
KALINA POWER LIMITED

ACN 000 090 997

NOTICE OF ANNUAL GENERAL MEETING

TIME: 10.30am (AEDT)

DATE: 10 December 2021

PLACE: Virtual Meeting: web.lumiagm.com/344948439

This Notice of Meeting should be read in its 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 (03) 9236 2800.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Annual General Meeting of the Shareholders of Kalina Power Limited to which this Notice of Meeting relates will be held at 10.30 am (AEDT) on 10 December 2021 via live conference facility.

To join the Meeting via conference facility please register to attend by 5 pm (AEDT) on 3 December 2021 by contacting Debbie Bourke by email to dbourke@kalinapower.com or by calling (03) 9236 2800. Instructions regarding attending, voting and asking questions at the Meeting will be provided upon registration.

YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting affects your shareholding and your vote is important.

VOTING BY PROXY

To vote by proxy, please complete and sign the proxy form enclosed and send the proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority):

- (a) by mail
C/- Computershare Investor Services Pty Limited
GPO Box 242, Melbourne
Victoria, 3001
- (b) By facsimile
On 1800 783 447 (within Australia) or
(61 3) 9473 2555 (outside Australia)
- (c) Online at
www.investorvote.com.au
- (d) Online at
www.intermediaryonline.com.au
(for intermediary Online subscribers only)

so that it is received not later than 10.30am (AEDT) on 8 December 2021.

Proxy forms received later than this time will be invalid.

A shareholder entitled to attend and vote at the meeting may appoint one or two proxies to attend and vote on their behalf. Each proxy will have the right to vote on a poll and also to speak at the meeting.

A proxy need not be a member of the Company and a proxy can be either an individual or a body corporate.

The appointment of a proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half the votes).

If a proxy is not directed how to vote on an item of business, the proxy may vote or abstain from voting on that resolution as they think fit.

If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the shareholder's behalf on the poll and the shares that are the subject of the proxy appointment will not be counted in calculating the required majority.

Shareholders who return their proxy forms with a direction on how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chairman of the meeting as their proxy to vote on their behalf.

If a proxy form is returned but the nominated proxy does not attend the meeting, or does not vote on the resolution, the Chairman of the meeting will act in place of the nominated proxy and vote in accordance with any instructions.

Due to the voting exclusions and requirements referred to in the Explanatory Statement, if you intend to appoint any Director or Key Management Personnel or their closely related parties, other than the Chairman, as your proxy, you should direct your proxy how to vote on Resolution 1 by marking either "For", "Against" or "Abstain" on the proxy form for that relevant item of business. Closely related parties are defined in the Corporations Act to include the spouses, dependents, certain other close family members of the members of Key Management Personnel as well as any companies controlled by such a member. If you do not direct such a proxy how to vote on those Resolutions they will not be able to vote an undirected proxy and your vote will not be counted. This does not apply to the Chairman, who is able to vote undirected proxies.

The Chairman intends to vote any undirected proxy in favour of all Resolutions. You should note that if you appoint the Chairman as your proxy, or the Chairman is appointed your proxy by default, you will be taken to authorise the Chairman to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

If you wish, you can appoint the Chairman as your proxy and direct the Chairman to cast your votes contrary to the above stated voting intention or to abstain from voting on a Resolution. Simply mark your voting directions on the proxy form before you return it.

The proxy form must be signed by the member or his/her attorney duly authorised in writing or, if the member is a corporation, in a manner permitted by the Corporations Act. A proxy given by a foreign corporation must be executed in accordance with the laws of that corporation's place of incorporation.

A proxy form is attached to this Notice of Annual General Meeting.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Kalina Power Limited will be held, at 10.30 am (AEDT) on 10 December 2021.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the proxy form are part of this Notice of Meeting.

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 of the Company at 7pm on 8 December 2021.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

BUSINESS

ADOPTION OF THE ANNUAL FINANCIAL REPORT

To receive the Annual Financial Report, including Directors' declarations and accompanying reports of the Directors and auditors for the financial year ended 30 June 2021.

1. RESOLUTION 1- ADOPTION OF THE REMUNERATION REPORT

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, approval is given to the adoption of the Remuneration Report as contained in the Company's financial report for the year ended 30 June 2021."

Short Explanation: The vote on this resolution is advisory only and does not bind the Directors or the Company.

Voting Exclusion:

Resolution 1 is directly connected with the remuneration of members of the key management personnel of the Company. Accordingly, votes must not be cast (in any capacity) on Resolution 1 either:

- by or on behalf of any member of the key management personnel whose remuneration details are included in the Remuneration Report;
- by a closely related party of such key management personnel; and
- by any proxy for a member of the key management personnel or a closely related party of the key management personal.

unless the vote is cast as a proxy for a person entitled to vote:

- in accordance with a direction on the proxy form; or
- by the Chairman of the meeting pursuant to an express authorisation in the proxy form to exercise the proxy as the Chairman sees fit, even though Resolution 1 is connected with the remuneration of a member of the key management personnel.

2. RESOLUTION 2 – RE-ELECTION OF A DIRECTOR – MR TIMOTHY HORGAN

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That Mr Timothy Horgan a director of the Company who retires by rotation in accordance with clause 75.1 of the Constitution, and being eligible, is re-elected as a director of the Company."

3. RESOLUTION 3 – RE-ELECTION OF A DIRECTOR – MR JEFFRY MYERS

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That Mr Jeffry Myers a director of the Company who retires by rotation in accordance with clause 75.1 of the Constitution, and being eligible, is re-elected as a director of the Company"

4. RESOLUTION 4 – ADDITIONAL PLACEMENT CAPACITY

To consider, and if thought fit, to pass the following resolution as a **special resolution**:

"That for the purposes of Listing Rule 7.1A, the directors are authorised to issue totalling up to 10% of the issued capital of the Company (at the time of issue calculated over the period prescribed under Listing Rule 7.1A.2) at an issue price that is at least 75% of the volume weighted price for the Company's shares calculated over the period prescribed under Listing Rule 7.1A.3, and otherwise on the terms and conditions set out in the Explanatory Statement."

Voting exclusion statement on Resolution 4:

The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of, if at the time the approval is sought the Company is proposing to make an issue of Equity Securities under Listing Rule 7.1A.2, a person (or any associates of such a person) who may participate in the issue or who might obtain a material benefit, except a benefit solely in the capacity of a Shareholder if Resolution 4 is passed.

However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting 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:
 - 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 a resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

5. RESOLUTIONS 5A and 5B – RATIFICATION OF PRIOR ISSUE OF SHARES AND OPTIONS

To consider, and if thought fit, to pass the following resolutions as **ordinary resolutions**:

- 5.A *"That for the purposes of Listing Rule 7.4 and for all other purposes, the shareholders of the Company approve and ratify the previous issue 5,000,000 new unlisted options over ordinary shares exercisable at \$0.05 per share until 25 February 2025 under Listing Rule 7.1 on 26 February 2021 and otherwise on the terms and conditions set out in the Explanatory Statement attached to this Notice of Meeting."*

- 5.B *"That for the purposes of Listing Rule 7.4 and for all other purposes, the shareholders of the Company approve and ratify the previous issue 4,000,000 new unlisted options over ordinary shares exercisable at \$0.05 per share until 4 May 2025 under Listing Rule 7.1 on 5 May 2021 and otherwise on the terms and conditions set out in the Explanatory Statement attached to this Notice of Meeting."*

Voting exclusion statement on Resolutions 5A and 5B:

The Company will disregard any votes cast in favour of the relevant Resolution by:

- (a) any person who participated in the issue of the Shares including Stephen White (in respect of 5A) Robert W Rosine (in respect of 5B) ; or
- (b) any Associates of those persons.

However, this does not apply to a vote cast in favour of a resolution by:

- (c) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (d) the chair of the meeting 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
- (e) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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 a resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

6. RESOLUTIONS 6A and 6B – RATIFICATION OF PRIOR ISSUE OF SHARES

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

- 6.A *"That for the purposes of Listing Rule 7.4 and for all other purposes, the shareholders of the Company approve and ratify the previous issue of 151,899,474 new ordinary shares in the company at a price of A\$0.027 per share under Listing Rule 7.1 on 26 October 2021 and otherwise on the terms and conditions set out in the Explanatory Statement attached to this Notice of Meeting*
- 6.B *"That for the purposes of Listing Rule 7.4 and for all other purposes, the shareholders of the Company approve and ratify the previous issue of 114,322,749 new ordinary shares in the company at a price of A\$0.027 per share under Listing Rule 7.1A on 26 October 2021 and otherwise on the terms and conditions set out in the Explanatory Statement attached to this Notice of Meeting."*

Voting exclusion statement on Resolutions 6A and 6B

The Company will disregard any votes cast in favour of Resolutions 6A and 6B by:

- (a) any person who participated in the issue or is a counterparty to the agreement being approved; or
- (b) any Associates of those persons.

However, this does not apply to a vote cast in favour of a resolution by:

- (c) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (d) the chair of the meeting 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
- (e) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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 a resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

7. RESOLUTION 7 – APPROVAL TO ISSUE SHARES

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue and allot up to a maximum of 104,137,924 Shares at an issue price of not less than \$0.027."

Voting exclusion statement on Resolution 7

The Company will disregard any votes cast in favour of this Resolution by:

- (a) any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (b) any Associates of those persons.

However, this does not apply to a vote cast in favour of a resolution by:

- (c) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (d) the chair of the meeting 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
- (e) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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 a resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Important notes to the Resolutions

For further information and explanation on the Resolutions to be put to the Meeting, please refer to the Explanatory Statement which is **enclosed** and forms part of this Notice of Annual General Meeting.

DATED: 1 NOVEMBER 2021
BY ORDER OF THE BOARD
KALINA POWER LIMITED

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the Annual General Meeting to be on 10 December 2021 at 10.30 am (AEDT).

The purpose of this Explanatory Statement 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.

1. FINANCIAL STATEMENTS AND DIRECTORS' REPORTS

In accordance with the Company's Constitution, the business of the meeting will include receipt and consideration of the Company's Financial Report and reports of Director

2. RESOLUTION 1 – Adoption of Remuneration Report

The Remuneration Report for the financial year ended 30 June 2021 is set out in the Directors' report of the Company's 2021 Annual Report and is available on the Company's website at www.kalinapower.com. The Remuneration Report sets out the Company's policies and a range of matters relating to the remuneration of Directors and other Key Management Personnel of the Company.

Shareholders attending the Annual General Meeting will be given a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

Under the Corporations Act, a listed entity is required to put to the vote a resolution that the Remuneration Report be adopted. Whilst the resolution must be put to a vote, the resolution is advisory only and does not bind the Directors or the Company. However, if at least 25% of votes are cast against the resolution at two consecutive annual general meetings (this did not occur last year), a 'board spill resolution' needs to be put to shareholders. If such a board spill resolution is passed by shareholders, the Company is required to hold a further meeting of shareholders within 90 days to consider replacing those directors (other than the managing director) in office at the time the remuneration report was approved by the board.

The Board will take the outcome of the vote into consideration when reviewing remuneration practices and policies.

Recommendation

The Directors unanimously recommend that shareholders vote in favour of this resolution.

3. RESOLUTIONS 2 and 3 – Re-election of Directors

Clause 75.1 of the Constitution requires that one third of the Company's Directors must retire at each annual general meeting. Clause 75.4 of the Constitution provides that a retiring Director is eligible for re-election.

Mr Timothy Horgan and Mr Jeffry Myers will retire by rotation in accordance with the Constitution, and each seeks re-election.

Mr. Horgan is a qualified lawyer and business executive with over 20 years' experience in Europe, Africa, Asia and Australia.

He practiced law with Minter Ellison in Australia before moving to London where he acted as Counsel for S & P 100 Company, The Gillette Company. He sat on Gillette's Africa, Middle East and Europe Operational Committee overseeing annual sales in excess of USD 1.2 Billion. He has extensive licensing experience having overseen the USD 1.2 Billion acquisition of the 2002 and 2006 FIFA world cup broadcast rights.

Mr Horgan has acted as founder, director and advisor to numerous Mining and Energy Companies. His recent experience includes listing South African Coal Company Universal Coal Plc on the ASX and Hungarian Energy Company Wildhorse Energy PLC on AIM. He has extensive experience in China including with Gillette, South China Resources Plc and more recently in advising Kalahari Minerals on its USD 1 billion takeover by China Guangdong Nuclear Power Corp (CGNPC).

Mr. Myers is one of North America's leading power generation sector professionals, with over 30 years of experience in the downstream energy sector. He has led the development, financing, execution and operation of over 3GWe of independent power projects. Mr. Myers continues to be involved in the development of independent power projects through his position on the Boards of a number of private, clean technology companies and as a senior operating partner at Stonepeak Infrastructure Partners (a US\$16bn infrastructure fund).

Mr. Myers was a co-founder, Chairman, President and Chief Executive Officer of Pristine Power (a developer, builder, and operator of independent power plants that produced and sold electricity for industrial users in Canada). Mr. Myers oversaw Pristine Power's foundation in 2002, public listing in 2008, and successful sale to Veresen (TSE: VSN, c. C\$4.2bn market capitalisation), for US\$300m, in late 2010.

Recommendation

The Directors (with Tim Horgan and Jeff Myers abstaining) unanimously recommend that shareholders vote in favour of Resolution 2 and Resolution 3.

4 RESOLUTION 4 – Additional placement capacity

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.

Under Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25% ("10% Placement Facility").

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and which has a market capitalisation of \$300 million or less. The Company is an eligible entity for these purposes.

Resolution 4 seeks shareholder approval by way of a special resolution for the Company to have the 10% Placement Facility provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

For the purposes of Listing Rule 14.1A, the following is disclosed:

- (a) If Resolution 4 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

- (b) If Resolution 4 is not passed, the Company will not be able to access the 10% Placement Facility to issue Equity Securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

The number of shares which may be issued by a company under Listing Rule 7.1A is calculated in accordance with the following formula:

$$(A \times D) - E$$

where

A is the number of fully paid ordinary securities on issue at the commencement of the relevant period:

- 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;
- 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:
 - the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
 - 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;
- 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:
 - the agreement was entered into before the commencement of the relevant period; or
 - the agreement or issue was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
- plus the number of any other fully paid ordinary securities issued in the relevant period with approval under Listing Rule 7.1 or Listing Rule 7.4;
- plus the number of partly paid ordinary securities that became fully paid in the relevant period;
- less the number of fully paid ordinary securities cancelled in the relevant period.

D is 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 to issue has not been subsequently approved by the holders of the Company's ordinary securities under Listing Rule 7.4.

Relevant Period is the 12 month period immediately preceding the date of the issue or agreement.

The Directors are seeking approval to issue a number of shares representing 10% of the issued share capital of the Company pursuant to Listing Rule 7.1A.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any shares.

Technical information required by Listing Rule 7.1A

The following information is provided pursuant to and in accordance with Listing Rule 7.3A:

(a) *Period for which the 7.1A approval is valid*

If Shareholder approval is granted for Resolution 4, then that approval will cease to be valid on the earlier of:

- i. 9 December 2022 being 12 months from the date of the Meeting; or
- ii. the Company's next annual general meeting; or
- iii. the date Shareholder approval is granted to a transaction under Listing Rule 11.1.2 (proposed change to nature and scale of activities) or Listing Rule 11.2 (change involving main undertaking).

(b) *Minimum price*

The shares must be issued at an issue price that is no less than 75% of the volume weighted average market price for securities in that class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- i. The date of which the price at which the Equity Securities are to be issued is agreed; or
- ii. If the Equity Securities are not issued within 10 Trading Days of the date in paragraph (a) above, the date on which the Equity Securities are issued.

(c) *Use of funds*

The primary purpose for which shares may be issued pursuant to Resolution 4 is to pursue possible further investment opportunities which may arise, for working capital to utilise within the Group for operations and project development.

(d) *Risk of Economic and Voting Dilution*

Provided that Shareholder approval is granted for Resolution 4, Shareholders should note there is a risk that:

- i. the market share price may be significantly lower on the issue date than on the date on which approval is given to this Resolution 4 under Listing Rule 7.1A; and
- ii. the shares may be issued at a price that is at a discount to the market price for those Equity Securities on the issue date.

The table below is provided to illustrate the potential voting and economic dilution of existing Shareholders on the basis of the current market price of shares and the current number of shares for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at 26 October 2021.

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.014 50% decrease in Issue Price	\$0.028 Issue Price	\$0.056 100% increase in Issue Price
Current Variable A 1,409,852,055 shares	10% dilution	140,985,205	140,985,205	140,985,205
	Funds raised	\$1,973,792	\$3,806,600	\$7,895,171
50% increase in current Variable A 2,114,778,082	10% dilution	211,477,808	211,477,808	211,477,808
	Funds raised	\$2,960,689	\$5,921,378	\$11,842,757
100% increase in current Variable A 2,819,704,110	10% dilution	281,970,411	281,970,411	281,970,411
	Funds raised	\$3,947,585	\$7,895,171	\$15,790,343

The table is prepared on the following assumptions:

- (i) The Company issues the maximum number of shares available under Listing Rule 7.1A;
- (ii) The table shows only the effect of shares issues under Listing Rule 7.1A and does not factor in the Company's ability to issue up to 15% of its issued capital under Listing Rule 7.1; and
- (iii) The issue price is \$0.028

The table shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of shares the Company has on issue. The number of shares on issue may increase as a result of issues of shares that do not require approval (for example, a pro rata entitlements issue) 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 shares has decreased by 50% and increased by 100% as against the current market price.

(e) *Allocation policy*

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issued pursuant to the 10% placement facility under Listing Rule 7.1A. The identity of the allottees of shares will be determined on a case by case basis having regard to factors including but not limited to the following:

- (i) The methods of raising funds that are available to the Company, including rights issue or other issues in which existing Shareholders can participate;
- (ii) The effect of the issue the shares on the control of the Company;
- (iii) The financial situation of the Company;
- (iv) Advice from corporate, financial and broking advisors; and
- (v) The potential benefits an allottee could provide to the Company as a strategic investor (if applicable).

The allottees under the 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.

(f) *Previous approval under Listing Rule 7.1A*

The Company has previously obtained Shareholder approval under Listing Rule 7.1A on 27 November 2020.

In the 12 months prior to the date of this notice, the Company issued 266,522,223 ordinary shares which represents 23.8% of the issued capital of the Company at the commencement of the 12 month period.

Date of Issue	10 December 2020
Number Issued	300,000
Class/Type of Security	Ordinary Shares
Summary of Terms	Fully paid
Name of persons who received securities or basis on which those persons was determined	Wellngood Investments Pty Ltd
Price	\$0.025
Discount to market price (if any)	39%
Total consideration received	\$7,500
Amount of cash consideration spent	\$7,500
Use of cash consideration	Working capital
Intended use for remaining amount of cash (if any)	N/a

Date of Issue	26 October 2021
Number Issued	266,232,457
Class/Type of Security	Ordinary Shares
Summary of Terms	Fully paid
Name of persons who received securities or basis on which those persons was determined	Issued to unrelated Professional and Sophisticated Investors as a placement
Price	\$0.027
Discount to market price (if any)	18%
Total consideration received	\$7,188,276
Amount of cash consideration spent	Not applicable
Use of cash consideration	To be used to advance Alberta projects and working capital
Intended use for remaining amount of cash (if any)	N/a

Recommendation

The Directors unanimously recommend that Shareholders vote in favour of this Resolution. A voting exclusion statement is included in the Notice. As at the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities utilising this 10% Placement Facility following the 2020 Annual General Meeting. No existing Shareholder's votes will therefore be excluded under the voting at the Meeting.

6. RESOLUTIONS 5A, 5B, 6A and 6B - Ratification of prior issue of Shares and Options

The Resolutions set out in items 5 and 6 of the Notice seeks Shareholder approval for the prior issue of Shares and Options

Listing Rule 7.1 provides that a company must not, subject to specified exceptions under Listing Rule 7.2, issue or agree to issue securities during any 12 month period in excess of 15% of the number of ordinary shares on issue at the commencement of that 12 month period, without shareholder approval.

Listing Rule 7.4 provides that an issue of securities made without approval under Listing Rule 7.1 will be treated as having been made with shareholder approval for the purposes of Listing Rule 7.1 if shareholders subsequently approve it and the issue did not breach Listing Rule 7.1.

Shareholder ratification of the prior issue of Shares is now being sought for the purposes of Listing Rule 7.4.

For the purposes of Listing Rule 14.1A, the following is disclosed:

- (a) If Resolutions 5A, 5B, 6A and 6B are passed, up to a total of 288,850,658 Shares and 9,000,000 unlisted options issued by the Company will be excluded in calculating the Company's placement capacity in accordance with the Listing Rules, thereby increasing the number of Equity Securities the Company can issue without Shareholder approval over the 12 month period following the date of the issue of those Equity Securities.
- (b) If Resolutions 5A, 5B, 6A and 6B are not passed, up to a total of 288,850,658 Shares and 9,000,000 unlisted options issued by the Company will be included in the Company's placement capacity in accordance with the Listing Rules, thereby reducing the number of Equity Securities the Company can issue without Shareholder approval over the 12 month period following the date of the issue of those Equity Securities.

The Directors believe that it is in the best interests of the Company that the Company maintains its ability to issue up to 15% of the issued capital of the Company.

The Directors believe this approval will enhance the Company's flexibility to finance its operations through raising equity capital, should the Directors consider it to be in the best interests of the Company to do so.

In particular, the Directors note that, if this approval is not obtained at the Meeting, the Company may be required to incur additional costs and delays if the Directors subsequently propose to issue securities which do not fall under an exception in Listing Rule 7.2 to the 15% rule in Listing Rule 7.1.

For the purposes of Listing Rule 7.5, which contains the requirements as to the contents of a notice sent to shareholders for the purposes of Listing Rule 7.4, the following information is provided to Shareholders.

Resolution 5A:

Number of securities issued	5,000,000 unlisted Options were issued under Listing Rule 7.1. on 26 February 2021
Price	The unlisted Options were issued for nil consideration
Terms	A summary of the material terms of the options is as follows: a. Each Option entitles the holder to subscribe for one (1) fully paid Ordinary Share in the capital of the Company. b. The Options issued are exercisable at a price of \$0.05 per option. c. The Options expire at 5.00pm (EST) on 25 February 2025. d. All shares issued upon exercise of the Options will rank pari passu in all respects with the Company's then issued shares. The Options will be unlisted. No quotation will be sought from ASX for the Options. e. The Options are not transferable f. There will be no participation rights inherent in the Options to participate in the new issues of capital by the Company offered to Shareholders during the currency of the Options. g. In the event of a reorganisation of the capital of the Company the rights attaching to the Options will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
Names of persons to whom securities were issued	The Options were issued to Stephen White being a consultant engaged by the Company in relation to the Alberta project.
Use of funds raised	No monies were raised from the issue of the Options, however the Company may receive gross proceeds of up to \$250,000 upon the exercise of the Options, which the Company intends to apply towards the future working capital of the Company
Other matters	The unlisted Options were not issued under an agreement.
Voting exclusion statement	A voting exclusion statement has been inserted in respect of this Resolution.

Resolution 5B:

Number of securities issued	4,000,000 unlisted Options under Listing Rule 7.1 on 5 May 2021.
Price	The listed Options were issued for nil consideration
Terms	the unlisted Options are exercisable at \$0.05 each until 4 May 2025 and a summary of material terms of the listed options is contained in Annexure A.
Names of persons to whom securities were issued	The Options were issued to Robert W Rosine being a consultant engaged by the Company in relation to the Alberta project.
Use of funds raised	Company may receive gross proceeds of up to \$200,000 upon the exercise of the Options, which the Company intends to apply towards working Capital for the development of the Company's projects in Alberta Canada and general corporate costs of the Group.
Other matters	The unlisted Options were not issued under an agreement.
Voting exclusion statement	A voting exclusion statement has been inserted in respect of this Resolution.

Resolution 6A:

Number of securities issued	151,899,474 Shares issued under Listing Rule 7.1. on 26 October 2021
Price	The issue price per Share was \$0.027
Terms	The Shares issued rank pari passu with all existing Shares
Names of persons to whom securities were issued	The Shares were issued to professional and sophisticated investors. The participants were clients of Canaccord Genuity (Australia) Limited (Canaccord) and 180 Markets Pty Ltd (180 Markets). The recipients were identified through a bookbuild process, which involved Canaccord and 180 Markets seeking expressions of interest to participate in the capital raising from non-related parties of the Company.
Use of funds raised	An amount of \$4,101,286 as raised from the issue of the Shares to apply towards Alberta projects and for future working capital of the Company.
Other matters	The Shares were not issued under an agreement.
Voting exclusion statement	A voting exclusion statement has been inserted in respect of this Resolution.

Resolution 6B:

Number of securities issued	114,322,749 Shares issued under Listing Rule 7.1A. on 26 October 2021
Price	The issue price per Share was \$0.027
Terms	The Shares issued rank pari passu with all existing Shares
Names of persons to whom securities were issued	The Shares were issued to professional and sophisticated investors. The participants were clients of Canaccord and 180 Markets. The recipients were identified through a bookbuild process, which involved Canaccord and 180 Markets seeking expressions of interest to participate in the capital raising from non-related parties of the Company.
Use of funds raised	An amount of \$3,086,714 was raised from the issue of the Shares to apply towards Alberta projects and for future working capital of the Company.
Other matters	The Shares were not issued under an agreement.
Voting exclusion statement	A voting exclusion statement has been inserted in respect of this Resolution.

Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolutions 5A, 5B, 6A and 6B.

7. RESOLUTION 7– Approval to issue Shares

Under the placement subsequent to the rights issue announced by the Company on 19 October 2021, the Company has agreed, subject to shareholder approval, to issue 104,137,913 new Shares to complete the placement. The Share will be issued on the same terms and conditions. The Shares will be issued at \$0.027 per Shares.

ASX Listing Rule 7.1

The Company is proposing to issue 104,137,913 new Shares following the placement announced by the Company on 19 October 2021 ("Proposed Issue").

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 shares it had on issue at the start of that period.

The Proposed Issue does not fall within any of these exceptions and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of the Company's Shareholders under Listing Rule 7.1.

Resolution 7 seeks the required Shareholder approval to the Proposed Issue under and for the purposes of Listing Rule 7.1.

For the purposes of Listing Rule 14.1A, the following is disclosed:

- (a) If Resolution 7 is passed, the Company will be able to proceed with the Proposed Issue, and receive proceeds of \$2,811,724, and the Proposed Issue will be excluded from the calculation of the number of Equity Securities that the Company can issue without Shareholder approval under the Listing Rules.
- (b) If Resolution 7 is not passed, the Company will not be able to proceed with the Proposed Issue, accordingly the Company will not receive proceeds of \$2,811,724.

Technical information required by ASX Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the issue of the Shares and free attaching options:

- (a) the maximum number of Shares to be issued under Resolution 7 is 104,137,913 Shares;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that the issue of all of the Shares will occur on the same day as the Meeting;
- (c) the Shares will be issued at an issue price of \$0.027 per Share;
- (d) the Shares will be issued to sophisticated and institutional investors, none of whom are a related party of the Company, members of the Company's key management personnel, substantial holders of the Company or advisers to the Company. The participants are clients of Canaccord and 180 Markets. The recipients were identified through a bookbuild process, which involved Canaccord and 180 Markets seeking expressions of interest to participate in the capital raising from non-related parties of the Company;
- (e) the Shares will be fully paid ordinary shares in the capital of the Company and will be issued on the same terms and conditions as the Company's existing Shares;
- (f) up to a total of at least \$2,811,724 will be raised from the issue of the Shares issued pursuant to Resolution 7;
- (g) it is intended that the funds raised will be used for advancing the development of the Company's projects and for general working capital purposes; and
- (h) a voting exclusion statement is included in this document.

Recommendation

The Directors do not have any material personal interest in the outcome of Resolution 7 and unanimously recommend that Shareholders vote in favour of Resolution 7.

To the extent permitted by law, it is the intention of the Chairman of the Meeting to vote all undirected proxies granted to him in favour of Resolution 7.

9. ENQUIRIES

Shareholders are required to contact the Chairman or Company Secretary on +61 (3) 9236 2800 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

\$ means Australian dollars.

AEDT means Australian Eastern Daylight Time.

ASX means ASX Limited (ACN 008 624 691).

Board means the board of directors of the Company.

Company or Kalina means Kalina Power Limited (ACN 000 090 997).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors mean the current directors of the Company.

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

Explanatory Statement means the explanatory statement which accompanies, and forms part of, the Notice of Meeting.

Key management personnel means those persons having authority or responsibility for planning directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise).

Listing Rules means the Listing Rules of ASX.

Meeting means the meeting convened by the Notice.

Notice means the notice of general meeting accompanying this Explanatory Statement.

Options means an option to acquire a Share.

Resolution means the resolutions set out in the Notice, or any one of them, as the context requires.

Share means a fully paid ordinary share in the Company.

Shareholder means a holder of a Share.

Kalina Power Limited

ABN 24 000 090 997

Need assistance?



Phone:
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:
www.investorcentre.com/contact

KPO

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Kalina Power Limited Annual General Meeting

The Kalina Power Limited Annual General Meeting will be held on Friday, 10 December 2021 at 10:30am (AEDT). You are encouraged to participate in the meeting using the following options:



MAKE YOUR VOTE COUNT

To lodge a proxy, access the Notice of Meeting and other meeting documentation visit www.investorvote.com.au and use the below information:



Control Number: 999999

SRN/HIN: I9999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

For your proxy appointment to be effective it must be received by 10:30am (AEDT) on Wednesday, 8 December 2021.



ATTENDING THE MEETING VIRTUALLY

To watch the webcast, ask questions and vote on the day of the meeting, please visit: web.lumiagm.com/344948439

For instructions refer to the online user guide www.computershare.com.au/virtualmeetingguide

Kalina Power Limited

ABN 24 000 090 997

Need assistance?



Phone:
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:
www.investorcentre.com/contact

KPO

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:30am (AEDT) on Wednesday, 8 December 2021.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, 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 sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form: **XX**

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999

SRN/HIN: I999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark ☒ to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Kalina Power Limited hereby appoint

☐ the Chairman
of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Kalina Power Limited to be held as a virtual meeting on Friday, 10 December 2021 at 10:30am (AEDT) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention in step 2) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolution 1 by marking the appropriate box in step 2.

Step 2 Items of Business

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

		For	Against	Abstain
Resolution 1	Adoption of the Remuneration Report	☐	☐	☐
Resolution 2	Re-election of Director - Mr Timothy Horgan	☐	☐	☐
Resolution 3	Re-election of Director - Mr Jeffry Myers	☐	☐	☐
Resolution 4	Additional Placement Capacity	☐	☐	☐
Resolution 5A	Ratification of Prior Issue of 5,000,000 Options	☐	☐	☐
Resolution 5B	Ratification of Prior Issue of 4,000,000 Options	☐	☐	☐
Resolution 6A	Ratification of Prior Issue of 151,899,474 shares	☐	☐	☐
Resolution 6B	Ratification of Prior Issue of 114,322,749 Shares	☐	☐	☐
Resolution 7	Approval to Issue Shares	☐	☐	☐

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Sole Director & Sole Company Secretary

Director

Director/Company Secretary

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

KPO

2 8 2 2 1 4 A



Computershare

