

17 January 2023

Lithium mineralisation confirmed in North Big Smoky soil sampling results.

Results highlight the prospectivity of North Big Smoky from surface

Follow up seismic surveys commissioned to test depth and extent

Morella Corporation Limited (ASX: 1MC “Morella” or “the Company”) is pleased to advise that the soil sampling program completed at North Big Smoky Lithium Project (NBS) in September 2022 has identified a large zone of elevated lithium grades across the central part of the project area.

Morella Managing Director, James Brown said:

“Continuing on from the encouraging geophysical results last year which identified targets at depth, these current results have shown the presence of elevated lithium content across the NBS project area surface soils. These results are extremely encouraging given the proximity to surface, coupled with identified targets at depth the NBS project is shaping up well for the next phase of Passive Seismic (PSS) and Magnetotelluric exploration in order to provide a platform for a future drilling program.”

The North Big Smoky Project

The project is located 135 kilometres from Tonopah, and is accessible via Highway 376 in Nevada, USA (see Figure 1) and comprises 178 placer claims. Morella entered into an earn-in agreement with Lithium Corporation in 2022, whereby Morella has the right to earn a 60% interest in the project, with options to acquire 100% interest.

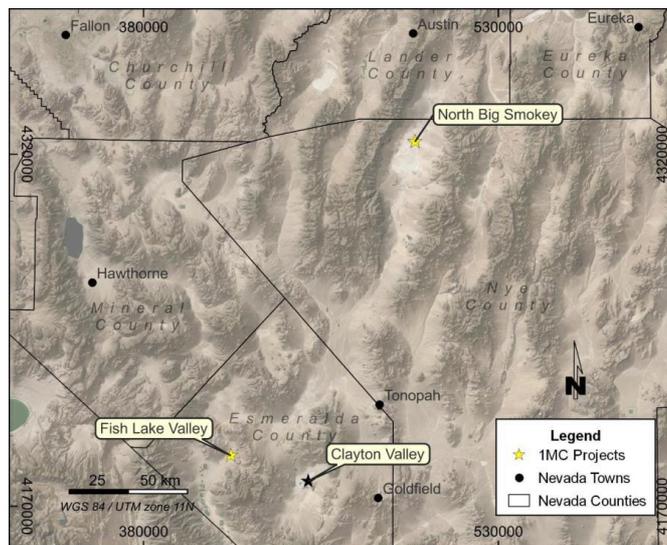


Figure 1: Location of North Big Smokey

Recent Sampling Program and Results

In September 2022, a 259-auger-hole drilling program was executed with the goal of gaining a better understanding of the distribution of lithium in the soils across the NBS deposit. Holes (up to 1.37m total length) were completed and detailed information on the drill hole locations and depth can be found in Appendix 1. Mineralogical and geochemical samples were sent for assaying to ALS USA Inc in Twin Falls, Idaho, a certified laboratory.

As seen in Figure 2 below results in the central part of the NBS deposit show elevated lithium assays up to 499 ppm with over 40% of the assays with grades of 200 ppm lithium or more. Nearly 90% of the deposit shows lithium grades greater than 100 ppm.

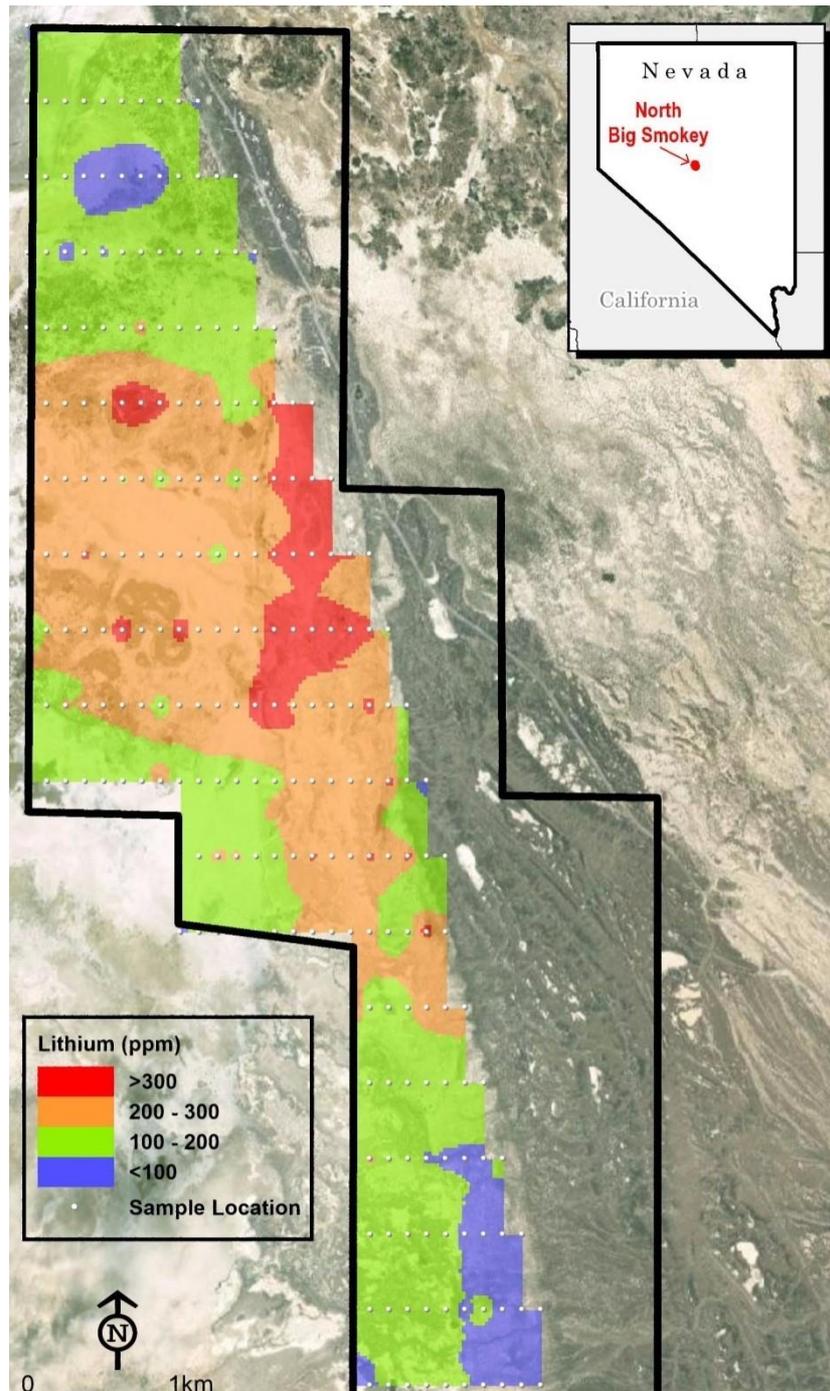


Figure 2 – NBS Project Plan View of results

The area to the east of the sampled area was not sampled as it has thick alluvial cover which sits over the playa and is not suitable for soil sampling.



Figure 3: Auger Sampling

Next Steps

- PSS horizontal-to-vertical-spectral ratio (HVSr) in order to generate a map of depth to acoustic bedrock, which can be used to assist identification of structures within the project area and tie-in conductive anomaly features with estimated bedrock depths.
- Further magnetotelluric geophysical surveys over the remaining claim area after the PSS work has been completed to help model the conductive source.

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 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.

APPENDIX 1

SAMPLE LOCATIONS AND RESULTS

SAMPID	EAST	NORTH	Depth (Inches)	Li (ppm)
NBS 1	493226	4328955	26	83
NBS 2	493326	4328955	36	109
NBS 3	493426	4328955	34	107
NBS 4	493526	4328955	34	121
NBS 5	493626	4328955	32	118
NBS 6	493726	4328955	28	113
NBS 7	493826	4328955	36	133
NBS 8	493926	4328955	6	107
NBS 9	494026	4328955	5	100
NBS 10	493226	4328555	24	158
NBS 11	493326	4328555	18	127
NBS 12	493426	4328555	24	144
NBS 13	493526	4328555	18	114
NBS 14	493626	4328555	18	111
NBS 15	493726	4328555	30	105
NBS 16	493826	4328555	24	105
NBS 17	493926	4328555	36	110
NBS 18	494026	4328555	24	101
NBS 19	494126	4328555	15	99
NBS 20	493226	4328155	23	115
NBS 21	493326	4328155	26	121
NBS 22	493426	4328155	45	104
NBS 23	493526	4328155	6	83
NBS 24	493626	4328155	36	90
NBS 25	493726	4328155	14	73
NBS 26	493826	4328155	36	81
NBS 27	493926	4328155	25	91
NBS 28	494026	4328155	24	112
NBS 29	494126	4328155	47	99
NBS 30	494226	4328155	20	141
NBS 31	494326	4328155	6	105
NBS 32	493226	4327755	18	107
NBS 33	493326	4327755	20	121
NBS 34	493426	4327755	18	87
NBS 35	493526	4327755	12	103
NBS 36	493626	4327755	18	96
NBS 37	493726	4327755	12	116
NBS 38	493826	4327755	18	123
NBS 39	493926	4327755	18	119
NBS 40	494026	4327755	12	112
NBS 41	494126	4327755	20	119
NBS 42	494226	4327755	16	105
NBS 43	494326	4327755	14	124

SAMPID	EAST	NORTH	Depth (Inches)	Li (ppm)
NBS 44	494426	4327755	10	92
NBS 45	493226	4327355	16	113
NBS 46	493326	4327355	18	127
NBS 47	493426	4327355	26	181
NBS 48	493526	4327355	36	169
NBS 49	493626	4327355	30	167
NBS 50	493726	4327355	34	167
NBS 51	493826	4327355	30	222
NBS 52	493926	4327355	32	123
NBS 53	494026	4327355	18	129
NBS 54	494126	4327355	32	126
NBS 55	494226	4327355	36	116
NBS 56	494326	4327355	40	119
NBS 57	494426	4327355	22	120
NBS 58	494526	4327355	22	123
NBS 59	493226	4326955	16	253
NBS 60	493326	4326955	16	252
NBS 61	493426	4326955	18	254
NBS 62	493526	4326955	17	290
NBS 63	493626	4326955	16	268
NBS 64	493726	4326955	15	427
NBS 65	493826	4326955	18	409
NBS 66	493926	4326955	16	350
NBS 67	494026	4326955	24	205
NBS 68	494126	4326955	24	218
NBS 69	494226	432695	12	208
NBS 70	494326	4326955	12	106
NBS 71	494426	4326955	18	109
NBS 72	494526	4326955	16	339
NBS 73	494626	4326955	18	423
NBS 74	494726	4326955	24	357
NBS 75	493226	4326555	20	227
NBS 76	493326	4326555	24	232
NBS 77	493426	4326555	16	211
NBS 78	493526	4326555	18	212
NBS 79	493626	4326555	16	200
NBS 80	493726	4326555	12	194
NBS 81	493826	4326555	18	219
NBS 82	493926	4326555	24	176
NBS 83	494026	4326555	16	256
NBS 84	494126	4326555	16	208
NBS 85	494226	4326555	18	205
NBS 86	494326	4326555	24	163
NBS 87	494426	4326555	12	238
NBS 88	494526	4326555	16	321
NBS 89	494626	4326555	16	343

SAMPID	EAST	NORTH	Depth (Inches)	Li (ppm)
NBS 90	494726	4326555	18	338
NBS 91	494826	4326555	12	499
NBS 92	493226	4326155	10	251
NBS 93	493326	4326155	8	226
NBS 94	493426	4326155	8	266
NBS 95	493526	4326155	8	308
NBS 96	493626	4326155	8	290
NBS 97	493726	4326155	8	228
NBS 98	493826	4326155	12	220
NBS 99	493926	4326155	6	244
NBS 100	494026	4326155	8	206
NBS 101	494126	4326155	8	205
NBS 102	494226	4326155	11	179
NBS 103	494326	4326155	11	203
NBS 104	494426	4326155	10	212
NBS 105	494526	4326155	10	324
NBS 106	494626	4326155	12	320
NBS 107	494726	4326155	14	376
NBS 108	494826	4326155	36	330
NBS 109	494926	4326155	28	347
NBS 110	495026	4326155	8	209
NBS 111	493226	4325755	14	170
NBS 112	493326	4325755	38	198
NBS 113	493426	4325755	10	228
NBS 114	493526	4325755	36	207
NBS 115	493626	4325755	9	281
NBS 116	493726	4325755	9	362
NBS 117	493826	4325755	9	242
NBS 118	493926	4325755	8	252
NBS 119	494026	4325755	10	370
NBS 120	494126	4325755	8	275
NBS 121	494226	4325755	10	215
NBS 122	494326	4325755	8	226
NBS 123	494426	4325755	12	247
NBS 124	494526	4325755	9	389
NBS 125	494626	4325755	28	358
NBS 126	494726	4325755	20	341
NBS 127	494826	4325755	20	360
NBS 128	494926	4325755	36	346
NBS 129	495026	4325755	34	358
NBS 130	495126	4325755	18	168
NBS 131	493226	4325355	20	179
NBS 132	493326	4325355	12	157
NBS 133	493426	4325355	18	206
NBS 134	493526	4325355	18	213
NBS 135	493626	4325355	18	213

SAMPID	EAST	NORTH	Depth (Inches)	Li (ppm)
NBS 136	493726	4325355	20	276
NBS 137	493826	4325355	24	208
NBS 138	493926	4325355	15	177
NBS 139	494026	4325355	13	209
NBS 140	494126	4325355	18	243
NBS 141	494226	4325355	18	212
NBS 142	494326	4325355	18	214
NBS 143	494426	4325355	18	376
NBS 144	494526	4325355	16	472
NBS 145	494626	4325355	12	279
NBS 146	494726	4325355	16	268
NBS 147	494826	4325355	20	254
NBS 148	494926	4325355	24	296
NBS 149	495026	4325355	20	326
NBS 150	495126	4325355	30	260
NBS 151	495226	4325355	12	87
NBS 152	493226	4324955	8	130
NBS 153	493326	4324955	6	142
NBS 154	493426	4324955	12	167
NBS 155	493526	4324955	6	135
NBS 156	493626	4324955	6	140
NBS 157	493726	4324955	9	155
NBS 158	493826	4324955	8	175
NBS 159	493926	4324955	8	270
NBS 160	494026	4324955	12	147
NBS 161	494126	4324955	10	193
NBS 162	494226	4324955	12	196
NBS 163	494326	4324955	48	144
NBS 164	494426	4324955	32	155
NBS 165	494526	4324955	20	163
NBS 166	494626	4324955	12	248
NBS 167	494726	4324955	12	271
NBS 168	494826	4324955	8	283
NBS 169	494926	4324955	12	280
NBS 170	495026	4324955	8	266
NBS 171	495126	4324955	7	324
NBS 172	495226	4324955	8	122
NBS 173	495326	4324955	5	67
NBS 174	494026	4324555	10	104
NBS 175	494126	4324555	12	148
NBS 176	494226	4324555	12	227
NBS 177	494326	4324555	12	210
NBS 178	494426	4324555	12	180
NBS 179	494526	4324555	14	138
NBS 180	494626	4324555	10	239
NBS 181	494726	4324555	10	312

SAMPID	EAST	NORTH	Depth (Inches)	Li (ppm)
NBS 182	494826	4324555	8	215
NBS 183	494926	4324555	12	227
NBS 184	495026	4324555	20	327
NBS 185	495126	4324555	18	260
NBS 186	495226	4324555	28	324
NBS 187	495326	4324555	12	126
NBS 188	495426	4324555	6	100
NBS 189	494026	4324155	5	96
NBS 190	494126	4324155	16	178
NBS 191	494226	4324155	16	124
NBS 192	494326	4324155	16	115
NBS 193	494426	4324155	16	142
NBS 194	494526	4324155	18	108
NBS 195	494626	4324155	16	212
NBS 196	494726	4324155	18	236
NBS 197	494826	4324155	20	227
NBS 198	494926	4324155	16	253
NBS 199	495026	4324155	18	221
NBS 200	495126	4324155	18	167
NBS 201	495226	4324155	24	166
NBS 202	495326	4324155	25	354
NBS 203	495426	4324155	30	236
NBS 204	494926	4323755	30	228
NBS 205	495026	4323755	16	171
NBS 206	495126	4323755	16	154
NBS 207	495226	4323755	16	194
NBS 208	495326	4323755	16	233
NBS 209	495426	4323755	12	257
NBS 210	495526	4323755	12	234
NBS 211	494926	4323355	13	151
NBS 212	495026	4323355	112	120
NBS 213	495126	4323355	12	105
NBS 214	495226	4323355	16	136
NBS 215	495326	4323355	18	161
NBS 216	495426	4323355	16	195
NBS 217	495526	4323355	18	152
NBS 218	495626	4323355	16	130
NBS 219	494926	4322955	16	191
NBS 220	495026	4322955	16	207
NBS 221	495126	4322955	12	186
NBS 222	495226	4322955	16	148
NBS 223	495326	4322955	20	86
NBS 224	495426	4322955	20	89
NBS 225	495526	4322955	18	81
NBS 226	495626	4322955	18	83
NBS 227	495726	4322955	36	109

SAMPID	EAST	NORTH	Depth (Inches)	Li (ppm)
NBS 228	494926	4322555	28	156
NBS 229	495026	4322555	34	183
NBS 230	495126	4322555	32	140
NBS 231	495226	4322555	32	137
NBS 232	495326	4322555	30	154
NBS 233	495426	4322555	14	172
NBS 234	495526	4322555	5	59
NBS 235	495626	4322555	8	67
NBS 236	495726	4322555	30	63
NBS 237	495826	4322555	14	56
NBS 238	494926	4322155	5	137
NBS 239	495026	4322155	8	107
NBS 240	495126	4322155	30	139
NBS 241	495226	4322155	10	135
NBS 242	495326	4322155	16	140
NBS 243	495426	4322155	12	101
NBS 244	495526	4322155	12	95
NBS 245	495626	4322155	12	129
NBS 246	495726	4322155	20	85
NBS 247	495826	4322155	18	95
NBS 248	495926	4322155	18	57
NBS 249	494926	4321755	12	95
NBS 250	495026	4321755	16	85
NBS 251	495126	4321755	18	195
NBS 252	495226	4321755	12	122
NBS 253	495326	4321755	14	135
NBS 254	495426	4321755	10	122
NBS 255	495526	4321755	40	113
NBS 256	495626	4321755	30	66
NBS 257	495726	4321755	30	54
NBS 258	495826	4321755	30	59
NBS 259	495926	4321755	28	60

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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> The North Big Smokey project was sampled by collecting rock chip samples from 2-inch (50.8 mm) diameter stainless steel auger drilling. Auger drill hole rock chip samples were collected in a bucket collection system that allowed the material to be extracted and deposited directly into a 5-gallon plastic bucket. Once the material was deposited into the bucket, it was then transferred into a sample bag marked with the sample number. The sampler attempted to collect each sample from the greatest depth possible. The auger allowed for a maximum sample depth of 54 inches (1.37 m). However, most samples were collected from much shallower depths. This was due to several factors, including encountering a horizon of impenetrable caliche (calcrete) or excessive moisture and/or meteoric water. The sample depths are provided in Appendix 1. All intervals were sampled.
Drilling techniques	<ul style="list-style-type: none"> 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). 	<ul style="list-style-type: none"> The North Big Smokey project was sampled by collecting rock chip samples from 2-inch (50.8 mm) diameter stainless steel auger drilling.
Drill sample recovery	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> No loss of sample recovery or quality was noted during drilling. Appropriate use of downhole pressure kept the Auger drill cuttings dry. Samples are considered to be representative of the drilled intervals. Sample bias was not introduced during drilling.
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies & 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. 	<ul style="list-style-type: none"> The auger samples have not been geologically logged
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. 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. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> Samples were collected at the time of drilling via a bucket. Sampling of cuttings was carried out following industry standards. Auger samples were normally dry. If water was present, it was expelled (if possible) from the hole before a sample was collected. Random duplicate samples for analyses were collected from selected intervals to assist QA/QC assessment work. The grain size of the material being sampled could not be determined from the recovered drill chips.

Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <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> 	<ul style="list-style-type: none"> Mineralogical and geochemical assay samples were dispatched to ALS in Twin Falls, Idaho, a certified laboratory. Appropriate sampling methods were adopted. No handheld tools were used. Sample duplicates, blanks, and Certified Reference Material (CRM) are used for QA/QC purposes. No external laboratory checks have been completed at this stage.
Verification of sampling and assaying	<ul style="list-style-type: none"> <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, and data storage (physical and electronic) protocols.</i> <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> No external verification has yet been completed. No twinned holes were drilled. All completed Auger holes were logged. Assay data was provided by the laboratory as certified data files, once completed. Data listing, lithology and sample numbers were recorded. Data validation was completed.
Location of data points	<ul style="list-style-type: none"> <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> 	<ul style="list-style-type: none"> The drill hole collars were surveyed by Morella personnel using a handheld GPS unit (with an error of +/- 5 m). The Grid System used was UTM 11. The level of topographic control offered by a handheld GPS was considered sufficient for the work undertaken.
Data spacing and distribution	<ul style="list-style-type: none"> <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> 	<ul style="list-style-type: none"> There was a predetermined grid spacing used for the drilling. No Mineral Resource or Ore Reserve Estimates have been completed. Full-depth drill hole chip samples were prepared for sample submission. No sample compositing was applied.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which 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> 	<ul style="list-style-type: none"> Drilling was carried out over an area of the project and was not considered to be biased.
Sample security	<ul style="list-style-type: none"> <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> The chain of custody for sampling procedures and sample analysis was managed by the Rig Geologists during drilling. Industry standard sample security and storage were undertaken.
Audits or reviews	<ul style="list-style-type: none"> <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> No audits or reviews of the data have been conducted at this stage.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary						
Mineral tenement and land tenure status	<ul style="list-style-type: none"> 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. 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. 	<ul style="list-style-type: none"> The North Big Smokey Project is located in Nevada, USA and comprises 178 existing claims over an area of ~13.9km² The tenements are held by Lithium Corporation, Morella entered into an earn-in agreement with Lithium Corporation in 2022, whereby Morella has the right to earn a 60% interest in the project, with options to acquire 100% interest. The claims are in good standing, with payments up to date with the US Bureau of Land Management. There are no known impediments to maintaining the claims and operating in the area. <table border="1"> <thead> <tr> <th>Tenement ID</th> <th>Location</th> </tr> </thead> <tbody> <tr> <td>NV105765895 -</td> <td></td> </tr> <tr> <td>NV105766072</td> <td>Nevada USA</td> </tr> </tbody> </table>	Tenement ID	Location	NV105765895 -		NV105766072	Nevada USA
Tenement ID	Location							
NV105765895 -								
NV105766072	Nevada USA							
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> First-pass lithium exploration work has been conducted at North Big Smokey over the past 10 years. A reconnaissance sediment sampling program determined that the clayey sediments in the valley host anomalous lithium mineralization. The sediment sampling was followed by a short gravity geophysical survey, claim staking and sub-surface brine sampling. 						
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> The Big Smokey Valley is a Tertiary through Quaternary unconsolidated sediment-filled basin, with geothermal fluids common in range bounding faults, and/or faults within the basin. The basin is filled with sediment weathered from the bounding Toiyabe and Toquima Ranges. 						
Drill hole Information	<ul style="list-style-type: none"> 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"> easting and northing of the drill hole collar 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. 	<ul style="list-style-type: none"> Morella completed Auger drilling at North Big Smokey. 259 Auger drill holes were drilled, to a maximum sample depth of 54 inches (1.37 m). Relevant drill hole information has been provided in this release (see Appendix 1). No information has been excluded. 						
Data aggregation methods	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> No metal equivalent values have been included. The aggregate intercepts are representative and do not contain large lengths of low-grade results. 						

Criteria	JORC Code explanation	Commentary
	<p><i>results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i></p> <ul style="list-style-type: none"> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <i>These relationships are particularly important in the reporting of Exploration Results.</i> <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> <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> 	<ul style="list-style-type: none"> 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 downhole length is reported.
Diagrams	<ul style="list-style-type: none"> <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> 	<ul style="list-style-type: none"> Appropriate information has been included in this release.
Balanced reporting	<ul style="list-style-type: none"> <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> 	<ul style="list-style-type: none"> Balanced reporting has been completed.
Other substantive exploration data	<ul style="list-style-type: none"> <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> 	<ul style="list-style-type: none"> No other exploration data to report.
Further work	<ul style="list-style-type: none"> <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> <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> 	<ul style="list-style-type: none"> Further work will be planned once the mineralogical study and geochemical assay results are evaluated.