

December 2023 (Q2FY24) Activities and Cash Flow Report

SCOPING STUDY FOR THE TAMPU KAOLIN PROJECT SUPPORTS ACCELERATION TO FEASIBILITY STUDY & RARE EARTH IDENTIFIED

Highlights:

- Tampu Scoping Study investigated two mutually exclusive scenarios: 100% kaolin 200ktpa or 100% HPA 40ktpa production¹

| Case | NPV (A\$Bn)* | IRR (%)* | Payback (yrs)* |
|--------|--------------|----------|----------------|
| HPA | \$4.622 | 53.8 | 2.3 |
| Kaolin | \$1.177 | 78.8 | 1.6 |

* Pre Tax

- 24.7 Mt Indicated and Inferred Resource² with an estimated 58-year mine life.**
- Tampu has the potential to become one of the highest quality undeveloped kaolin deposits globally to produce HPA and kaolin for the high-end paint, paper coating, top-end ceramic, cosmetic and pharmaceutical industries.
- Reconnaissance exploration on existing tenure in the Tampu area with rock-chip samples showing potential for two distinct styles of REE mineralisation³;
 - A carbonatite-related mineralisation signature with rock-chips up to 2,033ppm TREO and a very high valuable heavy rare earth (HREE) ratio of up to 39%
 - Pegmatite-hosted mineralisation/anomalism with results up to 934ppm TREO.
- Three new and strategic Exploration Licence Applications (E70/6578, E70/6579 & E70/6592) have been lodged increasing Corella's total land holding by 110% to 1,922km² at the Tampu project.
- Cash balance of \$1.47 million as at 31 December 2023.

Next Steps:

- Scaled up 100kg kaolin to HPA production in progress by the Dalian University of Technology for further offtake discussions as well as flowsheet and pilot plant development
- Metallurgical test programs to develop the precursor kaolin plant flowsheet are underway
- Test pit approval DEMIRS and extraction commencing Q2 2024
- Product offtake discussions from samples of test pit program – HPA, kaolin, co-products quartz and cement
- Feasibility study will be initiated, centering on the processing of HPA precursor kaolin, along with an in-depth examination of product mix and mining operations. This endeavour is aimed at expediting operations and cash flow, with subsequent HPA studies and the launch of a pilot plant following in short order.
- The feasibility study will also consider a phased approach for capital allocation, potentially beginning with the precursor kaolin plant before progressing to the HPA plant. This strategic move potentially mitigates risk in achieving the ultimate objective of HPA production, potentially generating value for shareholders.
- A more extensive exploration program being planned across the tenements targeted at REE potential during 2024

¹ Refer to ASX Announcement "Scoping Study for the Tampu Project" released on 2 November 2023

² Refer to ASX Announcement "Tampu Mineral Resource Upgrade 24.7Mt of HPA Specification" released on 31 July 2023

³ Refer to ASX Announcement "Rare Earth Results and Tenement Expansion" released on 15 January 2024

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 31 December 2023 (**Quarter**).

Corella Resources CEO, Jess Maddren, commented:

"As we navigate this transformative Quarter, characterised by significant milestones achieved in both the Tampu Project Scoping Study and our exploration endeavours within the Yilgarn region, I am motivated by the strides we've made in unlocking value for Corella Resources and its stakeholders. Our dedication to active exploration, strategic decision-making, and sustainable growth aligns seamlessly with our vision for establishing multigenerational operations.

The completion of our Scoping Study for the Tampu Project reflects our confidence in its exceptional quality, setting the stage for a seamless transition from a promising discovery to a fully operational mining venture. Concurrently, our first pass exploration results in the Yilgarn region are not only encouraging but also solidify our position as a first mover with a dominant landholding. Corella Resources remains steadfast in its commitment to delivering value, not just to our shareholders, but also to the local communities we engage with."

Operational Overview Tampu Project

Tampu Scoping Study Summary

During the Quarter the Company announced a comprehensive Scoping Study (**Study**) for the Tampu kaolin deposit which was completed by ERM Australia Consultants Pty Ltd trading as Industry Experts CSA Global (**CSA Global**). Please refer to the announcement titled "Scoping Study for the Tampu Project" dated 2 November 2023 for the full Study.

The completion and results of the Study marks a significant milestone in Corella's journey towards unlocking the potential of the Tampu Kaolin Project. We remain committed to delivering long-term value to our shareholders while adhering to sustainable mining practices and responsible resource utilisation. The findings of this study provide a solid foundation for Corella's continued progress in developing this exciting Project.

The Study investigated two scenarios: a 100% kaolin operation or a 100% High Purity Alumina (**HPA**) operation summarised in Table 1 below. The Company's strategic vision remains a multi-product operation of varying kaolin products, including a kaolin feed for HPA production. The product mix and phased scheduling, including capex for all product types, will be a focus of the planned Feasibility Study.

Table 1: Key Study Outcomes and Assumptions

| | 100% Kaolin Operation | 100 % HPA Operation |
|---|-----------------------|---------------------|
| NPV (Pre Tax) | \$1,177m | \$4,622m |
| IRR | 78.8% | 53.8% |
| Payback Period | 1.6 years | 2.3 years |
| Revenue from product | \$8,982m | \$63,431m |
| Product Price \$/t product | \$800 | \$28,000 |
| Project EBITDA | \$6,280m | \$27,892m |
| Average Annual EBITDA | \$108m | \$481m |
| Undiscounted cumulative cash flow | \$6,097m | \$26,493m |
| Capital Cost Estimate (Mining & Processing) | \$121.5m | \$735.5m |
| Sustaining Capital (Mining & Processing) | \$61.2m | \$664m |
| Mining cost \$/t mine | \$4 | \$4 |
| Total cost \$/t product | \$245.35 | \$15,977 |
| Final product produced (Mt) | 11.2 | 2.3 |
| Process Recovery | 49.6% | 10% |
| Plant Feed Throughput | 400,000tpa | |
| Mineral Resource (Indicated & Inferred) | 24.7Mt | |
| Mined Ore | 22.65Mt | |
| LOM | 58 years | |
| Discount rate | 8% | |
| Royalties | 5% | |
| Total Material Moved (Mt) | 45.7 | |
| Waste (Mt) | 23.0 | |
| Ore (Mt) | 22.7 | |
| Cutoff grade (Fe ₂ O ₃ %) | <=0.9 | |
| Stripping ratio (waste:ore) | 1.0 | |
| Dilution | 0% | |
| Ore loss | 5% | |

*All currency AUD unless otherwise stated

The Study was based on the upgraded Mineral Resource Estimate (**MRE**)⁴, also completed by CSA Global, adhering to the 2012 JORC Code and guidelines.

Table 2: Tampu mining grades -45µm fraction (from MRE July 2023)

| Type | Mt | Yield <45µm (%) | Product tonnes kaolin (Mt) | Fe ₂ O ₃ (%) | K ₂ O (%) | Na ₂ O (%) | Al ₂ O ₃ (%) | SiO ₂ (%) | TiO ₂ (%) | LOI (%) |
|--------------------------------------|-------|-----------------|----------------------------|------------------------------------|----------------------|-----------------------|------------------------------------|----------------------|----------------------|---------|
| <0.9% Fe ₂ O ₃ | 24.70 | 49.42 | 12.21 | 0.52 | 0.59 | 0.03 | 36.39 | 48.97 | 0.45 | 12.90 |
| >0.9 Fe ₂ O ₃ | 5.10 | 46.51 | 2.37 | 1.12 | 1.46 | 0.06 | 33.73 | 51.08 | 0.53 | 11.75 |

⁴ Refer to ASX Announcement "Tampu Mineral Resource Upgrade 24.7Mt of HPA Specification" released on 31 July 2023
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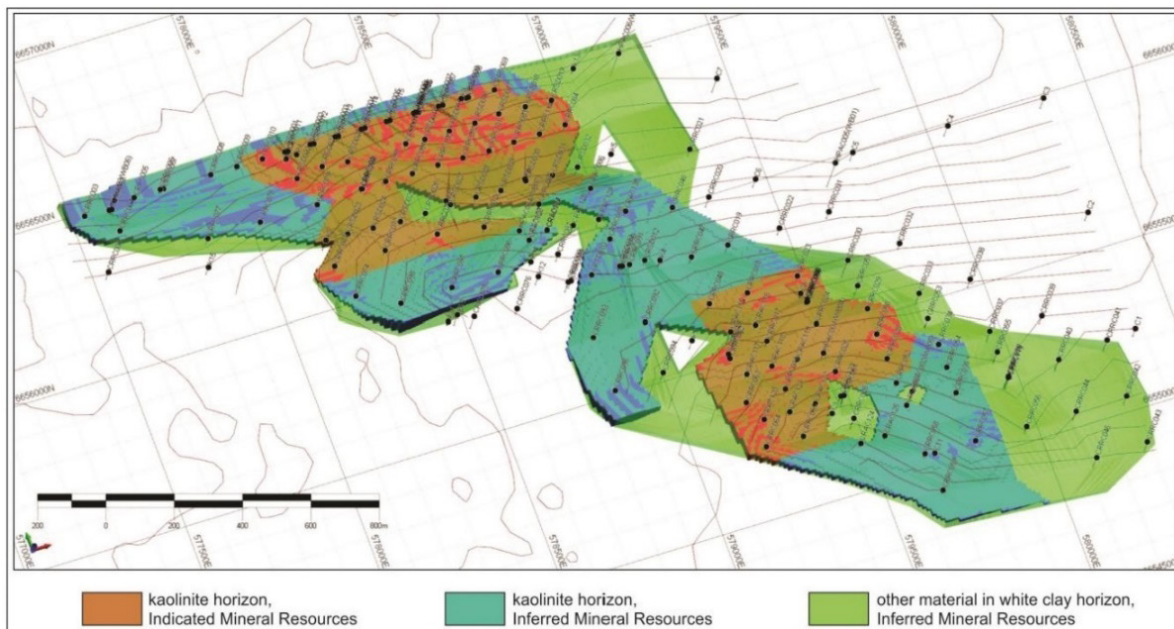


Figure 1: Oblique view of the Tampu upgraded MRE wireframes coloured by Resource classification

Tampu Project – Potential Products

High specification, low impurity Kaolin such as Tampu is a specialty product in high demand for top end paints, paper coating, cosmetics and pharmaceutical industries and as a HPA feedstock. Initial testing at the Dalian University of Technology has produced a 5N HPA product using Tampu kaolin. A further 100kg sample is currently being processed to produce a larger HPA sample for potential offtake customers to test in their downstream processes. According to a report by Grand View Research, the global HPA market size was valued at USD 3.18 billion in 2022 and is projected to expand at a compound annual growth rate of 22.2% from 2023 to 2030⁵. Key factors that will influence the market growth include the rising demand for electric vehicles, the growing popularity of LED lighting, the advancement of semiconductor technology, and the development of new applications for HPA.

A precursor kaolin processing plant is the first step in the kaolin to HPA production process. As a part of this process, various kaolin and other co-products are produced, which are also being evaluated, such as coarse grained quartz and a lower grade kaolin mixed product that is potentially suited to the cement industry to reduce cost and the heavy carbon load in cement materials.

Tampu's exceptional quality kaolin feedstock may also be suited to the top specification pharmaceutical, cosmetic and coating markets, which currently have tight demand and supply economics and, therefore elevated pricing.

The ability to achieve and maintain a reputation for delivering reliable and consistent high specification kaolin or HPA is valuable. With demand outstripping supply and rapid market growth, Corella sees tremendous potential opportunities for high purity kaolin offtake agreements arising in the near to medium-term.

⁵ High Purity Alumina Market Size, Share & Trends Analysis Report By Application (LED, Li-ion Battery, Semiconductor, Phosphor), By Product (4N, 5N, 6N), By Region (Asia Pacific, North America), And Segment Forecasts, 2023 - 2030
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Rare Earths Identified at Tampu

Subsequent to the Quarter-end, the Company announced the discovery of two distinct styles of rare earth element (REE) mineralisation⁶ at the Company's 100% owned Tampu project located in the Yilgarn region, Western Australia.

A comprehensive desktop review of Corella's tenements, conducted by the experienced geological team, has revealed significant potential for extended kaolin areas as well as potential for other mineralisation. Initial field investigations and sample collections have returned positive assays for rare earth elements (REE) prospectivity in potential carbonatites and pegmatites. Further, recent exploration by others in the region has also uncovered potential clay-hosted REE mineralisation associated with weathering of granitoid bodies.

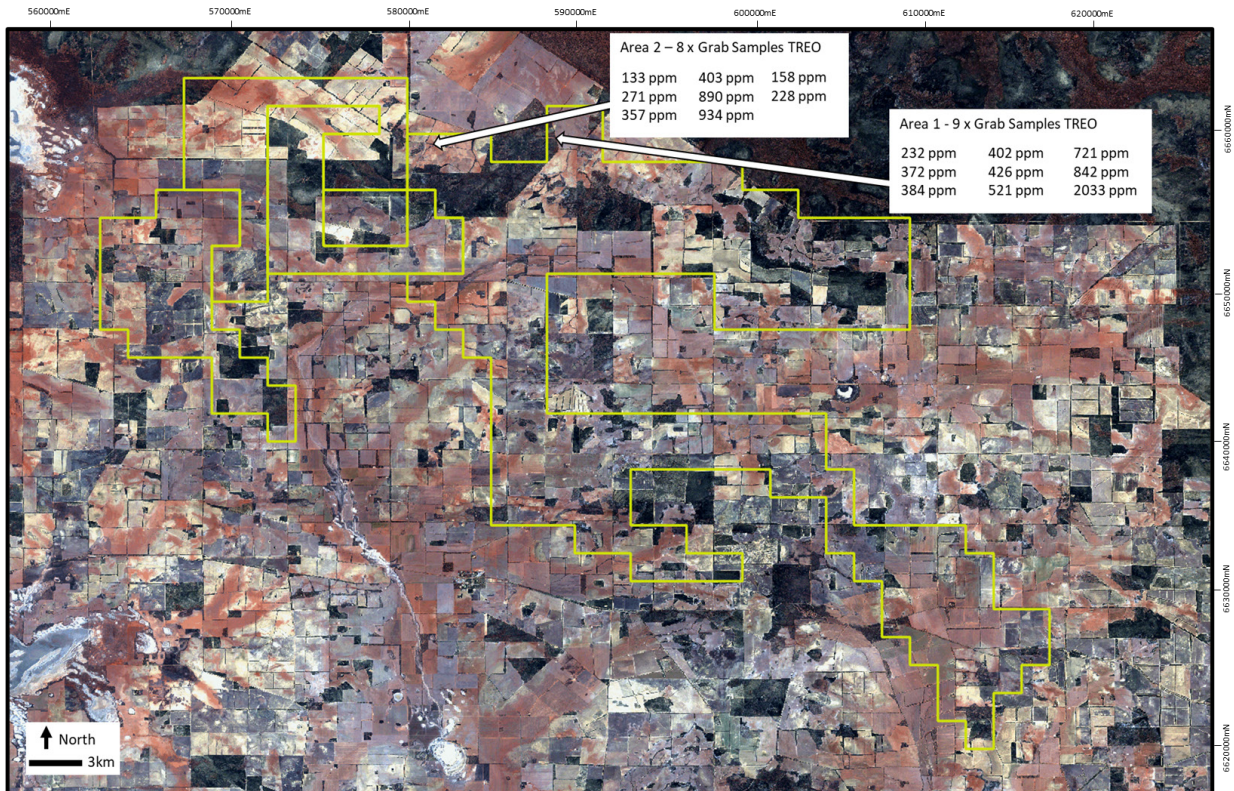


Figure 3: Tampu granted tenure in yellow with grab sample results for REE analysis (TREO)

Results from field reconnaissance indicate REE hosted pegmatites and carbonatite:

A combination of magnetic, radiometric, hyperspectral, satellite data (sensor and imagery) and regional structural interpretations were used to highlight target areas across the tenements to investigate in person on publicly accessible land or tenement areas with landholder agreements. A portable XRF was used to analyse, obtain, and shortlist rock chip samples to be sent for full laboratory analysis. A summary of the laboratory analysis is included in Tables 1, 2 and 3 with the full suite of laboratory analysis provided in Appendix A. Total Rare Earth Oxides (TREO) range from 132ppm to 2,033ppm.

All samples were from the surface or existing disturbed areas and were extremely weathered making rock type identification difficult.

Various chemical groupings can be seen in the results with at least two populations of REE bearing pegmatite chemistry (Table 1) and REE bearing carbonate/carbonatite (Table 2). The carbonate/carbonatite samples contain CaO+MgO results of 39.16% and 44.64% and elevated Strontium of 943 and 1235ppm.

⁶ Refer to ASX Announcement "Rare Earth Results and Tenement Expansion" released on 15 January 2024

The suite of REE differed between the chemistries with the pegmatite hosting a higher percentage of LREE (79-88% of TREO) compared to the carbonatite and the carbonatite having a higher HREE (34-39% of TREO). The carbonate bearing rocks also notably had the highest TREO result of 2033ppm.

Neodymium and Praseodymium comprised 12-26% of the TREO. Neodymium ranges from 15.2ppm to 388ppm and Praseodymium ranges from 5.03ppm to 101.5ppm.

Of additional note, a high Rubidium bearing pegmatite chemical signature was also seen in two samples from the same area (1485ppm and 2210ppm), although no Lithium was measured in the samples. This can be indicative of the highly fractionated pegmatites seen in the region.

The nature, thickness or depth of the geological units that the samples suggest exist below surface is unknown. Drilling is required to define these parameters and will be covered in the next phase of exploration. The region Corella Resources holds tenements over, is relatively unexplored and poorly mapped or surveyed.

Table 1: Chemical analysis of potential pegmatite sample, two chemical signatures present with one type high in Rb and K

| SAMPLE | Area | TREO | Ce2O3 | Dy2O3 | Er2O3 | Eu2O3 | Gd2O3 | Ho2O3 | La2O3 | Lu2O3 | Nd2O3 | Pr6O11 | Sm2O3 | Tb4O7 | Tm2O3 | Y2O3 | Yb2O3 |
|--------|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|-------|-------|-------|-------|-------|
| | | ppm | ppm | ppm | ppm | ppm | ppm | ppm | ppm | ppm | ppm | ppm | ppm | ppm | ppm | ppm | ppm |
| 643 | Area 1 | 231.7 | 96.7 | 5.11 | 3.4 | 0.9 | 4.68 | 1.1 | 34.8 | 0.58 | 30.8 | 9.24 | 6.26 | 0.89 | 0.57 | 32.9 | 3.76 |
| 647 | Area 1 | 372.0 | 132.5 | 8.13 | 4.71 | 1.61 | 7.68 | 1.36 | 78.9 | 0.69 | 59.8 | 17.9 | 11.25 | 1.32 | 0.65 | 40.8 | 4.66 |
| 646 | Area 1 | 383.8 | 160.5 | 7.08 | 4.33 | 1.41 | 7.54 | 1.49 | 68.7 | 0.66 | 57.4 | 17.05 | 10.85 | 1.31 | 0.67 | 40.3 | 4.51 |
| 711 | Area 1 | 401.8 | 245 | 5.97 | 3.52 | 0.98 | 5.73 | 1.19 | 43.2 | 0.56 | 38.5 | 11.7 | 7.69 | 0.96 | 0.55 | 32.6 | 3.6 |
| 709 | Area 1 | 426.3 | 160.5 | 8.81 | 5.24 | 1.47 | 8.53 | 1.72 | 87.7 | 0.78 | 63.2 | 19.65 | 11.4 | 1.51 | 0.79 | 49.9 | 5.11 |
| 710 | Area 1 | 520.6 | 265 | 9.79 | 5.81 | 1.95 | 9.51 | 2 | 65.1 | 0.89 | 65.7 | 19.4 | 13.35 | 1.74 | 0.86 | 53.6 | 5.9 |
| 670 | Area 1 | 721.2 | 337 | 14.9 | 8.24 | 2.81 | 14.7 | 2.97 | 104.5 | 1.06 | 96.3 | 28 | 18.9 | 2.55 | 1.18 | 81 | 7.04 |
| 649 | Area 2 | 158.2 | 39.2 | 4.51 | 4.01 | 0.3 | 2.84 | 1.09 | 34.5 | 0.98 | 15.2 | 5.09 | 2.84 | 0.65 | 0.77 | 40.4 | 5.8 |
| 648 | Area 2 | 227.9 | 66.5 | 3.67 | 1.9 | 0.76 | 4.63 | 0.65 | 62 | 0.14 | 41.6 | 12.5 | 7.02 | 0.65 | 0.25 | 24.4 | 1.22 |
| JP015 | Area 2 | 132.8 | 53.9 | 2.83 | 1.76 | 0.56 | 2.62 | 0.58 | 22.6 | 0.35 | 19.6 | 5.03 | 3.03 | 0.44 | 0.31 | 17 | 2.14 |
| JP026 | Area 2 | 270.8 | 149.5 | 3.98 | 2.29 | 0.75 | 3.71 | 0.8 | 40.5 | 0.41 | 28.2 | 8.94 | 5.03 | 0.61 | 0.41 | 22.9 | 2.73 |
| JP008 | Area 2 | 357.3 | 241 | 4.88 | 3.17 | 0.91 | 4.55 | 0.92 | 29.8 | 0.56 | 26.2 | 8.55 | 5.71 | 0.85 | 0.49 | 26 | 3.67 |
| JP019 | Area 2 | 403.1 | 155 | 6.46 | 3.82 | 1.53 | 7.42 | 1.25 | 92.7 | 0.45 | 59.4 | 17.6 | 9.93 | 1.08 | 0.53 | 42.4 | 3.48 |
| JP002 | Area 2 | 890.4 | 179 | 18.4 | 9.42 | 3.59 | 22 | 3.55 | 269 | 1.03 | 174.5 | 52.7 | 29.8 | 3.31 | 1.3 | 115.5 | 7.32 |
| JP011 | Area 2 | 934.0 | 382 | 13.9 | 7.57 | 3.49 | 16.7 | 2.86 | 206 | 1.08 | 135.5 | 41.2 | 23.7 | 2.56 | 1.16 | 89.3 | 7 |

| SAMPLE | Area | TREO | SiO2 | Al2O3 | Fe2O3 | CaO | MgO | Na2O | K2O | P2O5 | Li | Rb2O | SrO | ThO2 | U3O8 |
|--------|--------|-------|------|-------|-------|------|------|------|-------|-------|-----|-------|------|------|------|
| | | ppm | % | % | % | % | % | % | % | % | ppm | ppm | ppm | ppm | ppm |
| 643 | Area 1 | 231.7 | 74.5 | 11.35 | 2.4 | 0.27 | 0.42 | 0.82 | 3.21 | 0.01 | 10 | 258 | 54 | 25.8 | 5.35 |
| 647 | Area 1 | 372.0 | 77.4 | 12.45 | 3.23 | 0.27 | 0.56 | 0.72 | 2.85 | 0.01 | 20 | 244 | 68 | 30.5 | 4.62 |
| 646 | Area 1 | 383.8 | 72.3 | 11.45 | 2.86 | 0.25 | 0.51 | 0.69 | 2.75 | <0.01 | 20 | 223 | 53.6 | 27.4 | 3.92 |
| 711 | Area 1 | 401.8 | 76.9 | 10.95 | 2.88 | 0.26 | 0.39 | 0.79 | 3.36 | <0.01 | 10 | 255 | 70.6 | 25.3 | 4.59 |
| 709 | Area 1 | 426.3 | 74 | 12.1 | 3.19 | 0.28 | 0.56 | 0.7 | 2.8 | 0.04 | 20 | 233 | 70.1 | 32.5 | 4.69 |
| 710 | Area 1 | 520.6 | 74.1 | 12.05 | 3.29 | 0.29 | 0.67 | 0.45 | 2.57 | 0.03 | 20 | 222 | 51.3 | 37.4 | 5.92 |
| 670 | Area 1 | 721.2 | 68.7 | 14.15 | 3.7 | 0.49 | 0.76 | 0.66 | 2.66 | 0.03 | 20 | 232 | 80.5 | 38.9 | 5.98 |
| 649 | Area 2 | 158.2 | 66.1 | 18.55 | 0.82 | 0.07 | 0.11 | 0.24 | 10.6 | 0.02 | <10 | 1485 | 29.3 | 8.59 | 2.54 |
| 648 | Area 2 | 227.9 | 59.9 | 18.85 | 0.71 | 1.16 | 0.16 | 0.29 | 13.45 | <0.01 | <10 | 2210 | 52.2 | 4.28 | 2.72 |
| JP015 | Area 2 | 132.8 | 81.5 | 9.21 | 2.59 | 0.11 | 0.14 | 0.4 | 2.43 | 0.02 | 10 | 139 | 52.2 | 28.6 | 3.61 |
| JP026 | Area 2 | 270.8 | 71.8 | 13.8 | 3.61 | 0.28 | 0.64 | 0.37 | 1.92 | 0.01 | 30 | 133.5 | 78.4 | 57.9 | 6.83 |
| JP008 | Area 2 | 357.3 | 60.1 | 19.45 | 5.14 | 0.22 | 0.93 | 0.51 | 1.61 | 0.02 | 30 | 146.5 | 67.2 | 59.2 | 9.36 |
| JP019 | Area 2 | 403.1 | 56.9 | 19.05 | 4.77 | 1.56 | 1.18 | 0.37 | 1.28 | 0.02 | 40 | 135.5 | 135 | 50.1 | 3.93 |
| JP002 | Area 2 | 890.4 | 54.1 | 12.35 | 2.67 | 8.72 | 1.95 | 0.3 | 1.8 | 0.03 | 20 | 128.5 | 320 | 70.4 | 8.51 |
| JP011 | Area 2 | 934.0 | 55.1 | 19.95 | 5.55 | 0.95 | 1.6 | 0.68 | 1.31 | 0.03 | 40 | 130 | 142 | 74.2 | 7.36 |

Table 2: Chemical analysis of potential carbonate/carbonatite

| SAMPLE | Area | TREO | Ce2O3 | Dy2O3 | Er2O3 | Eu2O3 | Gd2O3 | Ho2O3 | La2O3 | Lu2O3 | Nd2O3 | Pr6O11 | Sm2O3 | Tb4O7 | Tm2O3 | Y2O3 | Yb2O3 |
|--------|--------|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|-------|-------|-------|------|-------|
| | | ppm | ppm | ppm | ppm | ppm | ppm | ppm | ppm | ppm | ppm | ppm | ppm | ppm | ppm | ppm | ppm |
| 639 | Area 1 | 841.9 | 66.6 | 24.1 | 17.05 | 4.12 | 27.4 | 5.84 | 194 | 1.94 | 149.5 | 39.4 | 28.5 | 4.2 | 2.39 | 264 | 12.85 |
| 598 | Area 1 | 2032.9 | 80 | 52.7 | 33.2 | 9.73 | 67.3 | 11.9 | 625 | 2.76 | 388 | 101.5 | 68.8 | 9.17 | 4.1 | 559 | 19.7 |

| SAMPLE | Area | TREO | SiO2 | Al2O3 | Fe2O3 | CaO | MgO | Na2O | K2O | P2O5 | Li | Rb2O | SrO | ThO2 | U3O8 |
|--------|--------|-------|-------|-------|-------|------|------|------|------|-------|-----|------|------|------|------|
| | | ppm | % | % | % | % | % | % | % | % | ppm | ppm | ppm | ppm | ppm |
| 639 | Area 1 | 841.9 | 15.5 | 7.47 | 1.88 | 36.4 | 2.76 | 0.25 | 0.32 | <0.01 | 20 | 46.7 | 943 | 21.1 | 30.3 |
| 598 | Area 1 | 2033 | 12.35 | 5.75 | 1.56 | 41.7 | 2.94 | 0.18 | 0.27 | 0.03 | 10 | 38.5 | 1235 | 20.7 | 43.9 |

Table 3: Light vs Heavy REE and Nd+Pr percent of TREO

| SAMPLE | Area | TREO ppm | Nd+Pr % | LREE % | HREE % |
|--------|--------|-------------|------------|-----------|-----------|
| 643 | Area 1 | 232 | 17% | 79% | 24% |
| 647 | Area 1 | 372 | 21% | 83% | 18% |
| 646 | Area 1 | 384 | 19% | 84% | 17% |
| 711 | Area 1 | 402 | 12% | 88% | 13% |
| 709 | Area 1 | 426 | 19% | 83% | 18% |
| 710 | Area 1 | 521 | 16% | 85% | 16% |
| 670 | Area 1 | 721 | 17% | 84% | 17% |
| 649 | Area 2 | 158 | 13% | 63% | 41% |
| 648 | Area 2 | 228 | 24% | 86% | 15% |
| JP015 | Area 2 | 133 | 19% | 81% | 26% |
| JP026 | Area 2 | 271 | 14% | 87% | 15% |
| JP008 | Area 2 | 357 | 10% | 89% | 13% |
| JP019 | Area 2 | 403 | 19% | 85% | 16% |
| JP002 | Area 2 | 890 | 26% | 82% | 18% |
| JP011 | Area 2 | 934 | 19% | 87% | 14% |
| 639 | Area 1 | 842 | 22% | 61% | 39% |
| 598 | Area 1 | 2033 | 24% | 66% | 34% |

Next steps

Tampu Deposit

Given the robust and attractive economic business case, the Company intends to progress to a feasibility study program, including a test pit (starting with the North Pit) and associated bulk metallurgical testing. During this process, Corella will continue with its environmental and mining studies, progress applications for mining licences and progress offtake agreements. The local landholders and community are very supportive of the Project. With the recent acquisition of the Tampu grain facility, the Project has a solid financial, social and infrastructure foundation to develop.

Corella is also planning an exploration program for early 2024, focusing on testing geophysical and hyperspectral targets associated with the REE mineralisation across its extensive tenements. The program includes plans for RC drilling, with a program of works application currently in progress with DEMIRS.

Corella Land Holding:

Corella Resources, on the back of the field investigation and assay results, has lodged 3 ELAs (Exploration Licence Application) E70/6578, E70/6579 and E70/6592, with the Department of Energy, Mines, Industry and Resources Safety covering 1007.5km² representing a 110% increase in landholding. Corella now proudly possesses a substantial land holding of 1,922km² around the Tampu and Beacon areas, strategically positioned in an emerging and underexplored section of the Yilgarn.

The Company conducts ongoing desktop studies and continually assesses the entire project and tenement portfolio to ensure it aligns with the strategy and vision of the Company. During the Quarter the Company relinquished Tenement E 70/5215 at the non-core Kalannie project. Corella remains focused on advancing the flagship Tampu kaolin and HPA project, whilst identifying other high-quality targets within the project area.

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 |
| Tampu | E 70/6578 | 100% | 158 km ² | Pending |
| Tampu | E 70/6579 | 100% | 257 km ² | Pending |
| Tampu | E 70/6592 | 100% | 592 km ² | Pending |
| Wiltshire | E 70/5216 | 100% | 36 km ² | Granted |
| Kalannie | E 70/5215 | 100% | 32 km ² | Dead |
| Bonnie Rock | E 70/5665 | 100% | 70 km ² | Granted |

Financial & Corporate Overview

The Company's cash position as at 31 December 2023 was \$1.47M.

The aggregate amount of payments made to related parties and their associates for the Quarter is ~\$109,000. 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 | Chief Executive Officer | Company Secretary |
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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 and Wiltshire kaolin projects along with the 100% owned Bonnie Rock silica project. All 3 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 (Al₂O₃) 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.

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")

31 December 2023

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (6 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 | (152) | (262) |
| | (e) administration and corporate costs | (135) | (286) |
| 1.3 | Dividends received (see note 3) | - | - |
| 1.4 | Interest received | 16 | 42 |
| 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 | (271) | (506) |

| | | | |
|-----------|---|-------|-------|
| 2. | Cash flows from investing activities | | |
| 2.1 | Payments to acquire or for: | | |
| | (a) entities | - | - |
| | (b) tenements | (25) | (25) |
| | (c) property, plant and equipment | - | - |
| | (d) exploration & evaluation | (197) | (417) |
| | (e) investments | - | - |
| | (f) other non-current assets | - | - |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (6 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 | (222) | (442) |

| | | | |
|-------------|---|----------|----------|
| 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 | 1,964 | 2,419 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (271) | (506) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (222) | (442) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | - | - |

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 (6 months) \$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| 4.5 | Effect of movement in exchange rates on cash held | - | - |
| 4.6 | Cash and cash equivalents at end of period | 1,471 | 1,471 |

| 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 | 1,471 | 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) | 1,471 | 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 | 109 |
| 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 | 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. Add notes as necessary for an understanding of the sources of finance available to the entity.</i> | | |
| 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) | (271) |
| 8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d)) | (197) |
| 8.3 Total relevant outgoings (item 8.1 + item 8.2) | (468) |
| 8.4 Cash and cash equivalents at quarter end (item 4.6) | 1,471 |
| 8.5 Unused finance facilities available at quarter end (item 7.5) | 73 |
| 8.6 Total available funding (item 8.4 + item 8.5) | 1,544 |
| 8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3) | 3.3 |
| <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: 25 January 2024

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.