



KINETIKO

ENERGY LTD

ACN 141 647 529

NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY STATEMENT

**Annual General Meeting to be held at
Level 24, 44 St George's Terrace, Perth, Western Australia
On Wednesday 8 December 2021 commencing at 10.00AM (WST).**

This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

In accordance with Treasury Laws Amendment (2021 Measures No. 1) Act 2021 (Cth), the Company will not be dispatching physical copies of this Notice of Meeting unless a Shareholder has elected to receive documents in hard copy. For each shareholder that the Company has an email addresses on record, the Company will send a copy of this Notice and material relating to the Meeting or provide a link to where the Notice and other material can be viewed or downloaded by email. To the other Shareholders, the Company will send a letter setting out a URL for viewing or downloading the Notice and other material. If you are unable to attend the Meeting, please complete the form of proxy enclosed and return it in accordance with the instructions set out on that form.

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NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Kinetiko Energy Limited (ACN 141 647 529) (“**Company**”) will be held at Level 24, 44 St George's Terrace, Perth, Western Australia on Wednesday 8 December 2021 commencing at 10.00 AM (WST).

ORDINARY BUSINESS

1 Financial Statements and Reports

To receive and consider the annual financial report, together with the Director's and auditor's reports for the year ending 30 June 2021.

2 Resolution 1 – Approval of Remuneration Report

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

“That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the financial year ended 30 June 2021 be adopted.”

The Remuneration Report is set out in the Directors' Report in the Annual Report. Please note that the vote on Resolution 1 is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; and
- a Closely Related Party of such a member.

However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- the voter is the Chair and the appointment of the Chair as proxy:
 - does not specify the way the proxy is to vote on this Resolution; and
 - expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3 Resolution 2 – Appointment of Thomas Fontaine as a Director

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

“That, for all purposes, Thomas Fontaine, having provided his consent to act as a Director, be appointed as a Director pursuant to clause 11.1 of the Company's constitution.”

4 Resolution 3 – Ratification of prior issue of Shares under Placement

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

“That, for the purpose of Listing Rule 7.4 and for all other purposes, approval is given to ratify the prior issue of 28,480,000 Shares to Exempt Investors under the Placement on the terms and conditions set out in the Explanatory Statement.”

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Voting exclusion statement

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

- a person who participated in the issue; or
- an associate of that person (or those persons).

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

- a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chair of the meeting as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair to vote on this Resolution as the Chair decides; or
- 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 this Resolution; and
 - the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

5 Resolution 4 – Ratification of prior issue of Lead Manager Options

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

"That, for the purpose of Listing Rule 7.4 and for all other purposes, approval is given to ratify the prior issue of 3,000,000 Lead Manager Options to Beaglemoat Nominees Pty Ltd on the terms and conditions set out in the Explanatory Statement."

Voting exclusion statement

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

- Beaglemoat Nominees Pty Ltd; or
- an associate of that person (or those persons).

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

- a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chair of the meeting as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair to vote on this Resolution as the Chair decides; or
- 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 this Resolution; and
 - the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

6 Resolution 5 – Ratification of prior issue of Shares to Johan Visagie

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

"That, for the purposes of section Listing Rule 7.4 and for all other purposes, approval is given to ratify the issue of 3,000,000 Shares to Johan Visagie and his associated entities (and/or his nominees) on the terms and conditions as outlined in the Explanatory Statement."

Voting exclusion statement

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

- Johan Visagie; and
- 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 entity; or
- an associate of that person (or those persons),

However, the Company need not disregard a vote in favour of the Resolution if:

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

7 Resolution 6 – Approval of 10% Placement Facility

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, Shareholders approve the issue of Equity Securities totalling up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 over a 12 month period from the date of the Annual General Meeting, at a price not less than that determined pursuant to Listing Rule 7.1A.3 and otherwise on the terms and conditions in the Explanatory Statement.”

Voting exclusion statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf a person who is expected to participate in, or will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity), and any associate of those persons.

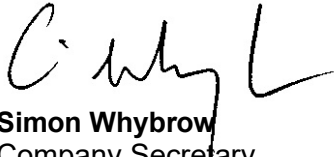
However, this does not apply to a vote cast in favour of the Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chair of the meeting as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair to vote on this Resolution as the Chair decides; or
- 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 this Resolution; and
 - the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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By Order of the Board of Directors

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

Simon Whybrow
Company Secretary
Kinetiko Energy Limited

1 November 2021

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EXPLANATORY STATEMENT

Important information

This Explanatory Statement has been prepared for the information of the shareholders of Kinetiko Energy Limited (ACN 141 647 529] (to be renamed “Nu Gas Energy Limited”) (“**Company**”) in connection with the Resolutions to be considered at the Meeting to be held at Level 24, 44 St Georges Terrace, Perth, Western Australia on Wednesday 8 December 2021, commencing at 10.00AM (AWST).

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company, which is material to a decision on how to vote on the Resolutions in the accompanying Notice.

This Notice and Explanatory Statement should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their professional adviser prior to voting.

Interpretation

Capitalised terms which are not otherwise defined in this Notice and Explanatory Statement have the meanings given to those terms under the Definitions of this Notice.

References to “\$” and “A\$” in this Notice and Explanatory Statement are references to Australian currency unless otherwise stated.

References to time in this Notice and Explanatory Statement relate to the time in Perth, Western Australia.

Voting exclusion statements

Certain voting restrictions apply to the Resolutions as detailed beneath the applicable Resolutions in the Notice.

Voting by proxy

Shareholders who wish to participate and vote at the AGM are strongly encouraged to complete and submit their proxies as early as possible.

To vote by proxy:

1. Please lodge the Proxy Form online at <https://investor.automic.com.au/#!/loginsah> by following the below instructions:

Login to the Automic website using the holding details as shown on the Proxy Form. Click on ‘Meetings’ – ‘Vote’. To use the online lodgement facility, Shareholders will need their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) as shown on the front of the Proxy Form; or

2. Please complete and sign your Proxy Form, and deliver the Proxy Form:

(a) in person:

Automic Group
Level 5, 126 Phillip Street, Sydney NSW 2000; or

(b) by mail:

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Automic Group
GPO Box 5193, Sydney NSW 2001;

(c) by email:

meetings@automicgroup.com.au

(d) by facsimile:

+61 2 8583 3040

Your Proxy Form must be received not later than 48 hours before the commencement of the Meeting.

Proxy Forms received later than this time will be invalid.

Voting entitlements

In accordance with Regulations 7.11.37 and 7.11.38 of the Corporations Regulations 2001 (Cth), the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the register of Shareholders as at 10.00AM (WST) on Monday 6 December 2021.

Accordingly, transactions registered after that time will be disregarded in determining Shareholders' entitlements to attend and vote at the Annual General Meeting.

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REGULATORY INFORMATION

1 Financial and Other Reports

As required by section 317 of the Corporations Act, the financial report for the year ended 30 June 2021 and the accompanying Directors' Report, Directors' Declaration and Auditor's Report will be laid before the Annual General Meeting.

Neither the Corporations Act nor the Company's Constitution requires a vote on the reports. However, Shareholders will have an opportunity to ask questions about the report at the Annual General Meeting. Shareholders will also be given a reasonable opportunity to ask the Auditor questions about the auditor's report and audit conduct. Written questions may be submitted 5 business days prior to the Annual General Meeting addressed to the Chairman and sent to the Company's registered office, about the management of the Company, or addressed to the Company's auditor and sent to the Company's registered office about audit conduct, accounting policies used by the Company and auditor independence. General questions about the management of the Company will also be taken.

2 Resolution 1 – Approval of Remuneration Report

Section 249L(2) of the Corporations Act requires a company to inform shareholders that a resolution on the remuneration report will be put at the Annual General Meeting. Section 250R(2) of the Corporations Act requires a resolution that the remuneration report adopted be put to a vote. Resolution 1 seeks this approval.

In accordance with section 250R(3) of the Corporations Act, Shareholders should note that Resolution 1 is an "advisory only" Resolution which does not bind the Directors or the Company. However, the Directors take the discussion at the Annual General Meeting and the outcome of the vote into account when considering the Company's remuneration practices.

Following consideration of the Remuneration Report for the financial year ended 30 June 2021, the Chair, in accordance with section 250SA of the Corporations Act, will give Shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

If at least 25% of the votes cast on a resolution for the adoption of a Remuneration Report are voted against at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution proposing that another general meeting be held within 90 days, at which all of the Company's Directors (other than the Managing Director) would be up for re-election.

Directors' recommendations

The Directors encourage all Shareholders to vote on Resolution 1.

3 Resolution 2 – Appointment of Thomas Fontaine as a Director

Resolution 2 is an ordinary resolution which seeks to approve the appointment of Thomas Fontaine as Director of the Company.

The appointment of Mr Fontaine requires approval for all purposes by way of an ordinary resolution, meaning that at least fifty percent (50%) of votes must be cast in favour of the Resolutions in order for it to be passed.

Clause 11.1 of the Constitution provides that a person may be elected to the office of a director at a general meeting by Directors' nomination. The Directors may appoint any natural person to be a director either as an addition to the existing Directors or to fill a casual vacancy

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3.1 Background - Thomas Fontaine

Mr Fontaine is a professional engineer with over 25 years' technical and commercial experience in the development and commercialisation of conventional and unconventional petroleum assets, including start-up, running and building resource companies.

In the mid 2000s, Mr Fontaine co-founded Pure Energy Limited whose primary endeavour was to secure prospective coal bed methane acreage in Queensland and develop a resource. Pure Energy successfully drilled over 40 wells to prove over 1 trillion cubic feet of gas, which enabled the company to be sold to British Gas for over AUD\$1 billion in 2009.

Mr Fontaine is currently a major shareholder and on the board of several early stage resource companies with assets based in Australia, Cuba, Africa and North America.

Mr Fontaine will be considered an independent director.

Directors' Recommendation

Other than Mr Fontaine, who does not make any recommendation in relation to his own appointment, the Directors unanimously recommend that Shareholders vote in favour of Resolution 2.

4 Resolution 3 – Ratification of prior issue of Shares under Placement

4.1 General

Resolution 3 is an ordinary resolution which seeks Shareholder approval, under and for the purposes of Listing Rule 7.4, for the ratification of the issue of 28,480,000 Shares to Exempt Investors under the Placement, which were issued on 8 July 2021 (“**Placement Shares**”).

4.2 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.

4.3 Listing Rule 7.4

Listing Rule 7.4 sets out an exception to Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rules 7.1 (and provided that the previous issue did not breach Listing Rule 7.1), those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain shareholder approval for such issues under Listing Rule 7.1. To this end, Resolution 3 seeks shareholder approval for the issue of the Placement Shares under and for the purposes of Listing Rule 7.4.

4.4 Listing Rule 7.5

Listing Rule 7.5 requires that the following information be provided to the Shareholders in relation to obtaining approval of Resolution 3 for the purposes of Listing Rule 7.4:

(a) **Name of the persons to whom the entity will issue the securities or the basis on which those persons were determined**

The participants in the Placement were Exempt Investors who were clients of the Lead Manager, Ord Minnett Limited. None of the participants in the Placement are related parties of the Company or persons to whom Listing Rule 10.11 applied. The recipients

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were identified through a bookbuild process, where expressions of interest to participate in the capital raising from non-related parties of the Company were sought.

Ord Minnett Limited acted as lead manager to the Placement (Refer to Resolution 4 for a summary of the Lead Manager Agreement).

(b) **Number and class of securities issued**

28,480,000 Shares.

(c) **Terms of the securities**

The Placement Shares issued rank equally in all respects with existing Shares on issue.

(d) **The date the securities were issued**

The Placement Shares were issued on 8 July 2021.

(e) **Price at which the securities were issued**

The Placement Shares were issued at an issue price of \$0.10 per Share.

(f) **Purpose and intended use of the funds raised**

The purpose of the issue was to raise up to \$2,848,000. Funds raised from the Placement are being used towards exploration at the Company's Amersfoot Project and general working capital purposes.

(g) **If the securities were issued under an agreement, a summary of the material terms of the agreement**

The Placement Shares were not issued under an agreement.

4.5 Listing Rule 14.1A

Listing Rule 14.1A provides that a notice of meeting which contains a resolution approval of security holders under the Listing Rules must summarise the relevant Listing Rule (see summary of Listing Rule 7.4 above) and what will happen if security holders give, or do not give, that approval.

If Resolution 3 is approved by Shareholders, then the Placement Shares will be excluded in calculating the Company's fifteen percent (15%) limit in Listing Rule 7.1 and the Company will retain the flexibility to issue shares in the future up to the fifteen percent (15%) placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

If Resolution 3 is not approved by Shareholders, the Placement Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of shares that the Company can issue without Shareholder approval over the twelve (12) month period following the date of issue of the Placement Shares.

Directors' recommendations

The Directors unanimously recommend that Shareholders vote in favour of Resolution 3.

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5 Resolution 4 – Ratification of prior issue of Lead Manager Options

5.1 Background

On 2 July 2021, the Company announced that it was undertaking a Placement to raise approximately \$2,800,000 at an issue price of \$0.10 per Share and that Ord Minnett Limited (“Ord Minnett” or “Lead Manager”) was engaged as the Lead Manager.

In consideration for the services provided under their engagement as Lead Manager (“Lead Manager Agreement”), the Company issued 3,000,000 lead manager options to Beaglemoat Nominees Pty Ltd (“Beaglemoat”) (a fully owned subsidiary of Ord Minnett and as nominee of Ord Minnett) at an exercise price of \$0.13 with an expiry date of 7 July 2023 (“Lead Manager Options”).

5.2 General

Resolution 4 is an ordinary resolution which seeks Shareholder approval under and for the purposes of Listing Rule 7.4 for the ratification of the issue of 3,000,000 Lead Manager Options to Beaglemoat (as the nominee for the Lead Manager) as consideration for the provision of the services provided under the Lead Manager Agreement.

5.3 Listing Rule 7.1

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 a 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The issue of the Lead Manager Options does not fall within any of those exceptions and, as it has not been approved by the Company's shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without shareholder approval under Listing Rule 7.1 for the 12 months following the date of issue of the Lead Manager Options.

5.4 Listing Rule 7.4

Listing Rule 7.4 sets out an exception to Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rules 7.1 (and provided that the previous issue did not breach Listing Rule 7.1), those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain shareholder approval for such issues under Listing Rule 7.1. To this end, Resolution 4 seeks shareholder approval for the issue of the Placement Shares under and for the purposes of Listing Rule 7.4.

5.5 Listing Rule 7.5

Listing Rule 7.5 requires that the following information be provided to the Shareholders in relation to obtaining approval of Resolution 4 for the purposes of Listing Rule 7.4:

(a) **Name of the persons to whom the entity will issue the securities or the basis on which those persons were determined**

Ord Minnett acted as lead manager to the Placement and nominated Beaglemoat to receive the issue of 3,000,000 Lead Manager Options.

(b) **Number and class of securities issued**

3,000,000 Lead Manager Options.

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(c) **Terms of the securities**

The Lead Manager Options are exercisable at \$0.13 per Lead Manager Option and expire on 7 July 2023. The terms and conditions of the Lead Manager Options are set out at Annexure A.

(d) **The date the securities were issued**

The Lead Manager Options were issued on 7 July 2021.

(e) **Price at which the securities were issued**

The Lead Manager Options were issued at a nil issue price as they were issued pursuant to the Lead Manager Agreement.

(f) **Purpose and intended use of the funds raised**

The purpose of the issue is to satisfy the Company's obligations under the Lead Manager Agreement.

No funds were raised from the issue of the Lead Manager Options as the Lead Manager Options were issued in consideration for the provision of the services provided by Ord Minnett under the Lead Manager Agreement. The Company will use any funds from the exercise of the Lead Manager Options for general working capital matters.

(g) **If the securities were issued under an agreement, a summary of the material terms of the agreement**

Pursuant to the Lead Manager Agreement, Ord Minnett acted as Lead Manager to the Placement and received the following in consideration for their services:

- a \$25,000 fixed cash payment;
- a 5% fee on amounts raised under the Placement; and
- a total of 3,000,000 options exercisable at \$0.13 each and expiring on 7 July 2023. The Lead Manager Options will have a non-exercise period of 12 months from their date of issue (i.e. they will not be exercisable until after 7 July 2022 and will expire by 7 July 2023).

Ord Minnett nominated Beaglemoat to receive the Lead Manager Options.

The Lead Manager Agreement contained other terms and conditions considered standard for such appointments.

5.6 Listing Rule 14.1A

Listing Rule 14.1A provides that a notice of meeting which contains a resolution approval of security holders under the Listing Rules must summarise the relevant Listing Rule (see summary of Listing Rule 7.4 above) and what will happen if security holders give, or do not give, that approval.

If Resolution 4 is approved by Shareholders, then the Lead Manager Options will be excluded in calculating the Company's fifteen percent (15%) limit in Listing Rule 7.1 and the Company will retain the flexibility to issue shares in the future up to the fifteen percent (15%) placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

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If Resolution 4 is not approved by Shareholders, the Lead Manager Options will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of shares that the Company can issue without Shareholder approval over the twelve (12) month period following the date of issue of the Lead Manager Options.

Directors recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 4.

6 Resolution 5 – Ratification of prior issue of Shares to Johan Visagie

6.1 Background

On 5 February 2021, the Company issued 3,000,000 Shares at an issue price of \$0.02 per Share to Johan Visagie for his role as the Company's in-country advisor and Chief Executive Officer.

6.2 General

Resolution 5 is an ordinary resolution which seeks to ratify of the issue of 3,000,000 Shares to Mr Johan Visagie which were issued on 5 February 2021 at an issue price of \$0.02 per Share pursuant to his engagement as Chief Executive Officer of the Company, acting primarily as the Company's in-country advisor ("**Employment Agreement**"). Nick de Blogc was appointed as the Chief Executive Officer on 10 August 2021, replacing Mr Visagie.

6.3 Listing Rule 7.1

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 a 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The issue of the Shares does not fall within any of those exceptions and, as it has not been approved by the Company's shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without shareholder approval under Listing Rule 7.1 for the 12 months following the date of issue of the Shares.

6.4 Listing Rule 7.4

Listing Rule 7.4 sets out an exception to Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rules 7.1 (and provided that the previous issue did not breach Listing Rule 7.1), those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain shareholder approval for such issues under Listing Rule 7.1. To this end, Resolution 5 seeks shareholder approval for the issue of the Placement Shares under and for the purposes of Listing Rule 7.4.

6.5 Listing Rule 7.5

Listing Rule 7.5 requires that the following information be provided to the Shareholders in relation to obtaining approval of Resolution 5 for the purposes of Listing Rule 7.4:

- (a) **Name of the persons to whom the entity will issue the securities or the basis on which those persons were determined**

Johan Visagie

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(b) **Number and class of securities issued**

3,000,000 Shares.

(c) **Terms of the securities**

The Shares issued to Mr Visagie will rank equally in all respects with existing Shares on issue.

(d) **The date the securities were issued**

The Shares were issued on 5 February 2021.

(e) **Price at which the securities were issued**

The Shares were issued at \$0.02 per Share.

(f) **Purpose and intended use of the funds raised**

The purpose of the issue is to satisfy the Company's obligations under the Employment Agreement.

\$60,000 was raised by the issue of the Shares to Mr Visagie which was used towards general working capital purposes.

(g) **If the securities were issued under an agreement, a summary of the material terms of the agreement**

Pursuant to the Employment Agreement, Johan Visagie acted as the Company's in-country adviser and CEO and received the following in consideration for his services:

- \$260,000 per annum, plus superannuation; and
- 3,000,00 fully paid ordinary shares.

The Employment Agreement contained other terms and conditions considered standard for such appointments.

6.6 Listing Rule 14.1A

Listing Rule 14.1A provides that a notice of meeting which contains a resolution approval of security holders under the Listing Rules must summarise the relevant Listing Rule (see summary of Listing Rule 7.4 above) and what will happen if security holders give, or do not give, that approval.

If Resolution 5 is approved by Shareholders, then the Shares will be excluded in calculating the Company's fifteen percent (15%) limit in Listing Rule 7.1 and the Company will retain the flexibility to issue shares in the future up to the fifteen percent (15%) placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

If Resolution 5 is not approved by Shareholders, the Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of shares that the Company can issue without Shareholder approval over the twelve (12) month period following the date of issue of the Shares.

Directors recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 5.

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7 Resolution 6 – Approval of 10% Placement Facility

7.1 General

Resolution 6 is a special resolution which seeks Shareholder approval for the issue of Equity Securities totaling up to 10% of the issued capital of the Company under and in accordance with Listing Rule 7.1A (“**10% Placement Facility**”).

7.2 Listing Rule 7.1A

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%.

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 6 seeks shareholder approval by way of special resolution for the Company to have the additional 10% capacity provided for in Listing Rule 7.1A to issue equity securities without shareholder approval.

If Resolution 6 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.

If Resolution 6 is not passed, the Company will not be able to access the additional 10% capacity to issue equity securities to issue equity securities without shareholder 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.

Approval of the 10% Placement Facility is valid from the date of the Annual General Meeting until the earlier of:

- twelve (12) months after the Annual General Meeting;
- the time and date of the Company’s next annual general meeting; and
- the date shareholders approve a transaction under Listing Rule 11.1.2 (significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(“**10% Placement Period**”).

The number of Equity Securities that the Company will have the capacity to issue under the 10% Placement Facility will be calculated in accordance with the following formula:

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

A has the same meaning as in Listing Rule 7.1 when calculating an entity’s 15% placement capacity – i.e. the number of shares on issue twelve (12) months before the date of issue or agreement:

- plus the number of fully paid shares issued in the twelve (12) months under an exception in Listing Rule 7.2 other than exceptions 9, 16 or 17;

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- plus the number of fully paid Equity 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 rule 7.1 or rule 7.4,
- plus the number of fully paid Equity 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 these rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4,
- plus the number of any other Equity Securities issued in the relevant period with approval under Listing Rule 7.1 or Listing Rule 7.4,
- plus the number of partly paid Equity Securities that became fully paid in the relevant period,
- less the number of fully paid Equity 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 12 months before the date of the issue or agreement to issue where the issue or agreement has not been subsequently approved by the holders of its ordinary securities under Listing Rule 7.4.

7.3 Listing Rule 7.3A

For the purposes of Listing Rule 7.3A, the following information is provided to Shareholders in relation to Resolution 6:

(h) **Minimum price at which the securities may be issued**

In accordance with Listing Rule 7.1A.3, any Equity Securities issued under the 10% Placement Facility will be issued for at least 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- the date on which the price of the Equity Securities is agreed; or
- if the Equity Securities are not issued within ten (10) Trading Days of the above date, the date on which the Equity Securities are issued.

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(i) **Risk of economic and voting dilution**

Any issue of Equity Securities under the 10% Placement Facility will dilute Shareholders who do not participate in the issue. The table below shows the potential economic and voting dilution of existing Shareholders as a result of the Company issuing Shares under the 10% Placement Facility, based on different issue prices and values for variable 'A' in the formula above.

The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of the Notice.

Variable 'A' (Shares on issue)		Issue price		
		\$0.049 (50% decrease)	\$0.099 (Current) ²	\$0.149 (50% increase)
617,800,705 (Current) ¹	Shares issued	61,780,705	61,780,705	61,780,705
	Funds raised	\$3,027,255	\$6,116,290	\$9,205,325
926,701,058 (50% increase)	Shares issued	92,670,105	92,670,105	92,670,105
	Funds raised	\$4,540,835	\$9,174,340	\$13,807,846
1,235,601,140 (100% increase)	Shares issued	123,560,114	123,560,114	123,560,114
	Funds raised	\$6,054,446	\$12,232,451	\$18,410,457

Notes:

- 1 The current variable 'A' is assumed to be the number of Shares on issue as at the date of this Notice. The number of Shares on issue could increase as a result of, for example, an issue that does not require Shareholder approval (e.g. a pro rata offer to Shareholders) or an issue with Shareholder approval under Listing Rule 7.1.
- 2 The current price of Shares is the closing price on the ASX on 26 October 2021.
- 3 The table assumes that no Options or other convertible securities are exercised or converted into Shares prior to an issue under the 10% Placement Facility.
- 4 The table assumes that the Company issues the maximum number of Shares available under the 10% Placement Facility.
- 5 The table assumes that issues of Equity Securities under the 10% Placement Facility consist only of Shares.
- 6 The table does not show examples of dilution that may be caused to a particular Shareholder by reason of issues under the 10% Placement Facility. Shareholders should consider the potential dilution caused in the context of their own circumstances.
- 7 The table only shows the effect of issues under Listing Rule 7.1A, and not issues under the 15% placement capacity under Listing Rule 7.1.

Shareholders should further note that:

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- the market price for the Equity Securities may be significantly lower on the date of issue than on the date of the Annual General Meeting; and
- the Equity Securities may be issued at a price that is at a discount to the market price for the Equity Securities on the date of issue.

(j) **Date by which the securities may be issued**

In accordance with Listing Rule 7.1A.1, any Equity Securities issued under the 10% Placement Facility will be issued during the 10% Placement Period. The 10% Placement Facility will cease to be valid in the event that shareholders approve a transaction under Listing Rule 11.1.2 (significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

(k) **Purposes for which the securities may be issued**

Any Equity Securities issued under the 10% Placement Facility may only be issued for cash consideration to raise funds. In such circumstances, the Company may apply the funds raised towards the exploration activities at its existing projects and/or for acquisition of new assets or investments (including expenses associated with such acquisition) and general working capital.

(l) **Allocation policy for issues of securities**

The Company's allocation policy for any Equity Securities issued under the 10% Placement Facility will depend on the prevailing market conditions at the relevant time, however, recipients will not be related parties of the Company. The identity of recipients of Equity Securities will otherwise be determined on a case by case basis having regard to the following factors (without limitation):

- the purpose of the issue;
- alternative methods for raising funds that are available to the Company including rights issues or other issues in which existing Shareholders can participate;
- the effect of the issue on the control of the Company;
- the financial situation and solvency of the Company;
- prevailing market conditions; and
- advice from corporate, financial and broking advisers.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issuing any Equity Securities.

(m) **Previous issues of securities**

During the preceding 12-month period before the Annual General Meeting date, no fully paid ordinary Shares under Listing Rule 7.1A were issued.

Directors' recommendations

The Directors unanimously recommend that Shareholders vote in favour of Resolution 6.

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Annexure A – Terms and Conditions of the Lead Manager Options

(a) **Entitlement**

Each Lead Manager Option entitles the holder to subscribe for one Share upon exercise of the Lead Manager Option.

(b) **Expiry Date**

Each Lead Manager Option will expire at 5.00pm (WST) on 7 July 2023. (**Expiry Date**).

(c) **Exercise Price**

Each Lead Manager Option will have an exercise price equal to \$0.13 (**Exercise Price**).

(d) **Exercise Notice and payment**

Lead Manager Options may be exercised by notice in writing to the Company (**Exercise Notice**) together with payment of the Exercise Price for each Lead Manager Option being exercised. Any Exercise Notice for a Lead Manager Option received by the Company will be deemed to be a notice of the exercise of that Lead Manager Option as at the date of receipt. Payment in connection with the exercise of Lead Manager Options must be in Australian currency, and made payable to the Company in cleared funds.

(e) **Shares issued on exercise**

Shares issued on exercise of Lead Manager Options will rank equally in all respects with then existing fully paid ordinary shares in the Company.

(f) **Quotation of Shares**

Provided that the Company is quoted on ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Lead Manager Options.

(g) **Timing of issue of Shares**

Subject to clause (h) (Shareholder and regulatory approvals), within 5 business days after the later of the following:

- (i) receipt of an Exercise Notice given in accordance with these terms and conditions and payment of the Exercise Price in cleared funds for each Lead Manager Option being exercised by the Company if the Company is not in possession of excluded information (as defined in section 708A(7) of the Corporations Act); and
- (ii) the date that the Company ceases to be in possession of excluded information with respect to the Company (if any) following the receipt of the Exercise Notice and payment of the Exercise Price in cleared funds for each Lead Manager Option being exercised by the Company,

the Company will allot and issue the Shares pursuant to the exercise of the Lead Manager Options and, to the extent that it is legally able to do so:

- (iii) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and

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- (iv) apply for official quotation on the ASX of the Shares issued pursuant to the exercise of the Lead Manager Options.

If the Company is unable to lodge a notice that complies with section 708A(5)(e) of the Corporations Act then the Company may, in its absolute discretion, issue the Shares after the lodgement of a disclosure document issued by the Company complying with Part 6D.2 of the Corporations Act in respect of an offer of Shares (**Cleansing Prospectus**) or, if agreed by the holder, issue the Shares after the holder signs an undertaking not to deal in the Shares until the earlier of: (a) the Company issuing a Cleansing Prospectus; and (b) 12 months from issue, and agrees to a holding lock being placed on the Shares for this period.

(h) **Shareholder and regulatory approvals**

Despite any other provision of these terms and conditions, exercise of Lead Manager Options into Shares will be subject to the Company obtaining all required (if any) Shareholder and regulatory approvals for the purpose of issuing the Shares to the holder. If exercise of the Lead Manager Options would result in any person being in contravention of section 606(1) of the Corporations Act then the exercise of each Lead Manager Option that would cause the contravention will be deferred until such time or times that the exercise would not result in a contravention of section 606(1) of the Corporations Act. Holders must give notification to the Company in writing if they consider that the exercise of the Lead Manager Options may result in the contravention of section 606(1) of the Corporations Act, failing which the Company will be entitled to assume that the exercise of the Lead Manager Options will not result in any person being in contravention of section 606(1) of the Corporations Act.

(i) **Participation in new issues**

There are no participation rights or entitlements inherent in the Lead Manager Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Lead Manager Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least four business days after the issue is announced. This is intended to give the holders of Lead Manager Options the opportunity to exercise their Lead Manager Options prior to the announced record date for determining entitlements to participate in any such issue.

(j) **Adjustment for bonus issues of Shares**

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

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

(k) **Adjustment for rights issue**

If the Company makes an issue of Shares pro rata to existing Shareholders there will be no adjustment to the Exercise Price.

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(l) **Adjustments for reorganisation**

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

(m) **Quotation**

The Company will not apply for quotation of the Lead Manager Options on ASX.

(n) **Transferability**

The Lead Manager Options are not transferrable, except without prior written approval of the Board.

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DEFINITIONS

In this Explanatory Statement, the following terms have the following meaning unless the context otherwise requires:

10% Placement Facility means has the meaning given in section of the Explanatory Statement.

10% Placement Period means has the meaning given in section 5.2 of the Explanatory Statement.

Annual General Meeting means the annual general meeting convened by this Notice of Annual General Meeting.

Annual Report means the annual report of the Company for the financial year ended 30 June 2021.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) trading as the Australian Securities Exchange.

ASX Listing Rules means the official listing rules of the ASX.

AWST means Australian Western Standard Time.

Board means the board of Directors.

Business Day means a day on which banks in Perth, Western Australia are generally open for business, except a Saturday, Sunday and gazetted public holiday.

Chairman means Adam Sierakowski.

Closely Related Party means a closely related party of a member of Key Management Personnel as defined in Section 9 of the Corporations Act, being:

- a spouse or child of the member;
- a child of that member's spouse;
- a dependant of that member or of that member's spouse;
- anyone else who is one of that member's family and may be expected to influence that member, or be influenced by that member, in that member's dealings with the Company;
- a company that is controlled by that member; or
- any other person prescribed by the regulations.

Constitution means the constitution of the Company.

Company means Kinetiko Energy Limited ACN 141 647 529.

Corporations Act means Corporations Act 2001 (Cth).

COVID-19 means the coronavirus known as COVID-19.

Director means a director of the Company.

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Equity Securities has the meaning given in the Listing Rules.

Exempt Investors has the same meaning as exempt investors under section 708A(5) of the Corporations Act

Explanatory Statement means the explanatory statement accompanying the Notice of Annual General Meeting.

Key Management Personnel means the key management personnel of the Company as defined in Section 9 of the Corporations Act and Australian Accounting Standards Board accounting standard 124, being those persons having authority and 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.

Notice of Annual General Meeting or **Notice** means the notice of annual general meeting accompanying the Explanatory Statement

Placement means the Company's issue of 28,480,000 Shares under a placement to Exempt Investors at an issue price of \$0.10 to raise approximately \$2,480,000 (before costs).

Placement Share means a share issued under the Placement.

Proxy Form means the proxy form attached to this Notice.

Related Party means a party so defined by section 228 of the Corporations Act.

Remuneration Report means the section of the Annual Report entitled "Remuneration Report".

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

Shareholder means a holder of Shares.

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If you are attending the meeting
in person, please bring this with you
for Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **10.00am (WST) on Monday, 6 December 2021**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

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

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking 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 SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

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

Joint holding: Where the holding is in more than one name, all Shareholders 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 Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.



