

COMPANY UPDATE

Highlights

- Further funding from Minerals Research Institute of Western Australia (MRIWA) awarded for novel innovative HPA flowsheet project with University of Queensland (UQ) for independent lab testing
- REE/Pegmatite exploration drilling complete with assays due in the coming weeks
- Board and management changes

Corella Resources Ltd (**ASX:CR9**)(**Corella** or the **Company**), is pleased to provide an update for its 100% owned Tampu kaolin/HPA project and its exploration activities.

Tampu Kaolin and HPA Project Update

The Tampu project is strategically targeted for a feedstock of high purity, low contamination kaolin for High Purity Alumina production. The studies process takes time to progress through prefeasibility and definitive feasibility studies prior to final investment decision (FID) and construction.

As a part of the strategic review in 2023, for the 2024 business plan two opportunities were identified as potential revenue producing points for the company to provide potential self-funding for the construction of a HPA producing asset and transform from Corella from an explorer to a production company.

Option one being, sell the ore as dug with no capex or processing required ('Direct shipping Ore' or 'DSO') and option two being, sell a processed bagged high quality washed kaolin product that could also be used as HPA feedstock. Option two requires Capex funding along with a PFS/DFS, where a plant is design engineered and thus a longer timeframe.

At the end of 2023 and into 2024, the kaolin at Tampu was characterised and used for bulk flowsheet development which produced high quality kaolin, passing both British and USA pharmaceutical specification and found to be applicable for other industrial uses due to Tampu's high quality kaolin.

Given the buoyant kaolin market at the time, the Company determined it prudent to investigate in parallel if the ore could be sold as option one, with no capex and a faster timeframe. Since that time the global kaolin industry has seen a decline in demand tonnages along with a number of new entrants to the market spurred on with the increase in demand from 2020 through to 2022. The new entrants to the market across the globe included a significant increase from Australia but a number came from low cost regions such as Malaysia and Indonesia with close proximity of the growing south east Asian markets.

Corella engaged with >15 companies across China and India, through contacts of trusted consultants working directly for Corella Resources. The main global markets for DSO kaolin are concentrated in China and India given the number of kaolin plant/company's looking to secure unprocessed feed for the low specification/value end of the kaolin market. This go-to-market and customer segmentation is separate to that of washed kaolin products that are split between industrial distributors and a number of direct end users.

Corella sent samples of 10 or 20kg samples to these companies and in one case a company requested a second larger 1t sample whilst also testing a number of samples provided by companies from all regions. The Company has established that with weaker demand through 2023-24 Australian as dug unprocessed (DSO) kaolin is unable to compete on a price basis with supply from close proximity south-east Asian markets due mainly to the higher transport and labour costs.

During this process Corella also provided samples of our processed washed kaolin to non DSO potential customers which was well received and conversations will continue through any future feasibility studies process when offtake agreements can be discussed and completed closer to the product and processing plant being complete and product becoming available.

HPA R&D Project Secures Further Funding from MRIWA

As previously announced on 20 August 2024, Corella Resources has been awarded additional funding from the Minerals Research Institute of Western Australia (MRIWA) for its Novel High Purity Alumina (HPA) Flowsheet R&D project in collaboration with the University of Queensland (UQ). This funding represents approximately 15% of the total project cost, with the remaining funds provided by UQ through the Resources Technology and Critical Minerals (RTCM) Trailblazer, Corella Resources, and another independent industry partner. Corella's share of the funding is \$75,000 in cash and \$50,000 in kind support.

The successful funding application aligns with MRIWA's Critical Minerals and METS Innovation Program 3, focusing on "Processing Technology" and "Energy Utilisation." This crucial support will enable independent, certified analysis of the HPA produced using GDMS analysis in the USA, ensuring the purity levels are verified as the flowsheet is developed, tested, and optimised.

The project aims to develop and refine a novel flowsheet for producing High Purity Alumina (HPA) from kaolin, with an emphasis on reducing energy consumption, optimising reagent use, and enhancing recycling processes. These advancements are expected to lower both capital and operating costs and reduce the environmental impact compared to existing HPA production methods.

Exploration Update

With reference to the Company's announcement on 28 August 2024 regarding its Rare Earth Element and Pegmatite project at Tampu, Corella is pleased to advise that the drilling program has been completed.

Working to a limited budget, ten holes totalling 421 meters were drilled across the two areas of interest for clay paleochannel and pegmatite targets.

Intersections of interest (252m currently being assayed at 1m intervals) were chosen for laboratory analysis and multiple analytical packages chosen to cover all potential elements that would occur in these types of depositional environments (62 elements and LOI to be analysed). To cover such a wide suite of complex elemental and mineralogical potential and at ppm levels, the samples have been prepared and sent to the ALS Vancouver laboratory in two batches given its reputation as the best laboratory for this type of multiple analysis suites targeting this type of potential mineralisation.

Laboratory analysis results are expected in two lots, as submitted, towards the end of November into December and will be combined with the logging and geological interpretation before further announcements to the market.

Board and management changes

Whilst the Company will continue to explore R&D opportunities with HPA, and how to best extract value from the exceptional high grade, low impurity Tampu Kaolin deposit, the opportunity to become a DSO producer at this current time is being reassessed given soft market conditions. As such, the Company has made the decision to restructure its management and operations to reduce costs to a level that will allow the Company to continue to fund exploration into its REE/pegmatite prospects, continue with HPA R&D and look to add value with potential additional new projects.

In connection with the restructuring decision, announcements made on 23 October 2024 and 6 November 2024 noted the resignations of Mr Ben Hammond and Mr Anthony Cormack as directors of the Company respectively, and the appointment of Mr Stuart Third as a director on 6 November 2024. Ms Jess Maddren will resign as CEO of the Company on 21 January 2025 as announced on 23 October 2024.

ENDS

For further information please contact:

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