

**MORELLA CORPORATION LIMITED**  
**ABN 39 093 391 774**

**Notice of 2023 Annual General Meeting,  
Explanatory Memorandum  
and Proxy Form**

**TIME:** 11.00 am (AEST)

**DATE:** 24 November 2023

**PLACE:** The offices of PKF Gold Coast  
Level 6, RSL Building  
9 Beach Road  
Surfers Paradise QLD 4217

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 24 November 2023 commencing at 11.00 am (AEST) at the offices of PKF Gold Coast Level 6, RSL building 9 Beach Road Surfers Paradise QLD 4217.

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 2023, 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 an **ordinary resolution**:

*"That, for the purpose 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 2023."*

### **Resolution 2 – Re-Election of Allan Charles Buckler as a Director**

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

*"That Allan Charles Buckler, being a Director of the Company, who retires in accordance with Listing Rule 14.4 and clause 13.2 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 purpose of 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 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 Fish Lake Valley First Anniversary Shares**

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

*"That, for the purpose of Listing Rule 7.4, and for all other purposes, Shareholders approve and ratify the issue of 20,333,575 Shares to Lithium Corporation, for the purpose and on the terms set out in the Explanatory Memorandum accompanying this Notice of Annual General Meeting."*

### **Resolution 5 – Ratification of issue of the North Big Smoky Earn-in Shares**

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

*"That, for the purpose of Listing Rule 7.4, and for all other purposes, Shareholders approve and ratify the issue of 19,741,685 Shares to Lithium Corporation, for the purpose and on the terms set out in the Explanatory Memorandum accompanying this Notice of Annual General Meeting."*

### **Resolution 6 – Approval of issue of Performance Shares to Beng Teik Kuan**

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

*"That, for the purpose of Listing Rule 10.14 and 10.19 and section 195(4), 200B and 200E of the Corporations Act and for all other purposes, Shareholders approve the issue of up to 1,573,109 Performance Shares as Director incentive remuneration to Mr Beng Teik Kuan (or his nominee), for the purpose and on the terms set out in the Explanatory Memorandum accompanying this Notice of Annual General Meeting."*

### **Resolution 7 – Approval of issue of Performance Shares to Allan Buckler**

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

*"That, for the purpose of Listing Rule 10.14 and 10.19 and section 195(4), 200B and 200E of the Corporations Act and for all other purposes, Shareholders approve the issue of up to 1,573,109 Performance Shares as Director incentive remuneration to Mr Allan Buckler (or his*

*nominee), for the purpose and on the terms set out in the Explanatory Memorandum accompanying this Notice of Annual General Meeting."*

#### **Resolution 8 – Approval of issue of Performance Shares to Dennis (Dan) O'Neill**

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

*"That, for the purpose of Listing Rule 10.14 and 10.19 and section 195(4), 200B and 200E of the Corporations Act and for all other purposes, Shareholders approve the issue of up to 1,573,109 Performance Shares as Director incentive remuneration to Mr Dennis O'Neill (or his nominee), for the purpose and on the terms set out in the Explanatory Memorandum accompanying this Notice of Annual General Meeting."*

#### **Resolution 9 – Approval of issue of Performance Shares to James Brown**

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

*"That, for the purpose of Listing Rule 10.14 and 10.19 and section 195(4), 200B and 200E of the Corporations Act and for all other purposes, Shareholders approve the issue of up to 10,487,395 Performance Shares as Director incentive remuneration to Mr James Brown (or his nominee), for the purpose and on the terms set out in the Explanatory Memorandum accompanying this Notice of Annual General Meeting."*

By order of the Board

**JOHN LEWIS**  
**Company Secretary**  
20 October 2023

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## **VOTING EXCLUSION STATEMENTS**

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### **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 Lithium Corporation, or any Associate of Lithium Corporation. 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 Lithium Corporation, or any Associate of Lithium Corporation. 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 a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Morella Executive Incentive Plan, an officer of the entity or any of its child entities who is entitled to participate in a termination benefit 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.

A vote must not be cast on Resolution 6 by a Key Management Personnel or a Closely Related Party of a Key Management Personnel, acting as proxy if their appointment does not specify the way the proxy is to vote on Resolution 6. However, the Company will not disregard any proxy votes cast on that resolution by a Key Management Personnel if the Key Management Personnel is the Chair acting as proxy and their appointment expressly authorised the proxy even though the Resolution is connected with the remuneration of the Key Management Personnel for the Company.

### **Resolution 7**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Executive Incentive Plan, an officer of the entity or any of its child entities who is entitled to participate in a termination benefit 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.

A vote must not be cast on Resolution 7 by a Key Management Personnel or a Closely Related Party of a Key Management Personnel, acting as proxy if their appointment does not specify the way the proxy is to vote on Resolution 7. However, the Company will not disregard any proxy votes cast on that resolution by a Key Management Personnel if the Key Management Personnel is the Chair acting as proxy and their appointment expressly authorised the proxy even though the Resolution is connected with the remuneration of the Key Management Personnel for the Company.

### **Resolution 8**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Executive Incentive Plan, an officer of the entity or any of its child entities who is entitled to participate in a termination benefit 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.

A vote must not be cast on Resolution 8 by a Key Management Personnel or a Closely Related Party of a Key Management Personnel, acting as proxy if their appointment does not specify the way the proxy is to vote on Resolution 8. However, the Company will not disregard any proxy votes cast on that resolution by a Key Management Personnel if the Key Management Personnel is the Chair acting as proxy and their appointment expressly authorised the proxy even though the Resolution is connected with the remuneration of the Key Management Personnel for the Company.

### **Resolution 9**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Executive Incentive Plan, an officer of the entity or any of its child entities who is entitled to participate in a termination benefit 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.

A vote must not be cast on Resolution 9 by a Key Management Personnel or a Closely Related Party of a Key Management Personnel, acting as proxy if their appointment does not specify the way the proxy is to vote on Resolution 9. However, the Company will not disregard any proxy votes cast on that resolution by a Key Management Personnel if the Key Management Personnel is the Chair acting as proxy and their appointment expressly authorised the proxy even though the Resolution is connected with the remuneration of the Key Management Personnel for the Company.



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## NOTES

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### 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 5.00pm (AEST) on 22 November 2023.

### VOTING BY PROXY

Proxy Forms should be returned to the Company's Share Registry, Link Market Services, in accordance with the instructions on the enclosed proxy form by 11.00 am (AEST) on 22 November 2023.

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/- Link Market Services Limited

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: Link Market Services Limited

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 PKF Gold Coast Level 6, RSL Building, 9 Beach Road Surfers Paradise QLD 4217 on 24 November 2023 commencing at 11.00am (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.

### 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 2023 together with the Directors' declaration and report in relation to that financial year and the Auditor's report on those financial statements. The 2023 Annual Report can be accessed on-line at <https://www.morellacorp.com>. Alternatively, a hard copy will be made available on request.

Shareholders should consider these documents 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 2023.

Relevant written questions for PKF Perth must be received no later than 5.00pm (AEST) on 22 November 2023. 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/- Link Market Services Limited Locked Bag A14, Sydney South NSW 1235; or
- (b) by facsimile to the Company on facsimile number (+61 2) 9287 0309.

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

### 1.1 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 2023 (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 2023.

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

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

## **1.2 Board recommendation**

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

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## **2. RESOLUTION 2 – RE-ELECTION OF ALLAN CHARLES BUCKLER AS A DIRECTOR**

### **2.1 Background**

In accordance with Listing Rule 14.5 and clause 13.2 of the Company's Constitution, at every annual general meeting an election of Directors must take place. Listing Rule 14.4 prevents a Director from holding office (without re-election) past the third annual general meeting following the Director's appointment or 3 years, whichever is longer.

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

Mr Buckler has over 45 years' experience in the mining industry and has taken lead roles in the establishment of several leading mining and port operations in both Australia and Indonesia.

Further details about Mr Buckler are set out in the Company's 2023 Annual Report which is available at <https://www.morellacorp.com/annual-reports/>.

### **2.2 Board recommendation**

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

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## **3. RESOLUTION 3 – APPROVAL OF ADDITIONAL 10% PLACEMENT FACILITY**

### **3.1 Background**

Listing Rule 7.1A enables eligible entities to issue Equity Securities of up to 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 Listing Rule 7.1.

An eligible entity for the purposes of 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 to enable the Company to issue Equity Securities under the Additional 10% Placement Facility. The effect of Resolution 3 will be to allow the Directors to issue Equity Securities under 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 Listing Rule 7.1A.2 (refer to Section 3.2(d) of this Notice of Annual General Meeting below).

If Resolution 3 is passed, the Company will be able to issue Equity Securities up to a combined 25% limit under 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% capacity to issue Equity Securities under 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 Listing Rule 7.1.

## **3.2 Regulatory Requirements**

In compliance with the information requirements of 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 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 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 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 6,138,655,704 Equity Securities. The Company will have the capacity to issue approximately 613,865,570 Equity Securities under the Additional 10% Placement Facility in accordance with Listing Rule 7.1A.

The precise number of Equity Securities that the Company will have capacity to issue under 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 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 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 Listing Rules to have been approved, under Listing Rule 7.1 or 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 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 Listing Rule 7.1 or Listing Rule 7.4
- (iv) plus the number of any other fully paid ordinary securities issued in the relevant period within approval under Listing Rule 7.1 or Listing Rule 7.4
- (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 A is has the same meaning in 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 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 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.

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 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 Listing Rule 7.1 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 Listing Rule 7.1A.2		Dilution		
		0.003 50% decrease in Issue Price	\$0.006 Issue Price	\$0.009 50% increase in Issue Price
Current Variable A 6,138,655,704	(10% Voting Dilution)	613,865,570	613,865,570	613,865,570
	Funds raised	\$1,841,597	\$3,683,193	\$5,524,790
50% increase in current Variable A to 9,207,983,556	(10% Voting Dilution)	920,798,356	920,798,356	920,798,356
	Funds raised	\$2,762,395	\$5,524,790	\$8,287,185
100% increase in current Variable A	(10% Voting Dilution)	1,227,731,141	1,227,731,141	1,227,731,141
	Funds raised	\$3,683,193	\$7,366,387	\$11,049,580

**The table has been prepared on the following assumptions:**

- Variable A is 6,138,655,704 being the number of ordinary securities on issue at the date of this Notice of Meeting.
- The Company issues the maximum number of Equity Securities available under the Additional 10% Placement Facility.
- The Company has not issued any Equity Securities using its placement capacity under Listing Rule 7.1A in the 12 months preceding this Notice of Meeting.
- 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 Listing Rule 7.1A, not under the 15% placement capacity under 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 0.006 per share, being the closing price of the Shares on ASX on 20 October 2023.

(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 which 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 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 Listing Rule 7.1A**

The Company previously obtained Shareholder approval under Listing Rule 7.1A at the 2022 annual general meeting on 25 November 2022.

The Company did not issue any Equity Securities under Listing Rule 7.1A in the 12 months preceding the date of the Annual General Meeting.

(g) **Voting exclusion statement**

A voting exclusion statement is included in this Notice. At the date of the Notice of 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. Accordingly, the proposed persons to whom any Equity Securities may be issued to under the 10% Placement Facility are not as yet known or identified.

In these circumstances (and in accordance with guidance in ASX Guidance Note 21 relating to 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 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.

No existing Shareholders' votes will therefore be excluded from voting on Resolution 3.

### **3.3 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.

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## **4. RESOLUTION 4 – RATIFICATION OF ISSUE OF FISH LAKE VALLEY 2<sup>ND</sup> ANNIVERSARY SHARES**

### **4.1 Background**

On 3 May 2021, Altura Mining Limited (Morella prior to changing its name) executed a letter of intent to enter into an Earn-In Option Agreement (**EiOA**) for 60% project equity in Lithium Corporation's FLV Project.

The FLV Project is located in Esmeralda County, 30 kilometres from the Californian border, and is located 35 kilometres west northwest from Albermarle's producing and currently expanding Silver Peak lithium brine operation. Geologically the FLV Project shares both structural and stratigraphic affinities with Silver Peak, which is currently the only operation of its kind in North America.

The Company executed the EiOA on 14 October 2021. Included under the terms of the EiOA, Morella was required, on the 2<sup>nd</sup> Anniversary of 17 August 2021, to pay US\$100,000 plus issue the equivalent of US\$100,000 equivalent in Shares.

The 2<sup>nd</sup> Anniversary milestone has been achieved and as a result Morella issued 20,333,575 Shares to Lithium Corporation on 1 September 2023 (**the 2<sup>nd</sup> Anniversary Shares**).

### **4.2 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 2<sup>nd</sup> Anniversary Shares does not fit within any of the exceptions under Listing Rule 7.1, and as the issue has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under the Listing Rules for the 12 month period following the date of the issue of the 2<sup>nd</sup> Anniversary Shares.

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 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 Company wishes to maintain as much flexibility as possible to issue additional Equity Securities in the future without having to obtain shareholder approval under Listing Rule 7.1. To this end, Resolution 4 seeks shareholder approval of the issue of the 2<sup>nd</sup> Anniversary Shares issued in accordance with Listing Rule 7.1 under and for the purposes of Listing Rule 7.4.

If Resolution 4 is passed, the issue of the 2<sup>nd</sup> Anniversary Shares will be excluded in calculating Company's 15% limit in 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 2<sup>nd</sup> Anniversary Shares.



If Resolution 4 is not passed, the issue of the 2<sup>nd</sup> Anniversary Shares will be included in calculating the Company's 15% limit in 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 2<sup>nd</sup> Anniversary Shares.

The securities, for which approval is sought under Resolution 4, comprise 0.33% of the Company's share capital assuming implementation of all the Resolutions and exercise of all the Shares granted pursuant to the Resolutions (based on the number of Shares and Options on issue as at the date of this Notice of Annual General Meeting).

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

(a) **The names of the persons to whom the entity issued or the basis on which those persons were identified and selected**

The Shares were issued to Lithium Corporation.

Lithium Corporation are not a related party of the Company or material investor.<sup>1</sup>

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

Under Resolution 4, the Company seeks from Shareholder's ratification of the issue of 20,333,575 Shares.

(c) **Terms of the securities**

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

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

(d) **Date of issue**

The Shares were issued on 1 September 2023.

(e) **Issue price**

The deemed issue price was \$0.0076 per Shares.

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

The purpose of the issue was to meet the obligation of the Company to issue shares to Lithium Corporation pursuant to the EiOA signed on 14 October 2021.

(g) **Relevant agreement**

The Shares were issued pursuant to the EiOA.

A summary of the material terms of the EiOA are included at Schedule 2 of this Notice of Annual General Meeting.

(h) **Voting exclusion statement**

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

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

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<sup>1</sup> 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.

## **5. RESOLUTION 5 – RATIFICATION OF ISSUE OF NORTH BIG SMOKY 1<sup>ST</sup> ANNIVERSARY SHARES**

### **5.1 Background**

As announced on 17 May 2022, Morella executed a letter of intent to enter into an Earn-In Option Agreement (**EiOA2**) for 60% project equity in Lithium Corporation's North Big Smoky Project (**NBS Project**) located in central-west Nevada, USA.

The NBS Project is located in Nye County, 110 kilometres to the north of the regional centre of Tonopah and 240km south-east of the major centre of Reno. The NBS Project area consists of 178 claims and covers approximately 3,400 acres (1,376 hectares) in area. The Project is in a well-known, highly prospective lithium region of the USA.

As announced on 11 October 2022, the Company formally executed the EiOA2.

The key terms of the EiOA2 are summarised in Schedule 3 to this Notice of Annual General Meeting.

The 1<sup>st</sup> Anniversary milestone has been achieved and as a result Morella issued 19,741,685 Shares to Lithium Corporation on 1 September 2023 (**the 1<sup>st</sup> Anniversary Shares**).

### **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 North Big Smoky Earn-In Shares does not fit within any of the exceptions under Listing Rule 7.1, and as the issue has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under the Listing Rules for the 12 month period following the date of the issue of the North Big Smoky Earn-In Shares.

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

To this end, Resolution 5 seeks shareholder approval of the ratification of the issue of the North Big Smoky Earn-In Shares issued in accordance with Listing Rule 7.1 under and for the purposes of Listing Rule 7.4.

If Resolution 5 is passed, the issue of the North Big Smoky Earn-In Shares will be excluded in calculating Company's 15% limit in 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 North Big Smoky Earn-In Shares.

If Resolution 5 is not passed, the issue of the issue of the North Big Smoky Earn-In Shares will be included in calculating the Company's 15% limit in 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 North Big Smokey Earn-In Shares.

The securities, for which approval is sought under Resolution 5, comprise 0.32% of the Company's share capital assuming implementation of all the Resolutions and exercise of all the Shares granted pursuant to the Resolutions (based on the number of Shares and Options on issue as at the date of this Notice of Annual General Meeting).

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

- (a) **The names of the persons to whom the entity issued or the basis on which those persons were identified and selected**
- The Shares were issued to Lithium Corporation.
- Lithium Corporation are not a related party of the Company or material investor.<sup>2</sup>
- (b) **Number of securities issued**
- Under Resolution 5, the Company seeks from Shareholder's ratification of the issue of 19,741,685 Shares.
- (c) **Terms of the securities**
- The Shares are fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and rank equally in all respects with the existing Shares.
- The Company has applied to ASX for official quotation of the Shares.
- (d) **Date of issue**
- The Shares were issued on 1 September 2023.
- (e) **Issue price or other consideration**
- The deemed issue price will be \$0.0075 per Share.
- (f) **Purpose of the issue, including the intended use of the funds raised**
- The purpose of the issue is to meet the obligation of the Company to issue shares to Lithium Corporation pursuant to the EiOA2 signed on 11 August 2022.
- (g) **Relevant agreement**
- The Shares were issued pursuant to the EiOA2.
- A summary of the material terms of the EiOA2 are included at Schedule 3 of this Notice of Annual General Meeting.
- (h) **Voting exclusion statement**
- A voting exclusion statement for Resolution 5 is included in the Notice of Annual General Meeting preceding this Explanatory Memorandum.

### 5.3 Board recommendation

The Board believes that the issue is 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.

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## 6. BACKGROUND TO RESOLUTIONS 6 TO 9 - ISSUE OF PERFORMANCE SHARES

The Board has approved an incentive package to reward the Directors and executive management for their efforts during the 2023 Financial Year which was initially focussed on restructuring the Company and satisfying the requirements of the ASX for re-quoting on the Official List. Following the successful re-quotation in December 2021 there has been significant progress made on all of Morella's projects both in Australia and North America.

Issuing equity incentives is an important part of a company's attraction and retention plan in what is an extremely competitive workforce market. Key targets (both short term and long

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<sup>2</sup> 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.

term) to be met were put in place for the participants aimed at delivering a positive shareholder return in order to underwrite the long-term future value of Morella.

Given the achievement of the Company's objectives (as well as delivering into ongoing management work) the Company is of the view that it is appropriate to award the Board and executive management by way of the issue of equity incentives. This will allow the Company to focus its financial resources on the continued development of its projects, assist in the retention of key staff and further align the interest of the Board and executive management with that of Shareholders.

Accordingly, the Company has issued / proposes to issue Performance Shares to two specific groups based on a differing approval process.

The initial issue of Performance Shares were to executives that did not require Shareholder approval and was issued pursuant to the Company's EIS approved by Shareholders at the 2022 AGM.

The second issue of Performance Shares will be issued to Directors and will require Shareholder approval.

The two issues are as per below:

- the initial issue: to the Officers and Key Management Personnel of 24,937,001 Shares, exercisable prior to 30 November 2023; and
- the second issue: to Directors of 15,206,722 Shares exercisable up to 6 months post shareholder approval.

Director	Performance Shares
James Brown	10,487,395
Allan Buckler	1,573,109
Beng Teik Kuan	1,573,109
Dennis (Dan) O'Neill	1,573,109
<b>Total</b>	<b>15,206,722</b>

The Performance Shares will immediately vest upon issue and will be exercisable by the holder on or before 30 November 2023 for executives and up to 6 months after Shareholder approval for the Performance Shares issued to Directors.

The Performance Shares to be issued to Directors require Shareholder approval. As such, the approvals under Resolutions 6 to 9 are to approve the issue of the Performance Shares to be issued to those Directors.

The terms of the Performance Shares are summarised in the schedule to this Explanatory Memorandum (Schedule 1).

## **7. RESOLUTIONS 6 TO 9 – APPROVAL OF THE ISSUE OF PERFORMANCE SHARES TO DIRECTORS**

### **7.1 General**

The Company has agreed, subject to obtaining Shareholder approval, to issue Performance Shares to Beng Teik Kuan, Allan Buckler, Dennis (Dan) O'Neill and James Brown on the terms and conditions set out below.

Accordingly, Shareholders are being asked to approve:

- (a) Resolution 6 to allow 1,573,109 Performance Shares to be issued to Mr Kuan;

- (b) Resolution 7 to allow 1,573,109 Performance Shares to be issued to Mr Buckler;
- (c) Resolution 8 to allow 1,573,109 Performance Shares to be issued to Mr O'Neill; and
- (d) Resolution 9 to allow 10,487,395 Performance Shares to be issued to Mr Brown;

## 7.2 Rationale

The primary purpose of the issue of the Performance Shares under Resolutions 6 to 9 is to:

- (a) recognise the outstanding achievements realised by the Directors to date; and
- (b) provide a performance linked incentive component in the remuneration package for the Directors to motivate and reward the performance of the Directors in their roles as Directors.

The Board has determined that the grant of Performance Shares to Directors will align the interests of the Directors with those of Shareholders by creating a stronger link between performance resulting in increased Shareholder value and reward to the Directors. The Directors will have a greater involvement with, and share in, any future growth and profitability of the Company.

The grant of the Performance Shares is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Directors.

It is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Performance Shares upon the terms proposed.

## 7.3 Listing Rule 10.14

Listing Rule 10.14 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

If Shareholder approval is given under Listing Rule 10.14, then the Company is not required to seek approval under Listing Rule 7.1.

If Resolutions 6 to 9 are passed, the Company will be able to proceed with the issue of the Performance Shares pursuant to the Resolution that is passed.

If any of Resolutions 6 to 9 are not passed, the Company will not be able to proceed with the issue of the Performance Shares under the Resolution that fails to pass. If any of the Resolutions fail to pass, the Company will consider alternative options to appropriately remunerate Mr Beng Teik Kuan, Mr Buckler, Mr O'Neill and Mr Brown, which may include paying in cash the value of the Performance Shares that were proposed to be issued under Resolutions 6 to 9 that would have vested on that vesting date if Shareholders had approved the issue of those Performance Shares at the Meeting and the directors have exercised all of those Performance Shares on that vesting date. Pursuant to and in accordance with the requirements of Listing Rule 10.15, the following information is provided in relation to the proposed issue of Performance Shares to the Directors:

### (a) Name of the person

The Performance Shares to be issued under Resolution 6 are proposed to be issued to Mr Beng Teik Kuan.

The Performance Shares to be issued under Resolution 7 are proposed to be issued to Mr Buckler.

The Performance Shares to be issued under Resolution 8 are proposed to be issued to Mr O'Neill.

The Performance Shares to be issued under Resolution 9 are proposed to be issued to Mr Brown.

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

Mr Beng Teik Kuan is a Director and is, as such, a person who falls within Listing Rule 10.14.1.

Mr Allan Buckler is a Director and is, as such, a person who falls within Listing Rule 10.14.1.

Mr Dennis (Dan) O'Neill is a Director and is, as such, a person who falls within Listing Rule 10.14.1.

Mr James Brown is a Director and is, as such, a person who falls within Listing Rule 10.14.1.

(c) **Number and class of securities that may be issued pursuant to Resolutions 6 to 9**

The maximum number of Performance Shares to be issued to Mr Kuan is 1,573,109 Performance Rights.

The maximum number of Performance Shares to be issued to Mr Buckler is 1,573,109 Performance Shares.

The maximum number of Performance Shares to be issued to Mr O'Neil is 1,573,109 Performance Shares.

The maximum number of Performance Shares to be issued to Mr Brown is 10,487,395 Performance Shares.

(d) **Remuneration**

The remuneration and emoluments from the Company to the Directors for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below:

<b>Related Parties</b>	<b>2024 Financial Year<sup>1</sup></b>	<b>2023 Financial Year<sup>1, 2</sup></b>
Allan Buckler	81,439	400,241
James Brown	559,620	2,034,477
Dennis (Dan) O'Neill	81,439	407,801
Beng Teik Kuan	81,439	407,801

**Notes**

<sup>1</sup> Includes salary & fees, superannuation and equity based payments.

<sup>2</sup> The higher value of the remuneration of the Directors for the 2023 Financial Year is largely due to the inclusion of the security- based payments (being valued at \$400,241 in the case of Allan Buckler, Beng Teik Kuan and Denis O'Neill and \$1,215,843 in the case of James Brown).

(e) **Previous issues under the Plan**

The Company has previously issued 24,937,001 Performance Shares (in aggregate) to officers and Key Management Personnel of the Company as part of its attraction and retention plan since the 2022 AGM.

Set out below are the previous issues of Performance Rights to the Directors under the Plan, who are the subject of the proposed issue of the Performance Shares under Resolutions 6 to 9:

Director	Performance Rights	Average acquisition price	Expiry Date
Allan Buckler	20,515,068	N/A	6 months after the date of approval by shareholders
James Brown	85,479,452	N/A	6 months after the date of approval by shareholders
Dennis (Dan) O'Neill	20,515,068	N/A	6 months after the date of approval by shareholders
Beng Teik Kuan	20,515,068	N/A	6 months after the date of approval by shareholders

The above Performance Rights were approved by Shareholders at the 2022 AGM which was held on 25 November 2022.

(f) **Terms of the securities**

The Performance Shares will be issued fully vested and otherwise on the terms set in Schedule 4.

The Board has determined that the grant of Performance Shares under the Plan to the Directors are an appropriate form of incentive in the current circumstances as they will align the interests of Beng Teik Kuan, Allan Buckler, Dennis (Dan) O'Neill and James Brown with those of Shareholders creating a greater link between performance resulting in increased Shareholder value and reward to the Directors, whilst at the same time rewarding them for the performance already rendered. The value in which the Company attributes to the Performance Shares and its basis is set out in Schedule 5.

(g) **Issue date**

The Performance Shares will be issued to the Directors no later than 6 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated the Performance Shares will be issued on one date.

(h) **Issue price**

The Performance Shares will be in consideration of the past and future performance of the Directors.

No funds will be raised from the issue of the Performance Shares.

(i) **Material terms of the Plan**

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

(j) **Loan in connection with acquisition of securities under the Plan**

No loans have or will be made by the Company in connection with the relevant Performance Shares.

(k) **Additional disclosure**

Details of any securities issued under the Plan will be published in the Company's annual report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.

Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the Plan after Resolutions 6 to 9 are approved and who were not named in this Notice of Meeting will not participate until approval is obtained under that Listing Rule.

(l) **Voting exclusion statement**

A Voting Exclusion Statement has been provided for Resolutions 6 to 9 in the Agenda Section of this Notice of Meeting.

## **7.4 Section 195(4) Corporations Act**

All of the Company's four directors have a material personal interest in the outcome of Resolutions 6 to 9 (as applicable to each Director) in this Notice of Annual General Meeting by virtue of the fact that Resolutions 6 to 9 are concerned with the issue of Performance Shares to those Directors.

Section 195 of the Corporations Act essentially provides that a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a material personal interest are being considered.

In the absence of Shareholder approval under section 195(4) of the Corporations Act, the Directors may not be able to form a quorum at Board meetings necessary to carry out the terms of these Resolutions. The Directors have accordingly exercised their right under section 195(4) of the Corporations Act to put the issue to Shareholders to determine.

## **7.5 Section 208 Corporations Act**

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (i) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (ii) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

It is the view of the Directors that the proposed issue of Performance Shares pursuant to Resolutions 6 to 9 falls within the "reasonable remuneration" exception under section 211 of the Corporations Act given the circumstances of the Company and the positions held by the Directors.

Accordingly, the Directors have determined not to seek Shareholder approval for the purposes of section 208 of the Corporations Act for the issue of Performance Shares to Mr Kuan, Mr Buckler, Mr O'Neill and Mr Brown.

The Company has nevertheless determined to include the information requirements of section 219 of the Corporations Act below for the benefit of Shareholders, even though the Company is not seeking Shareholder approval for the purposes of section 208 of the Corporations Act. Neither the Directors nor the Company are aware of any other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated by this Resolutions 6 to 9.

- (a) The Performance Shares are proposed to be issued to Mr Beng Teik Kuan, Mr Allan Buckler, Mr Dennis (Dan) O'Neill and Mr James Brown, each a related party to the Company by virtue of being a Director;
- (b) Resolutions 6 to 9 seek approval from Shareholders to allow the Company to issue the Performance Shares to Mr Kuan, Mr Buckler, Mr O'Neill and Mr Brown as set out in section 14.1 above for nil consideration. The terms of the Performance Shares are set out in Schedule 1;



- (c) The value of the Performance Shares the subject of Resolutions 6 to 9 and the pricing methodology is set out in Schedule 5;
- (d) The trading history of the Shares on ASX since the date of the Company's 2022 AGM is set out below:

	Price	Date
Highest	1.9 cents	2 December 2022
Lowest	0.55 cents	11 October 2023
Last	0.6 cents	19 October 2023

- (e) If the maximum number of Performance Shares are issued:
- (i) under Resolution 6, a total of 1,573,109 Performance Shares would be issued. Upon the vesting of these Performance Shares (based on the number of Shares and Options on issue as at the date of this Notice of Meeting and assuming that no Options are exercised and no other Shares are issued) the shareholding of existing Shareholders would be diluted by an aggregate of 0.03%;
  - (ii) under Resolution 7, a total of 1,573,109 Performance Shares would be issued. Upon the vesting of these Performance Shares (based on the number of Shares and Options on issue as at the date of this Notice of Meeting and assuming that no Options are exercised and no other Shares are issued) the shareholding of existing Shareholders would be diluted by an aggregate of 0.03%;
  - (iii) under Resolution 8, a total of 1,573,109 Performance Shares would be issued. Upon the vesting of these Performance Shares (based on the number of Shares and Options on issue as at the date of this Notice of Meeting and assuming that no Options are exercised and no other Shares are issued) the shareholding of existing Shareholders would be diluted by an aggregate of 0.03%; and
  - (iv) under Resolution 9, a total of 10,487,395 Performance Shares would be issued. Upon the vesting of these Performance Shares (based on the number of Shares and Options on issue as at the date of this Notice of Meeting and assuming that no Options are exercised and no other Shares are issued) the shareholding of existing Shareholders would be diluted by an aggregate of 0.17%.
- (f) The relevant interests of the Directors in securities of the Company as at the date of this Notice of Meeting are set out below:

Related Parties	Shares	Performance Shares	Options
Allan Buckler	784,533,512	Nil	Nil
James Brown	144,633,245	Nil	Nil
Dennis (Dan) O'Neill	49,325,267	Nil	Nil
Beng Teik Kuan	57,085,854	Nil	Nil

## **7.6 Section 200B and 200E Corporations Act**

The Corporations Act restricts the benefits that can be given to persons who hold a “managerial or executive office” (as defined in the Corporations Act) on leaving their employment with the Company or any of its related bodies corporate.

Under Section 200B of the Corporations Act, a company may only give a person a benefit in connection with them ceasing to hold a managerial or executive office if the benefit is approved by shareholders or an exemption applies.

The term “benefit” has a wide meaning and may include benefits resulting from the Board exercising certain discretions under the rules of the Plan including the discretion to determine the accelerated vesting or automatic vesting of Performance Shares in certain circumstances.

Under the Plan, a participant may become entitled to accelerated vesting or automatic vesting of Performance Shares if there is a change of control of the Company or if the Board exercises its discretion upon cessation of employment.

Accordingly, Shareholder approval is sought for the Directors to be given any such benefit in connection with his retirement from office or employment with the Company if that occurs within 3 years of the date of this Meeting.

If Shareholder approval is given under Resolutions 6 to 9, the Company will still be required to comply with Listing Rules 10.18 and 10.19, which place restrictions on the circumstances in which termination benefits can be paid and a cap on the value of termination benefits that can be paid to officers of the Company.

## **7.7 Listing Rule 10.19**

Listing Rule 10.19 provides that without the approval of shareholders, an entity must ensure that no officer of the entity or any of its child entities will be, or may be, entitled to termination benefits if the value of those benefits and the termination benefits that may become payable to all officers together exceed 5% of the equity interests of the entity as set out in the latest accounts given to ASX under the Listing Rules.

The Company is also seeking Shareholder approval for the purposes of Listing Rule 10.19. As noted in Section 7.6 of this Notice, it is at the discretion of the Board that Performance Shares issued to Directors (or their nominees) for past performance may not be forfeited by virtue of their resignation.

It is possible that the provision of the benefit associated with the vesting and exercise of Performance Shares in the future may exceed 5% of the equity interests of the Company at the relevant time, although it is unlikely.

If Shareholders approve Resolutions 6 to 9, the value of the benefits will not be counted towards the 5% threshold set out in Listing Rule 10.19. If Shareholders do not approve Resolutions 6 to 9, the value of the benefits will be counted towards the 5% threshold set out in Listing Rule 10.19.

## **7.8 Board recommendations**

Mr Kuan declines to make a recommendation to Shareholders in relation to Resolution 6 due to his material personal interest in the outcome of the Resolution on the basis that he is to be issued Performance Shares should Resolution 6 be passed.

Mr Brown, Mr Buckler and Mr O’Neil recommend that Shareholders vote in favour of this Resolution 6 for the reasons stated in section 7.2 above.

Mr Buckler declines to make a recommendation to Shareholders in relation to Resolution 7 due to his material personal interest in the outcome of the Resolution on the basis that he is to be issued Performance Shares should Resolution 7 be passed.

Mr Brown, Mr Kuan and Mr O’Neil recommend that Shareholders vote in favour of this Resolution 7 for the reasons stated in section 7.2 above.

Mr O’Neill declines to make a recommendation to Shareholders in relation to Resolution 8 due to his material personal interest in the outcome of the Resolution on the basis that he is to be issued Performance Shares should Resolution 8 be passed.

Mr Brown, Mr Buckler and Mr Kuan recommend that Shareholders vote in favour of this Resolution 8 for the reasons stated in section 7.2 above.

Mr Brown declines to make a recommendation to Shareholders in relation to Resolution 9 due to his material personal interest in the outcome of the Resolution on the basis that he is to be issued Performance Shares should Resolution 9 be passed.

Mr Kuan, Mr Buckler and Mr O'Neil recommend that Shareholders vote in favour of this Resolution 9 for the reasons stated in section 7.2 above.

In forming their recommendations, each Director considered the experience of the related party, the existing and proposed contribution of the related party to the Company and the current market practices when determining the number of Performance Shares to be granted.

## GLOSSARY

**1<sup>st</sup> Anniversary Shares** has the meaning given that term in section 4.1 of the Explanatory Memorandum.

**2021 AGM** means the Annual General Meeting of the Company held in 2021.

**2022 AGM** means the Annual General Meeting of the Company held in 2022.

**Additional 10% Placement Period** has the meaning given that term in section 3.12(a) of the Explanatory Memorandum.

**Additional 10% Placement Facility** has the meaning given that term in section 3.1 of the Explanatory Memorandum.

**AEST** means Australian Eastern Standard Time.

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

**Annual Report** mean the 2023 Annual Financial Report available at <https://Morellacorp.com/category/asx-announcements/>.

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

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

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

**Auditor** means PKF Perth.

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

**Board** means the current board of directors of the Company.

**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.

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

**Directors** mean the current directors of the Company.

**Directors' Report** has the meaning given to that term in section 1.1 of the Explanatory Memorandum.

**EiOA** means the Earn-In Option Agreement between Morella Minerals (US) Corp (E17724752021-2), the Company and Lithium Corporation, in relation to the FLV Project dated 12 October 2021.

**EiOA2** means the Earn-In Option Agreement between Morella Minerals (US) Corp (E17724752021-2), the Company and Lithium Corporation, in relation to the North Big Smoky Project dated 9 August 2022.

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

**Explanatory Memorandum** means the Explanatory Memorandum accompanying the Notice.

**FLV Project** means Lithium Corporation's Fish Lake Valley Project located in Esmeralda County, Nevada, USA.

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

**Listing Rules** means the listing rules of the ASX.

**Lithium Corporation** means Lithium Corporation (EIN 98-0530295).

**NBS Project** means Lithium Corporation's North Big Smoky Project located in Nye County, Nevada, USA.

**North Big Smoky Earn-in Shares** has the meaning given to that term in section 5.1 of the Explanatory Memorandum.

**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.

**Performance Shares** means Shares issued under the terms of the Plan if the applicable performance conditions are satisfied or waived.

**Plan** means the Morella Executive Incentive Plan.

**Proxy Form** means the proxy form accompanying the Notice.

**Remuneration Report** has the meaning given to that term in section 1.1 of the Explanatory Memorandum.

**Resolution** means the resolution 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 Link Market Services.

**Shareholder** means a holder of a Share.

**US\$** means US dollars.

**VWAP** means volume weighted average price.

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## SCHEDULE 1 – SUMMARY OF MATERIAL TERMS OF PLAN

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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:
  - (i) all or a percentage of unvested options will vest and become exercisable;
  - (ii) all or a percentage of Performance Rights will be automatically exercised; and
  - (iii) 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:
  - (i) the prior consent of the Board is obtained; or
  - (ii) 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:
- (i) the cessation of employment, engagement or office of a relevant person;
  - (ii) 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;
  - (iii) if any applicable Conditions are not achieved by the relevant time;
  - (iv) 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
  - (v) 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.

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## SCHEDULE 2 – SUMMARY OF THE MATERIAL TERMS OF THE EIOA – FISH LAKE VALLEY PROJECT

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- (a) **(Exploration and Development Rights):** Lithium Corporation grants to Morella Minerals (US) Corp. (E17724752021-2) (**Morella Minerals**) during the term of the EIOA the right to explore for and develop minerals on the Property. The Property refers to the 18 unpatented claims, and any unpatented mining claims (**Claims**), and all other easements, leases licences, mineral interests, mineral royalty interests, rights-of-way, surface use rights and interests in real property which are acquired and held subject to the EIOA.
- (b) **(Earn-In Option):** Upon satisfaction of the Earn-In Obligations during the Earn-In Period, Morella Minerals has the right to exercise its Earn-In Option and enter into a Joint Venture with Lithium Corporation on the Property.
- (c) **(Earn-In Obligations):** Within the Earn-In Period, being from 17 August 2021 and the earlier of the withdrawal of Morella Minerals and 17 August 2025, Morella Minerals must:
- (A) meet the Expenditure Requirements (as that term is defined at (d) below) on the Claims which has a total accumulative value of US\$2,000,000;
  - (B) pay to Lithium Corporation an accumulative total of US\$625,000 in cash; and
  - (C) pay to Lithium Corporation the equivalent of US\$400,000 in Shares as at issue.
- (d) **(Expenditure Requirements):** The Expenditure Requirement for each year of the Earn-In Period is as follows:
- (A) Year 1 – US\$200,000;
  - (B) Year 2 – US\$400,000;
  - (C) Year 3 – US\$600,000; and
  - (D) Year 4 – US\$800,000.
- If Morella Minerals, for any reason, is unable to meet the Expenditure Requirements, the Parties will negotiate in good faith a reasonable extension of the Earn-In Period.
- (e) **(Additional Payments):** Morella Minerals is required to make payments in cash and the Company is required to issue the Shares to Lithium Corporation as follows:
- (A) in accordance with the notice issued by Morella Minerals and accepted by Lithium Corporation on 19 August 2021, Morella Minerals to pay US\$100,000 plus the Company to issue the equivalent of US\$100,000 in Shares within 10 Business Days of the later of the Execution Date or receiving Shareholder approval to issue the shares;
  - (B) on the 1st Anniversary of the 17 August 2021, Morella Minerals to pay US\$100,000 plus the Company to issue the equivalent of US\$100,000 equivalent in Shares;
  - (C) on the 2nd Anniversary of the 17 August 2021, Morella Minerals to pay US\$125,000 plus the Company to issue the equivalent of US\$100,000 in Shares;
  - (D) on the 3rd Anniversary of the 17 August 2021, Morella Minerals to pay US\$150,000 plus the Company to issue the equivalent of US\$100,000 in Shares; and
  - (E) on the 4th Anniversary of 17 August 2021, Morella Minerals to pay US\$150,000 plus the Company to issue the equivalent of US\$100,000 in Shares.
- (f) **(Shares Calculation):** The following formula shall be used to determine the number of Shares to be issued:
- (A) *Execution Shares* = (US\$100,000/Recap issue price)/Exchange Rate.
  - (B) *Anniversary Shares* (see (e) Additional Payments above) = (US\$100,000/30dayVWAP)/ Exchange Rate.
  - (C) Recap issue price is the issue price that Altura's recapitalisation raise will be priced at (expected to be AUD\$0.005/share).



- (D) 30-day VWAP is the average trading price of Shares, volume weighted for the 30 days prior to the transfer date.
  - (E) Exchange Rate is the AUD/USD 5 days average exchange rate as advised by the Company's financial institution at the relevant time (currently Westpac Bank).
- (g) **(AOI Option):** Morella Minerals has the right to add to and include in the EiOA any and all interests and rights held by Lithium Corporation, whether owned or acquired before or after 12 October 2021, which are situated wholly or partly within the Area of Interest (**AOI Interest**). If Lithium Corporation purchases, stakes, or acquires an AOI Interest, it shall provide written notice to Morella Minerals within thirty (30) days of acquiring the interest.
- (h) **(Warranties, Covenants and Acknowledgements):** The EiOA contains warranties, covenants and acknowledgements which are standard for an agreement of this nature.
- (i) **(Assignment):** A Party may not assign, transfer, or otherwise deal with the whole or party of its rights under the EiOA unless:
  - (A) the Assigning Party obtains the consent of the Other Party, acting reasonably; or
  - (B) the assignee is an Affiliate, in which case, the Assigning Party must notify the Other Party of the identity of the assignee and its relationship to the Party within 7 days following the date of the Assignment.
- (j) **(Withdrawal):** During the Earn-In Period, Morella Minerals may withdraw from the EiOA by providing Lithium Corporation with 30 days' written notice. If Morella Minerals has not satisfied any Earn-In Obligations within 30 days of the End Date, Morella Minerals will be deemed to have withdrawn from the EiOA.
- (k) **(Return of Claims):** By 30 days' written notice to Lithium Corporation, Morella Minerals may, at any time after the Commencement Date, elect to return responsibility for a Claim to Lithium Corporation.
- (l) **(Joint Venture):** Within 60 days of Morella Minerals' satisfaction of the Earn-In Obligations and its exercise of its Earn-In Option, Lithium Corporation and Morella Minerals will negotiate in good faith to enter into an Operating Agreement where the initial participating interest will be as follows Morella Minerals (60%) and Lithium Corporation (40%). Morella Minerals shall have the right and option to purchase up to 100% participating interest.
- (m) **(Indemnity)** The Parties have mutually indemnified each other against all liabilities arising from or incurred in connection with their rights and obligations during the Earn-In Period.
- (n) **(Term):** The EiOA continues until the earliest to occur of any of the following:
  - (A) Morella Minerals withdraws from the EiOA;
  - (B) The Parties execute an Operating Agreement; or
  - (C) Morella Minerals acquires a 100% participating interest.

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**SCHEDULE 3 – SUMMARY OF THE MATERIAL TERMS OF THE EIOA – NORTH BIG SMOKY PROJECT**

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- (a) **(Exploration and Development Rights):** Lithium Corporation grants to Morella Minerals (US) Corp. (E17724752021-2) (**Morella Minerals**) during the term of the EIOA2 the right to explore for and develop minerals on the Property. The Property refers to the 178 claims (**Claims**), and all other easements, leases licences, mineral interests, mineral royalty interests, rights-of-way, surface use rights and interests in real property which are acquired and held subject to the EIOA2.
- (b) **(Earn-In Option):** Upon satisfaction of the Earn-In Obligations during the Earn-In Period, Morella Minerals has the right to exercise its Earn-In Option and enter into a Joint Venture with Lithium Corporation on the Property.
- (c) **(Earn-In Obligations):** Within the Earn-In Period, being from 11 August 2022 and the earlier of the withdrawal of Morella Minerals and 11 August 2026, Morella Minerals must:
- (A) meet the Expenditure Requirements (as that term is defined at (d) below) on the Claims which has a total accumulative value of US\$1,000,000; and
  - (B) pay to Lithium Corporation the equivalent of US\$500,000 in Shares as at issue.
- (d) **(Expenditure Requirements):** The Expenditure Requirement for each year of the Earn-In Period is as follows:
- (A) Year 1 – US\$100,000;
  - (B) Year 2 – US\$200,000;
  - (C) Year 3 – US\$300,000; and
  - (D) Year 4 – US\$400,000.
- If Morella Minerals, for any reason, is unable to meet the Expenditure Requirements, the Parties will negotiate in good faith a reasonable extension of the Earn-In Period.
- (e) **(Additional Shares):** Morella Minerals is required to issue the Shares to Lithium Corporation as follows:
- (A) in accordance with the notice issued by Morella Minerals and accepted by Lithium Corporation on 11 August 2022, Morella Minerals to issue the equivalent of US\$100,000 in Shares within 10 Business Days of the later of the Execution Date or Morella Minerals receiving shareholder approval to issue the shares;
  - (B) on the 1st Anniversary of the 11 August 2022, Morella Minerals to issue the equivalent of US\$100,000 equivalent in Shares;
  - (C) on the 2nd Anniversary of the 11 August 2022, Morella Minerals to issue the equivalent of US\$100,000 in Shares;
  - (D) on the 3rd Anniversary of the 11 August 2022, Morella Minerals to issue the equivalent of US\$100,000 in Shares; and
  - (E) on the 4th Anniversary of 11 August 2022, Morella Minerals to issue the equivalent of US\$100,000 in Shares.
- (f) **(Shares Calculation):** The following formula shall be used to determine the number of Shares to be issued:
- (A)  $Execution\ Shares = (US\$100,000 / Recap\ issue\ price) / Exchange\ Rate.$
  - (B)  $Anniversary\ Shares\ (see\ (e)\ Additional\ Payments\ above) = (US\$100,000 / 30dayVWAP) / Exchange\ Rate.$
  - (C) 30-day VWAP is the average trading price of Shares, volume weighted for the 30 days prior to the transfer date.

- (D) Exchange Rate is the AUD/USD 5 days average exchange rate as advised by Morella Minerals' financial institution at the relevant time (currently Westpac Bank).
- (g) **(Option to acquire further interest):** Morella Minerals holds the option, within one year of earn-in completion, to purchase a further 20 per cent interest in the Project by paying Lithium Corp. US\$750,000 and a further option within two years of earn-in completion to purchase the remaining 20 per cent interest in the Project by paying Lithium Corp. a further US\$750,000. In the event of 100 per cent purchase of the Project, a 2.5 per cent Net Smelter Royalty ("NSR") will be executed with Lithium Corp. Morella Minerals can elect to purchase the rights to 50 per cent of the NSR from Lithium Corp. for US\$1 million.
- (h) **(Warranties, Covenants and Acknowledgements):** The EiOA2 contains warranties, covenants and acknowledgements which are standard for an agreement of this nature.
- (i) **(Assignment):** A Party may not assign, transfer, or otherwise deal with the whole or party of its rights under the EiOA2 unless:
- (A) the Assigning Party obtains the consent of the Other Party, acting reasonably; or
  - (B) the assignee is an Affiliate, in which case, the Assigning Party must notify the Other Party of the identity of the assignee and its relationship to the Party within 7 days following the date of the Assignment.
- (j) **(Withdrawal):** During the Earn-In Period, Morella Minerals may withdraw from the EiOA2 by providing Lithium Corporation with 30 days' written notice provided that at least US\$150,000 of expenditure has been funded by Morella Minerals. If Morella Minerals has not satisfied any Earn-In Obligations within 30 days of the End Date, Morella Minerals will be deemed to have withdrawn from the EiOA2.
- (k) **(Return of Claims):** By 30 days' written notice to Lithium Corporation, Morella Minerals may, at any time after the Commencement Date, elect to return responsibility for a Claim to Lithium Corporation.
- (l) **(Joint Venture):** Within 60 days of Morella Minerals' satisfaction of the Earn-In Obligations and its exercise of its Earn-In Option, Lithium Corporation and Morella Minerals will negotiate in good faith to enter into an Operating Agreement where the initial participating interest will be as follows Morella Minerals (60%) and Lithium Corporation (40%). Morella Minerals shall have the right and option to purchase up to 100% participating interest.
- (m) **(Indemnity)** The Parties have mutually indemnified each other against all liabilities arising from or incurred in connection with their rights and obligations during the Earn-In Period.
- (n) **(Term):** The EiOA2 continues until the earliest to occur of any of the following:
- (A) Morella Minerals withdraws from the EiOA2;
  - (B) The Parties execute an Operating Agreement; or
  - (C) Morella Minerals acquires a 100% participating interest.

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**SCHEDULE 4 – SUMMARY OF PERFORMANCE SHARES**

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- (a) The Performance Shares will be issued free of charge and will vest immediately upon issue.
- (b) Each Performance Share converts into one (1) fully paid ordinary Share. These Shares rank equally in all respects (including rights relating to dividends) with other issued Shares and will be issued free from all liens, charges and encumbrances whether known or not including statutory and other pre-emptive rights and any transfer restrictions.
- (c) The issue is not compulsory and Participants are under no obligation to take up any or all of their allocation.
- (d) The Company will issue a share within 10 business days following the conversion or such period required by the Listing Rules.
- (e) The Company will arrange the issue of a new holding statement for any issue within 10 days of the issue of the share.
- (f) The Expiry Date of each Performance Share issued will be up to 6 months after the date of shareholder approval for the Directors.
- (g) All the rights to Performance Shares automatically lapse , at 5.00pm the date that is 6 months after the date of shareholder approval for the Directors.
- (h) Should a holder of Performance Shares cease employment with the company then all Performance Shares must be immediately converted to Shares.
- (i) Participants will be able to sell their exercised shares in accordance with the Company's Securities Trading Policy.
- (j) Participants will not be entitled to any shareholder benefits such as dividends and voting rights until they have been allocated Shares. Once the Shares have been allocated, the Participant will then be entitled to receive dividends and exercise voting rights on the Shares, irrespective of any disposal restrictions.
- (k) In the event that a bona fide takeover bid for the Company is declared unconditional and the bidder has acquired a relevant interest of a least 50% in the Company's securities, then all Performance Shares on issue will immediately convert to shares.
- (l) If there is a reorganisation (including, without limitation, consolidation or sub division, but excluding a return of capital) of the capital of the Company, the rights of a holder will be varied (as appropriate) in accordance with the applicable Listing Rules.

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**SCHEDULE 5 – VALUATION OF PERFORMANCE SHARES**

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Valuation methodology based on rules set out in Division 83A of the Income Tax Assessment Act Guide to market valuation.

The Performance Shares to be issued to the Related Parties pursuant to Resolutions 6 to 9 have not been independently valued.

Using the valuation model noted above and based on the assumptions set out below, the Performance Shares were ascribed a value range, as follows:

<b>Assumptions:</b>	
Valuation date	19 October 2023
Market price of Shares as at 19 October 2023	\$0.006
<b>Indicative value per Performance Right</b>	\$0.006
- Mr Beng Teik Kuan	\$9,439
- Mr Allan Buckler	\$9,439
- Mr Dennis (Dan) O'Neill	\$9,439
- Mr James Brown	\$62,924

Note: The valuation ranges noted above are not necessarily the market prices that the Performance Shares could be traded at and they are not automatically the market prices for taxation purposes.

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## LODGE YOUR VOTE



### ONLINE

<https://investorcentre.linkgroup.com>



### BY MAIL

Morella Corporation Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia



### BY FAX

+61 2 9287 0309



### BY HAND\*

Link Market Services Limited  
Parramatta Square, Level 22, Tower 6,  
10 Darcy Street, Parramatta NSW 2150

\*during business hours Monday to Friday (9:00am - 5:00pm)



### ALL ENQUIRIES TO

Telephone: 1300 554 474

Overseas: +61 1300 554 474

## LODGE A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **11:00am (AEST) on Wednesday, 22 November 2023**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

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



### ONLINE

<https://investorcentre.linkgroup.com>

Login to the Link website using the holding details as shown on the Proxy 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 proxy by scanning the QR code adjacent or enter the voting link <https://investorcentre.linkgroup.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 he or she chooses. 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 virtually the appropriate "Certificate of Appointment of Corporate Representative" must be received at [registrars@linkmarketservices.com.au](mailto:registrars@linkmarketservices.com.au) 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.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

**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 2023 Annual General Meeting of the Company to be held at **11:00am (AEST) on Friday, 24 November 2023 at the offices of PKF Gold Coast, Level 6, RSL Building, 9 Beach Road, Surfers Paradise QLD 4217 (the Meeting)** and at any postponement or adjournment of the Meeting.

**Important for Resolutions 1, 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, 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 Approval of issue of Performance Shares to James Brown	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-Election of Allan Charles Buckler 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 Fish Lake Valley First Anniversary Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
5 Ratification of issue of the North Big Smoky Earn-in Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
6 Approval of issue of Performance Shares to Beng Teik Kuan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
7 Approval of issue of Performance Shares to Allan Buckler	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
8 Approval of issue of Performance Shares to Dennis (Dan) O'Neill	<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 poll and your votes will not be counted in computing the required majority on a poll.

### SIGNATURE OF SHAREHOLDERS – YOU MUST SIGN THIS FORM, IN THE SPACES PROVIDED, AS FOLLOWS:

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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