



HY22 INTERIM REPORT

Corella Resources Ltd
and its controlled entities
Interim Report for the half-year ended 31 December 2022
ASX:CR9 | ABN: 56 125 943 240

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CORPORATE DIRECTORY

Board of Directors

Mr Anthony Cormack
Managing Director

Mr Philip Re
Non-Executive Chairman

Mr Peter Woods
Non-Executive Director

Company Secretary

Mr Daniel Coletta

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CR9

DIRECTORS' REPORT

The Directors of Corella Resources Ltd (the "**Company**") present their report, together with the financial statements, of the Company and the entities it controlled (together "**consolidated entity**" or the "**Group**") at the end of, or during, the half year ended 31 December 2022.

Directors

The names of directors who held office during or since the end of the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Mr Anthony Cormack	Managing Director
Mr Philip Re	Non-Executive Chairman
Mr Peter Woods	Non-Executive Director

Principal Activities

Corella Resources Ltd is an Australian kaolin and silica exploration company targeting high purity alumina (HPA) production listed on the Australian Securities Exchange (ASX: CR9). The principal activities of the Company and its subsidiaries is the exploration and development of their 100% owned Tampu, Wiltshire and Kalannie kaolin projects along with the 100% owned Bonnie Rock silica project which are all located in the mid-west of Western Australia.

Operating results

The consolidated loss, after tax, attributable to the Group for the half-year ended 31 December 2022 amounted to \$408,144 (2021: \$330,542).

Review of Operations

Tampu Project

The Tampu Kaolin Project (Tampu) comprises five granted exploration licences E70/5235, E70/5214, E70/5744, EL70/5882 and EL70/5883, which are 100% held by Corella. Tampu has seen two historical and three modern phases of exploration drilling and metallurgical testwork programs. This drilling has defined significant bright white kaolin mineralisation with very high-grade alumina (Al₂O₃) contents and very low levels of contaminants. A maiden JORC compliant inferred resource estimate of 24.7Mt of bright white kaolinised granite, with 13.1Mt reported, was completed at Tampu by industry experts CSA Global in Q4CY21¹.

During the half-year, the Company completed resource definition and exploration drilling for 54 holes totalling 1,021m at the Company's 100% owned flagship Tampu kaolin project, located near Beacon in Western Australia². The resource definition drilling followed on from the outstanding metallurgical results which achieved an impressive **5N+ (99.99957%) HPA ("High Purity Alumina")** on a 25kg representative bulk composite sample from Tampu reported previously³.

The resource definition program at Tampu was designed and executed to upgrade the existing Inferred Mineral Resource into Indicated / Measured Resource categories and conversion into Mineable Reserves. These Reserves along with the metallurgical results will be used to underpin a Pre-Feasibility Study for the Tampu Project.

46 Resource Definition drillholes for a total of 879m consisting of 32 Sonic core and 14 Aircore drill holes were drilled (see Figure 1) within the current inferred resource footprint at Tampu and designed to increase the geological confidence level of resource and conversion into Mineable Reserves. Core samples were submitted for bulk testing which will be used to help advance offtake discussions and

¹ Refer ASX Announcement dated 9 November 2021 "Maiden Mineral Resource Estimate of 24.7Mt for Tampu Project"

² Refer ASX Announcement dated 4 October 2022 "Drilling completed at Tampu and two new kaolin discoveries"

³ Refer ASX Announcement dated 30 June 2022 "5N purity confirms Tampu as premier specification for HPA"

feed into a feasibility study for the Tampu Project. Subsequent to half-year end, the Company announced the sonic drill intercepts from the resource definition program which demonstrated shallow intercepts of high purity bright white kaolin confirming the quality, scale, and potential of the Tampu Kaolin/HPA Project.⁴

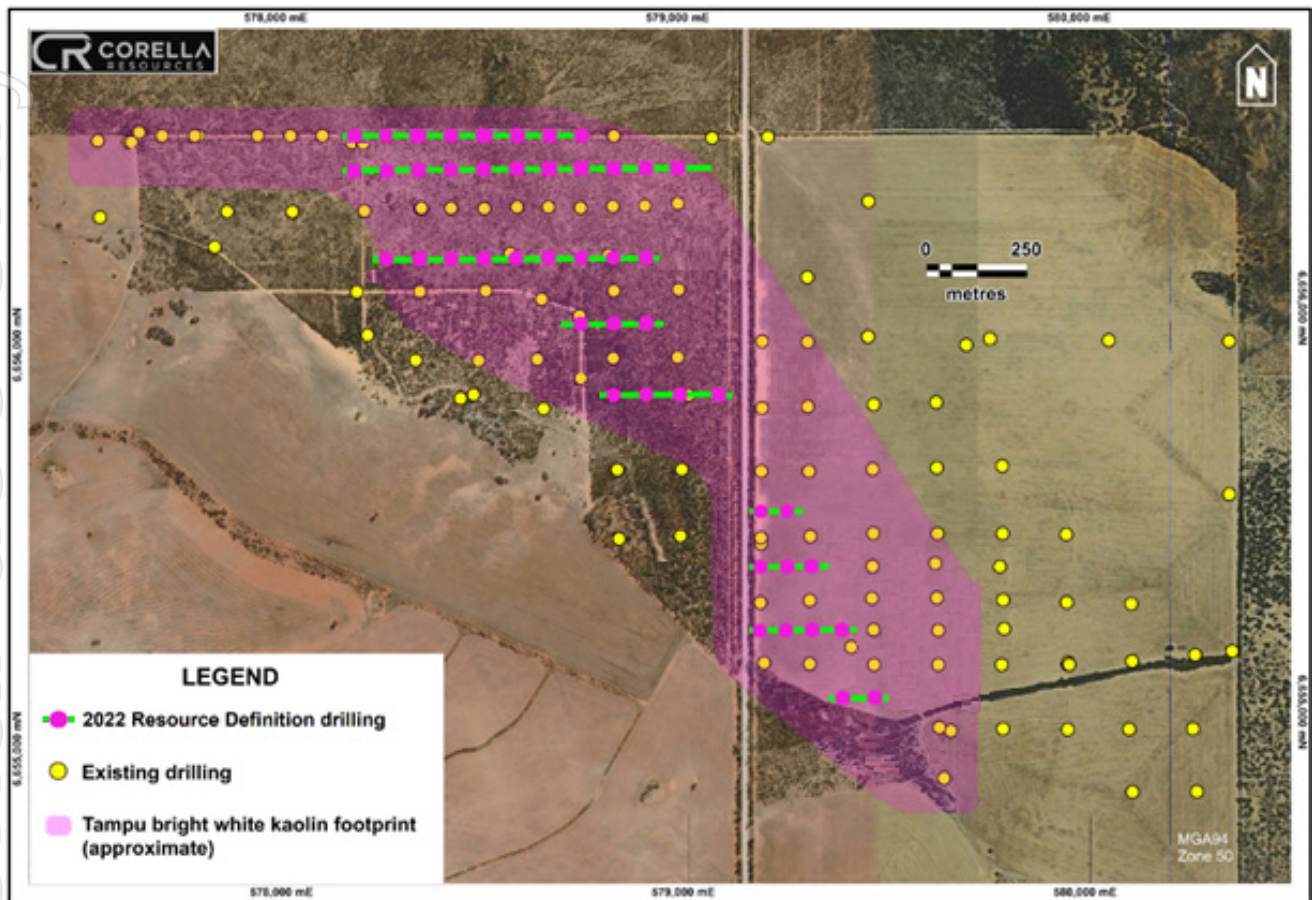


Figure 1: Resource Definition drilling program completed at Tampu

The Company also discovered two major new bright white kaolin prospects named the Whitecap and Whitehills prospects, located just 2km and 19km respectively from the existing Tampu deposit (see Figure 2).

In addition to the resource drilling, a further seven exploration aircore holes for 129m were drilled using local contractors Westside Drilling. Five of these holes were drilled at the Whitecap Prospect located ~2km south southwest of the Tampu Deposit, and two holes were drilled at the Whitehills Prospect, ~19km east of the current Tampu Deposit. All seven holes intercepted visually bright white kaolin at shallow depths. Samples from the two prospects have been submitted for laboratory testing. No historical drilling has occurred between these prospects and the Tampu Deposit.

During the half-year E 70/5882 and E 70/5883 were granted by Department of Mining Industry Regulation and Safety.

Subsequent to half-year end, the Company successfully acquired the Tampu grain bin located ~2.5 km from the Company's flagship Tampu kaolin deposit from grain supply chain co-operative, the CBH Group (Co-operative Bulk Handling Limited) ("CBH")⁵. The site consists of a 3,750m² (~15,000 tonne) storage shed, bitumen road access, loading facilities, weighbridge, offices with accommodation and excellent mobile coverage, access to 3 phase power and water connections located at the Cnr Bunce Rd & Bimbily Rd, Tampu. The Company paid CBH \$255K cash from existing cash reserves, in consideration for the free-hold property.

⁴ Refer ASX Announcement dated 13 February 2023 "Exceptional sonic drill intercepts at Tampu"

⁵ Refer ASX Announcement dated 9 February 2023 "Corella acquires mining storage facility"

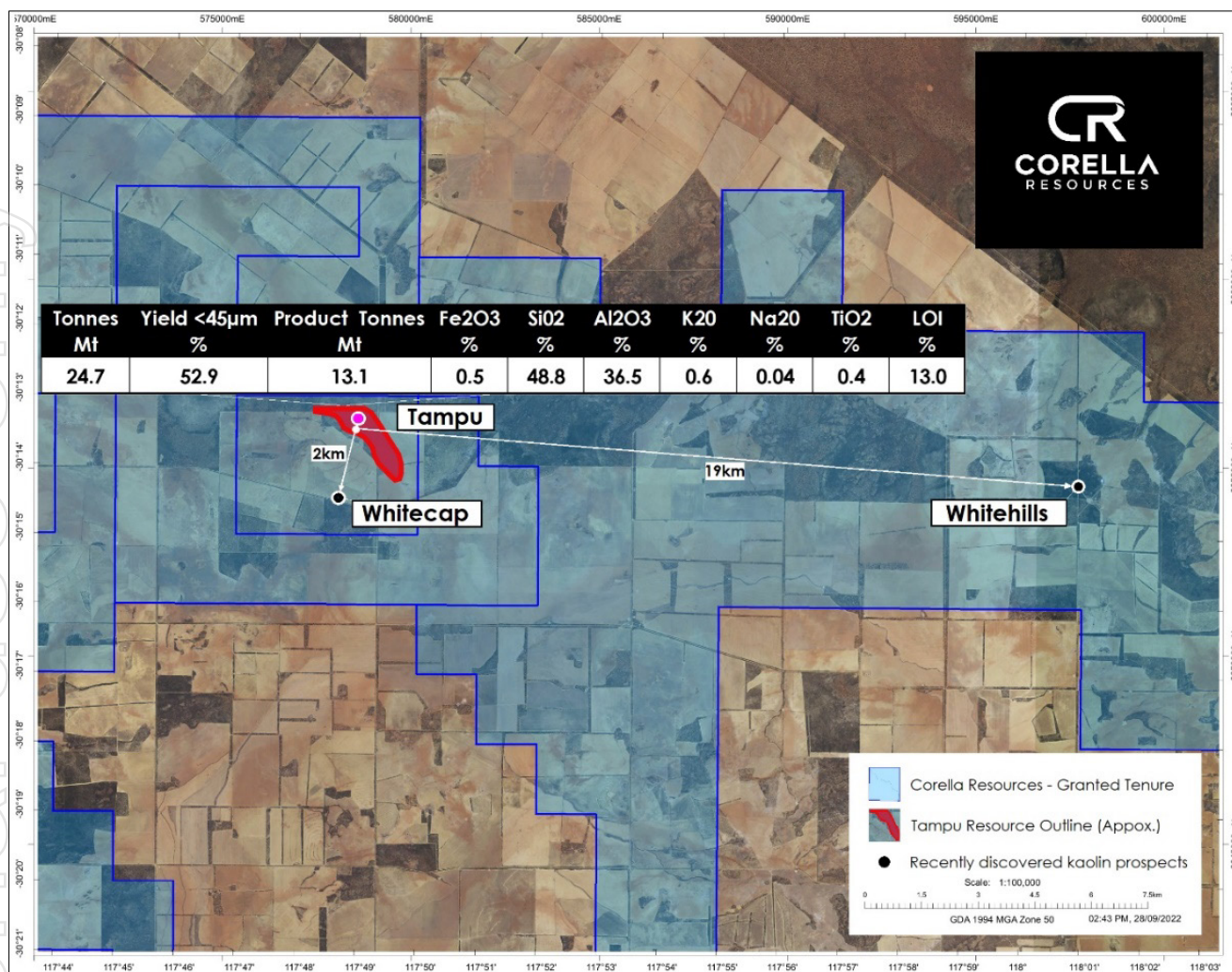


Figure 2: New discoveries at Whitecap and Whitehills located 2km and 19km respectively from Tampu Deposit

Bonnie Rock Silica Project

The Bonnie Rock Silica (**Bonnie Rock**) Project comprises a single granted exploration licence E70/5665, which is 100% held by Corella. Previous exploration undertaken on the Bonnie Rock Project identified at least three prominent quartz veins, with one up to 1km in strike length and others that extend for an unknown distance under surficial cover. Previously, the Company announced outstanding results from visually selected outcrop samples at its Bonnie Rock.⁷

Exploration activities on the Bonnie Rock project for the half-year has been focussed on gaining access for on-ground activities to occur.

Kalannie Kaolin Project

The Kalannie Kaolin Project comprises a single granted exploration licence, being exploration licence E 70/5215, which is currently held 100% by Corella. The tenement consists of 11 graticular blocks for an area of 32km² located on the Kalannie 1:100,000 Map sheet and the Bencubbin 1:250,000 sheet. The tenement was granted on 3 July 2019. A GSWA kaolin sample from the project area location shows high purity kaolin with low levels of contaminant elements.

Through geological reconnaissance and mapping programs the Company has identified 4 initial prospective kaolin exploration targets (see Figure 3) within the Kalannie project. Exploration activities on the Kalannie project for the half-year has been focussed on gaining access for on-ground activities to occur.

⁷ Refer ASX Announcement dated 11 October 2021 "High grade hard rock silica assays at Bonnie Rock Project"
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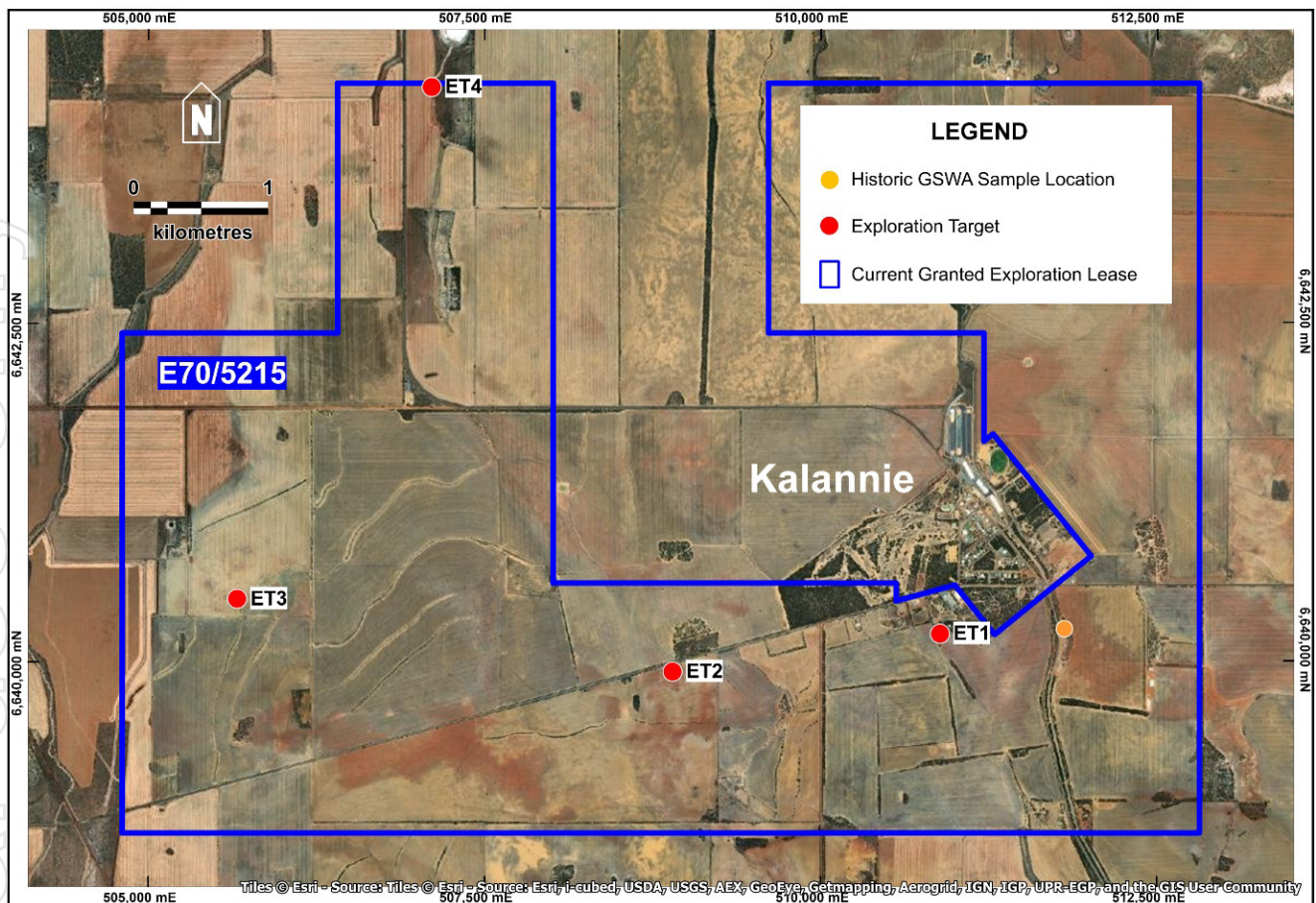


Figure 3: Kalannie exploration targets (ET1 – ET4)

Wiltshire Project

The Wiltshire Kaolin Project comprises a single granted exploration licence, being exploration licence E 70/5216, which is currently held 100% by Corella. The tenement consists of 12 graticular blocks for an area of 36km² located on the Tallering 1:100,000 Map sheet and the Yalgoo 1:250,000 sheet. The tenement was granted on 3 July 2019.

The Company has identified 29 initial prospective kaolin exploration targets (see Figure 4) within the Wiltshire project. Kaolin horizons expressed as white outcrop evident in aerial imagery, are exposed at various locations along the length of Wenmillia Creek and its tributaries. Geological mapping has identified multiple prospective kaolin exploration targets within the Wiltshire project, with areas of weathered granite and excavated areas also present prospective targets for geological sampling. Exploration activities on the Wiltshire project for the half-year has been focussed on gaining access for on-ground activities to occur.

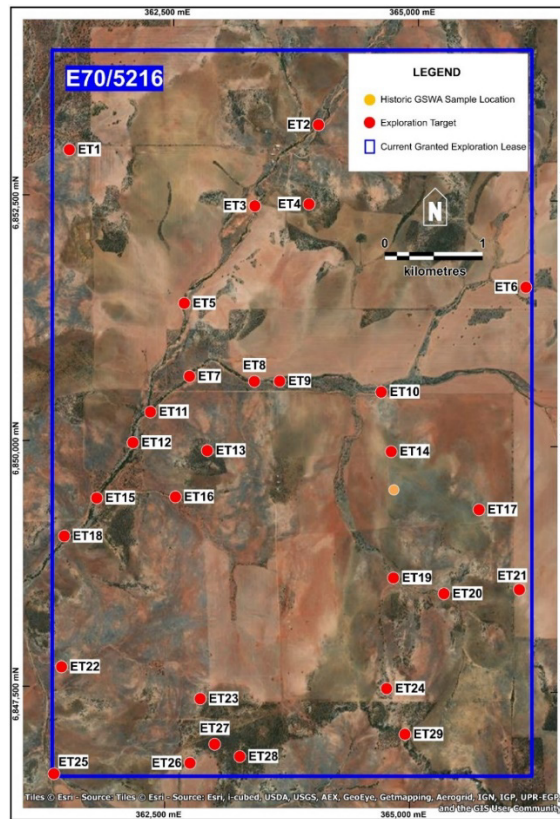


Figure 4: Wiltshire exploration targets (ET1 – ET29) sites of creek exposures and outcrop/excavations

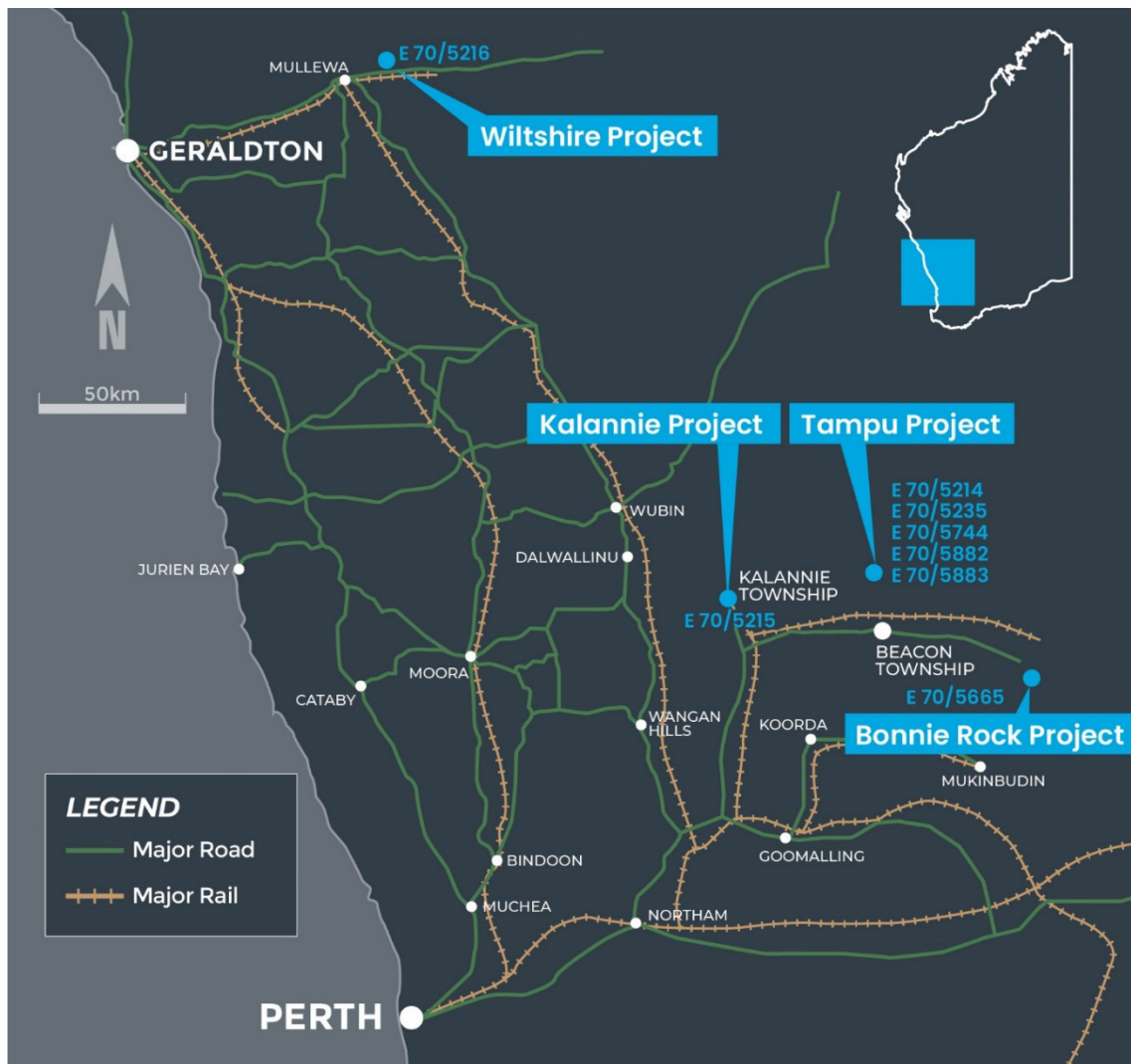


Figure 5: Corella Resources project location map at reporting date

Competent Person Statement

Competent Person Statement – Exploration results

The information in this report that relates to exploration results is based on information reviewed, collated and fairly represented by Mr. Anthony Cormack who is a Member of the Australian Institute of Geologists and the Exploration Manager of Corella Resources. Mr. Jones has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which has been undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Jones consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

Mineral Resource estimate

The information in this report that relates to the Mineral Resource Estimates at Corella's Tampu Project is extracted from the ASX Announcement "Maiden Inferred Mineral Resource Estimate of 24.7Mt for the Tampu Kaolin Project" dated 9 November 2021 and is available to view on the ASX Platform and on the Company's website in the announcements section. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

No New Information

Except where explicitly stated, this report contains references to prior exploration results and Mineral Resource estimate, all of which have been cross-referenced to previous market announcements made by the Company. The Company confirms that is not aware of any new information or data that materially affects the information included in the relevant market announcements and, in the case of the estimate of Mineral Resource, that all materials assumptions and technical parameters underpinning the results and/or estimate in the relevant market announcements continue to apply and have not materially changed.

Corporate

During the half-year ended 31 December 2022, 31,000 shares were issued upon exercising of options.

Also, 2,300,000 options (exercisable at \$0.06 and expiring 18 months from date of issue) were issued to corporate advisors and subsequently cancelled during the period as vesting conditions were not met.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

Significant events subsequent to balance date

Subsequent to balance date, the Company acquired the Tampu grain bin located ~2.5 km from the Company's flagship Tampu kaolin deposit after a successful due diligence program. The Company paid CBH \$255K cash in consideration for the free-hold property.

Apart from the above, there has not been any other matter or circumstance occurring subsequent to the end of the half year that has 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.

Auditor's independence declaration

Section 307C of the Corporations Act 2001 requires our auditors, Criterion Audit Pty Ltd, to provide the directors of the company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 8 and forms part of this directors' report for the half-year ended 31 December 2022.

This report is signed in accordance with a resolution of directors, pursuant to section 306(3) of the Corporations Act 2001.

On behalf of the directors



Mr Philip Re
Non-Executive Chairman
Perth, Western Australia
28 February 2023

Criterion Audit Pty Ltd

ABN 85 165 181 822

PO Box 233 LEEDERVILLE WA 6902

Suite 2, 642 Newcastle Street
LEEDERVILLE WA 6007

Phone: 9466 9009

To The Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit director for the review of the financial statements of Corella Resources Ltd and its controlled entities for the half year ended 31 December 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours faithfully



CHRIS WATTS CA
Director

CRITERION AUDIT PTY LTD

DATED at PERTH this 28th day of February 2023

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the half-year ended 31 December 2022

	Note	31 December 2022 \$	31 December 2021 \$
Interest income		12,345	-
Revenue and other income		12,345	-
Administration expenses		(48,793)	(42,890)
Consultancy expenses		(61,750)	(48,000)
Compliance and regulatory expenses		(32,356)	(22,809)
Employee benefits expense		(163,540)	(115,116)
Fair value loss on financial assets at fair value through profit or loss		-	(22,678)
Professional expenses		(56,000)	(60,430)
Public relations		(17,450)	(16,000)
Share base payment expense	7	(40,600)	(2,619)
Loss before income tax		(408,144)	(330,542)
Income tax expense		-	-
Loss for the year		(408,144)	(330,542)
Other comprehensive income, net of income tax			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Other comprehensive loss for the year, net of income tax		-	-
Total comprehensive loss for the year		(408,144)	(330,542)
Loss for the year attributable to Owners of Corella Resources Ltd		(408,144)	(330,542)
Total comprehensive loss for the year attributable to Owners of Corella Resources Ltd		(408,144)	(330,542)
Loss per share:			
Basic and diluted (cents per share)		(0.096)	(0.078)

The above Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2022

	Note	31 December 2022 \$	30 June 2022 \$
ASSETS			
Current assets			
Cash and cash equivalents		2,311,190	3,275,366
Trade and other receivables		86,866	45,553
Other financial assets		31,748	31,748
Other assets		15,177	-
Total current assets		2,444,981	3,352,667
Non-current assets			
Exploration, evaluation and development expenditure	3	1,669,466	1,103,361
Total non-current assets		1,669,466	1,103,361
Total assets		4,114,447	4,456,028
LIABILITIES			
Current liabilities			
Trade and other payables		121,241	95,389
Borrowings		252	1,071
Total current liabilities		121,493	96,460
Total liabilities		121,493	96,460
Net assets		3,992,954	4,359,568
EQUITY			
Issued capital	5	6,262,797	6,261,867
Reserves	6	311,619	271,019
Accumulated losses		(2,581,462)	(2,173,318)
Total equity		3,992,954	4,359,568

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half-year ended 31 December 2022

	Issued capital \$	Reserves \$	Accumulated losses \$	Total \$
Balance at 1 July 2022	6,261,867	271,019	(2,173,318)	4,359,568
Loss for the year	-	-	(408,144)	(408,144)
Total comprehensive loss for the period	-	-	(408,144)	(408,144)
Issue of ordinary shares from exercise of options	930	-	-	-
Recognition of share-based payments	-	40,600	-	40,600
Balance as at 31 December 2022	6,262,797	311,619	(2,581,462)	3,992,954
Balance at 1 July 2021	6,260,067	227,800	(1,406,406)	5,081,461
Loss for the year	-	-	(330,542)	(330,542)
Total comprehensive loss for the period	-	-	(330,542)	(330,542)
Recognition of share-based payments	-	2,619	-	2,619
Balance as at 31 December 2021	6,260,067	230,419	(1,736,948)	4,753,538

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the half-year ended 31 December 2022

Note	31 December 2022 \$	31 December 2021 \$
Cash flows from operating activities		
Payments to suppliers and employees	(383,899)	(284,633)
Interest received	5,973	-
Net cash used in operating activities	(377,926)	(284,633)
Cash flows from investing activities		
Payments for exploration and evaluation expenditure	(586,361)	(565,826)
Net cash provided used in investing activities	(586,361)	(565,826)
Cash flows from financing activities		
Proceeds from exercise of options	930	-
Repayment of borrowings	(819)	-
Payment for share issue costs	-	(80,000)
Net cash (used in)/provided by financing activities	111	(80,000)
Net decrease in cash and cash equivalents	(964,176)	(930,459)
Cash and cash equivalents at the beginning of the period	3,275,366	4,762,778
Cash and cash equivalents at the end of the period	2,311,190	3,832,319

The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the half-year ended 31 December 2022

Note 1. Corporate

The condensed consolidated half-year financial report of Corella Resources Ltd ("the Company") and its controlled entity ("the Group" or "Consolidated Entity") for the half-year ended 31 December 2022 was authorised for issue in accordance with a resolution of the directors on 28 February 2023.

Corella Resources Ltd is a for-profit company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange. The nature of the operations and principal activities of the Group are described in the Directors' Report.

Note 2. Basis of Preparation and Accounting Policies

(a) Basis of preparation

These general purpose condensed financial statements for the half-year ended 31 December 2022 have been prepared in accordance with Australian Accounting Standard 134 Interim Financial Reporting and the Corporations Act 2001. Compliance with AASB 134 ensures compliance with IAS 34 Interim Financial Reporting.

These half-year condensed financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2022 and any public announcements made by Corella Resources Ltd during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The half-year report has also been prepared on an accrual basis and is based on historical cost except for available-for-sale investments which are measured at fair value. The presentation currency is Australian dollars.

The Group's principal activities are mineral exploration.

(b) Going concern

This report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business. The directors have prepared a cash flow forecast which indicates that the Group will have sufficient cash flows to meet all commitments and working capital requirements for the next twelve (12) month period from the date of signing this financial report.

(c) Accounting estimates and judgements

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

(d) Changes in accounting policy

For the period ended 31 December 2022, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current reporting period. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no material change is necessary to Group accounting policies.

(e) Segment Reporting

The Group operates in one business segment, namely the mineral exploration industry. AASB 8 'Operating Segments' states that similar operating segments can be aggregated to form one reportable segment. Also, based on quantitative thresholds included in AASB 8, there is only one reportable segment, namely the mineral exploration industry. However, none of the operating segments currently meet any of the prescribed quantitative thresholds, and as such do not have to be reported separately. The Group has therefore decided to aggregate all its reporting segments into one reportable operating segment.

The revenue and results of this segment are those of the Group as a whole and are set out in the consolidated statement of profit or loss and other comprehensive income. The segment assets and liabilities are those of the Group and set out in the consolidated statement of financial position.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the half-year ended 31 December 2022

(f) Exploration and evaluation expenditure

In accordance with AASB 6: Exploration for and Evaluation of Mineral Resources, exploration and evaluation costs incurred are accumulated in respect of each identifiable area of interest. Exploration and evaluation costs are carried forward at cost where the rights of tenure are current and:

- (i) such costs are expected to be recouped through successful development and exploration of the area of interest, or alternatively by its sale; or
- (ii) exploration activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable resources.

Exploration and evaluation assets are assessed annually for impairment in accordance with AASB 6 and where impairment indicators exist, recoverable amounts of these assets will be estimated based on discounted cash flows from their associated cash generating units. An impairment loss is recognised in the statement of profit or loss and other comprehensive income where the carrying values of exploration and evaluation assets exceed their recoverable amounts.

In the event that an area of interest is abandoned or if the directors consider the expenditure to be of reduced value, accumulated costs carried forward are written off in the period in which that assessment is made. Each area of interest is reviewed at the end of each accounting period and accumulated costs are written off to the extent that they will not be recoverable in the future.

Note 3. Exploration, Evaluation & Development Expenditure

	31 Dec 2022 \$	30 June 2022 \$
Costs carried forward in respect of areas of interest	1,103,361	371,110
Exploration expenditure capitalised	566,105	732,251
Impairment	-	-
	1,669,466	1,103,361

Note 4. Commitments for expenditure

	31 Dec 2022 \$	30 June 2022 \$
Exploration expenditure		
Not longer than one year	98,288	120,666
Two to five years	220,000	293,500
Greater than 5 years	-	-
	318,288	414,166

If the Group decides to relinquish certain leases and/or does not meet these obligations, assets recognised in the consolidated statement of financial position may require review to determine the appropriateness of carrying value. The sale, transfer or farm-out of exploration rights to third parties may reduce or extinguish these obligations.

Note 5. Issued Capital

	31 Dec 2022 \$	30 June 2022 \$
Fully paid ordinary shares	6,262,797	6,261,867
	6,262,797	6,261,867

	6 months to 31 December 2022	
	No. Shares	\$
Movements in ordinary shares on issue		
Opening balance	425,059,883	6,261,867
Issue of ordinary shares from exercise of options	31,000	930
Closing balance	425,090,883	6,262,797

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the half-year ended 31 December 2022

Note 6. Reserves

The share based payment reserve is used to record the value of share based payments provided to directors and employees, including Key Management Personnel and suppliers which are not recorded directly in equity.

	31 Dec 2022 \$	30 June 2022 \$
Share based payments reserve	311,619	271,019
	311,619	271,019

Movement in Share based payments reserve:

	31 Dec 2022 \$	30 June 2022 \$
Opening balance	271,019	227,800
Performance Rights expensed (Refer Note 9)	40,600	43,219
Closing balance	311,619	271,019

Note 7. Share Based Payment Expense

During the period, the following share based payments were made and recognised as a share based payments expense in Consolidated Statement of Profit or Loss and Other Comprehensive Income.

	31 Dec 2022 \$	31 Dec 2021 \$
Performance Rights expensed (Refer Note 9)	40,600	2,619
	40,600	2,619

Note 8. Options

(a) Options on issue

The following options were on issue at the reporting date:

Series	Number	Grant date	Grant date fair value	Exercise price	Expiry date	Vesting date
CR9OA	50,000,000	28 April 21	\$0.0038	0.04	28 April 25	Vested
CR9OB	67,166,869	20 April 21	\$0.0042	0.03	20 April 24	Vested

(b) Options granted during the half year

During the period, 2,300,000 unlisted options (exercisable at \$0.06 each on or before 1 February 2024) were issued to Corporate Advisors and were subsequently cancelled due to vesting conditions not being met.

(c) Share options exercised during the half year

31,000 CR9OB options were exercised at \$0.03 each during the period.

Note 9. Performance shares

On 15 December 2021 shareholders approved the grant of Performance Rights to Directors (or their nominees) under the Corella Resources Incentive Performance Rights Plan. The principal terms of the Performance Rights are summarised below:

Class	Performance Condition	Expiry Date
Tranche 1 Performance Rights	Market Capitalisation - \$30M Tranche 1 Performance Rights will vest on the date that the Company's 14 day volume weighted average share price is equal to or exceeds a market capitalisation of AUD\$30,000,000. (" Tranche 1 Performance Condition ")	19 December 2024
Tranche 2 Performance Rights	Market Capitalisation - \$40M: the Tranche 2 Performance Rights will vest on the date that the Company's 14 day volume weighted average share price is equal to or exceeds a market capitalisation of AUD\$40,000,000 (" Tranche 2 Performance Condition ")	19 December 2024
Tranche 3 Performance Rights	Market Capitalisation - \$50M: Tranche 3 Performance Rights will vest on the date that the Company's 14 day volume weighted average share price is equal to or exceeds a market capitalisation of AUD\$50,000,000 (" Tranche 3 Performance Condition ")	19 December 2024

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the half-year ended 31 December 2022

Note 9. Performance shares (continued)

The value of the Performance Rights at grant date was derived using a hybrid Monte Carlo model which takes into account the exercise price and expected life of the instrument, the current share price and its expected volatility, expected dividends and the risk-free interest rate for the expected life of the instrument. The theoretical value ascribed to each Tranche 1, 2 and 3 Performance Right was \$0.0295, \$0.0269 and \$0.0248 respectively. The total value of Performance Rights expensed for the half year ended 31 December 2022 was \$40,600 (2021: \$2,619).

The table below shows the class and number of Performance Rights held by each Director as at 31 December 2022:

Director	Tranche 1	Tranche 2	Tranche 3	Total
Anthony Cormack	1,000,000	1,000,000	1,000,000	3,000,000
Philip Re	1,000,000	1,000,000	1,000,000	3,000,000
Peter Woods	1,000,000	1,000,000	1,000,000	3,000,000
Total	3,000,000	3,000,000	3,000,000	9,000,000

Each Performance Right converts into 1 fully paid ordinary share upon vesting and is not entitled to vote.

Note 10. Related Party Transactions

During the half-year ended 31 December 2022 total payments of \$45,000 (2021:\$45,000) were made to Exchange Capital Advisory Pty Ltd, an entity related to Director Philip Re for accounting, bookkeeping and CFO services. The transactions were made on normal commercial terms and conditions and at market rates.

Apart from the above, there were no other related party transactions during the period other than Directors fees paid to Directors of the Company on normal commercial terms.

Note 11. Contingent liabilities and contingent assets

There has been no significant change in contingent liabilities and/or contingent assets since the last annual report. Please refer to the 30 June 2022 annual financial report.

Note 12. Events after reporting date

Subsequent to balance date, the Company acquired the Tampu grain bin located ~2.5 km from the Company's flagship Tampu kaolin deposit after a successful due diligence program. The Company paid CBH \$255K cash in consideration for the free-hold property.

Apart from the above, there has not been any other matter or circumstance occurring subsequent to the end of the half year that has 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.

DIRECTORS' DECLARATION

for the half-year ended 31 December 2022

In accordance with a resolution of the Directors of Corella Resources Ltd (the **Company**):

1. The financial statements and notes thereto, are in accordance with the Corporations Act 2001 including:
 - a. complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
 - b. giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half-year then ended.
2. In the Directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable;

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Board



Philip Re
Non-Executive Chairman
Perth, Western Australia
28 February 2023

Criterion Audit Pty Ltd

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LEEDERVILLE WA 6007

Phone: 9466 9009

Independent Auditor's Review Report

To the Members of Corella Resources Ltd

Conclusion

We have reviewed the half-year financial report of Corella Resources Ltd ("the Company") and its controlled entities ("the Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2022, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated 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 Corella Resources Ltd does not comply with the *Corporations Act 2001* including:

- a. Giving a true and fair view of the Group's financial position as at 31 December 2022 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 Group in accordance with the ethical 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* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the Directors for the Half-Year Financial Report

The Directors are responsible for the preparation of the half-year financial report that gives us 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 is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Half-Year 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 2022 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 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.

Criterion Audit

CRITERION AUDIT PTY LTD

Watts

CHRIS WATTS CA
Director

DATED at PERTH this 28th day of February 2023

SCHEDULE OF TENEMENTS HELD AT REPORT DATE

Project	Tenement	Ownership	Area (km ²)	Status	Titleholder ¹
Tampu	E 70/5214	100%	65 km ²	Granted	HPAA Pty. Ltd.
Tampu	E 70/5235	100%	15 km ²	Granted	HPAA Pty. Ltd.
Tampu	E 70/5744	100%	88 km ²	Granted	HPAA Pty. Ltd.
Tampu	E 70/5882	100%	506 km ²	Granted	HPAA Pty. Ltd.
Tampu	E 70/5883	100%	88 km ²	Granted	HPAA Pty. Ltd.
Wiltshire	E 70/5216	100%	36 km ²	Granted	HPAA Pty. Ltd.
Kalannie	E 70/5215	100%	32 km ²	Granted	HPAA Pty. Ltd.
Bonnie Rock	E 70/5665	100%	70 km ²	Granted	HPAA Pty. Ltd.

¹ HPAA Pty. Ltd. is a wholly owned subsidiary of Corella Resources Ltd.