



Corona Resources Limited

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7 August 2020

SETTLEMENT OF \$4M FIRST TRANCHE OF SALE AGREEMENT

As announced on 12 May 2020 (see announcement here <http://www.coronaresources.com.au/wp-content/uploads/2020/05/Sale-of-Mineral-Interests-Announcement-12-May-2020.pdf>) Corona Resources Ltd ("Corona") entered into a sale and purchase agreement with mid-cap Canadian-listed company Karora Resources Inc. (TSE: KRR) ("Karora") whereby Karora would purchase Corona's operating subsidiary Corona Minerals Pty Ltd, which held Corona's interests in its mineral properties (at Spargos Reward in WA and Queenstown in Tasmania). Karora owns a 1.4 mtpa processing plant close to Spargos at Higginsville and intends to truck ore from Spargos to this plant in due course.

The principal terms of the sale agreement were as follows:

- \$4,000,000 payable in cash or Karora shares or a combination thereof, at Karora's election ("Acquisition Payment")

This Acquisition Payment has now been settled in full today by the payment of \$4,000,000 to Corona.

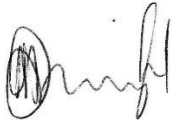
- \$1,500,000 in Karora shares on commencement of gold production at Spargos Reward in WA ("Milestone Payment 1")
- \$1,000,000 in Karora shares if additional Indicated gold resources of at least 165,000 ozs are delineated at Spargos Reward ("Milestone Payment 2")
- Minimum spending commitment by Karora of \$2.5M on exploration and development at Spargos Reward within 2 years of the Acquisition Payment.

As stated in the announcement of 12 May 2020, Directors will now assess Corona's position and decide further courses of action. These may include any or all of the following:

- Acquisition of new projects
- Payment of dividend(s) to shareholders
- Future IPO

On behalf of the Board

CORONA RESOURCES LTD

A handwritten signature in black ink, appearing to read 'M Wright', with a circular mark at the beginning.

Michael Wright
Chairman

ABOUT CORONA RESOURCES

Corona Resources Ltd is an unlisted public company with over 300 shareholders. Corona was originally spun out of the highly successful mining company Herald Resources which was taken over for \$580m.

Corona is led by experienced mining professionals Terry Allen, Michael Wright and Brian Hurley, who were all previously directors of Herald Resources Ltd, and who have held senior positions in other resource companies over many years.