

September 2023 (Q1FY24) Activities and Cash Flow Report

EXCEPTIONAL TAMPU MINERAL RESOURCE UPGRADE – 24.7Mt HPA SPECIFICATION

HIGHLY CREDENTIALAED EXECUTIVE JESS MADDREN APPOINTED AS CEO

Highlights:

- **Mineral Resource upgrade at Tampu HPA project completed** by independent consultancy CSA Global has delivered an upgraded **24.7Mt deposit**
- **Total Mineral Resource of 24.7Mt** with an average **yield of 50% for 12.2Mt @ 36.5% Al₂O₃** of <45µm very high quality **HPA feedstock specification**
- **34% of tonnes into Indicated category** and a **21% overall increase in Mineral Resource tonnes**
- **Indicated resources to underpin significant stage 1** of potential mining operation
- **Significant reduction in Fe₂O₃ top-cut to 0.9%** confirming the consistent high quality of the deposit and **converts the entire maiden Tampu Mineral Resource into HPA feedstock specification**
- **Tampu mineralisation has average depth of 4m** and a footprint covering less than 0.15% of the total Tampu landholding with **substantial potential for future growth**
- **Well regarded international mining executive Jess Maddren appointed to the new role of Chief Executive Officer** to drive Corella towards becoming a **significant player in the supply of critical minerals**
- **Jess has a proven track record of progressing projects** with a strong background in **mining operations, mineral processing, project development, technical studies, R&D, marketing and offtake**
- **Jess has held both Australian and international leadership roles** including Segment Director with **Schneider Electric**, General Manager with **Downer**, General Manager and Project Manager with **ALS Limited**
- Cash balance of \$1.96 million as at 30 September 2023

Next Steps:

- **CSA Global in advanced stages of Scoping Study** for the Tampu project
- **Advanced testing of Tampu HPA** is ongoing aimed at **leveraging full value for the high purity Tampu product**
- Test pit planned for multiple bulk scale samples **for a number of potential offtake partners** to further advance offtake discussions
- Secondary production of HPA from 100kg composite sample in progress at Dalian University with results due in November 2023

Australian High Purity Alumina (HPA), 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 September 2023 (**Quarter**).

Corella Resources Managing Director, Tony Cormack, commented:

"The September Quarter has delivered a significant Mineral Resource Estimate upgrade to the Tampu Deposit which will underpin a Scoping Study for the project. The upgrade of the MRE at Tampu has delivered precisely what we set out to achieve as we press on towards production. Firstly, we have defined Australia's best specification deposit of feedstock for HPA and second, we have defined a deposit that will support a long mine-life."

"Completion of the Mineral Resource Estimate on the spectacular high purity bright white kaolin deposit at Tampu is a very important milestone in the development of the Company. Drilling results have demonstrated the quality, scale, and huge potential of the Tampu Kaolin Project through the thick, shallow, high purity bright white kaolin deposit now defined in a JORC compliant MRE."

"We are now progressing a scoping study, where we anticipate the high grade and low impurities at Tampu to translate into a low cost operation with high profit margins."

Operational Overview Tampu Project

Tampu Mineral Resource Upgrade

During the Quarter the Company announced a significant upgrade to the Mineral Resource estimate (MRE) at the Company's 100% owned Tampu HPA project¹. The MRE was completed by CSA Global and reported in accordance with the 2012 JORC Code.

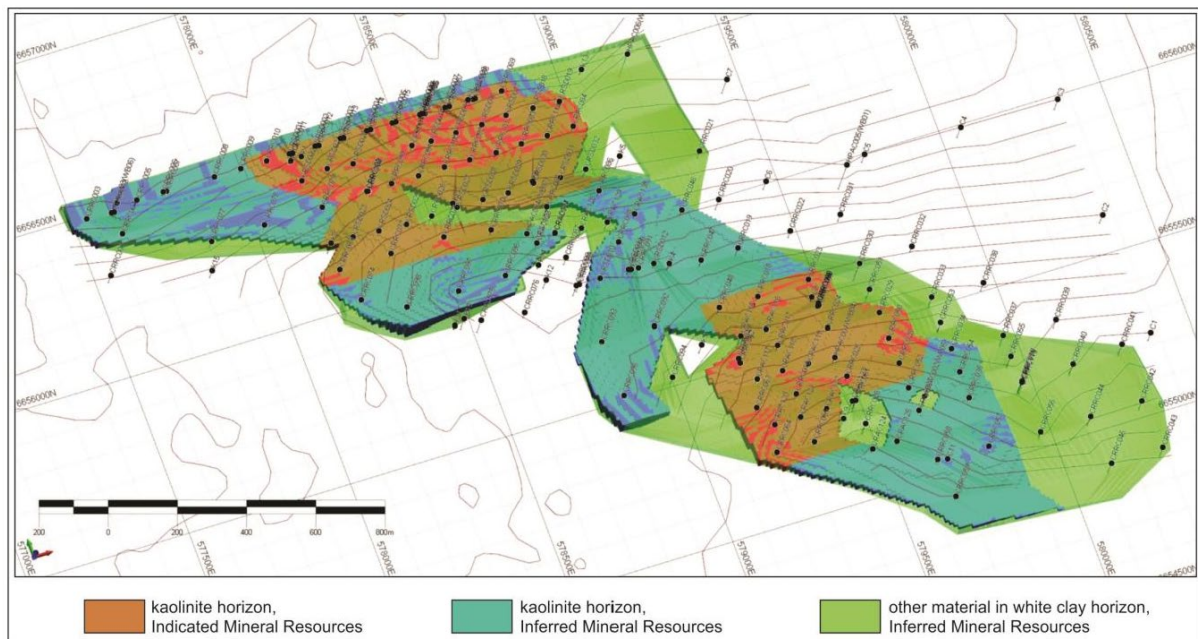


Figure 1: Oblique view of the Tampu upgraded MRE wireframes coloured by Resource classification

The upgraded Tampu HPA deposit of 24.7Mt of bright white kaolinised granite, with 12.2 Mt reported in the less than 45-micron size fraction is shown in Table 1 below.

¹ Refer ASX Announcement dated 31 July 2023 "Tampu Mineral Resource Upgrade 24.7Mt of HPA Specification"

Table 1 – Tampu Mineral Resource Estimate as at July 2023

Type	Classification	Mt	Yield <45 µm (%)	Product tonnes (Mt)	Fe ₂ O ₃ (%)	K ₂ O (%)	Na ₂ O (%)	Al ₂ O ₃ (%)	SiO ₂ (%)	TiO ₂ (%)	LOI (%)
High Purity Alumina (HPA) Market											
kaolinite	Indicated	7.65	54.28	4.15	0.40	0.27	0.02	37.62	47.72	0.41	13.44
kaolinite	Inferred	7.30	53.59	3.91	0.48	0.28	0.02	37.43	47.86	0.47	13.39
(1) Sub-total		14.95	53.94	8.07	0.44	0.27	0.02	37.53	47.79	0.43	13.42
Potentially High Purity Alumina (HPA) Market											
other (< 0.9 Fe ₂ O ₃)	Inferred	9.74	42.49	4.14	0.66	1.22	0.05	34.16	51.28	0.49	11.91
(2) Sub-total		9.74	42.49	4.14	0.66	1.22	0.05	34.16	51.28	0.49	11.91
(1) + (2) HPA, total		24.70	49.42	12.21	0.52	0.59	0.03	36.39	48.97	0.45	12.90
Other Markets											
other (> 0.9 Fe ₂ O ₃)	Inferred	5.10	46.51	2.37	1.12	1.46	0.06	33.73	51.08	0.53	11.75
Summary											
Total		29.79	48.93	14.58	0.63	0.78	0.04	35.78	49.49	0.47	12.64

Notes:

- Resources are reported in accordance with the JORC Code
- Resources are constrained to the tenement boundaries.
- Resources are in million metric tonnes of final product. Differences may occur due to rounding
- In situ density applied = 1.4 t/m³.

The Tampu MRE has been reported using a ≤0.9% Fe₂O₃ cut-off demonstrating the consistent nature of the Tampu HPA deposit and highlights its amenability to a simple, shallow open pit operation, with a Scoping Study to be reported on in the coming weeks.

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 to be low iron impurity. The grade tonnage curve below highlights the extremely low levels of iron impurities within the bright white kaolin mineralisation at Tampu.

The Mineral Resource yields 12.2Mt of high-grade, low impurity bright white HPA feedstock from the minus 45-micron recovered fraction. The remaining 49% is residual quartz with analysis demonstrating is suitability for the high purity silica market (eg glass for photo-voltaic cells).

Kaolin is exceptionally well-suited natural material to produce High Purity Alumina (HPA) used in high end technology such as Lithium Ion Batteries (LIB). The high purity bright white Tampu Deposit has extremely low levels of impurities and importantly low iron, copper, nickel and cobalt which is critical requirement to all existing HPA markets and the end users.

The ultra-high purity distinguishes it as a leading kaolin project with the entire 24.7Mt of resource once screened to -45 micron having the potential suitability for use as feedstock in the HPA markets.

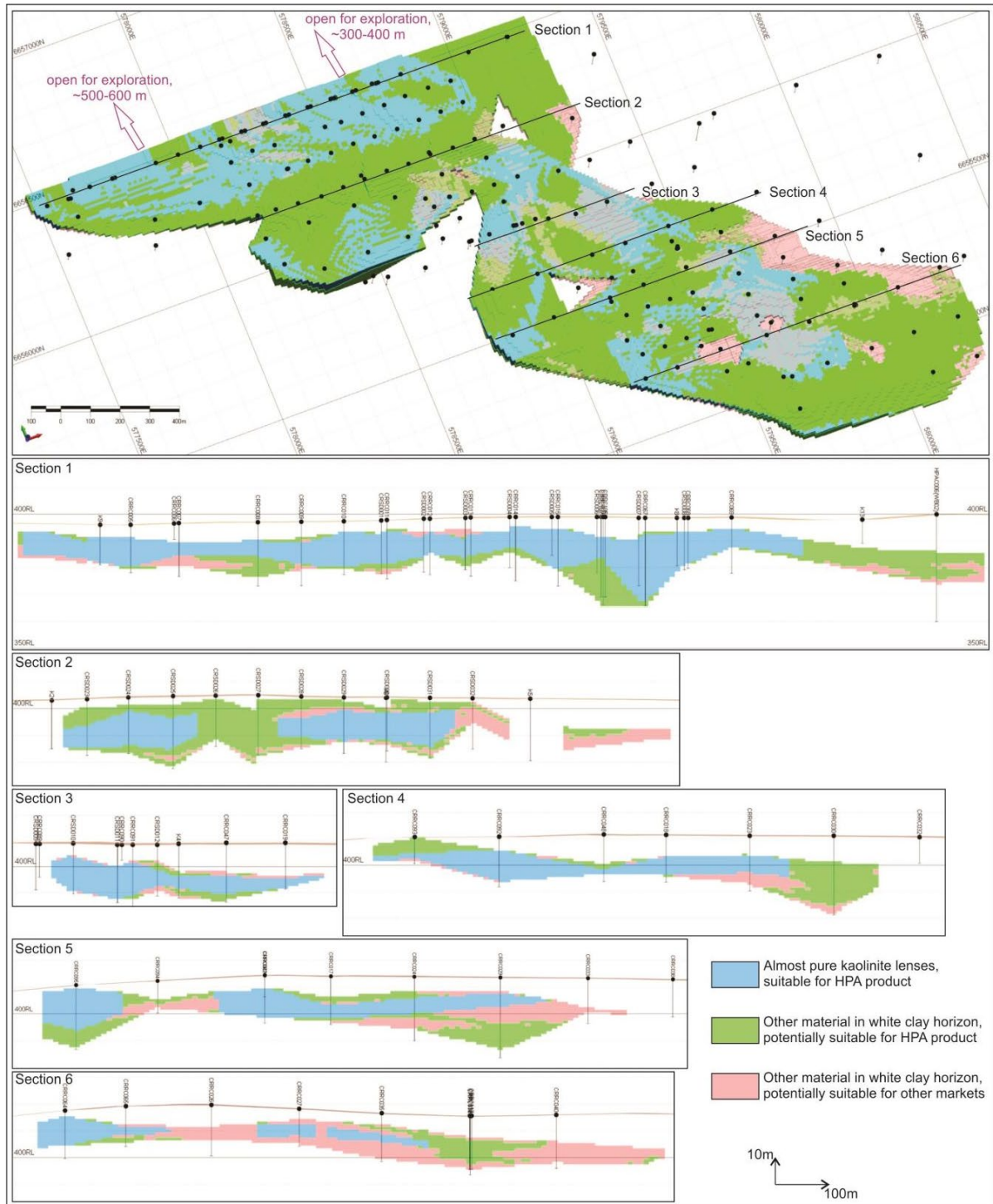


Figure 2 – Tampu Resource Block Model Oblique View (looking north-east) and Cross Sections (using a 0.9% Fe₂O₃ cut-off)

The Tampu deposit has many attractive features along with its high purity, its amenability to mining is exceptional being a shallow, flat lying deposit that sits completely above the water table on ploughed farmland.

The consistent nature of the Tampu deposit is highlighted in Figure 2 which highlights the almost pure kaolinite lens (coloured in blue) as a tight and consistent geological zone that will be easily extracted from shallow open pit operation.

Next steps

Tampu Deposit

In addition to the Scoping Study, the Company is fast-tracking planning of a test pit at Tampu to provide multiple bulk scale samples for numerous potential offtake partners. The Scoping Study will determine the most suitable locations for the test pit to ensure it ties in with the mine optimisation schedule. In-situ samples from a test pit will provide definitive samples at a bulk scale allowing for advancement of offtake discussions.

Whitecap and Whitehills Prospects

The Company is also seeking approvals and finalising designs for a maiden resource definition drill program at the prospects in order to fast track definition of a maiden Mineral Resource Estimate (MRE). The drill program will also generate bulk samples for further metallurgical testing including HPA testwork.

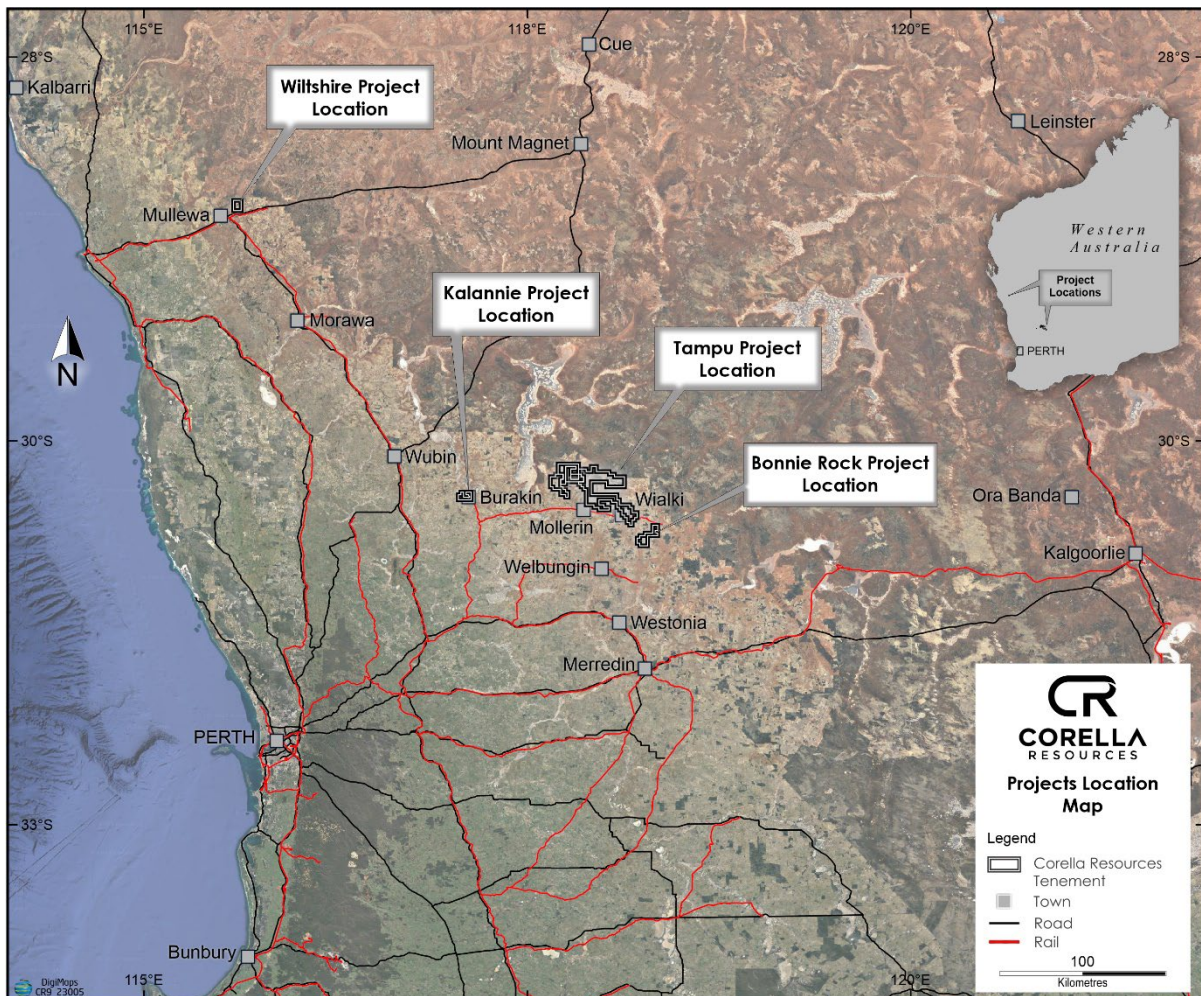


Figure 3: Corella Resources project location map

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	Granted
Tampu	E 70/5883	100%	88 km ²	Granted
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

CEO Appointment

During the Quarter, the Company announced the appointment of Jess Maddren as Chief Executive Officer (CEO). Refer ASX Announcement dated 8 August 2023 for details of her appointment.

With over 20 years of diverse expertise across the entire business lifecycle, Jess Maddren brings extensive knowledge in geology, mining, mineral processing, R&D, technology, studies, design, engineering, and projects. A proud graduate of UWA (BSc. Hons. Geology), Insead (ExMBA), and AICD, Jess possesses a passion for quality and customer-focused fast-growing businesses.

Her well-established global network in mining, minerals, technology, investment, and the business community further enhances our confidence in her ability to drive Corella Resources' growth strategy and maximize shareholder value.

Financial & Corporate Overview

The Company's cash position as at 30 September 2023 was \$1.96M.

The aggregate amount of payments made to related parties and their associates for the Quarter is ~\$137,000. 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 issued 3,000,000 unlisted employee performance rights to newly appointed CEO Jess Maddren. The performance rights were issued as part of her employment agreement, and pursuant to the Company's Incentive Performance Rights Plan approved by shareholders at the AGM held on 30 November 2022. Each performance right expires 3 years from the date of issue and entitles the holder to subscribe for one FPO share upon exercise of the performance right (exercise price Nil), subject to various performance and vesting conditions.

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 five granted exploration licences E70/5235, E70/5214, E70/5744, E70/5882 and E70/5883, 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.

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 September 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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	(110)	(110)
	(e) administration and corporate costs	(151)	(151)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	26	26
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	(235)	(235)

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	(220)	(220)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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	(220)	(220)

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	-	-
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)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,419	2,419
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(235)	(235)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(220)	(220)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,964	1,964

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	1,964	1,964
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)	1,964	1,964

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	137
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.

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

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	75	2
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	75	2
7.5	Unused financing facilities available at quarter end		73
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)	(235)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(220)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(455)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,964
8.5	Unused finance facilities available at quarter end (item 7.5)	73
8.6	Total available funding (item 8.4 + item 8.5)	2,037
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	4.48
	<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	

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

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: 19 October 2023

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.