



# RIU RESOURCES ROUND UP

## Corporate and Project Update

4 May 2022

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**ASX:** 1MC

**ACN:** 093 391 774

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**Competent Persons Statement** The information in this report that relates to Exploration Results for hard rock assets is based on information compiled by Mr Stephen Barber. Mr Barber is a Member of the Australasian Institute of Mining and Metallurgy. Mr Barber is the Exploration Manager at Morella Corporation Limited and has sufficient experience that is relevant to the style of mineralisation under consideration and to the activity of mineral resource estimation to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Barber consents to the inclusion in the report of the matters based on this information in the form and context in which it appears. The information in this report that relates to Exploration Results for brine asset is based on information compiled by Mr Duncan Storey, who is a Chartered Geologist with the Geological Society of London (an RPO defined by JORC 2012). Mr Storey is an independent consultant engaged by Morella Corporation and has sufficient experience with the exploration and development of mineralised brine deposits qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Storey consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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# Lithium Market, EVs and the Electrification Megatrend

## LITHIUM PRICE

- Commodity price bottomed Q3-Q4 CY2020
- Long-term price projections/project models revised up
- 2021 Q1 to Q4 Spodumene Concentrate Spot Price up 600%, record high sales price ≈US\$6,000/DMT (SC6) in April 2022<sup>2</sup>
- 2022 Q1 Lithium Chemicals (CIF North Asia) US\$75-85,000/T<sup>3</sup>

## BATTERY DEMAND <sup>4</sup>

- Planned number of facilities (global by 2030) – 163+
- Forecast Global Gigafactory Capacity (2030) – 6TWh
- 2021 global lithium production = 480,000T LCE
- 6TWh annual production = 5,000,000T LCE

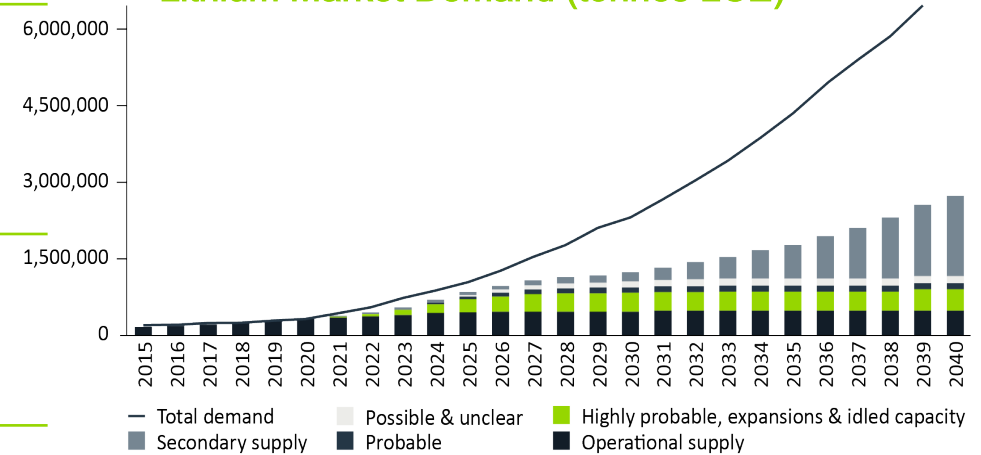
## DOWN-STREAM INVESTMENT <sup>5</sup>

- GM – US\$ 25Bn
- Ford – US\$12Bn
- VW Group – US\$85Bn
- CATL – US\$4.5Bn
- LG Chem – US\$4Bn

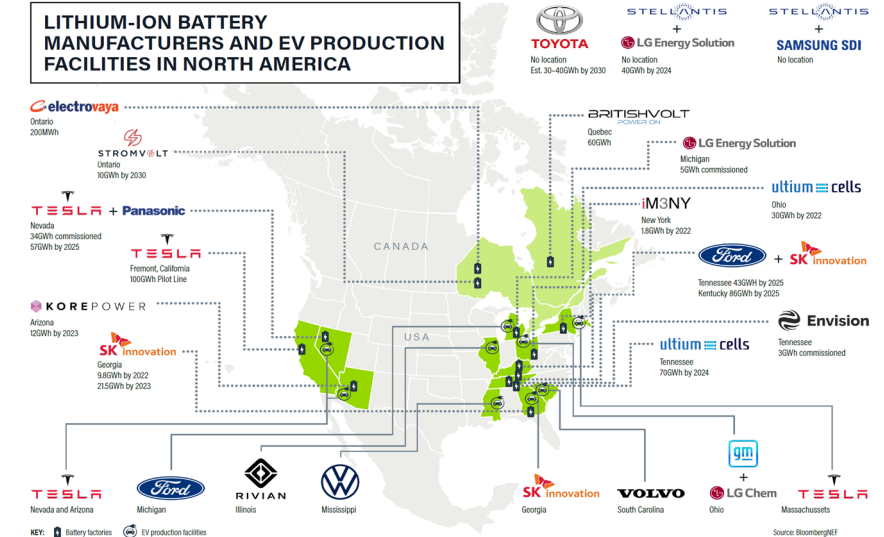
## POLICY AND LEGISLATION

- USA – targets for zero emissions vehicles by 2050
- USA – EVs for entire government fleet
- USA – National Blueprint for Lithium Batteries (2021-2030)
- Canada – 30% EV penetration by 2030
- Norway/Netherlands – cease ICE sales by 2035
- Germany – cease ICE sales by 2030
- China – 20% EV penetration by 2025
- France – €8Bn EV stimulus package
- US Presidential Directive – Defense Production Act for lithium supply

## Lithium Market Demand (tonnes LCE) <sup>1</sup>



## LITHIUM-ION BATTERY MANUFACTURERS AND EV PRODUCTION FACILITIES IN NORTH AMERICA



# Macro-market dynamic and sentiment

Structural supply deficit timed with unprecedented demand growth and down-stream investment

*Auto manufacturers across the world have invested over a half-trillion dollars in increasing every facet of their EV capacities in the next decade*

**Global light duty EV sales to rise to 26.8 mil by 2030:Platts Analytics** *Source: S&P Global Platts February 2022*

*2021 was the biggest year for #EV lithium ion battery cell capacity commitments: >\$150bn investment in various stages, 78 new #gigafactories planned, 59.5% y-o-y increase in pipeline cell capacity*

**Simon Moores/CEO Benchmark Minerals Intelligence** *Source: personal social media account February 2022*

*Ford is investing \$11Bn to build electric vehicles – creating 11,000 jobs across the country. GM is making the largest investment in its history - \$7Bn to build electric vehicles, creating 4,000 jobs in Michigan*

**Joe Biden/President of the United States of America** *Source: Official social media account March 2022*

**Global Lithium Demand now**  
**0.3 Million T LCE**



**Tesla Lithium Demand by 2030**  
**2.7 Million T LCE\***

\* Based on 3 terawatt-hours capacity

# Corporate Snapshot

Refreshed, Recharged and focused on Lithium

## CORPORATE THEMATIC



Project portfolio provides hardrock, brine and sedimentary hosted lithium exposure



Lithium is integral to the electrification and green energy mega-trend



Heavily aligned team with significant lithium asset development expertise



Strategic, Tier 1 locations for exploration, development and operations



Early stage, prospective projects with significant growth potential



## MORELLA CORPORATION LIMITED

ASX	1MC	
Shares on issue	5.2Bn	
Share Price*	\$0.035	
Market capitalisation**	\$186M	
Top Shareholders	Mr Allan Buckler***	15.68%
	Shanshan Forever	8.72%
	Mr Maxwell Terry Smith****	8.56%
	CITICORP Nominees Pty Limited	4.09%
	BNP Paribas Nominees Pty Ltd	3.92%
<b>Top 20 holders</b>	<b>52.34%</b>	
<b>Board of Directors</b>	<b>18.01%</b>	



\*30 day VWAP as at close of trade on 1 May 2022

\*\* As at close of trade 28 April 2022 (@\$0.036)

\*\*\* Consolidated holdings of entities controlled by Mr Allan Buckler

\*\*\*\* Consolidated holdings of entities controlled by Mr Terry Smith

ASX: 1MC

# Board and Management

Significant experience in the development and operation of mining and mineral processing projects

## BOARD OF DIRECTORS

**James Brown** (Managing Director)

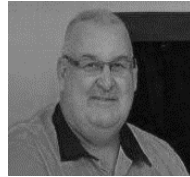
**Allan Buckler** (Non-Exec Director)

**Dan O'Neill** (Non-Exec Director)

**BT Kuan** (Non-Exec Director)

**John Lewis** (Company Secretary)

- Combined 100+ years of mining/resources experience in Australia, Africa, South America and Indonesia
- Director and Executive-level roles with ASX listed, multi-billion dollar resources companies
- Specific lithium raw materials exploration, project development and operational expertise
- Invested and committed directors of the company



### **JAMES BROWN - MANAGING DIRECTOR**

- 35 years exploration, mining and mine-development experience
- Global capital market relationships established to source, build and operate bulk material and battery raw material commodity markets supply
- Discovery and development of the Pilgangoora Lithium Project from bulk earth works to initial production in 24mths
- Delivered a globally competitive operation with class leading cost structure and product quality at the Pilgangoora lithium operation



### **ALEX CHEESEMAN - CHIEF EXECUTIVE OFFICER**

- 20+ years leadership and management, 10 years within mining/resources, seven years focussed on technology development
- Active global network of lithium consumers, auto-OEM, analysts and market commentators
- Strengths in managing multi-national projects/operations in high pressure/consequence environments
- Proven lithium project delivery, marketing and sales performance



### **ERIC KIELY - HEAD OF RESOURCE DEVELOPMENT**

- 30+ years mining and resource development
- GM level positions at RioTinto and Atlas Iron
- Strengths in resource estimation, strategic mine planning and project/government approvals
- Proven ability to optimise entire pit-to-port function and deliver class-leading operating costs



### **STEPHEN BARBER - EXPLORATION MANAGER HARDROCK COMPETENT PERSON**

- 30+ years exploration and mining experience
- Completed early stage delivery of a JORC compliant lithium resource estimate for mine development
- Extensive exploration across WA's Pilbara region
- Member of the Australasian Institute of Mining and Metallurgy and a recognised CP



### **DUNCAN STOREY - CONSULTANT HYDROGEOLOGIST BRINE MINERAL COMPETENT PERSON**

- 30+ years of hydrogeological management and consulting
- Extensive hydrogeological engineering, aquifer management and brine mineral assessment experience
- Lithium specific brine resource development with South American projects
- Chartered Geologist with the Geological Society of London and a recognised CP

# Portfolio of Prospective Lithium Projects

Physical and geophysical exploration underway, projects have confirmed lithium mineralization in Tier 1 jurisdictions



## WESTERN AUSTRALIA HARD ROCK LITHIUM PROJECTS

- Nine exploration tenements (seven granted, two pending) in the Pilbara and two exploration tenements in the Murchison region of Western Australia
- World-renowned lithium exploration and mining regions with immediate access to utilities, established export infrastructure, access to skilled and experienced exploration and mining centric labor
- Mallina Lithium Project (E47/2983) – subject of detailed mapping, sampling, study and RC drilling (for a combined total of 3,568m drilled and 653 samples assayed) over period 2016-2020. Morella’s maiden drill program (commenced in March 2022) is underway and will target sub-surface primary pegmatites
- Mount Edon Lithium Project (Mt Edon and Mt Edon West (E59/2092/E59/2055)) – Morella conducted mapping and sampling in March 2022, final outcomes are pending, with the tenements being highly prospective for lithium-bearing pegmatites



## NEVADA USA LITHIUM PROJECT

- Fish Lake Valley Project located in Nevada, a mining friendly jurisdiction of the USA
- Regional precedence of lithium exploration and project development
- Fish Lake Valley Lithium Project area covers approximately 44.4 sq km, and includes the Fish Lake Valley playa, salar and entire valley floor. Geophysical exploration has demonstrated depth and volume potential, drilling targets have been identified
- Fish Lake Valley shares both structural and stratigraphic geological properties similar to Albemarle’s Silver Peak Lithium Project located 35km away – Silver Peak is currently the only US domestic source of lithium
- Access to skilled labor, exploration/mining related contractors, established utilities, infrastructure and regional supply chains

# Tier 1

Stable, low-risk, proven locations for lithium exploration and development



**Stable, democratic government systems presenting low to no sovereign risks for Projects**



**Mining-friendly regions, with clear protocols and processes for environmental/water management, permitting, land/tenure management and first nations engagement**



**Proven jurisdictions for lithium exploration and lithium operations**



**Strategic alignment between Governments to secure and develop critical minerals**



**Clear path to market supporting both inbound project/operational logistics and export requirements in order to deliver material to market**





# Mallina Lithium Project

## HISTORICAL INFORMATION

- Previous exploration efforts by Sayona and Altura 2016-2020
- Lithium mineralization in spodumene confirmed through historical exploration
- Project/tenement subject to Morella-Sayona Earn-in Agreement executed November 2021
- Lithium Royalty Corp. royalty over Mallina

## MORELLA WORK PROGRAM

- DMIRS grant funding approved October 2021
- Community/Traditional Owner engagement commenced November 2021
- Heritage Survey completed March 2022
- Program of Work approved March 2022
- Exploration program commenced late March 2022 with clearing of drill pads and establishment of an exploration camp
- April 2022 – drilling program commenced:
- RC collars for stratigraphic drill holes completed 29 April 2022
- Diamond core drilling of tails underway – to be completed late May/early June 2022

## FORWARD LOOKING

- Exploration drilling assay results due two-four months after completion
- Positive results to be followed by a targeted resource definition program



# Mt Edon Lithium Project

## HISTORICAL INFORMATION

- Previous exploration by Sayona 2016-2017
- Multiple pegmatites identified, with lithium mineralization confirmed through independent assay\*
- Immediate access to national road network, and camp infrastructure to support further exploration efforts
- Project/tenement subject to Morella-Sayona Earn-in Agreement executed November 2021

## MORELLA WORK PROGRAM

- Independent desk-top review of Project completed in February 2022
- Logistics Study for export through Geraldton Port completed in March 2022
- Mapping and Sampling Program completed in March 2022
- Detailed report and assay results from sampling program to be confirmed in May, outcomes to shape next steps

## FORWARD LOOKING

- Any confirmed targets to be developed with permitting and land access work to commence early, allowing for the commencement of a maiden drill program in late 2022/early 2023
- DMIRS co-funded exploration submission to be prepared and submitted



\* Refer to Sayona ASX Release Lithium identified in first sampling program at Mt Edon released 4 May 2016

# Fish Lake Valley Lithium Project

## HISTORICAL INFORMATION

- Previous exploration efforts by Lithium Corporation has returned lithium mineralization ranging from 30 to 150mg/L
- Previous exploration identified an anomalous area at the northern end of the playa, which encapsulates a shallow enriched zone measuring approximately 1.40km by 1.62km
- Direct Lithium Extraction testing supports further assessment
- Project/claims subject to Morella-Lithium Corporation Earn-in Agreement executed October 2021

## MORELLA WORK PROGRAM

- Geophysics (passive seismic survey (PSS)) completed December 2021-March 2022 – Southern section of project
- Direct Lithium Extraction study commissioned January 2022
- Magnetotelluric (MT) survey commenced March 2022 (to be completed in April/May) – Southern section of project
- 211 additional claims secured, extending project area by 60% to approximately 44.4 sq km (April 2022)
- PSS and MT combined analysis and geophysical interpretation identified three initial drilling targets (Southern section)

## FORWARD LOOKING

- Northern section PSS data collection and incorporation into the hydrogeological model (April-May 2022)
- Additional MT data collection and further target development (May-July 2022)
- Drill program development and permitting (May-August 2022)
- Planned maiden Drill program (August-October 2022)\*



\* Weather and ground conditions may delay any planned drilling and are beyond Morella's control

# Charging forward with Lithium

Enabling the transition to green energy and the decarbonized global economy



**Lithium is integral to the electrification mega-trend**



**Projects, providing hardrock and brine lithium exposure**



**Strategic, Tier 1 locations for exploration and operations**



**Prospective projects with significant growth potential**



**Heavily aligned team with significant lithium expertise**



**Aligned with US and EU regulations and initiatives**



**Early-stage projects allows sustainability by design**



**Lithium is an irreplaceable mineral for high-performance batteries**



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