MORELLA CORPORATION

ASX Announcement

13 June 2023

Lithium mineralisation from soil sampling confirmed at Carvers

Highlights.

Sampling highlights the prospectivity of the Carvers Project at North Big Smoky

54% of assays with grades of 100 ppm lithium in central west of deposit

Cascade Drilling has commenced four-hole Sonic Core Drilling Program

Overview

Morella Corporation Limited (**ASX: 1MC** "Morella" or "the Company") is pleased to advise that the soil sampling program completed at the North Big Smokey Carvers Lithium Project (Carvers) in May 2023 has identified further zones of elevated lithium grades across the western extension of the project area. In conjunction with the recent surface sampling the Company has engaged Las Vegas based Cascade Drilling LP to undertake a series of sonic core holes in order to test sediments up to 200 metres in depth.

Morella Managing Director, James Brown said:

"Building upon *the previous encouraging soil sample results*[1]*, Morella extended the soil sampling program to complete the coverage of its total claim holding at Carvers. The results, once again, show elevated lithium grades including 54% of assays with grades of 100 ppm lithium or more.*

Combined with the positive outcomes from the previous Passive Seismic and Magnetotelluric surveys and the MT survey result[2]*, these findings instil great confidence that Carvers will be a key part of our development future".*

The Carvers Project

Carvers is located 135 kilometres from Tonopah, and is accessible via Highway 376 in Nevada, USA (see Figure 1) and comprises 388 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.

[1] *Refer to ASX announcement "Lithium mineralisation confirmed in North Big Smoky soil sampling results", released on 17th January 2023*

[2] *Refer to ASX Announcement "Magnetotelluric surveys completed at the North Big Smoky Lithium Project" released on 1 May 2023*

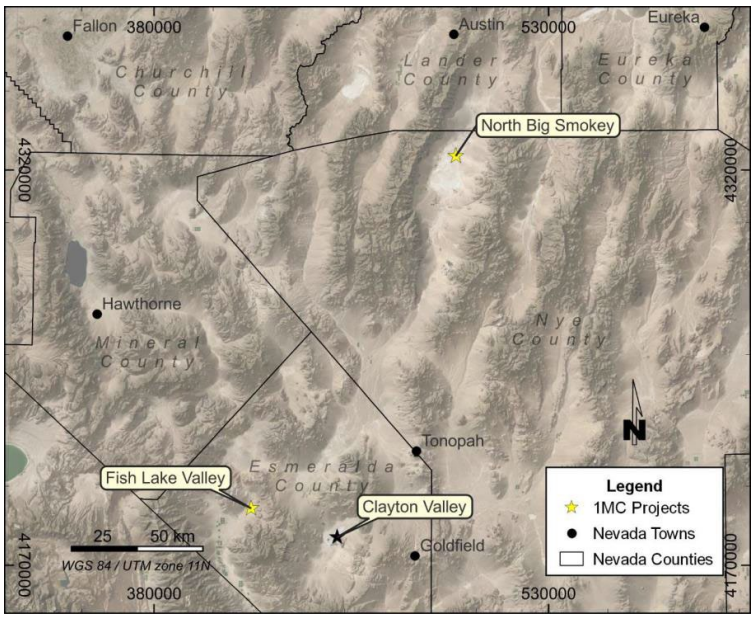

Figure 1: Location of North Big Smokey

Recent Sampling Program and Results

In May 2023, a 375-auger-hole program was executed with the goal of gaining a better understanding of the distribution of lithium in the soils across the western extension of the Carvers project area. Holes (up to 0.92m total depth) were completed and detailed information on the sample locations and depth can be found in Appendix 1.

Mineralogical and geochemical samples were sent for assaying to Paragon Geochemical in Sparks, Nevada, a certified laboratory. Figure 2 shows the auger sampling method.

Figure 2 – Auger Sampling

As seen in Figure 3, results in the central west part of Carvers show elevated lithium assays up to 271 ppm with over 54% of the assays with grades of 100 ppm lithium or more. This is an extension of the elevated results from the previous soil sampling program in the eastern part of the project area.

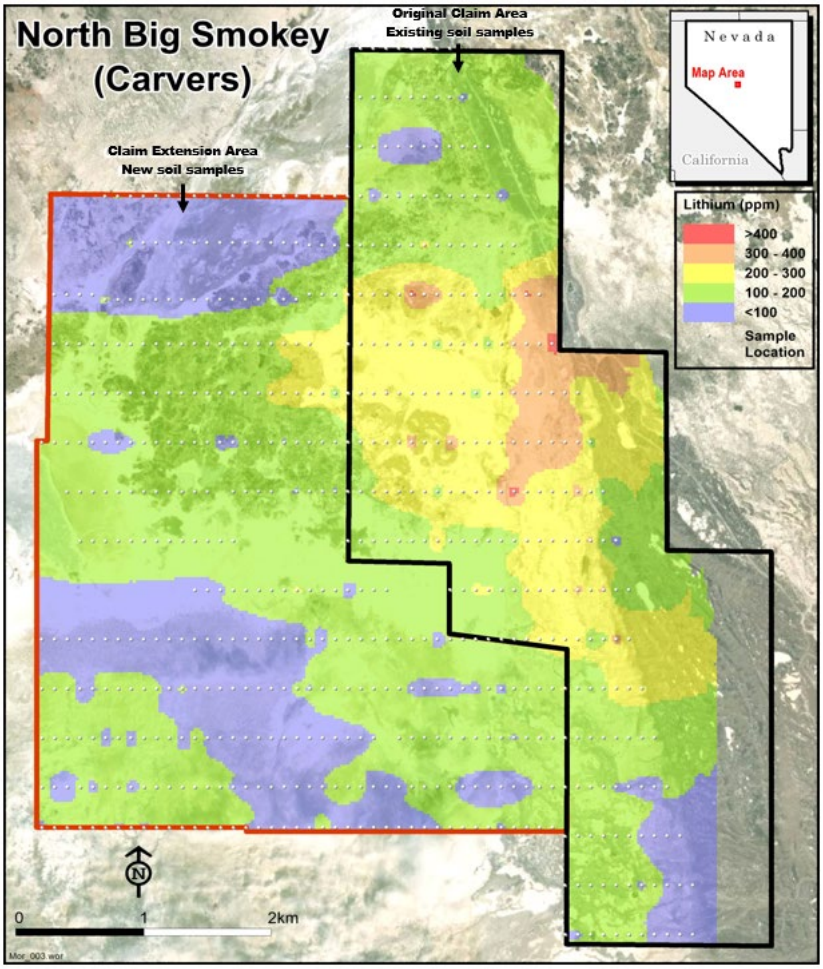

Figure 3: Plan View of results

Drilling to test shallow stratigraphy

On the back of the soil sampling results in January from the eastern part of the project area, a sonic core drill hole program was designed to test the stratigraphy and geology. These holes will assist in the assessment of the potential lithium mineralisation as well as the geology encountered so that the future deep hole programs at Carvers can be designed.

Drilling commenced on 7 June 2023 with Cascade Drilling L.P. engaged to carry out the four-hole Sonic Core Program – see Figure 4 and the drillhole layout in Figure 5.

Figure 4: Sonic rig drilling at DH1

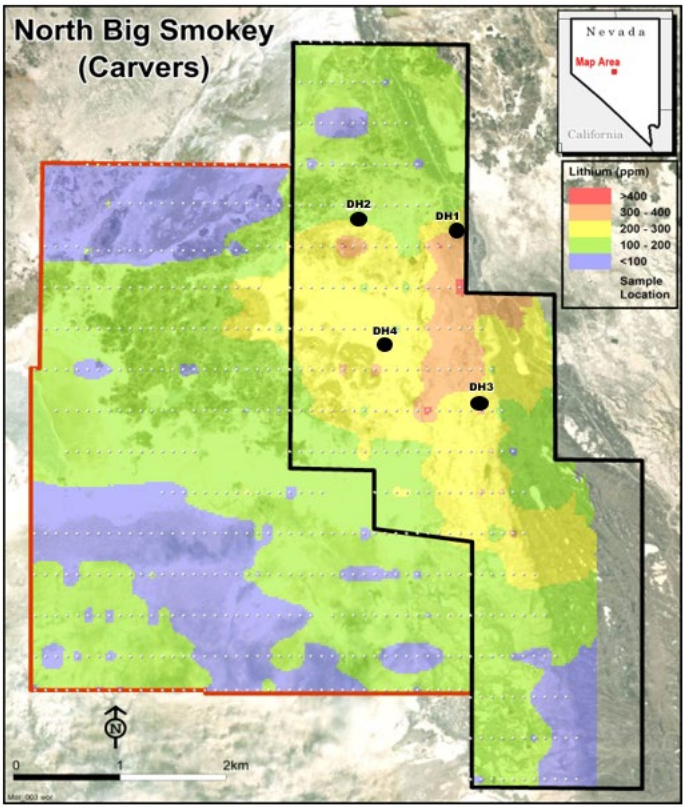

Figure 5: Plan View of drillhole layout

Future Work

The future work planned for Carvers is:

- Reflective seismic to determine the subsurface structure and any faulting which will assist with designing the deep hole program.
- Selecting drilling method, based on shallow hole results and reflective seismic work.
- Design and implement a deep hole program targeting the magnetotelluric anomalies.

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)
843758	493126	4327755	24	74
843759	493026	4327755	24	77
843760	492926	4327755	18	76
843761	492826	4327755	16	88
843762	492726	4327755	14	100
843763	492626	4327755	24	87
843764	492526	4327755	16	81
843765	492426	4327755	16	75
843766	492326	4327755	18	68
843767	492226	4327755	10	92
843768	492126	4327755	18	77
843769	492026	4327755	16	73
843770	491926	4327755	18	80
843771	491826	4327755	14	71
843772	491726	4327755	14	79
843773	491626	4327755	10	92
843774	491526	4327755	14	85
843776	491426	4327755	12	103
843777	491326	4327755	12	92
843778	491526	4327375	14	103
843779	491626	4327375	18	77
843780	491726	4327375	24	86
843781	491826	4327375	24	69
843782	491926	4327375	16	80
843783	492026	4327375	18	63
843784	492126	4327375	24	86
843785	492226	4327375	12	82
843786	492326	4327375	16	81
843787	492426	4327375	18	83
843788	492526	4327375	18	71
843789	492626	4327375	16	84
843790	492726	4327375	12	82
843791	492826	4327375	24	61
843792	492926	4327355	24	56
843793	493026	4327355	24	69
843794	493126	4327355	24	78
843796	493126	4326955	24	110
843797	493026	4326955	24	152
843798	492926	4326955	24	97
843799	492826	4326915	24	96
843800	492726	4326915	16	79
843801	492526	4326915	18	92
843802	492426	4326915	14	86

SAMPID	EAST	NORTH	Depth (Inches)	Li (ppm)
843803	492326	4326915	18	87
843804	492226	4326915	16	82
843805	492126	4326915	20	87
843806	492026	4326915	16	90
843807	491926	4326915	14	69
843808	491826	4326915	20	85
843809	491726	4326915	16	83
843810	491626	4326915	24	96
843811	491526	4326915	24	80
843812	491426	4326915	16	73
843813	491326	4326915	18	104
843814	491226	4326955	24	80
843816	491126	4326955	24	90
843817	491026	4326955	24	86
843818	490926	4326955	24	94
843819	490826	4325755	24	107
843820	490926	4325755	18	113
843821	491026	4325755	24	118
843822	491126	4325755	16	105
843823	491226	4325755	24	88
843824	491326	4325755	24	79
843825	491426	4325755	16	79
843826	491526	4325755	16	96
843827	491626	4325755	24	126
843828	491726	4325755	14	101
843829	491826	4325755	16	119
843830	491926	4325755	18	98
843831	492026	4325755	24	104
843832	492126	4325755	14	101
843833	492226	4325755	24	90
843834	492326	4325755	14	91
843836	492426	4325755	24	103
843837	492526	4325755	16	101
843838	492626	4325755	14	126
843839	492726	4325755	14	93
843840	492826	4325755	16	121
843841	492926	4325755	24	129
843842	493026	4325755	24	166
843843	493126	4325755	18	200
843844	493126	4325355	18	91
843845	493026	4325355	18	119
843846	492926	4325355	16	112
843847	492826	4325355	14	96
843848	492626	4325355	24	122
843849	492526	4325355	16	111
843850	492426	4325355	14	111

SAMPID	EAST	NORTH	Depth (Inches)	Li (ppm)
843851	492326	4325355	14	119
843852	492126	4325355	16	136
843853	492026	4325355	24	144
843854	491926	4325355	24	122
843856	493226	4326155	24	176
843857	493126	4326155	24	188
843858	493026	4326155	15	202
843859	492926	4326155	17	212
843860	492826	4326155	15	271
843861	492726	4326155	17	213
843862	492626	4326155	20	257
843863	492526	4326155	20	165
843864	492426	4326155	18	140
843865	492326	4326155	18	112
843866	492226	4326155	19	123
843867	492126	4326155	18	129
843868	492026	4326155	18	127
843869	491926	4326155	20	128
843870	491826	4326155	19	126
843871	491726	4326155	17	110
843872	491626	4326155	17	132
843873	491526	4326155	18	124
843874	491426	4326155	17	155
843876	491326	4326155	16	141
843877	491226	4326155	18	115
843878	491126	4326155	16	105
843879	491026	4326155	17	118
843880	490926	4326155	16	108
843881	490926	4326555	17	122
843882	491026	4326555	16	117
843883	491126	4326555	15	132
843884	491226	4326555	16	131
843885	491326	4326555	15	109
843886	491426	4326555	17	121
843887	491526	4326555	15	150
843888	491626	4326555	17	138
843889	491726	4326555	15	108
843890	491826	4326555	19	108
843891	491926	4326555	17	134
843892	492026	4326555	18	123
843893	492126	4326555	16	146
843894	492226	4326555	15	163
843896	492326	4326555	20	96
843897	492426	4326555	18	171
843898	492526	4326555	15	169
843899	492626	4326555	16	196

SAMPID	EAST	NORTH	Depth (Inches)	Li (ppm)
843900	492726	4326555	17	233
843901	492826	4326555	17	226
843902	492926	4326555	17	241
843906	491826	4325355	16	146
843907	491726	4325355	14	143
843908	491626	4325355	24	126
843909	491526	4325355	16	158
843910	491426	4325355	16	111
843911	491326	4325355	18	157
843912	491226	4325355	24	173
843913	491126	4325355	12	181
843914	491026	4325355	24	159
843916	491126	4324955	24	151
843917	491226	4324955	20	154
843918	491326	4324955	24	170
843919	491426	4324955	24	113
843920	491526	4324955	16	111
843921	491626	4324955	24	112
843922	491726	4324955	24	121
843923	491826	4324955	36	129
843924	491926	4324955	36	120
843925	492026	4324955	36	124
843926	492126	4324955	36	133
843927	492226	4324955	24	142
843928	492326	4324955	24	138
843929	493526	4324555	16	113
843930	493426	4324555	24	115
843931	493326	4324555	24	103
843932	493226	4324555	18	67
843933	493126	4324555	24	126
843934	493026	4324555	24	107
843936	492926	4324555	24	167
843937	492826	4324555	20	212
843938	492726	4324555	20	203
843939	492626	4324555	24	187
843940	492526	4324555	36	116
843941	492426	4324555	24	140
843942	492326	4324555	24	112
843943	492226	4324555	24	96
843944	492126	4324555	24	88
843945	492026	4324555	24	90
843946	491926	4323755	14	109
843947	491826	4323755	14	68
843948	491726	4323755	24	111
843949	491626	4323755	10	128
843950	491526	4323755	8	129

SAMPID	EAST	NORTH	Depth (Inches)	Li (ppm)
843951	491426	4323755	10	125
843952	491326	4323755	6	146
843953	491226	4323755	10	96
843954	491126	4323755	14	49
843956	491026	4323755	8	158
843957	490926	4323755	16	119
843958	490826	4323755	14	102
843959	490826	4323355	8	121
843960	490926	4323355	8	122
843961	491026	4323355	10	116
843962	491126	4323355	8	103
843963	491226	4323355	10	127
843964	491326	4323355	14	75
843965	491426	4323355	10	122
843966	491526	4323355	16	82
843967	491626	4323355	6	114
843968	491726	4323355	6	123
843969	491826	4323355	10	126
843970	491926	4323355	24	70
843971	492026	4323355	16	114
843972	492126	4323355	16	100
843973	492226	4323355	18	88
843974	492326	4323355	16	92
843976	492426	4323355	18	85
843977	492526	4323355	24	85
843978	492626	4323355	24	87
843979	492726	4323355	24	94
843980	492826	4323355	24	87
843981	492926	4323355	24	100
843982	493026	4323355	24	81
843983	493126	4323355	24	81
843984	493226	4323355	20	91
843985	493326	4323355	18	86
843986	493426	4323355	20	99
843987	493626	4323355	18	164
843988	493726	4323355	16	119
843989	493826	4323355	16	186
843990	493926	4323355	16	193
843991	494026	4323355	24	185
843992	494126	4323355	20	135
843993	494226	4323355	20	124
843994	494326	4323355	16	160
843996	494426	4323355	24	139
843997	494526	4323355	24	86
843998	494626	4323355	24	147
843999	494726	4323355	24	206

SAMPID	EAST	NORTH	Depth (Inches)	Li (ppm)
844000	494826	4323355	24	182
844001	494926	4323355	24	132
844002	494826	4323755	24	100
844003	494726	4323755	20	129
844004	494626	4323755	18	120
844005	494526	4323755	20	118
844006	494026	4322625	24	146
844007	494126	4322625	20	125
844008	494226	4322625	18	116
844009	494326	4322625	20	103
844010	494426	4322625	24	92
844011	494526	4322625	20	150
844012	494626	4322625	20	96
844013	494726	4322625	8	126
844014	494826	4322625	14	111
844016	493926	4322625	10	95
844017	493826	4322625	12	86
844018	493726	4322625	16	85
844019	493626	4322625	14	84
844020	493526	4322625	12	101
844021	493426	4322625	10	92
844022	493326	4322625	18	80
844023	493226	4322625	10	82
844024	493126	4322625	10	80
844025	493026	4322625	10	130
844026	492926	4322625	8	93
844027	492826	4322625	10	82
844028	492726	4322625	8	97
844029	492626	4322625	10	96
844030	492526	4322625	8	98
844031	492426	4322625	16	95
844032	492326	4322625	10	133
844033	492226	4322625	10	108
844034	492126	4322625	10	135
844036	492026	4322625	10	134
844037	491926	4322625	8	130
844038	491826	4322625	6	138
844039	491726	4322625	8	117
844040	491626	4322625	10	92
844041	491526	4322625	12	106
844042	491426	4322625	16	93
844043	491326	4322625	8	120
844044	491226	4322625	8	108
844045	491126	4322625	6	109
844046	491026	4322625	10	116

SAMPID	EAST	NORTH	Depth (Inches)	Li (ppm)
844047	490926	4322625	6	136
844048	490826	4322625	10	88
844049	490826	4322955	6	134
844050	490926	4322955	14	72
844051	491026	4322955	14	86
844052	491126	4322955	6	104
844053	491226	4322955	14	93
844054	491326	4322955	8	118
844056	491426	4322955	10	108
844057	491526	4322955	24	93
844058	491626	4322955	18	101
844059	491726	4322955	6	100
844060	491826	4322955	10	104
844061	491926	4322955	8	119
844062	492026	4322955	8	120
844063	492126	4322955	6	127
844064	492226	4322955	8	112
844065	492326	4322955	14	95
844066	492426	4322955	10	92
844067	492526	4322955	18	92
844068	492626	4322955	16	81
844069	492726	4322955	18	83
844070	492826	4322955	14	85
844071	492926	4322955	10	96
844072	493026	4322955	14	99
844073	493126	4322955	10	115
844074	493226	4322955	8	125
844076	493326	4322955	18	105
844077	493426	4322955	18	83
844078	493526	4322955	10	82
844079	493626	4322955	14	93
844080	493726	4322955	14	102
844081	493826	4322955	16	107
844082	493926	4322955	18	138
844083	494026	4322955	24	107
844084	494126	4322955	10	84
844085	494226	4322955	18	55
844086	494326	4322955	12	90
844087	494426	4322955	18	52
844088	494526	4322955	24	59
844089	494626	4322955	24	86
844090	494726	4322955	24	104
844091	494826	4322955	24	108
844092	494426	4323755	15	84

SAMPID	EAST	NORTH	Depth (Inches)	Li (ppm)
844093	494326	4323755	10	109
844094	494226	4323755	15	88
844096	494126	4323755	15	97
844097	494026	4323755	10	86
844098	493926	4323755	17	91
844099	493826	4323755	8	84
844100	493726	4323755	10	90
844101	493626	4323755	6	107
844102	493526	4323755	10	114
844103	493426	4323755	12	125
844104	493326	4323755	15	129
844105	493226	4323755	10	100
844106	493126	4323755	18	141
844107	493026	4323755	17	127
844108	492926	4323755	10	98
844109	492826	4323755	10	113
844110	492726	4323755	7	87
844111	492626	4323755	8	52
844112	492526	4323755	15	34
844113	492426	4323755	15	66
844114	492326	4323755	10	49
844116	492226	4323755	10	63
844117	492126	4323755	6	80
844118	492026	4323755	18	66
844119	490826	4324155	15	74
844120	490926	4324155	10	14
844121	491026	4324155	17	63
844122	491126	4324155	18	62
844123	491226	4324155	18	49
844124	491326	4324155	18	67
844125	491426	4324155	18	60
844126	491526	4324155	19	60
844127	491626	4324155	20	48
844128	491726	4324155	18	35
844129	491826	4324155	18	50
844130	491926	4324155	18	52
844131	492026	4324155	18	54
844132	492126	4324155	18	56
844133	492226	4324155	17	61
844134	492326	4324155	18	57
844136	492426	4324155	18	52
844137	492526	4324155	18	59
844138	492626	4324155	20	89
844139	492726	4324155	18	62

SAMPID	EAST	NORTH	Depth (Inches)	Li (ppm)
844140	492826	4324155	10	48
844141	492926	4324155	10	128
844142	493026	4324155	17	19
844143	493126	4324155	16	198
844144	493226	4324155	16	137
844145	493326	4324155	16	156
844146	493426	4324155	15	143
844147	493526	4324155	16	203
844148	493626	4324155	17	110
844149	493726	4324155	17	110
844150	493826	4324155	18	119
844151	493926	4324155	18	72
844152	494026	4324155	17	101
844153	494126	4324155	17	100
844154	494226	4324155	18	118

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	• *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.*	• 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 36 inches (0.92 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	• *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).*	• 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	• *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.*	• 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 the sampling.
Logging	• *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.*	• The auger samples have not been geologically logged
Sub-sampling techniques and sample preparation	• *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*	• 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.

Criteria	JORC Code explanation	Commentary
	for instance results for field duplicate/second-half sampling. • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• The grain size of the material being sampled could not be determined from the recovered drill chips.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *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.* • *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.*	• Mineralogical and geochemical assay samples were dispatched to Paragon Geochemical in Sparks, Nevada, 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	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, and data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• 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	• *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.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• 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	• *Data spacing for reporting of Exploration Results.* • *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.* • *Whether sample compositing has been applied.*	• There was a predetermined grid spacing used for the sampling. • 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	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *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.*	• Drilling was carried out over an area of the project and was not considered to be biased.
Sample security	• *The measures taken to ensure sample security.*	• 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	• *The results of any audits or reviews of sampling techniques and data.*	• 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	• *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.*	• The North Big Smokey Carvers Project is located in Nevada, USA and comprises 388 existing claims over an area of ~28.8km^2 • 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. **Tenement ID** — **Location** NV105765895 - NV105766072 — Nevada USA NV105818558 - NV105818767 — Nevada USA
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• First-pass lithium exploration work has been conducted at North Big Smoky 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	• *Deposit type, geological setting and style of mineralisation.*	• The Big Smoky 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	• *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:*
	  ○ *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.*
		• Morella completed Auger drilling at North Big Smokey.
		• 375 Auger drill holes were drilled, to a maximum sample depth of 36 inches (0.92 m).
		• Relevant drill hole information has been provided in this release (see Appendix 1).
		• No information has been excluded.

Data aggregation methods	• *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 results, the procedure used for such aggregation should*	• 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
	be stated and some typical examples of such aggregations should be shown in detail. • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *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').*	• 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	• *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.*	• Appropriate information has been included in this release.
Balanced reporting	• *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.*	• Balanced reporting has been completed.
Other substantive exploration data	• *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.*	• No other exploration data to report.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Further work will be planned once the mineralogical study and geochemical assay results are evaluated.