

14 March 2022

Heritage and approvals progress sets Mallina Lithium Project ready for drilling

Heritage Survey field work completed with Traditional Owners, Morella representatives and appointed Anthropologist

Program of Works approval granted by Department of Mines Industry Regulation and Safety

Major contracts issued and drilling campaign to commence at the end of March 2022

Strategic review of Sayona tenements completed, with field work in the Murchison due to commence in mid-March

Overview

Morella Corporation Limited (**ASX: 1MC** “Morella” or “the Company”) is pleased to announce that key environment, social and governance (ESG) related workstreams in support of the Company’s maiden drilling program at the Mallina Lithium Project have been completed. Morella is now focused on mobilising staff, equipment and contractors to the Project ahead of commencement of drilling at the end of March.

The Mallina Lithium Project (tenement E47/2983) “the Project” is located 120 kilometres southwest of Port Hedland along the North West Coastal Highway. Located in the Pilbara region, a globally recognised lithium mining and exploration province, the Project area is serviced with primary roads, export infrastructure and access to skilled, mining-centric labour. Previous exploration activities at the Project, from 2016-2020, included RC drilling, soil and rock chip sampling, mapping and mineralogical study work targeting five identified pegmatite intrusions (refer to ASX Announcement *Mallina Lithium Project Update* issued 28 October 2021). Mineralogical studies have confirmed the presence of recrystallised spodumene mineralisation in surface outcrops and it is interpreted that potential primary spodumene-bearing pegmatite sheets exist near-surface. The Company’s initial 2022 RC and diamond core drilling program is targeting these sub-surface primary pegmatites.

With strong lithium prices and a favourable outlook for the commodity, Morella is pushing ahead with its exploration program at Mallina and embarking on an early-stage exploration effort in the Murchison.

Morella CEO Alex Cheeseman said:

“This is an exceptional time to be advancing the Mallina Lithium Project and building on years of previous mapping, study and drilling work. We have a very targeted drill program seeking to intercept primary pegmatites and we are very excited to get the drill rigs working on site. In the lead up to the

drill program, the team's effort and focus with the Traditional Owners over the last four months has been excellent, we've worked very hard to engage early, regularly and openly.

Further to Mallina, we are also starting early-stage exploration and mapping of the pegmatites at Mt Edon/Mt Edon West, which represents a great opportunity to search for lithium in the Murchison area. Such a discovery could bring an entirely new battery mineral export opportunity to the region and we look forward to completing key early-stage activities at what is a very exciting prospect."

Heritage Survey

Over the period 28 February to 3 March 2022, Morella conducted a Heritage Survey with the Traditional Owners of select areas in the Mallina tenement. The Heritage Survey was coordinated by Mr Phil Czerwinski, an anthropologist and archaeologist who was proposed by the Traditional Owners to conduct the Survey. Morella representatives, Mr Czerwinski and the Traditional Owners systematically walked and cleared all priority access corridors and proposed drill locations. Initial reports on the ground were that no sites or artefacts of significance were identified. Morella anticipates the formal report to be issued by the Traditional Owners within the fortnight.



Figure 1 – Morella representatives with Mallina Traditional Owners at Mallina Station

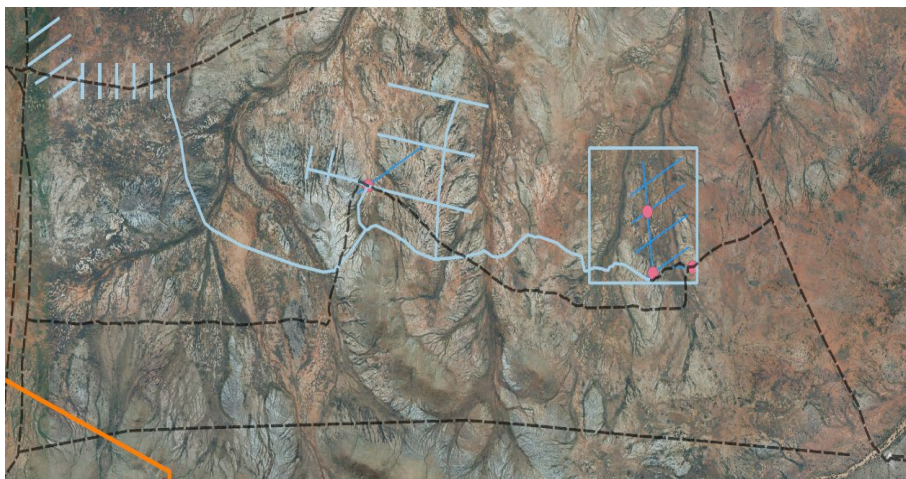


Figure 2 – Morella Drill Program Survey Map

Program of Works

On 10 March 2022, the Company was formally notified by the Department of Mines, Industry Regulation and Safety (DMIRS) that its program of works for utilising ground disturbing equipment had been approved. The works approval, along with completion of the Heritage Survey, allows the Company to start clearing and ultimately drilling at the identified areas at the Mallina Lithium Project.

Morella has executed contracts for both Reverse Circulation (RC) and Diamond Core drilling and will begin mobilising equipment to site at the end of March 2022. Morella expects the drilling program to run for five to six weeks.

Strategic review of Earn-in Tenements

Following the commencement of the Earn-in Agreement (“Earn-in”) with Sayona Mining Limited (“Sayona”) (refer to ASX Announcement *Corporate Update* issued 11 November 2021), the Company has undertaken a strategic review of the tenements subject to the Earn-in. Following an internal review and analysis by an Independent Geologists, Morella has notified Sayona that the Red Rock tenement (E45/4716) was exercised out of the Earn-in and all responsibility returned to Sayona with effect 1 March 2022.

Exploration activities in the Murchison

Following the Earn-in tenement review, Morella has started exploring the Murchison-based tenements subject to the Earn-in (Mt Edon E59/2092 and Mt Edon West E59/2055). Based upon historical exploration data, the tenements are prospective for lithium-bearing pegmatites. Morella has commissioned an Independent Geological Consultant to conduct a mapping and sampling program during March 2022. Morella will conduct site visits in the coming weeks to assess local infrastructure and support services in anticipation that the planned mapping work identifies further exploration opportunities. Morella is excited by the opportunity to explore for potential lithium-bearing pegmatites in the Murchison region.

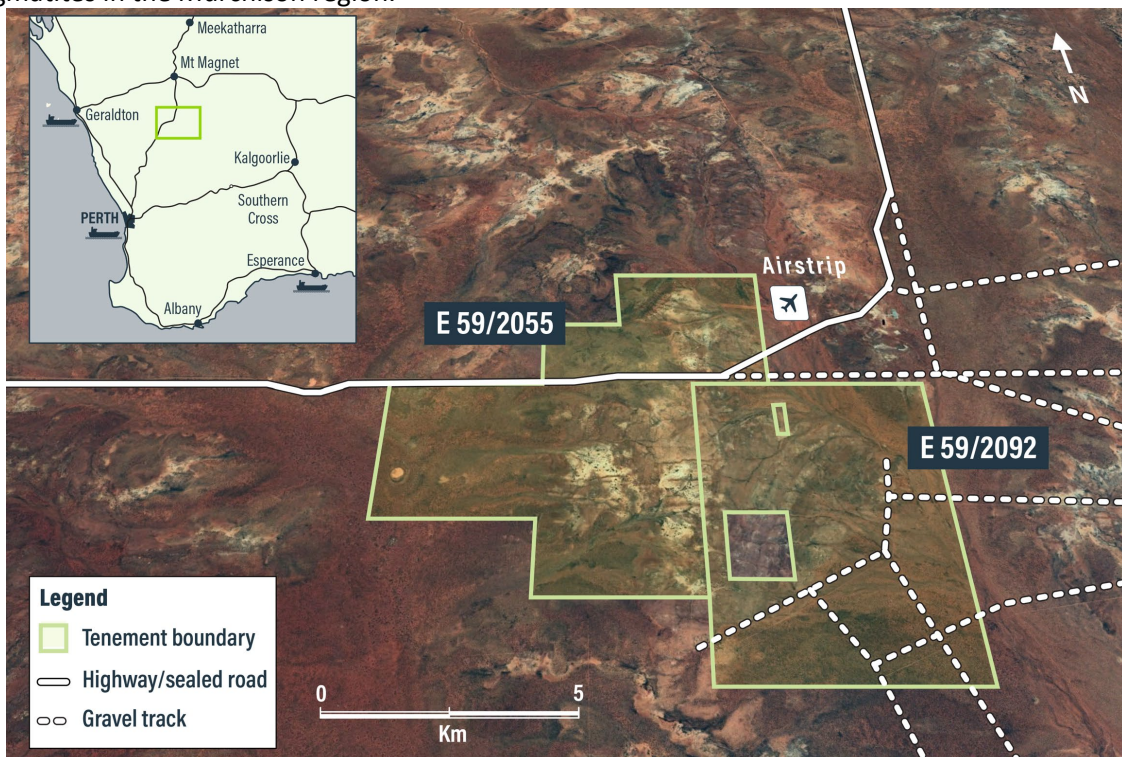


Figure 3 – Mt Edon and MT Edon West Tenement Map

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This announcement has been authorised for release by the Board of Morella Corporation Limited.

About Morella Corporation Limited Morella (ASX:1MC) is an exploration and resource development company focused on lithium and battery minerals. Morella is currently engaged in exploration activities on two project opportunities, strategically located, in Tier 1 mining jurisdictions in both Australia and the United States of America. Morella will secure and develop raw materials to support the surging demand for battery minerals, critical in enabling the global transition to green energy.

Competent Person's Statement The information in this report that relates to Exploration Results is based on and fairly represents information and supporting documentation prepared by Mr Stephen John Barber (Exploration Manager of Morella Corporation Limited). Mr Barber is a member of the Australasian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration, and to the activities 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 Barber consents to the inclusion in this report of the matters based on his information in the form and context in which they appear.