

25 November 2022

## Deep Ground Penetrating Radar program at Mt Edon

**Deep Ground Penetrating Radar (DPGR) shows a significant increase in pegmatite targets**

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**Pegmatite targets increased to +180 from 53**

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**Future works includes identification of drill targets to support the upcoming drill program in the new and existing pegmatite zones**

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### Overview

Morella Corporation Limited (ASX: 1MC “Morella” or “the Company”) is pleased to announce the results of the Deep Ground Penetrating Radar (DGPR) work at the Mt Edon (E59/2092) and Mt Edon West (E59/2055) exploration tenements near Paynes Find located in the Mid West region of Western Australia. The survey, conducted by Ultramag Geophysics Pty Ltd (Ultramag), was carried out in October and included 23-line km covering four (4) areas of known pegmatites.

Results have demonstrated that the DGPR was not only able to identify the known pegmatites but also pinpointed a significant number of additional pegmatites not previously mapped.

**Morella Managing Director, James Brown said:**

*“This work demonstrates that this area has significantly more potential targets than first understood which is very encouraging, and we can now leverage those results to determine our follow up drilling program. Mt Edon, along with our Pilbara exploration targets, form an integral part of our hard rock portfolio and complement our brine portfolio in Nevada.”*

### Mt Edon Lithium Project DPGR

The focus of the DGPR work was aimed at identification of any sub-surface pegmatites and their relationship to those that had been previously mapped at surface. Ultramag spent six (6) days traversing the four (4) pegmatite zones identified from surface mapping (see Figure 1).

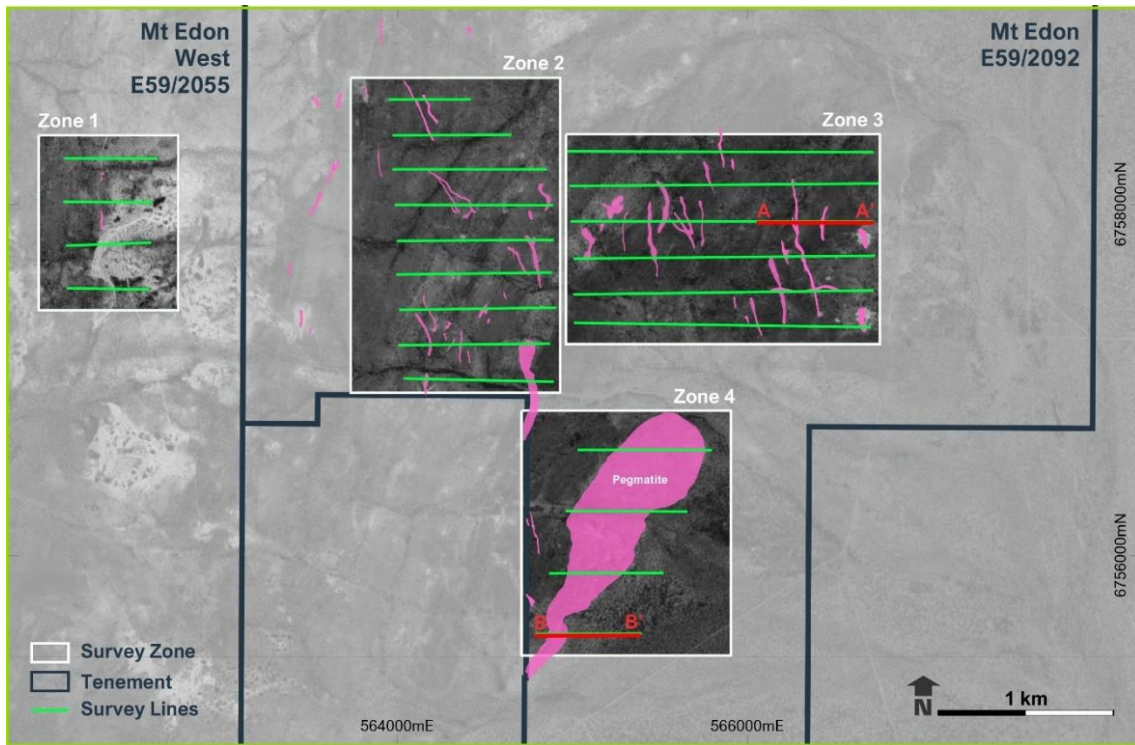


Figure 1: DGPR Survey Zones and lines as defined by Pegmatite outcrop

### DGPR Results

As shown (Figure 2 and 3 below and over), a significant number of new pegmatite targets were identified in addition to the known, mapped pegmatites across many of the survey lines.

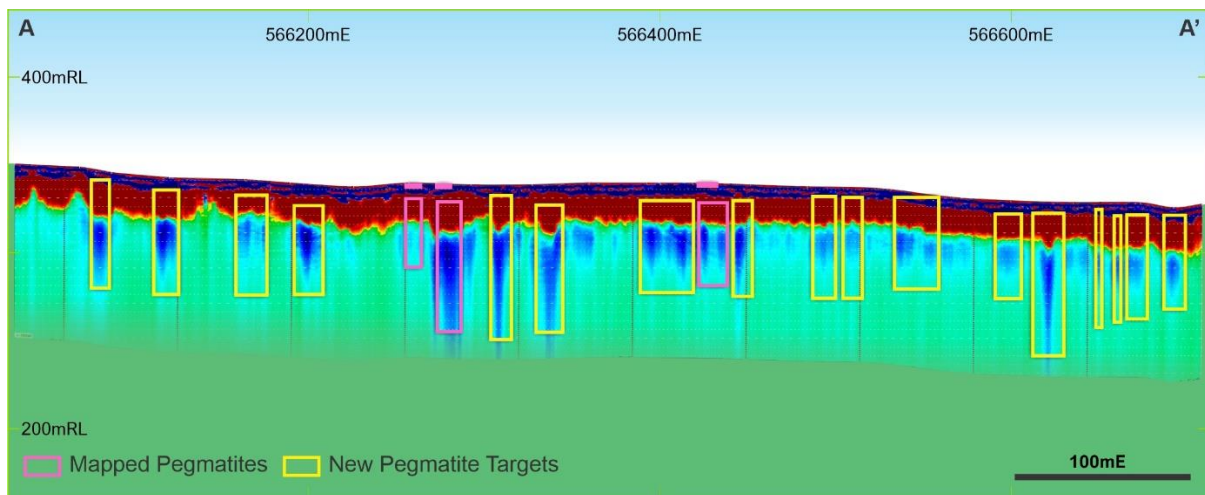


Figure 2: Section A - A' demonstrating a significant number of additional pegmatites identified

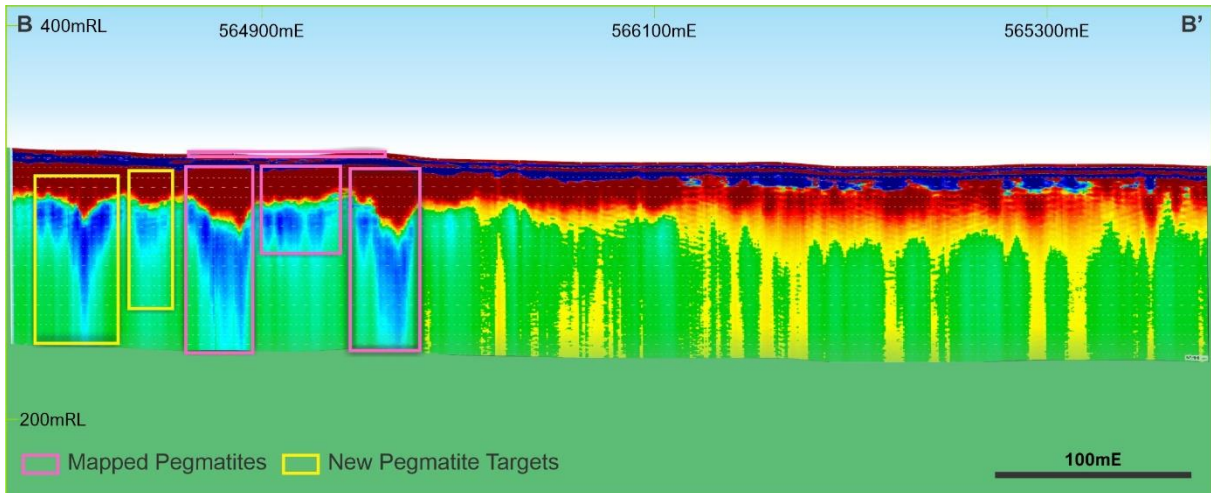


Figure 3: Section B - B' demonstrating both additional new pegmatite targets as well as confirming the sub-vertical structure of the existing mapped pegmatites

The base of weathering or unconsolidated alluvium is a pronounced layer and occurs around 20m depth on most profiles. The shape of this interface is useful in determining rock type in this hard rock environment. Existing surface mapping completed by Blackfynn Pty Ltd (refer to ASX Announcement *Lithium targets identified at Mt Edon project in Western Australia* released 23 June 2022) identified 53 outcropping pegmatites, some of which can be seen in the image below (Figure 4), however the DGPR work has identified a further 130 pegmatites, with most not expressing at surface.

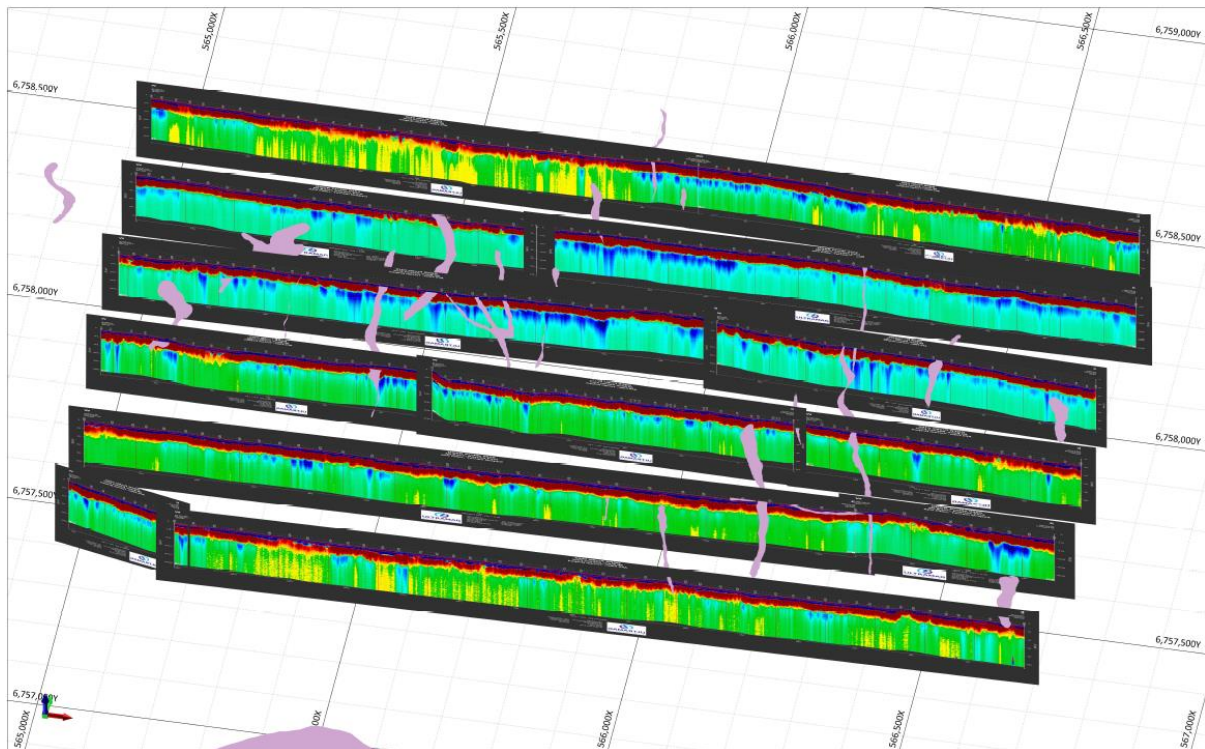


Figure 4: Survey results of Zone 3 with mapped Pegmatites

### Conclusions and Next Steps

The DPGR work has identified four (4) main target areas for further exploration as shown in Figure 5 below. These targets are based on the density of pegmatite occurrences from the DGPR survey and the previously completed mapping work. The next stages of exploration at Mt Edon will be based around these identified target areas in preparation for testing via a planned drill program.

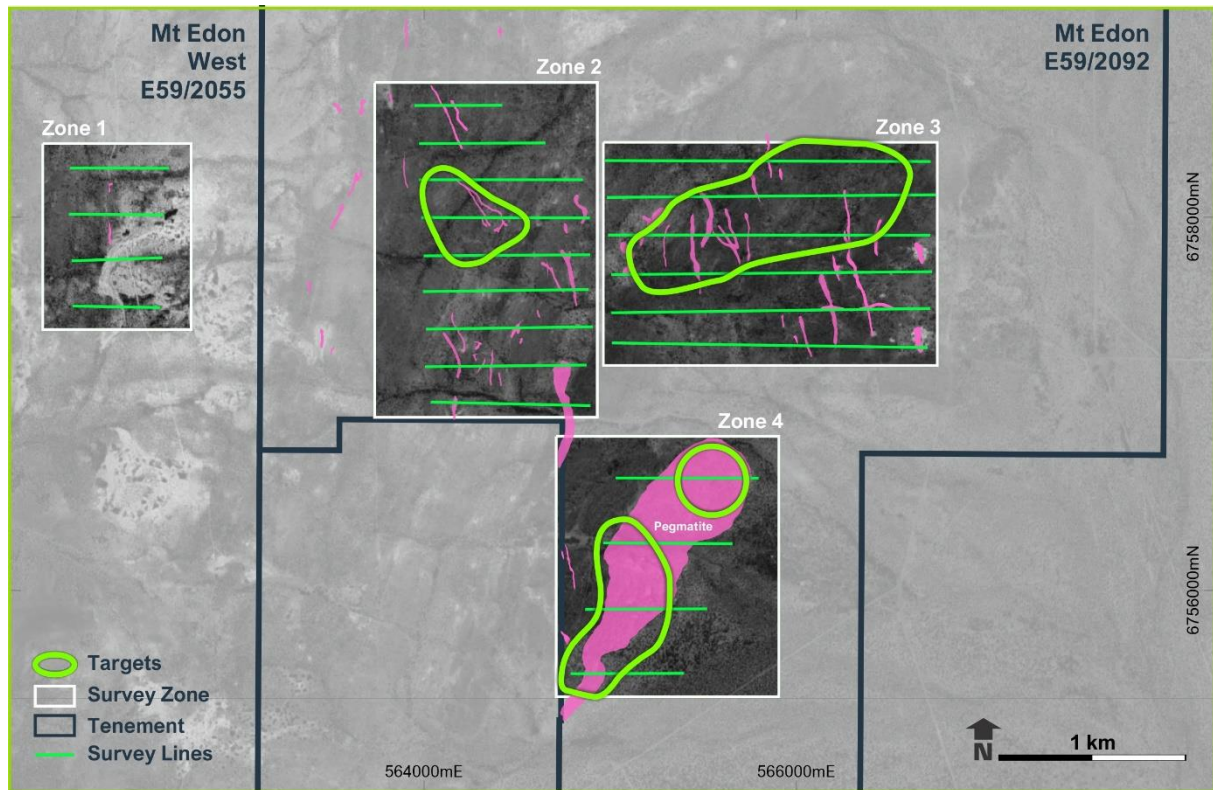


Figure 5: Target areas for future exploration

### 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 activities on two 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 information compiled by Mr Chris Grove, who is a Member of the Australasian Institute of Mining and Metallurgy and is a Principal Geologist employed by Measured Group Pty Ltd. Mr Chris Grove 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 Chris Grove consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

## 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
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li>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.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Deep Ground Penetrating Radar (DGPR) survey acquired by Ultramag Geophysics Pty Ltd</li> <li>24 lines for 23.0km East-West traverses at nominally 200m spacing.</li> <li>Along line DGPR sampling at 0.7m</li> <li>3m accuracy GPS sample location recorded every 30m</li> <li>DGPR instrumentation @25MHz employed.</li> <li>In-line 6m+6m antenna configuration for 100m depth penetration.</li> <li>Post processing and profile generation conducted by Ultramag Geophysics Pty Ltd</li> <li>Ultramag Geophysics Pty Ltd provided raw and processed data for archive as well as bitmap and .tiff DGPR profiles both undraped and draped to topography.</li> </ul>
<b>Drilling techniques</b>	<ul style="list-style-type: none"> <li>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).</li> </ul>	<ul style="list-style-type: none"> <li>No drilling conducted</li> </ul>
<b>Drill sample recovery</b>	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>No drilling conducted.</li> </ul>
<b>Logging</b>	<ul style="list-style-type: none"> <li>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies &amp; metallurgical studies.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>No drilling/logging conducted</li> </ul>
<b>Sub-sampling techniques and sample preparation</b>	<ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> </ul>	<ul style="list-style-type: none"> <li>No drilling conducted</li> </ul>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>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.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	
<b>Quality of assay data and laboratory tests</b>	<ul style="list-style-type: none"> <li>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>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.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>No assaying conducted.</li> </ul>
<b>Verification of sampling and assaying</b>	<ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>Discuss any adjustment to assay data.</li> </ul>	<ul style="list-style-type: none"> <li>No assaying conducted</li> </ul>
<b>Location of data points</b>	<ul style="list-style-type: none"> <li>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.</li> <li>Specification of the grid system used.</li> <li>Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>The DGPR survey was acquired in grid MGA94 Zone 50 with an accuracy of 2m</li> </ul>
<b>Data spacing and distribution</b>	<ul style="list-style-type: none"> <li>Data spacing for reporting of Exploration Results.</li> <li>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.</li> <li>Whether sample compositing has been applied.</li> </ul>	<ul style="list-style-type: none"> <li>Survey lines nominally spaced at 200m</li> <li>Data spacing is appropriate for the exploration stage.</li> </ul>
<b>Orientation of data in relation to geological structure</b>	<ul style="list-style-type: none"> <li>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>No sampling conducted</li> </ul>
<b>Sample security</b>	<ul style="list-style-type: none"> <li>The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>No sampling conducted</li> </ul>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li>The results of any audits or reviews of sampling techniques and data.</li> </ul>	<ul style="list-style-type: none"> <li>No audits or reviews of the data have been conducted at this stage.</li> </ul>

## Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>The Mt Edon project consists of 2 tenements; E59/2055 and E59/2092 held by Sayona Mining with a farm in agreement to Morella to earn up to 51% of the project.</li> <li>Tenure is in good standing.</li> </ul>
<b>Exploration done by other parties</b>	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>Previous exploration was conducted by several other parties including Jays Exploration, Hawkstone Minerals, Pancontinental, Haddington Exploration and Sayona Mining. Previous small-scale mining is evident predominantly for feldspar in the eastern portion of E59/2092.</li> <li>No other DGPR surveys were completed by other parties in the tenement area.</li> </ul>
<b>Geology</b>	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> <li>Late pegmatite dykes intrude the mafic and felsic volcanics in a juxtaposed position to regional orientation.</li> </ul>
<b>Drill hole Information</b>	<ul style="list-style-type: none"> <li>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: <ul style="list-style-type: none"> <li>easting and northing of the drill hole collar</li> <li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>dip and azimuth of the hole</li> <li>down hole length and interception depth</li> <li>hole length.</li> </ul> </li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>No drilling conducted</li> </ul>

Criteria	JORC Code explanation	Commentary
<b>Data aggregation methods</b>	<ul style="list-style-type: none"> <li><i>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.</i></li> <li><i>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.</i></li> <li><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></li> </ul>	<ul style="list-style-type: none"> <li>No drilling, sampling, or assaying conducted</li> </ul>
<b>Relationship between mineralisation widths and intercept lengths</b>	<ul style="list-style-type: none"> <li><i>These relationships are particularly important in the reporting of Exploration Results.</i></li> <li><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></li> <li><i>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').</i></li> </ul>	<ul style="list-style-type: none"> <li>No drilling conducted</li> </ul>
<b>Diagrams</b>	<ul style="list-style-type: none"> <li><i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>Appropriate information has been included in this release.</li> </ul>
<b>Balanced reporting</b>	<ul style="list-style-type: none"> <li><i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>No drilling, sampling or assaying conducted</li> </ul>
<b>Other substantive exploration data</b>	<ul style="list-style-type: none"> <li><i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>Other geological data sets for the project are available in the public domain. These have been recovered and reprocessed and integrated into the GIS environment to support future exploration.</li> </ul>
<b>Further work</b>	<ul style="list-style-type: none"> <li><i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></li> <li><i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></li> </ul>	<ul style="list-style-type: none"> <li>Integration of the DGPR dataset with future surface sampling programs to identify mineralized targets to be potentially followed up by additional surface sampling and/or drilling.</li> </ul>