16 August 2022 ASX Announcement

Sonic Drilling Underway at Tampu to Advance High Grade Kaolin Project

- **Sonic resource definition drill program has commenced at Tampu to advance project closer to production**
- **1,000M Drill program designed to upgrade Resources into Reserves and fast track to PFS**
- **Sonic drill core to produce 10 tonne composite sample for definitive metallurgical test work for offtake and to feed into feasibility studies**

Corella Resources Ltd (**ASX:CR9**) ("**Corella**" or the "**Company**") is pleased to advise that resource definition drilling has commenced at the Company's 100% owned flagship Tampu kaolin project, located near Beacon in Western Australia. The drill program will total ~1,000m and consist of 50 to 80 sonic drill core holes, to an average depth of ~15m to a drill spacing of 80 x 80m in select locations (see Figure 2).

Figure 1: Drilling bright white kaolin at Tampu Kaolin Project, Beacon WA

Corella Resources Managing Director, Tony Cormack, commented *"The Corella team are happy to report that sonic resource definition drilling is well underway and progressing well at the Tampu project. The information that will be gained from this round of core drilling will allow us to advance the project closer to production. We have Australia's best resource of bright white purity kaolin which has been proven as excellent feedstock for HPA, and we intend to maintain our rapid development of the project towards production".*

The program has been specifically designed to upgrade the existing 24.7Mt of Inferred Mineral Resource[1] into Indicated and Measured Resources for conversion into Reserves. These Reserves will be used to underpin a Pre-Feasibility Study for the Tampu Project and have the deposit in mineable classifications.

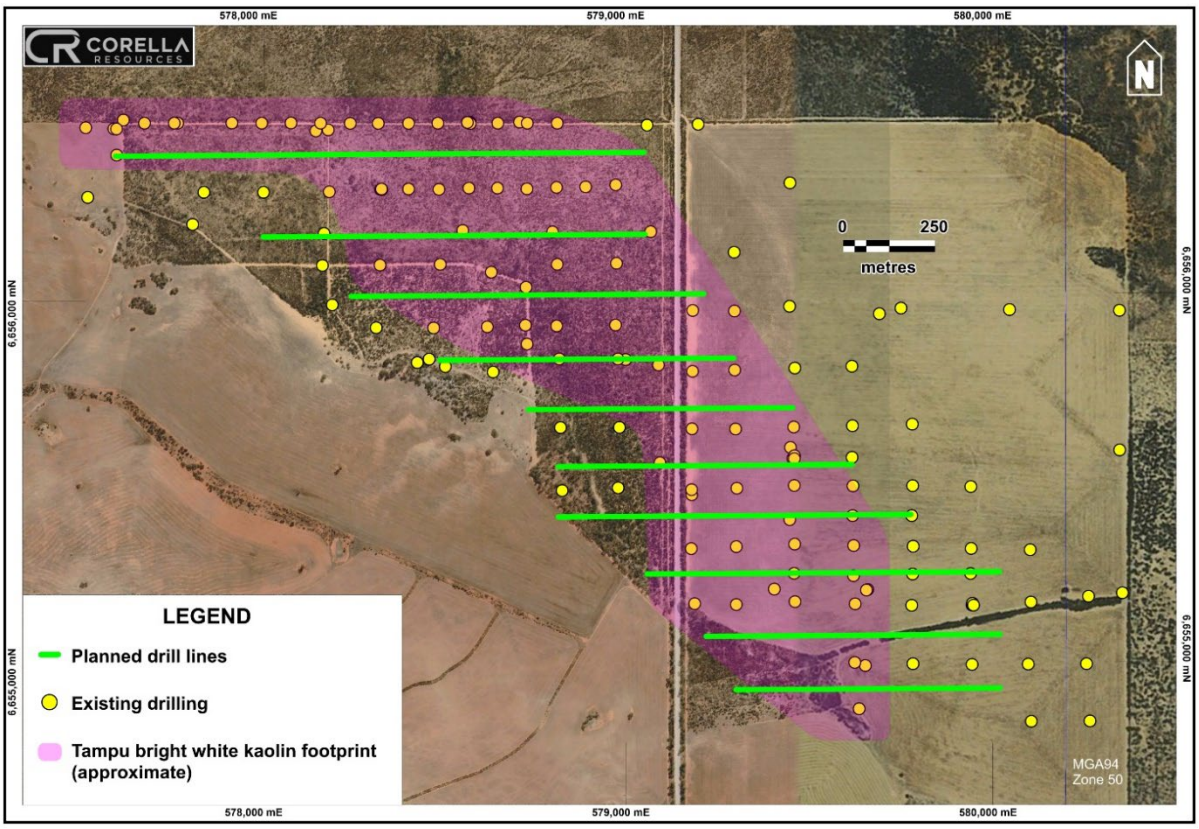

Figure 2: Tampu Resource Definition Sonic drilling program

About the kaolin and HPA markets

Historically used in the paper and ceramics industry, kaolin is now viewed as a "white gold" new economy commodity, able to be processed into metakaolin or High Purity Alumina (HPA). Kaolin is exceptionally well-suited natural material to produce High Purity Alumina (HPA) used in high end technology such as Lithium Ion Batteries (LIB).

The high purity bright white kaolin deposit at Tampu has extremely low levels of impurities, which is critical to all existing markets and end user products. The ultra-high purity distinguishes it as a leading kaolin project, particularly as feedstock for HPA applications.

Metakaolin is one of the best cement substitutes, and can improve concrete's flexibility and strength, reduce its permeability and the CO_2 emissions in its manufacture by up to 40%. Given concretes massive use around the world, this has significant implications for a greener and more sustainable world.

[1] Refer ASX Announcement 9 November 2021

HPA is in increasingly high demand as it is used in smartphones, LEDs and, most significantly, lithium-ion batteries, a keystone in the renewable energy revolution. Traditionally produced from aluminium metal, new technologies mean HPA can now be produced more economically and with a lower environmental footprint from kaolin. This is now fuelling an ever-growing interest in, and demand for, high quality kaolin.

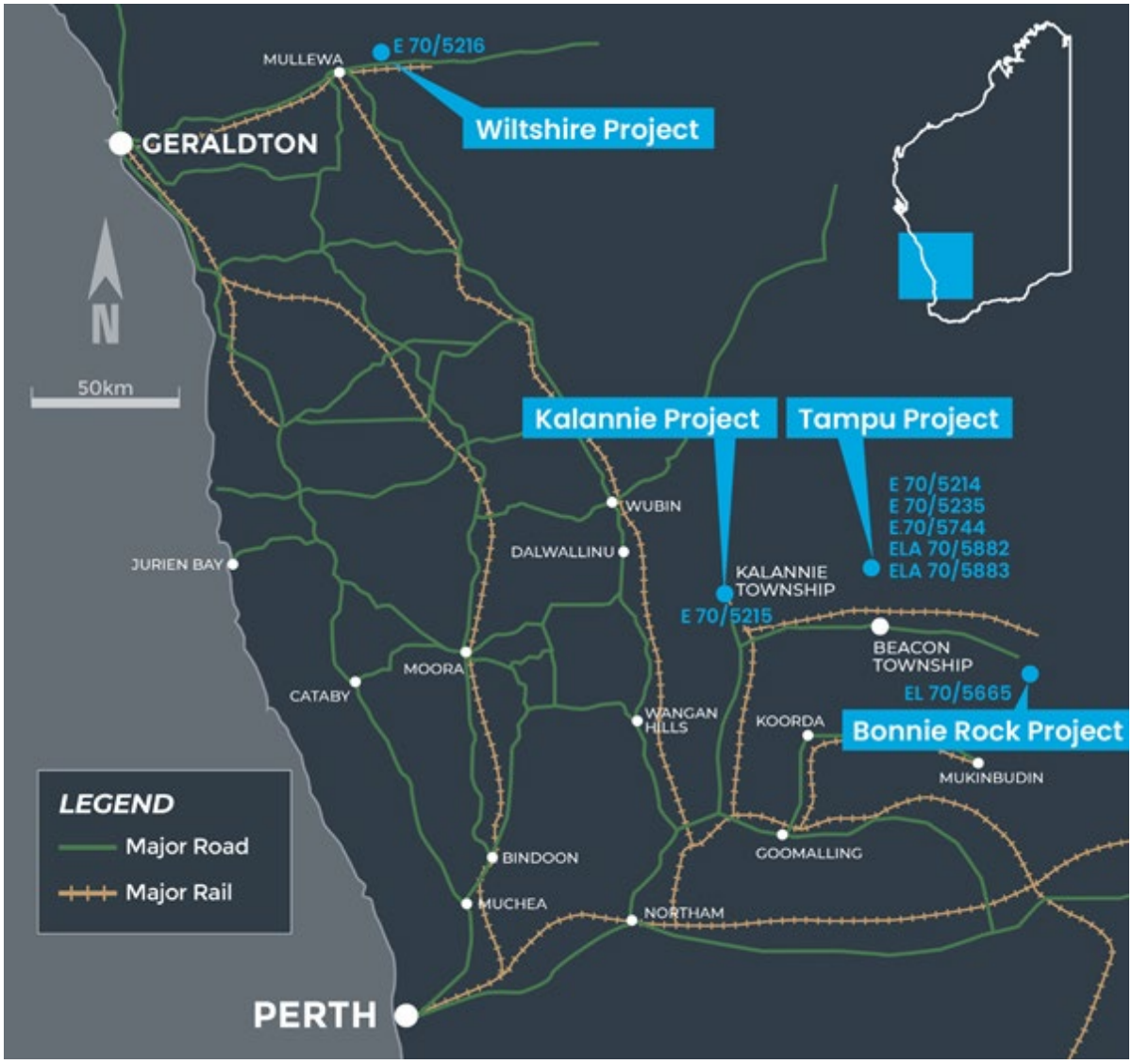

Figure 3: Corella Resources project location map

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

ENDS

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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.*

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.