

10 September 2025

Morella Streamlines Nevada Lithium Portfolio

Morella Corporation Limited (ASX: 1MC, “**Morella**” or the “**Company**”) is pleased to announce that it has executed a binding Deed of Termination & Assignment with Lithium Corporation (OTCQB: LTUM) (“**LTUM**”) to restructure the joint venture arrangements over the Fish Lake Valley (FLV) and North Big Smoky (NBS) lithium projects in Nevada, USA.

Key Outcomes of the Agreement

- Morella will hold 100% of the restructured FLV South and NBS projects, consolidating its Nevada portfolio.
- LTUM will retain 100% of the FLV North claims, providing both parties with streamlined project footprints.
- LTUM retains a 3.5% Net Smelter Royalty (NSR) over FLV South and NBS, with Morella holding rights to repurchase 50% of the NSR’s for USD\$3M (FLV) and USD\$2M (NBS) within five years of the termination of the joint venture arrangements.
- Shares due in 2025 under the original agreements will be issued to LTUM on a staggered basis over an 18-month period, aligning equity interests while easing market impacts. All future Share issue entitlements have been extinguished.
- The variation eliminates USD\$250,000 of Morella’s near-term cash obligations under the FLV Agreement.
- Rationalisation of the project footprint will deliver significant reductions in annual BLM holding costs to Morella.
- Both parties have granted each other mutual Rights of First Refusal on any future transfer or disposal of claims or NSR interests, reinforcing the cooperative relationship.

Morella has strengthened its Nevada lithium portfolio through the consolidation of 100% ownership of the restructured Fish Lake Valley South (FLV South) (Figure 2) and North Big Smoky (NBS) (Figure 3) projects. Both projects have already demonstrated promising lithium exploration results and are regarded by the Company as high-potential assets with strong development pathways. By securing full ownership of these projects, Morella can now advance exploration and development with greater operational flexibility and strategic clarity, free of the constraints of the previous joint venture model.

The rationalisation of the combined project footprints also delivers significant capital efficiency to Morella. Streamlined tenement management and reduced holding costs will allow Morella to focus its resources directly on high-potential exploration, while maintaining a strong collaborative relationship with LTUM. This partnership continues through the NSR arrangements and mutual Rights of First Refusal, ensuring that both parties remain aligned and well-positioned to capture future value creation opportunities.

As part of the restructuring, Morella and LTUM undertook a detailed review of all claims across the Fish Lake Valley and North Big Smoky projects. This review drew upon the exploration work completed to date and the positive results achieved, with both parties agreeing to retain those areas that show the strongest potential to them. The rationalisation of the project footprints ensures that capital is focused on advancing the most promising exploration while reducing overall holding costs.

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Morella Managing Director James Brown said:

“This agreement reflects the strong and enduring relationship we have built with Lithium Corporation over many years. Both parties share a common goal of advancing high-quality lithium projects in Nevada, and this restructuring provides the flexibility for each company to pursue its strategy while continuing to work together. Importantly, the new structure streamlines our ownership of Fish Lake Valley South and North Big Smokey, enabling Morella to focus on advancing these exciting projects with clarity and efficiency. At the same time, we retain collaborative frameworks with LTUM that ensure our interests remain aligned and our partnership continues to deliver opportunities for mutual value creation.”

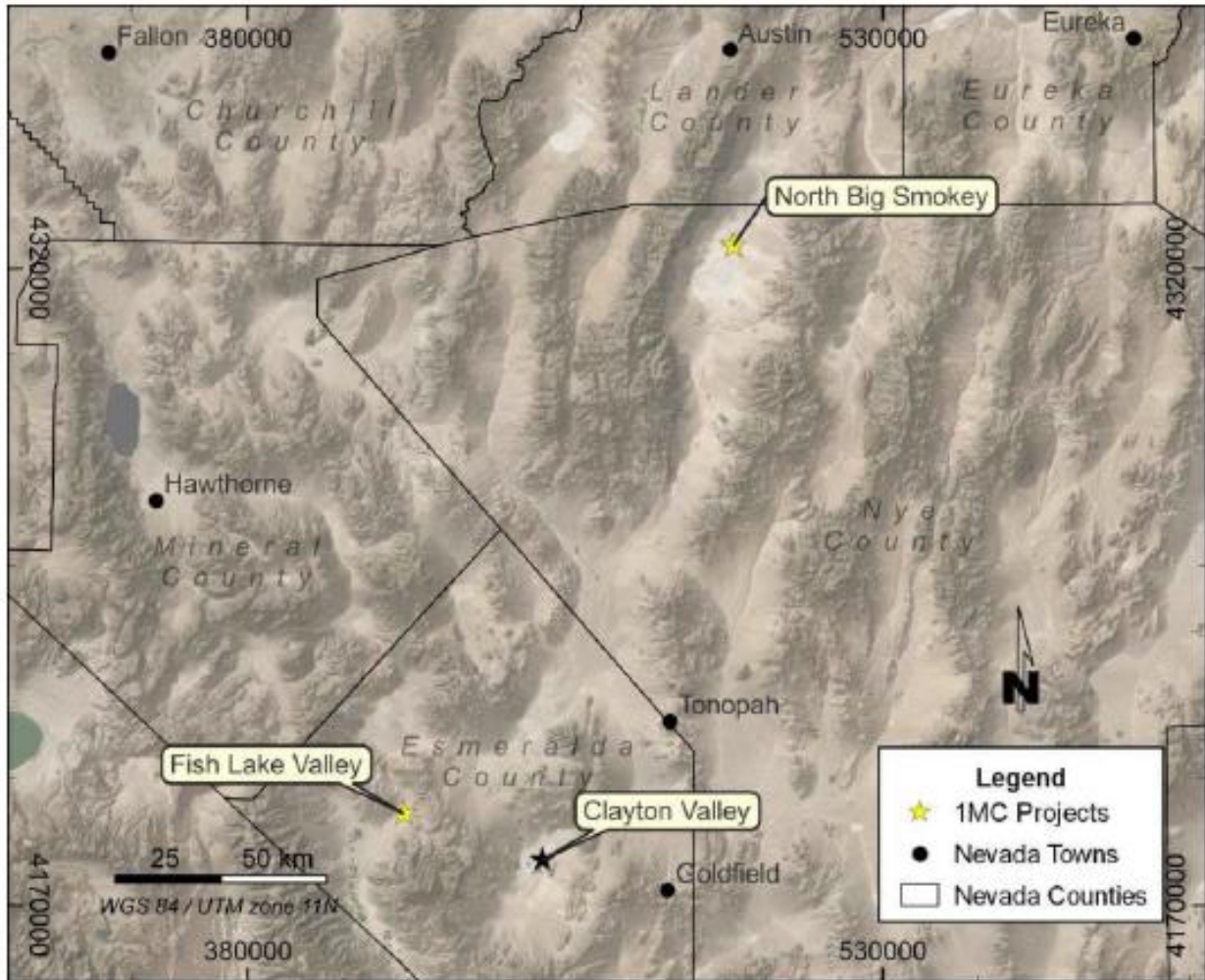


Figure 1 – Morella Corporation Nevada Projects

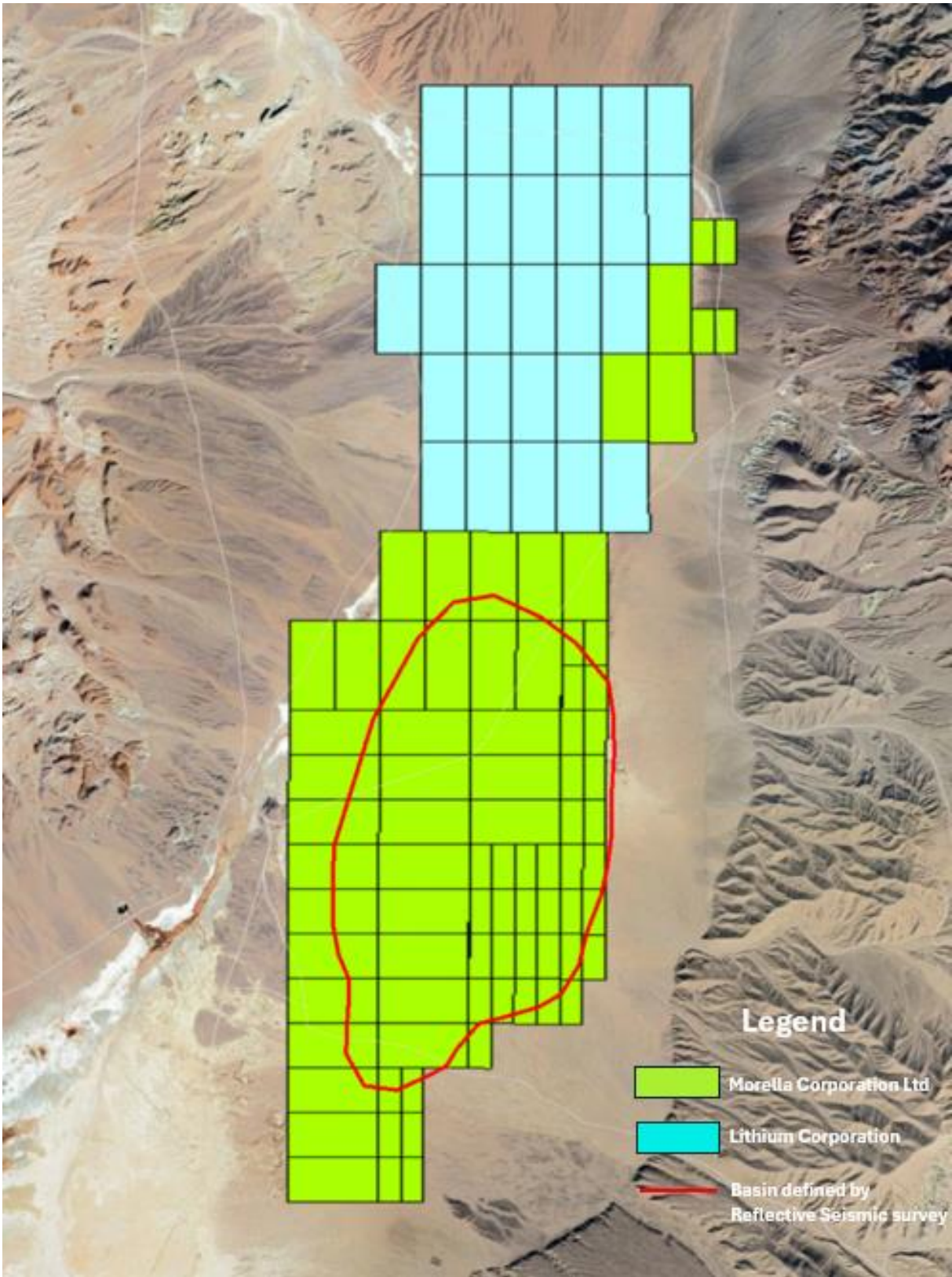


Figure 2 – Fish Lake Valley – Claim Plan

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Figure 3 – North Big Smoky – Claim Plan

Contacts for Further Information

Investors | Shareholders

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This announcement has been authorised for release by the Board of Morella Corporation Limited.

About Morella Corporation Limited (ASX:1MC) is an exploration and resource development company focused on advancing a diversified portfolio of critical and specialty minerals. With strategic assets located in Tier 1 jurisdictions across Australia and the United States, Morella is actively progressing projects in lithium, rubidium, and other high-value mineral systems. The Company is committed to unlocking the potential of emerging mineral markets to support technological innovation, industrial development, and long-term supply chain resilience.

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