



VOLT POWER GROUP LIMITED
ACN 009 423 189

NOTICE OF GENERAL MEETING

**For the General Meeting of the Company to be held at BDO,
Ground Floor, 38 Station Street, Subiaco WA 6008 on 22
January 2018 at 9.00am (WST)**

This Notice and the accompanying Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Managing Director by telephone on +61 8 439 888 103

VOLT POWER GROUP LIMITED

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NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of shareholders of Volt Power Group Limited will be held at BDO, Ground Floor, 38 Station Street, Subiaco WA 6008 on 22 January 2018 at 9.00am (WST).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 20 January 2018 at 4.00pm (WST).

Terms and abbreviations used in this Notice and the Explanatory Memorandum are defined in Schedule 1.

AGENDA

1. Resolution 1 – Approval of Wescone Acquisition

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

*"That, subject to each other Resolution being passed, for the purposes of Listing Rule 11.1.2 and for all other purposes, Shareholders approve the acquisition by the Company of the entire issued share capital of Wescone Distribution Pty Ltd (**Wescone Acquisition**) on the terms and conditions detailed in the Explanatory Memorandum."*

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who might obtain a benefit (except a benefit solely in their capacity as holders of ordinary securities) if this Resolution is passed or any associates of that person (or those persons).

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. Resolution 2 - Issue of the Consideration Shares

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

*"That, subject to each other Resolution being passed, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the allotment and issue of 100,000,000 Shares (**Consideration Shares**) to Act6 Pty Ltd (and/or its nominees), as part consideration for the Wescone Acquisition on the terms and conditions detailed in the Explanatory Memorandum."*

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Act6 Pty Ltd and any person who will obtain a material benefit if this Resolution is passed (except a benefit solely by reason of being a holder of ordinary securities) or any associate of that person (or those persons).

However, the Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. Resolution 3 – Approval of Issue of Capital Raising Shares

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

*"That, subject to each other Resolution being passed, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the allotment and issue of 1,900,000,000 Shares at an issue price of \$0.0025 each to raise \$4,750,000 (before costs) (**Capital Raising**) on the terms and conditions detailed in the Explanatory Memorandum."*

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who may participate in, or any person who will obtain a material benefit as a result of, the Capital Raising (except a benefit solely by reason of being a holder of ordinary securities) or any associates of that person (or those persons).

However, the Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. Resolution 4 - Participation in Capital Raising by Mr Adam Boyd

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

"That, subject to each other Resolution being passed, pursuant to and in accordance with Listing Rule 10.11, section 208 of the Corporations Act and for all other purposes,

Shareholders approve the issue of 200,000,000 Shares to Mr Adam Boyd (and/or his nominees) as a subscriber in the Capital Raising on the terms and conditions detailed in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Boyd or any of his associates.

The Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. Resolution 5 - Participation in Capital Raising by the ECM Parties

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

"That, subject to each other Resolution being passed, pursuant to and in accordance with Listing Rule 10.11, section 208 of the Corporations Act and for all other purposes, Shareholders approve the issue of 148,000,000 Shares to the ECM Parties (and/or their nominees) as subscribers in the Capital Raising on the terms and conditions detailed in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of the ECM Parties or any of their associates.

The Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. Resolution 6 - Section 195 Approval

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

"That, subject to each other Resolution being passed, pursuant to and in accordance with subsection 195(4) of the Corporations Act and for all other purposes, Shareholders approve the transactions contemplated in Resolutions 3 to 5 (inclusive)."

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'Adam Boyd', written in a cursive style.

Mr Adam Boyd
Managing Director
Dated: 19 December 2017

VOLT POWER GROUP LIMITED

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EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held on 22 January 2018 at 9.00am (WST).

This Explanatory Memorandum should be read in conjunction with, and forms part of, the Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions.

This Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2:	Action to be taken by Shareholders
Section 3:	Overview
Section 4:	Resolution 1 – Approval of the Wescone Acquisition
Section 5	Resolution 2 – Issue of Consideration Shares
Section 6	Resolution 3 – Approval of Issue of Capital Raising Shares
Section 7	Resolution 4 – Participation in Capital Raising by Mr Adam Boyd
Section 8	Resolution 5 – Participation in Capital Raising by the ECM Parties
Section 9	Resolution 6 – Section 195 Approval
Schedule 1:	Definitions and Interpretation
Schedule 2:	Pro Forma Statement of Financial Position
Schedule 3:	Risk Factors

A Proxy Form is enclosed with the Notice and this Explanatory Memorandum.

2. Action to be taken by Shareholders

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

Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Proxies

A Proxy Form is enclosed with the Notice and this Explanatory Memorandum. This is to be used by Shareholders if they wish to appoint a representative (a "proxy") to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions detailed in the Proxy Form. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

To vote by proxy, you may:

- (a) lodge your Proxy Form online at www.linkmarketservices.com.au in accordance with the instructions detailed on the Proxy Form; or
- (b) complete and sign the enclosed Proxy Form and return it by:
 - (i) post to Volt Power Group Limited, C/- Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235 Australia;
 - (ii) facsimile to Volt Power Group Limited, C/- Link Market Services Limited on +61 2 9287 0309; and
 - (iii) by hand to Volt Power Group Limited, C/- Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138,

so that it is received not later than 9.00am (WST) on 20 January 2018. Proxy Forms received later than this time will be invalid.

Please note that:

- (a) a proxy need not be a Shareholder;
- (b) a Shareholder may appoint a body corporate or an individual as its proxy;
- (c) a body corporate appointed as a Shareholder's proxy may appoint an individual as its representative to exercise any of the powers that the body corporate may exercise as the Shareholder's proxy; and
- (d) Shareholders entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

A body corporate which is a Shareholder, or which has been appointed as a proxy, is entitled to appoint an individual to act as its representative at the Meeting in accordance with section 250D of the Corporation Act.

If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the body corporate should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that body corporate's representative. The authority may be sent to the Company or the Company's share registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

The Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

3. Overview of the Proposed Transactions

3.1 Background

By way of background:

- (a) on 18 October 2016, the Company was placed into administration by its secured creditor and trading in the Shares was suspended on the Official List;
- (b) on 21 December 2016, the Company entered into a deed of company arrangement (**DOCA**) with ECM Pty Ltd (**ECM**) as the proponent of the DOCA;
- (c) ECM is a Western Australian construction, engineering and contracting group that specialises in the provision of electrical and instrumentation, structural, mechanical and piping and fabrication services to the mining, oil and gas, power generation and infrastructure sectors. ECM conducts its activities across Australia and overseas;
- (d) on 28 April 2017, the Company (previously named "Enerji Limited") obtained Shareholder approval at a general meeting in relation to (amongst other matters):
 - (i) the issue of Shares pursuant to a capital raising to raise \$5,600,000 (before costs) (**Previous Capital Raising**);
 - (ii) participation by ECM and its associates in the Previous Capital Raising; and
 - (iii) the appointment of new directors to the Board (being the current Directors);
- (e) on 19 May 2017, following the completion of the Previous Capital Raising, the DOCA was effectuated; and
- (f) following the satisfaction of ASX's reinstatement conditions, the Company was reinstated to official quotation on 14 June 2017.

3.2 Recent Activities

During the six to seven month period since reinstatement to the Official List, the Company has:

- (a) enhanced its process engineering capability;
- (b) completed a detailed engineering review of the Accretive Thermal Energy Node (**ATEN**) developed by previous management and identified material opportunities to improve ATEN commercial viability;
- (c) engaged relevant equipment suppliers to identify compatible equipment components inclusive of an assessment of all related capital and life-cycle cost information for technical integration with the ATEN flowsheet design;
- (d) established an ATEN steering committee to perform technical peer review of all salient flowsheet and feasibility study decisions by the Company's executive management;

- (e) reviewed recent developments in waste heat and organic rankine cycle technologies to identify opportunities to "step change" enhance ATEN (**Technology Review**);
- (f) completed a feasibility study (subject to peer review) for the installation of ATEN on an existing gas fueled mine site power station which recommended an optimised ATEN flowsheet based on the Technology Review (**Feasibility Study**). The Feasibility Study recommended an ATEN flowsheet which is expected to achieve improved commercial viability (i.e. higher availability and electricity supply reliability, reduce capital payback and enhance return on investment) through:
 - (i) improved thermal efficiencies;
 - (ii) reduced capital and operating costs;
 - (iii) simplified design and interface installation requirements;
 - (iv) reduction of cooling water consumption; and
 - (v) reduced overall construction, commissioning and operational risk;
- (g) continued commercial discussions with potential customers including the owner of the mine site that hosts the power station the subject of the Feasibility Study;
- (h) commenced preparation of a commercial and technical proposal to the mine site owner for consideration;
- (i) commenced front end engineering and design activities to address all major design requirements to support the commercial negotiations for the installation of the first ATEN and its subsequent "roll-out"; and
- (j) conducted due diligence on new business, project and asset development and acquisition opportunities with a specific emphasis on electrical generation and/or electrically powered infrastructure-type equipment and assets that are complementary to the ATEN technology, ATEN technical team capability and/or ATEN target markets comprising the resources and industrial sectors.

3.3 Proposed Transactions

Consistent with the Company's strategy to pursue opportunities complementary to its existing business offering (refer to Section 3.2(j)), the Company is proposing to:

- (a) acquire 100% of the issued capital of Wescone Distribution Pty Ltd (**Wescone**) (**Wescone Acquisition**) (the subject of Resolution 1);
- (b) acquire 50% of the issued capital of EcoQuip Australia Pty Ltd (**EcoQuip**) (**EcoQuip Investment**); and
- (c) raise \$4,750,000 (before costs) through the issue of 1,900,000,000 Shares at an issue price of \$0.0025 per Share (**Capital Raising**),

(together, the **Proposed Transactions**).

Listing Rule 11.1 provides that where an entity proposes to make a significant change, either directly or indirectly, to the scale or nature of its activities, it must provide full details to ASX as soon as practicable. Listing Rule 11.1.2 provides that, if ASX requires, the entity must get the approval of shareholders and must comply with any requirements of ASX in relation to the notice.

3.4 Shareholder Approval Requirements

ASX has advised that the Company is not required to comply with Listing Rule 11.1.2 and seek Shareholder approval for the EcoQuip Investment, but will be required to comply with Listing Rule 11.1.2 in respect to the Wescone Acquisition. Accordingly, the Company is seeking Shareholder approval in respect to the Wescone Acquisition to comply with Listing Rule 11.1.2 (the subject of Resolution 1).

Shareholders should note that:

- (a) completion of the Wescone Acquisition is subject to and conditional upon certain conditions precedent (refer to Section 3.5(d)) and the Wescone Acquisition and the EcoQuip Investment are independent of each other, meaning completion of the Wescone Acquisition is not dependent on the completion of the EcoQuip Investment, and vice-versa; and
- (b) all of the Resolutions are interdependent, meaning that each of them will only take effect if all of them are approved by the requisite majority of Shareholders' votes at the Meeting (refer to Section 3.16 for further details);
- (c) ASX takes no responsibility for the contents of the Notice; and
- (d) if any of the Resolutions are not approved at the Meeting, none of the Resolutions will take effect and the Wescone Acquisition and other matters contemplated by the Resolutions will not be completed.

3.5 Summary of the Wescone Acquisition

(a) Wescone Acquisition

The Company has entered into a sale and purchase agreement to acquire 100% of the issued capital of Wescone from Act6 (**Wescone Agreement**). Completion of the Wescone Acquisition is subject to the satisfaction and/or waiver of a number of conditions precedent (detailed in Section 3.5(d)).

(b) Consideration for the Wescone Acquisition

The total consideration payable by the Company under the terms of the Wescone Agreement in consideration for the acquisition of 100% of the issued capital of Wescone is as follows:

- (i) the total "upfront" consideration is \$5,000,000, comprising:
 - (A) the issue of 100,000,000 Shares to Act6 at completion (at a deemed issue price of \$0.0025 per Share and having a value of \$250,000) (the subject of Resolution 2) (**Consideration Shares**); and
 - (B) \$4,750,000 in cash, to be paid to Act6 as follows:
 - (1) a \$200,000 non-refundable deposit, payable on the execution of the Wescone Agreement; and
 - (2) the remainder to be paid at completion, being \$4,550,000 (such funds to be derived from the proceeds of the Capital Raising (refer to Section 3.7)); and

- (ii) a royalty arrangement between Wescone and Act6 pursuant to which Act6 will be granted:
 - (A) a 25% royalty on all gross revenue received by Wescone from rental, equipment, maintenance and spare parts sales relating to the W300 series crusher exceeding \$2 million per annum (**Primary Royalty**) expiring on the earlier of:
 - (1) total Primary Royalty payments reaching \$6 million; and
 - (2) the 10th anniversary of completion of the Wescone Acquisition; and
 - (B) a 2% royalty on all gross revenue received by Wescone from rental, equipment, maintenance and spare parts sales relating to the W300 series crusher exceeding \$2 million per annum (**Residual Royalty**) commencing on expiry of the Primary Royalty and ceasing on the 15th anniversary of completion of the Wescone Acquisition.

The cash consideration payable to Act6 will be subject to a post completion working capital adjustment. The working capital adjustment is structured to ensure that on 31 December 2017, Wescone will have a minimum working capital amount of at least \$450,000.

The working capital adjustment also provides for the net trade debtor and creditor position to be nil and that Wescone will have no liabilities (other than trade creditors and outstanding employee entitlements) as at 31 December 2017.

(c) **Rights and Obligations**

Under the terms of the Wescone Agreement, all receivables and liabilities in connection with or arising by reason of the Wescone business or the carrying on of the Wescone business on and from 31 December 2017 will be for the benefit and be the responsibility of the Company.

(d) **Conditions Precedent**

Completion of the Wescone Acquisition is subject to a number of conditions precedent, including but not limited to:

- (i) the Company obtaining all necessary approvals (including Shareholder approvals);
- (ii) the Company completing the Capital Raising (refer to Section 3.7);
- (iii) the execution of a royalty agreement in respect to the Primary Royalty and the Residual Royalty;
- (iv) the execution of an intellectual property assignment deed in relation to the assignment of all intellectual property rights currently used or held by third parties;
- (v) Wescone entering into exclusive supply agreements with its key W300 component suppliers on terms acceptable to the parties; and

- (vi) there being no material adverse change in the Wescone business or breach of any of the warranties.

As at the date of this Notice, the conditions precedent detailed in Sections 3.5(d)(iii) and 3.5(d)(iv) have been satisfied.

3.6 Wescone Business

(a) Background

Wescone is a privately owned Australian company. The primary business activity of Wescone comprises the design, manufacture, supply and service of proprietary sample crushing equipment.

The Wescone business has a successful 25-year operating track record of supply of its W300 sample crusher globally although predominantly to the WA resources sector.

Wescone W300 sample crushers are used extensively throughout the "run of mine" and port loading materials handling infrastructure in the Pilbara iron ore operations of both BHP and Rio Tinto. The Wescone W300 sample crusher is used to crush run of mine and port loading ore samples that are subsequently assay tested to assist with blending optimisation of ship loaded ore grade and impurity composition.

Wescone owns all designs, component patterns, moulds, assembly jigs and intellectual property associated with its electrically powered W-300 high speed rotating cone sample crusher which has been used by mining and assay laboratory businesses in Western Australia and internationally for over 20 years.

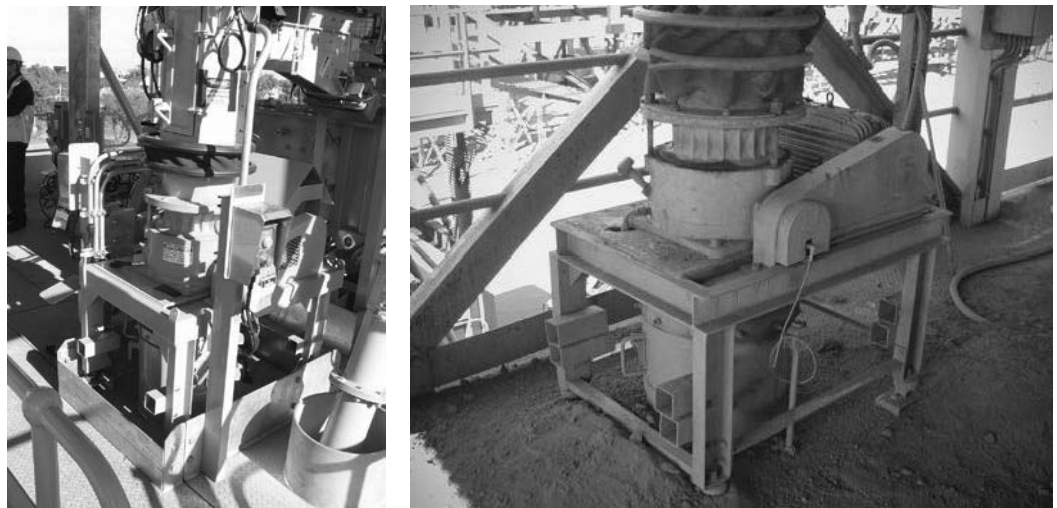


Figure 1 - W300/2 Sample Crusher Installations

The W300 sample crusher and component designs are developed "in house" and, to date, Wescone has developed three successive W300 sample crushers, each an improvement on the preceding model. The most recent incarnation of the W300 sample crusher (the Series 3 – "W300/3") was released in 2017 to replace the now superseded "W300/2" sample crusher.

The W300/3 (refer to Figure 2 below) weighs 228kgs and is approximately 55cm x 55cm square and 65cm high. The crusher is supplied as a single equipment unit and is driven by a 9kW electric motor.



Figure 2 - W300/3 Sample Crusher

The W300 sample crusher is the only high-speed sample cone crusher of its size and capability available globally and, to date, approximately 300 W300 crushers have been supplied in the resources industry based on an equipment sale and service business model. Approximately 200 W300 Wescone sample crushers are in operation in Australia and overseas.

Wescone does not perform any crushing of material on its own account and solely supplies the sample crushing equipment and performs service maintenance on each individual crusher supplied as needed.

The Wescone W300 sample crusher has numerous positive performance characteristics providing for its extensive use throughout the Pilbara iron-ore industry. These include:

- (i) best in class single pass reduction ratio;
- (ii) simple, robust design features and related protection;
- (iii) high throughput performance;
- (iv) low mass achieving ease of installation and maintenance performance;
- (v) high availability and reliability – low normalised life-cycle maintenance costs; and
- (vi) reliable, prompt and consistent ongoing service and supply from Perth domiciled workshop facilities.

(b) Existing Customers

Wescone's existing customers include BHP, Rio Tinto, Iscor, FMG, MIM, BGC, BHP Nickel West, Port of Esperance and Hancock Prospecting (Roy Hill).

Rio Tinto



Wescone also supplies the W300 crusher into South Africa and Canada via agency arrangements.

(c) **Financial Performance**

The Wescone business has operated profitably for over 20 years and has delivered an average EBIT over the last five years of approximately \$600,000. All research and development costs have been historically expensed.

The statement of financial position of Wescone as at the effective date, being 31 December 2017, will be as follows:

Description	\$Million
Total Assets	0.65
Total Liabilities	0.03
Net Assets / Equity	0.62

Refer to Schedule 2 for further details.

(d) **Business Model Transition**

The Company and Act6 have agreed that Wescone will work with its customers to transition its business model from the historical equipment sale and service revenue model to a "serviced equipment rental" model.

This will align the Wescone business model with that of the Company and provide for improved future supply sustainability for Wescone customers as the business transitions ownership. The change in business model will also provide customers with reduced maintenance costs at the time of transition and reduced capital costs (as customers no longer need to purchase W300 sample crushers).

3.7 Capital Raising

The Company is proposing to raise \$4,750,000 (before costs) through the offer of 1,900,000,000 Shares at an issue price of \$0.0025 per Share (**Capital Raising Shares**) to certain professional and sophisticated investors (**Capital Raising**).

As at the date of this Notice, the Company has received firm commitments for 100% of the Capital Raising. It is proposed that Mr Adam Boyd and the ECM Parties, the largest Shareholders, will, subject to Shareholders passing Resolutions 4 and 5 respectively, participate in the Capital Raising.

The professional and sophisticated investors who have committed to the Capital Raising have done so on the basis that Mr Adam Boyd and the ECM Parties will be participating in the Capital Raising to the extent detailed in Sections 7 and 8.

The purpose of the Capital Raising is as follows:

- (a) to fund the consideration requirements for the Wescone Acquisition; and
- (b) permit the Company to maintain a sufficient level of working capital following completion of the Wescone Acquisition (on the basis that none of the Company's existing cash reserves will be utilised for the Wescone Acquisition) to continue with the ATEN commercialization and "roll out".

Refer to Section 6 for further details of the Capital Raising.

3.8 Pro Forma Statement of Financial Position

The pro forma statement of financial position for the Company upon completion of the Proposed Transactions is detailed in Schedule 2.

3.9 Advantages of the Wescone Acquisition

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's determination on how to vote on the Resolutions:

(a) Acquisition of an established and growing business operating in the resources industry

The Wescone Acquisition provides Shareholders with exposure to a well-established and improving business operating in the resources industry. The Wescone Acquisition will place the Company in a stronger financial position and improve the Company's competitive capacity, technical capability, market presence and business development position. Ownership of the Wescone business is expected to deliver the opportunity to:

- (i) expand the sales reach of Wescone to other resource sector active markets globally and new industry supply niches;
- (ii) expand the Company's client relationship reach to assist with cross-selling its growing product offering and provide access to new future opportunities; and
- (iii) enhance the Company's technical design, engineering and workshop fabrication capabilities.

(b) Complementary to the existing business of the Company

The Wescone business is of a complementary nature to the Company's existing business on the following basis:

- (i) Wescone has recently adopted a rental contract revenue model which is similar to the Company's existing business strategy with all equipment to be supplied pursuant to medium to long term rental contracts based on time and performance;
- (ii) Wescone has a resource and industrial market sector focus and competitively advantaged equipment supply strategy similar to the Company's existing strategic ATEN and EcoQuip business objectives; and
- (iii) Wescone offers significant cross-selling opportunity for the portfolio of the ATEN and EcoQuip offerings to the resource sector in Australia and globally.

(c) Potential to enhance Shareholder value

The Directors consider that there is a greater likelihood of increasing Shareholder value by proceeding with the Wescone Acquisition and expanding the Company's footprint and business presence in the resources industry.

3.10 Disadvantages of the Wescone Acquisition

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's determination on how to vote on the Resolutions:

(a) **New Business**

Following completion of the Wescone Acquisition, whilst continuing to operate its existing operations, the Company will devote management attention and may devote funding to the acquired business.

(b) **Dilution**

On the basis that the Capital Raising is fully subscribed, the issue of the Capital Raising Shares and the issue of the Consideration Shares will have a dilutionary effect of 24.4% on the current voting rights of Shareholders. Consequently, existing Shareholder' voting power and influence over the affairs of the Company will be reduced.

(c) **Risk factors**

Shareholders should be aware that if the Wescone Acquisition is approved and completed, the Company will be changing the nature and scale of its activities and will be subject to the risks associated with the ownership and operation of the Wescone business. Based on the information available, a non-exhaustive list of risk factors that will be applicable to the Company post the Wescone Acquisition (having regard to its existing business) is detailed in Schedule 3.

3.11 The EcoQuip Investment

(a) **EcoQuip Agreements**

In addition to the Wescone Agreement, the Company has entered into agreements with EcoQuip pursuant to which the Company will acquire a 50% interest in the total issued share capital of EcoQuip (**EcoQuip Agreements**).

In consideration for acquiring a 50% interest in EcoQuip, the Company will:

- (i) issue the EcoQuip vendor such number of Shares having the value of \$150,000 (based on the lesser of the 5-day VWAP of Shares prior to completion or \$0.003 per Share); and
- (ii) pay \$1,000,000 to EcoQuip for the subscription for new EcoQuip Shares at completion.

The completion of the EcoQuip Investment is subject to the satisfaction and/or waiver of a number of conditions precedent, including the execution of a services agreement, shareholders agreement and the assignment of all intellectual property rights currently used or held by third parties.

ASX has advised the Company that Listing Rule 11.1.2 does not apply to the EcoQuip Investment (refer to Section 3.4 for further details).

The EcoQuip Investment is being considered by the Company independently of the Wescone Acquisition.

(b) **EcoQuip's Business**

EcoQuip is a privately owned Australian business established in 2010. EcoQuip's primary activity comprises the design, manufacture, supply and service of a mobile solar powerbox trailer incorporating a robust military specification retractable tower for LED lighting, Wi-Fi repeater and CCTV retro-fit (MSPT).



Figure 3 - EcoQuip MSPT LED Lighting Tower (Gen3)

The MSPT uses solar panels for energy supply and Li-Ion batteries for energy storage. The Company believes that the MSPT's "fit for purpose" design focus, rigorous equipment due diligence and selection, control system optimisation and robust assembly quality control has achieved a robust, reliable and disruptive equipment solution.

The MSPT (in all retro-fit solution forms) has been specifically designed to withstand mining industry conditions, usage demands and reliability requirements.

The EcoQuip MSPT LED lighting tower solution is seeking to target the displacement of all diesel fueled lighting tower market alternatives.

(c) Existing EcoQuip Fleet

EcoQuip currently has a fleet of 25 MSPT LED lighting and communication towers deployed across Western Australia pursuant to contract rental arrangements with significant construction and resource services companies. These include Thiess Contracting, John Holland, Aerobotics and NRW. EcoQuip is also supplying mobile lighting solutions to AngloGold Ashanti Australia Limited.



Figure 4 - EcoQuip MSPT LED Lighting Tower (Gen3)

(d) The EcoQuip Strategy

The EcoQuip business strategy primarily comprises:

- (i) a significant expansion of the deployed fleet of 25 rental MSPT LED lighting towers; and
- (ii) the establishment of a MSPT Wi-Fi repeater and CCTV enabled fleet with the specific purpose of becoming a strategic serviced rental equipment supplier to assist with the execution of the autonomous mining activities.

(e) EcoQuip MSPT Performance Benefits

The MSPT equipment offering has numerous positive performance characteristics over diesel fuelled alternatives including:

- (i) zero fuel usage;
- (ii) zero emissions;
- (iii) zero servicing and oil requirements;
- (iv) zero emissions (exhaust and noise) and hydrocarbon spill risk;
- (v) zero carbon emissions;
- (vi) no electrical or mechanical fitter operational or maintenance requirements; and
- (vii) simple unskilled component change-out capability.

The current and target customers for the MSPTs comprise resource company mine owners, resource services and industrial in Australia and internationally, being the same current and target customers for the ATEN.

3.12 Indicative Capital Structure

The capital structure of the Company upon implementation of the Proposed Transactions will be as follows:

	Shares	Options
Current Capital Structure	6,194,533,558	390,000,000 ¹
EcoQuip Investment	50,000,000 ²	-
Wescone Acquisition	100,000,000 ³	-
Capital Raising	1,900,000,000 ⁴	-
Total	8,244,533,558	390,000,000

Note:

1. 175,000,000 options expiring 23 May 2020 with an exercise price of \$0.0015 each; 175,000,000 options expiring 23 May 2021 with an exercise price of \$0.002 each; 20,000,000 options expiring 9 November 2020 with an exercise price of \$0.004 each and 20,000,000 options expiring 9 November 2021 with an exercise price of \$0.0045 each
2. Based on an equity consideration of \$150,000 and assuming a price of \$0.003 per Share. Refer to Section 3.11.
3. Based on an equity consideration of \$250,000 and a price of \$0.0025 per Share. Refer to Section 3.5(b)(i)(A).
4. Based on an issue price of \$0.0025 per Share to raise \$4,750,000.

3.13 Indicative timetable

The following is an indicative timetable for the completion of the Proposed Transactions:

Event	Indicative Date
Dispatch of Notice of General Meeting	22 December 2017
Completion of EcoQuip Investment	22 December 2017
General Meeting	22 January 2018
Completion of Capital Raising	23 January 2018
Completion of Wescone Acquisition	25 January 2018

*The above timetable is indicative only and subject to change. The Directors reserve the right to amend the timetable without notice and will keep Shareholders updated (via ASX announcements) on the timing of completion of the Proposed Transactions.

3.14 Future of the Company

If the Proposed Transactions are completed, the Company intends to:

- (a) continue with the Company's activities to commercialise and "roll-out" the ATEN Technology;
- (b) continue the Company's activities in relation to the expansion of its power generation footprint through the development and/or acquisition of micro-grid power supply solutions and other power generation assets that can further the exploitation and roll-out of the ATEN technology;
- (c) affect the transition to the Wescone serviced rental contract business model based on time and performance from the historical sale and service business; and

- (d) seek to manufacture, design enhance and commercially roll-out the EcoQuip MSPT by expanding its MSPT LED lighting tower rental fleet and related Wi-Fi repeater and CCTV solution variants.

3.15 Board Composition

The composition of the Board will not change as a result of the Wescone Acquisition and/or the EcoQuip Investment. However, the founder and vendor of Wescone, Mr Kim Ledger, will remain as a director of Wescone following completion of the Wescone Acquisition.

3.16 Interdependence

Having regard to the matters detailed in Section 3.7, all the Resolutions are interdependent, meaning that each of them will only take effect if the requisite majority of Shareholders' votes at the Meeting approve all of them. If any of the Resolutions are not approved at the Meeting, none of the Resolutions will take effect and the Wescone Acquisition and other matters contemplated by the Resolutions will not be completed.

3.17 Risk Factors

Shareholders should be aware that if all of the Resolutions are approved and the Wescone Acquisition is completed, the Company will be subject to various risk factors (in addition to those that are presently applicable). These risks are both specific to the industry in which the Company operates and also relate to the general business and economic environment in which the Company will operate. Based on the information available, a non-exclusive list of these risk factors is detailed in Schedule 3.

3.18 Plans for the Company if the Proposed Transactions are not completed

If the Company does not complete one or both of the Wescone Acquisition and the EcoQuip Investment, it will continue with its current business activities and will investigate, and as required, undertake due diligence on new opportunities to complement its existing business.

3.19 Forward looking statements

The forward-looking statements in this Explanatory Memorandum are based on the Company's current expectations about future events. However, they are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by the forward-looking statements in this Explanatory Memorandum. Forward looking statements include those containing words such as "anticipate", "estimates", "should", "will", "expects", "plans" or similar expressions.

4. Resolution 1 – Approval of Wescone Acquisition

4.1 General

The Company has agreed to undertake the Wescone Acquisition, subject to the satisfaction of certain conditions precedent (refer to Section 3.5(d)), including but not limited to, Shareholder approval and completion of the Capital Raising.

Refer to Section 3.5 for further information on the Company and the likely effect that the Wescone Acquisition will have on the Company.

Resolution 1 seeks approval from Shareholders for a change to the nature and scale of the activities of the Company as a result of the Wescone Acquisition.

Resolution 1 is an ordinary resolution. Resolution 1 is subject to the approval of each other Resolution.

A voting exclusion statement is included in the Notice.

The Chairman will cast all available proxies in favour of Resolution 1.

4.2 Listing Rule 11.1

Chapter 11 of the Listing Rules requires Shareholders to approve any significant change in the nature or scale of an ASX listed company's activities. Completion of the Wescone Acquisition (when considered in conjunction with the Capital Raising) will have the effect of changing the nature and scale of the Company's activities.

Resolution 1 seeks Shareholder approval to allow the Company to complete the Wescone Acquisition thereby changing the nature and scale of its activities. The Wescone Acquisition, if approved by Shareholders at the Meeting and successfully completed, will result in a change in nature and scale of the activities undertaken by the Company to include the business operated by Wescone.

Where an ASX listed company seeks to change nature and scale of its activities, it must:

- (a) under Listing Rule 11.1.1, notify ASX of the proposed change; and
- (b) under Listing Rule 11.1.2, obtain shareholder approval to undertake the change, if required by ASX.

Having regard to the Proposed Transactions, ASX has advised that the Wescone Acquisition and Capital Raising (with or without the EcoQuip Investment) constitute transactions which require Shareholder approval pursuant to Listing Rule 11.1.2. The Company is not required to re-comply with Chapters 1 and 2 of the Listing Rules.

4.3 Board Recommendation

The Board recommends that Shareholders vote in favour of Resolution 1.

5. Resolution 2 – Issue of Consideration Shares

5.1 General

As detailed in Section 3.5, the Company is proposing to acquire the entire issued share capital of Wescone.

Subject to the satisfaction of the conditions precedent detailed in Section 3.5(d), at completion, the Company intends to issue 100,000,000 Shares (**Consideration Shares**) to Act6 (and/or its nominees) as part consideration for the Wescone Acquisition.

Resolution 2 seeks Shareholder approval for the issue of the Consideration Shares, pursuant to Listing Rule 7.1 to Act6 (and/or its nominees).

Resolution 2 is an ordinary resolution. Resolution 2 is subject to the approval of each other Resolution.

The Chairman will cast all available undirected proxies in favour of Resolution 2.

5.2 Listing Rule 7.1

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of approving Resolution 2 will be to allow the Company to issue the Consideration Shares during the three month period after the Meeting (or a longer period, if allowed by ASX), without utilising the Company's 15% placement capacity under Listing Rule 7.1.

5.3 Specific information required by Listing Rule 7.3

For the purposes of Shareholder approval of the issue of the Shares and the requirements of Listing Rule 7.3, the following information is provided:

- (a) A maximum of 100,000,000 Shares will be issued.
- (b) The Company will issue the Consideration Shares no later than three months after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).
- (c) The Consideration Securities are issued as part consideration for the Wescone Acquisition and will therefore be issued at an issue price of nil.
- (d) The Consideration Shares will be issued to Act6 (and/or its nominees) who is not a related party of the Company.
- (e) The Shares will be fully paid ordinary shares and will rank equally in all respects with the Company's existing Shares on issue.
- (f) No funds will be raised from the issue of the Consideration Shares as they are to be issued as part consideration for the Wescone Acquisition.
- (g) It is intended that the Consideration Shares will be issued on the same date, being the date of completion of the Wescone Acquisition.
- (h) A voting exclusion statement is included in the Notice.

5.4 Board Recommendation

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

6. Resolution 3 – Issue of Capital Raising Shares

6.1 General

Resolution 3 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of 1,900,000,000 Shares (**Capital Raising Shares**) at an issue price of \$0.0025 per Share to raise \$4,750,000 (before costs).

Refer to Section 3.7 for details of the proposed use of funds to be raised pursuant to the Capital Raising.

Resolution 3 is an ordinary resolution. Resolution 3 is subject to the approval of each other Resolution.

The Chairman will cast all available undirected proxies in favour of Resolution 3.

6.2 Listing Rule 7.1

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of approving Resolution 3 will be to allow the Company to issue the Shares to be offered under the Capital Raising during the three month period after the Meeting (or a longer period, if allowed by ASX), without utilising the Company's 15% placement capacity under Listing Rule 7.1.

6.3 Specific information required by Listing Rule 7.3

For the purposes of Shareholder approval of the issue of the Shares and the requirements of Listing Rule 7.3, the following information is provided:

- (a) A maximum of 1,900,000,000 Shares will be issued.
- (b) The Company will issue the Shares no later than three months after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).
- (c) The Shares will each be issued at a price of \$0.0025 per Capital Raising Share.
- (d) The Shares will be issued to professional and sophisticated investors who are not related parties or associates of related parties of the Company, with the exception of 200,000,000 Shares being issued to Mr Adam Boyd (and/or his nominees) and 148,000,000 Shares being issued to the ECM Parties (and/or their nominees) (subject to the passing of Resolutions 4 and 5 respectively). If Resolutions 4 and 5 are not approved, all of the other Resolutions (including this Resolution) will not proceed.
- (e) The Shares will be fully paid ordinary shares and will rank equally in all respects with the Company's existing Shares on issue.
- (f) The funds raised from the issue of the Shares will be utilised by the Company to:
 - (i) fund the consideration requirements for the Wescone Acquisition; and
 - (ii) maintain a sufficient level of working capital following completion of the Wescone Acquisition, to advance, inter alia, the commercialisation and "roll out" of the ATEN technology.

Refer to Section 3.7 for further details.

- (g) The Capital Raising Shares will be issued on a date no later than 3 months after the date of the Meeting (or such longer period, if allowed by ASX).
- (h) A voting exclusion statement is included in the Notice.

6.4 Directors' Recommendations

Mr Peter Torre recommends that Shareholders vote in favour of Resolution 3.

Mr Adam Boyd and Mr Simon Higgins will not make a recommendation as it is proposed that they will participate in the Capital Raising.

7. Resolution 4 - Participation in Capital Raising by Mr Adam Boyd

7.1 General

Resolution 4 seeks Shareholder approval in accordance with Listing Rule 10.11 and section 208 of the Corporations Act for the issue of 200,000,000 Shares to Mr Boyd (and/or his nominees) (**Director Participating Shares**) as a subscriber in the Capital Raising.

Resolution 4 is an ordinary resolution. Resolution 4 is subject to the approval of each other Resolution.

The Chairman will cast all available undirected proxies in favour of Resolution 4.

If the Chairman is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 4, by signing and returning the Proxy Form, you are considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

7.2 Section 208 of Corporations Act

In accordance with section 208 of the Corporations Act, to give a financial benefit to a related party, the Company must obtain Shareholder approval unless the giving of the financial benefit falls within an exception in sections 210 to 216 of the Corporations Act.

Mr Adam Boyd, a Director, is a related party of the Company. The issue of the Director Participating Shares constitutes the giving of a financial benefit for the purpose of section 208 of the Corporations Act and the Company will seek Shareholder approval for the purposes of that section.

7.3 Listing Rule 10.11

In accordance with Listing Rule 10.11, the Company must not issue securities to a related party of the Company unless it obtains Shareholder approval.

As Shareholder approval is sought under Listing Rule 10.11, approval under Listing Rule 7.1 is not required, in accordance with exception 14 of Listing Rule 7.2.

Pursuant to Listing Rule 7.2, exception 14, the effect of passing Resolution 4 will be to allow the Company to issue 200,000,000 Shares as part of the Capital Raising to Mr Boyd (and/or his nominees) and without using up the Company's 15% placement capacity under Listing Rule 7.1.

If Shareholders do not approve Resolution 4, the Company will not issue the Director Participating Shares to Mr Boyd (and/or his nominees).

7.4 Specific information required by Listing Rule 10.13 and section 219 of the Corporations Act

In accordance with Listing Rule 10.13 and section 219 of the Corporations Act, information regarding the issue of the Director Participating Shares to Mr Boyd (and/or his nominees) is provided as follows:

- (a) The Director Participating Shares will be issued to Mr Adam Boyd (and/or his nominees).
- (b) The maximum number of Shares to be issued is as follows:

Director	No. of Director Participating Shares
Mr Adam Boyd (and/or his nominees)	200,000,000

- (c) Subject to receiving Shareholder approval, the Company will issue the Director Participating Shares to Mr Boyd (and/or his nominees) no later than one month after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).
- (d) The Director Participating Shares will be issued to Mr Boyd (and/or his nominees) at \$0.0025 per Share, being the same price as the Capital Raising Shares to be issued as part of the Capital Raising.
- (e) The Director Participating Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (f) The funds raised from the issue of the Director Participating Shares to Mr Boyd (and/or his nominees) will be pooled together with the funds raised from the issue of the other Capital Raising Shares and be used as follows:
 - (i) to fund the consideration requirements for the Wescone Acquisition; and
 - (ii) maintain a sufficient level of working capital following completion of the Wescone Acquisition to advance, inter alia, the commercialisation and "roll-out" of the ATEN Technology.
- (g) Mr Adam Boyd has an interest in this Resolution 4 and therefore believes it inappropriate to make a recommendation.
- (h) The current security holdings of Mr Adam Boyd are as follows:

Director	Shares	Options
Mr Adam Boyd (and/or his nominees)	710,000,000	350,000,000

- (i) A voting exclusion statement is included in the Notice for Resolution 4.
- (j) Other than the information above and otherwise set out in the Notice, the Directors believe that there is no other information that would be reasonably required by Shareholders to pass Resolution 4

7.5 Director Recommendation

The Directors (other than Mr Boyd) recommend that Shareholders vote in favour of Resolution 4.

8. Resolution 5 – Participation in the Capital Raising by the ECM Parties

8.1 General

Resolutions 5 seek Shareholder approval in accordance with Listing Rule 10.11 to issue to:

- (a) Mr Michael Hender;
- (b) Mr Simon Higgins, a Director; and
- (c) Mr Darryl Oldfield,

(together, the **ECM Parties**) (and/or their nominees) 148,000,000 Shares (**ECM Participating Shares**) as subscribers in the Capital Raising.

Messrs Michael Hender, Simon Higgins and Darryl Oldfield are directors and shareholders of ECM and together hold the entire issued share capital of ECM. As at the date of this Notice, the ECM Parties together with ECM have an aggregate voting power of 57.55% (being a total of 3,565,000,000 Shares).

Subject to Shareholders passing each other Resolution, the issue of the Capital Raising Shares and the ECM Parties (and/or their nominees) subscribing for the maximum number of ECM Participating Shares, the ECM Parties and ECM's voting power will be reduced to 45.3%.

Resolution 5 is an ordinary resolution. Resolution 5 is subject to the approval of each other Resolution.

The Chairman will cast all available undirected proxies in favour of Resolution 5.

8.2 Section 208 of Corporations Act

In accordance with section 208 of the Corporations Act, to give a financial benefit to a related party, the Company must obtain Shareholder approval unless the giving of the financial benefit falls within an exception in sections 210 to 216 of the Corporations Act.

The ECM Parties are related parties of the Company for the purposes of section 228 of the Corporations Act.

The issue of the ECM Participating Shares constitutes the giving of a financial benefit for the purpose of section 208 of the Corporations Act and the Company will seek Shareholder approval for the purposes of that section.

8.3 Listing Rule 10.11

In accordance with Listing Rule 10.11, the Company must not issue securities to a related party of the Company unless it obtains Shareholder approval.

As Shareholder approval is sought under Listing Rule 10.11, approval under Listing Rule 7.1 is not required, in accordance with exception 14 of Listing Rule 7.2.

Pursuant to Listing Rule 7.2, exception 14, the effect of passing Resolution 5 will be to allow the Company to issue 148,000,000 Shares as part of the Capital Raising to the ECM Parties (and/or their nominees) and without using up the Company's 15% placement capacity under Listing Rule 7.1.

If Shareholders do not approve Resolution 5, the Company will not issue the ECM Participating Shares to the ECM Parties (and/or their nominees).

8.4 Specific information required by Listing Rule 10.13 and section 219 of the Corporations Act

In accordance with Listing Rule 10.13 and section 219 of the Corporations Act, information regarding the issue of the ECM Participating Shares to the ECM Parties (and/or their nominees) is provided as follows:

- (a) The ECM Participating Shares will be issued to the ECM Parties (and/or their nominees).
- (b) The maximum number of Shares to be issued is as follows:

Director	No. of ECM Participating Shares
Mr Michael Hender (and/or his nominees)	80,000,000
Mr Simon Higgins (and/or his nominees)	28,000,000
Mr Darryl Oldfield (and/or his nominees)	40,000,000

- (a) Subject to receiving Shareholder approval, the Company will issue the ECM Participating Shares to the ECM Parties (and/or their nominees) no later than one month after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).
- (b) The ECM Participating Shares will be issued to the ECM Parties (and/or their nominees) at \$0.0025 per Share, being the same price as the Capital Raising Shares to be issued as part of the Capital Raising.
- (c) The ECM Participating Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (d) The funds raised from the issue of the ECM Participating Shares to the ECM Parties (and/or their nominees) will be pooled together with the funds raised from the issue of the other Capital Raising Shares and be used as follows:
 - (i) to fund the consideration requirements for the Wescone Acquisition; and
 - (ii) maintain a sufficient level of working capital following completion of the Wescone Acquisition to advance, inter alia, the commercialisation and "roll-out" of the ATEN Technology.
- (e) Mr Simon Higgins has an interest in this Resolution 5 and therefore believes it inappropriate to make a recommendation.
- (f) The current security holdings of the ECM Parties are as follows:

ECM Parties*	Shares
Mr Michael Hender (and/or his nominees)	710,000,000

Mr Simon Higgins (and/or his nominees)	745,000,000
Mr Darryl Oldfield (and/or his nominees)	110,000,000

*Note also that ECM presently holds 2,000,000,000 Shares.

- (g) A voting exclusion statement is included in the Notice for Resolution 5.
- (h) Other than the information above and otherwise set out in the Notice, the Directors believe that there is no other information that would be reasonably required by Shareholders to pass Resolution 5.

8.5 Director Recommendation

The Directors (other than Mr Higgins) recommend that Shareholders vote in favour of Resolution 5.

9. Resolution 6 - Section 195 Approval

In accordance with section 195 of the Corporations Act, a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a “material personal interest” are being considered.

Mr Adam Boyd and Mr Simon Higgins, Directors, may have a material personal interest in the outcome of Resolutions 3 to 5 (inclusive).

In the absence of this Resolution 6, the Directors may not be able to form a quorum at directors meetings necessary to carry out the terms of Resolutions 3 to 5 (inclusive).

The Directors accordingly exercise their right under section 195(4) of the Corporations Act to put the issue to Shareholders to resolve.

Resolution 6 is an ordinary resolution. Resolution 6 is subject to the approval of each other Resolution

Schedule 1 – Definitions and Interpretation

In the Notice, words importing the singular include the plural and vice versa.

\$ means Australian dollars.

Act6 means Act6 Pty Ltd (ACN 077 860 649).

ASIC means the Australian Securities and Investments Commission.

ASX means the ASX Limited ACN 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

ATEN has the meaning given in Section 3.1.

Board means the board of Directors.

Business Day has the meaning given in the Listing Rules.

Capital Raising has the meaning given in Section 6.1.

Capital Raising Shares has the meaning given in Section 6.1.

Chair means the person appointed to chair the Meeting.

Company means Volt Power Group Limited ACN 009 423 189.

Consideration Shares has the meaning given in Section 5.1.

Constitution means the constitution of the Company. Corporations Act means the Corporations Act 2001 (Cth).

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Director Participating Shares has the meaning given to that term in Section 7.1.

DOCA has the meaning given to that term in Section 3.1(b).

EcoQuip means EcoQuip Australia Pty Limited (ACN 165 403 752).

EcoQuip Acquisition has the meaning given to that term in Section 3.3(b).

EcoQuip Agreements has the meaning given to that term in Section 3.11(a).

ECM has the meaning given to that term in Section 3.1.

ECM Parties has the meaning given to that term in Section 8.1.

ECM Participating Shares has the meaning given to that term in Section 8.1.

Equity Security has the meaning given in the Listing Rules.

Explanatory Memorandum means the explanatory memorandum which forms part of the Notice.

Feasibility Study has the meaning given to that term in Section 3.2(f).

Listing Rules means the listing rules of ASX.

Meeting has the meaning given in the introductory paragraph of the Notice.

MSPT has the meaning given to that term in Section 3.11(b).

Notice means this notice of general meeting.

Official List means the official list of ASX.

Option means an option to acquire a Share.

Optionholder means the holder of an Option.

Previous Capital Raising has the meaning given to that term in Section 3.1(d)(i).

Primary Royalty has the meaning given to that term in Section 3.5(b).

Proposed Transactions means the Wescone Acquisition, the EcoQuip Investment and the Capital Raising.

Proxy Form means the proxy form attached to the Notice.

Residual Royalty has the meaning given to that term in Section 3.5(b).

Resolutions means the resolutions referred to in the Notice or any one of them, as the context requires.

Schedule means a schedule to the Notice.

Section means a section of the Explanatory Memorandum.

Securities mean all Equity Securities of the Company.

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

Shareholder means the holder of a Share.

Technology Review has the meaning given to that term in Section 3.2(e).

VWAP means volume weighted average price as the term is defined in the Listing Rules.

Wescone means Wescone Distribution Pty Ltd (ACN 099 452 981).

Wescone Acquisition has the meaning given to that term in Section 3.3(a).

Wescone Agreement has the meaning given to that term in Section 3.5(a).

WST means Western Standard Time, being the time in Perth, Western Australia

Schedule 2 – Pro Forma Statement of Financial Position

	Volt Power Balance Sheet 30 June 2017	Eco Quip Investment (A)	Wescone Balance Sheet 30 June 2017	Wescone Consolidation & Acquisition Adjustments (B)	Volt Power Group Limited Consolidated Balance Sheet 30 June 2017
Cash and Cash Equivalents	2,886,661	(1,065,000)	206,996	(324,689)	1,703,968
Trade and Other Receivables	0	0	148,310	0	148,310
Prepayments	63,361	0	0	0	63,361
Inventories	0	0	257,527	0	257,527
Other Current Assets	0	0	324	0	324
TOTAL CURRENT ASSETS	2,950,022	(1,065,000)	613,157	(324,689)	2,173,490
Property, Plant and Equipment	10,134	0	154,432	0	164,566
Investment in Subsidiary	0	1,150,000	0	0	1,150,000
Intangible Assets	0	0	985	4,394,583	4,395,568
Deferred Tax Assets	0	0	0	0	0
TOTAL NON CURRENT ASSETS	10,134	1,150,000	155,417	4,394,583	5,710,134
TOTAL ASSETS	2,960,156	85,000	768,574	4,069,894	7,883,624
Trade and Other Payables	110,501	0	46,590	0	157,091
Interest Bearing Loans and Borrowings	0	0	42,579	0	42,579
Employee Benefit Liabilities	0	0	0	0	0
Provisions	0	0	0	0	0
Other Current Liabilities	0	0	0	0	0
Current Tax Liabilities	0	0	47,179	0	47,179
TOTAL CURRENT LIABILITIES	110,501	0	136,348	0	246,849
Interest Bearing Loans and Borrowings	0	0	2,120	0	2,120
Employee Benefit Liabilities	0	0	0	0	0
Deferred Tax Liability	0	0	0	0	0
TOTAL NON CURRENT LIABILITIES	0	0	2,120	0	2,120
TOTAL LIABILITIES	110,501	0	138,468	0	248,969
NET ASSETS	2,849,655	85,000	630,106	4,069,894	7,634,655

	Volt Power Balance Sheet 30 June 2017	Eco Quip Investment (A)	Wescone Balance Sheet 30 June 2017	Wescone Consolidation & Acquisition Adjustments (B)	Volt Power Group Limited Consolidated Balance Sheet 30 June 2017
Share Capital	67,814,945	150,000	100	4,799,900	72,764,945
Reserves	5,886,358	0	0	0	5,886,358
Retained losses	(73,822,992)	0	630,006	(630,006)	(73,822,992)
Current Year Profits / (Losses)	2,971,344	(65,000)	0	(100,000)	2,806,344
TOTAL EQUITY	2,849,655	85,000	630,106	4,069,894	7,634,655

(A) EcoQuip Investment Notes

- \$1,065,000 in cash outflow comprises the \$1,000,000 subscription payment for new EcoQuip Shares and \$65,000 legal documentation expenses
- \$1,150,000 Investment in Subsidiary comprises the \$1,000,000 new EcoQuip share subscription investment and \$150,000 purchase of EcoQuip shares from the EcoQuip vendor.

(B) Wescone Consolidation & Acquisition Adjustments

- \$324,689 in cash outflow comprises \$300,000 in Wescone transaction costs (inclusive of Capital Raising fees and legal adviser expenses) and \$24,689 in Wescone working capital adjustment
- \$4,394,583 comprises goodwill on purchase of Wescone
- \$4,799,900 Share Capital increase comprises the \$4,750,000 pursuant to the Capital Raising, \$250,000 of new Volt Shares issued to the Act6 as part of the upfront Consideration (this amount has been reduced by legal and broker expenses associated with the Capital Raising in accordance with Accounting standards).

Schedule 3 – Risk Factors

Risks specific to the Company and Wescone

(a) Integration Risk of the Wescone Acquisition and EcoQuip Investment

The operating results of the Company will depend on the success of management in integrating the proposed acquisition of Wescone and the investment in EcoQuip. There is no guarantee that the Company will be able to integrate this proposed acquisition into the Company successfully, or that any economic benefits will be able to be realised. There is a risk that the Company's future profitability and prospects could be adversely impacted if successful integration is not achieved in an orderly and timely fashion.

(b) Future Capital Needs and Additional Funding

The future capital requirements of the Company will depend on many factors including its business development activities. The Company believes its available cash and the net proceeds of the Capital Raising should be adequate to fund its business development activities, business plan and other Company objectives in the short to medium term as detailed in this Explanatory Memorandum. Changes to operational requirements, market conditions and business opportunities may mean further funding is required by the Company and/ or a business unit at an earlier stage than is currently anticipated.

Should the Company require additional funding there can be no assurance that additional financing will be available on acceptable terms, or at all. Any inability to obtain additional funding, if required, would have a material adverse effect on the Company's business and its financial condition and performance and the Company's ability to continue as a going concern.

(c) Change in Wescone Business Model

Wescone's business will, subject to the completion of the Wescone Acquisition, transition to a contract "serviced rental" revenue and maintenance model, to align with the Company's existing business.

There is a risk that the change in Wescone's business model may affect the profitability of the Wescone business as maintenance and sales revenues will be displaced by the introduction of new rental crushers to replace those requiring maintenance or new sales.

(d) Intellectual Property Ownership

The Company owns intellectual property, design copyright and innovations with respect to its ATEN Technology and following the completion of the Wescone Acquisition and EcoQuip Investment, however legal standards relating to the validity, enforceability and scope of protection of intellectual property rights are uncertain. Effective patent, trademark, copyright and trade secret protection may not be available to the Company in every country in which the ATEN technology, Wescone and/or EcoQuip assets are presently or eventually launched and deployed. Accordingly, despite its efforts, the Company may not be able to prevent third parties from infringing upon or misappropriating its intellectual property.

Market conditions depending, the Company may be required to incur significant expenses in monitoring and protecting its intellectual property rights. It may initiate or otherwise be involved in litigation against third parties for infringement,

or to establish the validity, of its rights. Any litigation, whether or not it is successful, could result in significant expense to the Company and cause a distraction to management.

(e) **Technology Performance and Operating Risk**

The Opcon Powerbox has been designed and deployed in Europe where climatic conditions differ significantly from those in Australia, where the Company intends to operate initially. There is a risk that Australian conditions may make the equipment less reliable. Whilst the equipment is robust because of its simplicity, the risk still exists that lower reliability would require a more frequent and more expensive maintenance program.

The interconnection works and infrastructure required to connect a Powerbox to heat, electrical and other service are expected to differ for each installation to a varying degree. There is a risk that the interconnection or infrastructure requirements at individual installations will present unique or unforeseen complexity. If this proves to be the case, design and construction modifications may be required causing delays in generating cash flows and at additional cost.

(f) **Faults with the ATEN Technology**

There is a risk that following a detailed review of the ATEN technology that the Company will identify defects or errors in the technology. If that occurs, the Company could lose future sales or customers or incur consequential liabilities. Consequently, there is a risk that this will affect the viable technical and/or commercial operation of the ATEN technology.

(g) **Construction, Execution and Related Costs Overruns**

There is a risk that the future construction may not be completed in the expected timeframe or in sufficient numbers to supply demand which may lead to costly delays. Whilst the technology being utilised by the Company is well established and has been extensively tested, as with any commercial project, scale up and operating risks exist. Any delay in construction or operating issues may have a significant adverse impact on the Company's future financial performance. Furthermore, increases in labour costs and key components such as steel could result in increased construction costs which could then be passed on to the Company.

(h) **Introduction to New or Alternate Technologies**

Alternative technologies may be developed that could affect the demand for the ATEN technology, Wescone W300 crusher and/or EcoQuip MSPT solutions and make these technologies non-competitive or obsolete in the future.

(i) **Commodity and Power Pricing Risk**

There is a risk that the revenue of the Company could be adversely affected by adverse movements in both resource sector commodity prices and electricity prices. Furthermore, the Company's revenue could also be adversely affected by decreases in the use and price of fossil fuels (for example diesel and natural gas) to generate electricity.

(j) **Counterparty Risk**

It is the intention of the Company to enter into agreements with customers for the sale of electricity, and rental of equipment. There is a risk that these potential customers may not be able to meet their obligations under these agreements and continue their operations.

(k) **Future Funding Availability Risk**

The Company's funding requirements depend on numerous factors including the Company's ability to generate income from its business endeavours, the outcome of future research and development programs and the acquisition of any new projects or acquisitions. The Company may require further funding in addition to current cash reserves to fund future activities or the acquisition of new projects. Additional equity financing, if available, may be dilutive to shareholders and/or occur at prices lower than the market price. Debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed it may be required to reduce the scope of its operations.

(l) **Reliance on Key Management**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment. The Company's future ability to recruit and retain highly qualified management personnel will also be critical to its success.

(m) **Insurance**

The Company may, where economically practicable and available, endeavour to mitigate some project and business risks by procuring relevant insurance cover. However, such insurance cover may not always be available or economically justifiable and the policy provisions and exclusions may render a particular claim by the Company outside the scope of the insurance cover.

While the Company will undertake all reasonable due diligence in assessing the creditworthiness of its insurance providers there will remain the risk that an insurer defaults in payment of a legitimate claim by the Company under an insurance policy.

(n) **Development of New Assets and Technology**

There are many risks inherent with the development of new assets and technology, including but not limited to exposure to construction, execution, commissioning and operational risks should the Company decide to proceed with the development. In addition, there is a risk that the development of new assets and technology may not result in a successful outcome to the Company due to various reasons.

(o) **Competition Risk**

The Company operates in a developing market. There may be competitors that enter the market and this may adversely affect the Company's future financial performance and profitability.

(p) **Contract Risks**

The Company's subsidiaries may operate through a series of contractual relationships with operators and sub-contractors. All contracts carry risks associated with the performance by the parties thereto of their obligations as to time and quality of work performed. Any disruption to services or supply may have an adverse effect on the financial performance of the Company's operations.

(q) **Equipment Risk**

The operations of the Company could be adversely affected if essential equipment fails.

(r) **Litigation**

Neither the Company nor any of its subsidiaries are presently involved in litigation and the Directors are not aware of any basis on which any litigation against the Company or any of its subsidiaries may arise.

General Risks

(a) **Securities investments**

There are risks associated with any securities investment. The prices at which the securities of the Company trade may fluctuate in response to a number of factors. Furthermore, the stock market, and in particular the market for energy companies, has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of such companies. There can be no guarantee that trading prices will be sustained. These factors may materially affect the market price of the securities of the Company regardless of its operational performance.

(b) **Share Market Conditions**

Share market conditions may affect the value of the Company's Shares regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital;
- (vi) terrorism or other hostilities; and
- (vii) other factors beyond the control of the company.

The market price of the Shares may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company, or any return on an investment in the Company.

(c) **Economic Risk**

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company. Factors that may contribute to that general economic climate include the level of direct and indirect competition against the Company, industrial disruption, the rate of growth of gross domestic product in Australia, interest rates, exchange rates and the rate of inflation.

(d) **Government Policy**

Changes in government, financial policy, taxation and other laws (including legislation which regulates the resource industry) may affect the ability of the Company to carry on its proposed activities, restrict the Company in achieving its objectives or may result in increased compliance costs or complexities in managing the Company's proposed operations and activities. Changes to State or Commonwealth government, government policies or legislation cannot be predicted and could have a materially adverse effect on the Company.

LODGE YOUR VOTE



ONLINE

www.linkmarketservices.com.au



BY MAIL

Volt Power Group Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



BY FAX

+61 2 9287 0309



BY HAND

Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138



ALL ENQUIRIES TO

Telephone: +61 1300 554 474



X99999999999

PROXY FORM

I/We being a member(s) of Volt Power Group Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY



the Chairman of the Meeting (mark box)

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



or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the General Meeting of the Company to be held at **9:00am (WST) on Monday, 22 January 2018 at BDO, Ground Floor, 38 Station Street, Subiaco WA 6008** (the Meeting) and at any postponement or adjournment of the Meeting.

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an ☒

Resolutions

1 Approval of Wescone Acquisition

For Against Abstain*

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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5 Participation in Capital Raising by the ECM Parties

For Against Abstain*

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

2 Issue of the Consideration Shares

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

6 Section 195 Approval

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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3 Approval of Issue of Capital Raising Shares

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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4 Participation in Capital Raising by Mr Adam Boyd

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

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

SIGNING INSTRUCTIONS

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

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

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

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

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

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **9:00am (WST) on Saturday, 20 January 2018**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



BY MAIL

Volt Power Group Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138

* During business hours (Monday to Friday, 9:00am–5:00pm)



COMMUNICATION PREFERENCE

We encourage you to receive all your shareholder communication via email. This communication method allows us to keep you informed without delay, is environmentally friendly and reduces print and mail costs.



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Communications' and click the first button to receive all communications electronically and enter your email address. To use the online facility, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**