



KRAKATOA
RESOURCES LTD.

Krakatoa Resources Limited
ACN 155 231 575

Notice of Annual General Meeting

The Annual General Meeting of Krakatoa Resources Limited (the Company) will be held on **Monday, 18 November 2020** at **11:00 AM** AEST. The meeting will be held in person at the Company's registered office, 11th Floor, 100 Market Street, Sydney, New South Wales 2000, Australia. Shareholders are invited to attend the meeting in person or to participate via a live webcast. The meeting will be held in accordance with the provisions of the Company's Constitution and the Corporations Act 2006 (Cth).

The Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from a suitably qualified professional advisor prior to voting.

For further information, please contact the Company Secretary at **1800 810 810**.

Due to the ongoing COVID-19 pandemic, the Company is taking precautions to facilitate an in-person Meeting in accordance with COVID-19 restrictions. If the situation in relation to COVID-19 changes in a way affecting the ability to facilitate an in-person Meeting as currently proposed, the Company will provide a further update ahead of the Meeting by way of an announcement on the ASX market announcements platform.

Shareholders are urged to attend or vote by lodging the proxy form attached to the Notice

Crakatoa Resources Limited
Annual General Meeting
18 November 2022

Notice of Meeting

Notice is given that the annual general meeting of Krakatoa Resources Limited will be held at the offices of the Company, at Level 8, 216 St George's Terrace Perth, Western Australia on Friday, 18 November 2022 at 11:00 am (WST) (M_{11:00am}).

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

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

Agenda

1. Annual Report

To consider the Annual Report of the Company and its controlled entities for the financial year ended 30 June 2022, which includes the Financial Report, the Directors' Report and the Auditor's Report.

2. Resolutions

Resolution 1 – Remuneration Report

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

'That the Remuneration Report be adopted by Shareholders on the terms and conditions in the Explanatory Memorandum.'

Resolution 2 – Re-election of Director – Mr Colin Locke

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

'That Mr Colin Locke, who retires by rotation in accordance with Article 7.2 of the Constitution, Listing Rule 14.5 and for all other purposes, and, being eligible and offering himself for re-election, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum.'

Resolution 3 – Approval of 10% Placement Facility

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

'That the Company have the additional capacity to issue Equity Securities provided for in Listing Rule 7.1A on the terms and conditions in the Explanatory Memorandum.'

Resolution 4 – Ratification of prior issue of Placement Shares

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

'That the issue of:

- (a) 20,529,009 Placement Shares under Listing Rule 7.1; and
- (b) 29,470,991 Placement Shares under Listing Rule 7.1A,

at \$0.10 per Share to raise an aggregate total of approximately \$5,000,000 is approved under and for the purposes of Listing Rule 7.4 and for all other purposes, on the terms and conditions in the Explanatory Memorandum.'

Resolution 5 – Ratification of prior issue of Options

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

'That the issue of 5,000,000 Options to Mr Mark Major (or his nominees) is approved under and for the purposes of Listing Rule 7.4 and for all other purposes, on the terms and conditions in the Explanatory Memorandum.'

Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of:

- (a) Resolution 3, if at the time of the Meeting, the Company is proposing to make an issue of Equity Securities under the 10% Placement Facility, by or on behalf of any persons who are 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), or any associate of those persons;
- (b) Resolution 4(a) or (b) by or on behalf of any person who participated in the issue of the Placement Shares or is a counterparty to the agreement being approved, or any of their respective associates; and
- (c) Resolution 5 by or on behalf of Mr Mark Major (or his nominees) and any person who participated in the issue of the securities, or any of their respective associates.

The above voting exclusion does not apply to a vote cast in favour of the relevant Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote, 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:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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R□□□□□□□□1: In accordance with sections 250BD and 250R of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report, or a Closely Related Party of such a member.

A vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) 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, but expressly authorises the Chair to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

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David Palumbo

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Dated: 17 October 2022

Explanatory Memorandum
18 November 2022
 11:00 am (WST)

Explanatory Memorandum

1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at the offices of the Company, at level 8, 216 St George's Terrace, Perth, Western Australia on Friday, 18 November 2022 at 11:00 am (WST).

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

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

Section 2	Voting and attendance information
Section 3	Annual Report
Section 4	Resolution 1 – Remuneration Report
Section 5	Resolution 2 – Re-election of Director – Mr Colin Locke
Section 6	Resolution 3 – Approval of 10% Placement Facility
Section 7	Resolution 4(a) and (b) – Ratification of prior issue of Placement Shares
Section 8	Resolution 5 – Ratification of prior issue of Options
Schedule 1	Definitions
Schedule 2	Terms and conditions of Options

A Proxy Form is located at the end of the Explanatory Memorandum.

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

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2.1 The health and safety of members and personnel, and other stakeholders, is the highest priority and the Company is acutely aware of the current circumstances resulting from COVID-19.

The health and safety of members and personnel, and other stakeholders, is the highest priority and the Company is acutely aware of the current circumstances resulting from COVID-19.

Based on the best information available to the Board at the time of the Notice, the Board considers it will be in a position to hold an 'in-person' meeting to provide Shareholders with a reasonable opportunity to participate in and vote at the Meeting, while complying with the COVID-19 restrictions regarding gatherings. The Company, however, strongly encourages Shareholders to submit proxies prior to the Meeting.

If the situation in relation to COVID-19 were to change in a way that affects the position above, the Company will provide a further update ahead of the Meeting by releasing an announcement on the ASX market announcements platform.

2.2 

Given the current COVID-19 circumstances and in the interests of public health and safety of our Shareholders, the Company will implement arrangements to allow Shareholders to physically attend the Meeting in accordance with COVID-19 protocols and government advice.

The Company will strictly comply with applicable limitations on indoor gatherings in force at the time of the Meeting. If you attend the Meeting in person, you will be required to adhere to COVID-19 protocols in place at the time of the Meeting.

2.3 

Shareholders are encouraged to vote by completing a Proxy Form.

Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Lodgement instructions (which include the ability to lodge proxies electronically) are set out in the Proxy Form to the Notice of Meeting and Proxy Forms must be received by the Company no later than 11:00 am (AWST) on Wednesday, 16 November 2022, being at least 48 hours before the Meeting.

Proxy Forms can be lodged:

Online:	www.investorvote.com.au
By mail:	Computershare Investor Services Pty Limited GPO Box 242 Melbourne Victoria 3001, Australia
By fax:	1800 783 447 (within Australia) +61 3 9473 2555 (outside Australia)
By mobile:	Scan the QR Code on your Proxy Form and follow the prompts

2.4 

The Chair intends to exercise all available proxies in favour of all Resolutions, unless the Shareholder has expressly indicated a different voting intention.

Subject to the following paragraph, if the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on any of the Resolutions by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention, even if the Resolution is

connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

3. **Annual Report**

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2022.

There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at www.ktaresources.com/company-reports/;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Company's auditor about:

- (a) the preparation and content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than five business days before the Meeting to the Company Secretary at the Company's registered office.

4. **Remuneration Report and Resolution 1**

In accordance with subsection 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with subsection 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

If the Company's Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings, Shareholders will have the opportunity to remove the whole Board, except the managing director (if any).

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual

general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director, if any) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Company's Remuneration Report did not receive a Strike at the 2021 annual general meeting. If the Remuneration Report receives a Strike at this Meeting and a second Strike is received at the 2023 annual general meeting, Shareholders should be aware that this may result in the re-election of the Board.

The Chair will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

Resolution 1 is an ordinary resolution.

Given the material personal interests of all Directors in this Resolution, the Board makes no recommendation to Shareholders regarding this Resolution.

5. Resolution 1 – Resolution 1 – Director – Mr [REDACTED]

5.1 [REDACTED]

Article 7.2(b) of the Constitution requires that there is an election of Directors at each annual general meeting of the Company. If no person or Director is standing for election or re-election in accordance with other Articles of the Constitution, Article 7.2(b)(iv) provides that that any director who wishes to may retire and stand for re-election.

Accordingly, Mr Colin Locke retires by rotation at this Meeting and, being eligible, seeks re-election pursuant to Resolution 2.

If re-elected, Mr Locke not considered to be an independent Director, as Mr Locke is an executive Director and has been employed in an executive capacity by the Company in the last three years.

5.2 Mr [REDACTED]

From 1984 to 1993, Mr Colin Locke worked in the mining industry processing base and precious metals. During this time, he traded resource stocks and international futures contracts.

In 1993, Mr Locke joined an Australian commodity and futures broking firm as an investment advisor and became a Director in 1994. In 1998 Mr Locke founded a boutique Australian Financial Services firm and held the position of Managing Director from 1999 until 2010.

In 2007, Mr Locke held the role of Corporate Advisor during the acquisition process for the Mayoko iron ore project in the Republic of Congo that was subsequently taken over in 2010 for circa AUD 50mi and later on sold for over 300mi.

From 2008, Mr Locke focused on natural resources exploration pursuits through the Indonesian archipelago and founded Western Mining Network Ltd, (now Aston Minerals Limited, ASX:ASO) where he held the role of Executive Director from 2010 until 2012. Mr Locke brings to the board and shareholders a mining related background with business management and financial experience spanning over 30 years. He currently serves on the board of Rubix Resources Limited (ASX: RB6).

5.3 **Ordinary Resolution**

Resolution 2 is an ordinary resolution.

Having reviewed Mr Locke's performance, the Board considers that he continues to make a valuable contribution to the Board. Mr Locke brings to the Board extensive knowledge and in relation to company secretarial, corporate advisory and financial management and reporting of ASX listed companies. Mr Locke's skills and experience are particularly valuable given the Company's current stage of development.

The Board (other than Mr Locke) recommends that Shareholders vote in favour of Resolution 2.

6. **Resolution 10 – 10% Placement Facility**

6.1 **Introduction**

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).

Resolution 3 seeks Shareholder approval by way of a special resolution to provide the Company the ability to issue Equity Securities under the 10% Placement Facility during the 10% Placement Period (refer to Section 6.2(e) below). The number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 6.2(c) below).

If Resolution 3 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 3 is not passed, the Company will not be able to access the additional 10% capacity 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.

6.2 **Eligible Entity**

(a) **Eligible Entity**

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 as it is not included in the S&P/ASX 300 Index and has a market capitalisation of approximately \$20 million, based on the closing price of Shares (\$0.059) on 14 October 2022.

(b) $\frac{D}{1 + D}$

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the eligible entity.

As at the date of the Notice, the Company has on issue one quoted class of Equity Securities; Shares.

(c) $\frac{D}{1 + D}$

Listing Rule 7.1A.2 provides that under the approved 10% Placement Facility, the Company may issue or agree to issue a number of Equity Securities calculated in accordance with the following formula:

$$\frac{D}{1 + D}$$

Where:

- D is the number of Shares on issue 12 months before the date of issue or agreement:
 - (A) plus the number of fully paid Shares issued in the 12 months:
 - (1) under an exception in Listing Rule 7.2 (other than exception 9, 16 or 17);
 - (2) 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 12 month 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 7.4;
 - (3) under an agreement to issue securities within Listing Rule 7.2 exception 16 where:
 - the agreement was entered into before the 12 month period; or
 - the agreement or issue was approved, or taken under the Listing Rules to be approved, under Listing Rule 7.1 or 7.4; and
 - (4) with Shareholder approval under Listing Rule 7.1 or 7.4. This does not include any issue of Shares under the Company's 15% annual placement capacity without Shareholder approval;
 - (B) plus the number of partly paid shares that became fully paid in the 12 months; and
 - (C) less the number of fully paid Shares cancelled in the 12 months.

6.3 **Resolution 7**

Under and for the purposes of Listing Rule 7.3A, the following information is provided in relation to the 10% Placement Facility:

(a) **Issuance of Equity Securities**

The Company will only issue the Equity Securities under the 10% Placement Facility during the 10% Placement Period (refer to Section 6.2(e) above).

Shareholder approval of the 10% Placement Facility will cease to be valid if Shareholders approve a transaction under Listing Rule 11.1.2 or 11.2.

(b) **Minimum Issue Price**

Where the Company issues Equity Securities under the 10% Placement Facility, it will only do so for cash consideration and the issue price will be not less than the Minimum Issue Price (refer to Section 6.2(d) above).

(c) **Use of Proceeds**

The Company may seek to issue Equity Securities under the 10% Placement Facility for the purposes of raising funds for continued investment in the Company's current assets, the acquisition of new assets or investments (including expenses associated with such an acquisition) and/or for general working capital.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.3 upon issue of any Equity Securities.

(d) **Risks**

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

If this Resolution is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' economic and voting power in the Company may be diluted as shown in the below table (in the case of Options, only if the Options are converted into Shares).

The below table shows the dilution of existing Shareholders based on the current market price of Shares and the current number of Shares for 'A' calculated in accordance with the formula in Listing Rule 7.1A.2 (see Section 6.2(c)) as at the date of the Notice (2023), with:

- (i) two examples where Variable A has increased, by 50% and 100%; and

- (ii) two examples of where the issue price of Shares has decreased by 50% and increased by 100% as against the current market price.

Share on issue (Variable A in Listing Rule 7.1A.2)	Dilution			
	Issue price per Share	\$0.03 50% decrease in Current Market Price	\$0.059 Current Market Price	\$0.118 100% increase in Current Market Price
344,709,917 r r	10% Voting Dilution	34,470,992 Shares	34,470,992 Shares	34,470,992 Shares
	Funds raised	\$1,016,894	\$2,033,789	\$4,067,577
51,706,488 r r	10% Voting Dilution	51,706,488 Shares	51,706,488 Shares	51,706,488 Shares
	Funds raised	\$1,525,341	\$3,050,683	\$6,101,366
68,941,983 r r	10% Voting Dilution	68,941,983 Shares	68,941,983 Shares	68,941,983 Shares
	Funds raised	\$2,033,789	\$4,067,577	\$8,135,154

Notes:

- The table has been prepared on the following assumptions:
 - the issue price is the current market price (\$0.059), being the closing price of the Shares on ASX on 14 October 2022, being the last day that the Company's Shares traded on the ASX before this Notice was printed;
 - Variable A is 344,709,917, comprising existing Shares on issue as at the date of this Meeting, assuming the Company has not issued any Shares in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with Shareholder approval under Listing Rule 7.1 and 7.4.
 - the Company issues the maximum number of Equity Securities available under the 10% Placement Facility;
 - no convertible securities (including any issued under the 10% Placement Facility) are exercised or converted into Shares before the date of the issue of the Equity Securities; and
 - the issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- The number of Shares on issue (ie Variable A) may increase as a result of issues of Shares that do not require Shareholder approval (for example, a pro rata entitlements issue, scrip issued under a takeover offer or upon exercise of convertible securities)

6.4 **Resolution 3**

Resolution 3 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Board recommends that Shareholders vote in favour of Resolution 3.

7. **Resolution 4**

7.1 **Resolution 4(a)**

On 21 April 2022, the Company announced that it had received firm commitments for a placement to raise approximately \$5 million (before costs) (**Placement**) by the issue of Shares at \$0.10 each (**Placement Shares**) to sophisticated and professional investors (**Placement Participants**).

On 29 April 2022, the Company issued a total of 50 million Placement Shares to Placement Participants using the Company's placement capacity under Listing Rules 7.1 and 7.1A to raise \$5 million (before costs).

Resolution 4(a) and (b) seek the approval of Shareholders to ratify the issue of Placement Shares under and for the purposes of Listing Rule 7.4.

7.2 **Resolution 4(b)**

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 shares 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%. The Company obtained this approval at its annual general meeting held on 19 November 2021.

The issue of Placement Shares does not fit within any of the exceptions to Listing Rules 7.1 and 7.1A and, as it had not been previously approved by Shareholders, effectively used up part of the 15% and 10% limits under each of Listing Rules 7.1 and 7.1A, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under those Listing Rules for the 12 month period following the issue of the Placement Shares.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of Equity Securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further Equity Securities without shareholder approval under Listing Rule 7.1 or 7.1A.

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(a) and (b) seek Shareholder approval for the issue of 50,000,000 Placement Shares under and for the purposes of Listing Rule 7.4.

If Resolution 4(a) and (b) are passed, the issue of Placement Shares will be excluded in calculating the Company's 15% and 10% limit in Listing Rules 7.1 and 7.1A, effectively

increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue of the Placement Shares.

In the event that Resolution 4(a) is not passed, 20,529,009 Placement Shares will be included in the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue or agree to issue without obtaining prior Shareholder approval over the 12 month period following the issue of those Placement Shares.

In the event that Resolution 4(b) is not passed, 29,470,991 Placement Shares will continue to be included in the Company's 10% limit under Listing Rule 7.1A (subject to Resolution 3 being passed), effectively decreasing the number of Equity Securities the Company can issue or agree to issue without obtaining prior Shareholder approval, until the earlier of:

- (a) the date that is 12 months from the date of issue;
- (b) the Company's next annual general meeting; or
- (c) the date Shareholders approve a transaction under Listing Rule 11.1.2 or 11.2.

7.3 **7.3.1 Details of the Placement Shares**

Under and for the purposes of Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of Placement Shares:

- (a) the Placement Shares were issued to the Placement Participants, being sophisticated and professional investors to whom a disclosure document does not need to be provided under the Corporations Act, none of whom is a related party of the Company. Alto Capital acted as Lead Manager to the Placement (**7.3.1.1**). The Placement Participants are existing contacts of the Company (including existing Shareholders) and clients of the Lead Manager. The Lead Manager identified investors through a bookbuild process, which involved the Lead Manager seeking expressions of interest to participate in the capital raising from non-related parties of the Company. The Placement Participants are not considered to be Material Investors pursuant to ASX Guidance Note 21;
- (b) a total of 50,000,000 Placement Shares were issued on 29 April 2022 as follows:
 - (i) 20,529,009 Placement Shares were issued within the 15% annual limit permitted under Listing Rule 7.1, without the need for Shareholder approval; and
 - (ii) 29,470,991 Placement Shares were issued within the 10% limit permitted under Listing Rule 7.1A, without the need for Shareholder approval;
- (c) the Placement Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue;
- (d) the Placement Shares were issued at \$0.10 per Share;
- (e) the proceeds from the issue of the Placement Shares were used for continued exploration at Mt Clere Rare Earths Project as well as geophysical studies and data acquisition, nickel sulphides drilling, tenure, heritage, corporate and administration as well as for costs of the Placement;
- (f) there are no additional material terms with respect to the agreements for the issue of the Placement Shares; and
- (g) a voting exclusion statement is included in the Notice.

7.4 **Ordinary Resolutions**

Resolution 4(a) and (b) are ordinary resolutions.

The Board recommends that Shareholders vote in favour of Resolution 4(a) and (b).

8. **Resolutions – Resolution 5**

8.1 **Introduction**

On 29 April 2022, the Company issued Mr Mark Major (or his nominees) 5,000,000 unquoted Options exercisable at \$0.15 each on or before 29 November 2023.

The Options were issued within the 15% limit permitted under Listing Rule 7.1, without the need for Shareholder approval.

Resolution 5 seeks the approval of Shareholders to ratify the issue of the Options under and for the purposes of Listing Rule 7.4.

8.2 **Listing Rules 7.1 and 7.4**

Summaries of Listing Rules 7.1 and 7.4 are contained in 7.2 above.

The issue of Options does not fit within any of the exceptions to Listing Rule 7.1 and, as it has not yet been approved by Shareholders, effectively uses up part of the Company's 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under that Listing Rule for the 12 month period following the issue of the Options.

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 to the issue of the Options under and for the purposes of Listing Rule 7.4.

If Resolution 5 is passed, the issue of the Options will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue of the Options.

If Resolution 5 is not passed, Options will be included in the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue or agree to issue without obtaining Shareholder approval over the 12 month period following the issue of those Options.

8.3 **Resolution 5 – Ratification of the Issue of the Options**

Under and for the purposes of Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Options:

- (a) a total of 5,000,000 Options were issued to Mr Mark Major (or his nominees), who is considered to be a Material Investor by virtue of being CEO of the Company and was issued Options which constitute more than 1% of the Company's issued capital at the time of issue;

- (b) the Options are exercisable at \$0.15 each on or before 29 November 2023 and were otherwise issued on the terms and conditions set out in Schedule 2;
- (c) the Options were issued on 29 April 2022;
- (d) the Options were issued for nil cash consideration, as part consideration for services provided by the CEO to the Company. Accordingly, no funds were raised from the issue;
- (e) the Options were not issued pursuant to an agreement; and
- (f) a voting exclusion statement is included in the Notice.

8.4 **rd** **d**

Resolution 5 is an ordinary resolution.

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

Schedule 1 D

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

10% Placement Facility	has the meaning given in Section 6.1.
10% Placement Period	has the meaning given in Section 6.2(e).
\$ or A\$	means Australian Dollars.
Annual Report	means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 30 June 2022.
Article	means an article of the Constitution.
ASX	means the ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
Auditor's Report	means the auditor's report on the Financial Report.
Board	means the board of Directors.
Chair	means the person appointed to chair the Meeting of the Company convened by the Notice.
Closely Related Party	means: <ul style="list-style-type: none">(a) a spouse or child of the member; or(b) has the meaning given in section 9 of the Corporations Act.
Company	means Krakatoa Resources Limited (ACN 155 231 575).
Constitution	means the constitution of the Company as at the date of the Meeting.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Director	means a director of the Company.
Directors' Report	means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.
Equity Security	has the same meaning as in the Listing Rules.
Explanatory Memorandum	means the explanatory memorandum which forms part of the Notice.
Financial Report	means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.
Key Management Personnel	has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a

consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Lead Manager	means Alto Capital Limited.
Listing Rules	means the listing rules of ASX.
Material Investor	means, in relation to the Company: <ul style="list-style-type: none">(a) a related party;(b) Key Management Personnel;(c) a substantial Shareholder;(d) an advisor; or(e) an associate of the above, who received or will receive Securities in the Company which constitute more than 1% of the Company's anticipated capital structure at the time of issue.
Meeting	has the meaning given in the introductory paragraph of the Notice.
Minimum Issue Price	has the meaning given in Section 6.2(d).
Notice	means this notice of annual general meeting.
Option	means an option to acquire a Share.
Placement	has the meaning given in Section 7.1.
Placement Participants	means the sophisticated and professional investors introduced to the Company by the Lead Manager, who participated in the Placement.
Placement Shares	means the 50 million Shares issued on 29 April 2022 to the Placement Participants under the Placement, which are the subject of Resolution 4(a) and (b).
Proxy Form	means the proxy form attached to the Notice.
Remuneration Report	means the remuneration report of the Company contained in the Directors' Report.
Resolution	means a resolution referred to in the Notice.
Schedule	means a schedule to the Notice.
Section	means a section of the Explanatory Memorandum.
Securities	means any Equity Securities of the Company (including Shares, Options and/or Performance Rights).
Share	means a fully paid ordinary share in the capital of the Company.

Shareholder	means the holder of a Share.
Strike	means a 'no' vote of 25% or more on the resolution approving the Remuneration Report.
Trading Day	has the meaning given in the Listing Rules.
VWAP	means volume weighted average market price.
WST	means Western Standard Time, being the time in Perth, Western Australia.



KRAKATOA

RESOURCES LTD.

ABN 39 155 231 575

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 **11:00am (AWST) on Wednesday, 16 November 2022.**

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: 181807

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 Krakatoa Resources 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 Krakatoa Resources Limited to be held at Level 8, 216 St Georges Terrace, Perth, WA 6000 on Friday, 18 November 2022 at 11:00am (AWST) 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 Resolution 1 (except where I/we have indicated a different voting intention in step 2) even though Resolution 1 is 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 Resolution 1 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
1	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Re-election of Director – Mr Colin Locke	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4(a)	Ratification of prior issue of Placement Shares under Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4(b)	Ratification of prior issue of Placement Shares under Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Ratification of prior issue of Options	<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 Securityholder 2 Securityholder 3 / /
 Sole Director & Sole Company Secretary Director 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

