



**MORELLA CORPORATION LIMITED**

**ABN 39 093 391 774**

## **Notice of 2024 Annual General Meeting, Explanatory Memorandum and Proxy Form**

**TIME:** 10.00 am (AEST)

**DATE:** 29 November 2024

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

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

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

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

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

# Morella Corporation Limited

ABN 39 093 391 774

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of Morella Corporation Limited (**Company**) will be held on 29 November 2024 commencing at 10.00 am (AEST) at the offices of PWC 480 Queen Street, Brisbane QLD 4000.

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

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

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

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

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

## AGENDA

### **Reports and Accounts**

To receive the consolidated annual financial report of the Company for the year ended 30 June 2024, together with the Directors' Report and the Auditor's report.

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

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

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

*"That, for the 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 2024."*

### **Resolution 2 – Re-Election of Beng Teik Kuan as a Director**

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

*"That Beng Teik Kuan, being a Director of the Company, who retires in accordance with Listing Rule 14.4 and article 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 3<sup>rd</sup> 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 4,027,983 Shares to Lithium Corporation, for the purpose and on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Annual General Meeting."*

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

### **Resolution 5 – Ratification of issue of the North Big Smoky 2<sup>nd</sup> 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 4,027,983 Shares to Lithium Corporation, for the purpose and on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Annual General Meeting."*

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

### **Enquiries**

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

By order of the Board

**JOHN LEWIS**  
**Company Secretary**  
25 October 2024

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## **VOTING PROHIBITION/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.

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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 10.00am (AEST) on 27 November 2024.

### 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 10.00 am (AEST) on 27 November 2024.

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 PWC 480 Queen Street, Brisbane QLD 4000 on 29 November 2024 commencing at 10.00am (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.

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

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

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### 1. REPORTS AND ACCOUNTS

The first item of the Notice of Meeting deals with the presentation of the consolidated annual financial report of the Company for the financial year ended 30 June 2024 together with the Directors' declaration and report in relation to that financial year and the Auditor's report on those financial statements. The 2024 Annual Report can be accessed on-line at <https://www.morellacorp.com>. Alternatively, a hard copy will be made available on request.

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

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

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

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

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

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

Shareholders may also submit a written question to PKF Perth if the question is relevant to the content of the audit report or the conduct of its audit of Morella 's financial report for the year ended 30 June 2024.

Relevant written questions for PKF Perth must be received no later than 10.00am (AEST) on 27 November 2024. 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.

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

### 2.1 **Background**

Pursuant to Section 250R(2) of the Corporations Act, the Company submits to Shareholders for consideration and adoption, by way of a non-binding resolution, its remuneration report for the year ended 30 June 2024 (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 2024.

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

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

### 2.2 **Regulatory Requirements**

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

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

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

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

If the Spill Resolution is passed, the Spill Meeting must be held within 90 days after the Spill Resolution is passed. All of the Company's Directors who were Directors at the time when the resolution to make the Directors' Report was passed (excluding the Managing Director of the Company who may, in accordance with the ASX Listing Rules, continue to hold office indefinitely without being re-elected to the office) cease to hold office immediately before the end of the Spill Meeting and may stand for re-election at the Spill Meeting.



At the Company's previous annual general meeting, the votes cast against the remuneration report considered at that general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

## **2.3 Board recommendation**

The Board unanimously recommends that Shareholders vote in favour of Resolution 2.

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## **3. RESOLUTION 2 – RE-ELECTION OF BENG TEIK KUAN AS A DIRECTOR**

### **3.1 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 Kuan retires by way of rotation and, being eligible, offers himself for re-election as a Director.

Mr Kuan is an engineer with considerable experience in bulk handling and terminal operations, including responsibility for the development and management of the Pulau Laut Coal Terminal in South Kalimantan, Indonesia. He also has experience in Indonesia, Malaysia and Singapore with tin dredging operations, managing rubber, palm oil and cocoa processing factories, and managing palm oil bulk terminals.

Further details about Mr Kuan are set out in the Company's 2024 Annual Report which is available at <https://www.morellacorp.com/annual-reports/>.

### **3.2 Voting consequences**

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

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

### **3.3 Board recommendation**

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

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

### **4.1 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 4.2(d) below). The Company will be able to issue up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

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

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

## **4.2 Regulatory Requirements**

In compliance with the information requirements of 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 303,088,580 Equity Securities on issue. The Company will have the capacity to issue

approximately 30,308,858 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		
		0.015 50% decrease in Issue Price	0.030 Issue Price	0.045 50% increase in Issue Price
<b>Current Variable A</b> <b>303,088,580</b> Shares	<b>(10% Voting Dilution)</b>	30,308,858	30,308,858	30,308,858
	<b>Funds raised</b>	\$454,633	\$909,266	\$1,363,899
<b>50% increase in current Variable A to</b> <b>452,632,870</b> Shares	<b>(10% Voting Dilution)</b>	45,463,287	45,463,287	45,463,287
	<b>Funds raised</b>	\$681,949	\$1,363,899	\$2,045,848
<b>100% increase in current Variable A to</b> <b>606,177,160</b> Shares	<b>(10% Voting Dilution)</b>	60,617,716	60,617,716	60,617,716
	<b>Funds raised</b>	\$909,265.74	\$1,818,531.48	\$2,727,797.22

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

- Variable A is 303,088,580 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%.
- 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.
- 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.
- 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 0.030 per share, being the closing price of the Shares on ASX on 17 October 2024.

(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 2023 annual general meeting on 24 November 2023.

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 the Notice of Meeting preceding the Explanatory Memorandum.

At the date of the Notice Meeting, the Company has not approached any particular existing security holder or an identifiable class of existing security holders to participate in the issue of the Equity Securities. 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. No existing Shareholders' votes will therefore be excluded from voting on Resolution 3. In these circumstances (and in accordance with guidance in ASX Guidance Note 21 relating to 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.

#### **4.3 Board recommendation**

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

## **5. RESOLUTION 4 – RATIFICATION OF ISSUE OF FISH LAKE VALLEY 3<sup>RD</sup> ANNIVERSARY SHARES**

### **5.1 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 3<sup>rd</sup> Anniversary of 17 August 2021, to pay US\$100,000 plus issue the equivalent of US\$100,000 equivalent in Shares.

The 3<sup>rd</sup> Anniversary milestone has been achieved and as a result Morella issued 4,027,983 Shares to Lithium Corporation on 7 October 2024 (the **3<sup>rd</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 3<sup>rd</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 3<sup>rd</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 issue of the 3<sup>rd</sup> Anniversary Shares did not breach Listing Rule 7.1 at the time of issue.

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 3<sup>rd</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 3<sup>rd</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 3<sup>rd</sup> Anniversary Shares.

If Resolution 4 is not passed, the issue of the 3<sup>rd</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 3<sup>rd</sup> Anniversary Shares.

The securities, for which approval is sought under Resolution 4, comprise 1.33% 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 Shareholders ratification of the issue of 4,027,983 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 7 October 2024.

(e) **Issue price**

The deemed issue price was \$0.036 per Share.

(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 1 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.

### 5.3 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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## 6. RESOLUTION 5 – RATIFICATION OF ISSUE OF NORTH BIG SMOKY 2<sup>ND</sup> ANNIVERSARY SHARES

### 6.1 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.

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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.

The 2<sup>nd</sup> Anniversary milestone has been achieved and as a result Morella issued 4,027,983 Shares to Lithium Corporation on 7 October 2024 (the **2<sup>nd</sup> Anniversary Shares**).

## 6.2 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 issue of the 2<sup>nd</sup> Anniversary Shares did not breach Listing Rule 7.1 at the time of issue.

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 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 5 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 5 is not passed, the issue of 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 5, comprise 1.33% 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>2</sup>

(b) **Number of securities issued**

Under Resolution 5, the Company seeks from Shareholders ratification of the issue of 4,027,983 Shares.

(c) **Terms of the securities**

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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.



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 7 October 2024.

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

The deemed issue price will be \$0.036 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.

### **6.3 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.

## GLOSSARY

**2<sup>nd</sup> Anniversary Shares** has the meaning given that term in section 6.1 of the Explanatory Memorandum.

**3<sup>rd</sup> Anniversary Shares** has the meaning given that term in section 5.1 of the Explanatory Memorandum.

**2023 AGM** means the Annual General Meeting of the Company held in 2023.

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

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

**AEST** means Australian Eastern Standard Time.

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

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

**Annual Report** means the 2024 Annual Financial Report available at <https://Morellacorp.com/category/asx-announcements/>.

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

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

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

**Auditor** means PKF Perth.

**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 2.1 of the Explanatory Memorandum.

**Earlier Annual General Meeting** has the meaning given to it in section 2.2 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.

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

**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.

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

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

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

**Remuneration Report** has the meaning given to that term in section 2.1 of the Explanatory Memorandum.

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

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

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

**Share Registry** means Link Market Services.

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

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

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

**US\$** means US dollars.

**VWAP** means volume weighted average price.

## SCHEDULE 1 – SUMMARY OF THE MATERIAL TERMS OF THE EIOA – FISH LAKE VALLEY PROJECT

- (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.

**SCHEDULE 2 – SUMMARY OF THE MATERIAL TERMS OF THE EIOA – NORTH BIG SMOKY PROJECT**

- (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.

## 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



### ALL ENQUIRIES TO

Telephone: 1300 554 474

Overseas: +61 1300 554 474



X99999999999

## PROXY FORM

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

### APPOINT A PROXY



the Chairman of the  
Meeting (mark box)

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

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **10:00 am (AEST) on Friday, 29 November 2024 at the offices of PWC, 480 Queen Street, Brisbane QLD 4000** (the **Meeting**) and at any postponement or adjournment of the Meeting.

**Important for Resolution 1:** 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 Resolution 1, even though the Resolution is 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 ☒

#### Resolution

For Against Abstain\*

For Against Abstain\*

1 Adoption of Remuneration Report  
(Non-Binding Resolution)

☐ ☐ ☐

5 Ratification of issue of the North  
Big Smoky 2nd Anniversary  
Shares

☐ ☐ ☐

2 Re-Election of Beng Teik Kuan as a  
Director

☐ ☐ ☐

3 Approval of Additional 10%  
Placement Facility

☐ ☐ ☐

4 Ratification of issue of the Fish  
Lake Valley 3rd Anniversary  
Shares

☐ ☐ ☐


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

### SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)




Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

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).

1MC PRX2402C





## 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 Resolution is 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:

- (a) 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
- (b) return both forms together.

### SIGNING INSTRUCTIONS

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

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

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

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

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

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of 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).

### LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00 am (AEST) on Wednesday, 27 November 2024**, 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.

#### QR Code



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



#### 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

delivering it to 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)

### IMPORTANT INFORMATION

Link Group is now known as MUFG Pension & Market Services. Over the coming months, Link Market Services will progressively rebrand to its new name MUFG Corporate Markets, a division of MUFG Pension & Market Services.

**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.**