information and exploration results in this report has been compiled or reviewed and approved by Mr Terence Middleton who is a Fellow of the Australasian Institute of Mining and Metallurgy and who has sufficient experience that is relevant to the styles of mineralisation and types of deposits under consideration such as to qualify as a Competent Person as defined in 2004 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Middleton is a Consultant to Corona Minerals Ltd and has more than 40 years' experience in the mineral exploration and development industries. Mr Middleton consents to the inclusion in the report of the matters based upon this information in the form and context in which it appears.

DIRECTORS REPORT

For the year ended 30 June 2012

Your Directors present their report on the consolidated entity, consisting of Corona Minerals Limited and the entities it controlled at the end of, or during, the year ended 30 June 2012.

Directors

The names and details of the Directors in office at the date of this report are:

Name/ Qualifications DIRECTORS	Special Responsibilities	Securities held in Company Shares	 Options
Terrence M Allen Mr Allen has been extensively involved in exploration and management of listed mining companies since 1980. Mr Allen was eligible to attend and attended the meeting of Directors that was held during the financial year.	**CHAIRMAN, CHIEF EXECUTTIVE OFFICER & MANAGING DIRECTOR**	**28,025,556**	**1,000,000**
Michael P Wright Mr Wright has had 20 years' experience in the resource sector in a corporate and financial capacity, and is currently Chairman of ASX listed exploration company General Mining Corporation. Mr Wright was eligible to attend and attended the meeting of Directors that was held during the financial year.	**CHIEF FINANCIAL OFFICER, COMPANY SECRETARY & EXECUTIVE DIRECTOR**	**16,870,000**	**1,000,000**
Brian J Hurley (appointed 06/10/2011) Mr. Hurley has over 40 years' experience in senior management in the resources sector. Since retiring from Western Mining Corporation in 1990 where he was employed as General Manager – Nickel Division, and Senior General Manager-WA. Mr Hurley has been a chairman or a director of a number of junior mining and/or exploration companies and is currently a director of ASX listed Mundo Minerals Ltd. Mr Hurley was eligible to attend and attended the meeting of Directors that was held during the financial year.	**NON- EXECUTIVE DIRECTOR**	**400,000**	**-**
Former Directors			
Terence W Middleton (appointed 19/06/2003) (resigned 20/07/2012)	**NON- EXECUTIVE DIRECTOR**	**1,033,125**	**3,000,000**
Jagtar Sandhu (appointed 20/03/2012) (resigned 25/06/2012)	**NON- EXECUTIVE DIRECTOR**	**-**	**-**

DIRECTORS' REPORT continued

Directors' interest in contracts

The Company has entered into an office lease agreement with a company controlled by the Chairman. The terms of the lease are comparable or better than those available for similar office space.

During the year the Company entered into a Consulting Agreement with JNS Capital Corp. ("JNS") for services in connection with corporate finance and development of the Company. Former Director Jagtar Sandhu is the principal and holder of 50% of the outstanding shares of JNS.

During the year the company entered into a loan facility agreement for up to $300,000 with Weybridge Pty Ltd, a company associated with Chairman TM Allen. The loan facility is interest free and unsecured.

Other than the foregoing, no Director holds an interest, whether directly or indirectly, in a contract or proposed contract with the Company or a related corporation.

Principal activities

The principal activities of the corporations in the consolidated entity during the year were mineral exploration and investment. There were no significant changes in those activities during the year.

The company also expended considerable time and effort attempting to list on the TSX-V, which was eventually withdrawn due to market conditions.

During this process Corona became a reporting issuer in Canada. Since terminating this process Corona no longer reports in Canada and as such is in 'default' of those requirements.

Result of operations

The net loss, after income tax, of the consolidated entity for the financial year was $1,093,955 and was primarily the result of writing off exploration costs incurred during the year of $695,432 and administration costs of $400,060, which itself comprises mostly costs incurred in attempting an Initial Public Offering on the TSX-V. Interest income was largely offset by depreciation of fixed assets.

Dividends

No dividends were paid during the 2011/2012 year. The Directors have not recommended a dividend for the 2011/2012 year.

Significant changes in state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the year other than as noted in this report and financial statements.

Review of operations and likely developments

The Company has turned its attention in recent years to evaluating and/or acquiring other projects in Australia and overseas. The first of these is the Mt Jukes Project in Tasmania, where the company has entered into a joint venture with Jaguar Minerals Ltd (see also Note 23), where the company has earned an 80% interest through expenditure and drilling, as well as owning tenements 100% in its own right. In the opinion of the Directors, the operations of the parent entity for the financial year, likely developments in the operations of the consolidated entity and the expected results of those operations known at the date of this report have been covered generally herein and elsewhere in the Annual Report. The consolidated entity's future profitability may be affected by various foreseen or unforeseen factors such as civil unrest, movements in metal prices and exchange rates, government actions and policies, native title constraints, and changes in reserves and/or grades from that forecast.

The likely developments in the operations of the consolidated entity in subsequent financial years are that the consolidated entity will continue wherever possible to explore and evaluate its other holdings in an attempt to bring them into production.

Audit Committee

The parent entity does not have an Audit Committee as the size of the Board and the scope of activities does not at this stage warrant the formation of such a committee. Regular contact is made between the Board and its external auditors, and any audit matters requiring attention are discussed by the Board at the relevant meetings.

DIRECTORS' REPORT continued

Environmental Regulation

The consolidated entity has interests in mining tenements (including prospecting, exploration and mining leases). The leases and licence conditions contain environmental obligations.

To the best of the knowledge of the Directors, the consolidated entity has not contravened any environmental obligations and no claims have been made of any breaches. Where applicable, it remains the Group's emphasis to rehabilitate sites to a level that establishes a self-sustaining ecosystem.

Indemnifying Officers or Auditor

The Company has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the Company or a related body corporate:

- indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings; or
- paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

Non-audit Services

The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110:Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standard Board.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2012 has been received and can be found on page 41.

Directors' benefits

Other than as noted in "Directors interest on contracts", since the end of the previous financial year no Director of the parent entity has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the accounts or consolidated entity accounts, or the fixed salary of a full-time employee of the Company or of a related corporation) by reason of a contract made by the parent entity or a related corporation with the Directors or with a firm of which the Director is a member, or with a company in which the Director is a member, or with a company in which the Director has a substantial financial interest.

Subsequent Events

On 18 September 2012, Corona Minerals Ltd announced that it had raised $1.03M before issue costs from a 1 for 1 pro-rata entitlement issue (41,361,215 Ordinary Shares) to existing shareholders. The outstanding loan facility from Weybridge at the date of this report of $148,397 was repaid following receipt of funds from the above issue. Other than the foregoing, no other matter or circumstances have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the entity, the results of those operations, or the state of affairs of the entity in future financial years.

DIRECTORS' REPORT continued

Rounding of amounts

The amounts contained in this report and in the financial report have been rounded to the nearest $1 (where rounding is applicable) under the option available to the Company under ASIC Class Order 98/0100. The Company is an entity to which the Class Order applies.

This report is made in accordance with a resolution of the Directors.

MICHAEL P WRIGHT

Director

Dated this 31st day of October 2012

CORPORATE GOVERNANCE STATEMENT

This statement outlines the main corporate governance practices that were in place throughout the 2011/2012 financial year.

BOARD OF DIRECTORS

The individual board members' capacities at the date of this statement are as follows:

T M Allen (Chairman)	Executive
M P Wright	Executive
B J Hurley	Non – Executive

NOMINATION PRINCIPLES

The composition of the Board is determined using the following principles:

- The Board presently comprises five Directors. This number may be increased where it is felt additional expertise is required in specific areas, or when an outstanding candidate materialises.
- The Board should comprise Directors with a broad range of expertise, both nationally and internationally.

Terms and Conditions Relating to Appointment and Retirement of Directors

Directors are firstly appointed by the Board and subsequently ratified at the first shareholders meeting held after the Directors appointment. A Director is normally appointed for three years and needs to retire after three years but may seek re-election at a shareholders meeting. In effect, one third of the Directors retire each year and seek re-election.

All necessary consents and resignation notices are required to be completed.

INDEPENDENT PROFESSIONAL ADVICE

Each Director has the right to seek independent professional advice at the consolidated entity's expense. However, prior approval of the Chairman, which should not be unreasonably withheld, is required.

Procedures for Establishing and Reviewing Compensation Arrangements for Directors and Senior Executives

Currently, the full Board meets to discuss the issue of compensation to Directors, with each Director being absent during the determination of their respective compensation arrangements. The executive Directors meet to discuss the issue of compensation to senior executives.

PROCEDURES FOR NOMINATION EXTERNAL AUDITORS AND REVIEWING THEIR APPOINTMENT

The legal requirements for appointment of auditors, outlined in the Corporations Act 2001, are followed. The existing Auditor's performance is regularly monitored and discussions are held frequently between the Auditors and individual Board members. Any written matters raised by the Auditors are discussed and dealt with at full Board meetings. The Auditors, on request, may attend Board meetings to discuss any matter that they believe warrants attention by the Board. The Auditors also regularly attend shareholder meetings.

BUSINESS RISKS

Significant areas of concern are discussed at Board level. Where appropriate, senior executives and appropriate experts are invited to address Board meetings on the major risks facing the consolidated entity and to develop strategies to mitigate those risks.

ETHICAL STANDARDS

The Board of Directors is committed to a policy of upholding the highest standards of ethical behaviour throughout the organisation.

THE ROLE OF THE SHAREHOLDERS

The Board aims to ensure that the shareholders are informed of all major developments affecting the consolidated entity's state of affairs. Information is communicated to shareholders via periodic reports, and the Company's website.

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2012

	NOTE	2012	2011
REVENUES	3	**16,993**	22,558
Exploration expenditure written off	4	**(695,432)**	(508,232)
Administration and other expenses from ordinary activities		**(400,060)**	(67,192)
Depreciation		**(15,456)**	(1,806)
Option issue expense		**-**	(4,050)
PROFIT (LOSS) BEFORE INCOME TAX		**(1,093,955)**	(558,722)
Income tax	5	**-**	-
(LOSS) FROM CONTINUING OPERATIONS		**(1,093,955)**	(558,722)
Other comprehensive income for the year:			-
Net exchange difference on translation of financial report of foreign subsidiary and revaluation of intercompany loan	4	**1,538**	(3,167)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		**(1,092,417)**	(561,889)
Basic earnings per share (cents per share)	20	**(1.98)**	(1.18)
Diluted earnings per share (cents per share)	20	**(1.78)**	(1.04)

Notes to and forming part of the Consolidated Statement of Comprehensive Income are attached

STATEMENT OF FINANCIAL POSITION

as at 30 June 2012

	NOTE	2012	2011
CURRENT ASSETS			
Cash and cash equivalents		**39,617**	531,536
Trade and other receivables	6	**15,212**	19,809
TOTAL CURRENT ASSETS		**54,829**	551,345
NON CURRENT ASSETS			
Trade and other receivables	7	**34,000**	16,000
Plant & Equipment	8	**67,745**	5,659
TOTAL NON-CURRENT ASSETS		**101,745**	21,659
TOTAL ASSETS		**156,574**	573,004
CURRENT LIABILITIES			
Trade and other payables	9	**82,342**	14,802
Borrowings	10	**108,447**	-
TOTAL CURRENT LIABILITIES		**190,789**	14,802
NON-CURRENT LIABILITIES			
Borrowings	11	**500,000**	500,000
TOTAL NON-CURRENT LIABILITIES		**500,000**	500,000
TOTAL LIABILITIES		**690,789**	514,802
NET ASSETTS		**(534,215)**	58,202
EQUITY			
Issued Capital	12	**2,507,356**	2,007,356
Reserves	13	**68**	(1,470)
Accumulated losses	14	**(3,041,639)**	(1,947,684)
TOTAL EQUITY		**(534,215)**	58,202

Notes to and forming part of the Consolidated Statement of Financial Position are attached

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2012

	Issued Capital	Accumulated Losses	Share Based Payment Reserves	Foreign Currency Translation Reserves	Total Equity
CONSOLIDATED ENTITY					
Balance at 1 July 2010	1,507,356	(1,388,962)	-	(2,353)	116,041
Loss from continuing operations	-	(558,722)	-	-	(558,722)
Shares issued during the year	500,000	-	-	-	500,000
Options issued during the year	-	-	4,050	-	4,050
Net exchange difference on translation of financial report of foreign subsidiary and revaluation of intercompany loan	-	-	-	(3,167)	(3,167)
Balance at 30 June 2011	2,007,356	(1,947,684)	4,050	(5,520)	58,202
Balance at 1 July 2011	2,007,356	(1,947,684)	4,050	(5,520)	58,202
Total comprehensive income (loss) for the year	-	(1,093,955)	-	-	(1,093,955)
Transactions with owners in their capacity as owners	-	-	-	-	-
Shares issued during the year	500,000	-	-	-	500,000
Net exchange difference on translation of financial report of foreign subsidiary and revaluation of intercompany loan	-	-	-	1,538	1,538
Balance at 30 June 2012	**2,507,356**	**(3,041,639)**	**4,050**	(3,982)	(534,215)

Notes to and forming part of the Consolidated Statement of Changes in Equity are attached.

STATEMENT OF CASH FLOWS

for the year ended 30 June 2012

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Payment to suppliers and employees	**(219,725)**	(77,580)
Interest received	**17,243**	26,948
Net cash inflow (outflow) from operating activities	**(202,482)**	(50,632)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment of exploration bonds	**(18,000)**	(16,000)
Plant & Equipment	**(77,511)**	(6,305)
Exploration and evaluation expenditure	**(695,432)**	(522,215)
Net cash outflow from investment activities	**(790,943)**	(544,520)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of shares	**500,000**	500,000
Net cash inflow (outflow) from financing activities	**500,000**	500,000
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(493,425)**	(95,152)
Cash and cash equivalents at the beginning of the financial year	**531,536**	630,321
Effect of exchange rate differences on cash and cash equivalents	**1,506**	(3,633)
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	**39,617**	531,536

Notes to and forming part of the Comprehensive Statement of Cash Flows are attached

STATEMENT OF CASH FLOWS continued

for the year ended 30 June 2012

RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO NET LOSS AFTER INCOME TAX	2012	2011
Net profit (loss) after income tax	**(1,092,417)**	(561,889)
Non cash items in profit (loss)	**-**	-
Capitalised exploration expenditure written off	**695,432**	508,232
Depreciation	**15,456**	1,806
Expenses paid by Weybridge Pty Ltd directly	**108,448**	-
Doubtful debts written back	**-**	-
Option Expense	**-**	4,050
Exchange losses	**(1,538)**	3,167
Change in operating assets and liabilities	**-**	-
Payables and accruals increase	**67,540**	7,632
Receivables (increase) decrease	**4,597**	(13,630)
Net cash inflow (outflow) from operating activities	**(202,482)**	(50,632)
Cash and cash equivalents comprises:		
Cash at bank	**394**	26,599
Cash on deposit	**39,223**	504,937
	39,617	531,536

Non Cash financing and investing Activities

During the year 2012, Weybridge Pty Ltd (entity related to director Terry Allen) has paid total expenses of $108,447 on behalf of Corona Minerals Ltd. This is shown as Borrowings in statement of financial position as at 30 June 2012

Notes to and forming part of the Comprehensive Statement of Cash Flows are attached

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2012

Summary of accounting policies

The principal accounting policies adopted in the preparation of the financial report are set below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes separate financial statements for Corona Minerals Limited as an individual entity and the consolidated entity consisting of Corona Minerals Limited and its subsidiaries. Corona Minerals Limited is a company limited by shares incorporated in Australia.

Basis of accounting

This general purpose financial report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRSs), other authorised pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporations Act 2001.

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business. The going concern of the Group is dependent upon it maintaining sufficient funds for its operations and commitments.

The directors continue to monitor the ongoing funding requirements of the Group. The directors are confident that sufficient funding can be secured if required to enable the Group to continue as a going concern and as such are of the opinion that the financial report has been appropriately prepared on a going concern basis.

Compliance with IFRSs

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (IFRSs). Compliance with AIFRSs ensures that the financial report comprising the group's financial statements and notes and the parent entity financial statements and notes of Corona Minerals Limited, comply with IFRSs.

Note 1 - New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Group

At the date of the authorization of the financial statements, the standards and Interpretations listed below were in issue but not yet effective.

Standard/Interpretation	**Effective for annual reporting periods beginning on or after**	**Expected to be initially applied in the financial year ending**
AASB 9 'Financial Instruments', AASB 200911 'Amendments to Australian Accounting Standards arising from AASB 9' and AASB 2010-7 'Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)'	1 January 2013	30 June 2014
AASB 10 'Consolidated Financial Statements'	1 January 2013	30 June 2014
AASB 11 'Joint Arrangements'	1 January 2013	30 June 2014
AASB 12 'Disclosure of Interests in other Entities'	1 January 2013	30 June 2014
AASB 127 'Separate Financial Statements' (2011)	1 January 2013	30 June 2014
AASB 128 'Investments in Associates and Joint Ventures' (2011)	1 January 2013	30 June 2014

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2012

Note 1 - New Accounting Standards for Application in Future Periods continued

Standard/Interpretation	**Effective for annual reporting periods beginning on or after**	**Expected to be initially applied in the financial year ending**
AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13'	1 January 2013	30 June 2014
AASB 119 'Employee Benefits' (2011) and AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 19 (2011)'	1 January 2013	30 June 2014
AASB 2010-8 'Amendments to Australian Accounting Standards – Deferred Tax: recovery of Underlying Assets'	1 January 2012	30 June 2013
AASB 2011-4 'Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements'	1 July 2013	30 June 2014
AASB 2011-9 'Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income'	1 July 2012	30 June 2013
Interpretation 20 'Stripping Costs in the Production Phase of a Surface Mine' and AASB 2011-12 'Amendments to Australian Accounting Standards arising from Interpretation 20'.	1 January 2013	30 June 2014

The Group has decided not to early adopt any of the new and amended pronouncements. Of the above new and amended Standards and Interpretations the Group's assessment of those new and amended pronouncements that are relevant to the Group but applicable in future reporting periods is set out below:

- AASB 9: Financial Instruments (December 2010) and AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2. 5, 10, 12, 19 & 127] (applicable for annual reporting periods commencing on or after 1 January 2013).

  These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

  The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2012

Note 1 - New Accounting Standards for Application in Future Periods continued

- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

  The Group has not yet been able to reasonably estimate the impact of these pronouncements on its financial statements.

- AASB 10: Consolidated Financial Statements, AASB 11: Joint Arrangements, AASB 12: Disclosure of Interests in Other Entities, AASB 127: Separate Financial Statements (August 2011), AASB 128: Investments in Associates and Joint Ventures (August 2011) and AASB 2011-7: Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17] (applicable for annual reporting periods commencing on or after 1 January 2013).

- AASB 10 replaces parts of AASB 127: Consolidated and Separate Financial Statements (March 2008, as amended) and Interpretation 112: Consolidation - Special Purpose Entities. AASB 10 provides a revised definition of control and additional application guidance so that a single control model will apply to all investees. The Group has not yet been able to reasonably estimate the impact of this Standard on its financial statements.

- AASB 11 replaces AASB 131: Interests in Joint Ventures (July 2004, as amended). AASB 11 requires joint arrangements to be classified as either "joint operations" (whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities) or 'joint ventures" (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement). Joint ventures are required to adopt the equity method of accounting (proportionate consolidation is no longer allowed).

- AASB 12 contains the disclosure requirements applicable to entities that hold an interest in a subsidiary, joint venture, joint operation or associate. AASB 12 also introduces the concept of a "structured entity", replacing the 'special purpose entity" concept currently used in Interpretation 112, and requires specific disclosures in respect of any investments in unconsolidated structured entities. This Standard will only affect disclosures and is not expected to significantly impact the Group.

  To facilitate the application of AASBs 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued. These Standards are not expected to significantly impact the Group.

- AASB 13: Fair Value Measurement and AASB 2011-8: Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132] (applicable for annual reporting periods commencing on or after 1 January 2013).

- AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2012

Note 1 - New Accounting Standards for Application in Future Periods continued

AASB 13 requires:

- inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and
- enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) measured at fair value.

These Standards are not expected to significantly impact the Group.

- AASB 2011-9: Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049] (applicable for annual reporting periods commencing on or after 1 July 2012).
- The main change arising from this Standard is the requirement for entities to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently.

This Standard affects presentation only and is not expected to significantly impact the Group.

- AASB 119 (September 2011) also includes changes to the accounting for termination benefits that require an entity to recognise an obligation for such benefits at the earlier of:
  (i) for an offer that may be withdrawn – when the employee accepts;
  (ii) for an offer that cannot be withdrawn – when the offer is communicated to affected employees; and
  (iii) where the termination is associated with a restructuring of activities under AASB 137: Provisions, Contingent Liabilities and Contingent Assets, and if earlier than the first two conditions – when the related restructuring costs are recognised.

The Group has not yet been able to reasonably estimate the impact of these changes to AASB 9.

2. Application of new and revised Accounting Standards

2.1 Standards and Interpretations affecting amounts reported in the current period (and/or prior periods).

The following new and revised Accounting Standards and Interpretations have, where applicable, been adopted in the current year but have had no significant effect on the amounts reported or disclosures.

Standards affecting presentation and disclosure

Amendments to AASB 7 'Financial Instruments" Disclosure'	The amendments (part of AASB 2010-4 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project') clarify the required level of disclosures about credit risk and collateral held.
Amendments to AASB 101 'Presentation of Financial Statements'	The amendments (part of AASB 2010-4 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project') clarify that an entity may choose to present the required analysis of items of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements.
AASB 1054 'Australian Additional Disclosures' and AASB 2011-1 'Amendments to Australian Accounting Standards arising from Trans-Tasman Convergence Project'	AASB 1054 sets out the Australian-specific disclosures for entities that have adopted Australian Accounting Standards. AASB 2011-1 makes amendments to a range of Australian Accounting Standards and Interpretations for the purpose of closer alignment to IFRSs and harmonisation between Australian and New Zealand Standards.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2012

2.1 Standards and Interpretations affecting amounts reported in the current period (and/or prior periods). continued

AASB 124 'Related Party Disclosures' (revised December 2009)	AASB 124 (revised December 2009) has been revised on the following two aspects: (a) AASB 124 (revised December 2009) has changed the definition of a related party and (b) AASB 124 (revised December 2009) introduces a partial exemption from the disclosure requirements for government-related entities.
AASB 2009-14 'Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement'	Interpretation 114 addresses when refunds or reductions in future contributions should be regarded as available in accordance with paragraph 58 of AASB 119.
AASB 2009-12 'Amendments to Australian Accounting Standards'	The application of AASB 2009-12 makes amendments to AASB 8 'Operating Segments' as a result of the issuance of AASB 124 'Related Party Disclosures (2009).
AASB 2010-5 'Amendments to Australian Accounting Standards'	The Standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations.
AASB 2010-6 'Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets'	The application of AASB 2010-6 makes amendments to AASB 7 'Financial Instruments – Disclosures' to introduce additional disclosure requirements for transactions involving transfer of financial assets.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

Principles of consolidation

The consolidated financial statements are those of the consolidated entity, comprising Corona Minerals Limited (the parent entity) and all entities which Corona Minerals Limited controlled from time to time during the year and at balance date. A controlled entity is any entity Corona Minerals Limited has the power to control the financial and operating policies of so as to obtain benefits from its activities. A list of controlled entities is contained in Note 13.

Information from the financial statements of subsidiaries is included from the date the parent company obtains control until such time as control ceases.

Where there is loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which the parent company has control.

Subsidiary acquisitions are accounted for using the purchase method of accounting.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies which may exist.

All intercompany balances and transactions, including unrealised profits arising from intra group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

Investments in subsidiaries are accounted for at cost in the individual financial statements of Corona Minerals Limited.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2012

Income tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date. Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the Statement of Comprehensive Income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Mine buildings, machinery and equipment

The cost of each item of buildings, machinery and equipment is written off over its expected economic life.

Each item's economic life has due regard both to its own physical life limitations and to present assessments of economically recoverable resources of the mine property at which the item is located, and to possible future variations in those assessments.

Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items.

The total net carrying values of mine buildings, machinery and equipment at each mine property are reviewed regularly and, to the extent to which these values exceed their recoverable amounts, that excess is fully provided against in the financial year in which this is determined.

The expected useful lives are as follows:

(i) Plant 5 to 10 years

(ii) Office equipment 2 to 5 years

(iii) Furniture and fittings 5 to 10 years

Mine properties

Mine properties represent the accumulation of all exploration, evaluation, and development expenditure incurred by or on behalf of the entity in relation to areas of interest in which mining of a mineral resource has commenced. When further development expenditure is incurred in respect of a mine property after the commencement of production, such expenditure is carried forward as part of the cost of that mine property only when substantial future economic benefits are thereby established, otherwise such expenditure is classified as part of the cost of production.

Amortisation of costs are provided on the unit-of-production method, separate calculations being made where appropriate for each mineral resource. The unit-of-production basis results in an amortisation charge proportional to the depletion of the economically recoverable mineral resources (comprising both measured and indicated mineral resources).

The net carrying value of each mine property is reviewed regularly and, to the extent to which this value exceeds its recoverable amount that excess is fully provided against in the financial year in which this is determined.

Pre-stripping costs (included under Mine properties) are amortised over the estimated ore tonnages from the date of commencement of commercial production.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2012

Royalties and other mining imposts

Ad valorem royalties and other mining imposts are accrued and charged against earnings when the liability from production or sale of the mineral crystallises. Profit-based royalties are accrued on a basis which matches the annual royalty expense with the profits on which the royalties are assessed (after allowing for permanent differences).

Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave, and long service leave.

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

In determining the present value of future cash outflows, the market yield as at the reporting date on national government bonds, which have terms to maturity approximating the terms of the related liability, are used.

Share-based payments

The Group provides benefits to employees (including directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions').

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of options that, in the opinion of the directors of the Group, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2012

Exploration, development and joint venture expenditure

Exploration, development and joint venture expenditure carried forward represents an accumulation of net costs incurred in relation to separate areas of interest for which rights of tenure are current and in respect of which:

1. such costs are expected to be recouped through successful development and exploitation of the area, or alternatively by its sale, or
2. exploration and/or evaluation activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to the areas are continuing.

Accumulated costs in respect of areas of interest, which are abandoned, are written off in the Statement of Comprehensive Income in the year in which the area is abandoned.

The net carrying value of each property is reviewed regularly and, to the extent to which this value exceeds its recoverable amount that excess is fully provided against in the financial year in which this is determined. Exploration expenditure has been written off during the year.

Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Foreign currency transactions and balances

Functional and presentation currency

The functional currency of each of the group's entities is measured using the currency of the primary economic environment in which that entity operates.

The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the Statement of Comprehensive Income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the Statement of Comprehensive Income.

Group companies

The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period; and
- retained profits are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the Statement of Financial Position.

These differences are recognised in the Statement of Comprehensive Income in the period in which the operation is disposed.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2012

Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents includes deposits at call which are readily convertible to cash on hand and which are used in the cash management function on a day-to-day basis, net of outstanding bank overdrafts.

Investments and Other Financial Assets

Recognition
Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss
A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated as hedges.

Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the Statement of Comprehensive Income in the period in which they arise.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments
These investments have fixed maturities, and it is the group's intention to hold these investments to maturity. Any held-to-maturity investments held by the group are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets
Available-for-sale financial assets include any financial assets not included in the above categories.

Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities
Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Derivative instruments
Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the Statement of Comprehensive Income unless they are designated as hedges.

Fair value
Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment
At each reporting date, the group assess whether there is objective evidence that a financial instrument has been impaired. In the case of available-for sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the Statement of Comprehensive Income.

Maintenance and repairs

Maintenance, repair costs and minor renewals are charged as expenses as incurred.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2012

Earnings per share

Basic earnings per share
Basic EPS is calculated as the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, divided by the weighted average number of ordinary shares outstanding during the financial year, adjusted for any bonus elements in ordinary shares issued during the year.

Diluted earnings per share
Diluted EPS adjusts the figures used in the determination of basic EPS to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Issued capital

Ordinary shares are classified as equity.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

Trade and other payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the consolidated entity.

Payables to related parties are carried at the principal amount. Interest, when charged by the lender, is recognised as an expense on an accrual basis.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Impairment of assets

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Comprehensive Income.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2012

	2012	2011
3. Revenues from continuing operations	**2012**	2011
Operating activities		
Interest received	**16,993**	22,558
Total revenues from continuing operations	**16,993**	22,558
4. Expenses and (gains) losses		
Depreciation	**15,456**	1,806
Doubtful debts written back	**-**	-
Exploration expenditure written-off or provided for	**695,432**	508,232
Exchange (gains) losses	**(1,538)**	3,167
5. Income tax		
a) Income tax benefit	**-**	-
b) Numerical reconciliation between tax benefit and pre-tax net loss		
Loss from continuing operations before income tax	**1,093,955**	558,722)
Income tax benefit calculated at 30%	**(328,187)**	(168,567)
Tax effect on amounts which are not tax deductible/(assessable):		
Non-assessable accrued income	**75**	1,317
Unrealised forex losses		950
Movement in accrued expenses	**-**	300
Capital raising cost	**(106)**	1,109
Non Deductible Legal Fees	**67,835**	-
Non Deductible Entertainment Expenses	**68**	-
Section 40-880 deduction – Other	**(13,567)**	-
Current year for which no deferred tax asset was recognised	**273,882**	164,891
Income tax benefit (expense) attributable to entity	**-**	-

c) Unrecognised deferred tax assets

Net deferred tax assets (calculated at 30%) have not been recognised in respect of the following items;

	2012	2011
Deferred Tax Liabilities (at 30%)		
Accrued Interest receivable	**(4)**	(79)
	(4)	(79)
Deferred Tax Assets (at 30%		
Tax losses	**451,428**	177,546
Capital raising costs	**-**	108
Accrued expenses	**2,400**	2,400
	453,828	180,052
Unrecognised net deferred tax assets relating to the above temporary differences	**453,824**	179,973

Estimated unused tax losses have not been recognised as a deferred tax asset as the future recovery of these losses is subject to the Company satisfying the requirements imposed by the relevant regulatory authorities in each of the jurisdictions in which the Company operates. The benefit of deferred tax assets not brought to account will only be brought to account if:

- Future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised; and
- The conditions for deductibility imposed by the relevant tax legislation continue to be complied with and no changes in tax legislation adversely affect the Company in realising the benefit.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2012

	CONSOLIDATED ENTITY	
	2012	**2011**
6. Trade and other receivables (current)		
Other amounts receivable	**15,212**	19,809
Loan to controlled entity	**-**	-
Less provision for doubtful debt	**-**	-
	15,212	19,809
7. Receivables (non-current)		
Deposits & bonds	**34,000**	16,000
	34,000	16,000

The amounts recoverable from the controlled entity are subject to the successful development and exploitation of the projects owned by the controlled entity or alternatively the sale of the parent entity's interest therein at amounts at least equal to book values. At 30 June 2012 the debts due by the controlled entity were amounts payable by Jag Mining Corp (L) Ltd

8. Plant & Equipment		
Plant & Equipment	**83,816**	7,236
Less Provn. for depreciation	**(16,071)**	(1,577)
	67,745	5,659
9. Trade and other payables (current)		
Trade creditors	**-**	-
Other creditors and accruals	**82,342**	14,802
	82,342	14,802
10. Borrowings (current)		
Loan from related party	**108,447**	-

The above loan was provided by a company associated with director TM Allen. It is interest free and unsecured.

11. Borrowings (non-current)		
Loan from related company	**500,000**	500,000

Key terms of the loan – the said loan is interest free and unsecured and payable out of the proceeds of an IPO of the company's shares on a stock exchange.

12. Contributed Equity		
Issued and paid up capital 56,356,988 ordinary fully paid shares (2011: 51,356,988)	**2,507,356**	2,007,356

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2012

	CONSOLIDATED ENTITY			
Movement in issued capital	**2012**		**2011**	
	Number of Shares	**Value $**	**Number of Shares**	**Value $**
Opening Balance	**51,356,988**	**2,007,356**	46,356,988	1,507,356
Movement during the year	**5,000,000**	**500,000**	5,000,000	500,000
Closing Balance	**56,356,988**	**2,507,356**	51,356,988	2,007,356

Options

There were 6,000,000 options over unissued shares at balance date with an exercise price of $0.05 per share and an expiry date of 31 December 2014.

	2012	2011
13. Reserves		
Share based payments reserve	**4,050**	4,050
Foreign currency translation reserve	**(3,982)**	(5,520)
	68	1,470

Share based payments reserve

The share based payments reserve is used to record the value of share based payments provided to employees, including key management personnel, as part of their remuneration.

Foreign currency translation reserve

Foreign currency translation reserve represents the net exchange difference on translation of foreign subsidiary and revaluation of intercompany loans.

14. Accumulated losses	**2012**	**2011**
Accumulated losses at the beginning of the year	**(1,947,684)**	(1,388,962)
Net loss attributable to members of Corona Minerals Limited	**(1,093,955)**	(558,722)
Accumulated losses at the end of the year	**(3,041,639)**	(1,947,684)

Name	**Country of Incorporation**	**Percentage of shares held**	
		2012 %	2011 %
Jag Mining Corp (L) Ltd	Labuan, Malaysia	**100%**	100%
PT Jag Miningindo	Indonesia	**100%**	100%

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2012

15. Remuneration Disclosures	CONSOLIDATED ENTITY 2012	2011
Short-term	**40,214**	-
Post employment	-	-
Other long-term	-	-
Termination benefits	-	-
Share-based payment	-	3,375
Total compensation of Key Management	**40,214**	3,375

Key Management Personnel of Corona Minerals 2012 (Consolidated)

	Short-term benefits			Post employment benefits	
Name	**Base Salary or M/fee $**	**Options $**	**Directors Fees $**	**Superannuation $**	**Total $**
Directors					
T M Allen Chairman & CEO	-	-	-	-	-
M P Wright Executive Director	-	-	-	-	-
T W Middleton Former Non-Executive Director	-	-	-	-	-
B J Hurley Non-Executive Director		-			-
Jagtar Sandhu Former Non-Executive Director	**40,214***	-			40,214
Total	**40,214**	-	-	-	40,214

*These fees (inclusive of Canadian VAT) were paid to JNS Capital, associated with former director J Sandhu in connection with the attempted IPO of the company on the Toronto Stock Exchange (TSX-V). Since withdrawing from that process, Mr Sandhu subsequently resigned from the company.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2012

The following table illustrates the number (No.) and weighted average exercise price of and movement in share options issued during the year:

	CONSOLIDATED ENTITY			
	2012 No.	2012 Weighted average exercise price	2011 No.	2011 Weighted average exercise price
Outstanding at the beginning of the period	**6,000,000**	**0.05**	-	-
Granted during the period	**-**	**-**	6,000,000	0.05
Forfeited during the period	**-**	**-**	-	-
Expired during the period	**-**	**-**	-	-
Outstanding at the end of the period	**6,000,000**	**0.05**	6,000,000	0.05
Exercisable at the end of the period	**6,000,000**	**0.05**	6,000,000	0.05

The outstanding balance as at 30 June 2012 is represented by 6,000,000 unlisted options over ordinary shares with a weighted average price of 5 cents each, exercisable on or before 31 December 2014.

Key Management Personnel of Corona Minerals 2011

	Short-term benefits			Post employment benefits	
Name	Base Salary or M/fee $	Options $	Directors Fees $	Superannuation $	Total $
Directors					
T M Allen Chairman & CEO	-	675	-	-	675
M P Wright Executive Director	-	675	-	-	675
T W Middleton Executive Director	-	2,025	-	-	2,025
Executives					
R Pardede Geologist	-	-	-	-	-
Total	-	3,375	-	-	3,375

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2012

16. Segment information

From 1 July 2011, operating segments are identified and segment information disclosed on the basis of internal reports that are provided to, or reviewed by, the Company's chief decision makers, which for the Company, is the Board of Directors. The consolidated entity's operations were comprised of exploration of gold and associated investments predominately within Australia and South East Asia.

2012 Geographic Segments	Australia	South East Asia	Intersegment Eliminations	Consolidated
Sales to customers outside the consolidated entity				
Other revenue	**16,993**	**-**	**-**	**16,993**
Total revenues	**16,993**	**-**	**-**	**16,993**
Consolidated operating (loss) before income tax	**(1,067,051)**	**(14,756)**	**(12,148)**	**(1,093,955)**
Segment assets	**156,722**	**-**	**(148)**	**156,574**
Segment liabilities	**690,789**	**1,386,019**	**(1,386,019)**	**690,789**
Other Segment Information (2012)				
Acquisition of property, plant and equipment	**77,511**	**-**	**-**	**77,511**
Capitalised exploration and development expenditure	**695,432**	**-**	**-**	**695,432**
Depreciation	**(14,495)**	**(961)**	**-**	**(15,456)**
Amortisation	**-**	**-**	**-**	**-**
Exploration written off	**(695,432)**	**-**	**-**	**(695,432)**
	63,016	**(961)**	**-**	**(62,055)**

2011 *Geographic Segments*	**Australia**	**South East Asia**	**Intersegment Eliminations**	**Consolidated**
Sales to customers outside the consolidated entity	-	-	-	-
Other revenue	22,431	127	-	22,558
Total revenue	22,431	127	-	22,558
Consolidated operating loss before income tax	(555,100)	(132,929)	129,307	(558,722)
Segment assets	547,786	25,366	(148)	573,004
Segment liabilities	514,802	1,396,629	(1,396,629)	514,802

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2012

Other Segment Information (2011)

	Australia	South East Asia	Intersegment Eliminations	Consolidated
Acquisition of property, plant and equipment	6,305	-	-	6,305
Capitalised exploration and development expenditure	504,748	3,484	-	508,232
Depreciation	(1,576)	(230)	-	(1,806)
Amortisation	-	-	-	-
Exploration written off	(504,748)	(3,484)	-	(508,232)
	4,729	(230)	-	(4,499)

17. Remuneration of Auditors

The following total remuneration was received by the auditors of the parent entity in respect of:	**2012**	2011
Auditing or reviewing the Financial Report	**19,924**	8,000
Other services	**-**	-
Total	**19,924**	8,000

18. Related Party Transactions

a) The amount owing by Jag Mining Corp (L) Ltd to Corona Minerals Ltd at 30 June 2012 was $1,386,019 (current & non-current) (2011: $1,396,629 current & non-current). The amount owing by Corona Minerals Ltd to Herald Resources Ltd at 30 June 2012 was $500,000 (non-current) (2011: $500,000 non-current).

b) During the year the company entered into a loan facility agreement with Weybridge Pty Ltd, a company associated with director TM Allen. The total amount of the facility, which is unsecured and interest free, was $300,000. At 30 June, 2012, the amount drawn down by the loan was $108,447.

c) Corona Minerals Ltd is party to an office lease office lease agreement with a company controlled by the Chairman. The terms of the lease are comparable or better than those available for similar office space.

d) Directors and Director-related entities held, directly, indirectly or beneficially as at the reporting date, the following equity interests in members of the consolidated entity

	2012	**2011**
Corona Minerals Limited		
Ordinary shares	45,295,556	24,315,903
Options	5,000,000	5,000,000

19. Key Management Personnel's Holdings

Number of Shares held by Key Management Personnel

Directors	**Balance 30 June 11**	**Received as Remuneration**	**Options Exercised**	**Net Change Other**	**Balance 30 June 12**
T M Allen	14,012,778	-	-	-	14,012,778
M P Wright	9,270,060	-	-	-	9,270,060
BJ Hurley	-	-	-	-	-
TW Middleton	1,033,125	-	-	-	1,033,125
	24,315,963	-	-	-	24,315,963

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2012

	CONSOLIDATED ENTITY	
20. Earnings per share	**2012**	**2011**
Reconciliation of earning to profit or loss		
Profit (loss) from continuing operations	(1,092,417)	(561,889)
Profit (loss) attributable to the ordinary equity holders of the company used in calculating basic and diluted earnings per share	(1,092,417)	(561,889)
Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in the calculation of basic and diluted earnings per share	55,206,303	47,809,043

21. Joint ventures

On 9 June 2010, the Company entered into a farm-in agreement with Jaguar Minerals Ltd in relation to the Mt Jukes Project in Tasmania.

The key terms of that agreement are as follows:

- Corona has earned an 80% interest by spending $600,000 and completing 1000m of drilling.
- Following Corona earning an 80% interest, Jaguar has elected to contribute pro-rata.

22. Financial instruments

(a) Net fair value of financial assets and liabilities

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the consolidated entity approximates their carrying value.

The net fair value of other monetary financial assets and financial liabilities is based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles.

The average interest rate received by the Corona group on funds on deposit for the year was 5.95% (2011: 3.1%).

(b) Interest rate risk exposures

The consolidated entity had no exposure to interest rate risk, other than:

– to the extent of the rate of interest received on cash deposits;

(c) Credit risk exposures

The Group has no significant concentrations of credit risk. The maximum exposure to credit risk at balance date is the carrying amount (net of provision of doubtful debts) of those assets as disclosed in the Statement of Financial Position and notes to the financial statements.

(d) Foreign currency risk

The Group is exposed to fluctuations in foreign currencies arising from exploration commitments in currencies other than the group's measurement currency.

The Group operates internationally and is exposed to foreign exchange risk arising from currency exposures to the $US.

The Group has not formalised a foreign currency risk management policy, however it monitors its foreign currency expenditure in light of exchange rate movements, and retains the right to withdraw from the foreign exploration commitments after the minimum expenditure targets have been met.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2012

Financial Instruments	Floating Interest Rate	Fixed interest rate maturing in: 1 year or less	Over 1 to 5 years	More than 5 years	Non-interest Bearing	Total carrying value as per the Statement of Financial Position	Weighted average effective interest rate
	2012	**2012**	**2012**	**2012**	**2012**	**2012**	**2012**
	$	**$**	**$**	**$**	**$**	**$**	**%**
(i) Financial assets							
Cash	**39,617**					**39,617**	**5.95**
Trade and other receivables					**15,212**	**15,212**	
Other financial assets							
Total financial assets	**39,617**				**15,212**	**54,829**	
(ii) Financial liabilities							
Trade and other payables					**82,342**	**82,342**	
Borrowings					**608,447**	**608,447**	
Total financial liabilities					**690,789**	**690,789**	

Financial Instruments	Floating Interest Rate	Fixed interest rate maturing in: 1 year or less	Over 1 to 5 years	More than 5 years	Non-interest Bearing	Total carrying value as per the Statement of Financial Position	Weighted average effective interest rate
	2011	2011	2011	2011	2011	2011	2011
	$	$	$	$	$	$	%
(i) Financial assets							
Cash	531,536					531,536	3.9
Trade and other receivables					19,809	19,809	
Other financial assets							
Total financial assets	531,536				19,809	551,345	
(ii) Financial liabilities							
Trade and other payables					14,802	14,802	
Borrowings					500,000	500,000	
Total financial liabilities					514,802	514,802	

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2012

23.Contingent liabilities and contingent assets

There are no material contingent liabilities or Contingent assets of the Company at balance date.

24. Subsequent events

On 18 September 2012, Corona Minerals Limited announced that it had raised $1.03M, before issue costs from a 1 for 1 pro-rata entitlement issue (issue of 41,361,125 Ordinary Shares) to existing shareholders.

The outstanding loan facility from Weybridge of $148,397 was repaid following receipt of funds from the above issue.

Other than as mentioned elsewhere in this report and the Review of Operations, no matter or circumstance has arisen since 30 June 2012 which has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

25. Parent entity information

(a) Information relating to Corona Minerals Limited	2012	2011
Current assets	**54,829**	526,910
Non-current assets	**101,893**	20,876
Total assets	**156,722**	547,786
Current liabilities	**190,789**	14,802
Non-current liabilities	**500,000**	500,000
Total liabilities	**690,789**	514,802
Net assets	**(534,067)**	32,984
Contributed equity	**2,507,356**	2,007,356
Reserves	**4,050**	4,050
Accumulated losses	**(3,045,473)**	(1,978,422)
Total shareholders' equity	**(534,067)**	32,984
Loss for the parent entity	**1,067,051**	551,000
Total comprehensive income of the parent entity	**1,067,051**	551,000

(b) Guarantees

No guarantees have been entered into by the Company in relation to the debts of its subsidiary.

DIRECTORS' DECLARATION

In the Directors' opinion:

(1) the financial statements and notes set out on pages 15 to 39 are in accordance with the Corporations Act 2001, including:

a) complying with Accounting Standards, the Corporations Act 2001 and other mandatory professional reporting requirements; and

b) giving a true and fair view of the Company's and the consolidated entity's financial position as at 30 June 2012 and of its performance, as represented by the results of their operations, changes in equity and their cash flows, for the financial year ended on that date; and

(2) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

(3) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the Directors.

M P WRIGHT
Director

Dated this 31st day of October 2012