



MORELLA CORPORATION LIMITED

ABN 39 093 391 774

Notice of 2025 Annual General Meeting Explanatory Memorandum and Proxy Form

TIME: 10.00 am (AEST)

DATE: 28 November 2025

PLACE: The offices of PWC
480 Queen Street,
Brisbane QLD 4000

In accordance with section 110D(1) of the *Corporations Act 2001* (Cth), the Company will not be sending hard copies of the Notice of Meeting to Shareholders, unless a shareholder has requested a hard copy of the Notice of Meeting or made an election for the purposes of section 110E of the Corporations Act to receive documents from the Company in physical form. Instead, Shareholders can access a copy of the Notice at the following link:

<https://www.morellacorp.com/asx-announcements/>

This Notice of Annual General Meeting, Explanatory Memorandum and Proxy Form should be read in their entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on 0429 596 535.

Morella Corporation Limited

ABN 39 093 391 774

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of Morella Corporation Limited (**Company**) will be held on 28 November 2025 commencing at 10.00 am (AEST) at the offices of PWC 480 Queen Street, Brisbane QLD 4000.

Terms and abbreviations used in this Notice of Meeting, Explanatory Memorandum and Proxy Form are defined in the Glossary.

The purpose of the attached Explanatory Memorandum is to provide information to Shareholders to enable each Shareholder to make an informed decision regarding the Resolutions set out in this Notice of Annual General Meeting.

If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisors before voting.

The Explanatory Memorandum is to be read in conjunction with this Notice of Annual General Meeting. Capitalised words and expressions in this Notice of Annual General Meeting have the same meaning as in the Explanatory Memorandum and, where not defined in the Explanatory Memorandum, are defined in the attached Glossary.

A final copy of this Notice of Annual General Meeting and Explanatory Memorandum has been lodged with ASX. Neither ASX, nor any of its officers takes any responsibility for the contents of this document.

AGENDA

Reports and Accounts

To receive the consolidated annual financial report of the Company for the year ended 30 June 2025, together with the Directors' Report and the Auditor's report.

Note: there is no requirement for Shareholders to approve these reports.

Resolution 1 – Adoption of Remuneration Report (Non-Binding Resolution)

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Company adopts the annual Remuneration Report as set out in the Directors' Report for the financial year ended 30 June 2025."

Voting exclusion: A voting exclusion statement for Resolution 1 is contained below.

Resolution 2 – Re-Election of Dennis (Dan) O'Neill as a Director

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That Dennis O'Neill, being a Director of the Company, who retires in accordance with ASX Listing Rule 14.4 and article 12.3 of the Company's Constitution, and being eligible for re-election, be re-elected as a Director of the Company."

Resolution 3 – Approval of Additional 10% Placement Facility

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

"That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2, for the purpose and on the terms set out in the Explanatory Memorandum accompanying this Notice of Annual General Meeting."

Important note: The proposed allottees of any Equity Securities under the Additional 10% Placement Facility are not as yet known or identified. In these circumstances (and in accordance with the note set out in Listing Rule 14.11.1 relating to ASX Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of any Equity Securities issued under the Additional 10% Placement Facility), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted, and there is no reason to exclude their votes.

Resolution 4 – Ratification of issue of the Canaccord Shares

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.4, and for all other purposes, Shareholders approve and ratify the issue of a total of 1,500,000 Shares to Canaccord Genuity (Australia) Limited, for the purpose and on the terms set out in the Explanatory Memorandum accompanying this Notice of Annual General Meeting."

Voting exclusion: A voting exclusion statement for Resolution 4 is contained below.

Resolution 5 – Ratification of the Issue of Convertible Notes to Sophisticated and Professional Investors

To consider and, if thought fit, to pass with or without amendment the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve the issue and allotment of 14 Convertible Notes with a total face value of \$700,000 to sophisticated and professional investors (or their nominees), and otherwise on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Annual General Meeting."

Voting exclusion: A voting exclusion statement for Resolution 5 is contained below.

Resolution 6 – Approval of Issue of Convertible Notes to Shazo Holdings Pty Ltd, an associate of Mr Allan Buckler, Director of the Company

To consider and, if thought fit, to pass with or without amendment the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue and allotment of 10 Convertible Notes with a total face value of \$500,000 to Shazo Holdings Pty Ltd (or its nominee), an entity related to Allan Buckler, a Director of the Company, and otherwise on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Annual General Meeting."

Voting exclusion: A voting exclusion statement for Resolution 6 is contained below.

Resolution 7 – Approval of Issue of Convertible Notes to James Brown, Director of the Company or his nominee

To consider and, if thought fit, to pass with or without amendment the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue and allotment of 4 Convertible Notes with a total face value of \$200,000 to James Brown (or his nominee), a Director of the Company, and otherwise on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Annual General Meeting."

Voting exclusion: A voting exclusion statement for Resolution 7 is contained below.

Resolution 8 – Renewal of Long-Term Incentive Plan

To consider and, if thought fit, to pass with or without amendment the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.2 Exception 13(b) and for all other purposes, Shareholders approve the "Morella Executive Incentive Plan", for a period of three years from the date of the Meeting, on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Annual General Meeting."

Voting exclusion: A voting exclusion statement for Resolution 8 is contained below.

Resolution 9 – Renewal of Proportional Takeover Provisions

To consider and, if thought fit, to pass with or without amendment the following resolution as a **special resolution**:

"That, for the purposes of sections 136(2) and 648G of the Corporations Act, clause 9 of the Constitution, and for all other purposes, approval is given to the Company to amend its existing Constitution by renewing clause 9 of the Constitution for a period of three years from the date of approval of this Resolution."

Enquiries

Shareholders are invited to contact the Company Secretary at cosec@morellacorp.com or 0429 596 535 if they have any queries in respect of the matters set out in this document.

By order of the Board

JOHN LEWIS
Company Secretary
23 October 2025

VOTING EXCLUSION STATEMENTS

Resolution 1

The Company will disregard any votes cast on Resolution 1 by any member of the Key Management Personnel of the Company whose remuneration is included in the remuneration report, or a Closely Related Party of such member. However, the Company will not disregard any votes cast on Resolution 1 by such person if:

- (a) the person is acting as proxy and the Proxy Form specifies how the proxy is to vote on the Resolution, and the vote is not cast on behalf of a person who is otherwise excluded from voting on this Resolution as described above; or
- (b) the person is the Chair voting an undirected proxy and their appointment expressly authorises the Chair to exercise the proxy even though Resolution 1 is connected with the remuneration of the Key Management Personnel of the Company.

If you are a member of the Key Management Personnel of the Company or a Closely Related Party of such person (or are acting on behalf of any such person) and purport to cast a vote (other than as a proxy as permitted in the manner set out above), that vote will be disregarded by the Company (as indicated above) and you may be liable for an offence for breach of voting restrictions that apply to you under the Corporations Act.

Resolution 4

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Canaccord Genuity Limited or any Associate of Canaccord Genuity Limited. However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair acting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 5

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the issue of Convertible Notes, or any Associate of those persons. However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair acting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
- (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 6

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Allan Buckler or any other person who will obtain a material benefit as a result of the issue of securities (except a benefit solely by reason of being a holder of ordinary securities in the entity) and any Associate of those persons . However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair acting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 7

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr James Brown or and any other person who will obtain a material benefit as a result of the issue of securities (except a benefit solely by reason of being a holder of ordinary securities in the entity) and any Associate of those persons . However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair acting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 8

The Company will disregard any votes cast in favour of this Resolution by or on behalf of, any person who is eligible to participate in the Morella Executive Incentive Plan and any Associate of those persons. However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair acting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

NOTES

RIGHT TO VOTE

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders as at 10.00 am (AEST) on 26 November 2025.

VOTING BY PROXY

Proxy Forms should be returned to the Company's Share Registry, MUFG Corporate Markets, in accordance with the instructions on the enclosed proxy form by 10.00 am (AEST) on 26 November 2025.

Proxy Forms received later than the time specified above will be invalid.

The following methods of delivery for proxies are specified:

By post: Morella Corporation Limited
C/- MUFG Corporate Markets
Locked Bag A14
Sydney South NSW 1235

Online: <https://investorcentre.linkgroup.com/Login.aspx/Login?issuer=1mc>, enter your Security Reference Number (SRN) or Holder Identification Number (HIN) (which is shown on the front of your proxy form), postcode and security code which is shown on the screen and click 'Login'. Select the 'Voting' tab and then follow the prompts. You will be taken to have signed your Proxy Form if you lodge it in accordance with the instructions given on the website.

By facsimile: (+61 2) 9287 0309

By delivery: MUFG Corporate Markets
Parramatta Square, Level 22, Tower 6,
10 Darcy Street, Parramatta NSW 2150

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of Shareholders of Morella Corporation Limited (**Company**) in connection with the business to be conducted at the Annual General Meeting to be held at the offices of PWC 480 Queen Street, Brisbane QLD 4000 on 28 November 2025 commencing at 10.00 am (AEST).

The purpose of this Explanatory Memorandum is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

The Explanatory Memorandum should be read in conjunction with the Notice of Meeting preceding this Explanatory Memorandum. Capitalised terms in this Explanatory Memorandum are defined in the glossary to this document.

If you have any questions regarding the matters set out in the Explanatory Memorandum or the preceding Notice of Annual General meeting, please contact the Company Secretary, your accountant, solicitor, stockbroker or other professional advisor before voting.

1. REPORTS AND ACCOUNTS

The first item of the Notice of Meeting deals with the presentation of the consolidated annual financial report of the Company for the financial year ended 30 June 2025 together with the Directors' declaration and report in relation to that financial year and the Auditor's report on those financial statements. The 2025 Annual Report can be accessed on-line at <https://www.morellacorp.com>. Alternatively, a hard copy will be made available on request.

The Corporations Act requires the annual financial report, directors' report and the auditor's report (**Annual Financial Statements**) be received and considered at the Annual General Meeting. Section 317 of the Corporations Act requires the directors to lay before the Annual General Meeting the Annual Financial Statements for the last financial year.

Shareholders should consider the Annual Financial Statements and raise any matters of interest with the Directors when this item is being considered.

No resolution is required to be moved in respect of this item.

Shareholders will be given a reasonable opportunity at the Meeting to ask questions and make comments on the accounts and on the business, operations and management of the Company.

The Chair will also provide Shareholders a reasonable opportunity to ask the Company's Auditor questions relevant to:

- the conduct of the audit;
- the preparation and content of the independent audit report;
- the accounting policies adopted by the Company in relation to the preparation of accounts; and
- the independence of the Auditor in relation to the conduct of the audit.

Shareholders may also submit a written question to PKF Perth if the question is relevant to the content of the audit report or the conduct of its audit of Morella's financial report for the year ended 30 June 2025.

Relevant written questions for PKF Perth must be received no later than five business days before the Meeting. A list of those relevant questions will be made available to Shareholders attending the meeting. PKF Perth will either answer questions at the Meeting or table written answers to them at the Meeting. If written answers are to be tabled at the meeting, they will be announced on ASX no later than the start of the Meeting.

Please send any written questions for PKF Perth:

- (a) by post to, C/- MUFG Corporate Markets Locked Bag A14, Sydney South NSW 1235; or
- (b) by facsimile to the Company on facsimile number (+61 2) 9287 0309.

2. **RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT (NON-BINDING RESOLUTION)**

2.1 **Background**

Pursuant to Section 250R(2) of the Corporations Act, the Company submits to Shareholders for consideration and adoption, by way of a non-binding resolution, its remuneration report for the year ended 30 June 2025 (the **Remuneration Report**). The Remuneration Report is a distinct section of the annual directors' report (the **Directors' Report**) which deals with the remuneration of Directors, executives and senior managers of the Company. More particularly, the Remuneration Report can be found within the Directors' Report in the Annual Report. The Annual Report is available on the Company's website at <https://www.morellacorp.com>.

By way of summary, the Remuneration Report:

- (a) explains the Company's remuneration policy and the process for determining the remuneration of its Directors and executive officers;
- (b) addresses the relationship between the Company's remuneration policy and the Company's performance; and
- (c) sets out the remuneration details for each Director and executive officer named in the Remuneration Report for the financial year ended 30 June 2025.

The remuneration levels for Directors, executives and senior managers are competitively set to attract and retain appropriate Directors and Key Management Personnel.

The Chair will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on, the Remuneration Report.

2.2 **Regulatory Requirements**

The Corporations Act requires that this Resolution need only be an advisory vote of Shareholders and does not bind the Directors. However, the Corporations Act provides that if the Company's Remuneration Report resolution receives a "no" vote of 25% or more of votes cast at the Annual General Meeting, the Company's subsequent Remuneration Report must explain the Board's proposed action in response or, if the Board does not propose any action, the Board's reasons for not making any changes. The Board will take into account the outcome of the vote when considering the remuneration policy, even if it receives less than a 25% "no" vote.

In addition, sections 250U and 250V of the Corporations Act set out a "two strikes" re-election process, pursuant to which:

- (a) if, at a subsequent annual general meeting (**Later Annual General Meeting**), at least 25% of the votes cast on a resolution that the remuneration report be adopted are against the adoption of that remuneration report;
- (b) at the immediately preceding annual general meeting (**Earlier Annual General Meeting**), at least 25% of the votes cast on a resolution that the remuneration report be adopted were against the adoption of that remuneration report; and
- (c) a resolution was not put to the vote at the Earlier Annual General Meeting under an earlier application of section 250V of the Corporations Act,

then the Company must put to vote at the Later Annual General Meeting a resolution, requiring Shareholders to vote on whether the Company must hold another general meeting (**Spill Meeting**) to consider the appointment of all of the Directors at the time the Directors' Report was approved by the Board who must stand for re-appointment (other than the Managing Director) (**Spill Resolution**). The Spill Resolution may be passed as an ordinary resolution.

If the Spill Resolution is passed, the Spill Meeting must be held within 90 days after the Spill Resolution is passed. All of the Company's Directors who were Directors at the time when the resolution to make the Directors' Report was passed (excluding the Managing Director of the Company who may, in accordance with the ASX Listing Rules, continue to hold office

indefinitely without being re-elected to the office) cease to hold office immediately before the end of the Spill Meeting and may stand for re-election at the Spill Meeting.

At the Company's previous annual general meeting, the votes cast against the remuneration report considered at that general meeting were less than 25%. Accordingly, a Spill Resolution will not be put to Shareholders at this Annual General Meeting even if 25% or more of the votes cast in respect of the Remuneration Report are against the adoption of the Remuneration Report.

2.3 Board recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 1.

The Chair intends to vote all available undirected proxies in favour of Resolution 1.

3. RESOLUTION 2 – RE-ELECTION OF DENNIS (DAN) O'NEILL AS A DIRECTOR

3.1 Background

In accordance with ASX Listing Rule 14.5 and clause 12.3(b) of the Constitution, at every annual general meeting an election of Directors must take place. ASX Listing Rule 14.4 and clause 12.3(a) of the Constitution prevents a Director from holding office (without re-election) past the third annual general meeting following the Director's appointment or three years, whichever is longer.

For this reason, Mr O'Neill retires by way of rotation and, being eligible, offers himself for re-election as a Director.

Mr O'Neill has held positions with a number of Australian and multinational exploration companies and has managed exploration programs in a diverse range of environments and locations including Botswana, North America, South East Asia, North Africa and Australasia. During his 35 years' experience, he has held executive management positions with ASX listed companies and has worked on a range of commodities including diamonds, gold, base metals, coal, oil and gas.

Further details about Mr O'Neill are set out in the Annual Report which is available at <https://www.morellacorp.com>.

3.2 Voting consequences

If Shareholders do not vote in favour of Resolution 2, Mr O'Neill will not be re-elected as a Director and will retire at the conclusion of the Annual General Meeting.

If Shareholders vote in favour of Resolution 2, Mr O'Neill will be re-elected as a Director.

3.3 Board recommendation

The Board (excluding Mr O'Neill) unanimously recommends that Shareholders vote in favour of Resolution 2.

4. RESOLUTION 3 – APPROVAL OF ADDITIONAL 10% PLACEMENT FACILITY

4.1 Background

Broadly speaking, and subject to a number of exceptions, ASX Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

ASX Listing Rule 7.1A enables eligible entities to issue Equity Securities of up to an additional 10% of its issued ordinary share capital through placements over a 12-month period following the entity's annual general meeting (**Additional 10% Placement Facility**). The Additional 10% Placement Facility is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1.

An eligible entity for the purposes of ASX Listing Rule 7.1A, is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less, as at the time of the entity's annual general meeting. The Company is an eligible entity as at the time of this Notice of Annual General Meeting and is expected to be an eligible entity as at the time of the Annual General Meeting.

Resolution 3 seeks Shareholder approval by way of special resolution to enable the Company to issue Equity Securities under the Additional 10% Placement Facility. The effect of Resolution 3 will be to allow the Company to issue Equity Securities under ASX Listing Rule 7.1A during the period set out below.

Resolution 3 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote at the Annual General Meeting (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative). The exact number of Equity Securities that the Company may issue under the Additional 10% Placement Facility will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (refer to Section 4.2(d) below). The Company will be able to issue up to the combined 25% limit in ASX Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 3 is passed, the Company will be able to issue Equity Securities up to a combined 25% limit under ASX Listing Rules 7.1 and 7.1A without any further shareholder approval.

If Resolution 3 is not passed, the Company will not be able to access the Additional 10% Placement Facility to issue Equity Securities under ASX Listing Rule 7.1A without shareholder approval and will remain subject to the 15% limit on issuing Equity Securities without shareholder approval set out in ASX Listing Rule 7.1.

The Company is seeking a mandate to issue securities under the Additional 10% Placement Facility to enable the Company to pursue its growth strategy with the flexibility to act quickly as potential business opportunities arise.

4.2 Regulatory Requirements

In compliance with the information requirements of ASX Listing Rule 7.3A, Shareholders are advised of the following information:

(a) Issue Period

If Shareholders approve Resolution 3, the Company will have a mandate to issue Equity Securities under the Additional 10% Placement Facility under ASX Listing Rule 7.1A from the date of the Annual General Meeting until the earlier of the following to occur:

- (i) the date that is 12 months after the date of the Annual General Meeting;
- (ii) the time and date of the Company's next annual general meeting; and
- (iii) the time and date of the approval by Shareholders of a transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(the **Additional 10% Placement Period**).

The Company will only issue and allot Equity Securities during the Additional 10% Placement Period.

(b) Minimum Issue Price

Equity Securities issued under the Additional 10% Placement Facility must be in the same class as an existing class of quoted Equity Securities of the Company. As at the date of this Notice of Annual General Meeting, the Company has on issue one class of quoted Equity Securities being Shares.

The issue price of Equity Securities issued under the Additional 10% Placement Facility must not be lower than 75% of the volume weighted average price for securities in the same class calculated over the 15 trading days on which trades in that class were conducted immediately before:

- (i) the date on which the Equity Securities are issued; or
- (ii) the date on which the price of Equity Securities is agreed, provided that the issue is thereafter completed within 10 trading days.

(c) **Purpose of Issues**

The Company may seek to issue the Equity Securities to raise funds in connection with an acquisition of new assets or investments (including expense associated with such acquisition), continued exploration and feasibility study expenditure on the Company's current assets and / or general working capital.

The Company will provide further information at the time of issue of any Equity Securities under the Additional 10% Placement Facility in compliance with its disclosure obligations under ASX Listing Rules 7.1A.4 and 3.10.5A.

(d) **Dilution**

As at the date of this Notice of Annual General Meeting, the Company has 368,428,985 Equity Securities on issue. The Company will have the capacity to issue approximately 36,842,898 Equity Securities under the Additional 10% Placement Facility in accordance with ASX Listing Rule 7.1A.

The precise number of Equity Securities that the Company will have capacity to issue under ASX Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the following formula:

(A x D) – E

A = the number of fully paid ordinary securities on issue at the commencement of the relevant period,

- (i) plus the number of fully paid ordinary securities issued in the relevant period under an exception in ASX Listing Rule 7.2 other than exception 9, 16 or 17;
- (ii) plus the number of fully paid ordinary securities issued in the relevant period on the conversion of convertible securities within ASX Listing Rule 7.2 exception 9 where:
 - (a) the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
 - (b) the issue of, or agreement to issue, the convertible securities was approved, or taken under the ASX Listing Rules to have been approved, under ASX Listing Rule 7.1 or ASX Listing Rule 7.4,
- (iii) plus the number of fully paid ordinary securities issued in the relevant period under an agreement to issue securities within ASX Listing Rule 7.2 exception 16 where:
 - (a) the agreement was entered into before the commencement of the relevant period; or
 - (b) the agreement or issue was approved, or taken under these rules to have been approved, under ASX Listing Rule 7.1 or ASX Listing Rule 7.4
- (iv) plus the number of any other fully paid ordinary securities issued in the relevant period within approval under ASX Listing Rule 7.1 or ASX Listing Rule 7.1A;
- (v) plus the number of partly paid ordinary securities that became fully paid in the relevant period; and

- (vi) less the number of fully paid ordinary securities cancelled in the relevant period.

Note that "Variable A" has the same meaning in ASX Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D = 10%

E = is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the relevant period where the issue or agreement has not been subsequently approved by holders of its ordinary securities under ASX Listing Rule 7.4.

If Resolution 3 is approved by Shareholders and the Company issues Equity Securities under the Additional 10% Placement Facility, existing Shareholders' voting power in the Company will be diluted as shown in the table below. There is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in ASX Listing Rule 7.1A(2) as at the date of this Notice of Annual General Meeting.

The table also shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under ASX Listing Rule 7.1 or ASX Listing Rule 10.11 that are approved at a future Shareholders' meeting; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Variable "A" in ASX Listing Rule 7.1A.2		Dilution		
		0.03 50% decrease in Issue Price	0.06 Issue Price	0.09 50% increase in Issue Price
Current Variable A 368,428,985 Shares	(10% Voting Dilution)	36,842,898	36,842,898	36,842,898
	Funds raised	\$1,105,287	\$2,210,574	\$3,315,861
50% increase in current Variable A to 454,632,870 Shares	(10% Voting Dilution)	55,264,348	55,264,348	55,264,348
	Funds raised	\$1,657,930	\$3,315,861	\$4,973,791

100% increase in current Variable A to 606,177,160 Shares	(10% Voting Dilution)	73,685,797	73,685,797	73,685,797
	Funds raised	\$2,210,574	\$4,421,148	\$6,631,722

The table has been prepared on the following assumptions:

1. Variable A is 368,428,985 being the number of ordinary securities on issue at the date of this Notice of Meeting.
2. The Company issues the maximum number of Equity Securities available under the Additional 10% Placement Facility.
3. The Company has not issued any Equity Securities using its placement capacity under ASX Listing Rule 7.1A in the 12 months preceding this Notice of Meeting.
4. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
5. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Additional 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
6. The table shows only the effect of issues of Equity Securities under ASX Listing Rule 7.1A, not under the 15% placement capacity under ASX Listing Rule 7.1.
7. The issue of Equity Securities under the Additional 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
8. The issue price is 0.06 per share, being the closing price of the Shares on ASX on 15 October 2025.

(e) Allocation Policy

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the Additional 10% Placement Facility. The identity of the persons to whom the Company will issue the Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue, a placement or other issues in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The persons to whom the Company will issue Equity Securities under the Additional 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and / or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company is successful in acquiring new resources assets or investments, it is likely that the persons to whom the Company will issue Equity Securities under the 10% Placement Facility will be the vendors of the new resources assets or investments.

(f) Previous issues of Equity Securities under ASX Listing Rule 7.1A

The Company previously obtained Shareholder approval for an additional 10% placement facility under ASX Listing Rule 7.1A at the 2024 annual general meeting on 29 November 2024.

In the 12 months preceding this Notice of Annual General Meeting, the Company has issued 27,176,923 Shares under ASX Listing Rule 7.1A. All of these Shares were issued pursuant to the placement announced on 16 December 2024.

A table setting out the details of the issue as required by ASX Listing Rule 7.3A.6 is set out below:

Issue Date	23 December 2024
Names of persons to whom Equity Securities were issued or the basis on which those persons were determined	The Shares were issued pursuant to the placement to institutional, sophisticated and professional investors, none of whom were material investors. ¹ The investors were identified by the Company and Canaccord, who acted as lead manager and bookrunner to the placement.
Number and class of securities issued	27,176,923 Shares being 9% of the total number of Equity Securities on issue at the commencement of the 12-month period
Issue price	\$0.026 each A 16% discount to the closing price of the Company's Shares on ASX on 11 December 2024, being the last trading day prior to the announcement of the placement.
Funds raised	The Shares issued using the Company's placement capacity under ASX Listing Rule 7.1A raised approximately \$700,000.
Use of funds	Exploration activities and advancing the development of future drilling targets across the Company's projects in Western Australia and Nevada, and general working capital.

(g) **Voting exclusion statement**

There is no voting exclusion statement for this Resolution. As at the date of the Notice Meeting, the Company has not approached any particular existing security holder or an identifiable class of existing security holders to participate in the issue of the Equity Securities using the Additional 10% Placement Facility. Accordingly, the proposed persons to whom any Equity Securities may be issued to under the Additional 10% Placement Facility are not as yet known or identified. No existing Shareholders' votes will therefore be excluded from voting on Resolution 3.

In these circumstances (and in accordance with guidance in ASX Guidance Note 21 relating to ASX Listing Rule 7.1A), ASX considers a material benefit to be one that is likely to induce the recipient of the benefit to vote in favour of the transaction regardless on its impact on ordinary security holders. Where it is not known who will participate in the proposed issue (as is the case in respect of any Equity Securities issued under the Additional 10% Placement Facility), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that

¹ ASX consider the following to be material investors:

- (i). a related party of the entity;
- (ii). a member of the entity's Key Management Personnel;
- (iii). a substantial holder in the entity;
- (iv). an adviser to the entity; or
- (v). an associate of any of the above,

where such person or entity is being issued more than 1% of the entity's current issued capital.

it is possible that their holding will be diluted, and there is no reason to exclude their votes.

4.3 Board recommendation

The Board believes that the Additional 10% Placement Facility is beneficial for the Company as it will give the Company the flexibility to issue further securities representing up to 10% of the Company's share capital during the next 12 months. Accordingly, the Board unanimously recommend that Shareholders approve Resolution 3.

5. RESOLUTION 4 – RATIFICATION OF THE ISSUE OF THE CANACCORD SHARES

5.1 Background

The purpose of Resolution 4 is for Shareholders to approve the issue of 1,500,000 Shares to Canaccord Genuity (Australia) Limited (**Canaccord**) pursuant to the Mandate agreed by Canaccord and the Company on 5 December 2024.

The terms of the Mandate were that Canaccord would act as Lead Manager to the proposed capital raising completed in December 2024, and the Company would remunerate Canaccord through the issue of the Shares (**Canaccord Shares**).

The Canaccord Shares were issued under the Company's ASX Listing Rule 7.1 placement capacity.

5.2 Regulatory Requirements

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The issue of the Canaccord Shares does not fit within any of the exceptions and as the issue has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in ASX Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under the ASX Listing Rules for the 12 month period following the date of the issue of the Shares. It therefore requires the approval of the Shareholders under ASX Listing Rule 7.1.

ASX Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of Equity Securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under ASX Listing Rule 7.1 and so does not reduce the company's capacity to issue further Equity Securities without shareholder approval under that rule.

The effect of the approval under ASX Listing Rule 7.4 of the issue of the Canaccord Shares will be that these Shares will not be counted as reducing the number of securities which the Company can issue in the future without shareholder approval under the 15% placement limited imposed by ASX Listing Rule 7.1.

The Company confirms that the issue of the Canaccord Shares did not breach ASX Listing Rule 7.1.

The Company wishes to maintain as much flexibility as possible to issue additional Equity Securities in the future without having to obtain shareholder approval under ASX Listing Rule 7.1.

To this end, Resolution 4 seeks shareholder approval for, and ratification of, the issue of the Canaccord Shares issued in accordance with ASX Listing Rule 7.1 under and for the purposes of ASX Listing Rule 7.4.

If Resolution 4 is passed, the issue of the Shares will be excluded in calculating Company's 15% limit in ASX Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12-month period following the date of the issue of the Canaccord Shares.

If Resolution 4 is not passed, the issue of the Shares will be included in calculating the Company's 15% limit in ASX Listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12-month period following the date of the issue of the Canaccord Shares.

The Shares issued, for which approval and ratification is sought under Resolution 4, would comprise 0.41% of the Company's share capital (based on the number of Equity Securities on issue as at the date of this Notice of Annual General Meeting).

5.3 Technical information required by ASX Listing Rule 7.5

In compliance with the information requirements of ASX Listing Rule 7.5, Shareholders are advised of the following information:

(a) **The names of the persons to whom the entity issued Shares**

The Shares were issued to Canaccord.

Canaccord is not a related party of the Company or a material investor.²

(b) **Number of Securities issued**

Under Resolution 4, the Company seeks Shareholder approval for, and ratification of, the issue of 1,500,000 Shares.

(c) **Material terms of the securities**

The Canaccord Shares are fully paid ordinary Shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares and rank equally in all respects with existing Shares.

The Company applied to ASX for official quotation of the Canaccord Shares.

(d) **Date of issue**

The Canaccord Shares were issued on 3 June 2025.

(e) **Issue price or other consideration**

The issue price of the Canaccord Shares is \$nil.

The Canaccord Shares were issued as part of consideration for Canaccord providing lead manager services to the Company.

(f) **Purpose of the issue, including the intended use of the funds raised**

The Canaccord Shares were issued as consideration for the provision of lead manager and ongoing corporate advisory services to the Company and in accordance with the Mandate.

(g) **Relevant agreement**

The Canaccord Shares were issued pursuant to the Mandate.

A summary of the material terms of the Mandate is set out in Schedule 1.

(h) **Voting exclusion statement**

A voting exclusion statement for Resolution 4 is included in the Notice of Annual General Meeting preceding this Explanatory Memorandum.

5.4 Board recommendation

The Board believes that the issue is beneficial for the Company and recommends Shareholders vote in favour of Resolution 4. It will allow the Company to retain the flexibility to issue further

² ASX consider the following to be material investors:

- (i). a related party of the entity;
- (ii). a member of the entity's Key Management Personnel;
- (iii). a substantial holder in the entity;
- (iv). an adviser to the entity; or
- (v). an associate of any of the above,

where such person or entity is being issued more than 1% of the entity's current issued capital.

Equity Securities representing up to 15% of the Company's share capital during the next 12 months.

The Board unanimously recommends that Shareholders vote in favour of this Resolution.

6. BACKGROUND TO RESOLUTIONS 5, 6 AND 7 - ISSUE OF CONVERTIBLE NOTES

As announced to the ASX on 20 October 2025, the Company has received binding commitments for a series of unsecured convertible note facilities with an aggregate value of up to \$1.4 million in interest bearing convertible notes (**Convertible Notes**) pursuant to which the Company agreed to issue 28 Convertible Notes in two tranches.

A total of \$700,000 has been committed using the Company's existing placement capacity under ASX Listing Rule 7.1 (**Tranche 1**).

The remaining \$700,000 has been committed under conditional agreements with certain members of the Company's Board, subject to Shareholder approval (**Tranche 2**).

The Subscribers for the Convertible Notes are:

Subscriber	Purchase Price \$	Convertible Notes Issued
Sophisticated and professional investors (including Interra Resources Limited)	700,000	14
Shazo Resources Limited (an Associate of Mr Allan Buckler)	500,000	10
Mr James Brown, Managing Director of the Company	200,000	4
Total	1,400,000	28

The issues of Convertible Notes under Tranche 2, to Shazo Holdings Pty Ltd and Mr James Brown, are subject to Shareholder approval pursuant to Resolutions 6 and 7.

The Convertible Notes each have a face value of \$50,000 and each Convertible Note is convertible into Shares. Each Convertible Note is convertible at a conversion price equal to a 15% discount to the 20-day VWAP prior to the date of conversion.

The Shares which may be issued on conversion of a Convertible Note will rank *pari passu* in all respects with the Shares on issue as at the date of conversion of the Note.

All Convertible Notes must be converted or repaid within thirty-six (36) months from the first drawdown. In the event that there are unconverted Convertible Notes, these will convert into Shares in full at the Conversion Price subject to the maturity date of each Convertible Note.

7. RESOLUTION 5 – RATIFICATION OF ISSUE OF CONVERTIBLE NOTES TO SOPHISTICATED AND PROFESSIONAL INVESTORS

7.1 Background

The Company issued 14 Convertible Notes each with a face value of \$50,000 to sophisticated and professional investors on 20 October 2025. The terms of the Convertible Notes (as set out in Schedule 2) provide that a coupon rate of 8% per annum is payable on the Convertible Notes quarterly in arrears and is payable in cash (or Shares subject to agreement).

This Resolution seeks shareholder approval to ratify the issue and allotment of Convertible Notes with a total face value of \$700,000 to sophisticated and professional investors as announced to the ASX on 20 October 2025.

The effect of this resolution is for shareholders to approve the issue of these non-related party equity securities to fall within an exception to ASX Listing Rule 7.1, which will allow the company to issue these without using the company's 15% capacity under ASX Listing Rule 7.1.

7.2 Regulatory Requirements

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The issue of the Convertible Notes does not fit within any of the exceptions and as the issue has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in ASX Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under the ASX Listing Rules for the 12 month period following the date of the issue of the Shares. It therefore requires the approval of the Shareholders under ASX Listing Rule 7.1.

ASX Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of Equity Securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under ASX Listing Rule 7.1 and so does not reduce the company's capacity to issue further Equity Securities without shareholder approval under that rule.

The effect of the approval under ASX Listing Rule 7.4 of the issue of the Convertible Notes will be that these securities will not be counted as reducing the number of securities which the Company can issue in the future without shareholder approval under the 15% placement limited imposed by ASX Listing Rule 7.1.

The Company confirms that the issue of the Convertible Notes did not breach ASX Listing Rule 7.1.

The Company wishes to maintain as much flexibility as possible to issue additional Equity Securities in the future without having to obtain shareholder approval under ASX Listing Rule 7.1.

To this end, Resolution 5 seeks shareholder approval for, and ratification of, the issue of the Convertible Notes issued in accordance with ASX Listing Rule 7.1 under and for the purposes of ASX Listing Rule 7.4.

If Resolution 5 is passed, the issue of the Convertible Notes will be excluded in calculating Company's 15% limit in ASX Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12-month period following the date of the issue of the Shares.

If Resolution 5 is not passed, the issue of the Convertible Notes will be included in calculating the Company's 15% limit in ASX Listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12-month period following the date of the issue of the Shares.

The Shares issued on exercise of the Convertible Notes, for which approval and ratification is sought under Resolution 5, would comprise 7.60% of the Company's undiluted share capital (assuming a conversion price of \$0.025 being a 15% discount to the Company's 20-day VWAP prior to the date of this Notice of Annual General Meeting and based on the number of Equity Securities on issue as at the date of this Notice of Annual General Meeting).

7.3 Technical information required by ASX Listing Rule 7.5

In compliance with the information requirements of ASX Listing Rule 7.5, Shareholders are advised of the following information:

- (a) **The names of the persons to whom the entity issued securities**

The Convertible Notes were issued to sophisticated and professional investors who were identified by the Company.

None of the investors are related parties of the Company or a material investor³, with the exception of Interra Resources Limited, which holds a 12.24% relevant interest in the Company as at the date of this Notice.

(b) **Number of securities issued**

Under Resolution 5, the Company seeks from Shareholder's ratification of the issue of 14 Convertible Notes for a face value of \$700,000.

(c) **Material terms of the securities**

The Shares to be issued upon conversion of the Convertible Notes will be fully paid ordinary Shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares and rank equally in all respects with existing Shares. The maturity date for each Convertible Note is thirty-six (36) months from the first drawdown. The Convertible Notes may be converted into Shares on a 1:1 basis. A summary of the material terms of the Convertible Notes are set out in Schedule 2.

(d) **Date of issue**

The Convertible Notes were issued on 20 October 2025.

(e) **Issue price or other consideration**

Each Convertible Note has a face value of \$50,000.

(f) **Purpose of the issue, including the intended use of the funds raised**

The Convertible Notes were issued to provide the Company with working capital to pursue the investment of the Company in the Sayona Earn-In in Western Australia and the Lithium projects in Nevada, USA.

(g) **Relevant agreement**

The Convertible Notes were issued pursuant to the Convertible Note Agreement.

A summary of the material terms of the Convertible Note Agreement is set out in Schedule 2.

(h) **Voting exclusion statement**

A voting exclusion statement for Resolution 5 is included in the Notice of Annual General Meeting preceding this Explanatory Memorandum.

7.4 Board recommendation

The Board believes that the Convertible Notes are beneficial for the Company and recommends Shareholders vote in favour of Resolution 5. It will allow the Company to retain the flexibility to issue further Equity Securities representing up to 15% of the Company's share capital during the next 12 months.

The Board unanimously recommends that Shareholders vote in favour of Resolution 5.

³ ASX consider the following to be material investors:

- (i). a related party of the entity;
- (ii). a member of the entity's Key Management Personnel;
- (iii). a substantial holder in the entity;
- (iv). an adviser to the entity; or
- (v). an associate of any of the above,

where such person or entity is being issued more than 1% of the entity's current issued capital.

8. RESOLUTIONS 6 AND 7 – APPROVAL TO ISSUE CONVERTIBLE NOTES TO RELATED PARTIES

8.1 Background

Resolutions 6 and 7 seek Shareholder approval to issue and allot Convertible Notes under Tranche 2, to Directors, Mr Allan Buckler, through his Associate Shazo Holdings Pty Ltd, and Mr James Brown (or their nominees).

Subject to Shareholder approval, the Company proposes to issue 14 Convertible Notes (in aggregate) with a total face value of \$700,000 as follows:

- (a) 10 Convertible Notes with an aggregate face value of \$500,000 to Mr Allan Buckler, through his Associate Shazo Holdings Pty Ltd (or its nominee) pursuant to Resolution 6; and
- (b) 4 Convertible Notes with an aggregate face value of \$200,000 to Mr James Brown (or his nominee) pursuant to Resolution 7,

together, **Director Convertible Notes**.

The terms of the Convertible Notes are set out in Schedule 2.

8.2 ASX Listing Rules

Relevantly, ASX Listing Rule 10.11 provides that unless one of the exceptions in ASX Listing Rule 10.12 applies, a listed company must not issue or agree to issue Equity Securities, without the approval of shareholders, to:

- (a) a related party (ASX Listing Rule 10.11.1); or
- (b) an associate of a person referred to in ASX Listing Rules 10.11.1 to 10.11.3 (ASX Listing Rule 10.11.4).

Resolution 6 proposes to issue securities to Shazo Holdings Pty Ltd, an Associate of Director, Allan Buckler and is therefore, a related party of the Company. Resolution 7 proposes to issue securities to Mr James Brown, who is a related party of the Company by virtue of being a Director. As such, Shareholder approval is sought under ASX Listing Rule 10.11 as Resolutions 6 and 7 propose the issue of securities to the related parties or their respective nominees.

If either of Resolutions 6 or 7 are passed, the Company will be able to issue the Director Convertible Notes, the subject of the Resolution that is passed, to the relevant related party or their respective nominee.

If either of Resolutions 6 or 7 are not passed, the Company:

- (a) will not be able to issue the Director Convertible Notes the subject of the Resolution;
- (b) the funds advanced from the relevant related party will be required to be immediately repaid by the Company; and
- (c) the Company would most likely face a significant cash shortage that could jeopardise its position in terms of solvency which could result in the Company most likely needing to raise further cash at a significantly discounted rate.

As Shareholder approval under Resolutions 6 and 7 is being sought under ASX Listing Rule 10.11, approval is not also required under ASX Listing Rule 7.1.

8.3 Technical information required under ASX Listing Rule 10.13

In compliance with the information requirements of ASX Listing Rule 10.13, Shareholders are advised of the following information:

(a) Name of the persons to receive securities

The Director Convertible Notes are proposed to be issued to:

- (i) Shazo Holdings Pty Ltd (an Associate of Mr Allan Buckler) pursuant to Resolution 6; and
- (ii) Mr James Brown (or his nominee) pursuant to Resolution 7.

(b) **Nature of relationship between person to receive securities and the Company**

Shazo Holdings Pty Ltd is an Associate of Director Mr Allan Buckler, and, as such, is a related party of the Company within ASX Listing Rule 10.11.4.

Mr James Brown is a Director of the Company, and, as such, is a related party within ASX Listing Rule 10.11.1 by virtue of being a Director.

(c) **Number of securities to be issued**

Under Resolutions 6 and 7, the Company seeks from Shareholders, approval to issue 14 Director Convertible Notes (in aggregate) for a face value of \$700,000.

The Director Convertible Notes that will be as follows:

- (i) 10 Director Convertible Notes for a total value of \$500,000 are proposed to be issued to Shazo Holdings Pty Ltd, pursuant to Resolution 6; and
- (ii) 4 Director Convertible Notes for a total value of \$200,000 are proposed to be issued to James Brown, pursuant to Resolution 7.

(d) **Material terms of the securities**

The Shares to be issued upon conversion of the Director Convertible Notes will be fully paid ordinary Shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares and rank equally in all respects with existing Shares. The maturity date for each Convertible Note is thirty-six (36) months from the first drawdown. The Convertible Notes may be converted into Shares on a 1:1 basis. A summary of the material terms of the Convertible Notes are set out in Schedule 2.

(e) **Date of issue**

The Company anticipates that the Director Convertible Notes will be issued as soon as practicable after the Meeting and in any event not later than three months after the date of the Meeting (or such later date as permitted by ASX waiver or modification of the ASX Listing Rules).

(f) **Issue price or other consideration**

Each Director Convertible Note has a face value of \$50,000 per Convertible Note.

(g) **Purpose of the issue, including the intended use of the funds raised**

The Convertible Notes are to be issued to provide the Company with working capital to pursue the investment of the Company in the Sayona Earn-In in Western Australia and the Lithium projects in Nevada, USA.

(h) **Remuneration of related parties**

Details of the current remuneration packages and current investment in the Company for Messrs Buckler and Brown are set out below:

Director	Salary & Fees (incl. Super) ¹	Shares	Options
Mr Allan Buckler	\$72,000	60,516,544 Shares	1,388,889 Options expiring 31 August 2026
Mr James Brown	\$526,243	18,266,537 Shares	1,551,205 Options expiring 31 August 2026

Note 1: Cash salary, fees and superannuation.

(i) **Relevant agreement**

The Director Convertible Notes are being issued pursuant to the Convertible Notes Agreement.

A summary of the material terms of the Convertible Notes Agreement is included in Schedule 2.

(j) **Voting exclusion statement**

A voting exclusion statement for each of Resolutions 6 to 7 is included in the Notice of Meeting preceding this Explanatory Memorandum.

8.4 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act regulates the provision of “financial benefits” to “related parties” by a public company. Chapter 2E prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provisions; or
- (b) prior shareholder approval is obtained to the giving of the financial benefit.

A “related party” is widely defined under the Corporations Act and includes a director of the company and entities controlled by directors of the company. As such, Shazo Holdings Pty Ltd and Mr James Brown are related parties of the Company for the purposes of section 208 of the Corporations Act.⁴

A “financial benefit” is construed widely and in determining whether a financial benefit is being given, section 229 of the Corporations Act requires that any consideration that is given is disregarded, even if the consideration is adequate. It is necessary to look at the economic and commercial substance and the effect of the transaction in determining the financial benefit. Section 229 of the Corporations Act includes as an example of a financial benefit, the issuing of securities or the granting of an option to a related party.

The issue of the Director Convertible Notes under Resolutions 6 and 7 constitute the provision of a financial benefit to a related party.

One of the nominated exceptions to the requirement to obtain shareholder approval under Chapter 2E of the Corporations Act is where the provision of the financial benefit is on terms that would be reasonable in the circumstances if the Company and the related party were dealing at arm’s length (or on terms less favourable than arm’s length).

Given the related parties will be participating in the placement on the same arm’s length terms as the parties who are not related parties of the Company, the Board is of the view that the issue of the Directors Convertible Notes pursuant to Resolutions 6 and 7 respectively constitutes the provision of a financial benefit on arm’s length terms, and accordingly that Shareholder approval under Chapter 2E of the Corporations Act is not required.

8.5 Board recommendation

The Board (excluding Messrs Buckler and Brown) unanimously recommends that Shareholders vote in favour of Resolutions 6 and 7.

9. RESOLUTION 8 – RENEWAL OF LONG-TERM INCENTIVE PLAN

9.1 Background

This Resolution seeks Shareholder approval for the purposes of ASX Listing Rule 7.2 Exception 13(b), to renew the Company’s employee incentive scheme titled the “Morella Executive Incentive Plan” (**Plan**) for a period of three years from the date of the Meeting.

The purpose of the Plan is to:

- (a) assist in the reward, retention and motivation of eligible participants in the Plan (**Eligible Persons**);

⁴ Shazo Holdings Pty Ltd is an entity controlled by Allan Buckler.

- (b) align the interests of Eligible Persons more closely with the interests of Shareholders by providing an opportunity for Eligible Persons to receive an equity interest in the Company; and
- (c) provide Eligible Persons with the opportunity to share in any future growth in value of the Company.

The purpose of Resolution 8 is to seek Shareholder approval to renew for the issue of Equity Securities under the Plan to utilise under ASX Listing Rule 7.2 Exception 13(b) so that any issues of Equity Securities under the Plan will not be included in the Company's placement capacity under ASX Listing Rule 7.1 for a period of three years from the date of the Meeting.

If Shareholders approve this Resolution:

- (a) any issues of Equity Securities under the Plan in reliance of ASX Listing Rule 7.2 Exception 13(b) will not be included in the Company's placement capacity under ASX Listing Rule 7.1 for a period of three years from the date of the Meeting; and
- (b) any issues of Equity Securities made with Shareholder approval under other ASX Listing Rules (including issues to the Directors under ASX Listing Rule 10.14) will not be counted in calculating the Company's 'cap' for the purposes of ASX Listing Rule 7.2 Exception 13(b).

9.2 Regulatory Requirements

ASX Listing Rule 7.1 provides that, unless an exception applies, a company must not, without prior approval of shareholders, issue or agree to issue Equity Securities if the Equity Securities will in themselves, or when aggregated with the Equity Securities issued by the company during the previous 12 months, exceed 15% of the number of ordinary securities on issue at the commencement of that 12-month period.

ASX Listing Rule 7.2 Exception 13(b) sets out an exception to ASX Listing Rule 7.1. It provides that issues of securities under an employee incentive scheme are not included in a company's 15% limit under ASX Listing Rule 7.1, if within three years before the date of issue, shareholders have approved the issue of securities thereunder as an exception to ASX Listing Rule 7.1.

Accordingly, Resolution 8 seeks approval from Shareholders for the issue of Equity Securities under the Plan for a period of three years from the date of the Meeting, as an exception to ASX Listing Rule 7.1.

If Resolution 8 is passed, the Company will be able to issue Equity Securities under the Plan to Eligible Persons over a period of three years from the date of the Meeting without impacting on the Company's ability to issue to up to 15% of its total ordinary securities without Shareholder approval in any 12-month period under ASX Listing Rule 7.1.

If Resolution 8 is not passed, subject to issues made with Shareholder approval under other ASX Listing Rules, the issue of Equity Securities under the Plan will be included in calculating the Company's 15% limit in ASX Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Equity Securities. Accordingly, the Company will not be able to utilise the exception to ASX Listing Rule 7.1 that is provided in ASX Listing Rule 7.2 Exception 13(b).

For the avoidance of doubt, the Company must seek Shareholder approval under ASX Listing Rule 10.14 in respect of any future issues of Equity Securities under the Plan to a related party or a person whose relationship with the Company or the related party, is in ASX's opinion, such that Shareholder approval should be obtained. To the extent that Shareholder approval is received and these issues are made under ASX Listing Rule 10.14, they will not be counted towards the Company's cap under ASX Listing Rule 7.2 Exception 13(b).

9.3 Technical information required by ASX Listing Rule 7.2 Exception 13(b)

The following information is provided to Shareholders for the purpose of ASX Listing Rule 7.2 Exception 13(b):

- (a) **A summary of the material terms of the plan**

A summary of the material terms of the Plan is set out in Schedule 3 to this Explanatory Memorandum.

(b) **Previous issues of securities**

The Company has issued the following Equity Securities since adoption of the Plan on 25 November 2022:

Date of Issue	Security Class	Number ¹	Expiry Date
23 October 2023	Fully Paid Ordinary Shares	24,937,001	N/A
4 December 2023	Fully Paid Ordinary Shares	15,206,727	N/A

1. These shares were issued prior to the 25:1 consolidation undertaken by the company effective on 3 July 2024

(c) **Maximum number of securities to be issued**

The maximum number of Equity Securities proposed to be issued under the Plan following Shareholder approval is 18,000,000. This number is not intended to be a prediction of the actual number of Equity Securities to be issued by the Company, simply a ceiling for the purposes of ASX Listing Rule 7.2 Exception 13(b).

The maximum number of Equity Securities proposed to be issued under the Plan may be increased with Shareholder approval. Any issues of Equity Securities issued outside of the maximum number of Equity Securities, and issued without Shareholder approval, will be issued using the Company's existing placement capacity under ASX Listing Rule 7.1.

Any issues of Equity Securities made with Shareholder approval under other ASX Listing Rules (including issues to the Directors under ASX Listing Rule 10.14) will not be counted in calculating the Company's "cap" for the purposes of ASX Listing Rule 7.2 Exception 13(b).

(d) **Voting exclusion statement**

A voting exclusion statement for Resolution 8 is included in the Notice of Extraordinary General Meeting preceding this Explanatory Memorandum.

9.4 Board Recommendation

The Board declines to make a recommendation in respect of Resolution 8 due to the fact that the Directors have a personal interest in the outcome of the Resolution as Equity Securities may be issued to the Directors under the Plan.

10. RESOLUTION 9 – RENEWAL OF PROPORTIONAL TAKEOVER PROVISIONS

10.1 Background

In accordance with section 648G of the Corporations Act, a company's proportional takeover approval provisions, unless sooner omitted from its constitution, cease to apply on the third anniversary after adoption or renewal (as appropriate), unless otherwise specified.

When the provisions cease to apply, the company's constitution is modified by omitting the provisions.

A company may renew its proportional takeover approval provisions in the same manner a company can modify its constitution (i.e. by special resolution of shareholders).

The Company adopted its current constitution on 25 November 2022 (**Constitution**) and has not renewed the proportional takeover provisions set out in clause 9 since the Constitution

was adopted. Accordingly, the proportional takeover provisions included in the Constitution will cease to have effect on 25 November 2025.

Resolution 9 is a special resolution that will enable the Company to modify its Constitution by renewing clause 9 for a period of 3 years from the date of Shareholder approval. It is noted that Shareholder approval will not result in a change to the wording of clause 9.

The Company is permitted to seek further Shareholder approval to renew clause 9 for further periods of up to 3 years on each occasion.

A copy of the Constitution is available on the Company's website.

10.2 Proportional takeover provisions

A proportional takeover bid is an off-market takeover bid where the offer made to each shareholder is only for a specified proportion of that shareholder's shares. If a shareholder accepts a proportional takeover bid, the shareholder will dispose of that specified proportion and retain the balance.

The proportional takeover provisions set out in clause 9 of the Constitution provides that the Company is prohibited from registering a transfer of shares resulting from a proportional takeover bid unless a resolution to approve the bid is passed (or deemed to have been passed) by holders of shares in the relevant bid class, in accordance with the terms set out in the Corporations Act.

Clause 9 will cease to have effect on the third anniversary of the date of the adoption of the last renewal of the clause.

If Resolution 9 is passed, then for a period of 21 days after the Meeting, holders of 10% or more of the Company's Shares will have the right to apply to the Court to have the Resolution set aside. The Court may set aside the Resolution if the Court is satisfied in all the circumstances that it is appropriate to do so.

10.3 Information required by section 648G of the Corporations Act

Pursuant to and in accordance with section 648G of the Corporations Act, the information below is provided in relation to this Resolution 9:

(a) Effect of proportional takeover provisions

- (i) If a bidder makes a proportional off-market takeover bid in respect of a class of securities in the Company (**Proportional Bid**), the Company will be prohibited from registering the transfer giving effect to a contract resulting from the acceptance of the Proportional Bid unless and until a resolution to approve the Proportional Bid is passed by a simple majority or the deadline for obtaining such approval has passed.
- (ii) If Resolution 9 is approved and a proportional takeover bid is made for a class of securities in the Company, the Directors will call a meeting of holders of bid class securities to vote on a resolution to approve that bid. The bidder and its associates would be excluded from voting on the approving resolution.
- (iii) The vote on the approving resolution must take place more than 14 days before the last day of the bid period.
- (iv) If the approving resolution is rejected before the deadline, the bid cannot proceed and any transfers giving effect to takeover contracts for the bid will not be registered.
- (v) If the approving resolution is not voted on, the bid will be deemed to have been approved.
- (vi) If the approving resolution is passed (or deemed to have been passed), the transfers must be registered (subject to other provisions of the Corporations Act and the Constitution).

The proportional takeover provisions do not apply to full takeover bids.

(b) **Reasons for proportional takeover provisions**

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These proportional takeover provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle and may assist in ensuring that any partial bid is appropriately priced.

The Board believes that the proportional takeover provisions are desirable to give Shareholders protection from these risks – they give effect to a protection that the Corporations Act provisions are intended to provide.

To assess the merits of the proportional takeover provisions, Shareholders should make a judgement as to what events are likely to occur in relation to the Company during the three year life of those provisions.

(c) **Knowledge of any acquisition proposals**

As at the date of this Notice, other than with respect to the issue of Convertible Notes to Shazo Resources Limited (which currently holds a relevant interest of 7.91% in the Company), and Interra Resources Limited (which currently holds a relevant interest of 12.24% in the Company), the Board is not aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

(d) **Advantages and disadvantages of proportional takeover provisions during the period in which they have been in effect**

The Corporations Act requires this Explanatory Memorandum to discuss retrospectively the advantages and disadvantages for Directors and Shareholders of the proportional takeover provisions that are proposed to be renewed.

While the proportional takeover provisions have been in effect, there have been no takeover bids for the Company, either proportional or otherwise. Consequently, there are no actual examples against which to review the advantages or disadvantages of the proportional takeover provisions for the Directors and Shareholders of the Company.

(e) **Potential advantages and disadvantages of proportional takeover provisions**

The Corporations Act also requires this Explanatory Memorandum to discuss the potential future advantages and disadvantages of the proportional takeover provisions for both Directors and Shareholders of the Company.

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The Board notes that it could be argued that the proportional takeover provisions are an advantage to the Directors as a takeover defence mechanism that could be exploited to entrench the incumbent Board. However, the Board believes that that argument ignores the basic object of the proportional takeover provisions which are to empower Shareholders, not the Directors.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (i) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (ii) assisting in preventing Shareholders from being locked in as a minority;

- (iii) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (iv) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (i) proportional takeover bids may be discouraged;
- (ii) lost opportunity to sell a portion of their Shares at a premium;
- (iii) individual Shareholders may consider that the proportional takeover provisions would restrict their ability to deal with their Shares as they see fit; and
- (iv) the likelihood of a proportional takeover bid succeeding may be reduced.

10.4 Board Recommendation

The Board does not believe the potential disadvantages outweigh the potential advantages of renewing the proportional takeover provisions and, as a result, consider that renewal of the proportional takeover provision set out in clause 9 of the Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 9.

GLOSSARY

Additional 10% Placement Period has the meaning given that term in section 4.2(a) of the Explanatory Memorandum.

Additional 10% Placement Facility has the meaning given that term in section 4.1 of the Explanatory Memorandum.

AEST means Australian Eastern Standard Time.

Annual Financial Statements has the meaning given in section 1 of the Explanatory Memorandum.

Annual General Meeting or **Meeting** means the annual general meeting convened by the Notice.

Annual Report means the 2025 Annual Financial Report available at <https://Morellacorp.com/category/asx-announcements/>.

Associate has the meaning given to that term in the ASX Listing Rules.

ASX means ASX Limited (ABN 98 008 624 691).

ASX Listing Rules means the listing rules of the ASX.

AUD\$, \$ and dollars means Australian dollars, unless otherwise stated.

Auditor means PKF Perth.

Board means the current board of directors of the Company.

Canaccord means Canaccord Genuity (Australia) Limited.

Canaccord Shares means the Shares issued to Canaccord pursuant to the Mandate.

Chair means the Chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company or **Morella** means Morella Corporation Limited (ACN 093 391 774).

Constitution means the constitution of the Company.

Convertible Notes has the meaning given to it in section 6 of the Explanatory Memorandum.

Corporations Act means the *Corporations Act 2001* (Cth).

Director Convertible Notes has the meaning given to it in section 8.1 of the Explanatory Memorandum.

Directors mean the current directors of the Company.

Directors' Report has the meaning given to that term in section 2.1 of the Explanatory Memorandum.

Earlier Annual General Meeting has the meaning given to it in section 2.2 of the Explanatory Memorandum.

Eligible Persons has the meaning given to it in section 9.1(a) of the Explanatory Memorandum.

Equity Securities has the meaning given to that term in the ASX Listing Rules.

Explanatory Memorandum means the Explanatory Memorandum accompanying the Notice.

Key Management Personnel has the meaning given to it in section 9 of the Corporations Act.

Later Annual General Meeting has the meaning given to it in section 2.2 of the Explanatory Memorandum.

Mandate means the lead manager mandate between the Company and Canaccord on 5 December 2024.

Notice or **Notice of Annual General Meeting** or **Notice of Meeting** means this Notice of Annual General Meeting including the Explanatory Memorandum and the Proxy Form.

Plan means the Morella Executive Incentive Plan.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report has the meaning given to it in section 2.1 of the Explanatory Memorandum.

Resolution means each of the resolutions set out in the Notice of Annual General Meeting.

Schedule means a Schedule to this Notice of Annual General Meeting.

Share means a fully paid ordinary share in the capital of the Company.

Share Registry means MUFG Corporate Markets.

Shareholder means a holder of a Share.

Spill Meeting has the meaning given to it in section 2.2 of the Explanatory Memorandum.

Spill Resolution has the meaning given to it in section 2.2 of the Explanatory Memorandum.

Tranche 1 has the meaning given to it in section 6 of the Explanatory Memorandum.

Tranche 2 has the meaning given to it in section 6 of the Explanatory Memorandum.

US\$ means US dollars.

VWAP means volume weighted average price.

SCHEDULE 1 - SUMMARY OF THE ADVISOR AGREEMENT

On 5 December 2024, the Company entered into an agreement with Canaccord Genuity (**Canaccord**) who agreed to act as the Lead Manager and Bookrunner to a proposed Capital Raising Offer by the Company.

The material terms of the agreement are summarised below:

- (a) **(Offer)** Placement of Offer Securities utilising the Company's existing capacity under Listing Rule 7.1 and Listing Rule 7.1A.
- (b) **(Offer Securities)** Fully paid ordinary shares in the capital of the Company, ranking equally with existing shares.
- (c) **(Offer Size)** Targeting approximately A\$1.5 million.
- (d) **(Fees)** Management fee equal to 1.0% of the Proceeds, payable in cash or shares; and Selling fee equal to 5.0% of the Proceeds, payable in cash or shares.
- (e) **(Timing)** Offer launch targeting December 2024.
- (f) **(Other)** The Advisor Agreement contains other terms, which are standard for agreements of this nature.

SCHEDULE 2 – MATERIAL TERMS OF THE CONVERTIBLE NOTES AGREEMENT

Issuer	Morella Corporation Limited
Type and Class of Securities	Convertible Notes, Unsecured interest bearing
Terms of Issue	(a) Each Note is issued subject to the terms of the Agreement, (b) Each term of the Note cannot be varied or amended without the written agreement of the Issuer and the Investor.
Quotation	The Convertible Notes will not be quoted on the ASX
Issue date	14 October 2025
Face Value	The Face Value of each Note is \$50,000.
Drawdown	(a) The Issuer may drawdown on the Facility at any time between the date of the Agreement and the Maturity Date (in either: (i) one tranche of \$500,000, being the Aggregate Face Value; or (ii) two tranches of \$250,000 up to the Aggregate Face Value.
Maturity Date	All Notes must be converted or repaid within thirty-six (36) months from the first drawdown.
Conversion on Maturity Date	On the Maturity Date each Note converts into Shares in full at the Conversion Price.
Voluntary Conversion by Investor	(a) At any time after the date that is 12 months from the Payment Date, the Investor may convert all of the applicable Note into Shares by notice to the Issuer (Conversion Notice). (b) The Conversion Notice must identify the Note(s) to be converted and the Conversion Date for the Note(s) which may be no earlier than the tenth (10th) Business Day following the issue of the Conversion Notice.
Issue of Shares	If the Note is converted, the Issuer must procure the allotment and issue of the Shares calculated by dividing the Face Value (plus, any interest which has accrued, but not been paid, prior to the Conversion Date) by the Conversion Price.
Maximum Voting Power	Conversion of any Notes into Shares, or any other issue or transfer of Shares to the Investor, will be strictly prohibited if it would result in the Investor (together with its 'associates' (as that term is defined in the Corporations Act) holding a relevant interest exceeding 19.99% or more in the Issuer's issued share capital, unless the issue of Shares to the Investor satisfies an exemption in section 611 of the Corporations Act.
Early Repayment	(a) The Issuer may, at any time after 12 months from the Payment Date for a Note, without penalty, repay all of that outstanding Note at Face Value (plus any accrued interest as at the date of repayment) (Notice of Repayment). (b) The Note must be repaid by the Issuer on or before the 20th Business Day after the Notice of Repayment is given to the Investor.
Conversion Price	Each Note is convertible at a conversion price equal to a 15% discount to the 20-day VWAP prior to the date of conversion.
Interest	(a) The Interest Rate is eight percent (8%) per annum.

	<p>(b) accrues daily on the Face Value of the Note held by the Investor during the Interest Period;</p> <p>(c) is calculated on a non-compounding basis;</p> <p>(d) is calculated on actual days elapsed and a year of 365 days; and</p> <p>(e) ceases to accrue at the end of the Interest Period for the Note.</p>
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SCHEDULE 3 – MATERIAL TERMS OF PLAN

The Board has adopted an incentive plan (**Plan**), to enable eligible persons to be granted Options, Performance Rights and/or Shares (**Awards**), the principal terms of which are summarised below:

- (a) (**Eligibility**) The Board may, in its absolute discretion, invite an "Eligible Person" to participate in the Plan. An "Eligible Person" means a person that is an "primary participant" (as that term is defined in Division 1A of Part 7.12 of the Corporations Act) in relation to the Company or an Associated Body Corporate and has been determined by the Board to be eligible to participate in the Plan from time to time.
- (b) (**Issue Cap**) Unless the Company is unlisted or the Company constitution provides otherwise, the Company must not make an offer of Awards for monetary consideration under the Plan, where the total number of Shares to be issued under the Plan (Plan Shares) (or that will be issued upon conversion of convertible securities to be issued), when aggregated with the number of Plan Shares that may be issued as a result of offers made under the Plan, at any time during the previous 3 year period, would exceed 5% of the total number of Shares on issue at the date of the offer.
- (c) (**Disclosure**) All offers of Awards for no monetary consideration are made pursuant to Division 1A of Part 7.12 of the Corporations Act and accordingly the Company will not issue a disclosure document for such an offer.
- If the Company makes an offer to issue Awards for monetary consideration, the Company will comply with the disclosure requirements in Division 1A of Part 7.12 of the Corporations Act.
- (d) (**Nature of Awards**) Each Option or Performance Right entitles the participant holding the Option or Performance Right, to subscribe for, or be transferred, one Share. Any Share acquired pursuant to the exercise of an Award or otherwise under the Plan will rank equally with all existing Shares from the date of acquisition.
- (e) (**Vesting**) Awards may be subject to exercise conditions, performance hurdles or vesting conditions (Conditions). These Conditions must be specified in the Offer Letter to Eligible Persons. In the event that a takeover bid for the Company is declared unconditional, there is a change of control in the Company, or if a merger by way of a scheme of arrangement has been approved by a court, then the Board may determine that:
- all or a percentage of unvested options will vest and become exercisable;
 - all or a percentage of Performance Rights will be automatically exercised; and
 - any Shares issued or transferred to a participant under the Plan that have restrictions (on their disposal, the granting of any security interests in or over, or otherwise on dealing with), will be free from any restrictions on disposal.
- (f) (**Exercise Period**) The period during which a vested Award may be exercised will commence when all Conditions have been satisfied, waived by the Board, or are deemed to have been satisfied under the rules of the Plan and the Company has issued a Vesting Notification to the participant, and ends on the Expiry Date (as defined at (i)(iv) below).
- (g) (**Disposal restrictions**) Awards granted under the Plan may not be assigned, transferred, novated, encumbered with a security interest (such as a mortgage, charge, pledge, lien, encumbrance or other third party interest of any nature) over them, or otherwise disposed of by a participant, other than to a nominated party (such as an immediate family member, trustee of a trust or company) in accordance with the Plan, unless:
- the prior consent of the Board is obtained; or
 - such assignment or transfer occurs by force of law upon the death of a participant to the participant's legal personal representative.
- (h) (**Cashless exercise**) Participants may, at their election, elect to pay the exercise price for an Option by setting off the exercise price against the number of Shares which they are entitled to receive upon exercise of the Option (Cashless Exercise Facility). By using the Cashless Exercise Facility, the participant will receive Shares to the value of the surplus after the exercise price has been set off.

If a participant elects to use the Cashless Exercise Facility, the participant will only be issued that number of Shares (rounded down to the nearest whole number) as are equal to the value to the difference between the exercise price otherwise payable for the Options and the then market value of the Shares at the time of exercise (determined by reference to the 5 day volume weighted price of Shares before the date of exercise).

- (i) **(Lapse)** Unvested Awards will generally lapse on the earlier of:
- the cessation of employment, engagement or office of a relevant person;
 - the day the Board makes a determination that all unvested Awards and vested options of the relevant person will lapse because, in the opinion of the Board a relevant person has acted fraudulently or dishonestly, or is in material breach of his or her duties or obligations to the Company;
 - if any applicable Conditions are not achieved by the relevant time;
 - if the Board determines that any applicable Conditions have not been met and cannot be met prior to the date that is 5 years from the grant date of an Award or any other date determined by the Board and as specified in the Offer (Expiry Date); or
 - the Expiry Date.

Where a participant ceases to be employed or engaged by the Company and is not a "Bad Leaver" (as that term is defined in the Plan), and the Awards have vested, they will remain exercisable until the Awards lapse in accordance with the Plan rules or if they have not vested, the Board will determine as soon as reasonably practicable after the date the participant ceases to be employed or engaged, how many (if any) of those participant's Awards will be deemed to have vested and exercisable.

Where a participant becomes a "Bad Leaver" (as that term is defined in the Plan), all Awards, unvested or vested, will lapse on the date of the cessation of employment, engagement or office of that participant.

LODGE YOUR VOTE



ONLINE

<https://au.investorcentre.mpms.mufg.com>



BY MAIL

Morella Corporation Limited
C/- MUFG Corporate Markets (AU) Limited
Locked Bag A14
Sydney South NSW 1235 Australia



BY FAX

+61 2 9287 0309



BY HAND*

MUFG Corporate Markets (AU) Limited
Parramatta Square, Level 22, Tower 6,
10 Darcy Street, Parramatta NSW 2150

*During business hours Monday to Friday



ALL ENQUIRIES TO

Telephone: 1300 554 474

Overseas: +61 1300 554 474

LODGE A PROXY FORM

This Voting Form (and any Power of Attorney under which it is signed) must be received at an address given above by **10:00am (AEST) on Wednesday, 26 November 2025**, being not later than 48 hours before the commencement of the Meeting. Any Voting Form received after that time will not be valid for the scheduled Meeting.

Voting Forms may be lodged using the reply paid envelope or:



ONLINE

<https://au.investorcentre.mpms.mufg.com>

Login to the Investor Centre website using the holding details as shown on the Voting Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your vote by scanning the QR code adjacent or enter the voting link <https://au.investorcentre.mpms.mufg.com> into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.

QR Code



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as they choose. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be received at support@cm.mpms.mufg.com prior to admission in accordance with the Notice of Annual General Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.mpms.mufg.com/en/mufg-corporate-markets.

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

NAME SURNAME
ADDRESS LINE 1
ADDRESS LINE 2
ADDRESS LINE 3
ADDRESS LINE 4
ADDRESS LINE 5
ADDRESS LINE 6



X99999999999

PROXY FORM

I/We being a member(s) of Morella Corporation Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY



the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **10:00am (AEST) on Friday, 28 November 2025 at the offices of PWC, 480 Queen Street, Brisbane QLD 4000 (the Meeting)** and at any postponement or adjournment of the Meeting.

Important for Resolutions 1, 5, 6, 7, 8 & 9: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 1, 5, 6, 7, 8 & 9, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an ☒.

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9 Renewal of Proportional Takeover Provisions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-Election of Dennis (Dan) O'Neill as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
3 Approval of Additional 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4 Ratification of issue of the Canaccord Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
5 Ratification of the Issue of Convertible Notes to Sophisticated and Professional Investors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
6 Approval of Issue of Convertible Notes to Shazo Holdings Pty Ltd, an associate of Mr Allan Buckler, Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
7 Approval of Issue of Convertible Notes to James Brown, Director of the Company or his nominee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
8 Renewal of Long-Term Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				



* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

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