

20 December 2022

Morella completes earn-in requirements for Pilbara lithium assets

Morella satisfies both expenditure and activity requirements covering several lithium projects in Western Australia

Joint venture to be formed with partner Sayona Mining Limited with Morella to hold 51% managing stake and Sayona 49%

Work to date has identified three (3) highly prospective targets at the Mallina, Tabba Tabba and Mount Edon projects

Overview

Morella Corporation Limited (ASX: 1MC “Morella” or “the Company”) is pleased to announce that it has satisfied its requirements under the Sayona earn-in agreement (refer ASX announcement *Altura Re-establishes Earn-In Agreement with Sayona For Pilbara Lithium Assets* released 2 June 2021). The Company has formally notified Sayona Mining Limited (“Sayona”) of the milestone with both parties now required to enter a formal joint venture agreement whereby Morella will become the 51% managing partner with Sayona retaining the remaining 49%. The tenements the subject of the earn-in agreement are in two separate groups the Pilbara Tenements at Figure 1 and the Mid-West Tenements at Figure 2, below.

Morella Managing Director, James Brown said:

“The completion of the pre-requisite expenditure and activities is a great result for both Morella and Sayona, a company we are closely aligned with. What is most pleasing is the focussed evaluation programs at the three (3) key projects in Mallina, Tabba Tabba and Mount Edon, that have identified highly prospective lithium targets in each project. We look forward to working with the Sayona team in formalising the joint venture and progressing the prospective areas as quickly as possible in 2023.”

Key Terms of Earn-in Agreement (satisfied)

- Morella was required to spend \$1.5 million on exploration within three years to earn a 51% stake in the lithium interest of the Pilbara project tenements;
- Should it wish to withdraw, Morella must spend at least \$500,000 on exploration expenditure, including at least 1,500 metres of drilling on the Mallina project; and
- Sayona to retain a 49% stake, subject to possible future potential dilution in line with any increased spending by Morella, should Sayona not wish to participate. Sayona retains 100% of the gold and the non-lithium rights within the tenement portfolio.

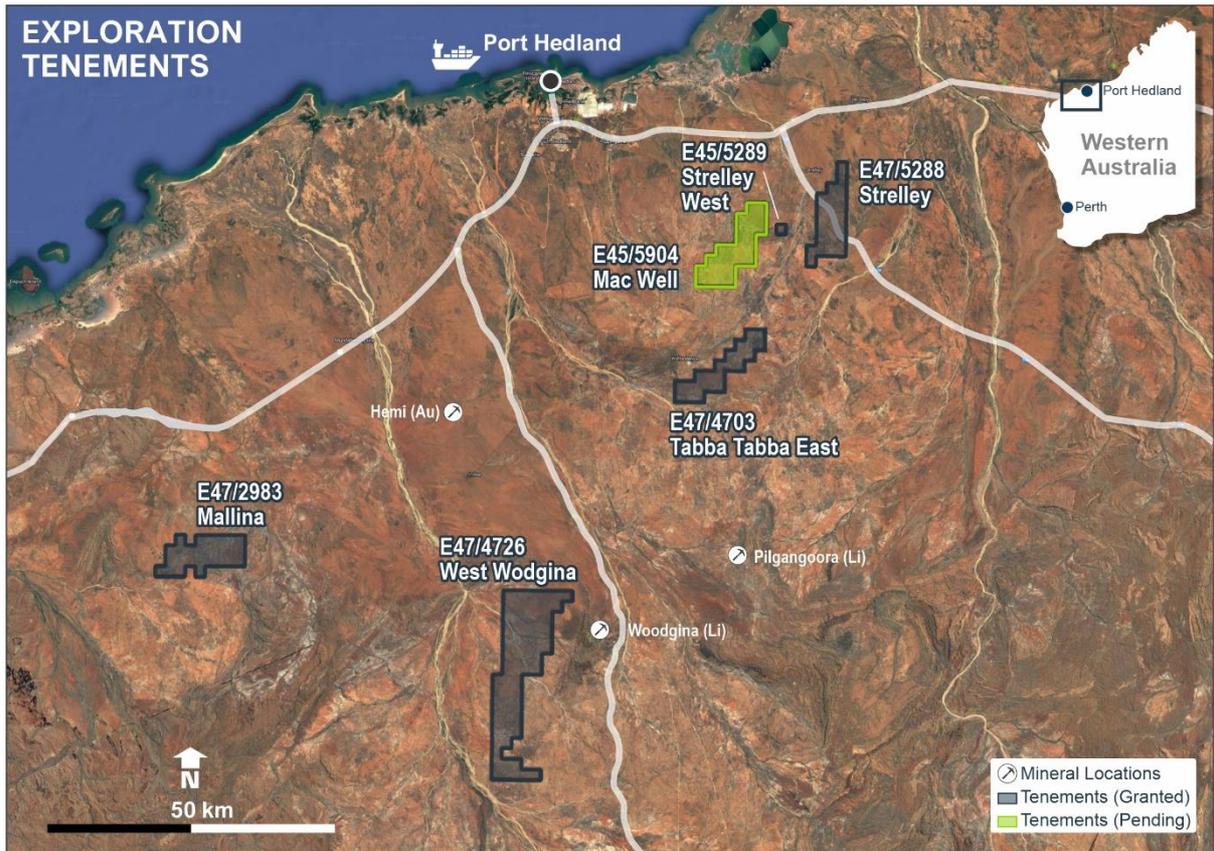


Figure 1: Pilbara Tenements the subject of the earn-in agreement

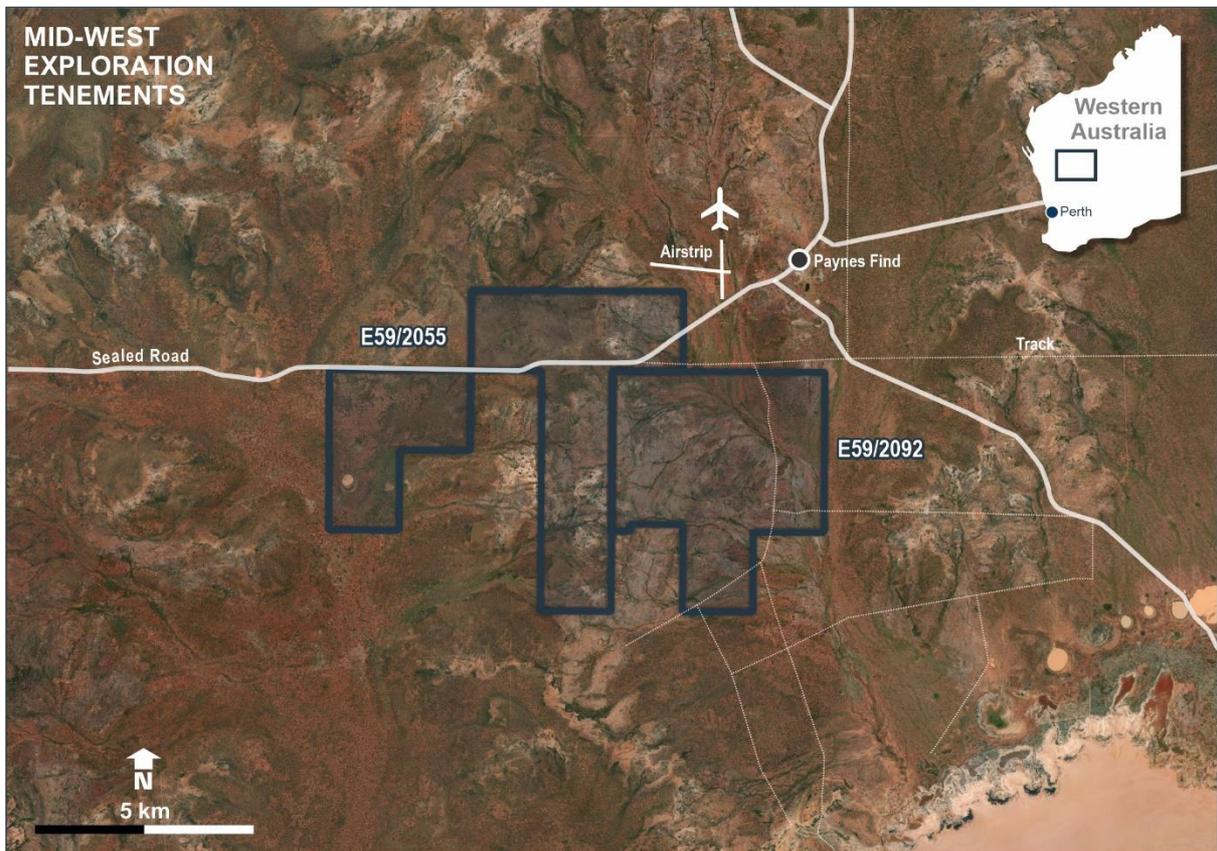


Figure 2: Mid-West Tenements the subject of the earn-in agreement

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.