ASX Announcement

31 March 2026

Drilling Completed at Mt Edon – Broad Pegmatite Intercepts Support Resource Potential

Highlights

- RC drilling program completed at the Mt Edon Rubidium-Lithium Project
- 20 holes drilled for ~1,700m
- Eleven (11) holes intersected pegmatite intervals greater than 30m
- Maximum pegmatite intercept of 84 m (MER046), terminating in pegmatite
- Multiple broad pegmatite zones identified, supporting continuity of the system
- Program advances geological understanding and supports progression toward a maiden Mineral Resource Estimate
- Assay results expected in the coming weeks

Morella Corporation Limited (**ASX: 1MC**) (**Morella** or the **Company)** is pleased to advise that the current reverse circulation (RC) drilling program at the Mt Edon Rubidium–Lithium Project (Project) in Western Australia has been completed.

The program forms part of the Morella-Elevra Joint Venture strategy to advance the Project toward a maiden Mineral Resource Estimate (MRE).

Strong Pegmatite Development

Geological logging confirms widespread pegmatite development across the Sophie prospect, with multiple broad intercepts demonstrating consistent thickness and continuity.

Significant pegmatite intercepts include:

- MER046: 84m pegmatite from 18m (hole terminated in pegmatite)
- MER036: 69m pegmatite from 63m
- MER048: 53m pegmatite from 3m
- MER045: 51m pegmatite from 2m
- MER043: 46m pegmatite from 15m
- MER035: 42m pegmatite from 56m
- MER034: 41m pegmatite from 75m

In total, eleven (11) holes returned pegmatite intercepts exceeding 30m, with an average intercept thickness of approximately 40-45m across the main zones. Drill hole, MER046, terminated in pegmatite, indicating the system remains open and may extend further at depth.

The consistency of intercept thickness and distribution supports the potential for meaningful tonnage within the Sophie pegmatite system. These results, combined with previous drilling[1], confirm the presence of multiple substantial pegmatite bodies and support the interpretation of a continuous and laterally extensive system. These intercepts are distributed across a continuous pegmatite corridor, as illustrated in Figure 1 below.

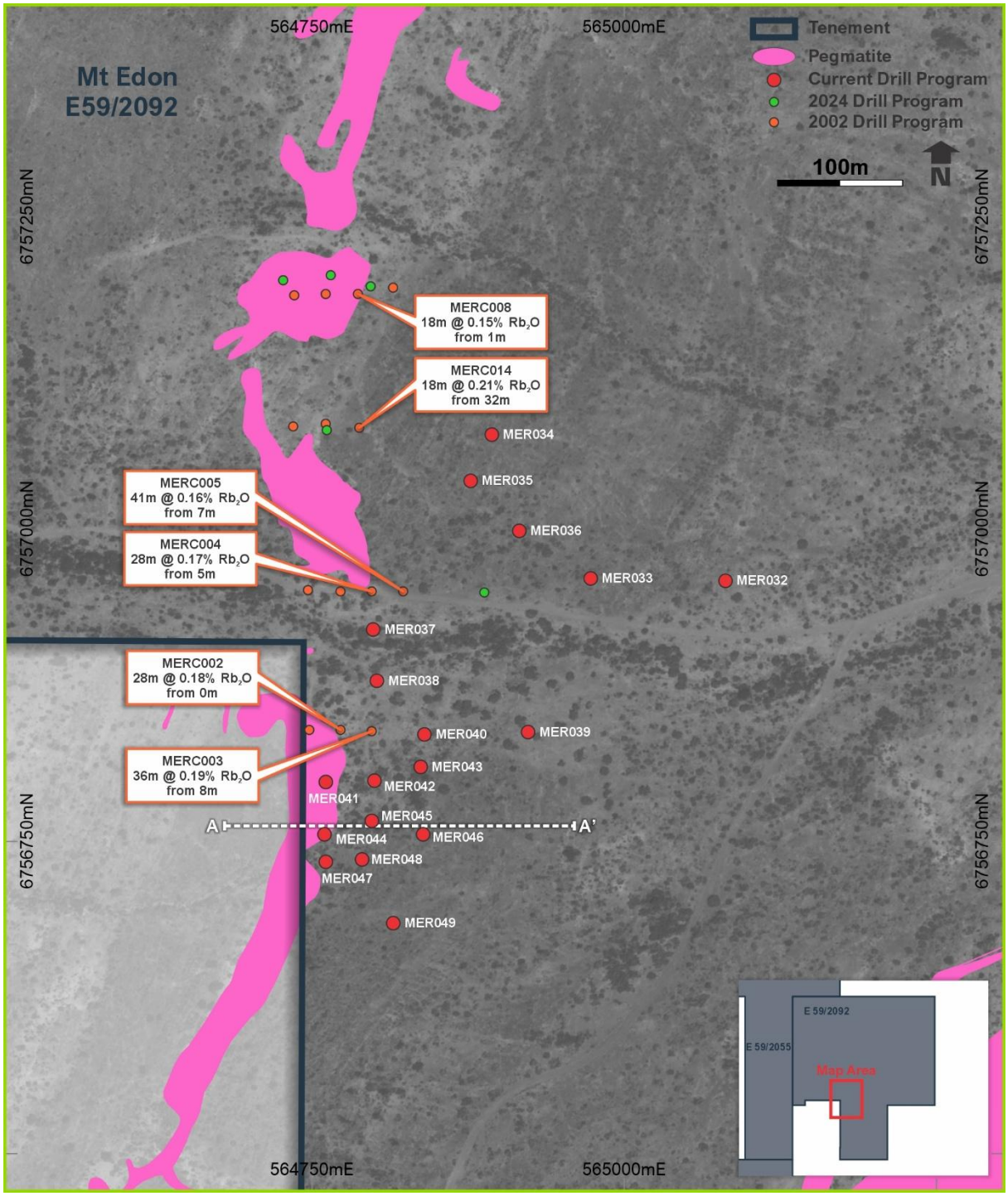

Figure 1 – Mt Edon Drillhole Location Plan

[1] Refer ASX Announcement – Drilling at Mt Edon Reveals Rubidium Discoveries dated 5 December 2024.

Program Outcomes

The drill program was designed to:

- Increase drill density within the core mineralised zones.
- Test strike and depth extensions of the pegmatite system.
- Collect samples to support geological modelling and resource estimation.

The program has successfully:

- Defined key pegmatite domains across the Sophie prospect.
- Improved understanding of the geometry and continuity of the system.
- Delivered representative samples for multi-element geochemical analysis.

Drilling was adaptively managed in the field, with the program refined based on geological observations to focus on the most prospective zones.

Geological Interpretation

Drilling has identified two (2) principal pegmatite bodies within the Sophie area, separated by a zone of limited mineralisation, both of which remain open along strike and at depth. Both pegmatites display consistent thickness and continuity across the drilled sections.

These observations provide a strong framework for geological modelling and resource estimation.

All observations are based on visual geological logging. Assay results are required to confirm lithium and rubidium grades, and no assumptions are made at this stage regarding grade or economic significance.

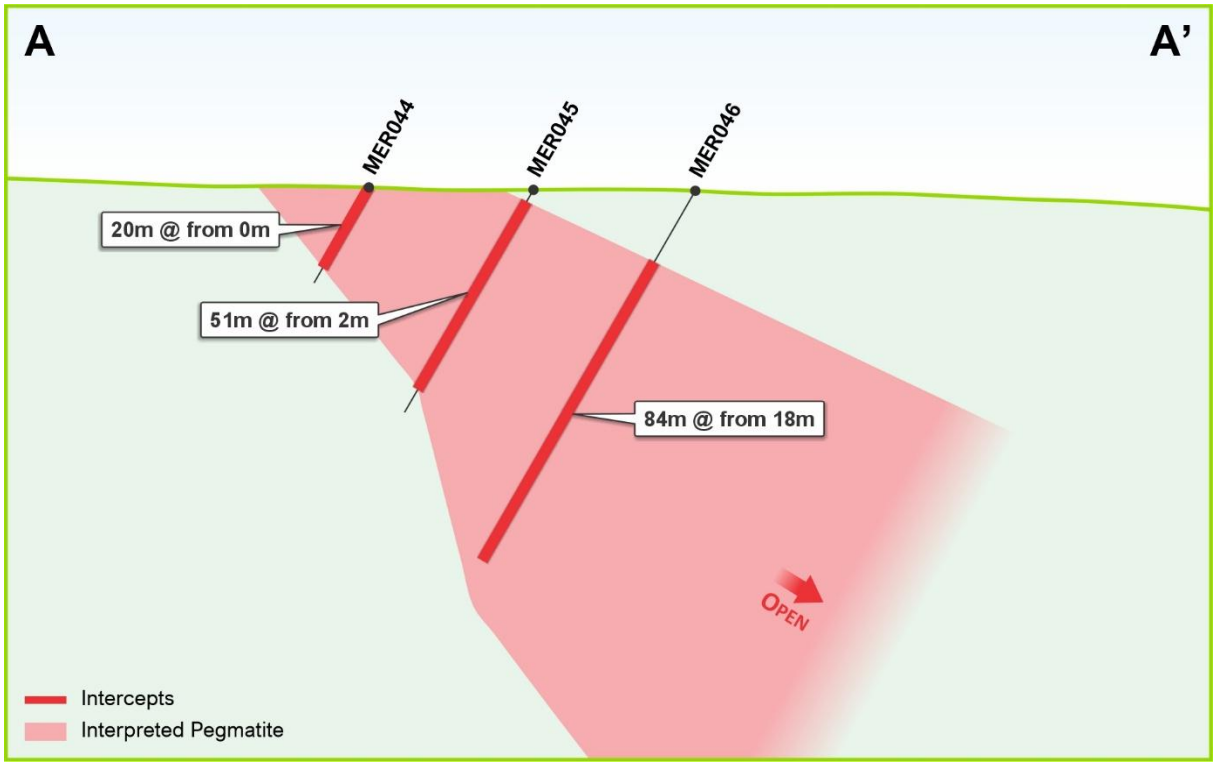

Figure 2: Cross section A–A' showing interpreted pegmatite geometry and selected drill intercepts

Next Steps

- Receipt of assay results (expected in the coming weeks).
- Integration of results into the geological model.
- Progression toward a maiden MRE.
- Planning of follow-up drilling to test extensions and support mineral resource growth

Figure 3: Mica rich sample from MER042 (12-13m)

Morella Managing Director James Brown said:

"The drilling has delivered a strong outcome, with multiple broad pegmatite intercepts confirming the scale and continuity of the system at Sophie.

Importantly, we are seeing consistent thickness across multiple holes, including several very wide intervals, and in some cases, pegmatite remains open at depth. This provides a solid foundation for resource modelling.

The program was completed safely and efficiently, which is a credit to our in-house exploration team and contractors. We look forward to receiving assay results and progressing the project toward a maiden Mineral Resource Estimate."

About Mt Edon

The Mt Edon Project is located in Western Australia and hosts rubidium-bearing pegmatite mineralisation with associated lithium potential. The Project has demonstrated extensive pegmatite development and mineralised continuity, providing a solid foundation for resource definition.

About rubidium

Rubidium (Rb) is a rare alkali metal that typically occurs within highly fractionated lithium–caesium–tantalum (LCT) pegmatites, often associated with minerals such as microcline, lepidolite and pollucite. It is primarily used in specialty glass formulations, advanced electronics, atomic clocks, fibre-optic systems and medical imaging technologies.

Global rubidium supply remains extremely limited, with most material produced as a by-product from small lepidolite or pollucite operations. Production is concentrated in only a handful of jurisdictions, and the market remains thin, opaque and highly constrained. Due to its scarcity and strategic importance, rubidium is listed as a critical mineral in multiple jurisdictions, including the United States and the European Union.

Mt Edon's microcline-hosted rubidium mineralisation positions Morella - through the Morella–Elevra JV - to participate in the emerging critical minerals sector and to evaluate potential downstream opportunities aligned with its broader lithium and battery materials portfolio.

Contact for further information

Investors | Shareholders

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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 advancing a portfolio of critical minerals across Tier 1 jurisdictions in Australia and the United States of America. With active exploration underway in lithium, rubidium, and now titanium, Morella is committed to securing raw materials essential for clean energy transition and high-value industrial applications.

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.

APPENDIX 1

Recent Drill program holes referenced within the text and displayed on figures

Hole ID	Prospect	EAST	NORTH	RL	DIP	AZIMUTH	Drilled Depth
MER032	Sophie	565081	6756960	336	-60	270	150
MER033	Sophie	564973	6756962	340	-60	270	144
MER034	Sophie	564894	6757077	350	-60	270	120
MER035	Sophie	564877	6757040	341	-60	270	108
MER036	Sophie	564916	6757000	341	-60	270	140
MER037	Sophie	564799	6756921	341	-60	270	27
MER038	Sophie	564802	6756880	341	-60	270	60
MER039	Sophie	564923	6756839	337	-60	270	198
MER040	Sophie	564840	6756837	341	-60	270	72
MER041	Sophie	564761	6756799	341	-60	270	24
MER042	Sophie	564800	6756800	341	-60	270	54
MER043	Sophie	564837	6756811	341	-60	270	66
MER044	Sophie	564760	6756757	341	-60	270	24
MER045	Sophie	564798	6756768	341	-60	270	60
MER046	Sophie	564839	6756757	341	-60	270	102
MER047	Sophie	564761	6756735	343	-60	270	108
MER048	Sophie	564790	6756737	344	-60	270	138
MER049	Sophie	564815	6756686	349	-60	270	78
MER050	Mt Edon W	562313	6758020	314	-60	270	90
MER051	Mt Edon W	562321	6758121	314	-60	270	100

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. Composite samples were collected from the bulk residue piles by spear sampling. • 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.).*	• The drilling method was Reverse Circulation (RC). • The drilling contractor was NexGen Drilling with a Schramm 450 track mounted rig using a 130mm 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, with exception of MER048 resulting in early termination. • 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.

Criteria	JORC Code explanation	Commentary
		• All recovered RC drill chips were logged.
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. • Duplicate samples for analyses were collected from selected intervals to assist QA/QC assessment work with CRM inserted every 25 samples submitted for assay. • 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 assay tools were used. • Sample duplicates, and Certified Reference Material (CRM) are inserted into the sample sequence for QA/QC purposes. • No external laboratory checks have been completed at this stage. • No assays have been returned 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. • All completed RC holes were logged. • No assays have been returned at this stage
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 (GDA2020). • 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 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.
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.*	• 2 tenements E59/2055 and E59/2092 held by Sayona Mining with a JV agreement to Morella controlling 51% of the pegmatite mineral rights of the project. • The third tenement E59/2778 is fully held by Morella Corp. • Tenure is in good standing.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Previous exploration conducted by several other parties including Jays Exploration, Hawkstone Minerals, Pancontinental, Haddington Exploration and Sayona Mining. Previous small-scale mining evident predominantly for feldspar in the eastern portion of E59/2092.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Regional geology consists of partly foliated to strongly deformed and recrystallised granitoids intruding Archean ultramafics and felsic to mafic extrusives. Isolated belts of metamorphosed sediments are present with regional metamorphism attaining greenschist and amphibolite facies. • Late pegmatite dykes intrude the mafic and felsic volcanics in a juxtaposed position to regional orientation.
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*	• Morella completed RC drilling at Mt Edon. • Twenty (20) RC drill holes were drilled, totalling 1,713m. • Relevant drill hole information has been provided in this release. • No information has been excluded.

Criteria	JORC Code explanation	Commentary
	• *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*	
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*	• Not applicable as no drill sample assays reported.
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.
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.