14 April 2022 ASX Announcement

Quarterly Report for period ended 31 March 2022

Highlights:

- **Metallurgical test work results (40kg) on Tampu composite sample completed by potential offtake partner confirms Tampu's outstanding quality and purity; Assay results (%) : 37.3% Al_2O_3; 0.19% Fe_2O_3; 0.05% TiO_2; 0.07% Na_2O; 0.20% K_2O**
- **High yield of 57.2% (-45µm) with spectacular calcined brightness (ISO) of 90.8%**
- **Significantly a yield of 25.6% was reported at -2µm with a large surface area of 755m2/g opening further opportunities in specialised markets**
- **HPA and kaolin industry expert Mr. Lin Zhou appointed as senior metallurgist and advisor to the Board**
- **HPA test work in final stages - results expected in the coming weeks**
- **CSA Global in advanced stages of the Tampu scoping study**
- **Cash balance of $3.6 million as at 31 March 2022**

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 31 March 2022(**Quarter**).

Operational Overview

Tampu Project

During the Quarter, the Company announced metallurgical test work results completed by a potential offtake partner on a 25kg composite sample[1]. The outstanding results achieved are detailed in Table 1.

Table 1 – Metallurgical test work results achieved on a screened (-45µm & -2µm) Tampu composite sample.

	Assay %					-45 um	Moisture	-2 um	Surface area	ISO Brightness
	Al2O3	Fe2O3	TiO2	K2O	Na2O	%	%	%	(m2/g)	(Calcined)
Tampu	37.3	0.19	0.05	0.2	0.07	57.2	1.8	25.6	755	90.8

The above metallurgical results, along with the assay[2] and brightness testing[3] results previously announced to the market, demonstrate the outstanding quality and purity of the Tampu deposit.

The Company is in advanced stages of metallurgical test work for kaolin and HPA applications. The Company expects to announce final results of a comprehensive round of metallurgical test work, including HPA, to the market in the coming weeks.

[1] Refer ASX Announcement dated 23 March 2022 "Metallurgical results confirm outstanding purity at Tampu"
[2] Refer ASX Announcement dated 16 August 2021"Drillhole intercepts confirm high purity kaolin at Tampu"
[3] Refer ASX Announcement dated 7 October 2021 "Exceptional kaolin brightness results for Tampu Project"

Furthermore, work on the Tampu Scoping study by industry experts CSA Global is in advanced stages of open pit design and optimisation while testing a range of mining scenarios using various production profiles. The Company looks forward to updating the market upon completion of the study

The upcoming HPA results will feed into the Tampu scoping study which is being completed concurrently. The Company has remained committed on its strategy of developing the flagship Tampu project as Australia's premier kaolin project.

Tampu Inferred Mineral Resource Estimate

A Mineral Resource Estimate has been completed for the Tampu kaolin deposit by CSA Global Pty Ltd (CSA) and has been reported in accordance with the JORC 2012 Code and guidelines. An Inferred Resource Estimate for the Tampu Kaolin Deposit of 24.7Mt of bright white kaolinised granite, with 13.1Mt reported in the less than 45-micron size fraction is shown in Table 2 below[4]. The maiden resource has significant potential to grow, given the 446% increase in the Company's landholdings at Tampu since listing, and that the shallow kaolin mineralisation is close to surface (average <4 m from the surface) and open in all directions. The maiden resource covers only 0.15% of the entire Tampu Project area. The 24.7Mt Tampu Kaolin Deposit is located within the 100% owned exploration licences E70/5235 and E70/5214 and lies 5kms to the north of the wheatbelt town of Beacon 250km north-east of Perth in Western Australia.

Table 2 – Tampu Kaolin Inferred Mineral Resource Estimate (using a <=1.2% Fe_2O_3 cut-off)

Tonnes Mt	Yield <45µm %	Product Tonnes Mt	Fe2O3 %	Si02 %	Al2O3 %	K20 %	Na20 %	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*

The Tampu MRE has been reported using a <=1.2% Fe2O3 cut-off, being a statistical break in the modelled data. 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% Fe_2O_3 considered to be low iron impurity. The consistency of the low iron impurities at Tampu has it well placed to potentially qualify as HPA feedstock. Tampu composite samples are currently undergoing HPA test work with results expected in the coming weeks.

The Mineral Resource yields 13.1Mt of high-grade low impurity bright white kaolin product in the minus 45-micron recovered fraction, with the remaining approximate 48.8% of material being largely residual quartz derived from the weathered granite. The Company plans to complete further studies and determine if this residual quartz material has the potential as a by-product for use in the construction and building industry.

The maiden resource has significant potential to grow, given the 446% increase in the Company's landholdings at Tampu since listing, and that the shallow kaolin mineralisation is close to surface (average <4 m from the surface) and open in all directions. The maiden resource covers only 0.15% of the entire Tampu Project area. HPA test work and further exploration planning has commenced.

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% Fe_2O_3 considered to be low iron impurity.

[4] Refer ASX Announcement dated 7 October 2021 "Maiden Mineral Resource Estimate of 24.7Mt for Tampu Project"

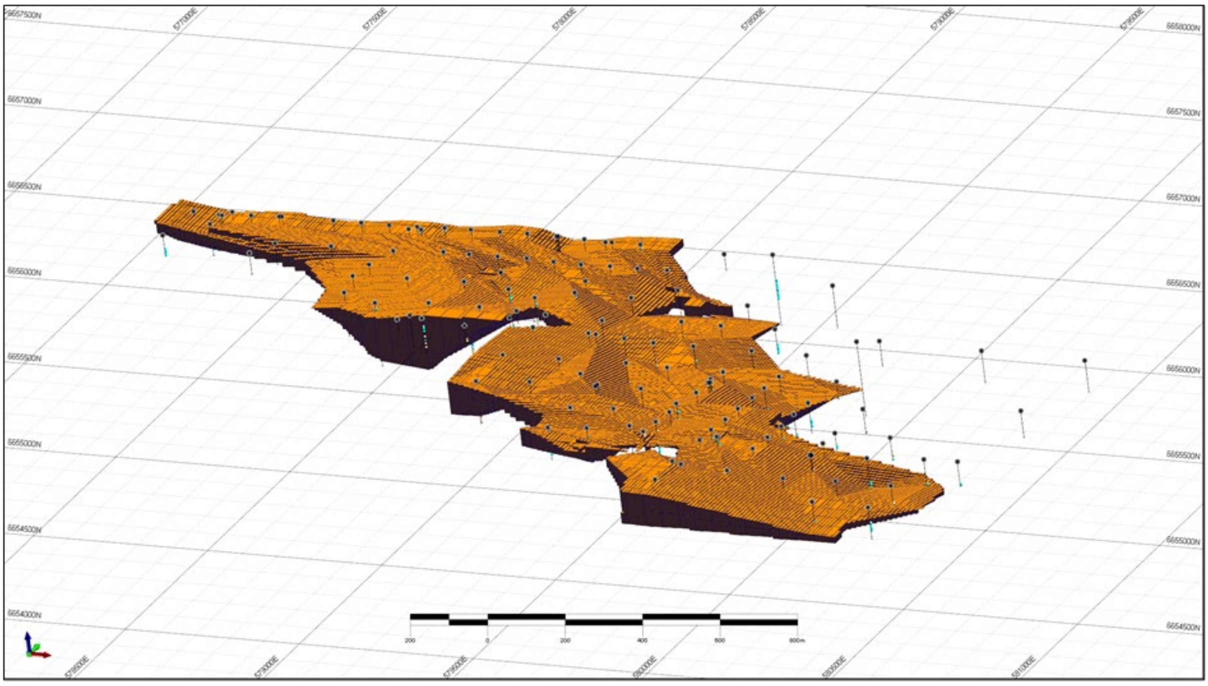

Figure 1 – Tampu Resource Block Model Oblique View (looking north & using a 1.2% Fe_2O_3 cut-off)

The consistency of the low iron impurities at Tampu has it well placed to potentially qualify as HPA feedstock. Samples are currently undergoing test work for HPA analysis and by potential offtake partners using their own processes.

Senior metallurgist appointed

During the Quarter, the Company appointed Mr. Lin Zhou as Metallurgical Advisor to the Board. Mr. Zhou has a PhD in mineral processing combined with extensive experience in the kaolin and HPA industries. Mr. Zhou will provide the Board strategic advice and assist with any offtake negotiations to assist the Company advance from an explorer into a producer of high quality, high purity, and high value materials.

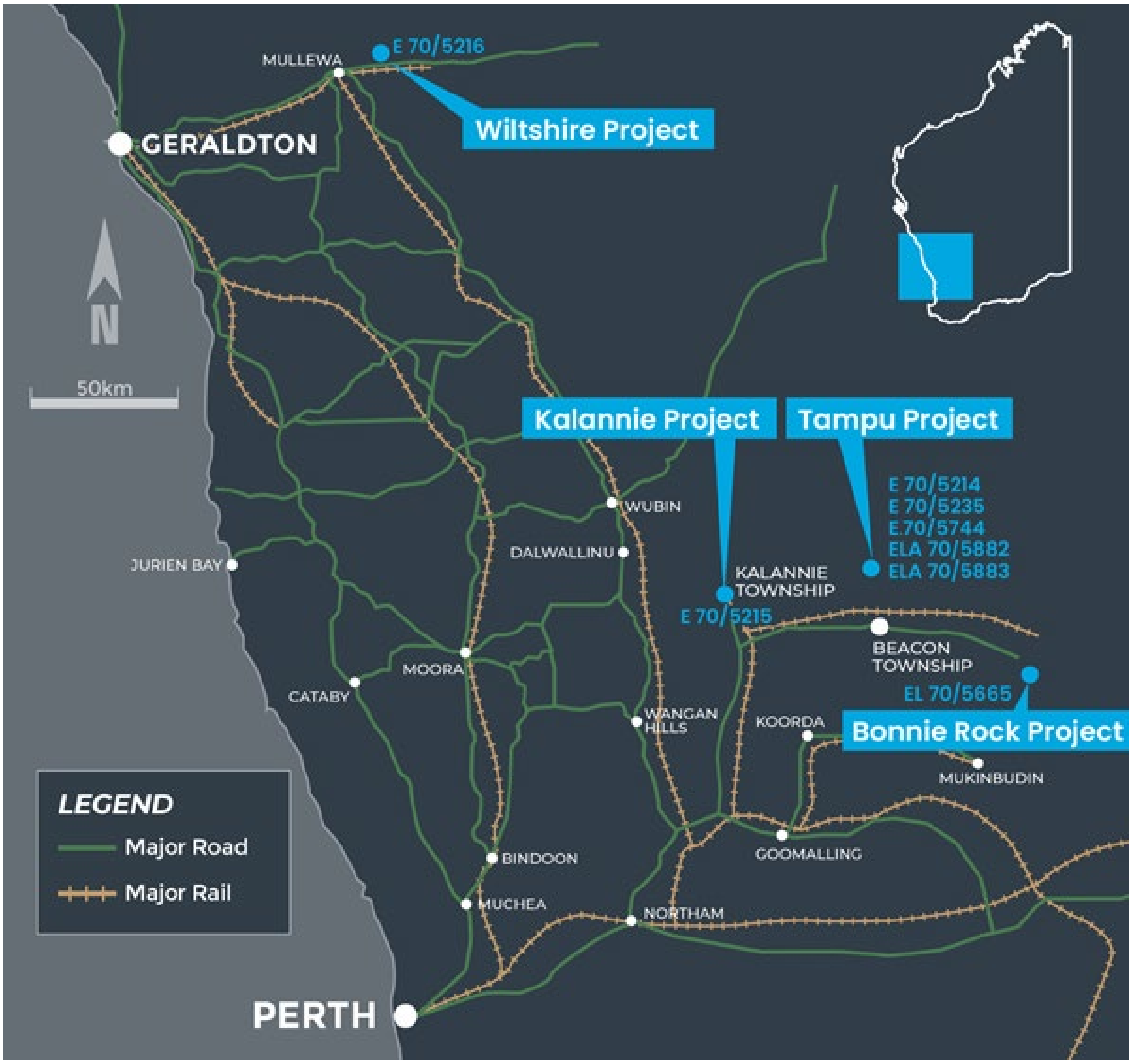

Figure 2: Corella Resources project location map

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 31 March 2022 was $3.56M. 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 31 March 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 31 Mar 22 ($000s)**	**Variance ($000s)**
Exploration at Tampu Project	1,986	732	1,254
Exploration at Wiltshire Project	501	35	466
Exploration of Kalannie Project	501	48	453
Exploration at Bonnie Rock Project	536	36	500
Expenses of the Public Offer	533	527	6
Working capital & administration costs	1,281	403	878
Employee costs	417	236	181
Total	**5,755**	**2,017**	**3,738**

Note that the Actual Expenditure above represents expenditure incurred from the date of readmission to the ASX Official List to date 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 ~$102,000. These payments consisted of Director's fees, salaries, accounting and bookkeeping fees and were made on an arm's length basis.

There were no other substantive business activities during the Quarter.

ENDS

For further information, please contact:

Managing Director
tony@corellaresources.com.au

Company Secretary
secretary@corellaresources.com.au

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 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.

Appendix 5B

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

Name of entity

Corella Resources Ltd

ABN	**Quarter ended ("current quarter")**
56 125 943 240	31 March 2022

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 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	(79)	(201)
	(e) administration and corporate costs	(126)	(289)
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**	**(205)**	**(490)**

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	(69)	(635)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 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**	**(69)**	**(635)**

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	-	(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**	**-**	**(80)**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	3,832	4,763
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(205)	(490)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(69)	(635)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	(80)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**3,558**	**3,558**

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	3,558	4,357
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)**	**3,558**	**4,357**

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	102
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** *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.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
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)	(205)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(69)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(274)
8.4	Cash and cash equivalents at quarter end (item 4.6)	3,558
8.5	Unused finance facilities available at quarter end (item 7.5)	74
8.6	Total available funding (item 8.4 + item 8.5)	3,632
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	13.3

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.

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: 14 April 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.