

22 April 2022

Drilling underway at Mallina and completion of Mt Edon fieldwork

Drilling underway at the Mallina Lithium Project

Two rigs now on-site at Mallina, with a diamond rig ready to commence targeting sub-surface primary pegmatites

Fieldwork program completed at Mt Edon Lithium Project. Results and future works program to follow

Overview

Morella Corporation Limited (**ASX: 1MC** "Morella" or "the Company") is pleased to provide an update on exploration activities being undertaken at both the Mallina Lithium Project (E47/2983) and Mt Edon Lithium Project (E59/2092 / E59/2055).

Drilling Underway at Mallina

Following the establishment of a field camp in late March, the reverse circulation (RC) drill contractor mobilised to the Mallina Project in the second week of April. After completing site and safety management protocols and inductions, drilling work commenced on 18 April 2022. The RC program consists of three collars, each of approximately 150m, in preparation for diamond core tails to 470m. The RC program is expected to be completed within the next week.



Figure 1 – RC rig drilling collar at hole DDH02

On 20 April 2022, a second drilling contractor arrived at the Mallina Project and commenced working through site safety management protocols and inductions in preparation for the commencement of diamond core drilling. The core program consists of 1,020m of drilling, will commence 22 April 2022 and is expected to be completed in four to five weeks.



Figure 2 - Diamond Core rig arriving at Mallina

Mt Edon Lithium Project

As advised in ASX Announcement *Heritage and approvals progress sets Mallina Lithium Project ready for drilling* released 14 March 2022, Morella has commenced early-stage exploration and field work at the Mt Edon Lithium Project. Mt Edon is located approximately 2km from Paynes Find and approximately 420km north of Perth via the Great Northern Highway. The Project overlies the southern greenstone sequences of the Paynes Find Belt, a 5km wide package of mafic, ultramafic and felsic volcanic rocks. A significant volume of pegmatite dykes/sills cut the greenstone stratigraphy and are the targets for Morella's lithium-focussed exploration activities.

Fieldwork Program

Field investigations took place over a five-day period in late March 2022. A small field camp was established on the Project area, with support and logistics readily available from Paynes Find. The Project was traversed by foot and quadbike and the area covered can be seen in figure 3. The focus of the fieldwork was to map and sample pegmatite outcrops within the Project area.

Morella is currently awaiting the final report and results from the field work program however it was noted that all the pegmatites observed were deeply weathered with decomposed feldspar leading to friable surface outcrop in almost all instances. Given its physical properties and high-mobility, it is assessed that the heavy weathering may result in depleted grades for lithium at surface. Result and future work programs will be advised to the market in due course.

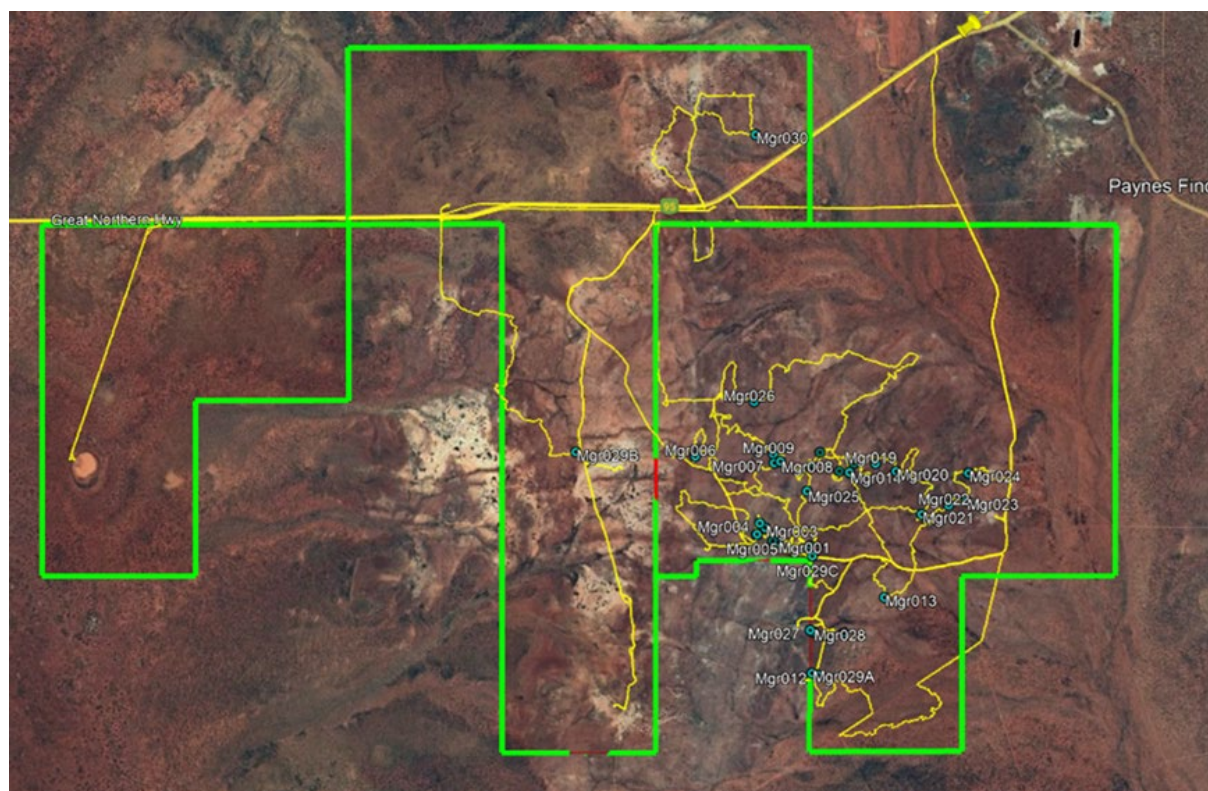


Figure 3 – GPS tracks (yellow) for the March 2022 Mt Edon Lithium Project Fieldwork Program

On Mallina, Morella CEO Alex Cheeseman said:

"We are very pleased to have been able to commence the Mallina drilling program within our first full quarter of being re-quoted with the ASX. Given the current environment for labour and exploration resources, the fact that we have two rigs on site and progressing through our program it is testament to the Company's drive and focus to advance our projects. Well done to everyone involved in getting the program up and running so quickly. It's an excellent time to be exploring for lithium."

Furthermore in relation to the Mt Edon Lithium Project, he commented:

"It was excellent to be able to get in the field and conduct this early-stage exploration work in a region that whilst demonstrating potential, is relatively under-explored for lithium. Whilst we await detailed reporting, we will consolidate all available historical data to support development of our next field program. We are very excited about the prospects at Mt Edon."

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 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.