



## ASX Announcement

4 March 2016

### ISSUE OF FIRST CONVERTIBLE NOTE TO ARENA

Genex Power Limited (**ASX: GNX, Genex** or the **Company**) is pleased to advise that it has now received the first instalment of just over \$730,000 from the Australian Renewable Energy Agency (**ARENA**) in respect of the federal government funding approved by ARENA as announced to the market on 18 December 2015.

The receipt of this first instalment from ARENA provides a welcome boost to the cash reserves of Genex and will be applied towards the development of the Company's Feasibility Study for its Pumped Storage Hydro Project at Kidston.

Commenting on the ARENA funding at the time of the original announcement on 18 December 2015, Genex's Managing Director, Michael Addison said:

*"Genex is pleased to partner with ARENA to advance the development of the Kidston Pumped Storage Hydro Project. The partnership with ARENA is a testament to the innovative nature of the Project as well as a recognition of the need for large-scale energy storage as renewable energy becomes an increasingly important part of the electricity network..."*

Under the terms of the Funding Agreement with ARENA, Genex has issued a Convertible Note for which an Appendix 3B is attached.

#### CONTACT:

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Executive Director  
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#### About Genex Power Limited:

Genex Power is a power generation development company listed on the ASX. The Company is focussed on innovative clean energy generation and electricity storage solutions which deliver attractive commercial returns for shareholders. Genex is currently pursuing a number of unique energy development opportunities across Australia.

The Company's current focus is on the development of its large-scale Kidston hydroelectric pumped storage generation project and its large-scale solar PV project located in Northern Queensland.

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Genex Power Limited

ABN

18 152 098 854

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                     |
|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | +Class of +securities issued or to be issued                                                                                                                                                                                                  | N/A                                                                                                                                                                                                                                                                                                                                                                                 |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued                                                                                                                                                 | N/A                                                                                                                                                                                                                                                                                                                                                                                 |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | <p>Issue of an unsecured Convertible Note to ARENA in the amount of \$666,243 pursuant to the terms of the funding agreement between ARENA and Genex as announced to the ASX on 18 December 2015.</p> <p>(Note: funds of \$731,243 were received however the agreement provides for an offset of \$65,000 resulting in the issue of the Convertible Note in the amount stated).</p> |

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|
| <p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul> | <p>No</p>                                                                                                                                     |
| <p>5 Issue price or consideration</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <p>Nil until conversion or redemption</p>                                                                                                     |
| <p>6 Purpose of the issue<br/>(If issued as consideration for the acquisition of assets, clearly identify those assets)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                   | <p>Issued upon receipt of first instalment of federal government funding from ARENA pursuant to the ASX announcement of 18 December 2015.</p> |
| <p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>                                                                                                                                                                                                                                                                                                                   | <p>Yes</p>                                                                                                                                    |
| <p>6b The date the security holder resolution under rule 7.1A was passed</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <p>25 November 2015</p>                                                                                                                       |
| <p>6c Number of +securities issued without security holder approval under rule 7.1</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <p>Nil</p>                                                                                                                                    |

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+ See chapter 19 for defined terms.

|    |                                                                                                                                                                                                                                                                                                 |                                                                                                                                                   |                                   |
|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|
| 6d | Number of +securities issued with security holder approval under rule 7.1A                                                                                                                                                                                                                      | Nil                                                                                                                                               |                                   |
| 6e | Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)                                                                                                                                               | 5,000,000 unlisted options as per the Appendix 3B lodged 10 August 2015 and subsequently approved by shareholders at the AGM on 25 November 2015. |                                   |
| 6f | Number of +securities issued under an exception in rule 7.2                                                                                                                                                                                                                                     | Nil                                                                                                                                               |                                   |
| 6g | If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.                                                                                        | N/A                                                                                                                                               |                                   |
| 6h | If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements                                                                                                                                  | N/A                                                                                                                                               |                                   |
| 6i | Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements                                                                                                                                                      | 7.1 Capacity: 23,759,062<br>7.1A Capacity: <del>15,839,375</del><br>Total 7.1 & 7.1A Capacity: <del>39,598,437</del>                              |                                   |
| 7  | +Issue dates<br><br>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.<br><br>Cross reference: item 33 of Appendix 3B. | N/A                                                                                                                                               |                                   |
| 8  | Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)                                                                                                                                                                                       | Number                                                                                                                                            | +Class                            |
|    |                                                                                                                                                                                                                                                                                                 | 98,193,750                                                                                                                                        | Fully Paid Ordinary Shares (FPOS) |

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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|    | Number                                                                                                        | +Class                                                                                                                                   |
|----|---------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|
| 9  | Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable) |                                                                                                                                          |
|    | 60,200,000                                                                                                    | FPOS (subject to ASX imposed escrow until 8 July 2017)                                                                                   |
|    | 8,500,000                                                                                                     | Options exercisable at \$0.25 each and expiring 7 February 2019 (8,000,000 of which are subject to ASX imposed escrow until 8 July 2017) |
|    | 17,300,000                                                                                                    | Loyalty Options exercisable at \$0.20 each expiring 25 February 2018                                                                     |
|    | 5,000,000                                                                                                     | Options exercisable at \$0.25 each and expiring 6 August 2020 with various vesting milestones attached (nil subject to escrow)           |
|    | \$663,243                                                                                                     | Unsecured Convertible Note issued to ARENA                                                                                               |
| 10 | Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)            | N/A                                                                                                                                      |

**Part 2 - Pro rata issue**

|    |                                                |     |
|----|------------------------------------------------|-----|
| 11 | Is security holder approval required?          | N/A |
| 12 | Is the issue renounceable or non-renounceable? |     |
| 13 | Ratio in which the +securities will be offered |     |

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+ See chapter 19 for defined terms.

- |    |                                                                                                                                                                                                                                            |  |
|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| 14 | +Class of +securities to which the offer relates                                                                                                                                                                                           |  |
| 15 | +Record date to determine entitlements                                                                                                                                                                                                     |  |
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?                                                                                                                                         |  |
| 17 | Policy for deciding entitlements in relation to fractions                                                                                                                                                                                  |  |
| 18 | Names of countries in which the entity has security holders who will not be sent new offer documents<br><br><small>Note: Security holders must be told how their entitlements are to be dealt with.<br/>Cross reference: rule 7.7.</small> |  |
| 19 | Closing date for receipt of acceptances or renunciations                                                                                                                                                                                   |  |

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+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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|    |                                                                                                                                                             |  |
|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| 20 | Names of any underwriters                                                                                                                                   |  |
| 21 | Amount of any underwriting fee or commission                                                                                                                |  |
| 22 | Names of any brokers to the issue                                                                                                                           |  |
| 23 | Fee or commission payable to the broker to the issue                                                                                                        |  |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders                                          |  |
| 25 | If the issue is contingent on security holders' approval, the date of the meeting                                                                           |  |
| 26 | Date entitlement and acceptance form and offer documents will be sent to persons entitled                                                                   |  |
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders |  |
| 28 | Date rights trading will begin (if applicable)                                                                                                              |  |
| 29 | Date rights trading will end (if applicable)                                                                                                                |  |
| 30 | How do security holders sell their entitlements <i>in full</i> through a broker?                                                                            |  |
| 31 | How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?                                                 |  |

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+ See chapter 19 for defined terms.

- 32 How do security holders dispose of their entitlements (except by sale through a broker)?
- 33 <sup>+</sup>Issue date

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

- 34 Type of <sup>+</sup>securities  
(tick one)
- (a) <sup>+</sup>Securities described in Part 1
- (b) ☐ All other <sup>+</sup>securities  
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

#### Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities

*Tick to indicate you are providing the information or documents*

- 35 ☐ If the <sup>+</sup>securities are <sup>+</sup>equity securities, the names of the 20 largest holders of the additional <sup>+</sup>securities, and the number and percentage of additional <sup>+</sup>securities held by those holders
- 36 ☐ If the <sup>+</sup>securities are <sup>+</sup>equity securities, a distribution schedule of the additional <sup>+</sup>securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over
- 37 ☐ A copy of any trust deed for the additional <sup>+</sup>securities

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<sup>+</sup> See chapter 19 for defined terms.

**Entities that have ticked box 34(b)**

| 38     | Number of +securities for which +quotation is sought                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                            |        |        |  |  |
|--------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|--------|--------|--|--|
| 39     | +Class of +securities for which quotation is sought                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                            |        |        |  |  |
| 40     | <p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"><li>• the date from which they do</li><li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li><li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li></ul> |                                                                                                                            |        |        |  |  |
| 41     | <p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another +security, clearly identify that other +security)</p>                                                                                                                                                                                                                                                                                                                              |                                                                                                                            |        |        |  |  |
| 42     | Number and +class of all +securities quoted on ASX (including the +securities in clause 38)                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <table border="1"><thead><tr><th>Number</th><th>+Class</th></tr></thead><tbody><tr><td></td><td></td></tr></tbody></table> | Number | +Class |  |  |
| Number | +Class                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                            |        |        |  |  |
|        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                            |        |        |  |  |

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+ See chapter 19 for defined terms.

### Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: .....  
Justin Clyne (Company secretary)

4 March 2016  
Date: .....

Print name: .....  
Justin Clyne

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+ See chapter 19 for defined terms.

## Appendix 3B – Annexure 1

### Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

#### Part 1

| Rule 7.1 – Issues exceeding 15% of capital                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |             |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| <b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |             |
| <b>Insert</b> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 158,393,750 |
| <b>Add</b> the following: <ul style="list-style-type: none"><li>• Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2</li><li>• Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval</li><li>• Number of partly paid +ordinary securities that became fully paid in that 12 month period</li></ul> <b>Note:</b> <ul style="list-style-type: none"><li>• Include only ordinary securities here – other classes of equity securities cannot be added</li><li>• Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</li><li>• It may be useful to set out issues of securities on different dates as separate line items</li></ul> | 0           |
| <b>Subtract</b> the number of fully paid +ordinary securities cancelled during that 12 month period                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 0           |
| <b>“A”</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 158,393,750 |

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+ See chapter 19 for defined terms.

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                          |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|
| <b>Step 2: Calculate 15% of “A”</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                          |
| <b>“B”</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 0.15<br><i>[Note: this value cannot be changed]</i>                                      |
| <b>Multiply “A” by 0.15</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 23,759,062                                                                               |
| <b>Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                          |
| <b>Insert</b> number of <sup>+</sup> equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued: <ul style="list-style-type: none"> <li>Under an exception in rule 7.2</li> <li>Under rule 7.1A</li> <li>With security holder approval under rule 7.1 or rule 7.4</li> </ul> <b>Note:</b> <ul style="list-style-type: none"> <li><i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i></li> <li><i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li><i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul> | 0                                                                                        |
| <b>“C”</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 0                                                                                        |
| <b>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                          |
| <b>“A” x 0.15</b><br><br><i>Note: number must be same as shown in Step 2</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 23,759,062                                                                               |
| <b>Subtract “C”</b><br><br><i>Note: number must be same as shown in Step 3</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 0                                                                                        |
| <b>Total [“A” x 0.15] – “C”</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 23,759,062<br><br><i>[Note: this is the remaining placement capacity under rule 7.1]</i> |

<sup>+</sup> See chapter 19 for defined terms.

## Part 2

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                       |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|
| <b>Rule 7.1A – Additional placement capacity for eligible entities</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                       |
| <b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                       |
| <b>“A”</b><br><br><i>Note: number must be same as shown in Step 1 of Part 1</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 158,393,750                                           |
| <b>Step 2: Calculate 10% of “A”</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                       |
| <b>“D”</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 0.10<br><br><i>Note: this value cannot be changed</i> |
| <b>Multiply “A” by 0.10</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 15,839,375                                            |
| <b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                       |
| <b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A<br><br><b>Notes:</b> <ul style="list-style-type: none"> <li>• This applies to equity securities – not just ordinary securities</li> <li>• Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</li> <li>• Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</li> <li>• It may be useful to set out issues of securities on different dates as separate line items</li> </ul> | 0                                                     |
| <b>“E”</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 0                                                     |

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+ See chapter 19 for defined terms.

| <b>Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A</b> |                                                                                         |
|--------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| <b>“A” x 0.10</b><br><br><i>Note: number must be same as shown in Step 2</i>                           | 15,839,375                                                                              |
| <b>Subtract “E”</b><br><br><i>Note: number must be same as shown in Step 3</i>                         | 0                                                                                       |
| <b>Total [“A” x 0.10] – “E”</b>                                                                        | 15,839,375<br><br><i>Note: this is the remaining placement capacity under rule 7.1A</i> |

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+ See chapter 19 for defined terms.