MORELLA CORPORATION

ASX Announcement

20 August 2026

MORELLA AND ELEVRA EXPAND WESTERN AUSTRALIAN EXPLORATION JOINT VENTURE

Highlights

- **Morella and Elevra have entered into an indicative Term Sheet to expand their existing Western Australian exploration arrangements through the addition of Deep Well, Mt Dove, Mount Satirist and Station Peak.**

- **Morella to earn a 51% interest in the four additional projects through incurring A$300,000 of exploration expenditure over two years, with Elevra retaining 49% following completion of the earn-in.**

- **Morella will become manager and operator of the additional projects, building on its existing role as manager of the Morella-Elevra Joint Venture.**

- **The existing Joint Venture will be expanded to include all-minerals rights across the Joint Venture tenure, with the existing mineral rights arrangements at Mallina and Mt Edon remaining unchanged.**

- **Mt Dove and Deep Well provide near-term gold exploration opportunities, complementing Morella's existing Western Australian lithium and critical minerals portfolio.**

Morella Corporation Limited **(ASX: 1MC)** ("Morella" or "the Company") is pleased to advise that it has entered into an indicative, non-binding Term Sheet, with its longstanding joint venture partner, Elevra Lithium Limited **(ASX: ELV)** ("Elevra"), to expand the parties' existing Western Australian exploration arrangements.

The proposed transaction will add four Western Australian exploration projects to the existing Joint Venture arrangements and broaden the scope of the Joint Venture to include all-minerals rights across the existing Joint Venture tenure and the additional projects, with the existing mineral rights arrangements at Mallina and Mt Edon remaining unchanged.

Under the agreed terms, Morella will have the exclusive right to earn a 51% participating interest in the additional projects by incurring A$300,000 of qualifying exploration expenditure over two years. Morella will assume responsibility for management and operation of the additional projects from commencement.

Following completion of the earn-in, Elevra will retain a 49% participating interest, with the parties thereafter contributing to expenditure in proportion to their respective Joint Venture interests.

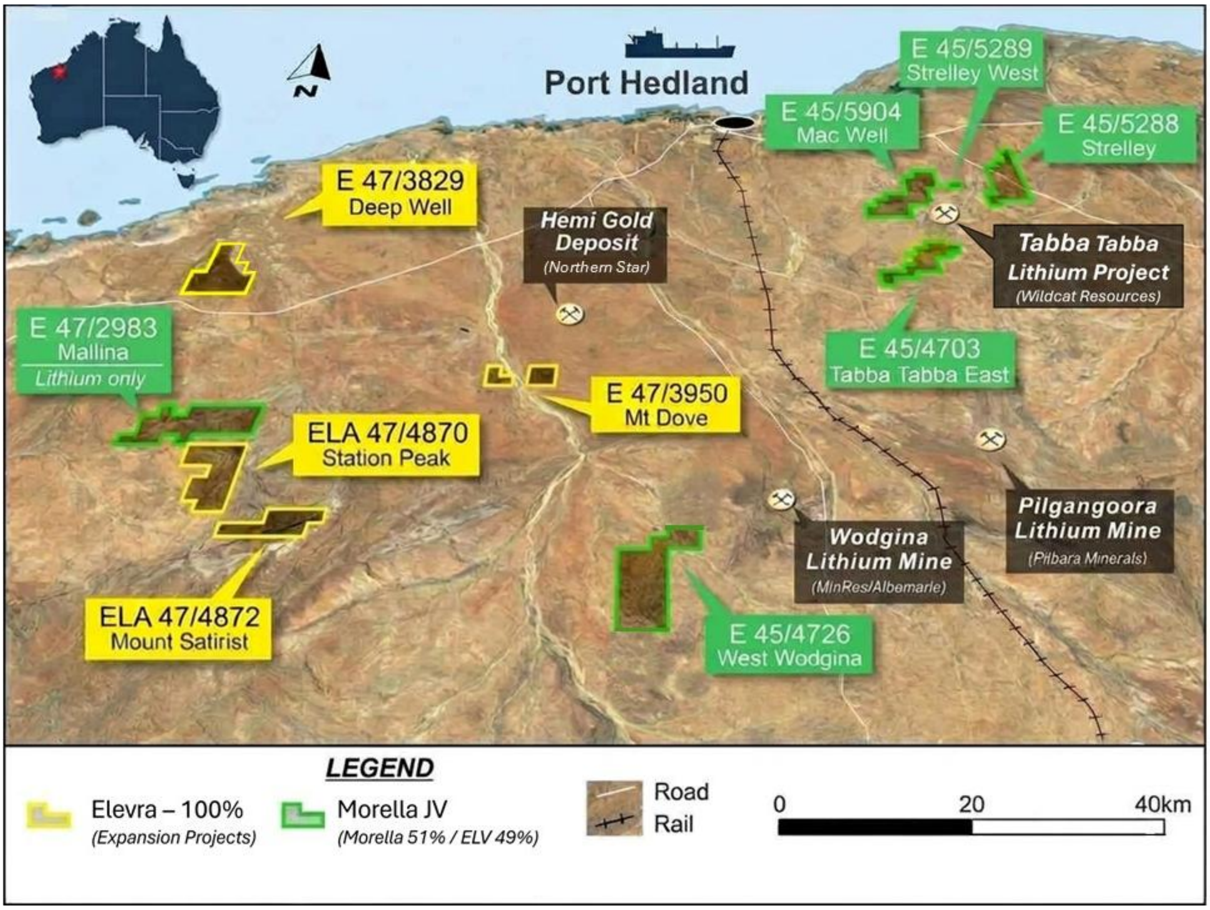

Figure 1: Morella–Elevra Western Australian Joint Venture and proposed Expansion Projects

Expanded Western Australian Exploration Portfolio

The proposed transaction builds upon the existing Morella-Elevra Joint Venture and provides Morella with exposure to a broader portfolio of exploration opportunities across established mineral provinces in Western Australia.

The additional projects comprise a combination of previously explored and earlier-stage tenure, supported by existing geological, geophysical, geochemical and drilling datasets that will be made available to Morella as part of the transaction.

Morella intends to undertake a detailed review of the available technical information and establish a prioritised exploration programme following completion of the transaction.

Mt Dove

Mt Dove (E47/3950) is located within the broader Mallina region and represents a gold exploration opportunity within approximately 10km of the Hemi Gold Project.

Previous exploration at Mt Dove has included airborne magnetic surveys and interpretation, identifying areas for further investigation beneath transported cover. Morella will review the existing technical datasets before determining the appropriate next phase of exploration.

Mt Dove is expected to be an initial exploration priority within the expanded portfolio.

Deep Well

Deep Well (E47/3829) represents a further gold exploration opportunity within the Mallina Basin.

Previous exploration activities at Deep Well have included airborne geophysics, aircore drilling and surface geochemical programmes.

Morella will review the existing geological, geophysical, geochemical and drilling datasets before determining the appropriate next phase of exploration.

Mount Satirist and Station Peak

Mount Satirist and Station Peak are earlier-stage exploration licence applications located within the broader Mallina region.

The projects are located south of the existing Mallina Joint Venture tenure and will be assessed as part of Morella's broader review of the regional geology and exploration potential of the expanded portfolio.

Strategic Rationale

The transaction reflects the complementary objectives of Morella and Elevra in relation to their Western Australian exploration interests.

For Morella, the transaction provides an opportunity to expand its Western Australian exploration portfolio and apply its existing technical capability and regional knowledge across a broader range of exploration opportunities.

For Elevra, the structure provides continued exposure to future exploration success through its retained 49% interest following the earn-in, while Morella assumes responsibility for managing the additional projects and incurring the A$300,000 of exploration expenditure required to earn its interest.

The proposed expansion to all-minerals rights, other than at Mallina and Mt Edon where the existing mineral rights arrangements will remain unchanged, will provide both parties with greater flexibility to assess and pursue the broader mineral potential of the Joint Venture tenure.

Morella Managing Director James Brown said:

"Morella and Elevra have worked together in Western Australia for a number of years and we see this as a sensible evolution of that relationship.

The transaction provides Morella with additional exploration opportunities that complement our existing portfolio while allowing Elevra to retain meaningful exposure to any future exploration success.

Our investment will be directed into exploration, with Morella earning its interest by putting A$300,000 into the ground over the next two years and taking responsibility for managing and advancing the projects.

Mt Dove is an initial priority, but we will take a disciplined approach to the broader portfolio, reviewing the historical datasets and ranking future expenditure against the other opportunities within Morella's portfolio."

Governance

The proposed transaction has been considered and approved by the respective Boards of Morella and Elevra. Given the common directorships of James Brown and Allan Buckler across both companies, neither participated in Elevra's consideration or approval of the proposed transaction.

Documentation and Next Steps

Following execution of the Term Sheet, the parties will proceed with the definitive documentation required to give effect to the proposed expansion of the existing Joint Venture arrangements.

The transaction remains subject to completion of Morella's due diligence and any required regulatory, third-party or other approvals.

Contact for further information

Investors | Shareholders

James Brown
Managing Director
E: info@morellacorp.com

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

About Morella Corporation Limited Morella (ASX: 1MC) is an exploration and resource development company advancing a diversified portfolio of mineral projects across Tier 1 jurisdictions in Australia and the United States. The Company's portfolio includes lithium, rubidium and other critical minerals, together with emerging exposure to gold and other commodities through its Western Australian exploration activities.

Forward Looking Statements and Important Notice This announcement may contain some references to forecasts, estimates, assumptions and other forward-looking statements. Although Morella believes that its expectations, estimates and forecast outcomes are based on reasonable assumptions, it can give no assurance that they will be achieved where matter lay beyond the control of Morella and its Officers. Forward looking statements may be affected by a variety of variables and changes in underlying assumptions that are subject to risk factors associated with the nature of the business, which could cause actual results to differ materially from those expressed herein.