
CARNEGIE CLEAN ENERGY LIMITED

ACN 009 237 736

ADDENDUM TO NOTICE OF ANNUAL GENERAL MEETING

Carnegie Clean Energy Limited (ACN 009 237 736) (**Company**) hereby gives notice to Shareholders of the Company that, in relation to the Notice of Annual General Meeting dated 11 October 2024 (**Notice**) in respect of an annual general meeting of members to be held at 9:00am (AWST) on Tuesday, 19 November 2024 at Swan Yacht Club, Riverside Road, East Fremantle WA 6158 (**Meeting**), the Directors have determined to amend and supplement the Notice by information contained in this addendum (**Addendum**).

Shareholders should note that there is no change to the date, time and venue of the Meeting. Capitalised terms in this Addendum have the same meaning as defined in the Notice unless otherwise stated.

By this Addendum, Resolution 6 is added to the Notice. The numbering used in this Addendum is a continuation of the numbering used in the Notice and the Explanatory Memorandum.

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Sunday, 17 November 2024 at 9:00am (AWST).

Important Notice

This Addendum is supplemental to the original Notice and should be read in conjunction with the original Notice. All other Resolutions proposed and information in the Notice remain unchanged.

Voting in person

To vote in person, attend the Meeting at 9:00am (AWST) on Tuesday, 19 November 2024 at Swan Yacht Club, Riverside Road, East Fremantle WA 6158.

Voting by proxy

The Company advises that there has been a change to the Proxy Form previously despatched to Shareholders and the replacement Proxy Form is annexed to this Addendum (**Replacement Proxy Form**). If Shareholders wish to have their votes counted by proxy in respect of Resolution 6, Shareholders must use the attached Replacement Proxy Form to vote on all Resolutions.

In the event that a Shareholder provides a Replacement Proxy Form, any previous Proxy Form (in the form dispatched with the original Notice) (**Previous Proxy Form**) which has been completed by that Shareholder will be disregarded.

If you have already voted by completing and submitting to the Company a Previous Proxy Form and do not wish to vote on Resolution 6 or do not wish to change your proxy vote on any of the Resolutions, you do not need to take any action, as the Previous Proxy Form you have already submitted remains valid.

The Company reserves the right to accept Previous Proxy Forms received from Shareholders in the event that a properly completed Replacement Proxy Form is not provided by the relevant Shareholder.

The Replacement Proxy Form must be received by the Company no later than 9:00am (AWST) on Sunday, 17 November 2024, being at least 48 hours before the Meeting.

Further details regarding the appointment of a proxy are provided in the Notice.

Should you wish to discuss the matters in this Addendum please do not hesitate to contact the Company Secretary on +61 8 6168 8400.

SUPPLEMENTARY NOTICE

The following additional Resolution is added to the Notice immediately following the current Resolution 5:

6 Resolution 6 – Issue of Options to Asymmetric Investment Management

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

"That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 50,000,000 Options to Asymmetric Investment Management Pty Ltd (and/or its nominee(s)) on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Asymmetric Investment Management Pty Ltd (and/or its nominee(s)) and any other person who will obtain a material benefit as a result of, the issue of securities (except a benefit solely by reason of being a holder of ordinary securities) or an associate of that person (or those persons).

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

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chairperson as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chairperson to vote on this Resolution as the Chairperson 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 this Resolution; and
 - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

SUPPLEMENTARY EXPLANATORY MEMORANDUM

The following new Section 9 is added to the Explanatory Memorandum immediately following the current Section 8.3:

9 Resolution 6 – Issue of Options to Asymmetric Investment Management

9.1 General

The Company engaged Asymmetric Investment Management Pty Ltd ACN 161 539 653 (**Asymmetric**) to act as a debt facilitator to secure the provision of a loan facility for the Company of up to A\$2,500,000.

On 31 October 2024, the Company announced that it had entered into a loan facility agreement with Ballamena Pty Ltd ATF Ellan Finance Unit Trust (**Loan Agreement**). The Loan Agreement's key terms are as follows:

- Commitment: A\$2.5 million
- Borrower: Carnegie Clean Energy Limited
- Lender: Ballamena Pty Ltd ATF Ellan Finance Unit Trust
- Interest: 15% per annum
- Final Repayment Date: 30 June 2026
- Repayment: The Borrower can make any part or whole repayments in advance of the Final Repayment Date at its discretion with no penalty
- Security: The Lender will have a Featherweight General Security Agreement

The lender is neither a related party of the Company nor a Listing Rule 10.1 party under the ASX Listing Rules.

Refer to the ASX announcement dated 31 October 2024 for further details.

In consideration for providing these services, the Company has agreed to issue 50,000,000 Options to Asymmetric (and/or its nominee(s)) and pay a cash fee to Asymmetric (and/or its nominee(s)) equal to 2% of the total commitment of the lender under the loan facility (being A\$50,000). The issue of the Options is subject to the Company obtaining shareholder approval under Listing Rule 10.11 to issue the Options to Asymmetric.

In accordance with Listing Rule 10.11, Shareholder approval is required for the issue of Equity Securities to a related party. By virtue of Asymmetric being controlled by a current Director of the Company, Mr Anthony Shields, it is a related party of the Company.

Resolutions 6 seeks Shareholder approval pursuant to and in accordance with Listing Rule 10.11 (and for all other purposes) to issue the Options to Asymmetric (and/or its nominee(s)).

Resolution 6 is an ordinary resolution.

The Chairperson intends to exercise all available undirected proxies in favour of Resolution 6.

9.2 Chapter 2E of the Corporations Act

For a public company to give a financial benefit to a related party, the public company or entity must:

- (a) obtain the approval of its shareholders in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

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

Asymmetric is a related party of the Company for the purposes of section 208 of the Corporations Act by virtue of being an entity controlled by Mr Anthony Shields, a current Director of the Company.

The Board has determined that the proposed issue of Options to Asymmetric, being an entity controlled by Mr Anthony Shields, falls within the arms-length exception in section 210 of the Corporations Act as the agreement to issue the Options was negotiated on arm's length terms.

9.3 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue Equity Securities to:

- (a) a related party;
- (b) a person who is, or was at any time in the six months before the issue or agreement, a substantial (30%+) holder in the company;
- (c) a person who is, or was at any time in the six months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- (d) an associate of a person referred to in (a) to (c); or
- (e) a person whose relationship with the company or a person referred to in (a) to (d) is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains shareholder approval.

The issue of Options under Resolution 6 to Asymmetric (and/or its nominee(s)) falls within paragraph (a) above (being Listing Rule 10.11.1), as Asymmetric is a related party of the Company by virtue of being an entity controlled by Mr Anthony Shields, a current Director of the Company. The issue of Options does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolution 6 seeks Shareholder approval to issue the Options to Asymmetric (and/or its nominee(s)) under and for the purposes of Listing Rule 10.11.

If Resolution 6 is passed, the Company will be able to proceed with the issue of the Options (and Shares issued on exercise of the Options) to Asymmetric (and/or its nominee(s)) without using any of the Company's 15% Placement Capacity. In addition, the issue of the Options (and Shares

issued on exercise of the Options) will be excluded from the calculation of the number of Equity Securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 6 is not passed, the Company will not be able to proceed with the issue of the Options to Asymmetric (and/or its nominee(s)) and the Company may need to find an alternative way to compensate Asymmetric for services performed.

9.4 Specific information required by Listing Rule 10.13

The following information in relation to Resolution 6 is provided to Shareholders for the purposes of Listing Rule 10.13:

- (a) The Options will be issued to Asymmetric Investment Management Pty Ltd (and/or its nominee(s)) pursuant to Resolution 6.
- (a) Asymmetric falls within Listing Rule 10.11.1 by virtue of being an entity controlled by Mr Anthony Shields, a current Director of the Company, and therefore a related party of the Company.
- (b) The maximum number of Options to be issued to Asymmetric (and/or its nominee(s)) is 50,000,000 Options under Resolution 6.
- (c) The Options have an exercise price of A\$0.06 each and will expire on 29 October 2027. The terms and conditions of the Options are detailed in Schedule 3.
- (d) The Options will be issued no later than one month following the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (e) The Options will be issued for nil consideration as they are being issued as part consideration for services performed. No funds will be raised by the issue of the Facilitator Option.
- (f) The Options were offered under a letter agreement. The material term of the letter agreement are disclosed in Section 9.1 of the Notice.
- (g) A voting exclusion statement is included in the Notice for Resolution 6.

9.5 Board Recommendation

The Board (excluding Anthony Shields) recommends that Shareholders vote in favour of Resolution 6.

Dated: 31 October 2024

By order of the Board



Grant Mooney
Non-Executive Director and Company Secretary

After Schedule 2, a new Schedule 3 is added as follows:

Schedule 3

Terms and Conditions of Options

Entitlement

- 1 Each Option entitles the holder of that Option (**Holder**) to subscribe for one fully paid ordinary share (**Share**) in the capital of Carnegie Clean Energy Limited ACN 009 237 736 (**Company**) upon exercise, on and subject to these terms and conditions.

Exercise Price and Expiry Date

- 2 The exercise price is A\$0.06 per Option (**Exercise Price**).
- 3 The Options will expire at 5:00pm (AWST) on 29 October 2027 (**Expiry Date**).

Exercise Period

- 4 Each Option is exercisable at any time prior to the Expiry Date (**Exercise Period**). After this time, any unexercised Options will automatically lapse.

Notice of Exercise

- 5 The Options may be exercised by notice in writing to the Company (**Notice of Exercise**) and payment of the applicable Exercise Price for each Option being exercised.

Shares issued on exercise

- 6 Shares issued on exercise of the Options rank equally with the Shares on issue and will be free of all encumbrances, liens and third party interests.

Quotation of Shares

- 7 The Company will apply to the Australian Securities Exchange (**ASX**) for official quotation of the Shares issued upon the exercise of the Options.

Timing of issue of Shares and quotation of Shares on exercise

- 8 Within five Business Days after the later of the following:
- (a) receipt of a Notice of Exercise together with payment of the Exercise Price for each Option being exercised; and
 - (b) when excluded information in respect of the Company (as defined in section 708A(7) of the *Corporations Act 2001* (Cth) (**Corporations Act**) (if any) ceases to be excluded information. If there is no such information the relevant date will be the date of receipt of a Notice of Exercise as set out above,

the Company will:

- (c) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (d) as soon as reasonably practicable and if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with the Australian Securities and Investments Commission (**ASIC**) a prospectus prepared in accordance with the Corporations Act and do all such things

necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

- (e) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

Participation in new issues

9 A Holder who holds Options is not entitled to:

- (a) notice of, or to vote or attend at, a meeting of the shareholders;
- (b) receive any dividends declared by the Company; or
- (c) participate in any new issues of securities offered to shareholders during the term of the Options,

unless and until the Options are exercised and the Holder holds Shares.

Adjustment for bonus issue of Shares

10 If the Company makes a bonus issue of Shares or other securities to existing shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):

- (a) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Holder would have received if the Holder of an Option had exercised the Option before the record date for the bonus issue; and
- (b) no change will be made to the Exercise Price.

Adjustment for rights issue

11 If the Company makes an issue of Shares pro rata to existing shareholders (other than an issue in lieu of in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of an Option will be reduced according with ASX Listing Rule 6.22.2.

Adjustment for reorganisation

12 If there is any reconstruction of the issued share capital of the Company, the rights of the Holder may be varied to comply with the ASX Listing Rules that apply to the reconstruction at the time of the reconstruction.

Quotation of Options

13 The Company will not seek official quotation of any Options.

Options not transferable

14 The Options are not transferable.