

30 October 2024

Drilling at Mt Edon shows broad pegmatite intercepts

Highlights

Drill program successfully completed – assays expected within 4 weeks

17 holes completed for 1,464 metres of total drilling

Pegmatites intersected in 15 of the 17 holes drilled

Intercepts of >20 metres width found in 5 holes including MER031 with 112 metres from 20 metres & intercepts of between 10 & 20 metres found in 9 holes

Planning for the next phase of drilling is underway to infill and test extensions

Overview

Morella Corporation Limited (ASX: 1MC “Morella” or “the Company”) is pleased to advise interim results from its recently completed Reverse Circulation (RC) drilling program at the Mt Edon Project in the southern Mid-West region of Western Australia. The Mt Edon project forms part of the joint venture between Morella (51%) and Sayona Mining Limited (49%) which includes other prospective projects at Mallina and Tabba Tabba East.

Significant pegmatite drillhole intercepts (>10 metres) are detailed below:

MER018	10m pegmatite intercept from 0m
MER019	25m pegmatite intercept from 11m
MER021	105m pegmatite intercept from 15m (down dip hole)
MER024	14m pegmatite intercept from 8m
MER025	11m pegmatite intercept from 0m
and	18m pegmatite intercept from 23m
MER026	15m pegmatite intercept from 3m
MER027	21m pegmatite intercept from 6m
MER028	13m pegmatite intercept from 17m
MER029	14m pegmatite intercept from 13m
and	22m pegmatite intercept from 60m
MER030	10m pegmatite intercept from 29m
and	16m pegmatite intercept from 82m
MER031	112m pegmatite intercept from 20m

This program was designed to target pegmatites that had been identified through mapping¹ and shown to be prospective for lithium through soil or rock chip sampling².

Morella Managing Director James Brown said:

"We are very pleased with these initial drilling results at Mount Edon – it is early days regarding the evaluation of the lithium prospectivity, however the consistent intersection of pegmatites across the majority of drillholes has provided a great foundation to move forward. The preparation and safe execution of this program has been a credit to the Morella exploration team and drilling service providers."

Drilling Results

The drill program at Mt Edon resulted in the completion of 17 holes from a planned 15 hole program for a total of 1,464 metres drilling which exceeded the planned 1,240 metres (See Appendix 1).

Within the program five (5) holes had pegmatite intercepts of greater than 20 metres including MER031 with 112 metres from 20 metres (Figure 3) & nine (9) holes intercepted pegmatites with widths of between 10 and 20 metres. A number of holes had multiple intercepts indicating a stacked system of pegmatites (Figure 2).

Drilling was completed by Topdrill Pty Ltd under supervision from Morella staff. Pegmatites were intersected in 15 of the 17 holes drilled.

The Company dispatched all pegmatite samples from the drill program for assay and expects to receive the results in mid-November 2024.

Planning of the next phase of drilling is already underway. Subject to the assay results expected in November 2024 Morella will look to infill and test the known extensions.

¹ Refer to ASX Announcement – Lithium targets identified at Mt Edon project in Western Australia dated 23 June 2022

² Refer to ASX Announcement – Successful soil program at Mt Edon dated 10 July 2023

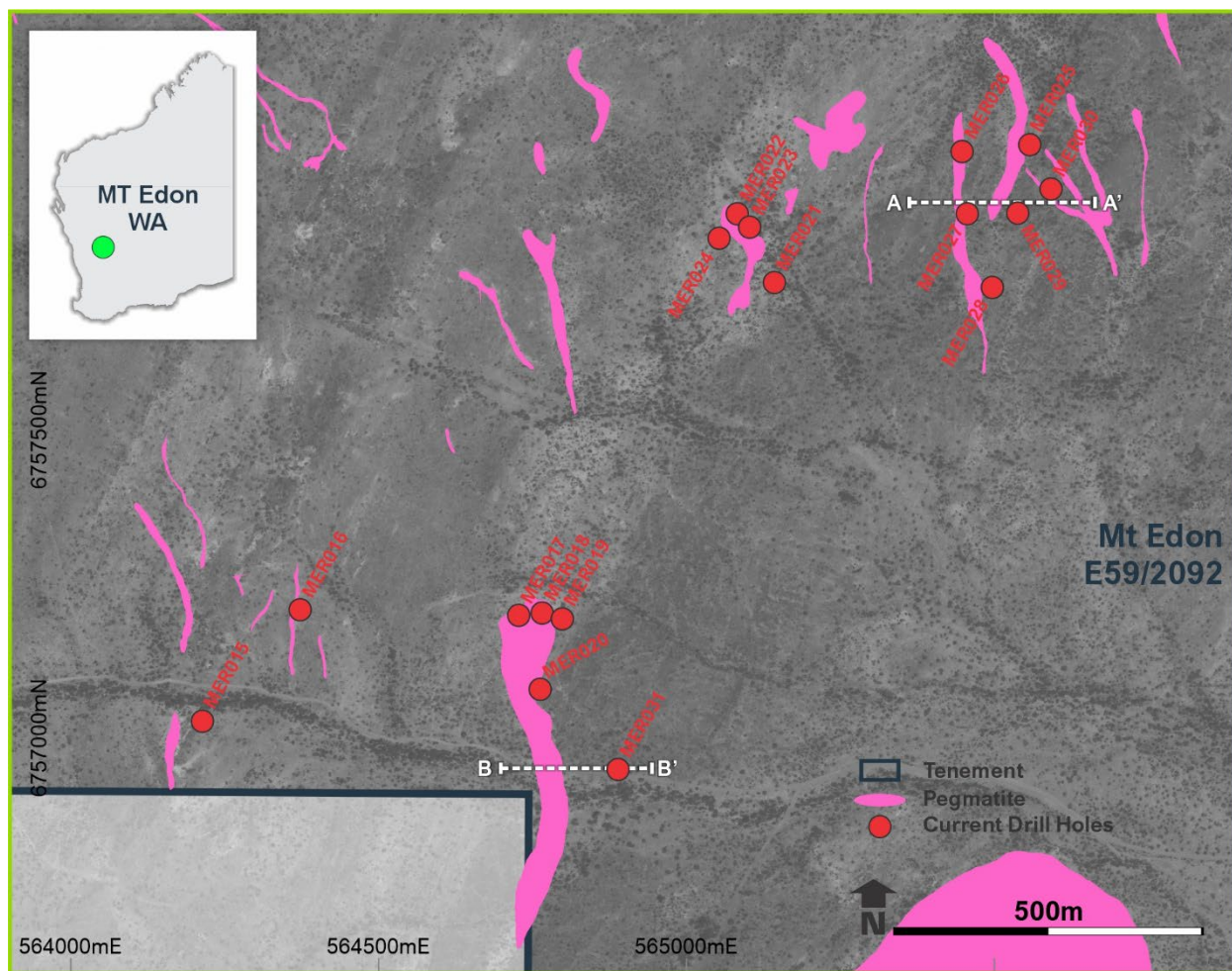


Figure 1: Drill Hole Location Plan

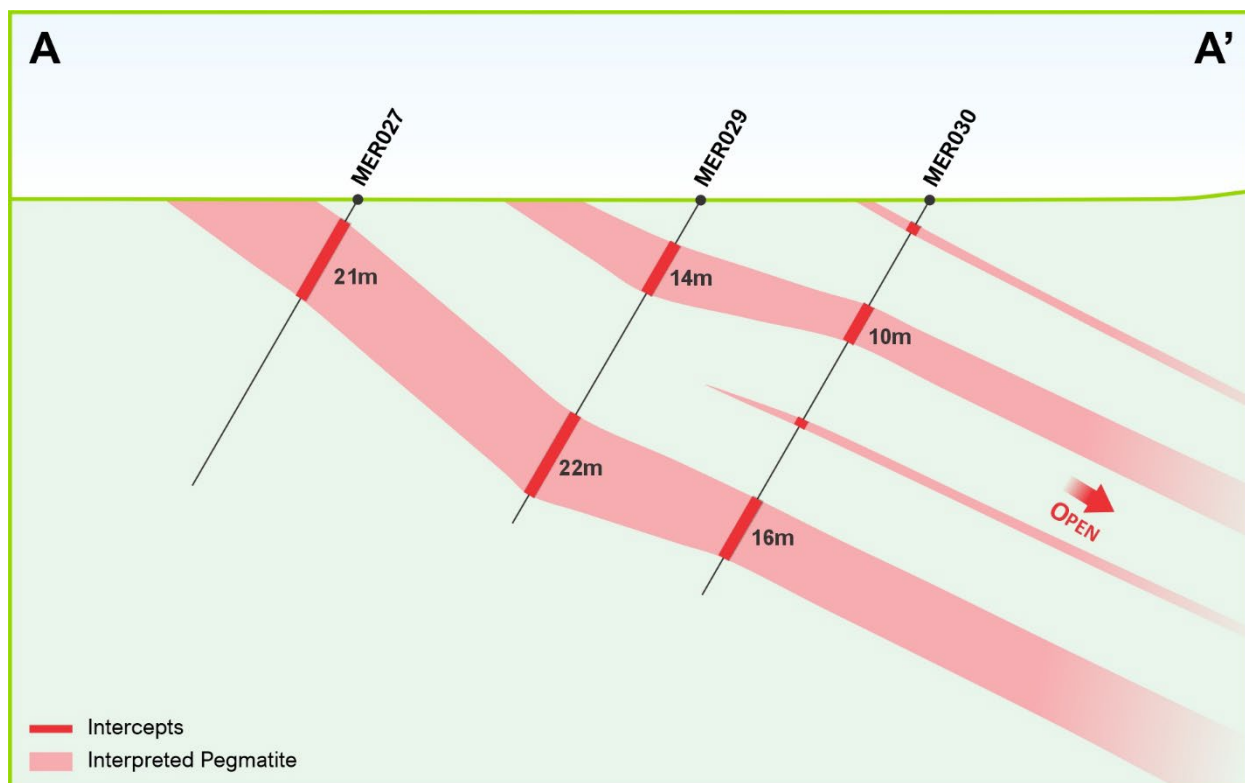


Figure 2: Section A-A' 6757870mN

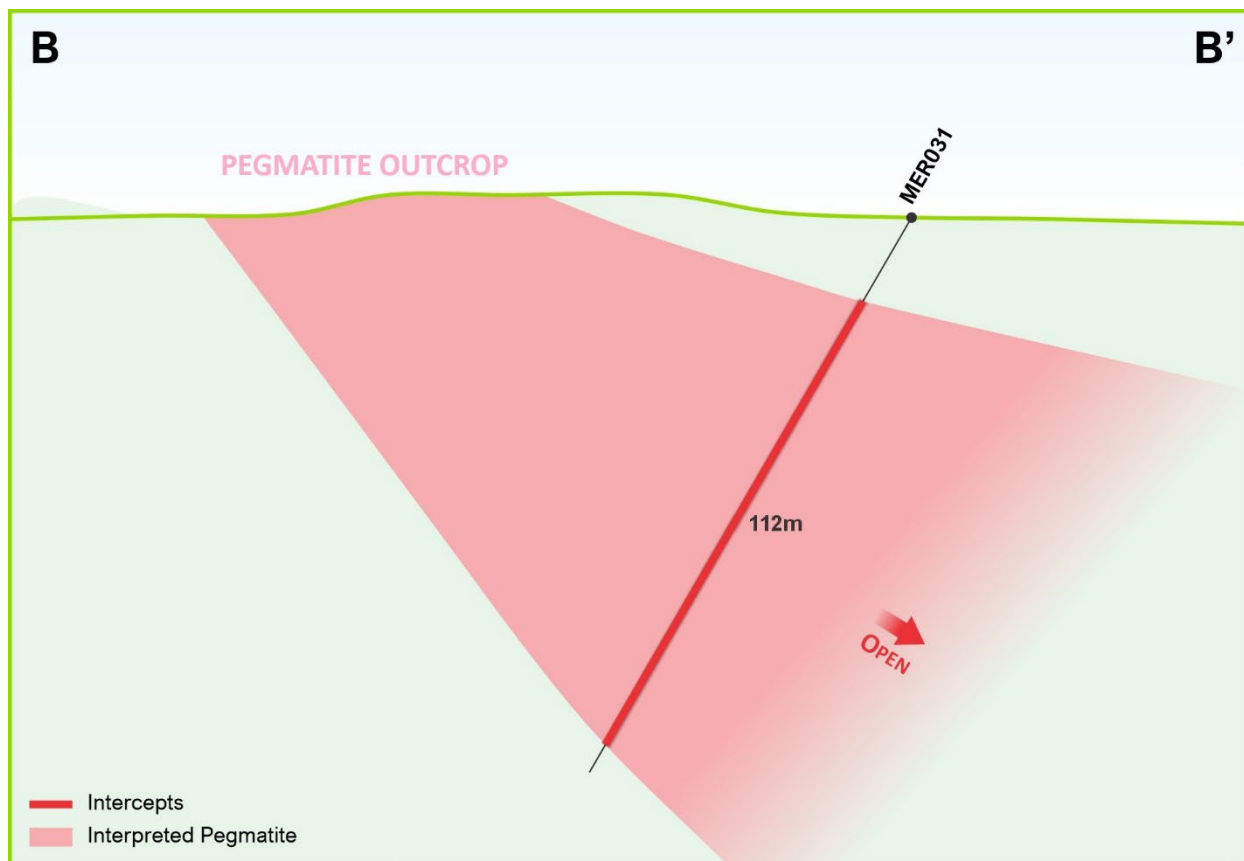


Figure 3: Section B-B' 6756950mN



Figure 4: Schramm 2 685 track mounted rig

Contact for further information

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James Brown

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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 with 15 years exploration experience. 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

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

Hole ID	EAST	NORTH	RL	DIP	AZIMUTH	Drilled Depth
MER015	564213	6757028	347	-60	270	96
MER016	564372	6757209	356	-60	270	96
MER017	564727	6757200	349	-60	270	36
MER018	564765	6757204	348	-60	270	60
MER019	564797	6757195	348	-60	270	78
MER020	564762	6757080	351	-60	270	78
MER021	565142	6757740	348	-60	270	120
MER022	565082	6757852	348	-60	270	78
MER023	565102	6757830	346	-50	270	100
MER024	565052	6757812	349	-60	90	60
MER025	565557	6757964	345	-60	270	90
MER026	565447	6757953	344	-60	270	78
MER027	565455	6757852	348	-60	270	78
MER028	565496	6757732	351	-60	270	80
MER029	565537	6757853	349	-60	270	90
MER030	565591	6757892	348	-60	270	108
MER031	564888	6756950	340	-60	270	138

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 TopDrill Pty Ltd with a Schramm 2 685 track mounted rig using a 5 5/8 inch rod string and RC Hammer (Figure 4). - Holes were nominally drilled at -60 degrees one hole drilled at -50 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	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> <i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i> <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> <i>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.</i> <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	- 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	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> <i>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.</i> <i>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.</i>	- 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	<i>The verification of significant intersections by either independent or alternative company personnel.</i> <i>The use of twinned holes.</i> <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> <i>Discuss any adjustment to assay data</i>	- 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	<i>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.</i> <i>Specification of the grid system used.</i> <i>Quality and adequacy of topographic control.</i>	- 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	<i>Data spacing for reporting of Exploration Results.</i> <i>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.</i> <i>Whether sample compositing has been applied.</i>	- 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.
Orientation of data in relation	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which</i>	Drilling was generally orthogonal to the orientation of the pegmatites, minimising

Criteria	JORC Code explanation	Commentary
to geological structure	<i>this is known, considering the deposit type.</i> <i>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.</i>	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 an estimated direction and where that was identified as incorrect an additional hole was targeted from the opposite direction.
Sample security	<i>The measures taken to ensure sample security.</i>	- 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	<i>The results of any audits or reviews of sampling techniques and data.</i>	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	<i>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.</i> <i>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.</i>	2 tenements E59/2055 and E59/2092 held by Sayona Mining Limited with a JV agreement to Morella controlling 51% of the lithium rights of the project. - The third tenement E59/2778 is fully held by Morella Corp. - Tenure is in good standing for all licences.
Exploration done by other parties	<i>Acknowledgment and appraisal of exploration by other parties.</i>	- 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. - None of the above exploration was relevant for the purposes of this announcement.
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	- 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	<i>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:</i> <i>easting and northing of the drill hole collar</i>	- Morella completed RC drilling at Mt Edon. - Seventeen (17) RC drill holes were drilled, totalling 1,464m. - Relevant drill hole information has been provided in this release.

Criteria	JORC Code explanation	Commentary
	- 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	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	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 is available 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.