

29 October 2025

Quarterly Activities Report & 5B Cashflow September 2025

- Mt Edon-Technical evaluation continues to highlight strong rubidium enrichment, with preparations for next-phase drill planning.
- Mallina Lithium Project - Gravity survey completed, defining 12 new pegmatite targets for follow-up.
- Tappa Tappa East / West Wodgina Projects - Geochemical sampling confirms fractionated LCT-type pegmatites consistent with Wodgina–Tappa Tappa corridor.
- Dixon Well (WA) - New titanium–vanadium project acquired; assays up to 17% TiO₂ confirm high-grade mineralisation potential.
- Nevada Lithium Portfolio - Restructure consolidating 100 % ownership of Fish Lake Valley South and North Big Smoky agreed; providing lower costs and simpler management.
- Corporate - Unmarketable Parcel Facility completed, FY25 Annual Reports lodged, and balance sheet strengthened post-quarter via convertible-note funding.

OVERVIEW

The September 2025 quarter represented a turning point for Morella as it broadened its technical and commodity focus, consolidating its position as a diversified critical-minerals explorer.

Operational work centred on advancing lithium and rubidium projects in Western Australia, while the acquisition of the Dixon Well Project expanded exposure into titanium and vanadium, both integral to the global shift toward renewable energy and industrial decarbonisation.

In parallel, the Company executed a structural simplification of its U.S. lithium portfolio, consolidating ownership and freeing capital for Australian field programs.

Together, these outcomes have advanced Morella’s strategic goal of building a technically strong and financially disciplined platform across Tier 1 jurisdictions.

WESTERN AUSTRALIA PROJECTS

Mt Edon Project (Western Australia – Morella-Elevra Joint Venture)

The Mt Edon Project is located approximately 2 kilometres South of Paynes Find and approximately 420 kilometres north of Perth via the Great Northern Highway (Figure 1). The Project overlies the southern greenstone sequences of the Paynes Find Belt, a 5-kilometre-wide package of mafic, ultramafic and felsic volcanic rocks. Numerous pegmatite dykes/sills cut the greenstone stratigraphy and are the targets for Morella’s pegmatite mineral-focussed exploration activities. The Mt Edon Project’s tenements (E59/2092 and E59/2055) are held under the Morella – Elevra Joint Venture, with E59/2778 held solely by Morella (see Figure 1).

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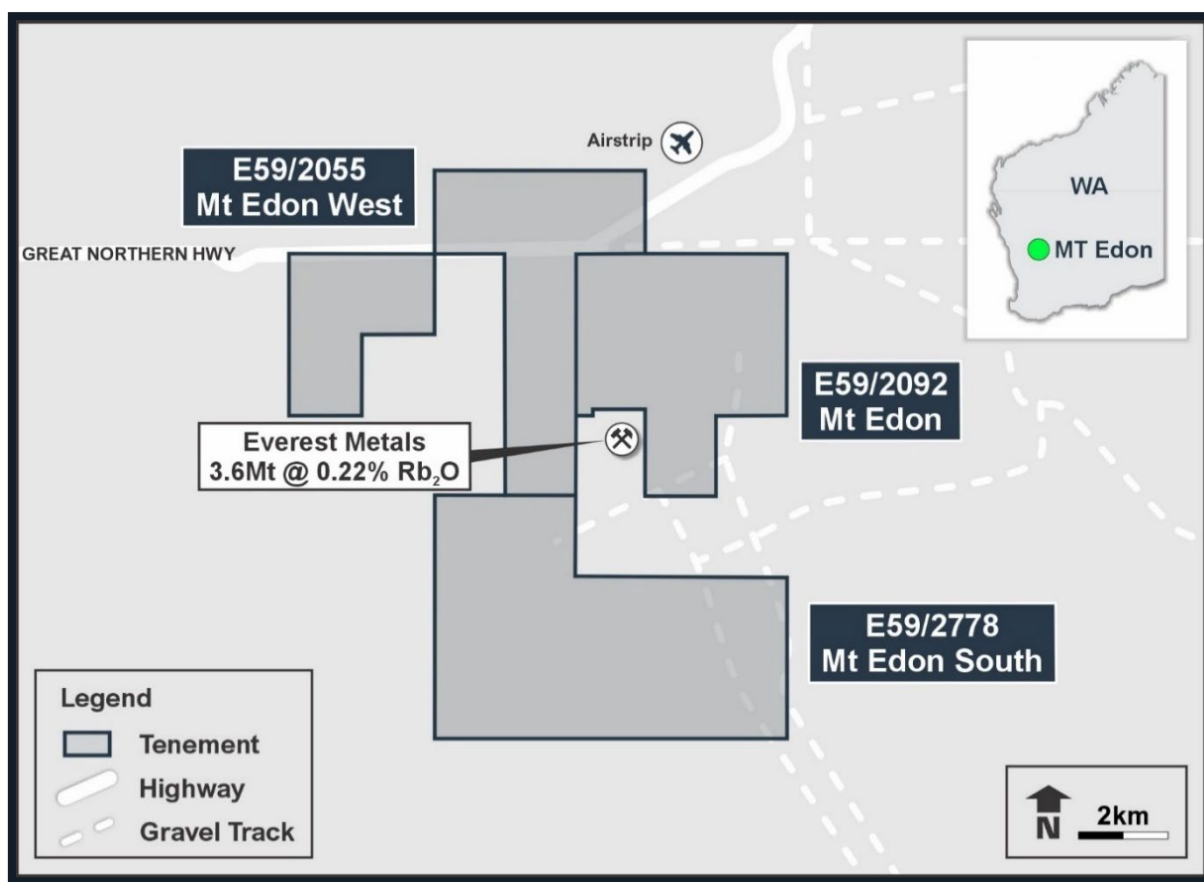


Figure 1: Mt Edon Project location

In 2024, a Reverse Circulation (RC) drill program¹ intercepted pegmatite in 15 of the 17 drillholes, confirming rubidium and lithium mineralisation with assays up to 0.59% Rb₂O and 0.63% Li₂O. Highlights included 112 metres of continuous pegmatite in hole MER031 and significant intercepts at the Sophie, Miles, and June pegmatites, considered primary targets for resource development. These results reinforce the broader potential of Mt Edon as a rubidium-focused development opportunity.

During the September 2025 quarter, Morella advanced technical evaluation through detailed data consolidation, structural mapping and drill-target design.

Analysis of existing surface sampling and historical records reaffirmed that the pegmatite field hosts highly fractionated albite–microcline–muscovite pegmatites enriched in rubidium (locally > 1,000 ppm Rb) with associated lithium and caesium.

Petrographic studies completed in August confirmed the late-stage Lithium-Caesium-Tantalum (LCT)-type character of these pegmatites, strengthening the case for rubidium-dominant mineralisation.

Field mapping and drone imagery delineated several north-northwest-trending pegmatite veins up to 30 metres wide and extending over 400 metres in strike, with multiple zones open along trend and at depth. Integration of geological and spectral datasets defined three high-priority drill targets for initial testing. Design and permitting of a RC program are progressing, with drilling expected to commence in early 2026 subject to final approvals and heritage clearance.

Rubidium continues to gain recognition as a strategic technology metal, used in advanced electronics, fibre optics, and specialty glass. Mt Edon therefore provides Morella with a distinctive, near-surface opportunity aligned with the Company's focus on critical-mineral supply for the clean-energy and technology sectors.

¹ ASX Announcement Drilling at Mt Edon Reveals Rubidium Discoveries 2 December 2024

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Metallurgical and Research Collaboration – Edith Cowan University

Complementing field exploration, Morella continued collaborative research with Edith Cowan University (ECU) during the quarter, focused on the metallurgical characterisation and beneficiation potential of Mt Edon pegmatite material². This work forms part of ECU's broader applied research into critical-metal extraction pathways for unconventional lithium and rubidium mineral systems.

Earlier laboratory programs completed at ECU's Centre for Minerals Research and Innovation confirmed that the Mt Edon samples contain rubidium within feldspar and mica hosted phases typical of highly fractionated LCT pegmatites. Preliminary leach and roasting tests undertaken during the current phase have demonstrated encouraging rubidium recovery efficiencies using conventional mineral-processing methods.

Follow-up analysis during the September quarter focused on refining reagent conditions, assessing by-product potential, and evaluating the potential for selective separation of rubidium and potassium to produce downstream chemical concentrates. The outcomes from the ECU program will underpin the next stage of test-work aimed at developing an integrated flowsheet concept for Mt Edon.

Morella intends to use these results to guide future metallurgical sampling during planned RC drilling in 2026, ensuring material characterisation aligns with potential commercial processing options for rubidium-rich pegmatites.

Next Steps – Mt Edon Project

Work undertaken during the September 2025 quarter has positioned Mt Edon to advance from surface exploration into its first phase of subsurface testing. The upcoming program will focus on verifying the continuity, geometry and grade of rubidium-bearing pegmatites identified through mapping and surface sampling, with the objective of generating the data necessary for a maiden mineral resource estimate.

Planned activities for the December 2025 quarter include:

- Finalisation of RC drill program design, targeting the three priority pegmatite zones delineated from structural and geochemical interpretation.
- Completion of heritage surveys and statutory approvals to enable drill mobilisation.
- Engagement of drilling and geological contractors to support the initial field phase.
- Continued petrographic and mineralogical analysis to assist in vectoring the highest-priority targets.
- Ongoing collaboration with ECU to integrate metallurgical characterisation with the geological model, ensuring representative material is captured during drilling for downstream test-work.

This work is intended to establish the first robust dataset on grade distribution, thickness and lateral continuity of rubidium-rich pegmatites at Mt Edon. Successful completion of the drilling phase will provide the foundation for resource estimation and initial economic evaluation in 2026, progressing Morella's objective of defining a strategic rubidium resource within its Western Australian critical-minerals portfolio.

² ASX Announcement ECU testwork confirms high Rubidium extraction at Mt Edon dated 13 October 2025

Mallina Lithium Project (Morella-Elevra Joint Venture)

The Mallina project is located 110 kilometres southwest of Port Hedland accessible via the Northwest Coastal Highway in Western Australia, forms part of the Morella-Elevra Joint Venture (see Figure 2).

The Project is located within the 70-kilometre-wide Mallina Basin, a key corridor for rare-metal pegmatite systems that extends in an east-west orientation for almost 140km along the central Pilbara coast. There is limited bedrock exposure in the region, however historical exploration, mapping and study work indicates the presence of mineralised structures within the Project area.

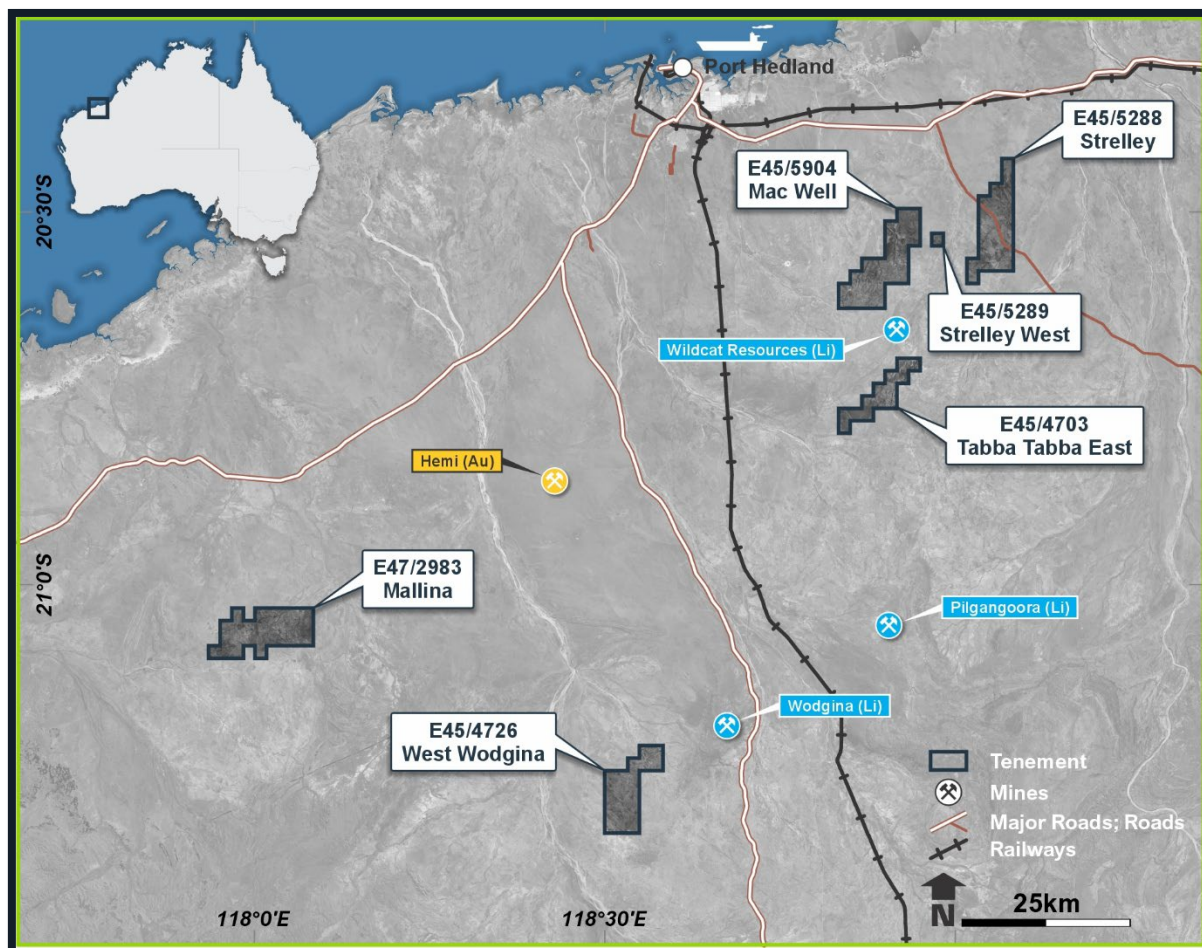


Figure 2: Mallina and other JV Project Locations

During the September 2025 quarter, exploration focused on executing a detailed ground-gravity survey, co-funded through the Western Australian Government’s Exploration Incentive Scheme (EIS)³. The program aimed to refine subsurface structural interpretation and identify potential zones of pegmatite development beneath shallow cover sequences.

The survey, conducted by Atlas Geophysics, collected more than 2,300 gravity stations across both JV tenements at a nominal spacing of 200–400 metres. Data processing and preliminary interpretation were completed during September, producing a refined density model that has materially improved understanding of the local basement architecture.

Interpretation of the results highlighted 12 discrete gravity anomalies coincident with regional magnetic breaks and granitic contacts—features typical of LCT-pegmatite emplacement settings.

³ ASX Announcement – Morella Confirms Geochemical results in the Pilbara dated 23 October 2025.

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Several of these anomalies align with structural trends extending northward toward the Tabba Tabba district, indicating potential connectivity along the lithium-fertile corridor.

The results have significantly advanced the geological model for the area and identified multiple new high-priority target zones for follow-up evaluation. Integration of the gravity dataset with existing remote-sensing imagery, historical geochemical data, and field observations was undertaken through September, allowing the JV technical team to rank target areas for ground validation.

Preparatory work was also initiated for detailed mapping and surface sampling planned in the December 2025 quarter, which will form the basis for subsequent drill design in 2026.

Next Steps – Mallina Project

Planned activities for the December 2025 quarter include:

- Field verification and geological mapping over the 12 gravity anomalies to confirm surface expressions and mineralogical character.
- Rock-chip and soil sampling across selected anomalies to identify lithium-pathfinder elements (Rb, Cs, Ta).
- Refinement of drill-ready target areas through integrated interpretation of geophysical, geochemical, and structural data.
- Preparation of environmental and heritage documentation in advance of the targeted drill campaign.

The completion of the gravity survey has provided additional subsurface insight into Mallina's pegmatite potential and positioned the JV for a targeted, data-driven exploration phase. With multiple high-priority targets now defined, Mallina is well placed to become a cornerstone lithium asset within Morella's Western Australian portfolio, underpinning the Company's continued expansion in the critical-minerals sector.

Tabba Tabba East / West Wodgina District Projects (Morella-Elevra Joint Venture)

The Tabba Tabba East and West Wodgina Projects are located approximately 50km south east of Port Hedland and 15km west of the Wodgina Mine respectively in the Pilbara region of Western Australia. Held under the Morella-Elevra Joint Venture, the tenements occupy a significant position within the Wodgina-Tabba Tabba lithium corridor—one of the world's most significant LCT - pegmatite provinces, hosting major deposits operated by Pilbara Minerals and Wildcat Resources.

The JV's ground provides strategic coverage over several structural trends interpreted as highly prospective for spodumene-bearing pegmatites.

Fieldwork during the September 2025 quarter comprised reconnaissance mapping and surface geochemical sampling across four granted exploration licences⁴. The program, executed by Morella geologists, aimed to verify pegmatite outcrops previously identified through remote-sensing interpretation and to establish a geochemical baseline across the district.

A total of 65 rock-chip samples were collected from the West Wodgina, Mac Well and Strelley prospect areas. Laboratory assays for these samples were received shortly after quarter-end and confirm fractionated LCT-type pegmatite signatures, showing enrichment in rubidium, caesium, tantalum and potassium typical of highly evolved pegmatite systems.

Peak results include up to 927 ppm Rb at West Wodgina and 933 ppm Rb at Mac Well, together with elevated caesium and tantalum values. Integration of these results with field mapping and satellite

⁴ ASX Announcement – Morella Confirms Geochemical results in the Pilbara dated 23 October 2025.

spectral data has improved understanding of pegmatite orientation and zoning within the corridor. Several outcropping zones of pegmatites were delineated, with extensions over hundreds of metres in strike and remaining open along trend.

These findings confirm that the JV's tenure displays the same fertility indicators as nearby producing lithium districts, validating the exploration model and underpinning continued systematic work.

Next Steps – Tabba Tabba East / West Wodgina District Projects

Planned activities for the December 2025 quarter include:

- Systematic mapping and additional geochemical sampling to extend coverage over newly identified pegmatite trends.
- Ranking and prioritisation of target areas based on fractionation intensity and structural position.
- Commencement of drill-site planning and access preparation for reconnaissance drilling in 2026.
- Ongoing integration of remote-sensing, geochemical and structural datasets to refine the regional pegmatite model and inform drill design.

These programs are intended to transition the Tabba Tabba East–West Wodgina Projects from surface reconnaissance toward first-pass subsurface testing, establishing the framework for future resource definition within the highly prospective Wodgina–Tabba Tabba lithium corridor.

Dixon Well Project (Titanium – Vanadium – E57/1226, WA)

The Dixon Well Project located approximately 60 km east north east of Paynes Find in the Murchison region of Western Australia, was formally added to the Morella portfolio during the September 2025 quarter. The tenement (E57/1226) is held 100 % by Morella Corporation Limited and covers approximately 36 km² of mafic–ultramafic intrusions within the Glenburgh Terrane, a geological setting known to host titanium and vanadium-bearing magnetite gabbro systems (see Figure 3).

The acquisition expands Morella's commodity exposure beyond lithium and rubidium, aligning with the Company's broader critical-minerals strategy.

Work during the quarter focused on project due diligence and initial reconnaissance, following the grant of the tenure. Desktop assessment confirmed that the Dixon Well area coincides with a series of strong regional magnetic anomalies interpreted to represent titanomagnetite-rich intrusive units within the local greenstone stratigraphy⁵.

Morella completed a preliminary field inspection and limited surface sampling over key magnetic highs to verify geological interpretation and confirm mineral potential. Initial rock-chip samples collected, returned encouraging results, including up to 17 % titanium dioxide (TiO₂) grades of accompanied by elevated vanadium values. These early findings confirm the presence of a high-grade titanium–vanadium system at surface and support continued systematic exploration.

Concurrently, the Company commenced compilation of historical exploration and open-file geophysical datasets, including airborne magnetics and regional mapping, to identify potential extensions and structural controls on mineralisation. Interpretation of this combined dataset has defined several additional untested magnetic targets within the licence area that warrant follow-up investigation.

⁵ ASX Announcement - Morella Expands Critical Mineral Exposure to Titanium dated 25 September 2025

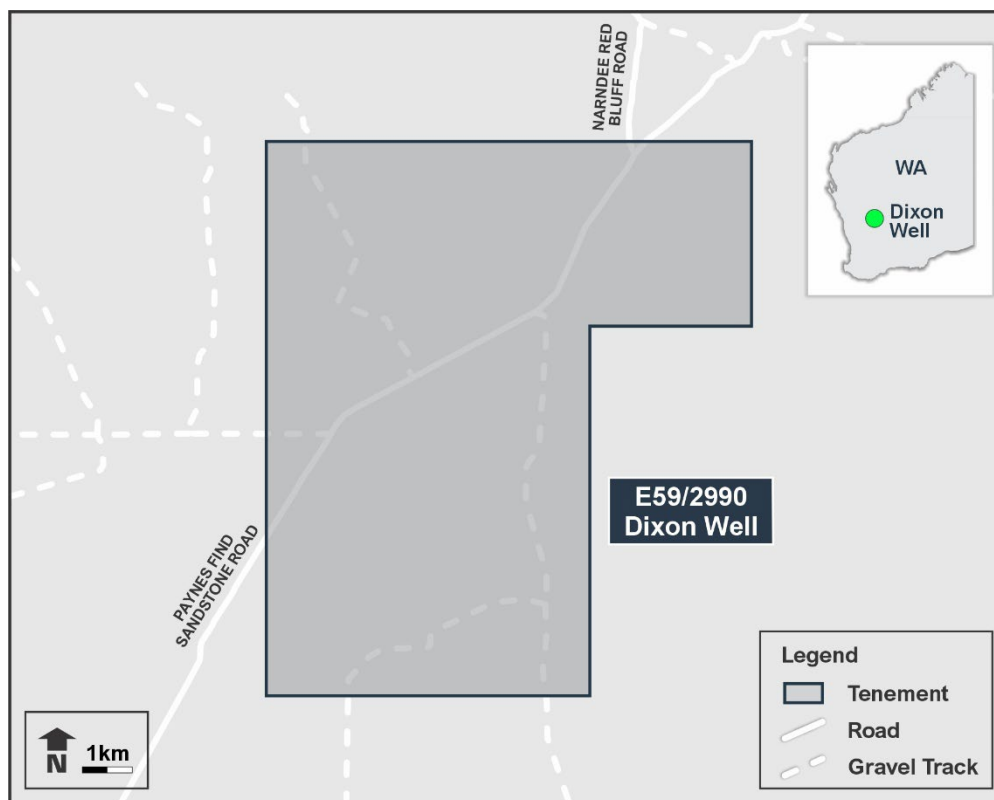


Figure 3: Dixon Well Project Location

Next Steps – Dixon Well Project

Planned upcoming activities include:

- Conducting a detailed geological mapping and surface sampling program across the main magnetic trends to better delineate the extent of mineralisation.
- Undertaking ground or airborne magnetic profiling to refine target geometry and assist in drill-hole planning.

These programs are designed to advance Dixon Well from early-stage reconnaissance toward defined drill targets in the future. The project represents an important step in Morella’s expansion into strategic critical-minerals exploration, complementing the Company’s established lithium and rubidium portfolio within Western Australia.

United States Projects – Nevada Lithium Portfolio

Morella’s Nevada lithium portfolio comprises two principal project areas — Fish Lake Valley (FLV) and North Big Smoky (NBS) — situated within established lithium brine districts of Esmeralda and Nye Counties, Nevada, USA (see Figure 4).

The projects are strategically located along the central Nevada lithium trend, within proximity to existing and historical brine operations. These assets position Morella in one of North America’s most active lithium basins and provide long-term exposure to the United States’ rapidly developing domestic battery-supply chain.

During the September 2025 quarter, Morella executed a key corporate and operational milestone with the completion of Deeds of Termination and Assignment with its U.S. joint venture partner, Lithium Corporation (OTCQB: LTUM).⁶

⁶ ASX Announcement – Morella Streamlines Nevada Lithium Portfolio dated 10 September 2025

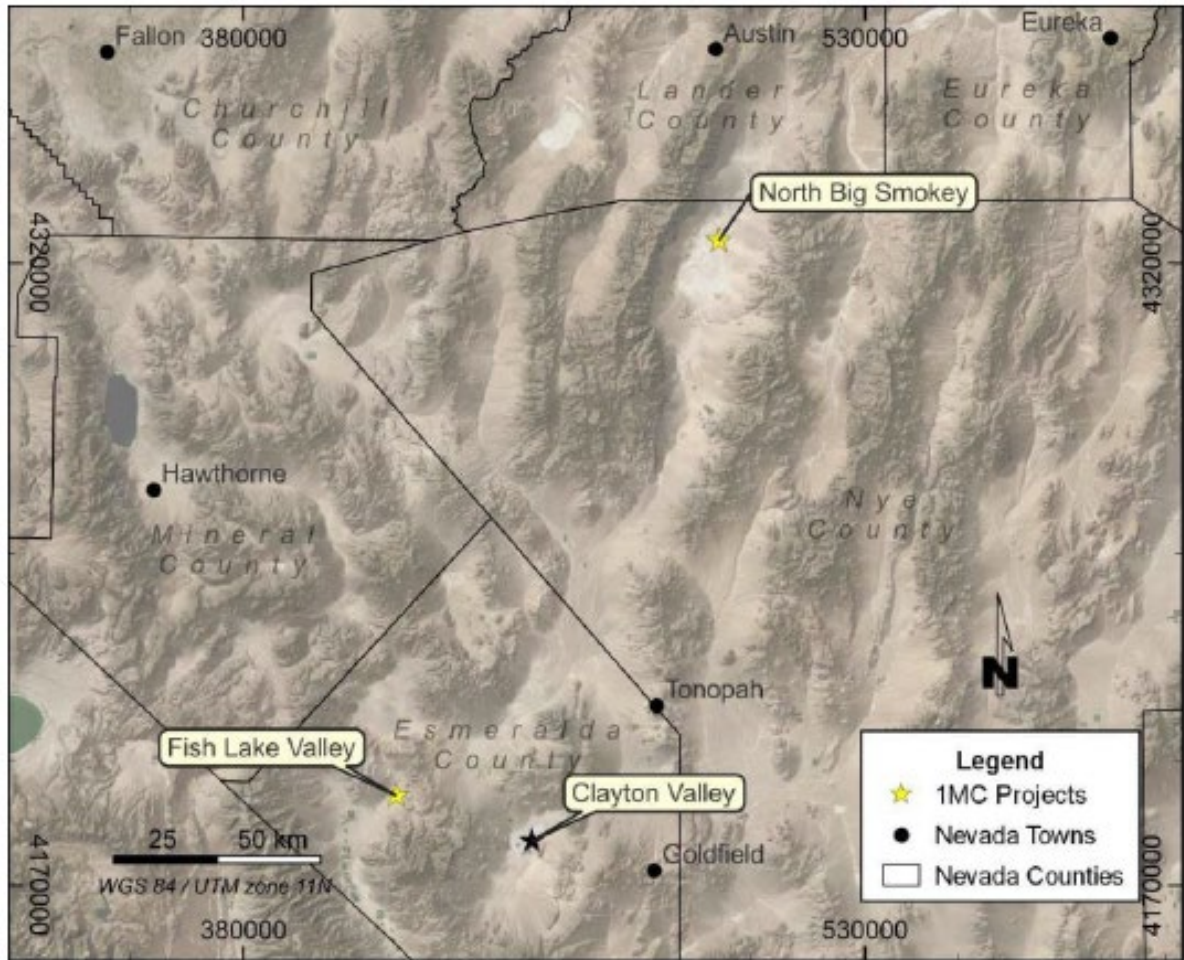


Figure 4 – Morella Corporation Nevada Project Locations

These deeds replaced the prior Earn-In Agreements (dated 12 October 2021 and 9 August 2022) and formalised the transfer of ownership and exploration rights across the portfolio.

Under the restructured arrangement:

- Morella holds 100 % ownership of the Fish Lake Valley South and North Big Smokey projects, consolidating management and reducing administrative duplication.
- Lithium Corporation retains a 3.5 % Net Smelter Return (NSR) royalty over both projects, with Morella holding a 50 % buyback right (1.75 %) within five years for fixed consideration.
- Morella assumed responsibility for Bureau of Land Management (BLM) annual claim fees for the FLV South and NBS packages, while LTUM retains obligations for the FLV North claims.

This restructuring represents a significant simplification of Morella’s U.S. asset base, ensuring full control over project direction, reducing ongoing costs, and providing flexibility for future partnerships or funding initiatives.

Concurrently, Morella undertook a desktop technical review of both projects, integrating prior geophysical, geochemical, and geological datasets to refine its understanding of basin morphology and brine potential.

Updated structural interpretation using available gravity and magnetotelluric data identified several priority areas for re-evaluation within both the FLV South and NBS claim blocks. This analysis will guide selective follow-up fieldwork and target ranking for 2026.

Next Steps – Nevada Projects

During the December 2025 quarter, Morella will:

- Complete data verification and claim-boundary validation across the consolidated portfolio.
- Prioritise basin-scale structural targets within Fish Lake Valley South for potential next stage drilling.
- Initiate discussions with potential U.S. technical partners to support future exploration and environmental permitting.
- Continue evaluating new project opportunities within the broader Nevada lithium belt consistent with the Company's critical minerals focus.

The consolidation achieved during the quarter provides Morella with a streamlined and fully controlled U.S. platform.

This structure enables efficient allocation of exploration capital and strengthens the Company's position in advancing lithium development opportunities aligned with North America's energy-transition objectives.

CORPORATE

The September 2025 quarter was marked by continued focus on corporate compliance, shareholder administration, and capital management initiatives designed to strengthen Morella's financial and governance position.

Governance and Reporting

During the quarter, Morella completed all statutory and governance lodgements required under ASX Listing Rules and the Corporations Act, including:

- The FY25 Annual Report, incorporating audited financial statements and the Directors' Report.
- The Corporate Governance Statement and accompanying Appendix 4G, outlining compliance with ASX Corporate Governance Principles and Recommendations.
- Preparation of the 2025 Annual General Meeting (AGM) documentation, with Notice of Meeting drafting commenced.

These actions maintain Morella's record of full compliance and transparent reporting, supporting continued investor confidence and alignment with ASX disclosure standards.

Share Registry Management

In September, the Company successfully finalised the Unmarketable Parcel Sale Facility, which enabled the sale of holdings valued below the minimum parcel threshold under the ASX Settlement Operating Rules.

This initiative reduced the shareholder register by approximately 79 %, simplifying registry administration and delivering ongoing cost savings in future reporting periods.

Financial Position and Funding

During the quarter, Morella maintained a disciplined cost-management framework, with exploration and administration expenditure consistent with budget and primarily directed toward the Company's Western Australian exploration portfolio. At quarter end, Morella retained sufficient cash reserves to support planned field programs into the December quarter.

Subsequent to the end of the quarter, the Company executed a A\$1.4 million Convertible Note Facility with a group of strategic investors, further strengthening the balance sheet and providing flexibility to advance both its Australian and U.S. critical-minerals projects⁷. This facility complements existing capital sources and underpins Morella's ongoing exploration and development objectives.

Corporate Outlook

The Company will continue to focus on:

- Maintaining prudent financial discipline while prioritising exploration expenditure toward high-impact programs.
- Advancing engagement with potential strategic and offtake partners aligned with Morella's critical minerals focus.
- Strengthening governance and reporting frameworks ahead of the FY25 AGM and upcoming corporate milestones.

Collectively, these measures ensure Morella remains well positioned to execute its growth strategy, advance its project pipeline, and deliver long-term value to shareholders through continued progress across its critical-minerals portfolio.

Morella Managing Director James Brown said:

"The September quarter marked a strong period of consolidation and technical progress for Morella as we continued to build a diversified and resilient critical-minerals portfolio.

Our work across Western Australia advanced on multiple fronts — from gravity and geochemical programs at Mallina and Tabba Tabba–West Wodgina, to detailed preparation at Mt Edon ahead of drilling designed to establish the project's first rubidium resource. The acquisition of the Dixon Well titanium–vanadium project further broadened our exposure to strategic metals essential to the energy-transition economy.

The rationalisation of our Nevada lithium assets has simplified our U.S. platform and ensured Morella can engage that market with a more focussed, lower-cost structure.

Collectively, these outcomes demonstrate disciplined execution of our growth strategy and highlight the technical depth of our team. With the Company's financial position strengthened through the convertible-note facility completed after quarter-end, Morella enters the December quarter with clear momentum toward drilling, resource definition and continued portfolio expansion across Tier 1 jurisdictions."

Other Disclosure

As disclosed under item 6 in the Appendix 5B, the Company made payments to related parties as follows:

- \$7,000 relating to the Directors fees for the Quarter.

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

Contact for further information.

Investors | Shareholders

James Brown

Managing Director

E: info@morellacorp.com

⁷ ASX Announcement – Commitments to \$1.4 Million in Convertible Notes received dated 20 October 2025

Competent Persons Statement The information in this announcement that relates to Exploration Results is based on information compiled by Mr Henry Thomas, who is a Member of the Australasian Institute of Mining and Metallurgy and is the Exploration Manager employed by Morella Corporation. Mr Henry Thomas has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Mineral Resources'. Mr Henry Thomas consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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

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Schedule of Tenements

The schedule below discloses the exploration tenements held by the Company at the end of the Quarter; none were sold or cancelled.

Location	Tenement Number	Interest beginning of Quarter	Interest end of Quarter
Mt Edon South	E59/2778	100%	100%
Four Corners Well	E59/2904	100%	100%
Dixon Well	E57/1226	0%	100%
TabbaTabba East	E45/4703	51%	51%
West Wodgina	E45/4726	51%	51%
Strelley	E45/5288	51%	51%
Strelley West	E45/5289	51%	51%
Mac Well	E45/5904	51%	51%
Mallina	E47/2983	51%	51%
Mt Edon	E59/2092	51%	51%
Tabalong, South Kalimantan	PT Suryaraya Permata Khatulistiwa	70%	70%
	PT Suryaraya Cahaya Cemerlang	70%	70%
	PT Suryaraya Pusaka	70%	70%
	PT Kodio Multicom	56%	56%
	PT Marangkayu Bara Makarti	56%	56%
Catanduanes, Philippines	COC 182 (Area 3) – Catanduanes	100%	100%
Albay Region, Philippines	COC 200 (Area 4) – Rapu-Rapu	100%	100%
Bislig Region, Philippines	COC 202 (Area 17) – Surigao del Sur	100%	100%

The Following licence is the subject of the Joint Venture with Sayona. This licence is in the process of being transferred into Morella's name as is required under the Joint Venture Agreement

Location	Tenement Number
Mt Edon West	E59/2055

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Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Morella Corporation Limited

ABN

39 093 391 774

Quarter ended ("current quarter")

30 September 2025

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	168	168
1.2	Payments for		
	(a) exploration & evaluation	(86)	(86)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(181)	(181)
	(e) administration and corporate costs	(211)	(211)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)		
	• Sundry income	-	-
1.9	Net cash from / (used in) operating activities	(310)	(310)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	(448)	(448)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(b) reimbursement from tenement holder	-	-
(c) property, plant and equipment	-	-
(d) investments – Sale of shares on market	-	-
(e) Reimbursement from offshore tenement partner	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other – Term deposit facility	-	-
2.6 Net cash from / (used in) investing activities	(448)	(448)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5 Proceeds from borrowings	700	700
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)		
• Payments of lease liabilities	(11)	(11)
3.10 Net cash from / (used in) financing activities	689	689

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Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period	(69)	(69)
4.1	Cash and cash equivalents at beginning of period	804	804
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(310)	(310)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(448)	(448)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	689	689
4.5	Effect of movement in exchange rates on cash held	(3)	(3)
4.6	Cash and cash equivalents at end of period	732	732

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	732	804
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	732	804

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- Directors Fees paid in the Qtr
 - Interest paid on funding facility in the Qtr.
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

7

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Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities ⁽ⁱ⁾ ⁽ⁱⁱ⁾	4,144	4,144
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	4,144	4,144

7.5 **Unused financing facilities available at quarter end** -

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

- (i) Morella has executed an unsecured facility with related entities to fund the Deed of Company Arrangement and initial working capital requirements. The facility maturity date is March 2027 with an interest rate of 8% pa. The facility can be converted into shares at the option of the lender whilst meeting the appropriate regulatory approvals.
- (ii) Morella has completed an additional facility with related entities to meet the Groups working capital requirements. The facility maturity date is August 2028 with an interest rate of 8%pa. The facility can be converted into shares at the option of the lender whilst meeting the appropriate regulatory approvals.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(310)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(448)
8.3 Total relevant incoming / (outgoings) (item 8.1 + item 8.2)	(758)
8.4 Cash and cash equivalents at quarter end (item 4.6)	732
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	732
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	1

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Yes

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: The Company has completed a funding facility during the quarter. The Company has the ability to vary exploration intensity in order to manage funding. The Company believes that additional capital will be required during the year and is confident of raising such capital when required, based on previous funding outcomes the Board expects a high probability of success.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes, the Company has been successful and well supported for funding previously and the Board expects sufficient funds can be raised to meet the Group's operational objectives

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 October 2025

Authorised by: Morella Board of Directors

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.