

13 May 2024

## Consolidation of Shares and Unmarketable Parcel Share Sale Facility

Morella Corporation Limited (**ASX: 1MC** “Morella” or “the Company”) advises that it will be undertaking a restructure of the Company’s Share Register whereby it will :

- Establish an Unmarketable Parcel Share Sale Facility (“Facility”); and
- Seek Shareholders’ approval to consolidate the issued capital of the Company through the conversion of every twenty five (25) existing shares into one (1) share (“the Consolidation”).

### UNMARKETABLE PARCEL SHARE SALE FACILITY

The Facility will apply to Shareholders who hold a parcel of fully paid ordinary shares in the Company (“Shares”) with a marketable value of less than \$500 as at 5.00pm on Friday 10 May 2024 (Record Date) (“Unmarketable Parcel”)

Morella appreciates that Unmarketable Parcels can be difficult or expensive to sell and so is offering the Facility to enable Shareholders who hold an Unmarketable Parcel to sell their shares without having to act through a broker or pay brokerage or handling fees. The Company will meet all costs associated with the sale of and transfer of Shares through the Facility (“Share Sale”) (excluding any bank charges and tax obligations associated with shareholders receiving the proceeds, which will be the responsibility of the relevant holders).

The sale of the Unmarketable Parcels through the Facility will benefit the Company, as it is expected to significantly reduce the administrative costs associated with maintaining a large number of small shareholdings on the Company register.

Morella has the ability to establish the Facility and facilitate the sale of Unmarketable Parcels under clause 25 of the Company’s constitution and ASX Listing Rule 15.13.

The attached letter will be dispatched on Friday 17 May 2024 to Shareholders who hold an Unmarketable Parcel (“Letter”). The Letter provides instructions to Shareholders in respect to what action if any they are required to take.

Shareholders who hold an Unmarketable Parcel at the Record date do not need to do anything if they wish to have their Shares sold through the Facility. Shareholders should, if necessary, update their bank account details with Link Market Services so that any payments of the Share Sale proceeds can be affected electronically. To do this please contact the Investor Centre of Link Market Services at <https://investorcentre.linkgroup.com/Login/Login>.

Shareholders with an Unmarketable Parcel are not obliged to sell their Shares. Shareholders who do not wish to have their Unmarketable Parcel sold must complete the Share Retention Form and return it to the Company’s Share Registry by 3.00 pm WST on Friday 28 June 2024.

The Company has appointed Canaccord Genuity (Australia) Limited to facilitate the sale of the Unmarketable Parcels. The Shares sold under the Facility will be sold at market prices, subject to prevailing market conditions and available liquidity. Shareholders whose shares are sold under the Facility will receive a proportionate share of the total proceeds of all the Shares sold under the Facility.

Payment for Shares will be remitted by Link Market Services as soon as practicable following the settlement of the sale of all the Shares sold through the Facility.

## CONSOLIDATION

The Company will seek Shareholder approval at a general meeting of the Company to be held on Monday 17 June 2024 to consolidate the issued capital of the Company through the conversion of every twenty-five (25) existing shares into one (1) share. The proposed Consolidation will reduce the shares on issue to a level that better reflects the Company's position and provides a share price that is more appealing to a wider range of shareholders.

The Consolidation will apply equally to all shareholders and, as such, all shareholders proportional interests in the Company's issued capital will remain unchanged (other than minor variations resulting from rounding of fractional shareholdings).

## EFFECT OF CONSOLIDATION

CAPITAL STRUCTURE	SHARES
Pre-Consolidation	6,178,799,426
Post- Consolidation	247,151,977

The Morella Board unanimously recommend that shareholders vote **FOR** the proposed Consolidation.

For full details of the proposed Consolidation please refer to the notice of general meeting to be dispatched to Shareholders on or about 17 May 2024.

## PROPOSED TIMELINE OF THE FACILITY AND THE CONSOLIDATION

EVENT	DATE
Record Date for establishing holders of Unmarketable Parcels	10 May 2024
ASX Announcement regarding Unmarketable Parcels Sale Facility	13 May 2024
Letter and Retention Forms despatched to Shareholders holding an Unmarketable parcel	17 May 2024
Meeting of Shareholders passing the necessary resolution approving the Consolidation	17 June 2024
Closing Time for Receipt of completed Retention Forms	28 June 2024
Payment date	As soon as practicable after Share Sale
Effective date of the Consolidation	3 July 2024
Last Day of trading in Pre-Consolidation Shares	4 July 2024
Unless otherwise determined by the ASX trading in Consolidated Shares commences on a deferred settlement basis	5 July 2024
Record date for Consolidation	8 July 2024
Last day for entity to update its register and to send holding statements to Shareholders reflecting the change in the number of Shares they hold and to notify ASX that this has occurred	15 July 2024

Morella Reserves the right to change any of the dates referred to in this announcement, (subject to compliance with the ASX Listing rules and the Corporations Act 2001 (Cth)), the Letter (including the accompanying Q&A Information Sheet) or Retention Forms, or to vary, cancel or delay the Facility (either generally or in specific cases) or the Share Sale , at any time before the Shares are sold under the Facility, by making an announcement to the ASX.

If you have any questions regarding the operation of the Facility, please contact the Company via email on [info@morellacorp.com](mailto:info@morellacorp.com)

### Contacts for Further Information .

[Investors | Shareholders](#)

**James Brown**

Managing Director

E: [info@morellacorp.com](mailto:info@morellacorp.com)

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

**About Morella Corporation Limited** Morella is an exploration and resource development company focused on lithium and battery minerals. Morella is currently evaluating several development opportunities, strategically located, in Tier 1 mining jurisdictions in both Australia and the United States of America. Morella will secure and develop raw materials to support the surging demand for battery minerals, critical in enabling the global transition to green energy.



Morella ref: Unmarketable Parcel 240513]

Dear Shareholder,

## IMPORTANT NOTICE

### Small Holding Share Sale Facility

We are pleased to advise you that Morella Corporation Limited (ABN 39 093 391 774) (ASX: 1MC) (**Morella, 1MC** or the **Company**) has established an unmarketable parcel share sale facility (**Sale Facility** or **Facility**) for 1MC shareholders who own 1MC shares with a market value of less than A\$500 (**Small Holding**) as at close of trade on 10 May 2024 (**Record Date**).

You are receiving this letter because our records show that as at the Record Date you held a Small Holding of Morella shares (166,666 or less) and hence you are eligible to participate in the program.

The Facility will enable the aggregation, and on-sale, of all Small Holdings. Furthermore, the Facility will allow all Small Holding shareholders to sell their Shares without incurring any brokerage or handling costs. Instead, Morella will pay all costs associated with the sale and transfer of Shares through the Facility (excluding any tax consequences of the sale, which will be your responsibility).

As a result of this sale of Small Holdings, the Company expects to significantly reduce its administration costs, specifically those associated with maintaining a large number of small shareholdings.

The price that you will receive for your shares under the Sale Facility will be determined when and by how the shares are sold. The Company may sell your shares on market or in any other way they consider fair and reasonable in the circumstances. If the shares are sold on market the price will depend on a number of factors, including market conditions at the time of sale.

1MC's share register records indicate that your shareholding was a Small Holding based on the Company's share price of \$0.0030 as at close of trade on 10 May 2024.

Your shares will be sold unless you advise the Company that you **DO NOT WISH** to sell your shares by 3:00pm (AWST) on 28 June 2024. The Company intends to sell your shares through the Sale Facility in accordance with Clause 25 of the Company's Constitution and the ASX Listing Rules.

Morella has appointed Canaccord Genuity (Australia) Limited to sell the Shares under the Facility and the proceeds from the sale of the Shares will be remitted to participating shareholders as soon as practicable following settlement of all Shares sold through the Facility.

### TO KEEP YOUR SHARES

**If you DO NOT WISH to sell your shares** through the Sale Facility, you must complete and return the attached form (**Share Retention Form**) to the address on the form so that it is received by 3:00pm (AWST) on 28 June 2024.

Please read the instructions on your personalised Share Retention Form carefully before completing it.

**If you want to sell your shares** through the Sale Facility, you do not need to take any action. By refraining from taking any action, after the expiration of the time prescribed in the ASX Listing Rules and the Company's Constitution, you will be deemed to have irrevocably appointed the Company as your agent:

- a) to sell all of your shares at a price to be determined, by when and how the shares are sold and without any cost being incurred by you; and
- b) to deal with the proceeds of the sale as set out in the attached Q&A Information Sheet.

**IMPORTANT INFORMATION**

The Company has determined that you hold a Small Holding, based on the Company's closing share price on the Record Date.

If you have a Small Holding as at the Record Date, then unless you complete and return the Share Retention Form, the Company will be entitled to sell your Shares under the Sale Facility.

The Company does not make any recommendations or provide any advice to you regarding whether to buy, sell or hold your Shares, nor that this Sale Facility is the best way to sell your Shares.

The attached Q&A Information Sheet sets out further details of the Sale Facility, which you should read before making any decision.

If you need help deciding what to do, or if you require information regarding the financial, legal or tax consequences of participating in the Facility you should consult your legal, financial or taxation adviser.

If you require information on how to complete the Share Retention Form, please contact the Company Secretary on +61(0) 429 596 535.

Yours faithfully,

John Lewis  
**Company Secretary**  
**Morella Corporation Limited**

13 May 2024

## Small Holdings Sale Facility

### Q&A Information Sheet

#### What is Small Holding of shares?

A Small Holding of shares is a holding of Morella Corporation Limited (**Morella** or **the Company**) shares valued at less than \$500 as at close of trade on 10 May 2024 (**Record Date**). Based on the closing price of Morella's shares at the Record Date, this equates to a holding of 166,666 shares or less.

#### Why is Morella doing this?

Morella has decided to establish an unmarketable parcel share sale facility to enable you to sell your Small Holding without incurring brokerage or handling costs that could otherwise make a sale of your Small Holding uneconomic or difficult.

Based on the register of ASX shareholders of Morella as at 5.00pm (AWST) on the Record Date:

- a) Small Holdings of shares is any shareholding of 166,666 ordinary shares or less;
- b) 11,195, out of 14,167 Morella shareholders hold Small Holdings; and
- c) based on the closing price of \$0.0030 on the Record Date ("**Closing Price**"), this represents a total of approximately 411,182,976 ordinary shares.

The sale of Small Holdings through the Facility will also enable Morella to reduce administrative costs associated with maintaining a large number of relatively small holdings of Shares. If most Small Holding holders do sell their shares, there will be up to a 79% reduction in the number of Morella shareholders. This will result in significant cost savings to the Company.

#### What if I own more than 166,666 shares?

Morella shareholders who own more than 166,666 shares will not be eligible to participate in the Sale Facility.

#### What price will I receive for shares sold through the Sale Facility?

The price that you receive for your shares under the Sale Facility will be determined by when and how the shares are sold. Morella has appointed a Broker to sell your shares on market or in any other way they consider fair and reasonable in the circumstances. If the shares are sold on market, the price will depend on a number of factors, including market conditions at the time of sale.

You will not have control over the time at which your shares are sold, the price you receive may be different from the price appearing in the newspaper or quoted by ASX on any day, may not be the best price on the day that your shares are sold and will be an average price per share based on the price obtained for all the shares sold under the Facility. If the Broker sells your shares other than on market, the price will be the price that the Broker has been able to negotiate with the acquirer(s).

The share price changes frequently and more recent prices are available in newspapers and from the ASX website ([www.asx.com.au](http://www.asx.com.au)) under the ASX code '1MC'.

### **What is the amount I will receive from the sales of my shares?**

You will receive an amount per share equal to the total proceeds from all shares sold under the Sale Facility divided by the total number of shares sold under the Sale Facility, without any deduction for brokerage or handling costs.

Accordingly, the price you will receive for each Share will be the average price of every share sold under the Sale Facility. All holders of Small Holdings who are participating in the Sale Facility will receive the same price per Share and payment for your holding will be the average sale price multiplied by the number of your Morella Shares sold.

### **What if Morella's share price changes between the Record Date and Closing Date?**

If Morella's share price on the ASX increases between the Record Date and Closing Date such that at the Closing Date the value of your Shares is equal to or greater than A\$500, your Shares will not be sold under the Sale Facility and you will continue to retain your Shares.

### **What are the key dates?**

A summary of the key dates in relation to the Facility are as follows:

Record Date	5.00pm (AWST) on 10 May 2024
ASX Announcement for Sale Facility	13 May 2024
Letters and Retention Form sent to shareholders holding Small Holdings	17 May 2024
Closing Date for receipt of Share Retention Forms	3.00pm (AWST) on 28 June 2024

### **What is the price of Morella's shares?**

The last sale price of Morella's shares on the Record Date was \$0.003. The share price changes frequently and more recent prices are available in newspapers and from the ASX website ([www.asx.com.au](http://www.asx.com.au)) under the ASX code '1MC'.

### **When will the proceeds from the sale of shares be sent to me?**

Payment will be sent to you following settlement of the sale or otherwise as soon as is practical. It is anticipated the proceeds will be remitted to you by payment to your nominated bank account or by cheque to your registered postal address for your shareholding. You will be notified by way of a transaction confirmation statement of the number of your shares sold, and the price and total sale proceeds.

### **If I buy more shares, can I retain my holding?**

Yes, the Company will treat any purchase of additional shares to increase the value of a Morella's shareholding to more than \$500 as an indication that you do not want your shares to be sold through the Sale Facility.

For a purchase to be an effective notification that you wish to retain your shares, any additional shares must be registered by 3.00pm (AWST) on 28 June 2024 (**Closing Date**) under the same name and address and with the same holder number (SRN or HIN) as set out in this letter.

**What if my shares are held in a CHESS holding?**

If your shares remain in a CHESS holding at 3:00pm (AWST) on the Closing Date, the Company may move those shares to an issuer sponsored holding and the shares will be sold through the Sale Facility.

**Where can I get further information?**

Should you have any questions concerning your shareholding or how the Facility will work, please contact Morella's Company Secretary on +61(0) 429 596 535.

**I have more than one holding and want to consolidate**

If you currently have more than one holding on the Company's share register, you may wish to consider amalgamating them. This may result in your amalgamated holding no longer being a Small Holding.

Under these circumstances your shares will not be sold as part of this Sale Facility. Please contact the Share Registry via the contact details below:

Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia

Telephone: 1300 554 474  
From outside Australia: +61 1300 554 474  
Facsimile: +61 2 9287 0303

Website: [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

**Important notes**

The Company reserves the right to change any of the dates referred to in this letter by notice to the ASX. This letter does not constitute advice nor a recommendation to buy, sell or hold shares nor that the Sale Facility is the best way to sell Morella's shares. If you are in any doubt about what to do, you should consult your legal, financial or taxation adviser.



ABN 39 093 391 774

All Registry communications to:
Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia
Telephone: 1300 554 474
From outside Australia: +61 1300 554 474
Facsimile: +61 2 9287 0303
ASX Code: 1MC
Website: www.linkmarketservices.com.au

IID:

SRN/HIN:

Number of shares held as at
the Record Date, 5:00pm (AWST)
on 10 May 2024:

IMPORTANT NOTICE

Please return this slip if you do not wish your shares in Morella Corporation Limited to be sold. If you do not understand this notice you should immediately consult your financial adviser.

SHARE RETENTION FORM

If you wish to retain your shareholding in Morella Corporation Limited, you must detach this slip and return it to Morella Corporation Limited's Registry, so that it is received no later than 3:00pm (AWST), on 28 June 2024. Slips may be mailed to the addresses below.

Mailing Address

Morella Corporation Limited
C/- Link Market Services Limited
Locked Bag A14
SYDNEY SOUTH NSW 1235

THIS FORM MUST BE RECEIVED BY LINK MARKET SERVICES LIMITED
BY NO LATER THAN 3:00PM (AWST) ON 28 JUNE 2024

If you require further information regarding this form, please contact the Link Market Services on 1300 554 474 (within Australia) or +61 1300 554 474 (from outside Australia) between 8:30am and 5:30pm (Sydney Time) Monday to Friday.

THIS IS A PERSONALISED FORM FOR THE SOLE USE OF THE SHAREHOLDER AND HOLDING RECORDED ABOVE.



ABN 39 093 391 774

Please detach

IID:

SRN/HIN:



RETENTION SLIP

I/We the shareholder(s) described above by returning this retention slip, hereby give notice that I/we wish to retain my/our shareholding in Morella Corporation Limited.



DO NOT SELL MY SHARES

CONTACT DETAILS - Telephone number

( )

Telephone number - after hours

( )

Contact name