



Corona Resources

HALF-YEAR REPORT

FOR THE 6 MONTHS
TO 31 DECEMBER
2021

ABN 99 617 982 000

CORPORATE DIRECTORY

DIRECTORS

M P Wright B.Bus. (Chair)

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, 40 Kings Park Road

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

CONTACT

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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 2021.

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 2021 Annual Financial Report for the financial year ended 30 June 2021 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

The Company continued to assess a number of mineral-based opportunities during the half year, however no transactions were entered into.

Auditor's Independence Declaration

The auditor's independence declaration is included on page 16 of the half-year report.

Subsequent Events

On 4 February 2022, the Company was issued with 297,718 shares in Canadian-listed Karora Resources Inc, pursuant to the sale agreement with that company dated 11 May 2020, whereby a Milestone Payment 1 of \$1,500,000, was payable in Karora shares upon the commencement of gold production at the Spargos Reward Gold Project, which occurred subsequent to the half year end. These shares are subject to a hold period until 4 June 2022.

Other than the foregoing, 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 Company, the results of those operations, or the state of affairs of the Company 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



Michael P Wright
Director

Dated this 31st day of March 2022

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the half-year ended 31 December 2021

| | | COMPANY | CONSOLIDATED |
|--|------|-----------------|-------------------|
| | NOTE | DEC 2021 | DEC 2020 |
| REVENUES | | \$ | \$ |
| Interest income | 3 | 3,309 | 5,558 |
| Gain on financial asset through profit or loss | 3 | - | 11,353 |
| EXPENSES | | | |
| Administration and other expenses from ordinary activities | 4 | (28,803) | (20,304) |
| (LOSS) BEFORE INCOME TAX | | (25,494) | (3,393) |
| Income Tax | | - | - |
| (LOSS) FROM CONTINUING OPERATIONS | | (25,494) | (3,393) |
| Discontinued Operations | | | |
| Gain/(Loss) from Discontinued Operations /Deconsolidation of Corona Minerals Pty Ltd | 6 | - | 9,195,148 |
| (LOSS)/PROFIT | | (25,494) | 9,191,755 |
| 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 | | (25,494) | 9,191,755) |
| Basic & Diluted Earnings Per Share Attributable to Equity Members | 9 | (0.001) | 0.207 |

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 2021

| | | COMPANY | COMPANY |
|----------------------------------|------|------------------|-------------|
| | NOTE | DEC 2021 | JUNE 2021 |
| | | \$ | \$ |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 5 | 4,038,359 | 4,069,765 |
| Trade and other receivables | | 2,759 | 2,847 |
| TOTAL CURRENT ASSETS | | 4,041,118 | 4,072,612 |
| TOTAL ASSETS | | 4,041,118 | 4,072,612 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 4,000 | 10,000 |
| TOTAL CURRENT LIABILITIES | | 4,000 | 10,000 |
| TOTAL LIABILITIES | | 4,000 | 10,000 |
| NET ASSETS/(LIABILITIES) | | 4,037,118 | 4,062,612 |
| EQUITY | | | |
| Contributed Equity | 7 | 6,426,175 | 6,426,175 |
| Reserves | 8 | 239,566 | 239,566 |
| Accumulated Losses | | (2,628,623) | (2,603,129) |
| TOTAL EQUITY | | 4,037,118 | 4,062,612 |

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 2021

| COMPANY 2021 | ISSUED CAPITAL | ACCUMULATED LOSSES | RESERVES | TOTAL EQUITY |
|---|---------------------------|-------------------------------|-----------------|---------------------|
| | \$ | \$ | \$ | \$ |
| Balance at 1 July 2021 | 6,426,175 | (2,603,129) | 239,566 | 4,062,612 |
| Total comprehensive income/(loss) for the half-year | | (25,494) | - | (25,494) |
| Balance at 31 December 2021 | 6,426,175 | (2,628,623) | 239,566 | 4,037,118 |

| CONSOLIDATED 2020 | ISSUED CAPITAL | ACCUMULATED LOSSES | RESERVES | TOTAL EQUITY |
|---|---------------------------|-------------------------------|-----------------|---------------------|
| | \$ | \$ | \$ | \$ |
| 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 |

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 2021

| | COMPANY | CONSOLIDATED |
|---|------------------|------------------|
| | DEC 2021 | DEC 2020 |
| | \$ | \$ |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Payment to suppliers and employees | (35,204) | (29,225) |
| Interest received | 3,798 | 5,558 |
| Net cash (outflow) from operating activities | (31,406) | (23,667) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Consideration received for sale of controlled entity | - | 4,000,000 |
| Investment in listed shares | - | (101,272) |
| Net cash inflow/(outflows) from investing activities | - | 3,898,728 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Cash reclassified from assets held for sale | - | 72,654 |
| Net cash inflow from financing activities | - | 72,654 |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | (31,406) | 3,947,715 |
| Cash and cash equivalents the beginning of the half year | 4,069,765 | 662 |
| CASH & CASH EQUIVALENTS AT END OF HALF YEAR | 4,038,359 | 3,948,377 |

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 2021

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. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Company. 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 2021.

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 31 March 2022

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 2021, the Company incurred a loss arising from the normal administration expenses and expects to have net cash outflows going forward. Cash and cash equivalents as at 31 December 2021 was \$4,038,359.

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 2021

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

3. Revenues from continuing operations

| | COMPANY | CONSOLIDATED |
|--|-----------------|---------------------|
| | DEC 2021 | DEC 2020 |
| | \$ | \$ |
| Interest Income | 3,309 | 5,558 |
| Unrealised gain on financial asset held at fair value through profit or loss | - | 11,353 |
| | 3,309 | 16,911 |

4. Expenses

| | COMPANY | CONSOLIDATED |
|--|-----------------|---------------------|
| | DEC 2021 | DEC 2020 |
| | \$ | \$ |
| Administration and other expenses from ordinary activities | 28,803 | 20,304 |
| | 28,803 | 20,304 |

CONDENSED NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the half-year ended 31 December 2021

5. Cash and Cash Equivalents

| | 31 December 2021 \$ | 30 June 2021 \$ |
|--|------------------------|--------------------|
| Cash at bank and on hand (i) | 6,004 | 7,448 |
| Bank short term deposits (ii) | 4,032,355 | 4,062,317 |
| Total Cash and cash equivalents | 4,038,359 | 4,069,765 |

- (i) Cash at bank and on hand
(ii) Term deposits available at call

CONDENSED NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the half-year ended 31 December 2021

6. 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

| | 6 months ended 31 December 2021 | Period ended 7 August 2020 |
|---|------------------------------------|-------------------------------|
| | \$ | \$ |
| Interest Income | - | - |
| Exploration Expenditure Written Off | - | (750) |
| Administration and other expenses | - | (2,586) |
| Corona Minerals Pty Ltd loss until date of deconsolidation | - | (3,336) |

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 2021

7. Contributed Equity

| | COMPANY DEC 2021 | COMPANY JUNE 2021 |
|---------------------------------------|------------------------|-------------------------|
| Issued and paid-up capital | | |
| 44,357,943 ordinary fully paid shares | 6,426,175 | 6,426,175 |
| (June 2021: 44,357,943) | | |

Movement in Issued Capital

| | COMPANY DEC 2021 | | CONSOLIDATED JUNE 2021 | |
|---------------------------------------|---------------------|------------------|---------------------------|-------------|
| | Number of Shares | Value \$ | Number of Shares | Value \$ |
| Opening Balance | 44,357,943 | 6,426,175 | 44,357,943 | 11,642,140 |
| De-consolidation of accounting parent | - | - | - | (5,215,965) |
| Closing Balance | 44,357,943 | 6,426,175 | 44,357,943 | 6,426,175 |

8. Reserves

| | COMPANY DEC 2021 \$ | CONSOLIDATED JUNE 2021 \$ |
|---------------------------------------|---------------------------|---------------------------------|
| Share Based Payments Reserve | | |
| Opening Balance | 239,566 | 247,145 |
| De-consolidation of accounting parent | - | (7,579) |
| Closing Balance | 239,566 | 239,566 |

Options

There were no options over unissued shares at balance date.

CONDENSED NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the half-year ended 31 December 2021

9. Earnings Per Share

| Reconciliation of earnings to profit or loss | DEC 2021 | DEC 2020 |
|--|-------------------|-----------------|
| | \$ | \$ |
| Profit/ (loss) attributed to the ordinary equity holders of the Company used in calculating basic and diluted earnings per share | (25,494) | 9,191,755 |
| Weighted average number of ordinary shares used as the denominator in the calculation of basic earnings per share | 44,357,943 | 44,357,943 |
| Basic and Diluted Earnings/(Loss) per share | (0.001) | 0.207 |

10. Contingent Liabilities and commitments

There were no contingent liabilities and commitments as at 31 December 2021, other than in the normal course of business.

11. Subsequent Events

On 4 February 2022, the Company was issued with 297,718 shares in Canadian-listed Karora Resources Inc, pursuant to the sale agreement with that company dated 11 May 2020, whereby a Milestone Payment 1 of \$1,500,000, was payable in Karora shares upon the commencement of gold production at the Spargos Reward Gold Project and which occurred subsequent to balance date. These shares are subject to a hold period until 4 June 2022.

Other than the foregoing, there were no significant events to report, other than in 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 2021 and its performance, as represented by the results of their operations, changes in equity and their cash flows, for the financial half year ended on that date; and

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

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



M P Wright
Director

Dated this 31st day of March 2022



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Australia
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Fax: +61 8 9321 1204
ABN: 84 144 581 519
www.stantons.com.au

31 March 2022

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 2021, 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 2021, 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 2021 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 31 March 2022.

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 2021 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
(An Authorised Audit Company)

Stantons International Audit and Consulting Pty Ltd
Samir

Samir Tirodkar
Director

West Perth, Western Australia
31 March 2022