

Quarterly Report for period ended 30 June 2021

Highlights:

- Resource and metallurgical drill program completed at Tampu Kaolin Project
- 114 drill holes for 2,242m of drilling covering an area in excess of 3km x 1km assay results expected early August
- Significant drill hole intercepts of bright white kaolin up to 28m in thickness at depths ranging from 3 to 7m from surface, in line with historical drilling
- 108% increase in landholding at the flagship Tampu Kaolin Project
- Multiple exploration targets discovered at Kalannie and Wiltshire Kaolin Projects
- Acquisition of HPAA completed
- \$5M maximum amount raised in Public Offer and readmitted to ASX Official List

Australian Kaolin and Silica exploration company Corella Resources Ltd (ASX:CR9) ("Corella" or the "Company") is pleased to provide a summary of activities and attached Appendix 5B for the quarter ended 30 June 2021 ("Quarter").

Operational Overview

Tampu Project

During the Quarter the Company completed a maiden 114-hole resource and metallurgical drill program totaling 2,242m of drilling (see Figure 1 & 2) at its 100% owned Tampu Kaolin Project, located near Beacon in Western Australia (see Figure 7).

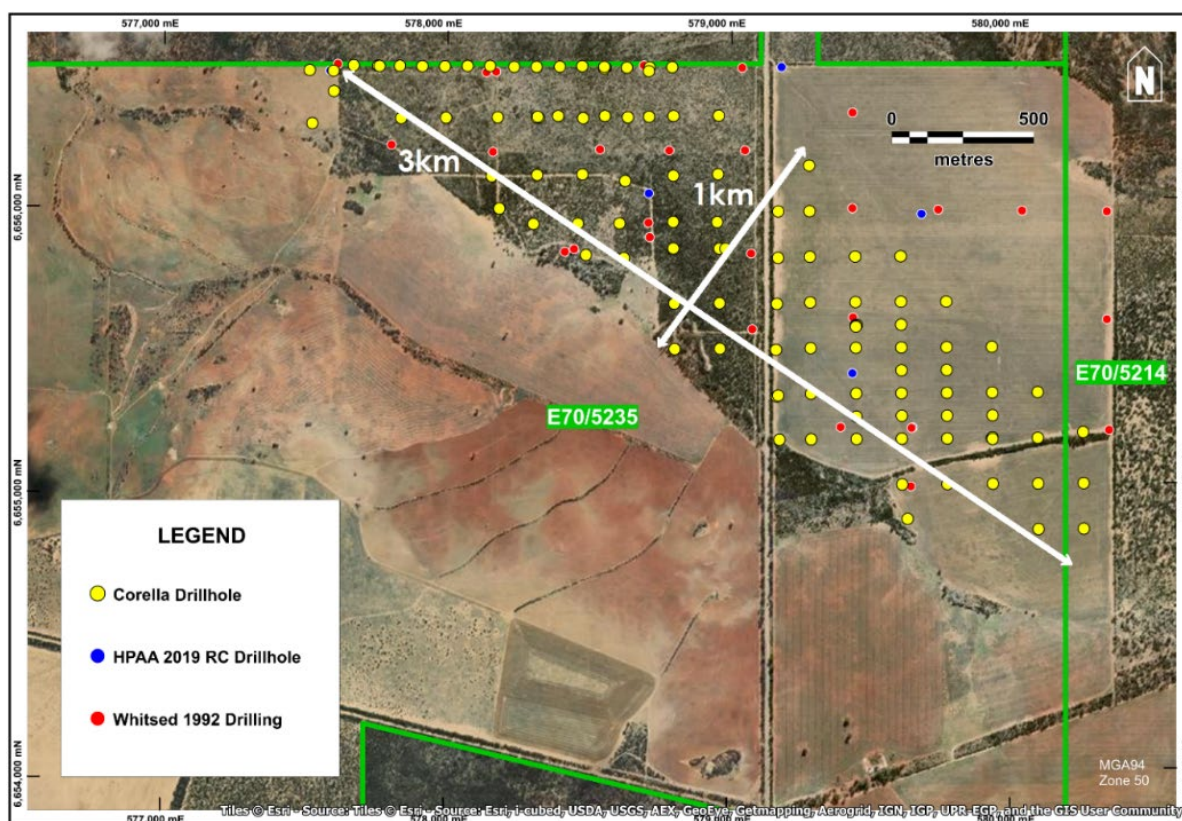


Figure 1: Location map for the 114 drillhole resource and metallurgical program at the Tampu Kaolin Project



Figure 2: Drilling bright white kaolin at shallow depth (Tampu, May 2021)

The resource and metallurgical drilling program at Tampu intercepted broad intercepts of bright white kaolin at shallow depths (see Figures 3, 4 & 5) and confirm the geological model produced by Corella from the historical drilling completed in 1995 and 2019. Drill hole samples were submitted to the laboratory for analysis with initial assay results expected in Q3CY2021. Results will be used to develop a maiden JORC Inferred Resource estimate at the Tampu project.



Figure 3: Drillhole CRRC071 with bright white kaolin from 5m to 33m (28m intercept)



Figure 4: Drillhole CRRC029 with bright white kaolin from 5m to 25m (20m intercept)



Figure 5: Drillhole CRRC009 with bright white kaolin from 6m to 20m (14m intercept)

Following the initial assay results, bulk samples will be sent for specified metallurgical test work. The analysis of a large volume of typical material from within the zones of bright white kaolin aims at distinguishing Tampu as the leading kaolin project of choice globally. The results of metallurgical testing will define end-user specifications, grades and quality which will be used in conjunction with the maiden JORC resource estimate for any future feasibility studies and potential off-take agreements.

The Company looks forward to updating the market with results as they become available.

During the quarter, the Company announced that it had lodged an exploration licence application E70/5744 (See Figure 6) with the Department of Mining, Industry and Resources Safety covering ~88km² (30 blocks). The new area under application represents a 108% increase in the Company's landholdings at the flagship Tampu kaolin project, located near Beacon in Western Australia.

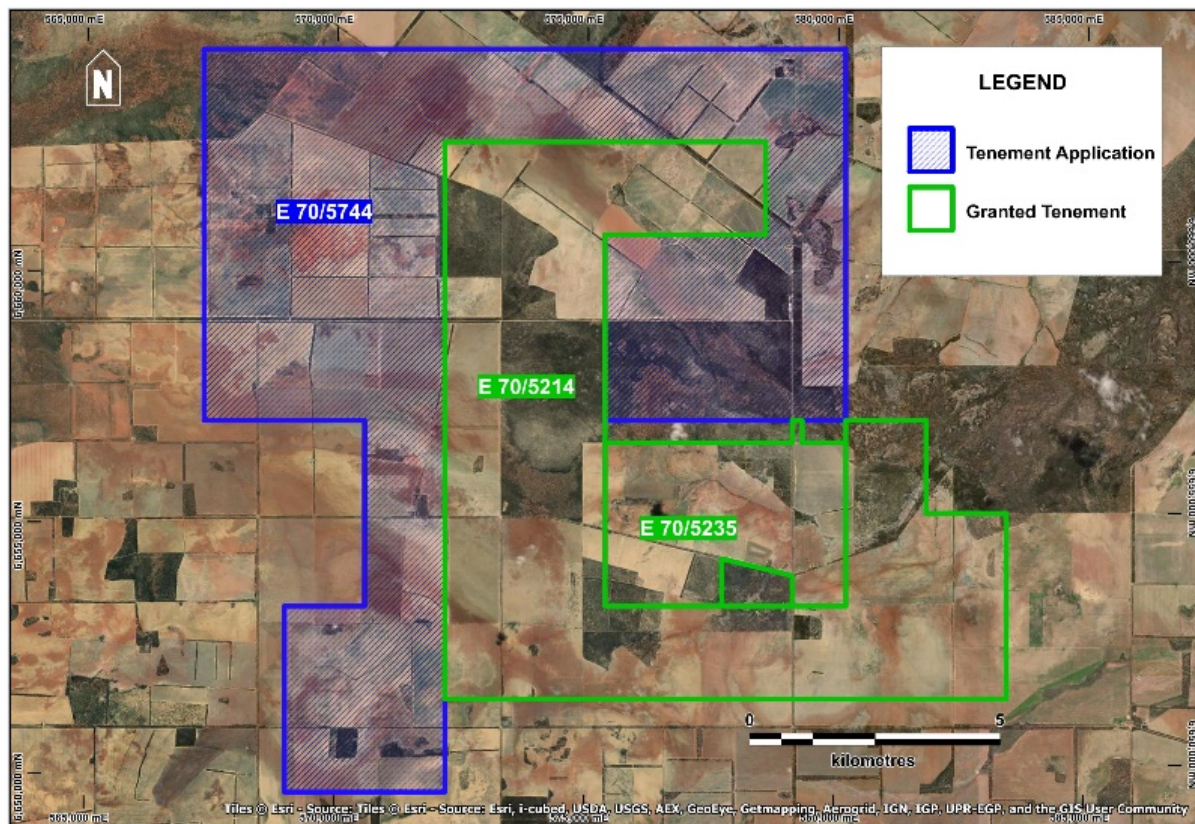


Figure 6: Corella Resources Tampu granted tenements and application

The following table details the mining tenements held by the Company:

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	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	Pending

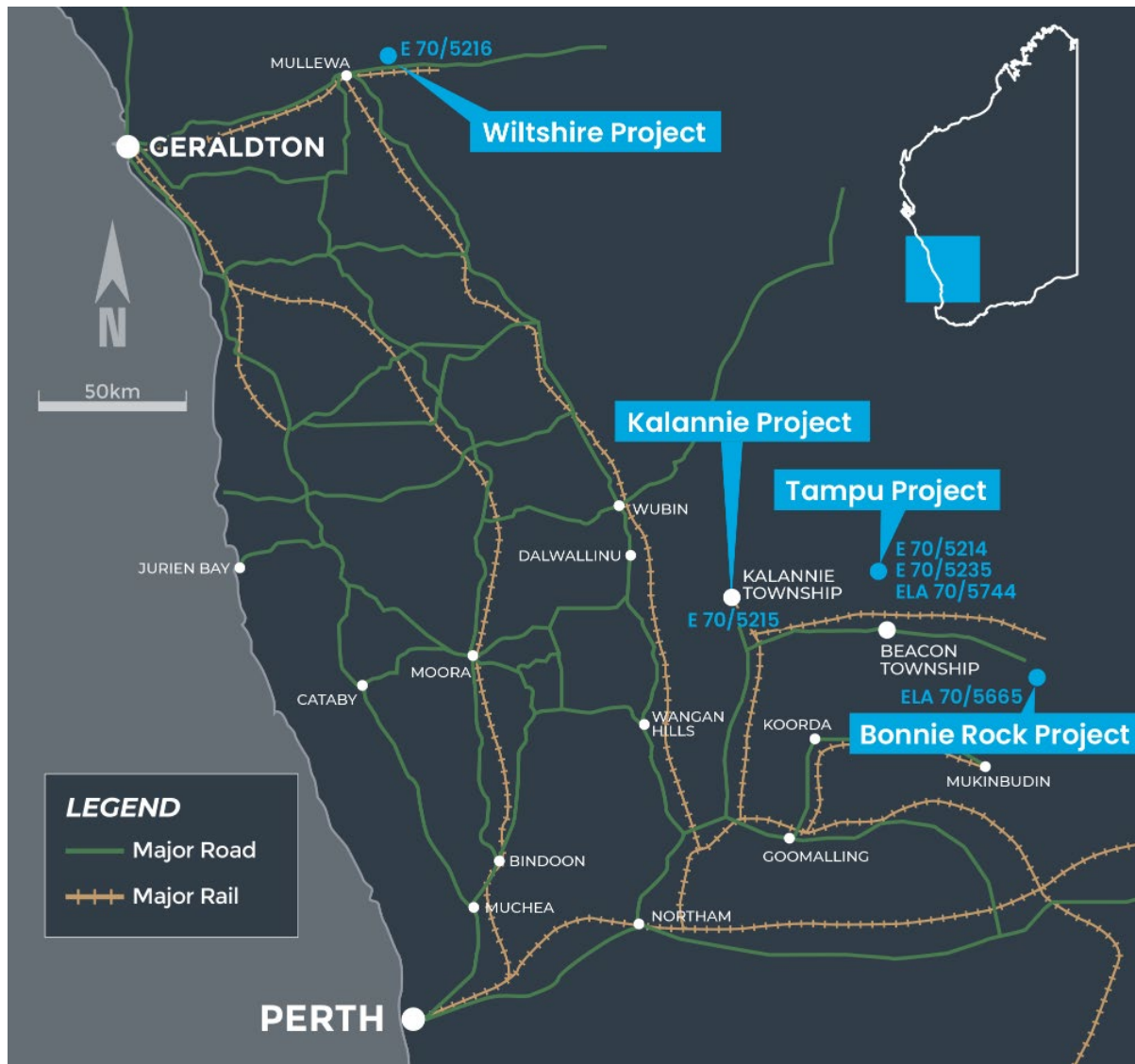


Figure 7: Corella Resources project location map

Subsequent to Quarter end, the Company completed geological reconnaissance and mapping programs at the Kalannie and Wiltshire Kaolin projects which identified 33 prospective kaolin exploration targets. Phase 1 Aircore drill programs will be aimed at testing the extent of the mineralisation and assess the quality of the kaolin via preliminary metallurgical test work prioritising the identified targets at the Kalannie and Wiltshire projects. The relevant landowners have been identified and gaining land access to allow for exploration activities to commence has begun.

Kalannie Kaolin Project

The Kalannie Kaolin Project comprises a single granted exploration licence E70/5215, which is currently held 100% by Corella (See Figure 8). Geological reconnaissance and aerial imagery has identified multiple kaolin exploration targets within the Kalannie project (See Figure 9). A GSWA kaolin sample from the project area location shows high purity kaolin with low levels of contaminant elements.

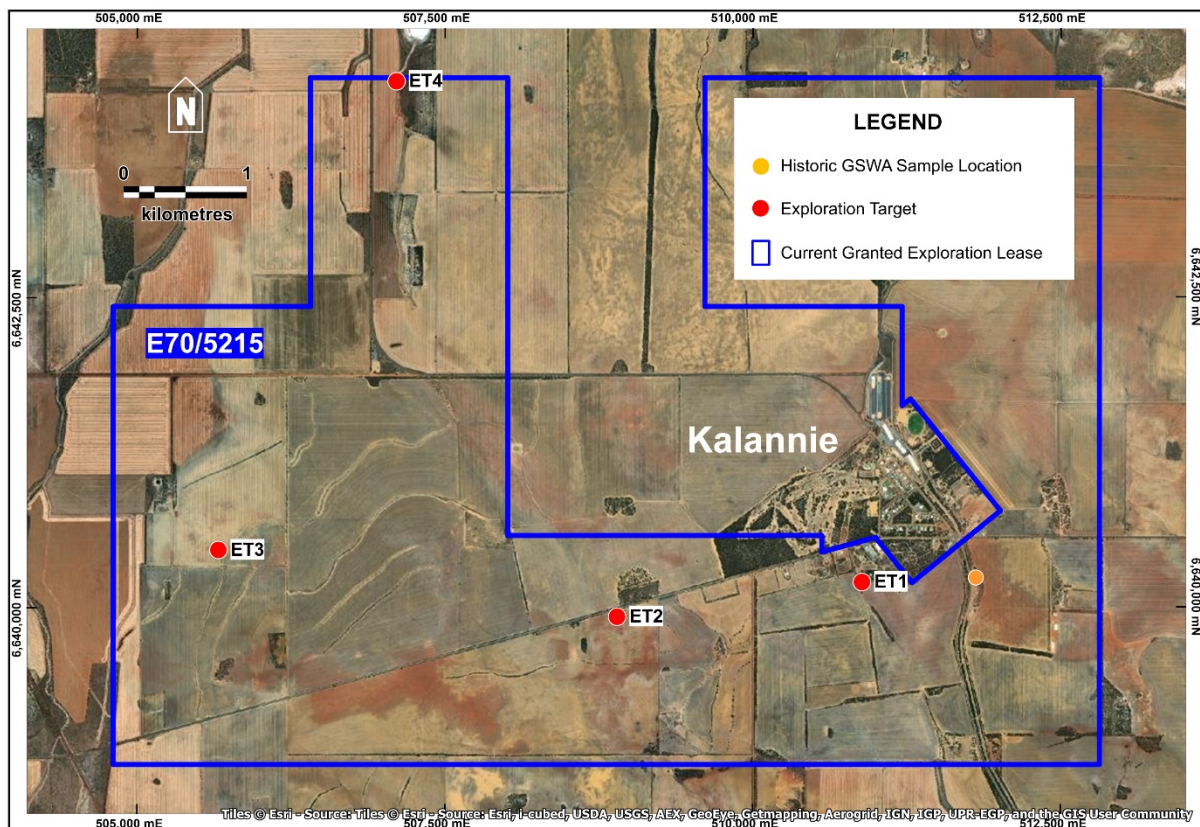


Figure 8: Kalannie exploration targets (ET1 – ET4)



Figure 9: Kalannie exploration targets (ET1 – ET4)

Wiltshire Project

The Wiltshire Kaolin Project comprises a single granted exploration licence, being exploration licence E 70/5216, which is currently held 100% by Corella. The Company has identified multiple kaolin exploration targets within the Wiltshire project (see Figure 10, 11 & 12) – kaolin horizons expressed as white outcrop evident in aerial imagery, are exposed at various locations along the length of Wenmillia Creek and its tributaries. Geological mapping has identified multiple prospective kaolin exploration targets within the Wiltshire project, with areas of weathered granite and excavated areas also present prospective targets for geological sampling.

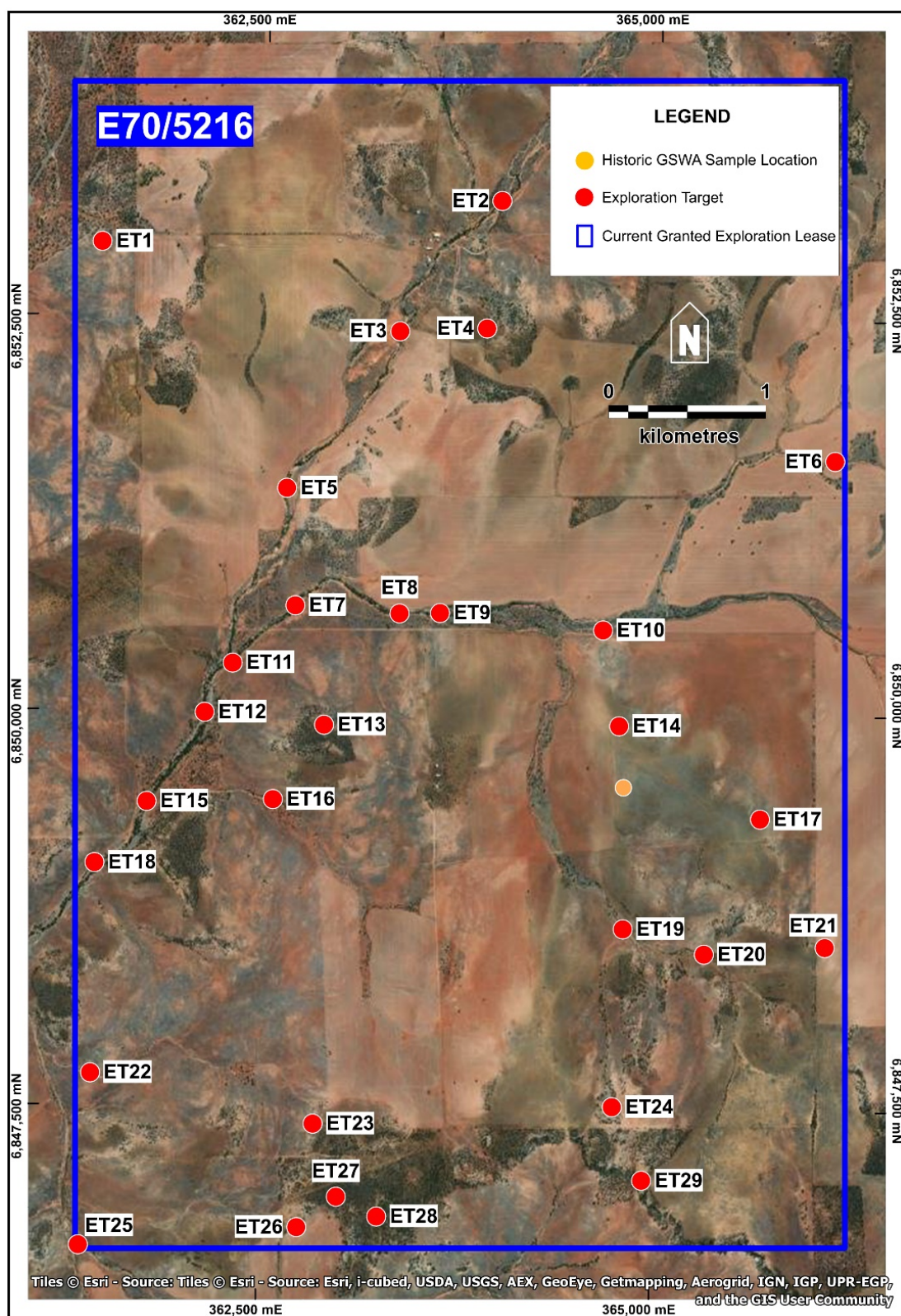


Figure 10: Wiltshire exploration targets (ET1 – ET29) sites of creek exposures and outcrop/excavations

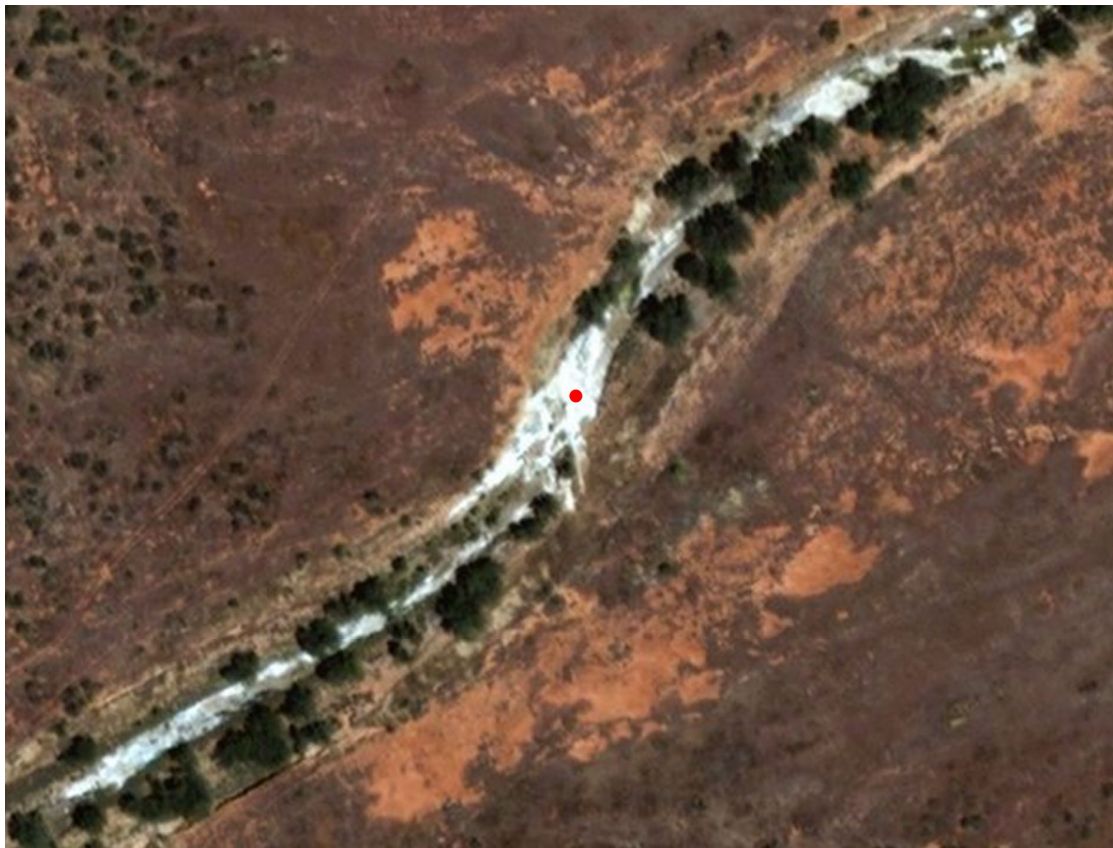


Figure 11: Outcropping weathered granite - Wenmilla Creek tributary south of Speyside Rd



Figure 12: Excavated kaolinized granite regolith boulders east of Mullewa-Carnarvon Rd, north of Speyside Rd

Corella Resources Managing Director, Tony Cormack, commented "It has been an extremely busy period for Corella Resources, we successfully completed a maiden resource and metallurgical program at Tampu, intercepting broad zones of bright white kaolin at shallow depth. We assessed all of our exploration assets and developed a strategy to rapidly advance these projects and we pegged a further 169km² of highly prospective kaolin ground adjacent to Tampu. We expect to have the Tampu assays back in early August and remain on track to publish a maiden resource for Tampu in September 2021. We have secured the services of a number of industry experts to assist with the resource estimate and metallurgical test work program and will continue to systematically and efficiently work through the processes to deliver on the Tampu Kaolin Project".

Financial & Corporate Overview

On 28 April 2021, the Company was readmitted to the ASX Official List (trading under the new name and code) following completion of the acquisition of 100% of the issued share capital in HPAA Pty Ltd (**HPAA**) and capital raising of \$5 million. HPAA is the legal and beneficial owner of four granted tenements and two tenement applications which together comprise four exploration projects prospective for high-grade, low impurity kaolin and silica. On readmission to the ASX Official List, the Company restructured its Board with Warren Barry, Terence Butler, Derek Hall and Daniel Coletta resigning as Non-Executive Directors and Anthony "Tony" Cormack appointed as Managing Director and Philip Re and Peter Woods appointed as Non-Executive Directors.

The Company's cash position as at 30 June 2021 was \$4.76M. Business activities during the Quarter consisted of those described in this announcement well as normal administrative matters consistent with those described in the Company's prospectus dated 4 March 2021.

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

Funds available	Use of funds statement (\$000s)	Actual (\$000s)	Variance (\$000s)
Existing cash reserves and investments held for sale	755	707	(48)
Funds raised from the Public Offer	5,000	5,000	-
Total	5,755	5,707	(48)
Allocation of funds	Use of funds statement (\$000s)	Actual expenditure to 30 June 21 (\$000s)	Variance (\$000s)
Exploration at Tampu Project	1,986	217	1,769
Exploration at Wiltshire Project	501	-	501
Exploration of Kalannie Project	501	-	501
Exploration at Bonnie Rock Project	536	-	536
Expenses of the Public Offer	533	447	86
Working capital & administration costs	1,281	114	1,167
Employee costs	417	35	382
Total	5,755	813	4,942

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 included in Q4 Cash flows from operating activities total ~\$35,000. These payments consisted of Director's fees and salaries 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:

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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 two granted exploration licences and an exploration licence application held by Corella, being exploration licences E 70/5235, E70/5214 & ELA70/5744.

Tampu has seen two historical and one modern phase of exploration drilling and metallurgical programs. This drilling has sufficiently determined the validity and potential of Tampu to host significant bright white kaolin mineralisation with very low levels of contaminants. Further drilling and metallurgical test-work will be required in order to achieve a JORC compliant resource at Tampu.

Wiltshire Kaolin Project

The Wiltshire Kaolin Project (**Wiltshire**) comprises a single granted exploration licence, being E 70/ 5216, which is currently 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 west 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 samples drill samples from Wenmillia Dam show high purity kaolin with low levels of contaminant elements. 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, being exploration licence E 70/5215, which is currently held by Corella.

A GSWA kaolin sample from the project area location shows high purity kaolin with low levels of contaminant elements. 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 pending exploration licence, being exploration licence E70/5665, which is currently held by Corella. Previous exploration undertaken on the Bonnie Rock Project identified a prominent quartz vein that extends for an unknown distance below cover. Chemical analyses indicated that the quartz in the region is high-grade, had favourable thermal stability and thermal strength values and is suitable for use in the production of silicon metal.

Competent Person Statement

The information in this announcement which relates to exploration results for the Tampu Project are extracted from ASX Announcements dated 25th May 2021 and 15th June 2021 titled "Corella completes resource and metallurgical drilling" and "Additional Information Tampu JORC Table" respectively. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements. The Competent Person responsible for reporting the exploration results was Mr. Tony Cormack.

Appendix 5B

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

Name of entity

Corella Resources Ltd

ABN

56 125 943 240

Quarter ended ("current quarter")

30 June 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(35)	(35)
	(e) administration and corporate costs	(313)	(525)
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	(348)	(560)

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	(223)	(223)
	(e) investments	-	-
	(f) other non-current assets	-	-

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	816
	(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)	6	6
2.6	Net cash from / (used in) investing activities	(217)	599

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	5,000	5,000
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	(447)	(447)
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	4,552	4,552

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	776	172
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(348)	(560)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(217)	599
4.4	Net cash from / (used in) financing activities (item 3.10 above)	4,552	4,552

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	4,763	4,763

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	4,763	776
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)	4,763	776

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	35
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		

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	4
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	75	4
7.5	Unused financing facilities available at quarter end		71
7.6	<p>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.</p> <p>Credit card facility with NAB, 15.5% interest p.a. payable on balance drawn for over 35 days.</p>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(348)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(217)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(565)
8.4	Cash and cash equivalents at quarter end (item 4.6)	4,763
8.5	Unused finance facilities available at quarter end (item 7.5)	71
8.6	Total available funding (item 8.4 + item 8.5)	4,834
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	8.5
<p><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></p>		
8.8	<p>If item 8.7 is less than 2 quarters, please provide answers to the following questions:</p> <p>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?</p> <p>Answer: N/A</p> <p>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?</p> <p>Answer: N/A</p>	

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 July 2021

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.