

20 October 2025

## MORELLA RECEIVES COMMITMENTS FOR A\$1.4 MILLION CONVERTIBLE NOTE FUNDING

Morella Corporation Limited (ASX: 1MC) (“Morella” or “the Company”) is pleased to announce it has received binding commitments for a series of unsecured convertible note facilities with an aggregate value of A\$1.4 million.

The convertible note facilities have been agreed with one the Company’s substantial shareholders, Interra Resources Limited (SGX: 5GI) and aligned professional investors, alongside directors of Morella.

A total of \$700,000 has been committed using Morella’s existing placement capacity under ASX Listing Rule 7.1 (Tranche A). The remaining \$700,000 has been committed under conditional agreements with members of Morella’s Board of Directors (Tranche B). Tranche B is subject to shareholder approval.

Key terms of the convertible notes include:

- Unsecured notes with a 36-month maturity from the date of the advance of the funds.
- 8% per annum coupon, payable quarterly in cash (or shares subject to agreement).
- Issue of the Notes is subject to and conditional on:
  - the Parties undertaking due diligence to their respective satisfaction;
  - The Issuer obtaining shareholder approval (if required under the ASX Listing Rules) and the issue of the Notes on or before 31 December 2025; and
  - the Parties obtaining any other approvals, including regulatory approvals pursuant to the ASX Listing Rules, which may be required, and from their directors to approve entry into this Agreement and to give effect to the terms of this Agreement.
- Conversion into fully paid Ordinary Shares at a 15% discount to the 20-day VWAP.
- Maximum voting power cap of 19.99%, subject to Corporations Act requirements.

The settlement of Tranche A is expected to occur on 21 October 2025. Tranche B is subject to, and conditional upon, shareholder approval at the upcoming Annual General Meeting of Shareholders under ASX Listing Rule 10.11.

The funds raised will provide Morella with a solid financial runway to support ongoing working capital, on and in-ground exploration activities, and targeted acquisitions in base, precious, and other complementary critical minerals.

**Morella Managing Director James Brown said:**

*“The completion of the convertible note facilities underlines strong support from Morella’s board, substantial shareholders, and investors. The additional funding enhances Morella’s financial position and provides flexibility to progress its critical minerals portfolio in step with improving market conditions.”*

## Contact for further information

Investors | Shareholders

### James Brown

Managing Director

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

**About Morella Corporation Limited** Morella (ASX:1MC) is an exploration and resource development company focused on advancing a portfolio of critical minerals across Tier 1 jurisdictions in Australia and the United States of America. With active exploration underway in lithium, rubidium, and now titanium, Morella is committed to securing raw materials essential for clean energy transition and high-value industrial applications.

## SUMMARY OF CONVERTIBLE NOTE TERMS

<b>Issuer</b>	Morella Corporation Limited
<b>Type and Class of Securities</b>	Convertible Notes, Unsecured interest bearing
<b>Terms of Issue</b>	<p>a) Each Note is issued subject to the terms of the Agreement,</p> <p>b) Each term of the Note cannot be varied or amended without the written agreement of the Issuer and the Investor.</p>
<b>Quotation</b>	The Convertible Notes will not be quoted on the ASX
<b>Issue date</b>	20 October 2025
<b>Face Value</b>	The Face Value of each Note is \$50,000.
<b>Drawdown</b>	<p>The Issuer may drawdown on the Facility at any time between the date of the Agreement and the Maturity Date in either:</p> <p>(i) one tranche of 100% of the Aggregate Face Value of the Notes; or</p> <p>(ii) two tranches of 50% each of the Aggregate Face Value of the Notes.</p>
<b>Maturity Date</b>	All Notes must be converted or repaid within thirty-six (36) months from the first drawdown.
<b>Conversion on Maturity Date</b>	On the Maturity Date each Note converts into Shares in full at the Conversion Price.
<b>Voluntary Conversion by Investor</b>	<p>(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).</p> <p>(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.</p>

<b>Issue of Shares</b>	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.
<b>Maximum Voting Power</b>	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..
<b>Early Repayment</b>	<p>(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).</p> <p>(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.</p>
<b>Conversion Price</b>	Each Note is convertible at a conversion price equal to a 15% discount to the 20-day VWAP prior to the date of conversion.
<b>Interest</b>	<p>(a) The Interest Rate is eight percent (8%) per annum.</p> <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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