
KALINA POWER LIMITED

ACN 000 090 997

NOTICE OF ANNUAL GENERAL MEETING

TIME: 10.00am (AEDT)

DATE: 13 November 2023

PLACE: Virtual Meeting: <https://meetnow.global/MTMWVCD>

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (03) 9236 2800.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Annual General Meeting of the Shareholders of Kalina Power Limited to which this Notice of Meeting relates will be held at 10.00 am (AEDT) on 13 November 2023 via live conference facility.

Securityholders must use the Computershare Meeting Platform to attend and participate in the meeting. To participate in the meeting, you can log in by entering the following URL <https://meetnow.global/MTMWVCD> on your computer, tablet or smartphone.

Online registration will open 1 hour before the meeting.

To make the registration process quicker, please have your SRN/HIN and registered postcode or country code ready. Proxyholders will need to contact Computershare prior to the meeting to obtain their login details.

To participate in the meeting online follow the instructions below.

1. Click on 'Join Meeting Now'.
2. Enter your SRN/HIN. Proxyholders will need to contact Computershare on +61 3 9415 4024 one hour prior to the meetings to obtain their login details.
3. Enter your postcode registered to your holding if you are an Australian securityholder. If you are an overseas securityholder select the country of your registered holding from the drop down list.
4. Accept the Terms and Conditions and 'Click Continue'.

You can view the meeting live, ask questions verbally or via a live text facility and cast votes at the appropriate times while the meeting is in progress.

For instructions, please click on the following link: www.computershare.com.au/virtualmeetingguide

YOUR VOTE IS IMPORTANT

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

VOTING BY PROXY

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

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

so that it is received not later than 10.00am (AEDT) on 11 November 2023.

Proxy forms received later than this time will be invalid.

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

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

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

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

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

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

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

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

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

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

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

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

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Kalina Power Limited will be held, at 10.00 am (AEDT) on 13 November 2023.

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

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders of the Company at 7.00 pm on 11 November 2023.

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

BUSINESS

ADOPTION OF THE ANNUAL FINANCIAL REPORT

To receive the Annual Financial Report, including Directors' declarations and accompanying reports of the Directors and auditors for the financial year ended 30 June 2023.

1. RESOLUTION 1- ADOPTION OF THE REMUNERATION REPORT

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

"That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, approval is given to the adoption of the Remuneration Report as contained in the Company's financial report for the year ended 30 June 2023."

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

Voting Exclusion:

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

- by or on behalf of any member of the Key Management Personnel whose remuneration details are included in the Remuneration Report.
- by a closely related party of such Key Management Personnel ; and
- by any proxy for a member of the Key Management Personnel or a closely related party of the Key Management Personnel .

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

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

2. RESOLUTION 2 – ELECTION OF A DIRECTOR – MR Peter Littlewood

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

"That Mr Peter Littlewood a director of the Company who retires by rotation in accordance with clause 13.3 of the Constitution, and being eligible, is re-elected as a director of the Company."

3. RESOLUTION 3 – ADDITIONAL PLACEMENT CAPACITY

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

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

Voting exclusion statement on Resolution 3

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

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

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on a resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

4. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF CONVERTIBLE NOTE

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

"That for the purposes of Listing Rule 7.4 and for all other purposes, the shareholders of the Company approve and ratify the previous issue of 442,500 new unlisted 10% convertible notes at \$1.00 each over ordinary shares convertible at 0.826 cents including accrued interest on or before 30 July 2024 under Listing Rule 7.1 on 17 August 2023 and otherwise on the terms and conditions set out in the Explanatory Statement attached to this Notice of Meeting."

Voting exclusion statement on Resolution 4:

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

- (a) Kenneth Spinner, Geoff Scott, Tarradigm Energy Inc, Invia Custodian Pty Ltd, Keo Projects Pty Ltd, Pan Andean Capital Pty Ltd, Sinalunga Pty Ltd, and Thirty Sixth Vilmar Pty Ltd and any other person who participated in the issue of the Convertible Notes or is a counterparty to the agreement being approved; or
- (b) any Associates of those persons.

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

- (c) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (d) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (e) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on resolution 5; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

5. RESOLUTION 5A to 5F – APPROVAL OF DIRECTORS PARTICIPATION IN THE CONVERTIBLE NOTES ISSUE

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

- 5A *"That for the purposes of Listing Rule 10.11, subject to Resolutions 5B, 5C, 5D, 5E and 5F passing, and for all other purposes, approval is given to the grant to Ross MacLachlan 50,000 Convertible Notes at \$1.00 each over ordinary shares convertible at 0.826 cents including accrued interest on or before 30 July 2024 and conditions set out in the Explanatory Statement."*
- 5B *"That for the purposes of Listing Rule 10.11, subject to Resolutions 5A, 5C, 5D, 5E and 5F passing, and for all other purposes, approval is given to the grant to Stephen White 50,000 Convertible Notes at \$1.00 each over ordinary shares convertible at 0.826 cents including accrued interest on or before 30 July 2024 and conditions set out in the Explanatory Statement."*
- 5C *"That for the purposes of Listing Rule 10.11, subject to Resolutions 5A, 5B, 5D, 5E and 5F passing, and for all other purposes, approval is given to the grant to Jeffry Myers 50,000 Convertible Notes at \$1.00 each over ordinary shares convertible at 0.826 cents including accrued interest on or before 30 July 2024 and conditions set out in the Explanatory Statement."*
- 5D *"That for the purposes of Listing Rule 10.11, subject to Resolutions 5A, 5B, 5C, 5E and 5F passing, for all other purposes, approval is given to the grant to Peter Littlewood 10,000 Convertible Notes at \$1.00 each over ordinary shares convertible at 0.826 cents including accrued interest on or before 30 July 2024 and conditions set out in the Explanatory Statement."*
- 5E *"That for the purposes of Listing Rule 10.11, subject to Resolutions 5A, 5B, 5C, 5D and 5F passing, and for all other purposes, approval is given to the grant to Malcolm Jacques 10,000 Convertible Notes at \$1.00 each over ordinary shares convertible at 0.826 cents including accrued interest on or before 30 July 2024 and conditions set out in the Explanatory Statement."*
- 5F *"That for the purposes of Listing Rule 10.11, subject to Resolutions 5A, 5B, 5C, 5D and 5E passing, and for all other purposes, approval is given to the grant to Timothy Horgan 12,500 Convertible Notes at \$1.00 each over ordinary shares convertible at 0.826 cents including accrued interest on or before 30 July 2024 and conditions set out in the Explanatory Statement."*

Voting exclusion statement on Resolutions 5A to 5F:

The Company will disregard any votes cast in favour of the relevant Resolutions by or on behalf of:

- (a) Ross MacLachlan (in respect of 5A), Stephen White (in respect of 5B), Jeffry Myers (in respect of 5C), Peter Littlewood (in respect of 5D), Malcolm (in respect of 6E), Malcolm Jacques (in respect of 5E), Timothy Horgan (in respect of 5F) or any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (b) an Associate of the above persons.

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

- (c) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on resolution in that way; or

- (d) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (e) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on resolutions 5A to 5F; and
 - the holder votes on resolutions 5A to 5F in accordance with directions given by the beneficiary to the holder to vote in that way.

6. RESOLUTION 6A to 6F – GRANT OF OPTIONS TO DIRECTORS

To consider and if thought fit to pass with or without amendment the following resolutions as **ordinary resolutions**

6.A “That for the purposes of ASX Listing Rule 10.11, and for all other purposes, approval is given to the grant to Stephen White 15,000,000 Options exercisable at 1.0 cent per share on or before 12 November 2026 and otherwise on the terms and conditions set out in the Explanatory Statement.”

6.B “That for the purposes of ASX Listing Rule 10.11, and for all other purposes, approval is given to the grant to Ross MacLachlan 27,000,000 Options exercisable at 1.0 cent per share on or before 12 November 2026 and otherwise on the terms and conditions set out in the Explanatory Statement.”

6.C “That for the purposes of ASX Listing Rule 10.11, and for all other purposes, approval is given to the grant to Timothy Horgan 23,000,000 Options exercisable at 1.0 cent per share on or before 12 November 2026 and otherwise on the terms and conditions set out in the Explanatory Statement.”

6.D “That for the purposes of ASX Listing Rule 10.11, and for all other purposes, approval is given to the grant to Jeffry Myers 10,000,000 Options exercisable at 1.0 cent per share on or before 12 November 2026 and otherwise on the terms and conditions set out in the Explanatory Statement.”

6.E “That for the purposes of ASX Listing Rule 10.11, and for all other purposes, approval is given to the grant to Peter Littlewood 10,000,000 Options exercisable at 1.0 cent per share on or before 12 November 2026 and otherwise on the terms and conditions set out in the Explanatory Statement.”

6.F “That for the purposes of ASX Listing Rule 10.11, and for all other purposes, approval is given to the grant to Malcolm Jacques 10,000,000 Options exercisable at 1.0 cent per share on or before 12 November 2026 and otherwise on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion statement on Resolutions 6A to 6F:

The Company will disregard any votes cast in favour of Resolutions 6A to 6F by or on behalf of:

- (a) Stephen White (in respect of 6A), Ross MacLachlan (in respect of 6B), Timothy Horgan (in respect of 6C), Jeffry Myers (in respect of 6D), Peter Littlewood (in respect of 6E), Malcolm Jacques (in respect of 6F) or any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company); or

- (b) an Associate of the above persons.

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

- (c) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (d) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (e) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
- the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on a resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

7. RESOLUTION 7 – Ratification of prior issue of Options

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

"That for the purposes of Listing Rule 7.4 and for all other purposes, the shareholders of the Company approve and ratify the previous issue of 37,800,000 new Options to Key Management Personnel, employees and consultants exercisable at \$0.01 and expiring 3 years from their date of issue and otherwise on the terms and conditions set out in the Explanatory Statement attached to this Notice of Meeting."

Voting exclusion statement for Resolution 7

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

- (a) Key Management Personnel; or
- (b) any Associates of those persons.

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

- (c) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (d) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (e) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
- the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on resolution 5; and

- the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Important notes to the Resolutions

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

DATED: 11 October 2023
BY ORDER OF THE BOARD
KALINA POWER LIMITED

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the Annual General Meeting to be on 13 November 2023 at 10.00 am (AEDT).

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

1. FINANCIAL STATEMENTS AND DIRECTORS' REPORTS

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

2. RESOLUTION 1 – Adoption of Remuneration Report

The Remuneration Report for the financial year ended 30 June 2023 is set out in the Directors' report of the Company's 2023 Annual Report and is available on the Company's website at www.kalinapower.com. The Remuneration Report sets out the Company's policies and a range of matters relating to the remuneration of Directors and other Key Management Personnel of the Company.

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

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

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

Recommendation

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

3. RESOLUTION 2 – Re-election Director

Clause 13.3 of the Constitution provides that no Director may hold office for period in excess of 3 year, or beyond the third annual general meeting following the Director's election, whichever is the longer.

Mr Peter Littlewood will retire by rotation in accordance with the Constitution and seeks re-election.

Mr. Littlewood is one of Asia-Pacific's leading sector professionals, was formerly the Group Director of Operations at CLP Group ("China Light and Power") and was

responsible for developing and implementing power projects across China, Hong Kong, India, and other Asia-Pacific countries. He was a member of the Group Executive Committee and Investment Committee, and a Director for numerous China Light and Power subsidiaries and has over 40 years of experience in the energy and power sector.

Over a 36-year career with China Light and Power in Hong Kong, Mr. Littlewood was responsible for engineering, project management, construction, operations and fuel supply for the entire power generation portfolio with Mr. Littlewood being instrumental in the development of multiple projects using coal, natural gas, nuclear, hydro, wind, solar and biomass technologies. During his tenure, China Light and Power became the largest international investor in the Asia-Pacific power market and is the largest external investor in the mainland China power market. It is a significant international investor in the conventional and renewable power sectors and holds significant investments, joint ventures and operations across China, Hong Kong, India, Thailand, Taiwan, and Australia including 100% ownership of Australian subsidiary, Energy Australia.

Recommendation

The Directors (with Mr Peter Littlewood abstaining) unanimously recommend that shareholders vote in favour of Resolution 2.

4 RESOLUTION 3 – Additional placement capacity

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

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

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

Resolution 3 seeks shareholder approval by way of a special resolution for the Company to have the 10% Placement Facility provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

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

- (a) If Resolution 4 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.
- (b) If Resolution 4 is not passed, the Company will not be able to access the 10% Placement Facility to issue Equity Securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

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

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

where:

- A** is the number of fully paid ordinary securities on issue at the commencement of the relevant period:
- plus the number of fully paid ordinary securities issued in the relevant period under an exception in Listing Rule 7.2 other than exception 9, 16 or 17;
 - plus the number of fully paid ordinary securities issued in the relevant period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
 - the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
 - the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
 - plus the number of fully paid ordinary securities issued in the relevant period under an agreement to issue securities within Listing Rule 7.2 exception 16 where:
 - the agreement was entered into before the commencement of the relevant period; or
 - the agreement or issue was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
 - plus the number of any other fully paid ordinary securities issued in the relevant period with approval under Listing Rule 7.1 or Listing Rule 7.4;
 - plus the number of partly paid ordinary securities that became fully paid in the relevant period;
 - less the number of fully paid ordinary securities cancelled in the relevant period.
- D** is 10%.
- E** is the number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the relevant period where the issue or agreement to issue has not been subsequently approved by the holders of the Company's ordinary securities under Listing Rule 7.4.

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

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

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

Technical information required by Listing Rule 7.1A

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

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

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

- (i) 13 November 2024 being 12 months from the date of the Meeting; or
- (ii) the Company's next annual general meeting; or
- (iii) the date Shareholder approval is granted to a transaction under Listing Rule 11.1.2 (proposed change to nature and scale of activities) or Listing Rule 11.2 (change involving main undertaking).

(b) *Minimum price*

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

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

(c) *Use of funds*

The primary purpose for which shares may be issued pursuant to Resolution 3 is to pursue possible further investment opportunities which may arise, for working capital to utilise within the Group for operations and project development.

(d) *Risk of Economic and Voting Dilution*

Provided that Shareholder approval is granted for Resolution 3, Shareholders should note there is a risk that:

- (i) the market share price may be significantly lower on the issue date than on the date on which approval is given to this Resolution 3 under Listing Rule 7.1A; and
- (ii) the shares may be issued at a price that is at a discount to the market price for those Equity Securities on the issue date.

The table below is provided to illustrate the potential voting and economic dilution of existing Shareholders on the basis of the current market price of shares and the current number of shares for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 based on the number of Shares on issue and closing price of Shares on 10 October 2023.

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.0035 50% decrease in Issue Price	\$0.007 Issue Price	\$0.014 100% increase in Issue Price
Current Variable A	10% dilution	151,519,578	151,519,578	151,519,578
1,515,195,786	Funds raised	\$530,319	\$1,060,637	\$2,121,274

50% increase in current Variable A 2,272,793,679	10% dilution	227,279,367	227,279,367	227,279,367
	Funds raised	\$795,478	\$1,590,956	\$3,181,911
100% increase in current Variable A 3,030,391,572	10% dilution	303,039,157	303,039,157	303,039,157
	Funds raised	\$1,060,637	\$2,121,274	\$4,242,548

The table is prepared on the following assumptions:

- A. The Company issues the maximum number of shares available under Listing Rule 7.1A;
- B. The table shows only the effect of shares issues under Listing Rule 7.1A and does not factor in the Company's ability to issue up to 15% of its issued capital under Listing Rule 7.1; and
- C. The issue price is \$0.007.

The table shows:

- (iii) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of shares the Company has on issue. The number of shares on issue may increase as a result of issues of shares that do not require approval (for example, a pro rata entitlements issue) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (iv) two examples of where the issue price of shares has decreased by 50% and increased by 100% as against the current market price.

(e) *Allocation policy*

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

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

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

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

The Company has previously obtained Shareholder approval under Listing Rule 7.1A on 25 November 2022 and 10 December 2021.

In the 12 months prior to the date of the Meeting, the Company has not issued or agreed to issue any ordinary shares under Listing Rule 7.1A.2.

Recommendation

The Directors unanimously recommend that Shareholders vote in favour of this Resolution. A voting exclusion statement is included in the Notice. As at the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities utilising this 10% Placement Facility following the 2022 Annual General Meeting. No existing Shareholder's votes will therefore be excluded under the voting at the Meeting.

5. RESOLUTION 4 - Ratification of prior issue of Convertible Notes

As announced on 7 August 2023, the Company secured firm commitments to raise \$625,000 (**Capital Raise**) from the issue of unsecured convertible notes with an interest rate of 10% (**Convertible Notes**). The Convertible Notes were issued on 17 August 2023 (**Convertible Notes Issue**) and have a maturity date of 30 July 2024 (which may be extended in certain circumstances) and can convert into shares in the Company at a conversion price which is the lower of (i) a 15% premium to the 15-day VWAP preceding finalization of the Convertible Note subscription (0.826 cents) and (ii) a 15% discount to the offer price of securities in the Company's next capital raise. Funds raised from the Convertible Notes will be used primarily to fund the ongoing project development costs of the Company's wholly owned subsidiary KALiNA Distributed Power (**KDP**) and the Company's general working capital requirements.

The Company seeks Shareholder approval for the prior issue of the Convertible Notes under this Resolution.

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

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

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

Technical information required by Listing Rules 7.4 and 14.1

For the purposes of Listing Rules 7.4 and 14.1 the following is disclosed:

- (a) If Resolution 4 is passed, up to a total of 442,500 unlisted Convertible Notes issued by the Company will be excluded in calculating the Company's placement capacity in accordance with the Listing Rules, thereby increasing the number of Equity Securities the Company can issue without Shareholder approval over the 12 month period following the date of the issue of those Equity Securities.

- (b) If Resolution 4 is not passed, up to a total of 442,500 unlisted Convertible Notes issued by the Company will be included in the Company's placement capacity in accordance with the Listing Rules, thereby reducing the number of Equity Securities the Company can issue without Shareholder approval over the 12 month period following the date of the issue of those Equity Securities.

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

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

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

Technical information required by Listing Rule 7.5

For the purposes of Listing Rule 7.5, the following information is provided to Shareholders:

Recipients	Kenneth Spinner, Geoff Scott, Tarradigm Energy Inc, Invia Custodian Pty Ltd, Keo Projects Pty Ltd, Pan Andean Capital Pty Ltd, Sinalunga Pty Ltd, and Thirty Sixth Vilmar Pty Ltd, all of whom are professional and sophisticated investors or persons associated with the company in accordance with sections 708(8), 708(11) and 708(12) of the Corporations Act.
Number and class of securities issued	442,500 unlisted Convertible Notes.
Summary of Material Terms	On conversion of the Convertible Notes, the Convertible Notes will be issued as fully paid ordinary Shares in the capital of the Company ranking, and on the same terms and conditions, as the Company's existing Shares.
Issue date	The 442,500 unlisted Convertible Notes were issued on 17 August 2023.
Issue price	The unlisted Convertible Notes were issued at \$1.00 per Convertible Note.
Conversion and redemption	<p>Noteholders may elect to convert the Convertible Notes at any time before the Maturity Date, unless automatically converted earlier.</p> <p>The Convertible Notes will be converted on the lower of the following price (Conversion Price)"</p> <ul style="list-style-type: none"> • 0.826 cents (Fixed Conversion Price); and • 85% of the offer price of securities in the Company's next capital raise. <p>On the Maturity date, where the Company's shares are trading within a 30-day VWAP at:</p> <ul style="list-style-type: none"> • 0.826 cents or more, the Convertible Notes will automatically

	<p>convert; and</p> <ul style="list-style-type: none"> Less than 0.826 cents, a holder may elect to redeem their Convertible Notes and require repayment of all interest.
Use of funds raised	Funds raised from the Convertible Notes Issue are intended to be used by the Company to fund the ongoing project development costs of KPD, to strengthen the Company's balance sheet and for general working capital purposes.
Voting exclusion statement	A voting exclusion statement is included in this Notice in respect of this Resolution.

A summary of the terms and conditions of the Convertible Notes is set out in Schedule 1.

Conversion of the Convertible Notes

The Convertible Notes may be converted into Shares on the following basis:

$$N = \frac{FVN}{\text{Conversion Price}} + \frac{AI}{\text{Conversion Price}}$$

Where:

N = means the number of Shares rounded down to the nearest whole number.

FVN = means the Face Value of all Convertible Notes held by a noteholder.

AI = means the accrued interest on the Convertible Notes held by a noteholder.

As the actual number of Shares to be issued will depend on the final offer price of the Company's next capital raise, the Company cannot determine the number of Shares at the date of this Notice. For illustrative purposes only, the below shows an example of the number of Shares that may be issued at various Fixed Conversion Prices based on the Company issuing 442,500 Convertible Notes on 16 August 2023, the subject of Resolution 4, and 182,500 Convertible Notes the subject of Resolutions 5A – 5F.

	Face Value of Convertible Notes	Face Value of Convertible Notes (including 10% interest)	50% of Fixed Conversion Price \$0.00413	Fixed Conversion Price \$0.00826	200% of Fixed Conversion Price \$0.01652
Number of shares (Resolution 4)	442,500	486,750	117,857,142	58,928,571	29,464,285
Number of shares (Resolutions 5A – 5F)	182,500	200,750	48,607,748	24,303,874	12,151,937
Total			166,464,890	83,232,445	41,616,222

Listing Rule 6.1

Listing Rule 6.1 requires that any convertible securities issued by a company are issued on terms that are considered appropriate and equitable. In determining whether the convertible securities are appropriate and equitable, the terms and conditions of the convertible securities must be fair to both new and existing shareholders of the company. If the convertible securities appear to be favourable to the holder of the convertible securities, the company is required to explain the circumstances underpinning the issue of the convertible securities.

The Company provides the following information for the purposes of section 4 of ASX Compliance Update No 05/20:

- (a) the Company has negotiated the relevant Convertible Note agreement at arm's length with sophisticated and professional investors (who are independent third parties to the Company), which apply to the Convertible Notes issued to Directors and other people associated with the Company.
- (b) the Company considers that the issue of the Convertible Notes is an appropriate and commercial solution to provide working capital to enable the company to advance its growth plans; and
- (c) the Company considers the terms of the Convertible Notes under Resolutions 4 and 5A – 5F are market standard; and
- (d) while the Company notes that the conversion prices reference a future capital raise offer price, it considers that this enables Convertible Note holders to receive Shares on the same terms as those participants who would participate in the future capital raise and avoids disadvantaging any group of investors. Other than this, the Company notes that none of the features noted in section 5.9 of Guidance Note 21 are present.

Recommendation

The Directors unanimously recommend that Shareholders vote in favour of this Resolution 4.

6. RESOLUTIONS 5A to 5F – ISSUE OF CONVERTIBLE NOTES TO DIRECTORS

Ross MacLachlan, Stephen White, Jeffry Myers, Peter Littlewood, Malcolm Jacques and Timothy Horgan (**Related Party Participants**), wish to participate in the Convertible Notes issue, subject to Shareholder approval being obtained for Resolutions 5A to 5F. Resolutions 5A to 5F seeks Shareholder approval for the issue of up to a total of 182,500 10% Convertible Notes that can be converted at 0.826 cents to the Related Party Participants (or their nominees) arising from their potential participation in the Capital Raising. These Resolutions are inter-conditional such that if one or more of Resolution 5A, 5B, 5C, 5D, 5E and 5F are not passed, then all of Resolutions 5A to 5F will not be passed.

Chapter 2E of the Corporations Act

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

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

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

The Directors (other than the Related Party Participants) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Related Party Participants' participation in the Capital Raising as the Shares will be issued to the Related Party Participants on the same terms as non-related party participants in the Capital Raising and as such, the giving of the financial benefit is on arm's length terms.

Listing Rules 10.11 and 7.1

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

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the Company;
- 10.11.3 a person who is, or was at the time in the 6 months before the issue or agreement, a substantial (10%+) holder in the Company and who has nominated a director to the board of the Company pursuant to a relevant agreement which gives them a right or expectation to do so;
- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- 10.11.5 a person whose relationship with the Company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders, unless it obtains the approval of its shareholders,

unless it obtains Shareholder approval.

As any issue of the convertible notes to Ross MacLachlan, Stephen White, Jeffrey Myers, Peter Littlewood, Malcom Jacques and Timothy Horgan (who are directors of the Company) will constitute an issue of notes to a related party of the Company, Shareholder approval will be required for the proposed issue of Convertible Notes to the Directors as part of their participation in the Convertible Notes Issue, unless an exception applies. It is the view of the Directors that the exceptions set out in Listing Rule 10.12 do not apply to the current circumstances.

Listing Rule 7.1 requires the prior approval of shareholders in general meeting to issue securities if the number of those securities exceeds 15% of the number of the same class of securities at the commencement of the relevant 12-month period. This rule does not apply in respect of an issue made with the approval of holders of ordinary securities under Listing Rule 10.11.

Accordingly, if approval is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1 (in accordance with Exception 14 of Listing Rule 7.2).

Technical information required by Listing Rule 14.1A

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

- (a) If Resolutions 5A to 5F are passed, the Company will be able to proceed with the issue of a total 182,500 Convertible Notes convertible at 0.0826 cents per Share on or before 30 July 2024 to the Related Party Participants, and the Company will receive gross proceeds of \$182,500 from the issue of such Convertible Notes. In addition, the issue of such Convertible Notes will be excluded in calculating the Company's placement capacity in accordance with the Listing Rules.
- (b) If Resolutions 5A to 5F are not passed, the Company will not be able to proceed with the issue of a total 182,500 Convertible Notes convertible at 0.0826 cents Share on or before 30 July 2024 to the Related Party Participants. Accordingly the Company will not receive gross proceeds of \$182,500 from the issue of such Convertible Notes, thereby reducing current and future cash resources available to the Company to develop its projects.

Technical information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided, if all of Resolutions 5A to 5F are approved:

- (a) the relevant Convertible Notes will be issued to the Related Party Participants who are all current directors of the Company. Accordingly, if the Related Party Participants elect to have the relevant Convertible Notes granted to them personally Listing Rule 10.11.1 applies, otherwise if the Related Party Participants elect to have the relevant Convertible Notes granted to their nominees, Listing Rule 10.11.4 applies
- (b) the maximum number of Convertible Notes that may be issued to the Related Party Participants are detailed as follows:
 - 5A. 50,000 Convertible Notes to Ross MacLachlan,
 - 5B. 50,000 Convertible Notes to Stephen White,
 - 5C. 50,000 Convertible Notes to Jeffry Myers,
 - 5D. 10,000 Convertible Notes to Peter Littlewood,
 - 5E. 10,000 Convertible Notes to Malcolm Jacques, and
 - 5F. 12,500 Convertible Notes to Timothy Horgan.
- (c) the Convertible Notes will convert to fully paid ordinary Shares in the capital of the Company and will be issued on the same terms and conditions as the Company's existing Shares.
- (d) the Convertible Notes to be issued to the Related Party Participants (or their nominees) will be issued within 5 days (an in any case no later than 1 month) after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
- (e) the face value of the Convertible Note will be \$1.00 each. The Convertible Notes have a conversion price of 0.0826 cents, being the same conversion price as all of the other Convertible Notes to be converted under the Convertible Notes issue;
- (f) the Convertible Notes are issued to a convertible note deed poll, of which a summary of the material terms of the Convertible Notes is contained at Schedule 1;
- (g) up to a total of \$182,500 will be raised from the issue of the Convertible Notes pursuant to Resolutions 5A to 5F. It is intended that the funds raised will be used for advancing the development of the Company's projects and for general working capital purposes;
- (h) Details of the Directors' total remuneration packages are as follows:
 - (i) Mr Stephen White: \$131,370;
 - (ii) Mr Ross MacLachlan: \$397,439;
 - (iii) Mr Timothy Horgan: \$286,806;
 - (iv) Mr Jeffry Myers: \$149,611;

- (v) Dr Peter Littlewood: \$68,611; and
- (vi) Dr Malcolm Jacques \$68,611; and
- (i) a voting exclusion statement is included in the Notice.

Conversion of the Convertible Notes

For an illustration of the maximum number of Shares that may be issued pursuant to conversion of the Convertible Notes issued to the Directors, please refer to the section "Conversion of the Convertible Notes" in the above section for Resolution 4.

Recommendation

The directors are to receive Convertible Notes under Resolutions 5A to 5F and accordingly make no recommendation and abstain from making a recommendation because of their material personal interest in the Resolutions.

To the extent permitted by law, it is the intention of the Chairman of the Meeting to vote all undirected proxies granted to him in favour of Resolutions 5A to 5F.

For the purposes of Listing Rule 7.5, which contains the requirements as to the contents of a notice sent to shareholders for the purposes of Listing Rule 7.4, the following information is provided to Shareholders is set out in Schedule 1.

7. RESOLUTIONS 6A TO 6F – GRANT OF OPTIONS TO DIRECTORS

Resolutions 6A to 6F seek shareholder approval for the issue of a total of 95,000,000, being 15,000,000 Options to – Mr Stephen White, 27,000,000 Options to Mr Ross MacLachlan, 23,000,000 Options to Mr Timothy Horgan, 10,000,000 Options to Mr Jeffry Myers, 10,000,000 Options to Mr Peter Littlewood and 10,000,000 Options to Dr Malcolm Jacques.

The Company proposes to grant Options to the Directors as part of their remuneration packages and to incentivise the Directors for the benefit of the Company and Shareholders. This comes through having an appropriately struck option exercise price and vesting criteria reflective of the Company's future growth.

The most recent trading price of the Company's Shares is \$0.007 as at close of trading on 10 October 2023 (being the last practicable date prior to the date of this document). This is lower than the \$0.01 exercise prices of the Options proposed to be granted to the Directors under Resolution 6A to 6F and as such, based on the current trading price of the Company's Shares, the Options are not in the money.

Listing Rules 10.11 and 7.1

Listing Rule 10.11 requires Shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in Listing Rule 10.12 applies none of which apply here. Accordingly, Shareholders approval is required pursuant to Listing Rule 10.11 for the proposed grant of the Options to the Directors, who are related parties of the Company under the listing Rules. Please refer to the Resolution 6A to 6F section of this Explanatory Statement for further details on Listing Rule 10.11.

Listing Rule 7.1 requires the prior approval of shareholders in general meeting to issue securities if the number of those securities exceeds 15% of the number of the same class of securities at the commencement of the relevant 12-month period. This rule does not apply in respect of an issue made with the approval of holders of ordinary securities under Listing Rule 10.11.

Accordingly, if approval is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1 (in accordance with Exception 14 of Listing Rule 7.2).

Technical information required by Listing Rule 14.1A

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

- (a) If Resolutions 6A to 6F are passed, the Company will be able to proceed with the issue of a total of 95,000,000 Options exercisable at 1.0 cent per share on or before 12 November 2026 to the Directors, and the issue of such Options will be excluded in calculating the Company's placement capacity in accordance with the Listing Rules.
- (b) If Resolutions 6A to 6F are not passed, the Company will not be able to proceed with the issue of a total of 95,000,000 Options exercisable at 1.0 cents per share on or before 12 November 2026 to the Directors, and the Company may be required to implement alternative arrangements to remunerate its Directors including increasing Directors' fees or providing other forms of cash based remuneration in recognition of the calibre of the Directors thereby reducing the available cash resources of the Company.

Technical information required by Listing Rule 10.13

The following information is given to Shareholders as required by Listing Rule 10.13

- (a) The related parties to whom the Options will be issued and the respective number of Options proposed to be issued to each Director are as follows:
 - 6A. Mr Stephen White (or his nominee): 15,000,000 Options
 - 6B. Mr Ross MacLachlan (or his nominee): 27,000,000 Options
 - 6C. Mr Timothy Horgan (or his nominee): 23,000,000 Options
 - 6D. Mr Jeffry Myers(or his nominee): 10,000,000 Options
 - 6E. Mr Peter Littlewood (or his nominee): 10,000,000 Options
 - 6F. Dr Malcolm Jacques(or his nominee): 10,000,000 Options

The Options are proposed to be issued for nil consideration.

The recipients of the Options, being the Directors, are related parties of the Company and accordingly Listing Rule 10.11.1 applies. If the Directors elect to have the relevant Options granted to their nominees, Listing Rule 10.11.4 applies.

- (b) No funds will be raised by the issue of the Options. If all of the Options are exercised, \$950,000 will be received by the Company which will to be used as working capital and to continue the development of the Company's power projects.
- (c) Summary of Material Terms of the Options:
 - (i) Each Option entitles the holder to subscribe for one (1) fully paid Ordinary Share in the capital of the Company.
 - (ii) The Options exercisable at \$0.01 will expire at 5.00pm (EST) on 12 November 2026 (**Expiry Date**).

- (iii) If the holder is no longer a director or officer of the Company for any reason, the Options must be exercised by him within 3 months of the date on which he ceased to be a director or officer, after which time the Options will automatically lapse.
 - (iv) All Shares issued upon exercise of the Options will rank pari passu in all respects with the Company's then issued Shares. The Options will be unlisted. No quotation will be sought from ASX for the Options.
 - (v) The Options are not transferable
 - (vi) There will be no participation rights inherent in the Options to participate in the new issues of capital by the Company offered to Shareholders during the currency of the Options.
 - (vii) In the event of a reorganisation of the capital of the Company the rights attaching to the Options will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
- (d) The Options are proposed to be issued on 12 November 2023, and in any event, within 1 month of approval by Shareholders.
- (e) The directors are remunerated at a level commensurate with the current stage of the Company's development and its financial capacity. Details of the Directors' total remuneration packages are as follows:
- (i) Mr Stephen White: \$131,370
 - (ii) Mr Ross MacLachlan: \$397,439
 - (iii) Mr Timothy Horgan: \$286,806
 - (iv) Mr Jeffry Myers: \$149,611
 - (v) Dr Peter Littlewood: \$68,611
 - (vi) Dr Malcolm Jacques \$68,611

Other Information

The Company believes it is appropriate to grant equity options to non-executive directors as well as its key management personnel, including executive directors. Smaller entities often elect to use equity instruments to remunerate key personnel in order to attract and retain high calibre individuals while minimizing the cash cost of engaging those people. In addition, the options also help to create alignment between Directors and Shareholders. In particular, the Company wishes to grant the Options to the Directors under the proposed Resolutions 6A to 6F, rather than other alternatives considered by the Company including increasing Directors' fees or providing other forms of cash based remuneration in recognition of the calibre of the Directors. The Company considers the issue of the Options to be preferable to other available alternatives because it provides a means of appropriately remunerating and incentivising the Directors while preserving cash resources and also aligns their interests with the interests of Shareholders.

The Options, if their issue is approved by Shareholders, will be valued at the grant date. However an indicative valuation of the Options as at 10 October 2023 being the latest date practicable to the Company subject to shareholder approval is detailed below:

Option Holder	Number of Options	Exercise Price	Indicative value of Options (10 October 2023)
Stephen White	15,000,000	\$0.01	\$42,917
Ross MacLachlan	27,000,000	\$0.01	\$77,250
Timothy Horgan	23,000,000	\$0.01	\$65,806
Jeffry Myers	10,000,000	\$0.01	\$28,611
Peter Littlewood	10,000,000	\$0.01	\$28,611
Malcolm Jacques	10,000,000	\$0.01	\$28,611

The indicative value of the Options is based on a Black Scholes valuation of the Options as at 10 October 2023 based on the following inputs:

- Underlying Share Price: \$0.007 per share (closing price of Kalina on 10 October 2023)
- Exercise Price: \$0.01 per share (representing an 30% premium to the closing price on 10 October 2023)
- Risk free rate: 3.83% (Australian Government 3 year bond yield)
- Volatility: 95% (Kalina historic 12 month volatility)
- Indicative Grant Date: 13 November 2023
- Expiry: 12 November 2026

In accordance with AASB 2, the value of the options to be granted to the directors will be calculated on the issue date using the Black and Scholes method and expensed in the Statement of Profit & Loss in the year ended 30 June 2024. However, based on the latest indicative valuation set out above as at 10 October 2023, the charge to profit and loss for the year ended 30 June 2024, would be approximately \$271,806.

The number of Options to be issued to the directors if Resolutions 6a to 6F are approved represents, on a fully diluted basis assuming all other options on issue are converted, 5.7% of the Company's issued capital as at the date of this Notice. The directors currently hold 80,146,636 Shares in the Company, if the directors are granted, and subsequently exercises the options the subject of Resolutions 6A to 6F, they will hold an aggregate of 175,146,636 Shares, representing 10.9% of the Company's capital. The issue of the Options and subsequent exercise of the Options will therefore have no effect on the control of the Company.

The exercise of the Options will dilute existing Shareholders' interests by 6.3% (assuming no other changes in the Company's capital as at the date of this Notice).

Chapter 2E of the Corporations Act

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

- obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- give the benefit within 15 months following such approval,

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

A "financial benefit" is defined in the Corporations Act in broad terms and includes a company issuing shares and granting options. A "related party" includes a director, an entity over which a director has control and an entity which believes, or has reasonable grounds to believe, that it is likely to become a related party in the future. For the purposes of Chapter 2E of the Corporations Act, the "relevant person" is a related party of the Company.

The Directors consider that shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Options under Resolutions 6A to 6F because the financial benefit is, in accordance with section 211(1) of the Corporations Act:

- (a) remuneration to a related party as an officer of a public company; and
- (b) reasonable given:
 - (i) the circumstances of the public company or entity giving the remuneration; and
 - (ii) the related party circumstances (including the responsibilities involved in the office).

Recommendation

The Directors are to receive Options under Resolutions 6A to 6F and accordingly make no recommendation and abstain from making a recommendation because of their material personal interest in the Resolutions.

To the extent permitted by law, it is the intention of the Chairman of the Meeting to vote all undirected proxies granted to him in favour of Resolutions 6A to 6F.

8. RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE OF OPTIONS

The Company seeks Shareholder approval for the prior issue of unlisted Options to Key Management Personnel, employees and consultants, to incentivise and reward performance, under this Resolution.

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

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

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

Technical information required by Listing Rules 7.4 and 14.1

For the purposes of Listing Rules 7.4 and 14.1 the following is disclosed:

- (a) If Resolution 7 is passed, up to a total of 37,800,000 Options issued by the Company will be excluded in calculating the Company's placement capacity in accordance with the Listing Rules, thereby increasing the number of Equity Securities the Company can issue without Shareholder approval over the 12 month period following the date of the issue of those Equity Securities.
- (b) If Resolution 7 is not passed, 37,800,000 Options issued by the Company will be included in the Company's placement capacity in accordance with the Listing Rules, thereby reducing the number of Equity Securities the Company can issue without Shareholder approval over the 12 month period following the date of the issue of those Equity Securities.

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

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

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

Technical information required by Listing Rule 7.5

For the purposes of Listing Rule 7.5, the following information is provided to Shareholders:

Recipients	<p>The recipients of the Options are all Key Management Personnel, employees and consultants in the Company.</p> <p>The Key Management Personnel receiving Options being:</p> <p>Robert W Rosine 10,000,000 Options</p> <p>Kesh Thurairasa 3,500,000 Options</p> <p>None of the recipients will be receiving more than 1% of the Company's current issued capital.</p>
Number and class of securities issued	37,800,000 unlisted Options
Summary of Material Terms	<ul style="list-style-type: none">(a) Each Option entitles the holder to subscribe for one (1) fully paid Ordinary Share in the capital of the Company.(b) The Options exercisable at \$0.01 will expire at 5.00pm (EST) 3 years from their date of issue being 19 September 2026 (Expiry Date).(c) If the holder is no longer Key Management Personnel of the Company for any reason, the Options must be exercised by him within 3 months of the date on which they ceased to be a Key Management Personnel, after which time the Options will

	<p>automatically lapse.</p> <p>(d) All Shares issued upon exercise of the Options will rank pari passu in all respects with the Company's then issued Shares. The Options will be unlisted. No quotation will be sought from ASX for the Options.</p> <p>(e) The Options are not transferable</p> <p>(f) There will be no participation rights inherent in the Options to participate in the new issues of capital by the Company offered to Shareholders during the currency of the Options.</p> <p>(g) In the event of a reorganisation of the capital of the Company the rights attaching to the Options will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.</p>
Issue date	The Options were issued on 20 September 2023
Issue price	The Options were issued for nil consideration and are exercisable at \$0.01.
Purpose of Issue	The Options were issued to reward and incentivise the Key Management Personnel of the Company
Use of funds raised	No funds will be raised by the issue of the Options. If all the Options are exercised, \$378,000 will be received by the Company which will be used as working capital and to continue the development of the Company's power projects.
Agreement	The Options were not issued under an agreement,
Voting exclusion statement	A voting exclusion statement is included in this Notice in respect of this Resolution.

9. ENQUIRIES

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

GLOSSARY

\$ means Australian dollars.

AEDT means Australian Eastern Daylight Time.

ASX means ASX Limited (ACN 008 624 691).

Board means the board of directors of the Company.

Capital Raise has the meaning defined in Resolution 4 of the Explanatory Memorandum.

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

Constitution means the Company's constitution.

Convertible Notes has the meaning defined in Resolution 4 of the Explanatory Memorandum.

Convertible Notes Issue has the meaning defined in Resolution 4 of the Explanatory Memorandum

Corporations Act means the Corporations Act 2001 (Cth).

Directors mean the current directors of the Company.

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

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

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

Listing Rules means the Listing Rules of ASX.

Meeting means the meeting convened by the Notice.

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

Options means an option to acquire a Share.

Related Party Participants has the meaning defined in Resolutions 5A to 5F of the Explanatory Memorandum.

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

Share means a fully paid ordinary share in the Company.

Shareholder means a holder of a Share.

Schedule 1 - Convertible Note Terms

Number of securities issued	<p>442,500 unlisted Convertible Notes issued under Resolution 4.</p> <p>182,500 unlisted Convertible Notes to be issued within 5 business days of the Meeting, assuming Resolutions 5A-5F are passed.</p>
Issue date	<p>Total of 442,500 unlisted Convertible Notes were issued on 17 August 2023.</p> <p>182,500 unlisted Convertible Notes to be issued within 5 business days from Meeting, assuming Resolutions 5A-5F are passed.</p>
Issue price	<p>The total issue price for 442,500 unlisted Convertible Notes was A\$425,500.</p> <p>The total issue price for 182,500 unlisted Convertible Notes is A\$182,500.</p>
Maturity Date	30 July 2024
Interest rate	<p>10% per annum</p> <p>Interest will be accrued and capitalised until the Convertible Notes are converted into shares or redeemed by the Company at the Maturity Date.</p> <p>Note holders will be paid a minimum amount of 6 months interest, irrespective of whether the Convertible Notes are converted within 6 months of their issue date.</p>
Conversion and redemption	<p>Noteholders may elect to convert the Convertible Notes at any time before the Maturity Date, unless automatically converted earlier.</p> <p>The Convertible Notes will be converted on the following price (Conversion Price)</p> <ul style="list-style-type: none"> • 0.826 cents; and • 85% of the offer price of securities in the Company's next capital raise. <p>On the Maturity date, where the Company's shares are trading within a 30-day VWAP at</p> <ul style="list-style-type: none"> • 0.826 cents or more, the Convertible Notes will automatically convert; and • Less than 0.826 cents, a holder may elect to redeem their Convertible Notes and require repayment of all interest.
Automatic conversion	The Convertible Notes will be automatically converted into shares upon the Company completing a capital raise of at least A\$1 million.
Ranking	The Convertible Notes rank ahead of the Company's shares. However, the shares issued on conversion of the Convertible Notes

	will rank equally with Company's shares at the date of issue.
Quotation	The Convertible Notes will not be quoted on ASX.
Transferability	The Convertible Notes cannot be transferred except with the Company's prior written approval.

Kalina Power Limited

ABN 24 000 090 997

Need assistance?



Phone:

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



Online:

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (AEDT) on Saturday, 11 November 2023.**

Proxy Form

How to Vote on Items of Business

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

APPOINTMENT OF PROXY

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

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

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

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

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

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

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

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

PARTICIPATING IN THE MEETING

Corporate Representative

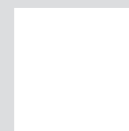
If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

Online:

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

Your secure access information is



Control Number: 183138

SRN/HIN:

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

By Mail:

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

By Fax:

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



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

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

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

Proxy Form

Please mark ☒ to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

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

☐ the Chairman of the Meeting **OR**

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Kalina Power Limited to be held as a virtual meeting on Monday, 13 November 2023 at 10:00am (AEDT) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 6A - 6F and 7 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1, 6A - 6F and 7 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 6A - 6F and 7 by marking the appropriate box in step 2.

Step 2 Items of Business

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

		For	Against	Abstain			For	Against	Abstain
Resolution 1	Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 5F	Approval to grant Timothy Horgan 12,500 Convertible Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Election of a Director - MR Peter Littlewood	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 6A	Approval to grant Stephen White 15,000,000 Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Additional Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 6B	Approval to grant Ross MacLachlan 27,000,000 Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of prior issue of Convertible Note	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 6C	Approval to grant Timothy Horgan 23,000,000 Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5A	Approval to grant Ross MacLachlan 50,000 Convertible Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 6D	Approval to grant Jeffry Myers 10,000,000 Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5B	Approval to grant Stephen White 50,000 Convertible Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 6E	Approval to grant Peter Littlewood 10,000,000 Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5C	Approval to grant Jeffry Myers 50,000 Convertible Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 6F	Approval to grant Malcolm Jacques 10,000,000 Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5D	Approval to grant Peter Littlewood 10,000 Convertible Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 7	Ratification of prior issue of Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5E	Approval to grant Malcolm Jacques 10,000 Convertible Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					

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

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

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

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

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