



# Morella Corporation Limited

ABN 39 093 391 774

## HALF YEAR FINANCIAL REPORT

**For the six months ended 31 December 2024**

This half year financial report is for the six months ended 31 December 2024 and does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Company's Annual Report for the year ended 30 June 2024 and any public announcements made by Morella Corporation Limited ABN 39 093 371 774 during the period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.



## CONTENTS

	<b>Page</b>
Corporate Directory	1
Directors' Report	2
Auditor's Independence Declaration	7
Consolidated Statement of Profit and Loss	8
Consolidated Statement of Other Comprehensive Income	9
Consolidated Balance Sheet	10
Consolidated Statement of Changes in Equity	11
Consolidated Statement of Cash Flows	12
Notes to the Financial Statements	13
Directors' Declaration	24
Independent Auditor's Review Report	25



## Corporate Directory

### DIRECTORS

James Brown – Managing Director  
Allan Buckler – Non-Executive Director  
Dan O’Neill – Non-Executive Director  
Beng Teik Kuan – Non-Executive Director

### COMPANY SECRETARY

John Lewis

### REGISTERED OFFICE

Suite 5, 680 Murray Street  
West Perth, 6005

Email: [info@morellacorp.com](mailto:info@morellacorp.com)

Website: [morellacorp.com](http://morellacorp.com)

### AUDITORS

PKF Perth  
Level 8, 905 Hay Street  
Perth WA 6000

### SHARE REGISTRY

MUFG Corporate Markets  
(formally, Link Market Services Limited)  
Level 12, QV1 Building  
250 St George’s Terrace,  
Perth WA 6000

### AUSTRALIAN SECURITIES EXCHANGE

Code: 1MC

**Directors' Report**

FOR THE HALF YEAR ENDED 31 DECEMBER 2024

Your directors have pleasure in presenting the interim financial statements of Morella Corporation Limited ("Morella" or "the Company") and its controlled entities ("the Group") for the half year ended 31 December 2024. The previous corresponding period of financial performance is the half year ended 31 December 2023 and of financial position is as at 30 June 2024. The directors report as follows:

**DIRECTORS**

The names of the directors in office during the financial year and up to the date of this report are as follows:

Mr James Brown  
Mr Allan Buckler  
Mr Dan O'Neill  
Mr Beng Teik Kuan

**OPERATING AND FINANCIAL REVIEW****Operating Results**

The Group's operating profit/(loss) after providing for income tax for the half-year ended 31 December 2024 was \$2,797,822 (2023: loss \$3,675,761). The profit in the current period was principally related to reduced corporate administration supporting the groups exploration activities and a non-cash foreign exchange gain.

**REVIEW OF OPERATIONS**

The Company's primary focus for the six months was the continued exploration across the Group's tenement portfolio.

Corporate

During the six months to 31 December 2024, the Group successfully raised \$1,723,843 through a non-renounceable rights issue, and a share placement of \$1,462,044 consisting of a cash placement \$706,600 with sophisticated and professional investors, and a Director's short term facility conversion of \$755,444 pending shareholder approval.

The group completed a 25:1 share consolidation and created an unmarketable share parcel facility to assist holders of smaller parcels and improve the capital structure and market clarity.

The Group is continuing to manage the funds on hand to continue exploration on its various tenements.

ExplorationNevada USA Lithium Projects▪ The Fish Lake Valley Project (FLV)

The Project is located approximately 60km from the well-equipped regional centre of Tonopah and is equal distance (approximately 280km) to the major Nevada cities of Las Vegas and Reno. Tesla's Nevada Gigafactory is 37km from Reno.

A high-resolution 2D seismic reflection survey identified new half-graben basin sediments and structures, generating high-priority lithium brine targets. The process used USGS GeoDAWN magnetic survey data and has been added to the Company's seismic reflection interpretation of deep rift basin geology. The combined data set indicates the FLV project area has strong similarities to the rift basin and structures hosting lithium brines at Albemarle's Silver Peak lithium brine mine in Clayton Valley, located 35 kilometres to the east.

Future work includes:

- Infill 2D seismic reflection survey lines between the recent survey lines to define the geometry and size of lithium brine targets for exploration drill targeting, assist in potential resource volume estimation, and help to map out the hydrogeology in more detail for planning long-term brine extraction.
- Drilling of a single deep hole to 1,150m in the southern project area based on results from above, in a similar position to the preliminary deep drillhole planned along seismic survey Line.

## Directors' Report

FOR THE HALF YEAR ENDED 31 DECEMBER 2024

- The North Big Smoky Project (NBS)

A 4-hole diamond drilling program showed the existence of lithium horizons in geological units and confirmed the prospectivity of the Carvers Lithium Project at North Big Smoky. The results from the shallow clays provided positive indications for mineralisation of deep targets with assays showing lithium up to 230ppm including 19ft at 111ppm.

Future work includes:

- Reflective seismic testing to determine the subsurface structure and any faulting which will assist with designing the deep hole program.
- Design and implementation of the deep hole program targeting magnetotelluric anomalies.

Western Australia Lithium Projects

- Morella and Sayona Joint venture

During the period Morella Corporation and Sayona Mining Limited have established a joint venture focused on lithium exploration and development in Western Australia. Morella holds a 51% managing interest in the venture, while Sayona Mining holds the remaining 49%.

The joint venture covers the projects areas of E45/4703 Tabba Tabba East, E45/4726 West Wodgina, E47/2983 Mallina, E45/5288 Strelley, E45/52895 Strelley West, E45/5904 Mac Well, E59/2092 Mt Edon, E59/2055 Mt Edon West.

- Mallina Project

The Mallina Project is located 110 kilometres southwest of Port Hedland and is accessible via the Northwest Coastal Highway in Western Australia. Over 9,500m of drilling completed across multiple campaigns since 2022 has identified over 14 mineralized pegmatites, with zones up to 20m thick and grades of 1.12% Li<sub>2</sub>O.

Morella's exploration to date has delivered:

- Discovery of High-Grade Lithium Zones: Drilling programs have identified new areas of lithium mineralization, with assays revealing grades up to 1.66% Li<sub>2</sub>O.
- Expansion of Mineralized Zones: Exploration has extended known lithium-bearing zones, uncovering four distinct areas spanning over 5 kilometres laterally. Some pegmatite structures exhibit mineralized strike lengths up to 950 meters, indicating substantial resource potential.

Future work includes:

- Planning and executing additional drilling to test extensions to the identified mineralisation.
- Locate and develop new targets within the Mallina Project area.

- Tabba-Tabba East Project

The project is located 58km southeast of Port Hedland and 4km south of the recent Wildcat Resources discovery and highlights the prospectivity of the area. During the period a pilot drilling program completed in July 2024, with a Phase 1 program of approximately 1,500m RC drilling. Follow-up drilling is planned to intersect pegmatites closer to the shear zone.

Future works include:

- Additional surface sampling to expand the identified target anomaly.

## Directors' Report

FOR THE HALF YEAR ENDED 31 DECEMBER 2024

### ▪ West Wodgina Project

The project is strategically positioned approximately 8 kilometres west of the world-class Wodgina lithium mine, a significant advantage given the established infrastructure and expertise in the area. The project lies within the Central Pilbara Tectonic Zone and comprises several geological units including the Sisters and Split Rock Super-suites, known for hosting lithium-bearing pegmatites. The presence of these units, along with associated greenstone enclaves, strongly suggests high prospectivity.

Morella's exploration efforts have been systematic and comprehensive including:

- Aeromagnetic Survey: Helped to delineate prospective zones for lithium-bearing pegmatites.
- Enhanced sensing and mapping data to understand the area's geology and helped refine target selection.
- Soil sampling programs have been instrumental in identifying areas of significant lithium anomalism, including previously unexplored areas.
- Infill Sampling is being done to better define the most promising zones and help improve the anomaly definition in areas where lithium mineralization has been shown.

Future works include:

- Additional surface sampling and mapping to expand the identified target anomalies.
- Design and execute a maiden drilling program to target the most significant geochemical anomalies to establish the presence of lithium bearing pegmatites in these areas.

### ▪ Mt Edon Project

The Mt Edon project covers approximately 7,450 hectares and is situated within the historic Paynes Find mining district, known for its gold mineralization. The project area comprises southern greenstone sequences of the Paynes Find Belt. This belt includes mafic, ultramafic, and felsic volcanic rocks which are intruded by pegmatite dykes and sills, the primary targets for lithium exploration. The proximity of the Everest Metals rubidium resource further strengthens the prospectivity of the area.

Morella's exploration significantly expands upon the earlier work, including:

- Extensive mapping and rock chip sampling programs to further delineate pegmatite occurrences.
- Deep Ground Penetrating Radar (DGPR) used to identify additional pegmatite targets that were previously concealed.
- Morella's 2024 drilling program (17 holes for 1,464 meters) greatly expanded on the previous work, focusing both on confirming historical intercepts and testing newly discovered targets. The program has significantly expanded upon the size and scale of mineralized pegmatites compared to the historical exploration. The program delivered exceptional results, intersecting significant pegmatite intercepts in 15 out of 17 drillholes. The key discovery is the high grades of rubidium mineralization found within these pegmatites. The intercepts include some significant widths, with one hole exhibiting a 112-meter intercept of mineralized pegmatite. Rubidium is a critical mineral designated as such by the US Geological Survey and is gaining importance for its use in certain battery chemistries. The high grades and significant thicknesses of mineralization intersected warrant further exploration to establish a resource estimate.

Future works include:

- Assays from the 2024 drill program are pending. Once released, these will be crucial for further project planning.
- After assay results are available, resource estimation will be undertaken.
- Further drilling will focus on infilling and testing the extent of the mineralized pegmatites, both at depth and along strike. The substantial intercepts and high grades of rubidium discovered suggests substantial potential.

### Environment

There were no environmental breaches or incidents recorded during the reporting period.

### Other Assets - Lithium Corporation

Morella holds a strategic equity position with US based Lithium Corporation (OTCQB: LTUM) which is an early-stage exploration company with claims and land holding in the United States of America.

**Directors' Report (continued)**  
FOR THE HALF YEAR ENDED 31 DECEMBER 2024

**Divestment of Assets**Tabalong Coal Asset

The Tabalong Coal Project is a premium grade thermal coal deposit located in South Kalimantan, Indonesia. The project consists of five (5) Mining Licences (IUPs), with all five (5) IUPs granted for Operation Production. Morella holds 70% of three IUPs and 56% of the remaining two. The Company has previously stated its intention to divest its interests in Tabalong coal assets. It is pursuing several options for sale of the coal assets and information has been made available to a number of parties under confidentiality deed arrangements.

**FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES**

The Groups' objective is to create shareholder value through the development and operation of profitable mining businesses and other supplementary activities that deliver strong cash flows for the Group, and resultant regular dividends for shareholders.

Key Business Strategies

Morella's strategic focus comprises:

- The targeted exploration of prospective lithium tenements in Tier 1 operating jurisdictions.
- Transitioning a passive investment in Lithium Corporation into an active Project interest through the development of the strategically located, US-based, Fish Lake Valley and North Big Smoky Projects.
- Partner and collaborate with other groups and entities, focused on delivering lithium and battery materials into the market, thus enabling the new energy/green revolution.
- Design future operations and lithium production processes that align and contribute to the global need to decarbonise the economy, with the transparent and regulatory compliance that emerging sophisticated markets like (the EU) will demand.
- Conducting its exploration and development activities in a sustainable manner across environment, health and safety, people and community considerations.
- Divestment of the Tabalong coal project.

**MATTERS SUBSEQUENT TO THE END OF THE PERIOD**

No Subsequent events have occurred after the end of the reporting period.

**ROUNDING OF AMOUNTS**

The Company is an entity to which ASIC Corporations Instrument 2016/191 applies and, accordingly, amounts in the financial statements have been rounded to the nearest thousand dollars.

**COMPETENT PERSON'S STATEMENT**

The information in this report that relates to Drilling Results at the Mallina and Fish Lake Valley Projects is based on information compiled by Mr Henry Thomas, who is a Member of the Australasian Institute of Mining and Metallurgy and is the Exploration Manager employed by Morella Corporation. Mr Henry Thomas has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Mineral Resources'. Mr Henry Thomas consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this announcement that relates to Geophysical Results at FLV complies with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) and has been compiled and assessed under the supervision of Dr Jayson Meyers, a consultant to Morella and a Director of Resource Potentials Pty Ltd. Dr Meyers is a Fellow of the Australasian Institute of Geoscientists. He has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. Dr Meyers consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears. Dr Meyers does not hold securities in the Company.

**Directors' Report (continued)**  
FOR THE HALF YEAR ENDED 31 DECEMBER 2024

**AUDITOR'S INDEPENDENCE DECLARATION**

The auditor's independence declaration for the half year ended 31 December 2024 has been received and is included on page 7 of the report.

Signed in accordance with a resolution of the directors.

On behalf of the Directors,



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**James Brown**  
Director  
Perth, 10 March 2025





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## AUDITOR'S INDEPENDENCE DECLARATION

### TO THE DIRECTORS OF MORELLA CORPORATION LIMITED

In relation to our review of the financial report of Morella Corporation Limited for the half year ended 31 December 2024, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

*PKF Perth*

PKF PERTH

A handwritten signature in black ink, appearing to read 'Alexandra', with a horizontal line underneath.

ALEXANDRA SOFIA BALDEIRA PEREIRA CARVALHO  
PARTNER

10 March 2025  
PERTH, WESTERN AUSTRALIA

### Consolidated Statement of Profit and Loss

FOR THE HALF YEAR ENDED 31 DECEMBER 2024

	Note	31 December 2024 \$'000	31 December 2023 \$'000
<b>Continuing operations</b>			
Revenue	3(a)	285	282
Cost of sales	3(c)	(244)	(208)
<b>Operating profit / (loss)</b>		41	74
<b>Other income</b>			
Sundry income	3(b)	1	47
<b>Expenses</b>			
Administration costs		(459)	(162)
Employee benefits expense	3(f)	(966)	(1,095)
Employee benefits expense -share based payments	3(f)	-	(243)
Exploration Expenditure		(44)	-
Other expenses	3(d)	(46)	(62)
<b>(Loss) before foreign exchange and finance costs</b>		(1,473)	(1,441)
Net foreign exchange gain/(loss)	3(e)	4,896	(2,365)
<b>Gain / (loss) before finance costs</b>		3,423	(3,806)
<b>Finance costs</b>			
Interest on funding facility		(128)	(119)
<b>Profit / (loss) before income tax</b>		3,295	(3,925)
Income tax expense		-	-
<b>Net profit / (loss) after income tax for the period from continuing operations</b>		3,295	(3,925)
<b>Discontinued operations</b>			
Profit / (loss) of discontinued operations after tax	7(b)	(497)	249
<b>Net profit / (loss) for the period</b>		2,798	(3,676)
<b>Net profit / (loss) attributable to:</b>			
Owners of Morella Corporation Limited from continuing operations		3,248	(3,969)
Owners of Morella Corporation Limited from discontinued operations		(497)	249
Non-controlling interest		47	44
		2,798	(3,676)
<b>Profit / (Loss) per share from continuing and discontinued operations attributable to the ordinary equity holders of the company:</b>			
		<b>Cents</b>	<b>Cents</b>
Basic and diluted profit / (loss) per share from continuing and discontinued operations		0.01	(0.06)
Basic and diluted profit / (loss) per share from continuing operations		0.01	(0.06)
Basic and diluted profit / (loss) per share from discontinued operations		(0.00)	(0.00)

The above Consolidated Statement of Profit and Loss should be read in conjunction with the accompanying Notes.

Consolidated Statement of Other Comprehensive Income

FOR THE HALF YEAR ENDED 31 DECEMBER 2024

	<b>31 December 2024 \$'000</b>	<b>31 December 2023 \$'000</b>
<b>Net profit / (loss) after income tax</b>	<u>2,798</u>	<u>(3,676)</u>
Other comprehensive income / (loss)		
Items that will not be reclassified subsequently to profit or loss:		
Changes in the fair value of financial assets	(40)	(572)
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign controlled entities	<u>(3,820)</u>	<u>1,772</u>
<b>Other comprehensive (loss) for the period, net of tax</b>	<u>(3,860)</u>	<u>(1,200)</u>
<b>Total comprehensive (loss) for the period</b>	<u>(1,062)</u>	<u>(2,476)</u>
Total comprehensive income / (loss) attributable to:		
Members of the parent entity	(1,141)	(2,507)
Non-controlling interest	<u>79</u>	<u>31</u>
	<u>(1,062)</u>	<u>(2,476)</u>
Total comprehensive income / (loss) attributable to members:		
Continuing operations	(644)	(2,756)
Discontinued operations	<u>(497)</u>	<u>249</u>
	<u>(1,141)</u>	<u>(2,507)</u>

The above Consolidated Statement of Other Comprehensive Income should be read in conjunction with the accompanying Notes.

Consolidated Balance Sheet

AS AT 31 DECEMBER 2024

	Note	31 December 2024 \$'000	30 June 2024 \$'000
<b>Current assets</b>			
Cash and cash equivalents		1,320	421
Trade and other receivables	5	236	247
Held to maturity investments		54	54
Current tax prepaid		109	97
Other current assets		120	218
Financial assets	8	578	618
Total current assets		2,417	1,655
<b>Non-current assets</b>			
Derivative financial instruments	18	644	446
Property, plant, equipment and mine properties	10	105	107
Exploration and evaluation	9	12,471	10,650
Right-of-use assets	11	35	14
Total non-current assets		13,255	11,217
<b>Total assets</b>		<b>15,672</b>	<b>12,872</b>
<b>Current liabilities</b>			
Trade and other payables	6	1,338	350
Borrowings	4	22	99
Provisions		294	259
Lease liabilities	11	35	14
Total current liabilities		1,689	722
<b>Non-current liabilities</b>			
Borrowings	4	3,567	3,421
Provisions		523	495
Total non-current liabilities		4,090	3,916
<b>Total liabilities</b>		<b>5,779</b>	<b>4,638</b>
<b>Net assets</b>			
		<b>9,893</b>	<b>8,234</b>
<b>Equity</b>			
Contributed equity	16	318,988	316,267
Reserves		(10,757)	(6,865)
Accumulated losses		(298,841)	(301,592)
Capital and reserves attributable to owners of Morella Corporation Limited		9,390	7,810
Non-controlling interest		503	424
<b>Total equity</b>		<b>9,893</b>	<b>8,234</b>

The above Consolidated Balance Sheet should be read in conjunction with the accompanying Notes.

### Consolidated Statement of Changes in Equity

FOR THE HALF YEAR ENDED 31 DECEMBER 2024

	Contributed Equity	Accumulated losses	Performance rights reserve	Change in fair value financial assets	Foreign currency translation reserve	Non- controlling interests	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance as at 1 July 2023</b>	<b>315,721</b>	<b>(298,597)</b>	-	<b>1,413</b>	<b>(7,359)</b>	<b>363</b>	<b>11,541</b>
<b>Comprehensive income for the period</b>							
Net profit/ (loss)	-	(3,720)	-	-	-	44	(3,676)
Other Comprehensive Income Fair Value		-	-	(572)	-	-	(572)
Other Comprehensive Income Foreign Exchange		-	-	-	1,785	(13)	1,772
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>(3,720)</b>	<b>-</b>	<b>(572)</b>	<b>1,785</b>	<b>31</b>	<b>(2,476)</b>
<b>Transactions with owners in their capacity as owners:</b>							
Shares Issued – Placement net of fees	-	-	-	-	-	-	-
Employee share schemes – value of employee services	243	-	-	-	-	-	243
Shares Issued – in Lieu of fees	303	-	-	-	-	-	303
Shares issued Options exercised	-	-	-	-	-	-	-
<b>Sub-total</b>	<b>546</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>546</b>
<b>Balance as at 31 December 2023</b>	<b>316,267</b>	<b>(302,317)</b>	-	<b>841</b>	<b>(5,574)</b>	<b>394</b>	<b>9,611</b>
<b>Balance as at 1 July 2024</b>	<b>316,267</b>	<b>(301,592)</b>	-	<b>525</b>	<b>(7,390)</b>	<b>424</b>	<b>8,234</b>
<b>Comprehensive income for the period</b>							
Net profit / (loss)	-	2,751	-	-	-	47	2,798
Other Comprehensive Income Fair Value	-	-	-	(40)	-	-	(40)
Other Comprehensive Income Foreign Exchange	-	-	-	-	(3,852)	32	(3,820)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>2,751</b>	<b>-</b>	<b>(40)</b>	<b>(3,852)</b>	<b>79</b>	<b>(1,062)</b>
<b>Transactions with owners in their capacity as owners:</b>							
Shares Issued – Non-renounceable Rights Offer	1,724	-	-	-	-	-	1,724
Shares Issued – Placement	707	-	-	-	-	-	707
Shares Issued – in Lieu of fees							
Share based payments transactions	290	-	-	-	-	-	290
<b>Sub-total</b>	<b>2,721</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,721</b>
<b>Balance as at 31 December 2024</b>	<b>318,988</b>	<b>(298,841)</b>	-	<b>485</b>	<b>(11,242)</b>	<b>503</b>	<b>9,893</b>

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

Consolidated Statement of Cash Flows

FOR THE HALF YEAR ENDED 31 DECEMBER 2024

	31 December 2024 \$'000	31 December 2023 \$'000
<b>Cash flows from operating activities</b>		
Receipts from customers	236	372
Payments to suppliers and employees	(1,687)	(1,778)
Sundry income	27	15
Interest received	1	-
Interest paid	-	(79)
<b>Net cash provided by / (used in) operating activities</b>	<b>(1,423)</b>	<b>(1,470)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment and mine properties	(22)	(47)
Payments for held to maturity investments	-	(33)
Proceeds from joint tenement holder	520	-
Expenditure on exploration and evaluation	(1,158)	(5,198)
Proceeds from sale of property, plant and equipment	-	-
<b>Net cash provided by / (used in) investing activities</b>	<b>(660)</b>	<b>(5,278)</b>
<b>Cash flows from financing activities</b>		
Proceeds from the issue of shares	3,185	-
Payments of lease liabilities	(24)	(32)
Repayment of borrowings	(201)	-
Borrowing costs	-	-
<b>Net cash provided by / (used in) financing activities</b>	<b>2,960</b>	<b>(32)</b>
<b>Net increase / (decrease) in cash and cash equivalents held</b>	<b>877</b>	<b>(6,780)</b>
Cash and cash equivalents at the beginning of year	421	7,936
Effect of exchange rates on cash holdings in foreign currencies	32	(30)
<b>Cash and cash equivalents at the end of period</b>	<b>1,330</b>	<b>1,126</b>
<b>Reconciliation of cash and cash equivalents at the end of period</b>		
Cash and cash equivalents per balance sheet	1,320	1,117
Cash in assets classified as held for sale	10	9
<b>Cash balance as per statement of cash flows above</b>	<b>1,330</b>	<b>1,126</b>
<b>Non-Cash investing and financing activities</b>		
Transaction fees – Consideration earn in option agreement	290	303

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

## Notes to the Financial Statements

FOR THE HALF YEAR ENDED 31 DECEMBER 2024

### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### **Statement of compliance**

The half year financial report is a general-purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 Interim Financial Reporting.

The half year report covers the consolidated financial statements of the Group comprising Morella Corporation Limited (the Company) and its controlled entities (the Group). The half year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report for the year ended 30 June 2024 of the Company and any public announcements made during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The interim financial statements were authorised for issue on 10 March 2025 by the directors of the Company.

#### **Basis of preparation**

The Company is a company of the kind referred to in ASIC Corporations Instrument 2016/191, and in accordance with that Instrument amounts in the directors' report and the half year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

#### **Accounting policies**

The same 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 Group's annual financial report for the year ended 30 June 2024, except for those described below.

#### **New or amended Accounting Standards and Interpretations adopted**

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

It has determined by the Group that there are no new Accounting Standards or Interpretations that have a material or otherwise impact on its business.

No other accounting policies are required for the half-year financial report.

## Notes to the Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2024

### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### *(i) Going Concern Principle of Accounting*

The Directors believe it is appropriate to prepare the consolidated financial statements on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Group returned a Profit of \$2,797,822 (2023 loss: \$3,675,761), had cash outflows from operating activities of \$1,422,188 (2023: \$1,470,725), concluded the half year end with cash and cash equivalents of \$1,320,399 (2023: \$420,820), and had loans outstanding at year-end of \$3,589,007 (2023: \$3,520,024).

The Group requires further funding within the next twelve to progress the project's development and drilling programmes, to meet its ongoing administrative expenses, and for any new business opportunities that the Group may pursue.

The Directors believe that the Group will be able to secure sufficient funding to meet the requirements to continue as a going concern, due to its history of previous capital raisings, acknowledging that the structure and timing of any capital raising is dependent upon investor support, prevailing capital markets, shareholder participation, lithium prices and the outcome of planned exploration and evaluation activities, which creates uncertainty.

The Directors consider the going concern basis of preparation to be appropriate based on its forecast cash flows for the next twelve months and that the Group will be in a position to continue to meet its minimum administrative, evaluation and development expenditures and commitments for at least twelve months from the date of this report.

If further funds are not able to be raised or realised, then it may be necessary for the Group to sell or farmout its exploration and development assets and to reduce discretionary administrative expenditure, this represents a material uncertainty that may cast significant doubt about whether the Group can continue as a going concern.



Notes to the Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2024

2. SEGMENT INFORMATION

The Group's primary segment reporting format is business segments as the Group's risks and returns are affected predominantly in the products and services produced.

	Exploration services \$'000	Mineral exploration \$'000	Eliminations \$'000	Total \$'000
<b>Half-year 2024</b>				
<b>Revenue</b>				
External sales	285	-	-	285
Other income	-	1	-	1
Other segments	-	-	-	-
Total segment revenue	<u>285</u>	<u>1</u>	<u>-</u>	<u>286</u>
Unallocated revenue				<u>-</u>
Total consolidated revenue				<u>286</u>
<b>Segment result</b>	(34)	(1,439)	-	(1,473)
Unallocated segments net of unallocated revenue				<u>-</u>
Profit/(loss) before income tax, foreign exchange, and finance costs				<u>(1,437)</u>
Net Foreign exchange gain/(loss)				4,896
Finance costs				(128)
Income tax expense				<u>-</u>
Net profit/(loss) for the period from continuing operations				3,295
Loss from discontinued operations				<u>(497)</u>
Net profit/(loss) for the period				<u>2,798</u>
<b>Assets and liabilities</b>				
Segment assets	661	15,011	-	15,672
Unallocated assets	-	-	-	<u>-</u>
Total assets				<u>15,672</u>
Segment liabilities	643	5,136	-	5,779
Unallocated liabilities	-	-	-	<u>-</u>
Total liabilities				<u>5,779</u>

Notes to the Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2024

2. SEGMENT INFORMATION (continued)

	Exploration services \$'000	Mineral exploration \$'000	Eliminations \$'000	Total \$'000
<b>Half-year 2023</b>				
<b>Revenue</b>				
External sales	282	-	-	282
Other income	47	-	-	47
Other segments	-	-	-	-
Total segment revenue	<u>329</u>	<u>-</u>	<u>-</u>	<u>329</u>
Unallocated revenue				-
Total consolidated revenue				<u>329</u>
<b>Segment result</b>	62	(1,503)	-	(1,441)
Unallocated segments net of unallocated revenue				-
Profit/(loss) before income tax, foreign exchange, and finance costs				<u>(1,441)</u>
Net Foreign exchange gain/(loss)				(2,365)
Finance costs				(119)
Income tax expense				-
Net loss for the period from continuing operations				<u>(3,925)</u>
Loss from discontinued operations				249
Net profit/(loss) for the period				<u>(3,676)</u>
<b>Assets and liabilities</b>				
Segment assets	543	13,499	-	14,042
Unallocated assets	-	-	-	-
Total assets				<u>14,042</u>
Segment liabilities	655	3,776	-	4,431
Unallocated liabilities	-	-	-	-
Total liabilities				<u>4,431</u>

Notes to the Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2024

	31 December 2024 \$'000	31 December 2023 \$'000
<b>3. PROFIT / (LOSS) FROM ORDINARY ACTIVITIES</b>		
(a) <b>Revenue from continuing operations</b>		
Revenue from exploration services	285	282
Total revenues from continuing operations	<u>285</u>	<u>282</u>
(b) <b>Sundry income</b>		
Proceeds on equipment	1	47
Total sundry income	<u>1</u>	<u>47</u>
(c) <b>Cost of sales</b>		
Depreciation and amortisation	3	3
Mining services drilling costs	241	205
Total cost of sales	<u>244</u>	<u>208</u>
(d) <b>Other expenses</b>		
Depreciation & Amortisation – plant & equipment	46	62
Total depreciation	<u>46</u>	<u>62</u>
(e) <b>Net foreign exchange Gain</b>		
The net foreign exchange gain relates to the revaluation of the US\$ denominated funds held by the Group.		
(f) <b>Employee benefits expense</b>		
Salaries and on-costs expense	966	1,095
Bonus paid by way of issue of shares to directors and staff	-	243
Total employee benefits expense	<u>966</u>	<u>1,338</u>

Notes to the Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2024

	31 December 2024 \$'000	30 June 2024 \$'000
<b>4. BORROWINGS</b>		
<b>Current borrowings</b>		
Other	22	99
<b>Total non-current borrowings</b>	<u>22</u>	<u>99</u>
<b>Non-Current borrowings</b>		
Director related facility <sup>##</sup>	3,567	3,421
<b>Total non-current borrowings</b>	<u>3,567</u>	<u>3,421</u>
<b>Reconciliation borrowings – Director related facility</b>		
Opening balance	3,421	3,377
Loan funds received	531	-
Transfer to trade and other payables	-	-
Funds repaid	(705)	-
Interest	123	41
Exchange rate differences	197	3
<b>Total borrowings – Director related facility <sup>##</sup></b>	<u>3,567</u>	<u>3,421</u>
<sup>##</sup> The Directors via a director related entity ACN 647 358 987 Pty Ltd provided an un-secured loan facility to fund the DOCA and the short-term working capital requirements of the Group. The facility of \$3,566,986 is provided at 8%pa and contains a US\$2,000,000 component. The term of the facility has been extended to 8 March 2026 and is convertible to shares at the option of the lenders whilst meeting the appropriate regulatory approvals.		
<b>5. TRADE AND OTHER RECEIVABLES</b>		
Trade and other receivables	834	827
Provision for doubtful debts	(598)	(580)
<b>Total trade and other receivables</b>	<u>236</u>	<u>247</u>
<b>6. TRADE AND OTHER PAYABLES</b>		
Trade payables and accruals	1,338	350
<b>Total trade and other payables</b>	<u>1,338</u>	<u>350</u>

Notes to the Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2024

7. DISCONTINUED OPERATIONS

(a) Description

Tabalong Group

To date the board has made several information packages available to various groups for the purpose of attracting offers for the sale of the Tabalong tenements in Kalimantan, Indonesia. The board considers that the presentation of the Tabalong Group as held for sale confirms its intent to dispose of these assets.

The Group obtained an independent expert valuation of the Tabalong Group which included a range of valuation cases. The Group adopted a middle range (preferred) valuation of US\$2,750,000 a 100% equity basis.

At the end of the reporting period the Board considered the valuation of the Tabalong Group and the ability to progress and complete the sale in the current transactional climate and attract a suitable counterparty in the near term. To present a conservative position, the Board has impaired the value of the Tabalong Group to Nil whilst continuing to actively market the project.

Financial information relating to the discontinued operation for the period to the date of disposal is set out below.

(b) Financial performance and cash flow information of discontinued operations

The financial performance and cash flow information presented are for the half year ended 31 December 2024.

	31 December 2024 \$'000 Tabalong	31 December 2023 \$'000 Tabalong
Revenue		
Sale of Product	-	-
Cost of sales		
Operating expenses	-	-
Total cost of sales	<u>-</u>	<u>-</u>
Profit / (Loss)	-	-
Other Income	-	-
Expenses		
Administration	-	-
Impairment (loss)	(482)	(229)
Expenses	<u>-</u>	<u>-</u>
(Loss) before foreign exchange and finance costs	(482)	(229)
Foreign exchange gain	(15)	(20)
Profit / (Loss) before foreign exchange	<u>(497)</u>	<u>(249)</u>
Net (Loss) before income tax	(497)	(249)
Income Tax expense	<u>-</u>	<u>-</u>
<b>(Loss) from discontinued operations after income tax</b>	<u>(497)</u>	<u>(249)</u>
Net cash (outflow) from financing activities	<u>1</u>	<u>-</u>
<b>Net decrease in cash generated by the division</b>	<u>1</u>	<u>-</u>

Notes to the Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2024

7. DISCONTINUED OPERATIONS (continued)

(c) Carrying amounts of assets and liabilities

	31 December 2024 \$'000 Tabalong	30 June 2024 \$'000 Tabalong
Cash and cash equivalents	10	9
Exploration and evaluation	4,619	4,335
Total assets of disposal group held for sale	<u>4,629</u>	<u>4,344</u>
Trade and other payables	2,713	2,546
Borrowings	1,916	1,798
Total liabilities of disposal group held for sale	<u>4,629</u>	<u>4,344</u>
Net Assets of disposal group held for sale	<u>-</u>	<u>-</u>

The carrying amount of the assets and liabilities for the Tabalong disposal group held for sale have been fully impaired to value of nil.

8. FINANCIAL ASSETS

**Non-current financial assets**

Financial assets	578	618
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Reconciliation of the fair values at the beginning and end of the current and previous period are set out below.

Opening fair value	618	1,507
Disposal	-	-
Changes in fair value	(40)	(889)
Closing fair value	<u>578</u>	<u>618</u>

The Group holds an 8.53% interest in Lithium Corporation, Nevada USA by way of a non-brokered private placement. Lithium Corporation is quoted on the US OTCBB (Over The Counter Bulletin Board).

9. EXPLORATION AND EVALUATION

**Exploration and evaluation expenditure at cost:**

Carried forward from previous year	10,650	6,285
Incurred during the year – share based payment	290	303
Incurred during the year	1,951	4,062
Recovery of expenditure from Joint Venture participant	(420)	-
	<u>12,471</u>	<u>10,650</u>
Less: Written off during the year	-	-
Total exploration and evaluation expenditure	<u>12,471</u>	<u>10,650</u>

Notes to the Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2024

10. PROPERTY, PLANT, EQUIPMENT AND MINE PROPERTIES

	<b>Property plant and equipment \$'000</b>
<b>December 2024</b>	
<b>Gross carrying amount</b>	
Balance at 30 June 2024	1,010
Additions	22
Exchange difference	63
Disposals	-
Balance at 31 December 2024	<u>1,095</u>
<b>Accumulated depreciation</b>	
Balance at 30 June 2024	903
Depreciation expense	28
Exchange difference	59
Disposals	-
Balance at 31 December 2024	<u>990</u>
Net book value as at 31 December 2024	<u><u>105</u></u>

	<b>Property plant and equipment \$'000</b>
<b>June 2024</b>	
<b>Gross carrying amount</b>	
Balance at 30 June 2023	932
Additions	89
Exchange difference	1
Disposals	(12)
Balance at 30 June 2024	<u>1,010</u>
<b>Accumulated depreciation</b>	
Balance at 30 June 2023	860
Depreciation expense	54
Exchange difference	1
Disposals	(12)
Balance at 30 June 2024	<u>903</u>
Net book value as at 30 June 2024	<u><u>107</u></u>

Notes to the Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2024

	31 December 2024 \$'000	30 June 2024 \$'000
<b>11. LEASES</b>		
Set out below is a summary of the amounts disclosed in the Consolidated Balance Sheet:		
<b>Lease liability</b>		
Current	35	14
	35	14
<b>Right of use assets</b>		
Properties		
Opening Balance	14	10
Additions	42	84
Depreciation	(21)	(80)
Closing Balance	35	14

**12. DIVIDENDS**

The Company has not paid a dividend during the period and no interim dividend is recommended.  
(2024: \$0)

**13. INTERESTS IN JOINT OPERATIONS**

The consolidated entity has recognised its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate classifications. Information relating to joint operations that are material to the consolidated entity are set out below:

Name	Principal place of business / Country of incorporation	Ownership interest	
		31 December 2024 %	30 June 2024 %
Altura/Sayona UJV	Australia	51.00%	-

**14. SUBSEQUENT EVENTS**

No Subsequent events have occurred after the end of the reporting period.

**15. CONTINGENT LIABILITIES AND COMMITMENTS**

There have been no material changes to the contingent liabilities and commitments as reported at 31 December 2024.



Notes to the Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2024

**16. CONTRIBUTED EQUITY**

**Issued capital**

	31 December 2024		30 June 2024	
	Number	\$'000	Number	\$'000
<b>Fully paid ordinary shares issued</b>	330,265,503	318,988	6,178,799,426	316,267
Balance at the beginning of the financial year	6,178,799,426	316,267	6,098,580,444	315,721
Share Consolidation @25:1	(5,931,646,323)	-	-	-
Share placement - Sophisticated Investors	27,176,923	707	-	-
Share Issue – EIO Consideration	8,055,966	290	40,075,260	303
Share issue Employee incentive scheme	47,879,511	1,724	40,143,722	243
Balance at the end of the financial period	330,265,503	318,988	6,178,799,426	316,267

Fully paid ordinary shares carry one vote per share and carry the rights to dividends. Ordinary shares have no par value.

**17. KEY MANAGEMENT PERSONNEL**

Details of the Group's Key Management Personnel Compensation arrangements are provided in the Remuneration Report and the Notes to the Financial Statements contained in the Group's Annual Report for the year ended 30 June 2024.

**18. RELATED PARTIES**

- a) In February 2021, The Directors via a director related entity ACN 647 358 987 Pty Ltd provided an un-secured loan facility to fund the DOCA and the short-term working capital requirements of the Group. The facility of \$3,566,986 contains a US\$2,000,000 component and is provided at 8%pa repayable in March 2026. Interest of \$122,932 has been incurred during the period. The US\$ component of the facility uses a fixed translation rate of \$0.777185 this gives rise to a derivative asset of \$643,596 when translated at period end.
- b) Morella signed a Joint Operation Agreement with lithium project developer Sayona Mining Limited over its Pilbara lithium tenements to cover the next phase of exploration activity. Sayona Mining Limited is a related party due to common directors. Sayona will retain the right to contribute to project evaluation and development in the future to participate in the upside potential.
- c) Morella's wholly owned subsidiary, Morella Minerals (US) Corp signed an Earn-in option agreement to acquire 60% of the project with Lithium Corporation (LTUM) for exclusive exploration and development rights to the Fish Lake Valley and North Big Smokey Lithium project areas, Nevada USA. Lithium Corporation is a related party due a common director. The agreement provides Morella with an option to form a joint venture with LTUM or acquire 100% of the Fish Lake Valley Project in the future.

Transactions during the reporting period

- Exploration expenditure of US\$678,909 was incurred in accordance with the earn in option agreement.
- Consideration commitment was paid by the equivalent of US\$200,000 of Morella Corporation Limited shares have been issued.

### Directors' Declaration

In the Directors' opinion:

1. The financial statements and notes as set out on pages 8 to 23 are in accordance with the *Corporations Act 2001* and:
  - (a) comply with the Accounting Standard AASB134 Interim Financial Reporting and the Corporations Regulations 2001; and
  - (b) give a true and fair view of the financial position as at 31 December 2024 and of the performance for the six-month period ended on that date of the Group.
2. In the director's opinion 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 a resolution of the Board of Directors.

On behalf of the directors,



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**James Brown**  
Director

Perth 10 March 2025



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## INDEPENDENT AUDITOR'S REVIEW REPORT

### TO THE MEMBERS OF MORELLA CORPORATION LIMITED

#### Report on the Half-Year Financial Report

##### Conclusion

We have reviewed the half-year financial report of Morella Corporation Limited (the company) and controlled entities (consolidated entity) which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, and notes to the financial statements, including material policy information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at 31 December 2024, or during the half year.

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 Morella Corporation Limited is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2024 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.

##### Material Uncertainty Related to Going Concern

Without qualifying our conclusion, we draw attention to Note 1 in the half-year financial report in which indicates that the consolidated entity incurred a net profit of \$2,797,822 during the half year ended 31 December 2024, had negative operating cashflow of \$1,422,188 and had a closing cash balance of \$1,320,399. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the half-year financial report.

### Independence

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.

### Directors' Responsibility for the Interim Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the Corporations Act 2001 and for such internal controls 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 Responsibilities 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 consolidated entity's financial position as at 31 December 2024 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporation 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.



PKF PERTH



ALEXANDRA SOFIA BALDEIRA PEREIRA CARVALHO  
PARTNER

10 MARCH 2025  
PERTH, WESTERN AUSTRALIA