

31 January 2025

## **December 2024 (Q2FY25) Quarterly Activities and Cash Flow Report**

### **Highlights**

#### **Tampu Rare Earth Element and Pegmatite Exploration Drilling Results**

- Paleochannel target holes intersected 18m target elevated kaolin clay section with elevated TREO (Total Rare Earth Oxide), up to 478ppm, including up to 24% MREE (Magnetic Rare Earth Elements- Nd, Pr, Dy, Tb) content with bedrock below of up to 865ppm, including up to 25% MREE content
- Pegmatite targets intersected fractionated NYF (Niobium-Yttrium-Fluorine) pegmatites with up to 929ppm TREO and up to 22% MREE

Corella Resources Ltd (ASX:CR9) (**Corella** or the **Company**) is pleased to provide a summary of activities and attached Appendix 5B for the quarter ended 31 December 2024 (**Quarter**).

#### **Operational Overview Tampu Project**

Following from the Company's completion of the 10 RC drillhole program at the rare earth element (REE) and pegmatite targets during the first quarter, samples were submitted for analysis during the Quarter. Results of this analysis were announced on 23 December, 2024.

#### **Rare Earth Clay – Paleochannel**

Although significant rare earth results have been found in the West Australian region, many projects face challenges due to the low recovery rates given the rare earth elements are hosted in primary mineralogy rather than as the highly sought-after ion-exchangeable rare earth elements (REEs) associated with ionic clay deposits. These ion-exchangeable REEs are weakly attached to kaolinite and halloysite clay particles, primarily through physical adsorption but also weak chemisorption. They can be efficiently and cost-effectively extracted using traditional ionic leach reagents, such as ammonium or magnesium sulfate, at a pH range of 4-5 and room temperature.

The presence of kaolinite in the Tampu paleochannels is particularly important, as it enhances the potential for REE elements to be ionically bound to the basal plane of the kaolin particles, boosting the prospectivity of these types of deposits in the Company's tenements.

The zones of most interest are PC3 and upper Saprolite zone, total of 18m, as they contain higher aluminium and lower iron and phosphorus, suitable pH of 4.5-5 with elevated TREO (up to 478 ppm TREO) and MREE (up to 24%), just above a fluctuating water table and down slope of a source of REE and kaolin. Hypothetically, these zones have the components and variables needed for the rare earth elements to be ionically bound to the kaolin. This hypothesis needs

to be tested with further drilling, sampling and testwork to include mineralogical and metallurgical characterisation.

In the clay kaolin zones, copper, nickel and zinc are also elevated when compared to background which could indicate sorption in the clay particles.

Drill hole CR240909 also intersected the paleochannel with kaolin fill however had lower TREO (up to 358 ppm) and MREE proportion (up to 26% in one meter with most of the kaolin section of the hole trending in the 12-16% range). Current hypothesis is that the NE-SW pegmatites cross cut the paleochannel and act as underground higher barriers to create traps and discrete basins/pools that fill and spill with each recharge down slope depending on the volume. Therefore, there will be downslope domains depending on the residence time of REE in solution within each basin section or if they get flushed to the next downslope residence water trap. This hypothesis requires further drilling campaigns.

### Pegmatites

Five drillholes were drilled for pegmatites across two target areas, two in Target area 1, NE-SW trending pegmatites and three in Target area 2 where the pegmatites are associated with linear magnetic highs associated interpreted as remnant or ghost greenstone features.

Target area one pegmatites had NYF pegmatite geochemical signatures that included TREO's of up to 929 ppm and MREE ranging from 14 to 23%. Notable other geochemistry niobium up to 125 ppm and barium up to 2720ppm. All assays are provided in the appendices. Note fluorine was not measured as it required an additional method in the laboratory.

Target area two pegmatite had a geochemical signature in hole CR240902 of elevated REE of up to 748ppm TREO when compared to the results from the other drill holes in the same target. The other two holes/pegmatites had no elevated elements of interest.

### Next Steps

The Company is reviewing the results of the drilling program with a view to determine its next steps. This includes whether further exploration will be conducted in the area and the Company keeping its options open to engage in potential new or alternative projects which the Board considers would enhance shareholder value.

### Corella Land Holding:

In accordance with ASX Listing Rule 5.3.3, the Company held the following mining tenements at the end of the Quarter:

| Project     | Tenement | Ownership | Area (km <sup>2</sup> ) | Status  |
|-------------|----------|-----------|-------------------------|---------|
| Tampu       | E70/5214 | 100%      | 65 km <sup>2</sup>      | Granted |
| Tampu       | E70/5235 | 100%      | 18 km <sup>2</sup>      | Granted |
| Tampu       | E70/5744 | 100%      | 89 km <sup>2</sup>      | Granted |
| Tampu       | E70/5882 | 100%      | 506 km <sup>2</sup>     | Granted |
| Tampu       | E70/5883 | 100%      | 89 km <sup>2</sup>      | Granted |
| Tampu       | E70/6578 | 100%      | 151 km <sup>2</sup>     | Granted |
| Tampu       | E70/6579 | 100%      | 246 km <sup>2</sup>     | Granted |
| Wiltshire   | E70/5216 | 100%      | 36 km <sup>2</sup>      | Granted |
| Bonnie Rock | E70/5665 | 100%      | 71 km <sup>2</sup>      | Granted |

The Company withdrew its application for Tenement E70/6592 on 20 December 2024.

### Financial and Corporate Overview

The Company's cash position as at 31 December 2024 was \$68,000.

The aggregate amount of payments made to related parties and their associates for the Quarter is approximately \$38,000. These payments consisted of Directors' fees, salaries, accounting and bookkeeping fees, and were made on an arm's length basis.

On 23 October, the Company announced it was restructuring its Board and management. In connection with this, Mr Ben Hammond and Mr Anthony Cormack resigned as directors of the Company on 23 October 2024 and 6 November 2024 respectively, with Mr Stuart Third being appointed as a director on 6 November 2024. Also in conjunction with the restructuring, Ms Jess Maddren resigned as CEO of the Company with effect from 21 January 2025.

### ENDS

**For further information, please contact:**

Company Secretary

[secretary@corellaresources.com.au](mailto:secretary@corellaresources.com.au)

*ASX release authorised by the Board of Directors of Corella Resources Ltd.*

**Exploration results**

*The information in this announcement relating to exploration results has previously been provided to ASX on 23 December 2024 and contains the relevant competent person's statement. The Company is not aware of any new information or data that materially affects the information included in that announcement.*

**Forward-Looking Statements**

*This document may contain certain forward-looking statements. Forward-looking statements include but are not limited to statements concerning Corella Resources Ltd's (Corella) current expectations, estimates and projections about the industry in which Corella operates, and beliefs and assumptions regarding Corella's future performance. When used in this document, the words such as "anticipate", "could", "plan", "estimate", "expects", "seeks", "intends", "may", "potential", "should", and similar expressions are forward-looking statements. Although Corella believes that its expectations reflected in these forward-looking statements are reasonable, such statements are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the control of Corella and no assurance can be given that actual results will be consistent with these forward-looking statements.*

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Corella Resources Ltd

ABN

56 125 943 240

Quarter ended ("current quarter")

31 December 2024

| Consolidated statement of cash flows |   | Current quarter<br>\$A'000 | Year to date<br>(6 months)<br>\$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| <b>1.</b>                            | <b>Cash flows from operating activities</b>           |                            |                                       |
| 1.1                                  | Receipts from customers                               | -                          | -                                     |
| 1.2                                  | Payments for  |                            |                                       |
|                                      | (a) exploration & evaluation                          | -                          | -                                     |
|                                      | (b) development                                       | -                          | -                                     |
|                                      | (c) production  | -                          | -                                     |
|                                      | (d) staff costs                                       | (96)                       | (227)                                 |
|                                      | (e) administration and corporate costs                | (71)                       | (181)                                 |
| 1.3                                  | Dividends received (see note 3)                       | -                          | -                                     |
| 1.4                                  | Interest received                                     | -                          | -                                     |
| 1.5                                  | Interest and other costs of finance paid              | -                          | -                                     |
| 1.6                                  | Income taxes paid                                     | -                          | -                                     |
| 1.7                                  | Government grants and tax incentives                  | -                          | -                                     |
| 1.8                                  | Other (provide details if material)                   | -                          | -                                     |
| <b>1.9</b>                           | <b>Net cash from / (used in) operating activities</b> | <b>(167)</b>               | <b>(408)</b>                          |
| <b>2.</b>                            | <b>Cash flows from investing activities</b>           |                            |                                       |
| 2.1                                  | Payments to acquire or for:                           |                            |                                       |
|                                      | (a) entities  | -                          | -                                     |
|                                      | (b) tenements   | -                          | -                                     |
|                                      | (c) property, plant and equipment                     | -                          | -                                     |
|                                      | (d) exploration & evaluation                          | (117)                      | (235)                                 |
|                                      | (e) investments                                       | -                          | -                                     |
|                                      | (f) other non-current assets                          | -                          | -                                     |

| <b>Consolidated statement of cash flows</b> |   | <b>Current quarter<br/>\$A'000</b> | <b>Year to date<br/>(6 months)<br/>\$A'000</b> |
|---|---|------------------------------------|--|
| 2.2   | Proceeds from the disposal of:                        |                                    |  |
|   | (a) entities  | -                                  | -  |
|   | (b) tenements   | -                                  | -  |
|   | (c) property, plant and equipment                     | -                                  | -  |
|   | (d) investments                                       | -                                  | -  |
|   | (e) other non-current assets                          | -                                  | -  |
| 2.3   | Cash flows from loans to other entities               | -                                  | -  |
| 2.4   | Dividends received (see note 3)                       | -                                  | -  |
| 2.5   | Other (provide details if material)                   | -                                  | -  |
| <b>2.6</b>                                  | <b>Net cash from / (used in) investing activities</b> | <b>(117)</b>                       | <b>(235)</b>                                   |

|             |   |          |          |
|-------------|---|----------|----------|
| <b>3.</b>   | <b>Cash flows from financing activities</b>   |          |          |
| 3.1         | Proceeds from issues of equity securities (excluding convertible debt securities)       | -        | -        |
| 3.2         | Proceeds from issue of convertible debt securities                                      | -        | -        |
| 3.3         | Proceeds from exercise of options   | -        | -        |
| 3.4         | Transaction costs related to issues of equity securities or convertible debt securities | -        | -        |
| 3.5         | Proceeds from borrowings  | -        | -        |
| 3.6         | Repayment of borrowings   | -        | -        |
| 3.7         | Transaction costs related to loans and borrowings                                       | -        | -        |
| 3.8         | Dividends paid  | -        | -        |
| 3.9         | Other (provide details if material)   | -        | -        |
| <b>3.10</b> | <b>Net cash from / (used in) financing activities</b>                                   | <b>-</b> | <b>-</b> |

|           |  |       |       |
|-----------|--|-------|-------|
| <b>4.</b> | <b>Net increase / (decrease) in cash and cash equivalents for the period</b> |       |       |
| 4.1       | Cash and cash equivalents at beginning of period                             | 352   | 711   |
| 4.2       | Net cash from / (used in) operating activities (item 1.9 above)              | (167) | (408) |
| 4.3       | Net cash from / (used in) investing activities (item 2.6 above)              | (117) | (235) |
| 4.4       | Net cash from / (used in) financing activities (item 3.10 above)             | -     | -     |

| <b>Consolidated statement of cash flows</b> |   | <b>Current quarter<br/>\$A'000</b> | <b>Year to date<br/>(6 months)<br/>\$A'000</b> |
|---|---|------------------------------------|--|
| 4.5   | Effect of movement in exchange rates on cash held | -                                  | -  |
| <b>4.6</b>                                  | <b>Cash and cash equivalents at end of period</b> | <b>68</b>                          | <b>68</b>                                      |

| <b>5.</b>  | <b>Reconciliation of cash and cash equivalents</b><br>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | <b>Current quarter<br/>\$A'000</b> | <b>Previous quarter<br/>\$A'000</b> |
|------------|---|------------------------------------|-------------------------------------|
| 5.1        | Bank balances   | 68                                 | 352                                 |
| 5.2        | Call deposits   | -                                  | -                                   |
| 5.3        | Bank overdrafts   | -                                  | -                                   |
| 5.4        | Other (provide details)   | -                                  | -                                   |
| <b>5.5</b> | <b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>  | <b>68</b>                          | <b>352</b>                          |

| <b>6.</b>   | <b>Payments to related parties of the entity and their associates</b>                   | <b>Current quarter<br/>\$A'000</b> |
|---|---|------------------------------------|
| 6.1   | Aggregate amount of payments to related parties and their associates included in item 1 | 38                                 |
| 6.2   | Aggregate amount of payments to related parties and their associates included in item 2 | -                                  |
| <i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i> |   |                                    |

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| 7.  | <b>Financing facilities</b><br><i>Note: the term "facility" includes all forms of financing arrangements available to the entity.<br/>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>   | <b>Total facility amount at quarter end</b> | <b>Amount drawn at quarter end</b> |
|-----|--|---|------------------------------------|
|     |  | <b>\$A'000</b>                              | <b>\$A'000</b>                     |
| 7.1 | Loan facilities  | 75  | -                                  |
| 7.2 | Credit standby arrangements  | -   | -                                  |
| 7.3 | Other (please specify)   | -   | -                                  |
| 7.4 | <b>Total financing facilities</b>  | 75  | -                                  |
| 7.5 | <b>Unused financing facilities available at quarter end</b>  |   | 75                                 |
| 7.6 | Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.<br><br>Credit card facility with NAB, 15.5% interest p.a. payable on balance drawn for over 35 days. |   |                                    |

| 8.  | <b>Estimated cash available for future operating activities</b>  | <b>\$A'000</b> |
|-----|--|----------------|
| 8.1 | Net cash from / (used in) operating activities (item 1.9)  | (167)          |
| 8.2 | (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))   | (117)          |
| 8.3 | Total relevant outgoings (item 8.1 + item 8.2)   | (284)          |
| 8.4 | Cash and cash equivalents at quarter end (item 4.6)  | 68             |
| 8.5 | Unused finance facilities available at quarter end (item 7.5)  | 75             |
| 8.6 | Total available funding (item 8.4 + item 8.5)  | 143            |
| 8.7 | <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>  | 0.5            |
|     | <i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>  |                |
| 8.8 | If item 8.7 is less than 2 quarters, please provide answers to the following questions:<br><br>8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?<br><br>Answer: As the Company is an explorer it is expected to have negative cashflows until such time that it finds a commercial discovery and moves into the Production phase of its lifecycle. In addition, the Company undertook a restructuring of its operations and personnel during the quarter which will result in significantly lower costs for the next quarters whilst a further assessment is being made of its projects. Committed expenditure for the Company's tenements have either already been met or are able to be met within the funding available to the Company. |                |



8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: The Board of the Company constantly reviews its available cash reserves and its overheads and expenditure commitments. The Board has reduced its expenditure where possible and where it feels that a particular area of interest is not likely to provide a commercial return. The Board has also successfully raised capital in the past and is confident that it will be able to raise capital to fund its future exploration requirements.

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: As outlined in 8.8.1 and 8.8.2 above, the Board constantly monitors its cash reserves and believes that it is able to continue its current operations and fulfill its business objectives.

*Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 January 2025

Authorised by: By the Board

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.