Corona Resources

ANNUAL REPORT

30 June 2020

www.coronaresources.com.au

CORPORATE DIRECTORY

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

COMPANY SECRETARY
M P Wright

SHARE REGISTRY
Automic Group
5/126 Phillip St
SYDNEY NSW 2000
Telephone: +61 2 9698 5414

AUSTRALIAN BUSINESS NUMBER
99 617 982 000

SHARE CAPITAL
44,357,943 ord. fully paid shares

MAJOR SHAREHOLDERS
Directors 58%

AUDITORS
Stantons International
Level 2, 1 Walker Avenue
WEST PERTH WA 6005

SOLICITORS
Gilbert & Tobin
16/ Brookfield Place Tower
Perth WA 6000

BANKERS
Westpac Banking Corporation
109 St Georges Tce
PERTH WA 6000

REGISTERED OFFICE
703 Murray St
WEST PERTH WA 6005

POSTAL ADDRESS
PO Box 183
WEST PERTH WA 6872

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CHAIRMAN'S ADDRESS

Dear Shareholders

I have pleasure in inviting you to attend our 2020 Annual General Meeting to be held at 12 noon Friday 27 November 2020.

As shareholders would be aware, Corona has been an unlisted company since its inception in 2003, when it was "spun out" of Herald Resources Ltd. As well as ongoing exploration, Directors have been working continuously for the last 5 years to achieve some sort of better commercial outcome for shareholders and liquidity of their shares, **including two unsuccessful attempts to list on a stock exchange during that time**. Given periodic difficulties in the junior IPO market, COVID 19 issues, and the reluctance to ask long suffering shareholders for more funds, the Directors decided that the best way forward was to back the company's assets into a listed vehicle. To this end, discussions were held earlier in the year with number of companies, culminating in May 2020 in the deal below with Karora Resources Inc, a medium cap Canadian listed TSX company, which Directors believe gives shareholders the best outcome and some sort of "liquidity event" as it were.

The sale and purchase agreement with Karora involved the disposal of 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.

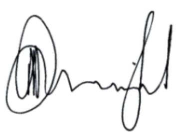
The principal terms of the sale agreement were as follows:

- Acquisition Payment of $4m in cash, which was received post balance date on 7 August 2020;
- Milestone Payment 1 of $1.5m in RNC shares on commencement of gold production at Spargos Reward in WA
- Milestone Payment 2 of $1m in RNC shares if additional indicated gold resources of at least 165,000 ozs are delineated at Spargos Reward
- A minimum spending commitment by RNC of $2.5M on exploration and development at Spargos Reward by 7 August 2022.

Corona therefore now has a tidy "war çhest" of $4m, whilst retaining some upside to success at our former projects through the Milestone Payments if made. Your Directors are currently considering future courses of action for the Company, which may include any or all of the following:

- Acquisition of new projects
- Strategic investments
- Payment of dividends to shareholders
- Future IPO if new projects are sourced

As always, we encourage shareholders to keep up with our progress at **www.coronaresources.com.au**
I would like to thank fellow Directors Terry Allen and Brian Hurley for their work throughout the year.
I also thank shareholders for their continued support.



Michael Wright
Chairman

DIRECTORS' REPORT

Your Directors present their report on Corona Resources Ltd and its controlled entity, Corona Minerals Pty Ltd (collectively "the Group") at the end of, or during, the year ended 30 June 2020.

The names and details of the Directors in office during the year and up to this report are:

NAME / QUALIFICATIONS	SPECIAL RESPONSIBILITIES	SECURITIES HELD IN CO. SHARES	OPTIONS
Michael P Wright Mr Wright has had over 30 years' experience in the resource sector in a corporate and financial capacity. He has formerly held directorships with a number of public companies in the resources sector. Mr Wright was eligible to attend and attended the two meetings of Directors that were held during the financial year. Mr Wright is also Company Secretary.	CHAIRMAN	2,206,422	-
Terrence M Allen Mr Allen has been extensively involved in exploration and management of listed mining companies since 1980. He has formerly held directorships with a number of public companies in the resources sector. Mr Allen was eligible to attend and attended the two meetings of Directors that were held during the financial year.	NON-EXECUTIVE DIRECTOR	23,370,887	-
Brian J Hurley Mr Hurley has over 40 years experience in senior management in the resource 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 and/or a Director of a number of junior mining and/or exploration companies. Mr Hurley was eligible to attend and attended the two meetings of Directors that were held during the financial year	NON-EXECUTIVE DIRECTOR	30,001	-

Directors' interest in contracts

The Company is party to an office lease agreement with a company controlled by Non-Executive director T M Allen. The terms of the lease are comparable or better than those available for similar office space.

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

DIRECTORS' REPORT

Principal activities

The principal activities of the Group during the year were mineral exploration and investment. Other than as mentioned elsewhere in this Report, there were no significant changes in those activities during the year.

Result of operations

The net loss, after income tax, of the Group for the financial year was $281,399 (2019:net loss of $455,820) and was primarily the result of writing off exploration costs incurred during the year of $228,047 (2019: $395,804 Refer to note 2a) and administration costs of $79,287 (2019: $63,422). In 2018 the Group expensed goodwill as restructuring costs of $5,131,303 arising from the reverse acquisition by the Company of Corona Minerals Limited. Interest income and other income of $25,935 (2019: $3,406) was received. (Note 2 and 2a).

Dividends

No dividends were paid during the 2019/2020 year. The Directors have not recommended a dividend for the 2019/2020 year.

Significant changes in state of affairs

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

Review of operations and likely developments

The Group continued to concentrate on evaluating its projects in Australia at Spargos Reward in WA and Queenstown in Tasmania where the Company was in joint venture with Pacifico Minerals Ltd (see also Note 20).

On 11 May, 2020, Corona Resources Ltd entered into a conditional Sale and Purchase Agreement with Avoca Resources Pty Ltd and Royal Nickel Corporation Inc (a TSX-listed company, subsequently re-named Karora Resources Inc) whereby parent entity Corona Resources agreed to sell all of its shares in 100% owned operating subsidiary Corona Minerals Pty Ltd, the owner of all of Corona's mineral interests at Spargos and Queenstown. The consideration payable under the agreement comprised as follows:

- An Execution Fee of $25,000 payable upon signing of the agreement.
- An Acquisition Payment of $4,000,000, payable in cash or Karora shares at the Purchaser's election, once all conditions had been satisfied
- A Milestone Payment 1 of $1,500,000, payable in Karora shares upon the commencement of gold production at the Spargos Reward Gold Project
- A Milestone Payment 2 of $1,000,000, payable in Karora shares, upon the delineation of additional new JORC code or NI 43-101 compliant Indicated Gold Resources of at least 165,000 ozs at the Spargos Reward Project..

All conditions were satisfied on 7 August 2020, and the Acquisition Payment was settled for $4,000,000 in cash on that date.

On 30 November 2019, 5,905 options to acquire shares in the parent entity at $0.20 per share were exercised for cash, and 2,945,884 options expired unexercised.

DIRECTORS' REPORT

In the opinion of the Directors, the operations of the Group for the financial year, likely developments in the operations of the Group 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 Group's future profitability or viability may be affected by various foreseen or unforeseen factors such as access to capital, 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 Group in subsequent financial years are that the Group will continue wherever possible to acquire and evaluate its holdings in an attempt to maximise their value. The Company continues to investigate the possibility of an ASX listing.

Audit Committee

The Company 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.

Proceedings on behalf of the Group

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

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 20209 has been received and can be found on page 40.

Directors' benefits

Other than as noted in "Directors interest in contracts", no Director of the Company 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 the Directors shown in the Company's accounts, or the fixed salary of a full time employee of the Company) by reason of a contract made by the Company with the Directors or with a firm of which the Director is a member, or with a company in which the Director has a substantial interest.

Non-Audit Services

During the year ended 30 June 2020, neither Stantons International or any of its associated entities provided any non-audit services to the Group.

Unissued shares under option / Shares issued during the year or since the end of the year

At balance date, there were 44,357,943 ordinary fully paid shares on issue.

At the date of this report, there were 44,357,943 ordinary fully paid shares on issue.

There were no options outstanding at balance date or at the date of this report.

DIRECTORS' REPORT

Environmental regulations

The Group's operations are regulated by the usual environmental regulations under Commonwealth and state law.

Indemnifying officers

The Group does not presently have insurance that covers the Directors and Executives against liability for costs that may be incurred in defending civil or criminal proceedings that may be brought against the Directors, in their capacity as a Director.

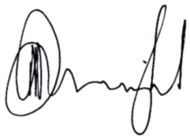
Indemnifying of auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an Auditor of the Group.

Subsequent events

Other than as noted in Review of Operations above, since the end of the financial year, no matter or circumstances have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

The report is signed in accordance with a resolution of the Directors.



Michael P Wright
Director
Dated this 4th day of November 2020

CORPORATE GOVERNANCE STATEMENT

This statement outlines the main corporate governance practices that were in place throughout the 2019/2020 financial year.

BOARD OF DIRECTORS

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

M P Wright	Chairman
T M Allen	Non-Executive Director
B J Hurley	Non-Executive Director

NOMINATION PRINCIPLES

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

- The Board presently comprises three 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.

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 OF 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 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.

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 Group and to develop strategies to mitigate those risks.

CORPORATE GOVERNANCE STATEMENT

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 Group's state of affairs. Information is communicated to shareholders via periodic reports, and the Company's website.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2020

	NOTE	2020	2019
REVENUES		**$**	$
Interest and other income	2	**25,000**	2,054
EXPENSES			
Exploration expenditure expensed		-	-
Administration and other expenses from ordinary activities	3	**(11,547)**	-
Project evaluation costs		-	(80)
PROFIT BEFORE INCOME TAX		**13,453**	1,974
Income Tax	4	-	-
PROFIT FROM CONTINUING OPERATIONS ATTRIBUTABLE		**13,453**	1,974
Discontinuing Operations	2a	**(294,852)**	(457,874)
TO MEMBERS OF CORONA RESOURCES			
Items that will not be re-classified subsequently to profit or loss:		**-**	-
Items that may be re-classified subsequently to profit or loss:		**-**	-
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR ATTRIBUTABLE TO MEMBERS OF CORONA RESOURCES		**(281,399)**	(455,900)
Basic earnings per share attributable to equity members (cents per share)	16	**(0.63)**	(1.07)
Diluted earnings per share attributable to equity members of the Company (cents per share)	16	**(0.63)**	(1.07)

Notes to and forming part of the Consolidated Statement of Profit or Loss and Other Comprehensive Income are attached.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

	NOTE	2020	2019
		$	$
CURRENT ASSETS			
Cash and cash equivalents	5a	**662**	349,813
Trade and other receivables	6	**-**	7,618
Assets classified as held for sale	8	**100,551**	
TOTAL CURRENT ASSETS		**101,213**	357,431
NON-CURRENT ASSETS			
Other financial assets	7	**-**	24,000
TOTAL NON-CURRENT ASSETS		**-**	24,000
TOTAL ASSETS		**101,213**	381,431
CURRENT LIABILITIES			
Trade and other payables	9	**10,000**	10,000
TOTAL CURRENT LIABILITIES		**10,000**	10,000
NON-CURRENT LIABILITIES		**-**	-
TOTAL NON-CURRENT LIABILITIES		**-**	-
TOTAL LIABILITIES		**10,000**	10,000
NET (LIABILITIES) / ASSETS		**91,213**	371,431
EQUITY			
Contributed equity	10	**11,642,140**	11,640,959
Reserves	11	**247,145**	247,145
Accumulated Losses	12	**(11,798,072)**	(11,516,673)
TOTAL (DEFICIENCY) / EQUITY		**91,213**	371,431

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2020

2020	**Note**	**CONTRIBUTED EQUITY** $	**ACCUMULATED LOSSES** $	**SHARE BASED PAYMENT RESERVE** $	**TOTAL EQUITY SURPLUS/ DEFICENCY** $
CONSOLIDATED					
Balance at 1 July 2019		11,640,959	(11,516,673)	247,145	371,431
Total comprehensive income (loss) for the year		-	(281,399)	-	(281,399)
Shares issued during the year	10	1,181	-	-	1,181
Options issued during the year		-	-	-	-
Balance at 30 June 2020		**11,642,140**	**(11,798,072)**	**247,145**	**91,213**

2019	**Note**	**CONTRIBUTED EQUITY** $	**ACCUMULATED LOSSES** $	**SHARE BASED PAYMENT RESERVE** $	**TOTAL EQUITY SURPLUS/ DEFICENCY** $
COMPANY					
Balance at 1 July 2018		10,173,708	(11,060,853)	247,145	(640,000)
Total comprehensive income (loss) for the year		-	(455,820)	-	(455,820)
Shares issued during the year	10	1,467,251	-	-	1,467,251
Options issued during the year	11	-	-	-	-
Balance at 30 June 2019		**11,640,959**	**(11,516,673)**	**247,145**	**371,431**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2020

	Note	2020	2019
		$	$
CASH FLOW FROM OPERATING ACTIVITIES			
Payment to suppliers and employees		**(78,750)**	(360,854)
Project evaluation costs		**-**	(326)
Interest and other income received		**25,935**	3,406
Net cash (outflow) from operating activities	**5**	**(52,815)**	(357,774)
CASH FLOWS FROM INVESTING ACTIVITIES			
Exploration and evaluation expenditure	**5**	**(228,047)**	(395,804)
Refund of exploration bond		**6,000**	-
Net cash (outflow) from investment activities		**(222,047)**	(395,804)
CASH FLOWS FROM FINANCING ACTIVITES			
Advances from (repayments to) related entity		**-**	(368,000)
Proceeds from issue of shares		**1,181**	1,467,251
Net cash inflow from financing activities		**1,181**	1,099,251
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		**(273,681)**	345,673
Cash and cash equivalents at beginning of financial year		**349,813**	4,140
CASH & CASH EQUIVALENTS AT END OF FINANCIAL YEAR	**5a**	**76,132**	349,813

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2020

1. Summary of significant accounting policies

The Group has consistently applied the following accounting policies to all periods presented in the financial statements. The Group has considered the implications of new and amended Accounting Standards applicable for annual reporting periods beginning after 1 July 2019, but determined that their application to the financial statements is either not relevant or not material.

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. Corona Resources Limited is a company limited by shares incorporated in Australia.

a. 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, including accounting Interpretations and the Corporations Act 2001.

b. Going concern

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 Company is dependent upon it maintaining sufficient funds for its operations and commitments.

The Directors believe that it is reasonably foreseeable that the Group will continue as a going concern and that the financial report has been appropriately prepared on a going concern basis after consideration of the following factors:

- The ability of the Group to raise capital by the issue of additional shares under the Corporations Act 2001;
- The ability to curtail administration and operational cash outflows as required.

As of September 2020, Company had approx. $4,000,000 in the bank. Company has sufficient funds to carry out its function.

c. Historical cost convention

These financial statements have been prepared under the historical cost convention, and where applicable, as modified by the revaluation of available-for-sale financial assets, and certain financial assets and liabilities at fair value through profit or loss.

d. Revenue from contracts with customers

Revenue is recognised when or as performance obligation in the contract with the customer has been satisfied, i.e., when the control of the goods or services underlying the particular performance obligation is transferred to the customer.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2020

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

e. Income tax

The charge for current income tax expense is based on the profit/loss 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. of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss. No deferred income tax will be recognised from the initial recognition 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 Profit or Loss and Other 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.

f. Plant and equipment

The cost of each item of plant 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 is 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 plant 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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2020

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 which this is determined.

g. 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).

h. 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.

i. Share-based payments

The Company provides benefits to employees (including directors) of the Company 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 company, 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2020

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. The group also enters into equity-settled transactions with suppliers and these are measured at the fair value of the goods and services provided.

j. 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:

- such costs are expected to be recouped through successful development and exploitation of the area or alternatively by its sale, or
- 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. All exploration expenditure incurred during the year has been written off.

k. Comparative figures

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

l. Foreign currency transactions and balances

Functional and presentation currency

The functional currency of company (where applicable) is measured using the currency of the primary economic environment which is Australia.

Transactions and balances

Foreign currency transactions (where applicable) 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2020

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.

m. 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.

n. Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial instruments (except for trade receivables) are measured initially at fair value adjusted by transaction costs, except for those carried at 'fair value through profit or loss', in which case transaction costs are expensed to profit or loss. Where available, quoted prices in an active market are used to determine the fair value. In other circumstances, valuation techniques are adopted. Subsequent measurement of financial assets and financial liabilities are described below.

Classification and measurement

Financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortised cost;
- fair value through other comprehensive income (FVOCI); and
- fair value through profit or loss (FVPL).

Classifications are determined by both:

- the contractual cash flow characteristics of the financial assets; and
- the Group's business model for managing the financial asset.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet with the following conditions (and are not designated as FVPL);

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2020

cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial assets at fair value through other comprehensive income (Equity instruments)

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and
- the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling the financial asset.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI.

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132 Financial Instruments: Presentation and are not held for trading.

Financial assets at fair value through profit or loss (FVPL)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, gains and losses arising on changes in fair value are recognised in profit or loss.

Impairment

From 1 July 2018, the Group assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by AASB,

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2020

which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Comparative information

The Group has applied AASB 9 Financial Instruments retrospectively, but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the Group's previous accounting policy.

Classification

Until 30 June 2020, the Group classified its financial assets in the following categories:

- financial assets at fair value through profit or loss;
- loans and receivables;
- held-to-maturity investments; and
- available for sale financial assets.

The classification depended on the purpose for which the investments were acquired. Management determined the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluated this designation at the end of each reporting period.

o. Maintenance and repairs

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

p. Earnings per share

Basic earnings per share

Basic EPS is calculated as the profit attributable to equity holders of the Group, 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.

q. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2020

r. 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.

s. 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.

t. Impairment of assets

At each reporting date, the Company 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 Profit or Loss and Other 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 company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

u. Adoption of new and revised accounting standards

AASB 16: Leases

The Group has considered the implications of new and amended Accounting Standards and has adopted the mandatory accounting standard AASB 16; Leases as of 1st July 2019.

Changes in Accounting Policies
Under AASB 16, any leases that the Group has need to be recognised in the balance sheet. Under this standard, an asset (right of use asset) and a lease liability are to be recognised. The only exemptions are short-term leases and low value leases.

Initial Application of AASB 16; Leases
The Group has assessed that there are no leases to be recognised in the balance sheet at the reporting date. The current lease of the Group is a short-term office lease. Renewal of this lease is dependent on business condition at the time of renewal. The Board has assessed that at this point, it is not certain that the lease will be renewed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2020

Other standards not yet applicable

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2020

	2020	2019
	$	$
2. Revenues from continuing operations		
Other revenues	**25,000**	2,054
Total revenues from continuing operations	**25,000**	2,054
2a. Revenue and expenses from discontinuing operations		
Interest received	**935**	1,352
Administration expense	**(67,740)**	(63,342)
Exploration expenditure written-off	**(228,047)**	(395,804)
Total revenue and expenses from discontinuing operations	**(294,852)**	(457,794)
3. Administration expenses		
Includes the following key expenditure items:		
Legal Fees	**1,547**	-
Audit Fees	**10,000**	-
	11,547	-
4. Income Tax		
a. Income Tax benefit	**-**	-
b. Numerical reconciliation between tax benefit & pre-tax net loss		
Loss from continuing operations before income tax	**(281,399)**	(455,820)
Income tax benefit calculated at 27.5% (2019: 27.5%)	**(77,385)**	(125,351)
Tax effect on amounts which are not tax deductible (assessable):		
Movement in provisions	**-**	(6,569)
Capital raising / legal costs	**-**	-
Restructuring costs		-
Section 40-880 deduction – Other	(26,968)	(26,968)
Current year for which no deferred tax asset was recognized	**104,353**	158,888
Income tax benefit (expense) attributable to entity	**-**	-

c. Unrecognised deferred tax assets

Net deferred tax assets (calculated at 27.5%; 2019: 27.5%) have not been recognized in respect of the following items:

	2020	2019
Deferred Tax Assets		
Tax Losses	**1,190,724**	1,086,371
Exploration acquisition costs	**30,250**	30,250
Capital raising costs & 40-880 expenses	**39,423**	66,392
Provisions	**-**	-
Accrued Expenses	**2,750**	2,750

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2020

	1,263,147	1,185,763
Deferred Tax Liabilities	**-**	-
Unrecognised net deferred tax assets relating to the above temporary differences	**1,263,147**	1,185,763

Estimated unused tax losses have not been recognised as a deferred tax asset as the future recovery of these losses is subject to the Group satisfying the requirements imposed by the relevant regulatory authorities.

4. Income Tax (continued)

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
- The conditions for deductibility imposed by the relevant tax legislation continue to be complied with and no changes in tax legislation adversely affect the Group in realising the benefit.

5. Reconciliation of net cash provided by operating activities to net loss after income tax	**2020**	2019
	$	$
Net (loss) after income tax	**(281,399)**	(455,820)
Non-cash items:		
Exploration expenditure expensed (investing for cash flow purposes)	**228,047**	395,804
Goodwill expensed as restructuring costs	**-**	-
Share based payment – corporate advisory fees	**-**	-
Payables, accruals and provision increase (decrease)	**548**	(298,905)
Receivable decrease (increase)	**(11)**	1,147
Net cash (outflow) from operating activities	**(52,815)**	(357,774)
Cash and cash equivalents comprises:		
Cash on hand	**3**	3
Cash at Bank	**874**	414
Cash on deposit	**75,255**	349,396
	76,132	349,813

5a. Reconciliation to cash flow statement

The above figures reconcile to the amount of cash shown in the statement of cash flows at the end of the financial year as follows

Cash at bank Corona Resources	**662**
Cash at bank Corona Minerals (Refer to note 9)	**75,470**
	76,132

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2020

	2020 $	2019 $
6. Trade and other receivables (current)		
Other amounts receivable	**-**	7,618
Total	**-**	7,618
7. Other financial assets (non-current)		
Deposits & Bonds *		
Total	**-**	24,000
** These deposits and bonds relate to tenements held by the Group in Tasmania*	**-**	24,000

8. Assets classified as held for sale

Cash		
Receivables	**75,470**	-
Trade and Other Receivables	**7,081**	-
	18,000	-
	100,551	-

9. Trade and other payables (current)		
Includes the following items		
Trade creditors and accruals	**10,000**	10,000
	10,000	**10,000**

Trade payables are non-interest bearing and are usually settled on 30-60 day terms unless extended credit has been agreed with the supplier.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2020

10. Contributed Equity

Issued and paid up capital		
44,357,943 ordinary fully paid shares (2019: 44,352,038)	**11,642,140**	11,640,959

Movement in issued capital	**Consolidated 2020**		Consolidated 2019	
	Number of Shares	**Value $**	Number of Shares	Value $
Opening Balance	**44,352,038**	**11,640,959**	24,788,702	10,173,708
Options exercised	**5,905**	**1,181**	-	-
Share capital raised	**-**	**-**	19,563,336	1,467,251
Closing Balance	**44,357,943**	**11,642,140**	44,352,038	11,640,959

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2020

	2020	2019
	$	$
11. Reserves		
Share based payments reserve	**247,145**	247,145
Reserves Movement		
Opening balance	**247,145**	247,145
Closing balance	**247,145**	247,175

Options

At balance date, there were nil options on issue (2019: 2,951,789) options to subscribe for shares at $0.20 on or before 30 November 2019, granted as part consideration for the acquisition of Corona Minerals Limited during the previous reporting period.

The following table illustrates the number and weighted average exercise price of and movement in share options during the year:

	2020	**2020**	2019	2019
	Number	**Weighted Average Exercise Price ($)**	Number	Weighted Average Exercise Price ($)
Outstanding at the beginning of the year	**2,951,789**	**0.20**	2,951,789	0.20
Exercised during the year	**(5,905)**	**0.20**	-	-
Expired during the year	**(2,945,884)**	**0.20**	-	-
Outstanding at the end of the year	**-**	**-**	2,951,789	0.20
Exercisable at the end of the year	**-**	**-**	2,951,789	0.20

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2020

	2020	2019
	$	$
12. Accumulated losses		
Accumulated losses at the beginning of the year	**(11,516,673)**	(11,060,853)
Net loss attributable to members of Corona Resources Ltd	**(281,399)**	(455,820)
Accumulated losses at the end of the year	**(11,798,072)**	(11,516,673)
13. Key management personnel		
Short-term benefits	**-**	21,075
Post-employment benefits	**-**	2,002
Total compensation paid	**-**	23,077

Key management personnel of Corona Resources Ltd (2020)	**Short-term benefits**			**Post-employment benefits**	
Name	**Base Salary or Fees**	**Options**	**Director Fees**	**Superannuation**	**Total**
	$	**$**	**$**	**$**	**$**
DIRECTORS					
M P Wright – Chairman	-	-	-	-	-
T M Allen – Non-Executive Director	-	-	-	-	-
B J Hurley – Non-Executive Director	-	-	-	-	-
TOTAL	**-**	**-**	**-**	**-**	**-**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2020

13. Key management personnel (continued)

Key management personnel of Corona Resources Ltd (2019)	Short-term benefits			Post-employment benefits	
Name	**Base Salary or Fees**	**Options**	**Director Fees**	**Superannuation**	**Total**
	$	**$**	**$**	**$**	**$**
DIRECTORS					
M P Wright – Chairman	-	-	-	-	-
T M Allen – Non-Executive Director	-	-	-	-	-
B J Hurley – Non-Executive Director	-	-	-	-	-
MANAGEMENT					
C Hughes – Geologist	21,075	-	-	2,002	23,077
TOTAL	**21,075**	**-**	**-**	**2,002**	**23,077**

Number of Shares held by Key Management Personnel

Directors	Balance 30-Jun-19	Received as Remuneration	Options Exercised	Net Change Other	Balance 30-Jun-20
T M Allen	23,370,887	-	-	-	23,370,887
M P Wright	2,206,422	-	-	-	2,206,422
B J Hurley	30,001	-	-	-	30,001
TOTAL	**25,607,310**	**-**	**-**	**-**	**25,607,310**

Number of Options held by Key Management Personnel

Directors	Balance 30-Jun-19	Options Granted	Options Exercised	Net Change Other *	Balance 30-Jun-20
T M Allen	1,196,127	-	-	(1,196,127)	-
M P Wright	154,200	-	-	(154,200)	-
B J Hurley	-	-	-	-	-
TOTAL	**1,350,327**	**-**	**-**	**(1,350,327)**	**-**

*Net Change Other refers to options that lapsed unexercised on 30 November 20119

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2020

	2020	2019
	$	$
14. Remuneration of Auditors		
The following total remuneration was received by auditors of the Group in respect of:		
Auditing or reviewing the financial report	**16,500**	20,454
Other services	**-**	-
TOTAL	**16,500**	20,454

15. Related Party Transactions

a) Corona Minerals Pty Ltd is party to an office lease agreement with a company controlled by Non-executive Director T M Allen. The terms of the lease are comparable or better than those available for similar office space. Total rent and outgoings paid during the year were $31,240 (2019: $24,070). The Group has assessed that there are no leases to be recognised in the balance sheet at the reporting date. The current lease of the Group is a short-term office lease. Renewal of this lease is dependent on business condition at the time of renewal.

b) Directors and Director-related entities held directly, indirectly or beneficially as at the reporting date:

Corona Resources Ltd	2020	2019
Ordinary Shares	**25,607,310**	25,607,310
Options	**-**	1,350,327

16. Earnings per share

The following reflects the data used in the calculations of basic and diluted loss per share	2020	2019
	$	$
Profit (loss) from continuing operations	**(281,399)**	1,965
Profit {loss} attributed to the ordinary equity holders of the Group used in calculating basic and diluted earnings per share	**(281,399)**	1,965
	No. of shares	No. of shares
Weighted average number of ordinary shares used as the denominator in the calculation of basic and diluted earnings per share respectively	**44,357,943**	42,797,691

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2020

Profit (loss) from discontinuing operations	**(294,852)**	(457,794)
Profit {loss} attributed to the ordinary equity holders of the Group used in calculating basic and diluted earnings per share	**(294,852)**	(457,794)
	No. of shares	No. of shares
Weighted average number of ordinary shares used as the denominator in the calculation of basic and diluted earnings per share respectively	**44,357,943**	42,797,691

17. Interest in controlled entity

At 30 June 2020, the parent entity Corona Resources Ltd owned 100% of the shares and options in Corona Minerals Pty Ltd (2019: 100%). These shares were subsequently sold on 7 August 2020.

18. Joint ventures

a) In June 2010, the wholly owned entity Corona Minerals Pty Ltd entered into a farm-in agreement with Pacifico Minerals Ltd in relation to the Mt Jukes Project in Tasmania.

The key terms of that agreement are as follows:

- Corona is currently sole contributing, and Pacifico is diluting. Interests at 30 June 2020 were Corona 88.01%, Pacifico 11.99%. See also above regarding disposal of Corona Minerals Pty Ltd.
- Normal joint venture terms apply, including a management fee payable to Corona of 10% of expenditures and dilution where one party elects not to contribute.

b) The Group was formerly in joint venture with Mithril Resources Ltd on the Spargos Rewards project. During the year, the Group increased in interest to 85% by completion of a positive scoping study, and in 2019 subsequently increased its interest to 100% by purchasing a 15% interest for $50,000 cash consideration. Other than ongoing royalties, the Group is no longer in joint venture at the Spargos Reward Project.

19. 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 Group 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 Group on funds on deposit for the year was 1.15% (2018: 0%).

b) Interest rate risk exposures

The Group had no significant exposure to interest rate risk, other than to the extent of the rate of interest received on cash deposits

c) Credit risk exposures

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2020

The Group has no significant concentrations of credit risk. The maximum exposure to credit risk at balance date is the carrying amount of assets as disclosed in the Consolidated Statement of Financial Position and related notes to the financial statements.

d) Foreign currency risk

The Group is not exposed to fluctuations in foreign currencies arising from exploration commitments in currencies other than the company's measurement currency.

2020	Floating Interest Rate	1 year or less	Over 1-5 years	More than 5 years	Non-Interest Bearing	Total carrying value as per the Consolidated Statement of Financial Position	Weighted average effective interest rate
	$	**$**	**$**	**$**	**$**	**$**	**%**
(i) Financial assets							
Cash	**75,255**	**-**	**-**	**-**	**877**	**76,132**	**0.57**
Trade & other receivables	**-**	**-**	**-**	**-**	**7,081**	**7,081**	**-**
Other financial assets	**-**	**-**	**-**	**-**	**18,000**	**18,000**	**-**
Total Financial assets	**75,255**	**-**	**-**	**-**	**25,958**	**101,213**	**-**
(ii) Financial Liabilities							
Trade and other payables	-	-	-	-	10,000	10,000	-
Borrowings	-	-	-	-	-	-	-
Total Financial Liabilities	**-**	**-**	**-**	**-**	**10,000**	**10,000**	**-**

Financial Instruments (2019)	Floating Interest Rate	1 year or less	Over 1-5 years	More than 5 years	Non-Interest Bearing	Total carrying value as per the Statement of Financial Position	Weighted average effective interest rate
	$	**$**	**$**	**$**	**$**	**$**	**%**
(i) Financial assets							
Cash	349,396	-	-	-	417	349,813	-
Trade & other receivables	-	-	-	-	7,618	7,618	-
Other financial assets	-	-	-	-	24,000	24,000	-
Total Financial assets	349,396	-	-	-	32,035	381,431	-
(ii) Financial Liabilities							
Trade and other payables	-	-	-	-	10,000	10,000	-
Borrowings	-	-	-	-	-	-	-
Total Financial Liabilities	**-**	**-**	**-**	**-**	10,000	10,000	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2020

20. Contingent liabilities and contingent assets

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

21. Subsequent events

On 11 May, 2020, Corona Resources Ltd entered into a conditional Sale and Purchase Agreement with Avoca Resources Pty Ltd and Royal Nickel Corporation Inc (a TSX-listed company, subsequently re-named Karora Resources Inc) whereby parent entity Corona Resources agreed to sell all of its shares in 100% owned operating subsidiary Corona Minerals Pty Ltd, the owner of all of Corona's mineral interests at Spargos and Queenstown. The consideration payable under the agreement comprised as follows:

- An Execution Fee of $25,000 payable upon signing of the agreement.
- An Acquisition Payment of $4,000,000, payable in cash or Karora shares at the Purchaser's election, once all conditions had been satisfied
- A Milestone Payment 1 of $1,500,000, payable in Karora shares upon the commencement of gold production at the Spargos Reward Gold Project
- A Milestone Payment 2 of $1,000,000, payable in Karora shares, upon the delineation of additional new JORC code or NI 43-101 compliant Indicated Gold Resources of at least 165,000 ozs at the Spargos Reward Project.

All conditions were satisfied on 7 August 2020, and Acquisition Payment 1 was settled for $4,000,000 in cash on 7 August 2020.

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 Group, the results of those operations, or the state of affairs of the Group in future financial years.

22. Operating Segments

The Group's main operations were exploration for minerals in Western Australia and Tasmania. The Board reviews the informal Financial Statements which are prepared on the same basis as these financial statements.

The Group's operations are all based in one geographical segment, being Australia. The Company's operations are in exploration phase so it has no products or services nor any major customers.

23. Commitments

In order to maintain current rights of tenure to exploration tenements, the Group is required to perform minimum exploration work to meet the minimum expenditure commitments as specified by the State Governments. These obligations are subject to renegotiations when application for a mining lease is made and at other times. The obligations will be met from normal working capital of the group. The minimum exploration tenement commitments are reduced when the Group enters into a joint venture on the tenements or extinguished should the tenement be abandoned because the Directors decide that the project is not commercial.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2020

The Group has certain minimum obligations in pursuance of the terms and conditions of mining tenement licences in the forthcoming year. Whilst these obligations are capable of being varied from time to time, in order to maintain current rights of tenure to mining tenements, the Group may be required to outlay in 2020/21 certain amounts if other tenements are acquired during the year. These tenement obligations are expected to be fulfilled in the normal course of operations.

24. Parent Entity Disclosure

The following details information related to the parent entity, Corona Resources Ltd, at 30 June 2020. The information presented here has been prepared using consistent accounting policies as presented in note 1.

Results of the parent entity	**2020**	2019
	$	$
Loss for the year	**(16,747)**	(1,093,026)
Other Comprehensive Income	**25,000**	2,054

Financial position of parent entity at year end	**2020**	2019
	$	$
Current assets	**662**	6,228
Non–current assets	**5,131,306**	5,131,306
Total Assets	**5,131,968**	5,137,534
Current Liabilities	**10,000**	**-**
Non-current Liabilities	**-**	-
Total Liabilities	**10,000**	**-**

Total equity of the parent entity comprising of:		
Share capital	**6,426,175**	6,424,994
Reserves	**239,566**	239,566
Accumulated losses	**(1,543,773)**	(1,527,026)
Total equity	**5,121,968**	5,137,534

a) Guarantees entered into by the parent entity in relation to the debts of its subsidiary

The parent entity had not entered into any guarantees in relation to the debts of its subsidiary as at 30 June 2020 other than disclosed in this financial report.

b) Parent entity contingencies

Other than warranties entered into in the normal course of business pursuant to the sale agreement dated 11 May 2020 referred to in the Directors' Report, the parent entity had no contingent liabilities or assets as at 30 June 2020 other than disclosed elsewhere in this financial report.

c) Commitments for the acquisition of property, plant and equipment by the parent entity

The parent entity had no commitments for the acquisition of property, plant and equipment at 30 June 2020 other than as disclosed in this financial report.

DIRECTORS' DECLARATION

In the Directors' opinion:

(1) The financial statements and notes set out in the preceding pages are in accordance with the Corporations Act 2001, including:
- complying with Accounting Standards, the Corporations Act 2001 and other mandatory professional reporting requirements; and
- giving a true and fair view of the Group's financial position as at 30 June 2020 and of its performance, as represented by the results of its operations, changes in equity and cash flows, for the financial year ended on that date; and

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

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

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

M P Wright
Director

Dated this 4th day of November 2020

AUDITOR'S REPORT

Stantons International Audit and Consulting Pty Ltd
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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
CORONA RESOURCES LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Corona Resources Limited, the Company and its subsidiary, ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2020 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

AUDITOR'S REPORT

Stantons International

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

AUDITOR'S REPORT

Stantons International

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit and Consulting Pty Ltd

Samir Tirodkar
Director
West Perth, Western Australia
4th November 2020

AUDITOR'S INDEPENDENCE DECLARATION

Stantons International Audit and Consulting Pty Ltd
trading as
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Chartered Accountants and Consultants

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www.stantons.com.au

4 November 2020

Board of Directors
Corona Resources Limited
703 Murray Street
WEST PERTH WA 6005

Dear Sirs

RE: CORONA RESOURCES LIMITED

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Corona Resources Limited.

As Audit Director for the audit of the financial statements of Corona Resources Limited for the year ended 30 June 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
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(An Authorised Audit Company)

Samir Tirodkar
Director

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