

5N+ (99.99957%) Al₂O₃ purity HPA achieved from Tampu's bright white kaolin deposit

June 2022 (Q4FY22) Activities and Cash Flow Report

Highlights:

- HPA (High Purity Alumina) test work results on a 25kg composite (-45µm) sample on behalf of potential offtake partner has confirmed Tampu can achieve 5N+ (99.99957%) Al₂O₃ purity
- Australian Federal Government lists Corella's Tampu Deposit on Australia's Map of Critical Minerals confirming HPA is vital for modern technology and supply may be at risk of disruption
- The outstanding results are higher than commercial 5N (99.99906%) and distinguish Tampu as the highest purity kaolin feedstock for HPA compared to its peers
- Results also confirm Tampu can produce 5N (99.999%) Al₂O₃ and 4N (99.99%) Al₂O₃ HPA using a simplified, low cost & more environmentally friendly method
- 1000m Resource Definition sonic drill core program to commence in August aimed at converting Resources to Reserves and fast track Tampu to PFS/DFS
- Focus on advancing offtake to become a major supplier to the HPA and other specialised markets to maximise output and enhance revenues

Australian kaolin and silica exploration company 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 30 June 2022(**Quarter**).

Operational Overview

Tampu Project

During the Quarter, the Company announced it had achieved **5N+ (99.99957%) HPA** ("High Purity Alumina") on a 25kg representative bulk composite sample produced from its 100% owned Tampu Project located near the town of Beacon, 270kms from Perth, Western Australia¹.

The outstanding metallurgical results² combined with 5N+ purity have confirmed Tampu as Australia's largest and premier specification bright white kaolin deposit, particularly as feedstock for HPA applications.

The extremely low levels of deleterious materials within the Tampu kaolin has allowed Corella to achieve these outstanding results via a simplified, lower cost and more environmentally friendly process flowsheet. The HPA market includes various technology applications including lithium ion batteries, LED lights and semi-conductors which can attract prices between ~\$40,000 - \$70,000 per ton.

¹Refer ASX Announcement dated 30 June 2022 "5N purity confirms Tampu as premier specification for HPA"

² Refer ASX Announcements dated 16 August 2021 "Drillhole intercepts confirm high purity kaolin at Tampu" and 23 March 2022 "Metallurgical results confirm outstanding purity at Tampu"

The outstanding HPA results achieved are detailed in Table 1.

Table 1 – HPA test work results achieved on a 25kg screened (-45µm) composite sample.

Impurities /g	Tampu sample	Commercial 5N
P	0.000000115	0.000000285
Pb	0	0
Ni	0	0
Ba	0.00000001	0.000000005
Fe	0	0
Si	0.0000003	0.00000065
Mn	0	0
Cr	0	0
Mg	0	0
Ca	0.00000001	0
Ti	0	0
Na	0	0
K	0	0
SUM	0.00000043	0.00000094
Purity	0.9999957	0.9999906

Along with being Australia's premier specification kaolin deposit, Tampu has the scope to underpin multiple decades of production and the capacity to supply multiple high value markets via numerous scalable mining and processing options. The Company intends to increase its production profile as the demand for HPA increases in line with the uptake of batteries for green energy storage.

The Company will leverage its class leading position with a balanced approach, assessing all potential product streams including short-term direct shipping ore (DSO) options and progressing to a high end HPA product that attracts significantly higher prices.

A critical factor for the use of kaolin as a feedstock in the HPA industry is the levels of iron impurities with a value of <=0.5% Fe₂O₃ considered low iron impurity. When the Tampu MRE³ is plotted spatially it demonstrates the consistent nature of the bright white kaolin deposit and highlights its amenability to a simple, shallow open pit operation (See Figure 1).

Table 2 – Tampu Kaolin Inferred Mineral Resource Estimate (using a <=1.2% Fe₂O₃ cut-off)

Tonnes Mt	Yield <45µm %	Product Tonnes Mt	Fe2O3 %	SiO2 %	Al2O3 %	K2O %	Na2O %	TiO2 %	LOI %
24.7	52.9	13.1	0.5	48.8	36.5	0.6	0.04	0.4	13.0

*Note that all figures are rounded to reflect appropriate levels of confidence

Corella Resources Managing Director, Tony Cormack, commented "The outstanding metallurgical, brightness and HPA results confirm Tampu as Australia's best and largest resource of high purity bright white kaolin that far exceeds the specifications required to qualify as commercial 5N and 4N HPA feedstock."

"Tampu can easily achieve both 5N & 4N purity through a simplified process, which will be a cheaper and greener method than other existing flowsheets. We remain focussed on executing on our HPA focussed strategy, in the interim we will look to supply shorter term options to fast-track revenue and maximise Tampu's production profile."

³ Refer ASX Announcement dated 9 November 2021 "Maiden Mineral Resource Estimate of 24.7Mt for Tampu Project"

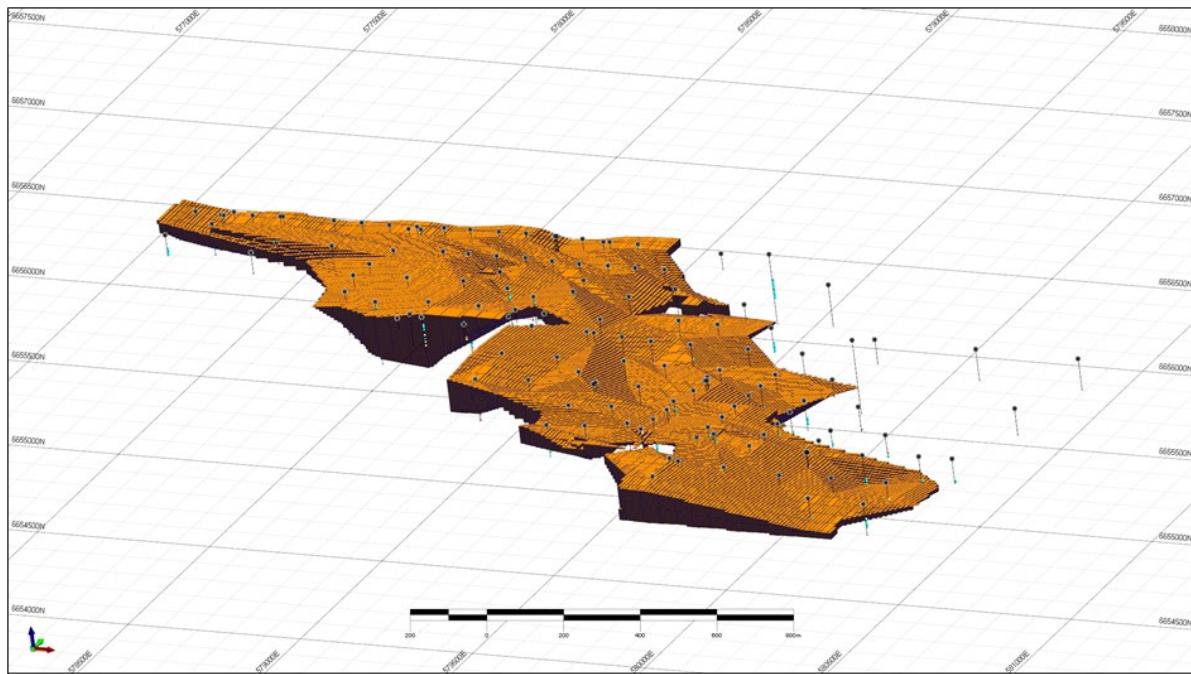


Figure 1 – Tampu Resource Block Model Oblique View (looking north & using a 1.2% Fe_2O_3 cut-off)

Further Exploration

Resource definition sonic core drilling is planned to commence in early August at the 100% owned flagship Tampu kaolin project. The drill program will total ~1000m and consist of 50 to 80 sonic drill core holes, to an average depth of ~15m to a drill spacing of 80 x 80m in select locations.

The program has been specifically designed to upgrade the existing 24.7Mt of Inferred Mineral Resource into Indicated and Measured Resources for conversion into Reserves. These Reserves will be used to underpin a Pre-Feasibility Study for the Tampu Project and have the deposit in mineable classifications

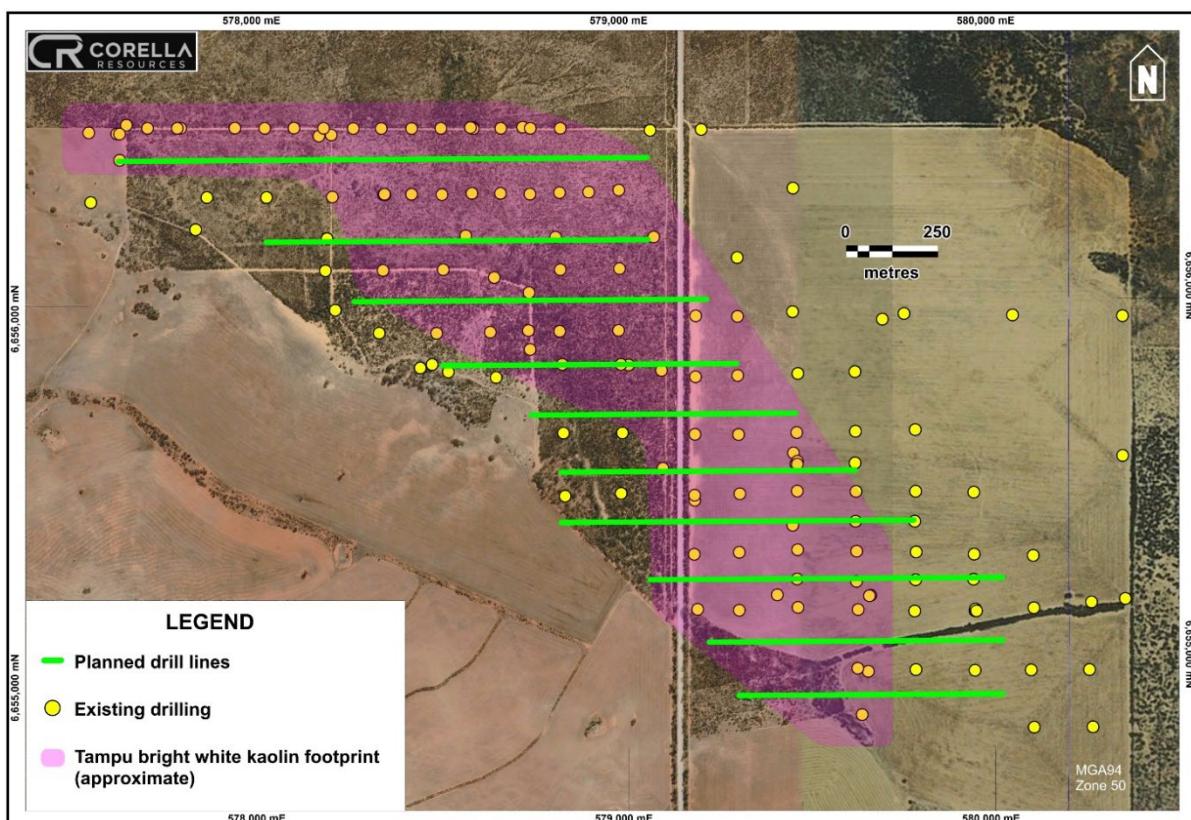


Figure 2: Tampu Resource Definition Sonic drilling program

Exploration activities on Kalannie, Wiltshire and Bonnie Rock projects has been focussed on gaining access for on-ground activities to occur. The Company has generated numerous high priority kaolin and hard rock silica targets across the portfolio of projects.

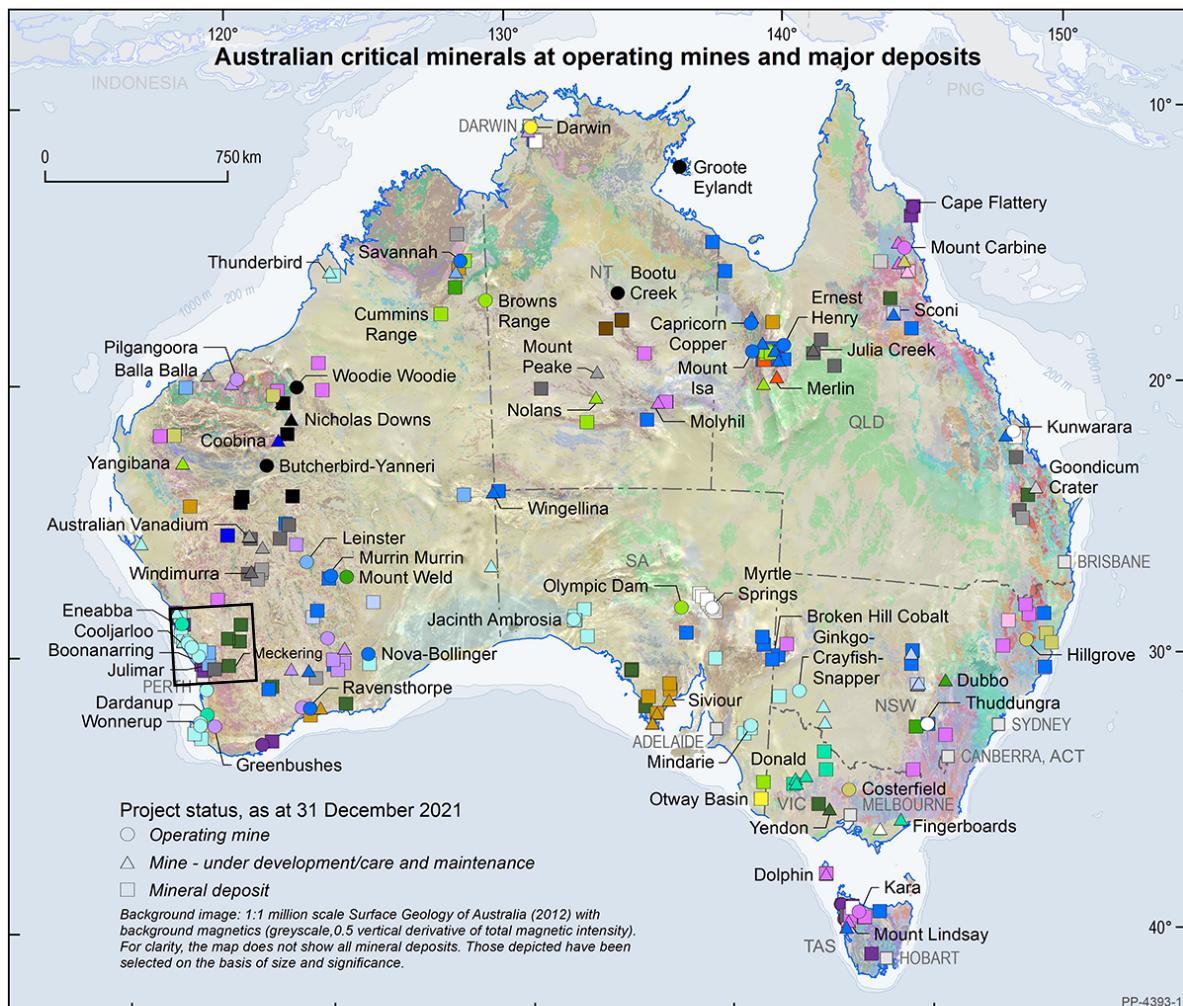
Australia's Critical Minerals

As part of the 2022 Critical Minerals Strategy, the Australian government announced it has added high-purity alumina (HPA) to the critical minerals list. These minerals are used in a variety of technologies, including lithium-ion batteries and semiconductors which are growing industries globally.

The Company is extremely pleased with the inclusion of HPA to the list of Australia's Critical Minerals and the recognition of the role that HPA will play in the de-carbonisation of the planet. The Tampu Deposit is displayed on the Map of Australia's Critical Minerals (See Figure 3 & 4), the map highlights the projects proximity to key infrastructure including road, rail, power and port strengthening the case for value adding downstream processing of Tampu's premium HPA feedstock within Western Australia.

Critical minerals are defined as minerals and elements (solid and gaseous) that are vital for modern technology and whose supply may be at risk of disruption. The Australian critical minerals list comprises aluminium (high-purity alumina), antimony, beryllium, bismuth, chromium, cobalt, gallium, germanium, graphite, hafnium, helium, indium, lithium, magnesium, manganese, niobium, platinum group elements, rare earth elements, rhenium, silicon (high-purity quartz or silica), scandium, tantalum, titanium, tungsten, vanadium and zirconium.⁴

⁴ Britt, A.F. 2022. Australian Critical Minerals Map 2021. Geoscience Australia, Canberra. <https://dx.doi.org/10.26186/146350>



Commodity type

- Aluminium (HPA)
- Antimony
- Bismuth, +/- Cobalt, +/- Indium
- Chromium, +/- Cobalt, +/- PGE
- Cobalt
- Platinum Group Elements (PGE), +/- Cobalt
- Scandium, +/- Cobalt, +/- PGE
- Graphite
- Helium
- Indium
- Lithium, +/- Tantalum, +/- Niobium
- Magnesium
- Manganese ore
- Heavy Mineral Sands (HMS) - Titanium, Zirconium
- HMS - Titanium, Zirconium, REE
- Rare Earth Elements (REE)
- REE, Zirconium, Niobium, +/- Hafnium, Lithium, Tantalum, Gallium
- Rhenium
- Silicon
- Tungsten
- Titanium
- Titanium, Vanadium
- Vanadium

Figure 3 - Australian critical minerals at operating mines and major deposits



Figure 4 – Inset from Australian Critical Minerals Map 2021 of Perth Basin Region listing Corella's (ASX: CR9) Tampu Kaolin/HPA Project

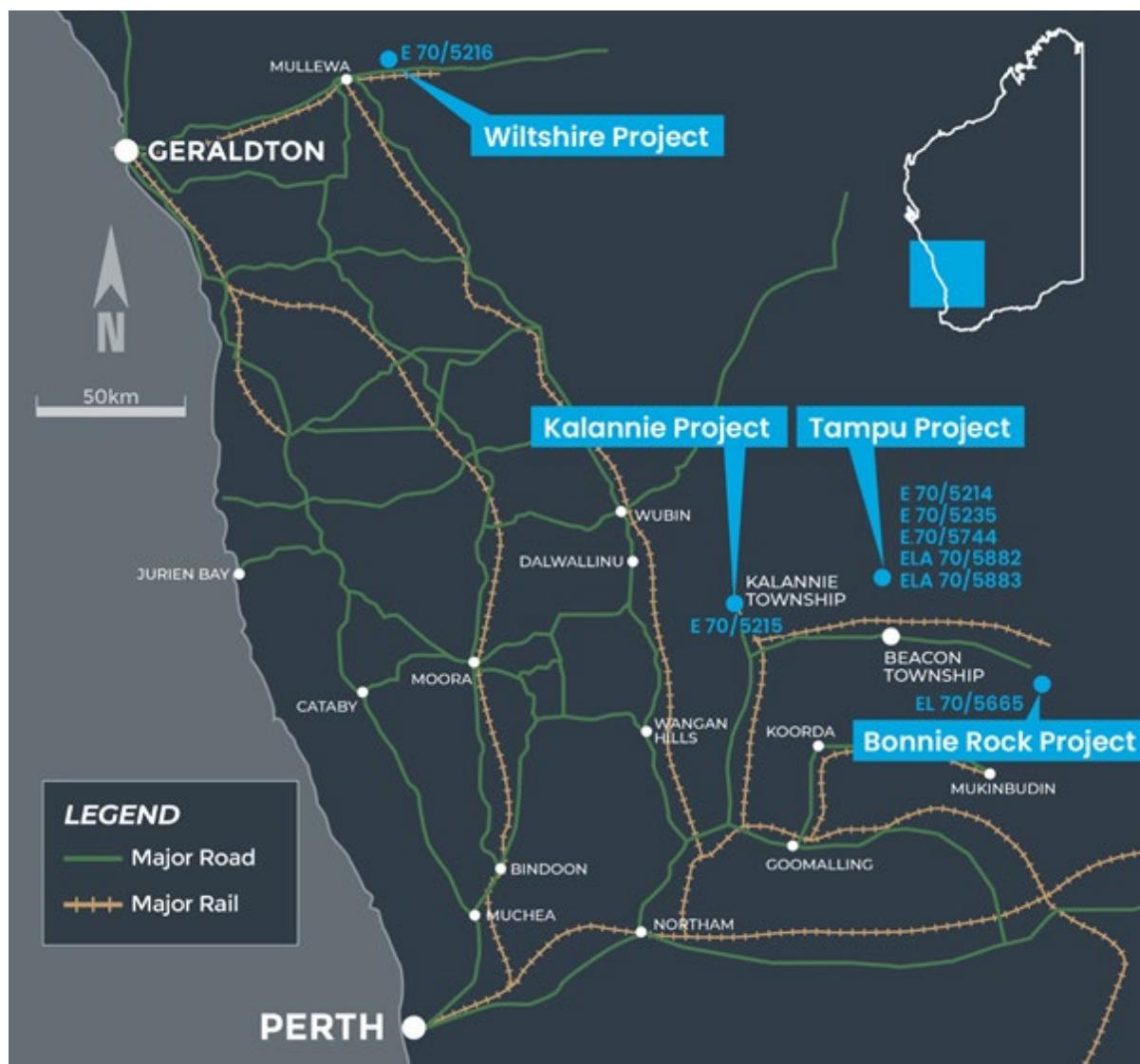


Figure 5: Corella Resources project location map

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 ²)	Status
Tampu	E 70/5214	100%	65 km ²	Granted
Tampu	E 70/5235	100%	15 km ²	Granted
Tampu	E 70/5744	100%	88 km ²	Granted
Tampu	E 70/5882	100%	506 km ²	Pending
Tampu	E 70/5883	100%	88 km ²	Pending
Wiltshire	E 70/5216	100%	36 km ²	Granted
Kalannie	E 70/5215	100%	32 km ²	Granted
Bonnie Rock	E 70/5665	100%	70 km ²	Granted

Financial & Corporate Overview

The Company's cash position as at 30 June 2022 was \$3.28M. Business activities during the Quarter consisted of those described in this announcement well as normal administrative matters consistent with those described in the Company's prospectus dated 4 March 2021.

In accordance with Listing Rule 5.3.4, a comparison of the Company's actual expenditure from readmission to 30 June 2022 against the planned expenditure disclosed in the use of funds statement contained in the Company's prospectus dated 3 March 2021 is shown in the following table:

Funds available	Use of funds statement (\$000s)	Actual (\$000s)	Variance (\$000s)
Existing cash reserves and investments held for sale	755	707	(48)
Funds raised from the Public Offer	5,000	5,000	-
Total	5,755	5,707	(48)
Allocation of funds	Use of funds statement (\$000s)	Actual expenditure to 30 June 22 (\$000s)	Variance (\$000s)
Exploration at Tampu Project	1,986	816	1,170
Exploration at Wiltshire Project	501	46	455
Exploration of Kalannie Project	501	59	442
Exploration at Bonnie Rock Project	536	47	489
Expenses of the Public Offer	533	527	6
Working capital & administration costs	1,281	487	798
Employee costs	417	320	93
Total	5,755	2,302	3,453

Note that the Actual Expenditure above represents expenditure incurred from the date of readmission to the ASX Official List to 30 June 2022 whereas the Use of Funds Statement covers a two-year period.

The aggregate amount of payments made to related parties and their associates for the Quarter is ~\$106,000. These payments consisted of Director's fees, salaries, accounting and bookkeeping fees and were made on an arm's length basis.

During the Quarter, the Company received \$1,800 from option holders exercising their options.

There were no other substantive business activities during the Quarter.

ENDS

For further information, please contact:

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

Company Profile

Corella Resources Ltd is an Australian exploration company listed on the Australian Securities Exchange (ASX: CR9). Corella Resources is focussed on exploration and development of their 100% owned Tampu, Wiltshire and Kalannie kaolin projects along with the 100% owned Bonnie Rock silica project. All 4 projects are located in the mid-west of Western Australia.

Tampu Kaolin Project

The Tampu Kaolin Project (**Tampu**) comprises three granted exploration licences E70/5235, E70/5214 and E70/5744, plus two exploration licence applications (ELA's) ELA70/5882 and ELA70/5883, which are 100% held by Corella. Tampu has seen two historical and two modern phases of exploration drilling and metallurgical testwork programs. This drilling has defined significant bright white kaolin mineralisation with very high-grade alumina (Al_2O_3) 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 Q4CY21.

Wiltshire Kaolin Project

The Wiltshire Kaolin Project (**Wiltshire**) comprises a single granted exploration licence, being E70/5216, which is 100% held by Corella. Wiltshire is located adjacent to the Wenmillia Dam kaolin deposit, which is held by Blue Diamond WA Pty Ltd (ACN 090 511 970) to the north of Mullewa. Bright white kaolin is known to extend to the south and east of Wenmillia Dam along exposures in Wenmillia creek toward Corella's Wiltshire project. Chemical analyses by the Geological Survey of Western Australia (GSWA) on kaolin drill samples from Wenmillia Dam show high purity kaolin with low levels of contaminant elements. Multiple bright white kaolin exploration targets have been identified in creek exposures and surface outcrop within the Wiltshire Kaolin Project. This is a grass-roots project and significant further exploration and metallurgical test-work is required.

Kalannie Kaolin Project

The Kalannie Kaolin Project (**Kalannie**) comprises a single granted exploration licence E70/5215, which is 100% held by Corella. A GSWA kaolin sample from the project area location shows high purity kaolin with low levels of contaminant elements. Multiple bright white kaolin exploration targets have been discovered in recent geological mapping. This is a grass-roots project and preliminary exploration and metallurgical test-work is required.

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. Chemical analyses indicated that the quartz in the region is high-grade, has favourable thermal stability and thermal strength values and is suitable for use in the production of silicon metal, a potentially high value product useful in the High Purity Quartz (HPQ) market.

Competent Person Statement – Exploration and Geological results

The information in this announcement that relates to exploration and metallurgical results is based on information reviewed, collated, and fairly represented by Mr. Anthony Cormack who is a Member of the Australian Institute of Mining and Metallurgy and the Managing Director of Corella Resources. Mr. Cormack 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. Cormack consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

Competent Person Statement – Metallurgical results

The information in this announcement that relates to processing and metallurgy is based on information reviewed, collated, and fairly represented by Dr. Lin Zhou who is a Member of the Australian Institute of Mining and Metallurgy and a consultant metallurgist to Corella Resources. Dr. Zhou 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. Dr. Zhou consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

No New Information

Except where explicitly stated, this announcement 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.

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”)

30 June 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(84)	(285)
(e) administration and corporate costs	(84)	(373)
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)	-	-
1.9 Net cash from / (used in) operating activities	(168)	(658)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(117)	(752)
(e) investments	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
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)		
2.6 Net cash from / (used in) investing activities	(117)	(752)

3. Cash flows from financing activities		
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	2	2
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	(80)
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)	-	-
3.10 Net cash from / (used in) financing activities	2	(78)

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	3,558	4,763
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(168)	(658)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(117)	(752)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	2	(78)

Appendix 5B

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

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	3,275	3,275

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	3,275	3,558
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,275	3,558

6. Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	106
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-

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.

7. Financing facilities		Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
	<i>Note: the term 'facility' includes all forms of financing arrangements available to the entity.</i>		
	<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	Loan facilities	74	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	74	-
7.5	Unused financing facilities available at quarter end		
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.		
	Credit card facility with NAB, 15.5% interest p.a. payable on balance drawn for over 35 days.		

8. Estimated cash available for future operating activities		\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(168)
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)	(285)
8.4	Cash and cash equivalents at quarter end (item 4.6)	3,275
8.5	Unused finance facilities available at quarter end (item 7.5)	74
8.6	Total available funding (item 8.4 + item 8.5)	3,349
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	11.8
	<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:	
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?	
	Answer: N/A	
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: N/A	

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: N/A

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: 26 July 2022

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.