



Corona Resources

HALF-YEAR REPORT

FOR THE 6 MONTHS
TO 31 DECEMBER
2020

ABN 99 617 982 000

CORPORATE DIRECTORY

DIRECTORS

M P Wright B.Bus. (Chairman)

T M Allen (Non-Executive Director)

B J Hurley (MAusIMM)
(Non-Executive Director)

COMPANY SECRETARY

M P Wright

EXECUTIVES

C Hughes, Geologist (MAusIMM)

SHARE REGISTRY

Automic Group

5/126 Phillip St
SYDNEY NSW 2000

Telephone: +61 2 9698 5414

Email: info@automicgroup.com.au

AUSTRALIAN BUSINESS NUMBER

99 617 982 000

SHARE CAPITAL

44,357,943 ordinary fully paid shares

MAJOR SHAREHOLDERS

Directors 58%

AUDITORS

Stantons International

Level 2, 1 Walker Avenue

WEST PERTH WA 6005

SOLICITORS

Piper Alderman

16/70 Franklin St

ADELAIDE SA 5000

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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DIRECTORS' REPORT

The Directors of Corona Resources Limited ("the Company") submit herewith the Financial Statements of the Company for the half year ended 31 December 2020, (with comparatives comprising the consolidated financial statements of the Company and its wholly owned entity (together "the Group") at 30 June 2020 and 31 December 2019).

In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows.

The names and particulars of the Directors of the Company during or since the end of the financial period are:

- Michael Peter Wright - Chair
- Terrence Michael Allen - Non-Executive Director
- Brian John Hurley - Non-Executive Director

The accounting policies and methods of computation adopted in the preparation of the half-year Financial Report are consistent with those adopted and disclosed in the Company's 2020 Annual Financial Report for the financial year ended 30 June 2020 except as noted in relation to the revised Accounting Standards referred to in Note 1(d) of the half year financial report. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Review of Operations

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.

No contingent asset has been recognised in the accounts in relation to the milestone payments disclosed above.

In accordance with AASB 3: Business Combinations, the acquisition of Corona Minerals Ltd (now Corona Minerals Pty Ltd) in 2017 was recorded under reverse acquisition principles which results in the legal parent (in this case Corona Resources Limited) being accounted for as the subsidiary, while the legal acquiree (in this case Corona Minerals Pty Ltd) being accounted for as the parent. In accordance with the accounting requirements, the consideration and other share-based compensation provided as part of the Transaction was valued on the effective date and recorded as transaction costs in the Consolidated Statement of Profit and loss and other Comprehensive Income in 2017

Auditor's Independence Declaration

The auditor's independence declaration is included on page 18 of the half-year report.

Subsequent Events

No matters or circumstances have arisen since the end of the half-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 made in accordance with the resolution of the Directors pursuant to s306(3) of the Corporations Act 2001.

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'Michael P Wright', with a stylized initial 'M'.

Michael P Wright
Director

Dated this 16th day of March 2021

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the half-year ended 31 December 2020

		CONSOLIDATED	CONSOLIDATED
	NOTE	DEC 2020	DEC 2019
REVENUES		\$	\$
Interest income	3	5,558	-
Gain on financial asset through profit or loss	3	11,353	-
EXPENSES			
Administration and other expenses from ordinary activities	4	(20,304)	(70)
PROFIT/(LOSS) BEFORE INCOME TAX		(3,393)	(70)
Income Tax		-	-
PROFIT/(LOSS) FROM CONTINUING OPERATIONS		(3,393)	(70)
Discontinued Operations			
Gain/(Loss) from Discontinued Operations /Deconsolidation of Corona Minerals Pty Ltd	7	9,195,148	(220,411)
PROFIT/(LOSS)		9,191,755	(220,481)
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 PERIOD ATTRIBUTABLE TO MEMBERS OF CORONA RESOURCES		9,191,755	(220,481)
Basic and Diluted Earnings Per Share Attributable to Equity Members	10	0.207	(0.005)

The statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying condensed notes.

STATEMENT OF FINANCIAL POSITION

as at 31 December 2020

		COMPANY	CONSOLIDATED
	NOTE	DEC 2020	JUNE 2020
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents		3,948,377	662
Trade and other receivables		2,419	-
Assets classified as held for sale		-	100,551
TOTAL CURRENT ASSETS		3,950,796	101,213
NON-CURRENT ASSETS			
Other financial assets		112,625	-
TOTAL NON-CURRENT ASSETS		112,625	-
TOTAL ASSETS		4,063,421	101,213
CURRENT LIABILITIES			
Trade and other payables		4,000	10,000
TOTAL CURRENT LIABILITIES		4,000	10,000
NON-CURRENT LIABILITIES			
		-	-
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		4,000	10,000
NET ASSETS/(LIABILITIES)		4,059,421	91,213
EQUITY			
Contributed Equity	8	6,426,172	11,642,140
Reserves	9	239,566	247,145
Accumulated Losses		(2,606,317)	(11,798,072)
TOTAL EQUITY		4,059,421	91,213

The statement of financial position should be read in conjunction with the accompanying condensed notes.

STATEMENT OF CHANGES IN EQUITY

for the half-year ended 31 December 2020

	ISSUED CAPITAL	ACCUMULATED LOSSES	RESERVES	TOTAL EQUITY
2020	\$	\$	\$	\$
CONSOLIDATED				
Balance at 1 July 2020	11,642,140	(11,798,072)	247,145	91,213
Deconsolidation of Accounting Parent	(5,215,968)	5,223,547	(7,579)	-
Total comprehensive income/(loss) for the half-year		3,968,208	-	3,968,208
Balance at 31 December 2020	6,426,172	(2,606,317)	239,566	4,059,421
2019				
CONSOLIDATED				
Balance at 1 July 2019	11,640,959	(11,516,673)	247,145	371,431
Shares issued during the half-year	1,181	-	-	1,181
Total comprehensive income/(loss) for the half-year	-	(220,481)	-	(220,481)
Balance at 31 December 2019	11,642,140	(11,737,154)	247,145	152,131

The statement of changes in equity should be read in conjunction with the accompanying condensed notes.

STATEMENT OF CASH FLOWS

for the half-year ended 31 December 2020

	CONSOLIDATED	CONSOLIDATED
	DEC 2020	DEC 2019
	\$	\$
CASH FLOW FROM OPERATING ACTIVITIES		
Payment to suppliers and employees	(29,225)	(40,663)
Interest received	5,558	832
Net cash (outflow) from operating activities	(23,667)	(39,831)
CASH FLOWS FROM INVESTING ACTIVITIES		
Consideration received for sale of controlled entity	4,000,000	-
Investment in listed shares	(101,272)	-
Exploration and evaluation expenditure	-	(192,725)
Net cash inflow/(outflows) from investing activities	3,898,728	(192,725)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of Shares	-	1,181
Cash reclassified from assets held for sale	72,654	-
Net cash inflow from financing activities	72,654	1,181
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	3,947,715	(231,375)
Cash and cash equivalents the beginning of the half year	662	349,813
CASH & CASH EQUIVALENTS AT END OF HALF YEAR	3,948,377	118,438

The statement of cashflow should be read in conjunction with the accompanying condensed notes.

CONDENSED NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the half-year ended 31 December 2020

1. Summary of significant accounting policies

a. Statement of compliance

The half-year financial report is a general purpose financial report which was prepared in accordance with the Corporations Act 2001 and Accounting Standards AASB 134, Interim Financial Reporting where possible (refer to Basis of preparation note below). Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

b. Basis of preparation

This interim financial report is intended to provide users with an update on the latest annual financial statements of Corona Resources Limited and its formerly controlled entity (referred to as the "Consolidated Group" or "Group"). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of Corona Resources Ltd for the period ended 30 June 2020.

The 100% acquisition of Corona Minerals Pty Ltd was completed during a previous half year period to December 2017. In accordance with AASB 3: Business Combinations, the acquisition was recorded under reverse acquisition principals which results in the legal parent (in this case Corona Resources Limited) being accounted for as the subsidiary, while the legal acquiree (in this case Corona Minerals) being accounted for as the parent. In accordance with the accounting requirements, the consideration and other share-based compensation provided as part of the transaction was valued on the effective date and recorded as transaction costs in the Statement of Profit and loss and other Comprehensive Income for that period.

Corona Minerals Pty Ltd was disposed of on 7 August 2020 and this resulted in the reversal of the reverse acquisition disclosed above.

From 7 August 2020, Corona Resources Limited is a single entity.

These interim financial statements were authorised for issue on 16 March 2021

c. Going Concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

For the half year ended 31 December 2020, the Group incurred a profit arising from the deconsolidation of Corona Minerals Limited and expects to have net cash outflows going forward. Cash and cash equivalents as at 31 December 2020 was \$3,948,377.

The Directors believe that it is reasonably foreseeable that the Company will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- The ability of the company 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.

CONDENSED NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the half-year ended 31 December 2020

Summary of significant accounting policies (continued)

d. Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements. The Company has considered the implications of new and amended Accounting Standards but determined that their application to the financial statements is either not relevant or not material.

2. Segment information

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group has one geographic segment being Australia and operates in one industry being the exploration of minerals.

3. Revenues from continuing operations

	CONSOLIDATED DEC 2020	CONSOLIDATED DEC 2019
	\$	\$
Interest Income	5,558	832
Unrealised gain on financial asset held at fair value through profit or loss	11,353	-
	16,911	832

4. Expenses

	CONSOLIDATED DEC 2020	CONSOLIDATED DEC 2019
	\$	\$
Administration and other expenses from ordinary activities	20,304	70
	20,304	70

CONDENSED NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the half-year ended 31 December 2020

5. Cash and Cash Equivalents

	COMPANY	CONSOLIDATED
	31 December 2020	30 June 2020
	\$	\$
Cash at bank and on hand (i)	448,377	663
Bank short term deposits (ii)	3,500,000	-
Total Cash and cash equivalents	3,948,377	663
(i) Cash at bank and on hand		
(ii) Term deposits available at call		

6. Financial Assets held through Profit or Loss

	COMPANY	CONSOLIDATED
	31 December 2020	30 June 2020
	\$	\$
Financial Asset – Opening Balance	-	
Purchase of listed investment. ASX: GOR	101,272	-
Unrealised gain for period	11,353	-
Financial Asset – Closing Balance	112,625	-

CONDENSED NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the half-year ended 31 December 2020

7. Discontinued Operations

On 7 August 2020, the Company sold its 100% interest in Corona Minerals Pty Ltd to Avoca Resource Pty Ltd. As described in Note 1(b) Corona Minerals was the legal subsidiary but the accounting parent of Corona Resources Limited due to the reverse acquisition which occurred in 2017. This has led to a gain on disposal of the entity and a gain on reversal of the equity share and reserve of Corona Minerals Pty Ltd

a. Financial Performance Information

	Period ended 7 August 2020	6 months ended 31 December 2019
	\$	\$
Interest Income	-	832
Exploration Expenditure Written Off	(750)	(192,725)
Administration and other expenses	(2,586)	(28,518)
Corona Minerals Pty Ltd loss until date of deconsolidation	(3,336)	(220,411)

b. Details of Deconsolidation

	\$	\$
Consideration received for sale of Corona Minerals Pty Ltd		4,000,000
<u>Analysis of extracted assets and liabilities of Corona Minerals Pty Ltd on date of deconsolidation</u>		
Cash and cash equivalents	28	
Trade and other receivables	25,035	
Net Assets of Corona Minerals Pty Ltd at sale date		(25,063)
Gain on sale of Corona Minerals Pty Ltd		3,974,937
<u>Analysis of reversal of Corona Minerals Pty Ltd equity on deconsolidation</u>		
Reversal of Share Capital	5,215,968	
Reversal of Reserves	7,579	
Reversal of Corona Minerals Pty Ltd equity		5,223,547
Gain on deconsolidation		9,198,484
Corona Minerals Pty Ltd loss until date of deconsolidation		(3,336)
Gain from discontinued operations		9,195,148

CONDENSED NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the half-year ended 31 December 2020

8. Contributed Equity

	COMPANY DEC 2020	CONSOLIDATED JUNE 2020
Issued and paid-up capital		
44,357,943 ordinary fully paid shares	6,426,172	11,642,140
(June 2020: 44,357,943)		

Movement in Issued Capital

	COMPANY DEC 2020		CONSOLIDATED JUNE 2020	
	Number of Shares	Value \$	Number of Shares	Value \$
Opening Balance	44,357,943	11,642,140	44,352,038	11,640,959
Options Exercised	-	-	5,905	1,181
Effect of Deconsolidation of Corona Minerals Pty Ltd	-	(5,215,968)	-	-
Closing Balance	44,357,943	6,426,172	44,357,943	11,642,140

9. Reserves

	COMPANY DEC 2020 \$	CONSOLIDATED JUNE 2020 \$
Share Based Payments Reserve		
Opening Balance	247,145	247,145
Effect of Deconsolidation of Corona Minerals Pty Ltd	(7,579)	-
Closing Balance	239,566	247,145

Options

There were no options over unissued shares at balance date.

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

CONDENSED NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the half-year ended 31 December 2020

Reserves (Continued)

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

CONDENSED NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the half-year ended 31 December 2020

10. Earnings Per Share

Reconciliation of earnings to profit or loss	DEC 2020	DEC 2019
	\$	\$
Profit/ (loss) attributed to the ordinary equity holders of the Company used in calculating basic and diluted earnings per share	9,191,755	(220,481)
Weighted average number of ordinary shares used as the denominator in the calculation of basic earnings per share	44,357,943	44,352,097
Basic and Diluted Earnings/(Loss) per share	0.207	(0.005)

11. Contingent Liabilities and commitments

There were no contingent liabilities and commitments as at 31 December 2020, other than in the normal course of business.

12. Subsequent Events

Subsequent to balance date, there was no significant events to report, other than the normal course of business.

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 Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001; and
- giving a true and fair view of the Company's financial position as at 31 December 2020 and 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 and the Group will be able to pay its debts as and when they become due and payable.

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



M P Wright
Director

Dated this 16th day of March 2021

16 March 2021

Board of Directors
703 Murray Street
WEST PERTH
WA 6005

Dear Directors

RE: CORONA RESOURCES LIMITED

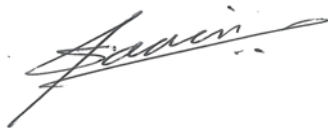
In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Corona Resources Limited.

As Audit Director for the review of the financial statements of Corona Resources Limited for the half year ended 31 December 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 review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD



Samir Tirodkar
Director

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
CORONA RESOURCES LIMITED**

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Corona Resources Limited, which comprises the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Corona Resources Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Corona Resources Limited's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company 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 (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* has been given to the directors of the Company on 16 March 2021.

Responsibility of the Directors for the Financial Report


The directors of the Corona Resources Limited are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2020 and its performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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
16 March 2021