

14 June 2022

Direct Lithium Extraction test work begins with Fish Lake Valley brine

Brine material from Fish Lake Valley Project delivered to independent contractor for direct lithium extraction study

Benchtop scale study underway, with results due in Q3 2022

Study outcomes to support initial economic assessment and process flowsheet development for lithium production from Fish Lake Valley

Overview

Morella Corporation Limited (**ASX: 1MC** "Morella" or "the Company") is pleased to announce that direct lithium extraction ("DLE") process development work has commenced on brine material from the Fish Lake Valley Lithium Project ("Fish Lake Valley" or "the Project"), located in Nevada, USA.

The DLE study ("Study") is being completed by Recion Technologies ("Recion") at Recion's laboratory in Edmonton, Canada. The Study is aimed at providing a preliminary economic assessment of lithium extraction using Recion's technology solution and Fish Lake Valley brine. The Study will be completed at benchtop scale and is expected to be completed in 10-12 weeks.

Morella Chief Executive Officer, Alex Cheeseman said:

"The start of the DLE Study is a significant step forward for Morella and the Fish Lake Valley Lithium Project. All our project work so far has been resource focussed and we always intended to advance Fish Lake Valley with a dual effort on resource definition and process technology."

"The Study will provide Morella with important economic information to support future studies and advancing the Project. We are pleased to partner with Recion, who have several years of DLE experience based on their work with Canadian brines. Our discussions with Recion on the path forward at Fish Lake Valley have always been about incremental steps towards commercial production."

Study Timeline and Key Objectives

To fully assess the amenability of Fish Lake Valley brine, Recion has presented a staged approach to development of the technologies to be used to successfully extract, concentrate and ultimately produce a lithium chemical product. The first stage (benchtop scale) has commenced and is expected to take 10-12 weeks to complete. Following completion of this stage of the Study, Recion will report on operating economic factors based on feed grade of the brine sample. The economic factors will

include reagent consumption, sorbent costs, recovery rates, power consumption, water consumption and tailings composition.

The Study commenced this week with sieving and filtering brine material in preparation for process testwork. 5 micron filter was used first, followed by a 1 micron filter (see figure 1). Recion will analyse all captured deleterious elements as part of the Study to understand tailings composition and shape future management plans.

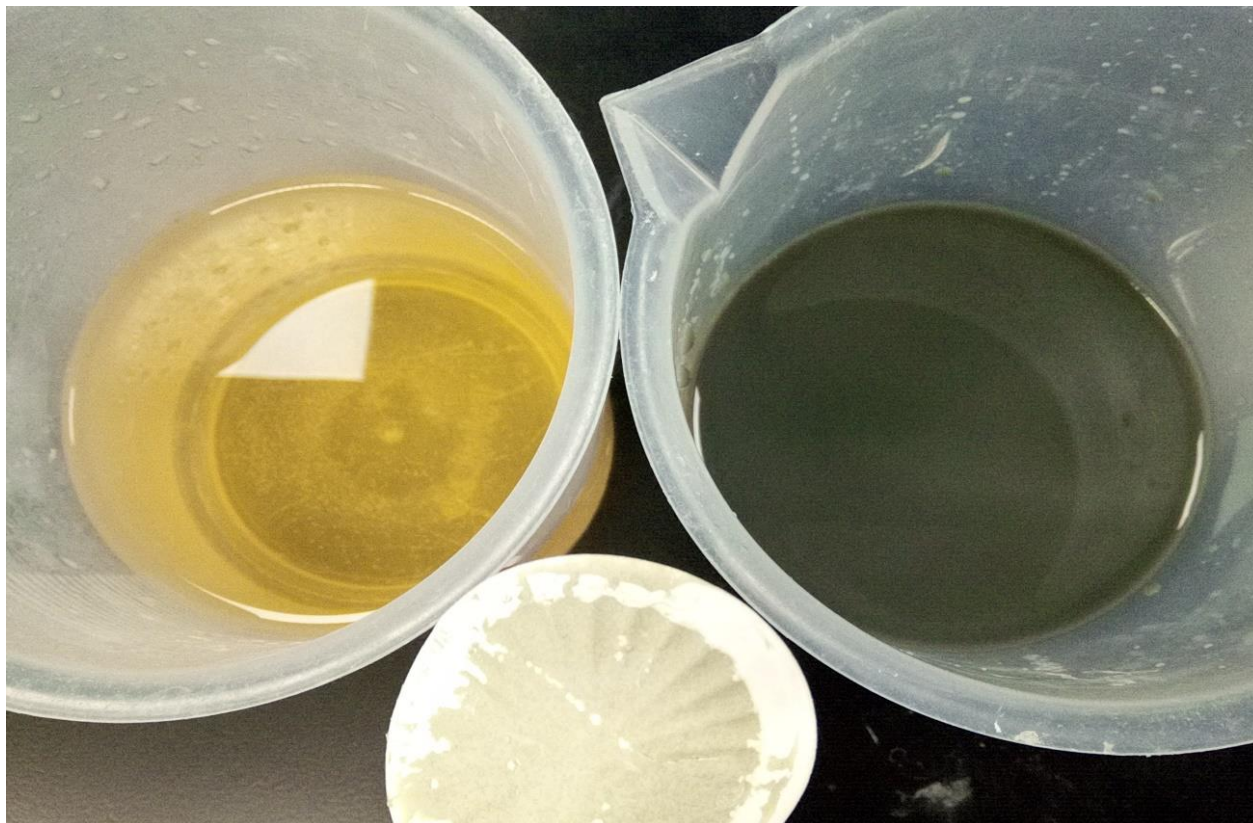


Figure 1 – Fish Lake Valley brine post filtering (top left – pale orange liquid), discarded precipitates and solids (top right) and filter cake (bottom)

The second stage of assessment will be at field prototype scale, capable of processing 300-500 litres per day of brine material. Morella notes that additional field work and permitting will be required at the Project to support such test work. The third stage of the assessment will be a pilot plant with a process capacity and design that would allow for scalable production. Determination to commit to each stage of study and assessment remains at Morella's sole discretion.

Future Exploration Activities

With geophysical exploration ongoing in the northern area of the Project, Morella has commenced engagement and market solicitation activities for a future drilling program based on the drilling targets identified in the southern area of the Project (refer to ASX Announcement *Key Drilling Targets identified at the Fish Lake Valley Lithium Project* released 28 April 2022). Morella's drilling efforts will target deep brine reservoirs and will, amongst other requirements, collect representative sample material to support future DLE test work beyond benchtop scale.

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 is an exploration and resource development company focused on lithium and battery minerals. Morella is currently engaged in exploration and development activities with projects 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 information compiled by Mr Duncan Storey, who is a Chartered Geologist with the Geological Society of London (an RPO defined by JORC 2012). Mr Storey is an independent consultant engaged by Morella Corporation and has sufficient experience with the exploration and development of mineralised brine deposits qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Storey consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.