MORELLA CORPORATION

ASX Announcement

6 July 2023

Mallina drilling increases strike and identifies new zones of mineralised spodumene.

Highlights

Extensions of known mineralised strike up to 300m with grades up to 1.87% Li_2O

New discoveries showing intersections of up to 1.66% Li_2O

Many pegmatites remain open both along strike and at depth

Planning underway for infill drilling around the most promising intercepts

Overview

Morella Corporation Limited (**ASX: 1MC** "Morella" or "the Company"), a global lithium explorer, is pleased to announce the latest drilling results from the Mallina Project (tenement E47/2983) that reveal the significant potential for the project. The Mallina Project (along with several other Western Australian tenements) forms part of a joint venture between Morella and current lithium producer Sayona Mining Limited (ASX:SYA) (Sayona) with Morella holding 51% of the joint venture.

The assay results from the recent drilling program have identified previously unknown areas of mineralisation, offering exciting new targets for further evaluation. In addition to the new targets, the assay results have provided extensions to existing mineralised zones. The four (4) mineralised zones identified to date cover a lateral extent in excess of five (5) kilometres and contain numerous stacked pegmatites with some of these currently delivering up to 950 metres in mineralised strike length.

The nature of the numerous pegmatite bodies that comprise the deposit suggests the strong possibility of additional lithium discoveries beyond the currently explored area.

Morella Managing Director James Brown said:

"The results from this drilling program continue to grow our expectations for the Mallina Project. We now have a project that has demonstrated the potential for scalability with further confirmed strike lengths as well as several exciting new discoveries to test. The future looks bright for this well-located, highly promising project with a commitment from Morella to accelerate additional drilling campaigns."

The Mallina Lithium Project

The project is located 110 kilometres southwest of Port Hedland and is accessible via the Northwest Coastal Highway in Western Australia (Figure 1). In 2021, Morella executed an earn-in agreement with ASX-listed Sayona, for the right to earn a 51% interest in the lithium rights of Sayona's Pilbara and Gascoyne lithium portfolio. Morella satisfied the requirements of the earn-in in December 2022 and is currently finalising the Joint Venture Agreement with Sayona.[1]

[1] Refer ASX Announcement *Morella completes earn-in requirements 20 December 2022*

Figure 1: Mallina Lithium Project

Drilling Program Results

During May 2023 a 35-hole drilling program was executed with the goal of targeting strike extension of mineralisation identified in previous drilling programs at all major mineralised pegmatite zones, as well as testing undrilled pegmatite targets focused around the Discovery area (Figure 2).

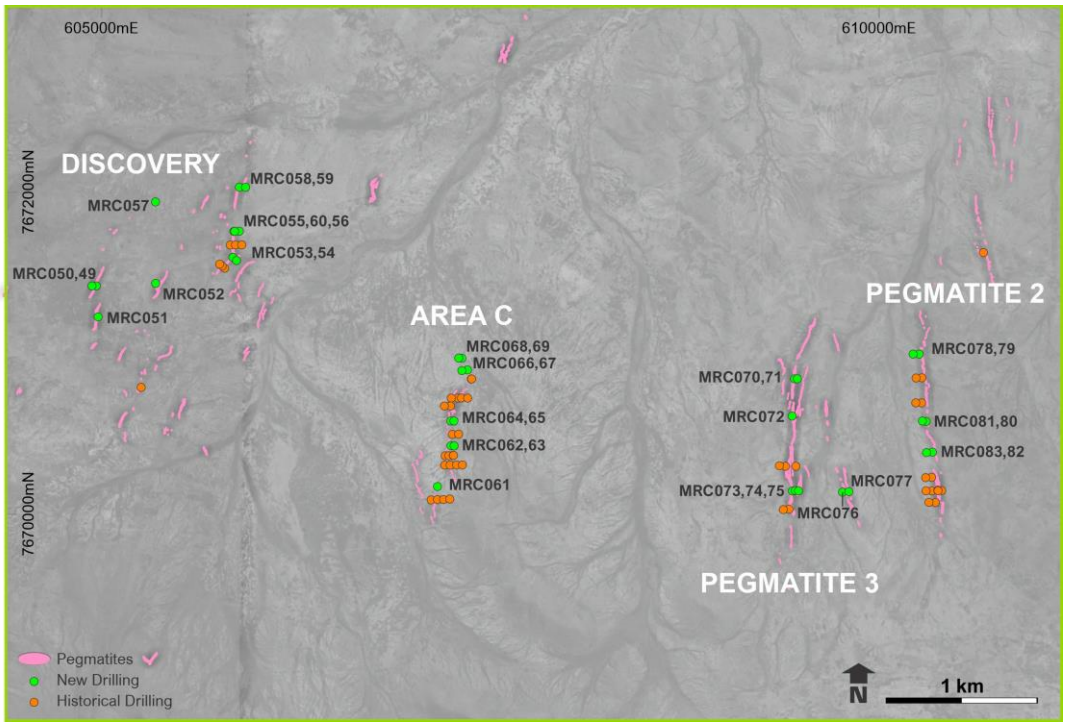

Figure 2: Mapped pegmatite outcrop with drillholes.

The 35 drill holes, totalling 2,200m, were completed in May 2023 by Topdrill using a Schramm C685 and a 5 ¼’ hammer (Figure 3).

Figure 3: Top Drill Rig #15

All pegmatite intervals were submitted for assay to ALS Global Laboratories Perth for 4-acid digest followed by ICP-MS analysis.

Significant lithium assay results from the drilling are shown in Table 1. The significant intercepts are also presented in Figures 4, 6 and 7 showing the drill collar locations.

Hole	Easting	Northing	From (m)	To (m)	Intercept
MRC049	604955	7671464	12	15	**3m @ 1.07% Li_2O**
MRC050	604927	7671464	54	57	**3m @ 1.37% Li_2O**
		inc.	54	55	**1m @ 1.66% Li_2O**
MRC050	604927	7671464	63	66	3m @ 0.84% Li_2O
MRC054	605858	7671620	15	19	4m @ 0.89% Li_2O
MRC057	605339	7671999	52	58	6m @ 0.77% Li_2O
MRC064	607229	7670584	17	20	3m @ 0.97% Li_2O
MRC065	607249	7670584	40	42	2m @ 0.88% Li_2O
MRC066	607339	7670910	54	60	6m @ 0.75% Li_2O
		inc.	59	60	**1m @ 1.28% Li_2O**
MRC078	610244	7670993	16	18	2m @ 0.79% Li_2O
MRC079	610205	7670993	48	50	2m @ 0.84% Li_2O
MRC081	610261	7670564	26	29	**3m @ 1.32% Li_2O**
MRC083	610286	7670362	54	59	5m @ 0.82% Li_2O
		Inc.	54	55	**1m @ 1.87% Li_2O**

Table 1: Significant Intercepts from the recent drilling campaign (>0.5 Li_2O%)

Discovery

The Discovery area covers a 1km by 1.5km pegmatite swarm which shows strong potential for additional mineralisation. Eleven (11) drill holes were used to target both extensions of known intercepts and the development of new mineralised targets.

The intercept in hole MRC057 has confirmed the extension of the mineralised strike length 300m northwards. The significant grade results in the previously undrilled pegmatite, shown in MRC049 and

MRC050 (Figure 4), confirm the potential for additional extensions in the development of Discovery. Given these factors, the Discovery prospect bears merit for further assessment.

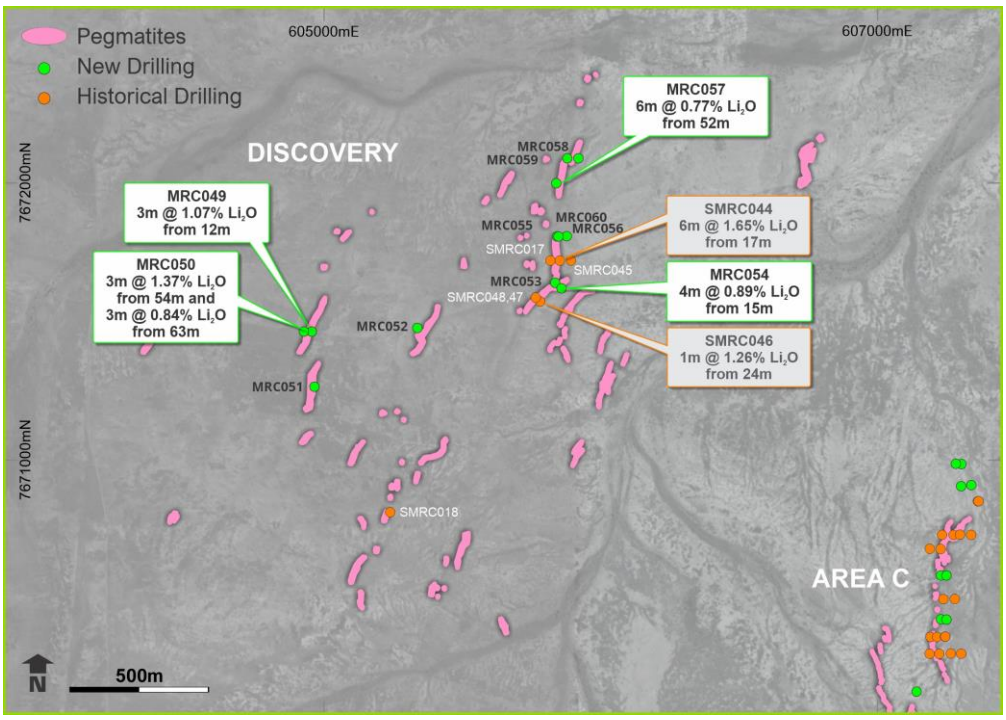

Figure 4: Discovery hole plan showing 300m northward strike extension.

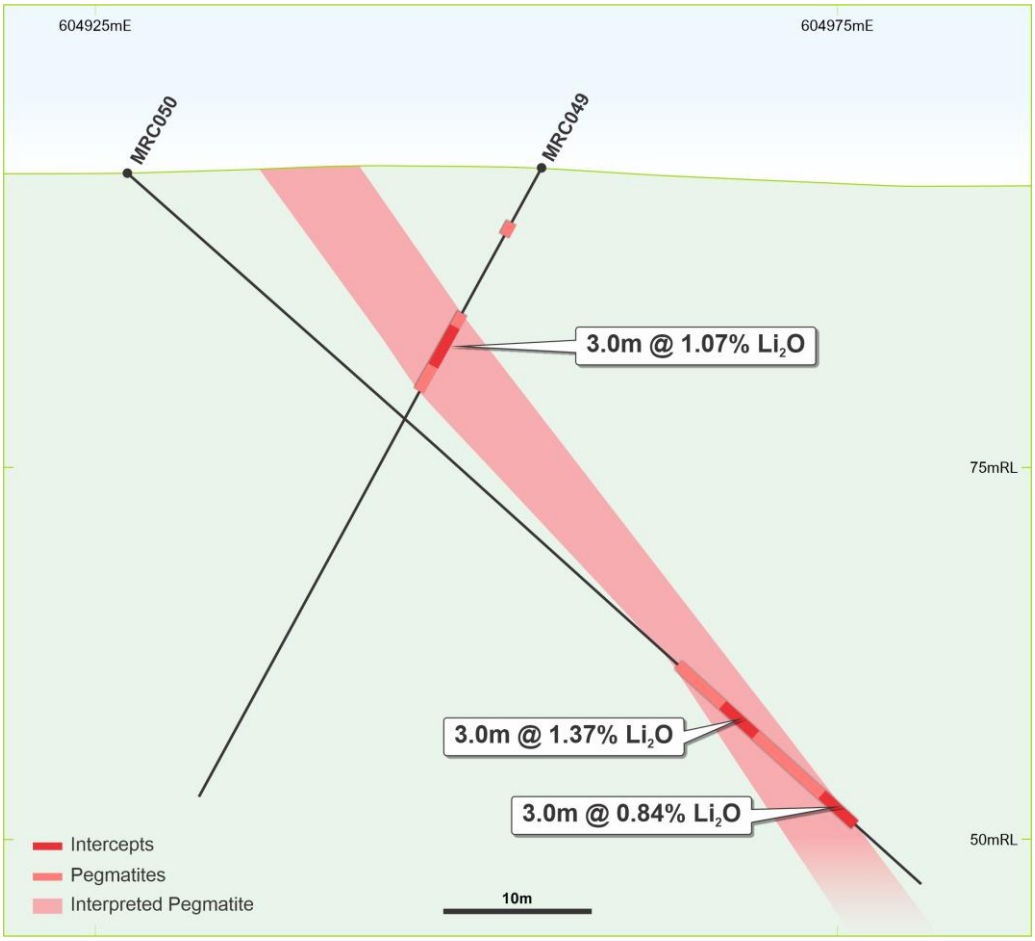

Figure 5: Discovery Section 7671460 showing new intercepts in MRC049 and MRC050

Area C

Area C consists of a 1km long series of pegmatites showing variable grades of mineralisation along strike with up to 2.18% Li_2O from surface in hole SMRC040 (Figure 6). Nine (9) drill holes were targeted to infill along strike, as well as exploring the northern strike extensions as the pegmatite drops below cover.

The results at MRC066 indicate the grade material continues below cover further along strike to the north and may indicate a more significant higher-grade pocket.

With the highest grades of the Mallina Project being in the northern sections of Area C, additional geophysics and drilling is required to test the boundaries of the high-grade pocket and to assess its continuity with the grades seen further to the south.

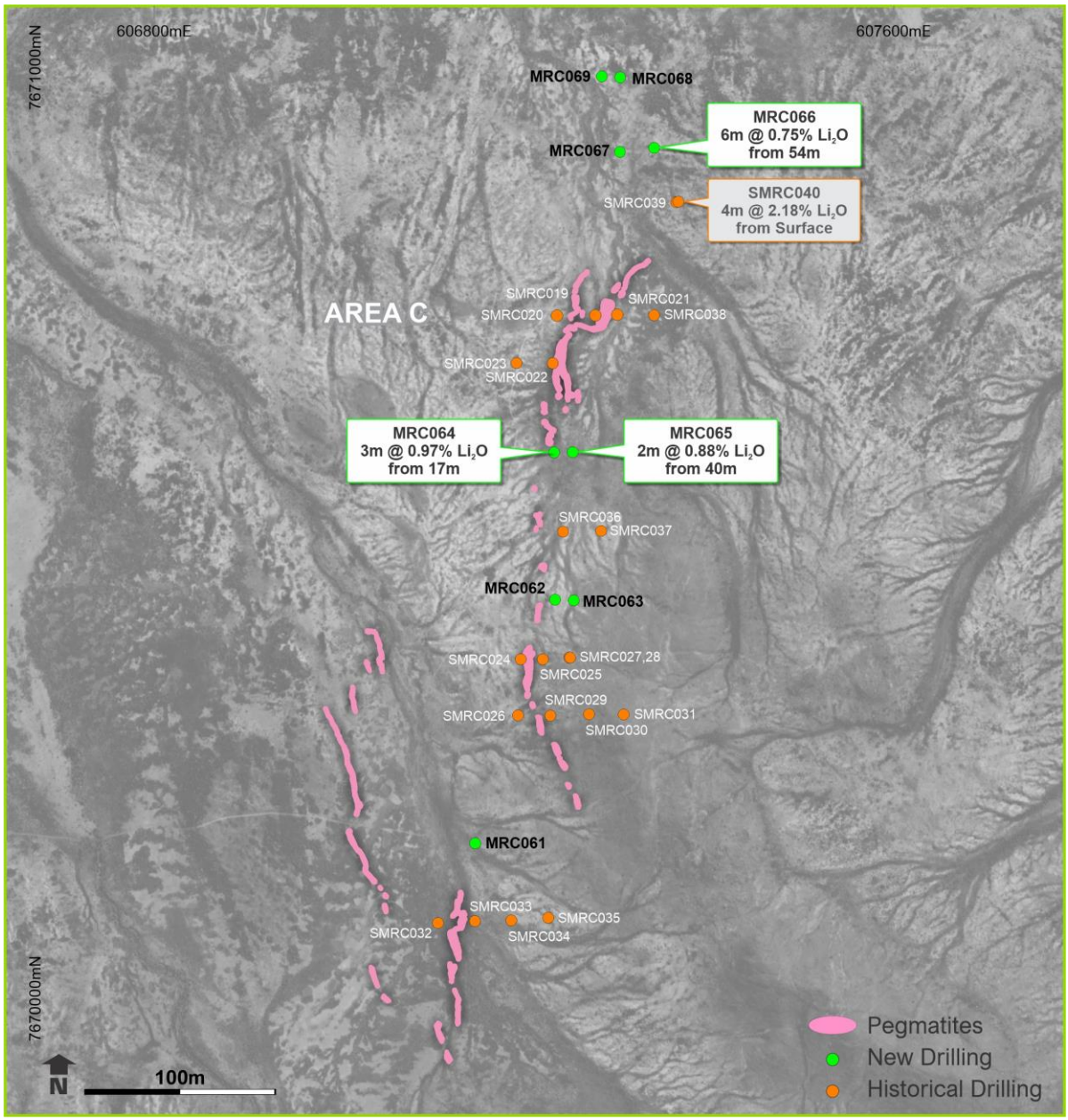

Figure 6: Area C hole plan

Pegmatite 2 and Pegmatite 3

Pegmatite 2 and Pegmatite 3 constitute two (2) separate 1.5km long pegmatite swarms with Pegmatite 2 representing the current highlight of the Mallina project (Figure 7).

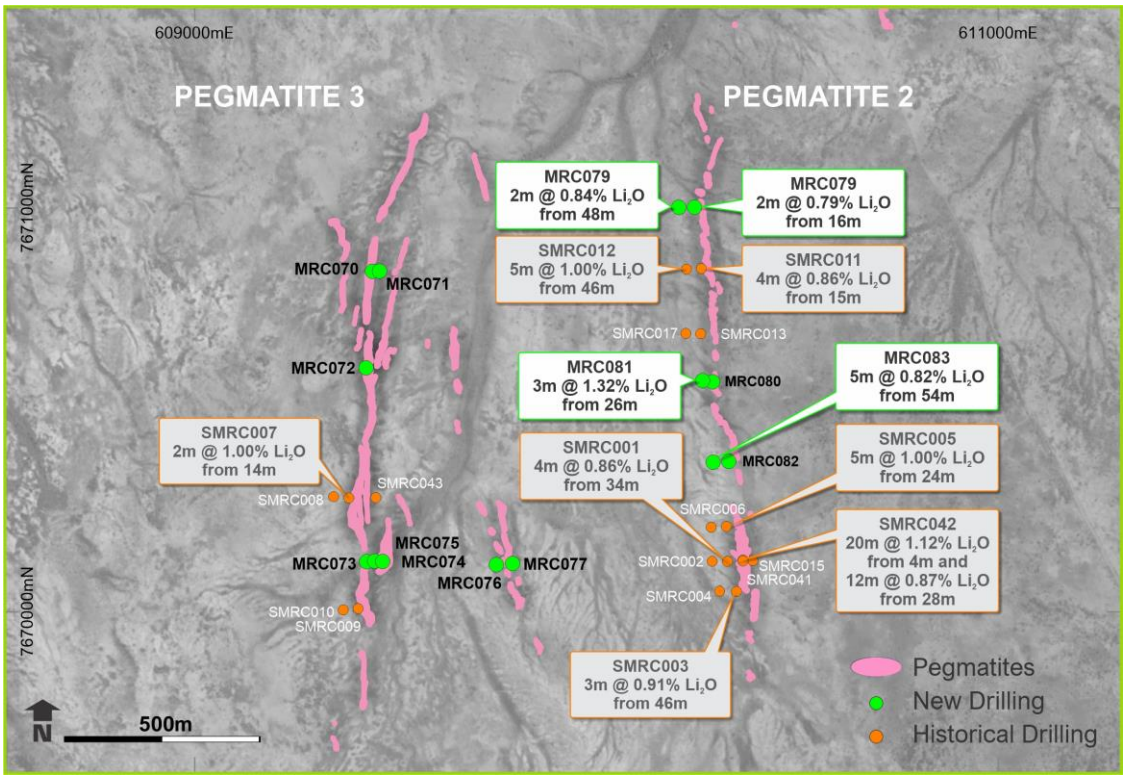

Figure 7: Pegmatite 2 and Pegmatite 3-hole plan showing northward strike extension of Pegmatite 2

With mineralisation confirmed along 1km of strike length and open at depth along a significant portion of the total strike (as shown in Figure 8), Pegmatite 2 is a prime target for further infill drilling to develop the understanding of the broadest segments, where the pegmatite is shown to be up to 20m in true thickness.

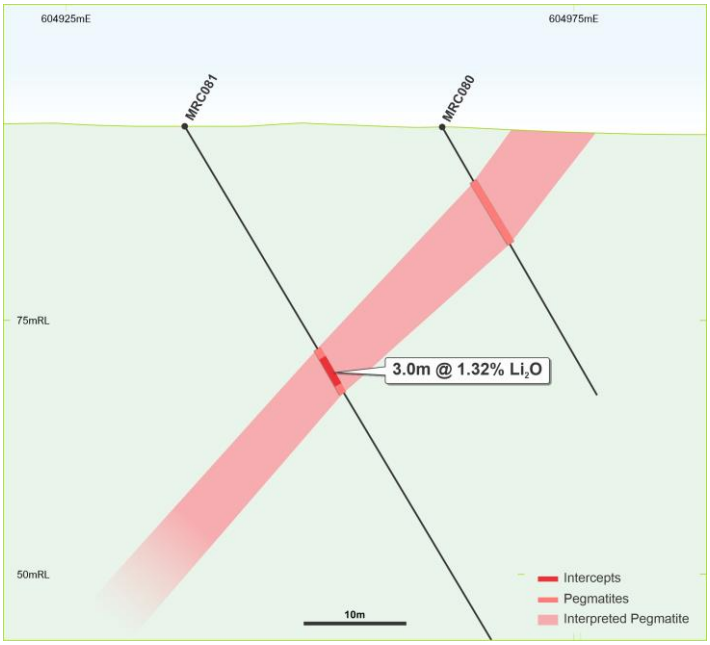

Figure 8: Pegmatite 2 Section 7670360 showing MRC080 and MRC081

Conclusions and next steps

The recently completed drill program at Mallina resulted in 35 holes totalling 2,200 metres, successfully identifying mineralised hits in newly developed pegmatite targets as well as strike extensions to many of the known mineralised zones.

Future work includes planning and executing additional drilling to further develop the identified mineralisation, as well as additional geochemical and geophysical surface techniques.

Contact for further information

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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 multiple lithium 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 surging demand for battery minerals, critical in enabling the global transition to green energy.

Forward Looking Statements and Important Notice This announcement may contain some references to forecasts, estimates, assumptions and other forward-looking statements. Although Morella believes that its expectations, estimates and forecast outcomes are based on reasonable assumptions, it can give no assurance that they will be achieved where matter lay beyond the control of Morella and its Officers. Forward looking statements may be affected by a variety of variables and changes in underlying assumptions that are subject to risk factors associated with the nature of the business, which could cause actual results to differ materially from those expressed herein.

Competent Person's Statement The information in this report that relates to Exploration Results is based on information compiled by Mr Henry Thomas, who is a Member of the Australasian Institute of Mining and Metallurgy and is the Exploration Manager employed by Morella Corporation. Mr Henry Thomas has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Mineral Resources'. Mr Henry Thomas consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

APPENDIX 1

MALLINA – COMPLETED DRILL HOLES

Hole ID	EAST	NORTH	RL	DIP	AZIMUTH	Drilled Depth	Area
MRC049	604955	7671464	95	-60	90	48	Discovery 3
MRC050	604927	7671464	95	-50	270	72	Discovery 3
MRC051	604965	7671265	95	-60	270	60	Discovery 3
MRC052	605337	7671477	95	-60	90	78	Discovery 2
MRC053	605835	7671640	90	-60	135	96	Discovery 1
MRC054	605858	7671620	90	-60	315	48	Discovery 1
MRC055	605842	7671807	90	-60	270	30	Discovery 1
MRC056	605877	7671808	90	-60	270	90	Discovery 1
MRC057	605339	7671999	90	-60	90	96	Discovery 1
MRC058	605879	7672089	90	-60	270	60	Discovery 1
MRC059	605919	7672089	90	-60	270	60	Discovery 1
MRC060	605847	7671807	90	-60	270	30	Discovery 1
MRC061	607141	7670165	95	-60	270	40	Area C
MRC062	607229	7670426	95	-60	270	40	Area C
MRC063	607249	7670425	95	-60	270	60	Area C
MRC064	607229	7670584	85	-60	270	40	Area C
MRC065	607249	7670584	85	-60	270	60	Area C
MRC066	607339	7670910	90	-60	90	96	Area C
MRC067	607302	7670906	90	-60	90	90	Area C
MRC068	607303	7670986	90	-60	90	36	Area C
MRC069	607283	7670987	90	-60	90	60	Area C
MRC070	609441	7670840	90	-60	270	50	Peg 3
MRC071	609459	7670840	90	-60	270	90	Peg 3
MRC072	609424	7670601	90	-60	90	36	Peg 3
MRC073	609422	7670122	90	-60	270	78	Peg 3
MRC074	609442	7670123	90	-60	270	80	Peg 3
MRC075	609462	7670122	90	-60	270	48	Peg 3
MRC076	609745	7670112	95	-60	90	100	Peg 2.5
MRC077	609785	7670115	95	-60	270	100	Peg 2.5
MRC078	610244	7670993	90	-60	90	40	Peg 2
MRC079	610205	7670993	90	-60	90	80	Peg 2
MRC080	610286	7670561	90	-60	90	30	Peg 2
MRC081	610261	7670564	90	-60	90	66	Peg 2
MRC082	610325	7670364	85	-60	90	40	Peg 2
MRC083	610286	7670362	85	-60	90	72	Peg 2

APPENDIX 2

DRILL SAMPLE ASSAY RESULTS

Hole ID	Sample ID	From	To	Li2O_%
MRC049	M002001	1	4	0.05
MRC049	M002002	4	5	0.01
MRC049	M002003	5	6	0.06
MRC049	M002004	6	7	0.06
MRC049	M002005	7	10	0.15
MRC049	M002006	10	11	0.12
MRC049	M002007	11	12	0.05
MRC049	M002008	12	13	1.02
MRC049	M002009	13	14	1.38
MRC049	M002010	14	15	0.79
MRC049	M002011	15	16	0.29
MRC049	M002012	16	17	0.48
MRC049	M002013	17	20	0.15
MRC049	M002014	20	23	0.09
MRC050	M002015	44	47	0.1
MRC050	M002016	47	50	0.15
MRC050	M002017	50	51	0.02
MRC050	M002018	51	52	0.02
MRC050	M002019	52	53	0.04
MRC050	M002020	53	54	0.03
MRC050	M002021	54	55	1.66
MRC050	M002023	55	56	1.25
MRC050	M002024	56	57	1.2
MRC050	M002026	57	58	0.1
MRC050	M002028	58	59	0.43
MRC050	M002029	59	60	0.11
MRC050	M002030	60	61	0.07
MRC050	M002031	61	62	0.08
MRC050	M002032	62	63	0.23
MRC050	M002033	63	64	0.69
MRC050	M002034	64	65	1.29
MRC050	M002035	65	66	0.53
MRC050	M002036	66	69	0.25
MRC050	M002037	69	72	0.29
MRC051	M002038	3	6	0.15
MRC051	M002039	6	9	0.14
MRC051	M002040	9	10	0.03
MRC051	M002041	10	11	0.12
MRC051	M002042	11	12	0.2
MRC051	M002043	12	13	0.04
MRC051	M002044	13	14	0.03

Hole ID	Sample ID	From	To	Li2O_%
MRC051	M002045	14	15	0.03
MRC051	M002046	15	16	0.14
MRC051	M002047	16	17	0.14
MRC051	M002049	17	18	0.15
MRC051	M002051	18	21	0.14
MRC051	M002052	21	24	0.11
MRC054	M002053	3	6	0.06
MRC054	M002054	6	9	0.05
MRC054	M002055	9	10	0.08
MRC054	M002056	10	11	0.24
MRC054	M002057	11	12	0.32
MRC054	M002059	12	13	0.15
MRC054	M002060	13	14	0.19
MRC054	M002061	14	15	0.04
MRC054	M002062	15	16	0.63
MRC054	M002063	16	17	0.75
MRC054	M002064	17	18	1.43
MRC054	M002065	18	19	0.74
MRC054	M002066	19	22	0.14
MRC054	M002067	22	25	0.12
MRC054	M002068	25	28	0.1
MRC054	M002069	28	30	0.11
MRC054	M002070	30	31	0.02
MRC054	M002071	31	32	0.04
MRC054	M002072	32	35	0.11
MRC054	M002073	35	38	0.13
MRC055	M002074	0	1	0.03
MRC055	M002076	1	2	0.03
MRC055	M002077	2	5	0.02
MRC055	M002078	5	8	0.04
MRC056	M002079	6	9	0.06
MRC056	M002080	9	12	0.04
MRC056	M002081	12	13	0.06
MRC056	M002082	13	14	0.01
MRC056	M002083	14	15	0.05
MRC056	M002084	15	16	0.09
MRC056	M002085	16	17	0.12
MRC056	M002086	17	20	0.11
MRC056	M002087	20	23	0.11
MRC056	M002088	23	24	0.02
MRC056	M002089	24	25	0.01
MRC056	M002091	25	26	0.01
MRC056	M002092	26	27	0.01
MRC056	M002093	27	28	0.01

Hole ID	Sample ID	From	To	Li2O_%
MRC056	M002094	28	29	0.06
MRC056	M002095	29	30	0.05
MRC056	M002096	30	31	0.08
MRC056	M002097	31	34	0.06
MRC056	M002098	34	37	0.07
MRC057	M002099	42	45	0.09
MRC057	M002100	45	48	0.09
MRC057	M002101	48	49	0.02
MRC057	M002103	49	50	0.01
MRC057	M002104	50	51	0.01
MRC057	M002106	51	52	0.01
MRC057	M002107	52	53	0.53
MRC057	M002108	53	54	0.3
MRC057	M002109	54	55	1.02
MRC057	M002110	55	56	1.01
MRC057	M002111	56	57	0.84
MRC057	M002112	57	58	0.84
MRC057	M002113	58	59	0.2
MRC057	M002114	59	60	0.12
MRC057	M002115	60	61	0.26
MRC057	M002116	61	62	0.11
MRC057	M002117	62	63	0.1
MRC057	M002118	63	64	0.4
MRC057	M002119	64	65	0.15
MRC057	M002120	65	66	0.04
MRC057	M002121	66	67	0.11
MRC057	M002122	67	68	0.01
MRC057	M002123	68	69	0.01
MRC057	M002124	69	70	0.05
MRC057	M002126	70	73	0.08
MRC057	M002127	73	76	0.07
MRC059	M002128	10	13	0.04
MRC059	M002129	13	16	0.05
MRC059	M002130	16	17	0.03
MRC059	M002131	17	18	0.05
MRC059	M002132	18	21	0.05
MRC059	M002133	21	24	0.08
MRC059	M002134	24	27	0.04
MRC059	M002135	27	30	0.02
MRC059	M002136	30	31	0.01
MRC059	M002137	31	34	0.04
MRC059	M002138	34	37	0.04
MRC062	M002139	23	26	0.16
MRC062	M002140	26	29	0.09

Hole ID	Sample ID	From	To	Li2O_%
MRC062	M002141	29	30	0.05
MRC062	M002142	30	31	0.05
MRC062	M002143	31	32	0.05
MRC062	M002144	32	33	0.2
MRC062	M002145	33	36	0.11
MRC062	M002146	36	39	0.08
MRC063	M002147	40	43	0.21
MRC063	M002148	43	46	0.23
MRC063	M002149	46	47	0.02
MRC063	M002150	47	48	0.09
MRC063	M002153	48	51	0.21
MRC063	M002154	51	54	0.18
MRC063	M002155	54	55	0.03
MRC063	M002156	55	56	0.06
MRC063	M002157	56	58	0.19
MRC063	M002158	58	60	0.1
MRC064	M002159	10	13	0.13
MRC064	M002160	13	16	0.23
MRC064	M002161	16	17	0.1
MRC064	M002162	17	18	0.72
MRC064	M002164	18	19	1.61
MRC064	M002165	19	20	0.58
MRC064	M002166	20	21	0.17
MRC064	M002167	21	22	0.07
MRC064	M002168	22	23	0.08
MRC064	M002169	23	26	0.13
MRC064	M002170	26	29	0.12
MRC065	M002171	30	33	0.09
MRC065	M002172	33	36	0.11
MRC065	M002173	36	37	0.12
MRC065	M002174	37	38	0.2
MRC065	M002176	38	39	0.24
MRC065	M002177	39	40	0.13
MRC065	M002178	40	41	1.09
MRC065	M002180	41	42	0.68
MRC065	M002181	42	43	0.13
MRC065	M002182	43	44	0.04
MRC065	M002183	44	45	0.16
MRC065	M002184	45	48	0.17
MRC065	M002185	48	51	0.14
MRC066	M002186	48	51	0.14
MRC066	M002187	51	54	0.23
MRC066	M002188	54	55	0.56
MRC066	M002189	55	56	0.87

Hole ID	Sample ID	From	To	Li2O_%
MRC066	M002191	56	57	0.7
MRC066	M002192	57	58	0.69
MRC066	M002193	58	59	0.39
MRC066	M002194	59	60	1.28
MRC066	M002195	60	61	0.11
MRC066	M002196	61	62	0.06
MRC066	M002197	62	63	0.14
MRC066	M002198	63	66	0.14
MRC066	M002199	66	69	0.11
MRC067	M002200	62	65	0.08
MRC067	M002201	65	68	0.16
MRC067	M002202	68	69	0.02
MRC067	M002205	69	70	0.05
MRC067	M002206	70	71	0.05
MRC067	M002207	71	72	0.02
MRC067	M002208	72	73	0.04
MRC067	M002209	73	74	0.03
MRC067	M002210	74	75	0.04
MRC067	M002211	75	76	0.05
MRC067	M002212	76	77	0.05
MRC067	M002213	77	78	0.06
MRC067	M002214	78	81	0.18
MRC067	M002215	81	84	0.14
MRC067	M002216	84	87	0.19
MRC067	M002217	87	88	0.2
MRC067	M002218	88	89	0.03
MRC067	M002219	89	90	0.12
MRC068	M002220	7	10	0.09
MRC068	M002221	10	13	0.07
MRC068	M002222	13	14	0.02
MRC068	M002223	14	15	0.02
MRC068	M002224	15	16	0.01
MRC068	M002226	16	17	0.01
MRC068	M002227	17	20	0.07
MRC068	M002228	20	23	0.04
MRC069	M002229	8	11	0.05
MRC069	M002230	11	14	0.05
MRC069	M002231	14	15	0.01
MRC069	M002232	15	16	0.01
MRC069	M002233	16	19	0.07
MRC069	M002234	19	22	0.08
MRC070	M002235	1	4	0.06
MRC070	M002236	4	5	0.02
MRC070	M002237	5	6	0.02

Hole ID	Sample ID	From	To	Li2O_%
MRC070	M002238	6	7	0.03
MRC070	M002239	7	8	0.02
MRC070	M002240	8	9	0.02
MRC070	M002241	9	10	0.02
MRC070	M002242	10	11	0.01
MRC070	M002243	11	12	0.01
MRC070	M002244	12	13	0.01
MRC070	M002245	13	14	0.01
MRC070	M002246	14	15	0.01
MRC070	M002247	15	16	0.01
MRC070	M002248	16	17	0.01
MRC070	M002249	17	18	0.01
MRC070	M002251	18	19	0.13
MRC070	M002252	19	20	0.1
MRC070	M002253	20	21	0.1
MRC070	M002254	21	22	0.03
MRC070	M002255	22	23	0.02
MRC070	M002256	23	24	0.01
MRC070	M002257	24	25	0.01
MRC070	M002258	25	26	0.01
MRC070	M002259	26	27	0
MRC070	M002260	27	28	0.01
MRC070	M002261	28	29	0.01
MRC070	M002262	29	30	0.01
MRC070	M002263	30	31	0.01
MRC070	M002264	31	32	0.01
MRC070	M002265	32	33	0.01
MRC070	M002266	33	34	0.01
MRC070	M002267	34	35	0.06
MRC070	M002268	35	36	0.08
MRC070	M002269	36	37	0.09
MRC070	M002270	37	38	0.1
MRC070	M002271	38	39	0.1
MRC070	M002272	39	40	0.08
MRC070	M002273	40	41	0.05
MRC070	M002274	41	42	0.04
MRC070	M002276	42	43	0.02
MRC070	M002277	43	44	0.09
MRC070	M002278	44	47	0.1
MRC070	M002279	47	50	0.07
MRC071	M002280	65	68	0.06
MRC071	M002281	68	71	0.07
MRC071	M002282	71	72	0.03
MRC071	M002283	72	73	0.04

Hole ID	Sample ID	From	To	Li2O_%
MRC071	M002284	73	76	0.07
MRC071	M002285	76	79	0.07
MRC072	M002286	2	5	0.07
MRC072	M002287	5	6	0.02
MRC072	M002288	6	7	0.01
MRC072	M002289	7	8	0.01
MRC072	M002290	8	9	0.01
MRC072	M002291	9	10	0.01
MRC072	M002292	10	11	0.01
MRC072	M002293	11	12	0.01
MRC072	M002294	12	13	0.18
MRC072	M002295	13	14	0.04
MRC072	M002296	14	15	0.1
MRC072	M002297	15	16	0.03
MRC072	M002298	16	17	0.01
MRC072	M002299	17	18	0.05
MRC072	M002301	18	19	0.14
MRC072	M002302	19	20	0.1
MRC072	M002303	20	23	0.11
MRC072	M002304	23	26	0.09
MRC072	M002305	26	28	0.08
MRC072	M002306	28	31	0.13
MRC072	M002307	31	34	0.08
MRC072	M002308	34	35	0.04
MRC072	M002309	35	36	0.01
MRC073	M002310	0	2	0.02
MRC073	M002311	2	3	0.02
MRC073	M002312	3	4	0.01
MRC073	M002313	4	5	0.01
MRC073	M002314	5	6	0.07
MRC073	M002315	6	7	0.12
MRC073	M002317	7	10	0.12
MRC073	M002318	10	13	0.12
MRC073	M002319	13	16	0.12
MRC073	M002320	16	19	0.11
MRC073	M002321	19	22	0.09
MRC073	M002322	22	23	0.06
MRC073	M002323	23	24	0.13
MRC073	M002324	24	26	0.13
MRC073	M002325	26	28	0.27
MRC073	M002326	28	29	0.11
MRC073	M002328	29	30	0.05
MRC073	M002329	30	31	0.03
MRC073	M002330	31	32	0.04

Hole ID	Sample ID	From	To	Li2O_%
MRC073	M002331	32	33	0.03
MRC073	M002332	33	34	0.04
MRC073	M002333	34	35	0.04
MRC073	M002334	35	36	0.04
MRC073	M002335	36	37	0.45
MRC073	M002336	37	38	0.45
MRC073	M002337	38	39	0.15
MRC073	M002338	39	40	0.4
MRC073	M002339	40	42	0.48
MRC073	M002340	42	44	0.38
MRC073	M002341	44	45	0.1
MRC073	M002342	45	46	0.03
MRC073	M002344	46	47	0.03
MRC073	M002345	47	48	0.04
MRC073	M002346	48	49	0.08
MRC073	M002347	49	52	0.23
MRC073	M002348	52	55	0.27
MRC073	M002349	55	56	0.17
MRC073	M002351	56	57	0.03
MRC073	M002352	57	58	0.03
MRC073	M002353	58	59	0.02
MRC073	M002354	59	60	0.02
MRC073	M002355	60	61	0.21
MRC073	M002356	61	62	0.3
MRC073	M002357	62	63	0.09
MRC073	M002358	63	64	0.06
MRC073	M002359	64	65	0.18
MRC073	M002360	65	66	0.14
MRC073	M002361	66	67	0.02
MRC073	M002362	67	68	0.03
MRC073	M002363	68	69	0.02
MRC073	M002364	69	70	0.02
MRC073	M002365	70	71	0.04
MRC073	M002366	71	72	0.02
MRC073	M002367	72	73	0.23
MRC073	M002368	73	76	0.24
MRC073	M002369	76	78	0.22
MRC075	M002370	36	39	0.05
MRC075	M002371	39	42	0.05
MRC075	M002372	42	43	0
MRC075	M002373	43	44	0.03
MRC075	M002374	44	47	0.08
MRC075	M002375	47	48	0.07
MRC076	M002376	18	21	0.04

Hole ID	Sample ID	From	To	Li2O_%
MRC076	M002377	21	24	0.04
MRC076	M002378	24	25	0.02
MRC076	M002380	25	26	0.01
MRC076	M002381	26	27	0.04
MRC076	M002382	27	30	0.07
MRC076	M002383	30	33	0.06
MRC076	M002384	39	42	0.05
MRC076	M002385	42	45	0.07
MRC076	M002386	45	46	0.01
MRC076	M002387	46	47	0
MRC076	M002388	47	48	0.01
MRC076	M002389	48	49	0.01
MRC076	M002390	49	50	0.05
MRC076	M002391	50	53	0.05
MRC076	M002392	53	56	0.04
MRC076	M002393	56	59	0.03
MRC076	M002394	59	60	0.04
MRC076	M002395	60	61	0.03
MRC076	M002396	61	62	0.02
MRC076	M002397	62	63	0.03
MRC076	M002398	63	66	0.05
MRC076	M002399	66	69	0.03
MRC077	M002400	10	13	0.04
MRC077	M002401	13	16	0.05
MRC077	M002402	16	17	0.04
MRC077	M002404	17	18	0
MRC077	M002405	18	19	0.01
MRC077	M002406	19	20	0.01
MRC077	M002407	20	21	0.01
MRC077	M002408	21	22	0.05
MRC077	M002409	22	23	0.07
MRC077	M002410	23	26	0.05
MRC077	M002411	26	29	0.06
MRC078	M002412	9	12	0.05
MRC078	M002413	12	15	0.18
MRC078	M002414	15	16	0.49
MRC078	M002415	16	17	0.87
MRC078	M002416	17	18	0.71
MRC078	M002417	18	19	0.1
MRC078	M002418	19	20	0.18
MRC078	M002420	20	23	0.11
MRC078	M002421	23	26	0.07
MRC078	M002422	29	32	0.06
MRC078	M002423	32	35	0.07

Hole ID	Sample ID	From	To	Li2O_%
MRC078	M002424	35	36	0.02
MRC078	M002426	36	37	0.05
MRC078	M002427	37	40	0.05
MRC079	M002428	15	18	0.03
MRC079	M002429	18	21	0.03
MRC079	M002430	21	22	0.01
MRC079	M002431	22	23	0.01
MRC079	M002432	23	24	0.01
MRC079	M002433	24	25	0
MRC079	M002434	25	26	0.01
MRC079	M002435	26	27	0.01
MRC079	M002436	27	28	0.01
MRC079	M002437	28	29	0.03
MRC079	M002438	29	30	0.08
MRC079	M002439	30	33	0.06
MRC079	M002440	33	36	0.05
MRC079	M002441	42	45	0.08
MRC079	M002442	45	48	0.12
MRC079	M002443	48	49	1.02
MRC079	M002444	49	50	0.65
MRC079	M002445	50	51	0.08
MRC079	M002446	51	52	0.06
MRC079	M002447	52	55	0.16
MRC079	M002448	55	58	0.14
MRC080	M002449	1	3	0.09
MRC080	M002450	3	6	0.15
MRC080	M002451	6	7	0.03
MRC080	M002453	7	8	0.07
MRC080	M002454	8	9	0.26
MRC080	M002455	9	10	0.21
MRC080	M002456	10	11	0.17
MRC080	M002457	11	12	0.13
MRC080	M002458	12	13	0.05
MRC080	M002459	13	16	0.09
MRC080	M002460	16	19	0.08
MRC081	M002461	18	21	0.08
MRC081	M002462	21	24	0.17
MRC081	M002463	24	25	0.24
MRC081	M002464	25	26	0.16
MRC081	M002465	26	27	1.77
MRC081	M002466	27	28	1.44
MRC081	M002467	28	29	0.74
MRC081	M002469	29	30	0.04
MRC081	M002470	30	33	0.15

Hole ID	Sample ID	From	To	Li2O_%
MRC081	M002471	33	36	0.13
MRC082	M002472	6	9	0.12
MRC082	M002473	9	12	0.1
MRC082	M002474	12	13	0.16
MRC082	M002476	13	14	0.05
MRC082	M002477	14	15	0.04
MRC082	M002478	15	16	0.25
MRC082	M002479	16	17	0.04
MRC082	M002480	17	18	0.02
MRC082	M002481	18	19	0.03
MRC082	M002482	19	20	0.03
MRC082	M002483	20	21	0.16
MRC082	M002484	21	22	0.4
MRC082	M002485	22	23	0.1
MRC082	M002486	23	26	0.13
MRC082	M002487	26	29	0.12
MRC083	M002488	41	44	0.11
MRC083	M002489	44	47	0.1
MRC083	M002490	47	48	0.05
MRC083	M002491	48	49	0.03
MRC083	M002492	49	50	0.13
MRC083	M002493	50	51	0.06
MRC083	M002494	51	52	0.01
MRC083	M002495	52	53	0.05
MRC083	M002496	53	54	0.19
MRC083	M002497	54	55	1.86
MRC083	M002498	55	56	0.34
MRC083	M002499	56	57	0.23
MRC083	M002500	57	58	0.98
MRC083	M002502	58	59	0.68
MRC083	M002504	59	60	0.14
MRC083	M002505	60	63	0.13
MRC083	M002506	63	66	0.11

JORC CODE, 2012 EDITION – TABLE 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• RC drill samples were collected at 1m intervals via a rig mounted cone splitter. • Visual observation techniques were used for sample collection. • RC drill hole chip samples were collected in one-metre intervals from the beginning to the end of each hole. Each sample was split directly using a cone splitter into numbered calico bags. The remaining material for each interval was collected directly into buckets that were placed near the drill rig for geological logging. • All potentially mineralised intervals were sampled.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	• Drilling method was Reverse Circulation (RC). • The drilling contractor was TopDrill Pty Ltd with a Schramm 2 685 track mounted rig using a 5 5/8 inch rod string and RC Hammer. • Holes were nominally drilled at -60 degrees
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• No loss of sample recovery or quality was noted during drilling. • Appropriate use of downhole pressure kept the RC drill cuttings dry. • Samples are considered to be representative of the drilled intervals. • Sample bias was not introduced during the drilling.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* • *The total length and percentage of the relevant intersections logged.*	• RC holes were geologically logged by rig geologists. • Representative drill chips for each one-metre interval in the RC holes were collected by the Rig Geologist. The drill chips from these intervals were dry and wet sieved and the geology/lithology was logged. The lithology logging was undertaken on the one-metre intervals to document the lithology, colour, texture, alteration and mineralisation of each interval using standardised logging codes. • A representative washed chip sample for each one-metre interval was placed in chip trays for future reference. • The lithology logging was considered quantitative in nature. • All recovered RC drill chips were logged.

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• RC Drill samples were collected at the time of drilling via a cone splitter. • Sampling of cuttings was carried out following industry standards. • RC samples were normally dry. If water was present, it was expelled from the hole before a sample was collected. • Sixteen (16) Duplicate samples for analyses were collected from selected intervals to assist QA/QC assessment work. • The sample size is considered appropriate given the grain size of the material being sampled.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• Mineralogical and geochemical assay samples were dispatched to ALS Global in Perth, a certified laboratory. • Appropriate sampling methods were adopted. • No handheld tools were used. • Sample duplicates, and Certified Reference Material (CRM) are inserted into the sample sequence for QA/QC purposes. • Lab duplicates and Lab inserted CRM all performed within acceptable limits • No external laboratory checks have been completed at this stage.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data*	• No external verification has yet been completed. • No twinned holes were drilled. • All completed RC holes were logged. • Assay data was provided by the laboratory as certified data files, once completed. • Data listing survey, lithology and sample numbers were recorded. Data validation was completed.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• The drill hole collars were surveyed by Morella personnel using a handheld GPS unit (with an error of +/- 3 m). • The Grid System used was Australian Geodetic MGA Zone 50 (GDA94). • The level of topographic control offered by a handheld GPS was considered sufficient for the work undertaken.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• The drilling spacing is considered appropriate for the reporting of the exploration results • No Mineral Resource or Ore Reserve Estimates have been completed. • Normally one-metre RC drill hole chip samples were prepared for sample submission. • No sample compositing was applied.

Criteria	JORC Code explanation	Commentary
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Drilling was generally orthogonal to the orientation of the pegmatites, minimising potential sample bias. • The drilling of understood pegmatite units was targeted to drill across dip as is industry standard practice. • New or poorly understood pegmatite units were targeted from both directions in order to establish a representative intercept.
Sample security	• *The measures taken to ensure sample security.*	• The chain of custody for sampling procedures and sample analysis was managed by the rig geologists during drilling. • Industry standard sample security and storage was undertaken.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits or reviews of the data have been conducted at this stage.

Section 2 Reporting of Exploration Results

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The project lies within the E47/2983 exploration tenement which was granted on 13 August 2014. • The tenement is owned 100% by Sayona Lithium Pty Ltd (a wholly owned subsidiary of Sayona Mining Limited). • Sayona and Morella have entered into a Joint Venture agreement with the right to a 51% interest in the Lithium rights over E47/2983 (and other tenements). • Sayona has granted Morella the right to access and conduct exploration on the tenement. • The tenement is in good standing and there is no known impediment to obtaining a licence to operate.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Lithium was discovered on the tenement (including the collection of 23 rock samples) in late 2016. • An initial 47 hole RC drill program was conducted by Sayona in 2017.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The spodumene-bearing dykes at Mallina are recognised as composite or hybrid intrusions of early monzogranite and latter aplite phases. • The various phases are typical components of the Split Rock Supersuite, which is considered the fundamental control on the formation of rare-metal spodumene-bearing pegmatite systems across the region from Pilgangoora through to Wodgina, and northwards to the Mallina

Criteria	JORC Code explanation	Commentary
		Basin. • Fine spodumene in the hybrid intrusions at Mallina is contained within a distinct aplite phase, that can be geochemically differentiated in the existing rock-chip and drill-hole assay datasets. • The presence of fine spodumene in an aplite is not without regional precedence within the rocks of the Split Rock Supersuite, as this association has been recognised in the Pilgangoora district.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* • *easting and northing of the drill hole collar* • *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* • *dip and azimuth of the hole* • *down hole length and interception depth* • *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case*	• Morella completed RC drilling at Mallina. • Thirty Five (35) RC drill holes were drilled, totalling 2,200m. • Relevant drill hole information has been provided in this release. • No information has been excluded.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low-grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated*	• No metal equivalent values have been included. • The aggregate intercepts are representative and do not contain large lengths of low-grade results.
Relationship between mineralisation widths and intercept length	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	• There is insufficient data for a relationship between mineralisation widths and intercept lengths to be reported. • The true width of the mineralisation is not known, only down hole length is reported.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Appropriate information has been included in this release.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Balanced reporting has been completed.

Criteria	JORC Code explanation	Commentary
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• No other exploration data to report.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Mineralogical studies and geochemical assay work is planned to be completed once the samples are returned to Perth. • Further work will be planned once the mineralogical study and geochemical assay results are evaluated.