





The Notice of Meeting is important and should be read in its entirety. If you are in doubt as to the course of action you should follow, you should consult your financial adviser, lawyer, accountant or other professional adviser. If you have any difficulties obtaining a copy of the Notice of Meeting please contact the Company's share registry, Automatic on, 1300 288 664 (within Australia) or +61 2 9698 5414 (overseas).

Yours faithfully

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

Simon Whybrow  
Company Secretary



# 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 Georges Terrace, Perth, WA 6000  
at 2:00PM (AWST) on Friday, 24 November 2023**

**Important**

This 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 their professional adviser prior to voting.

## NOTICE OF ANNUAL GENERAL MEETING

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Notice is given that the Annual General Meeting of Shareholders of Kinetiko Energy Ltd (ACN 141 647 529) (“Company”) will be held at Level 24, 44 St Georges Terrace, Perth, WA 6000, commencing at 2:00PM (AWST) on Friday, 24 November 2023.

### BUSINESS

#### Annual Report

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To receive and consider the Annual Report of the Company, containing the Financial Report, the Directors’ Report, the Remuneration Report and the Auditor’s Report for the financial year ended 30 June 2023.

#### Resolution 1 - Remuneration Report

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

*“That, for the purpose of section 250R(2) of the Corporations Act and all other purposes, the Remuneration Report for the financial year ended 30 June 2023 be adopted.”*

**Note:** The vote on this Resolution are advisory only and do 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.

#### Resolution 2 – Re-election of Mr Thomas Fontaine

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

*“That, for all purposes, Mr Thomas Fontaine, who retires by rotation in accordance with clause 11.1 of the Constitution and who is eligible and offers himself for re-election, be re-elected as a Director of the Company.”*

### **Resolution 3 – Re-election of Mr Geoffrey Michael**

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

*“That, for all purposes, Mr Geoffrey Michael, who retires by rotation in accordance with clause 11.1 of the Constitution and who is eligible and offers himself for re-election, be re-elected as a Director of the Company.”*

### **Resolution 4 – Ratification of prior issue of Capital Raising Shares**

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

*“That, for the purposes of Listing Rule 7.4, and for all other purposes, approval be given for the Company to ratify the prior issue of 72,222,222 Capital Raising Shares at an issue price of \$0.09 per Capital Raising Share to raise \$6,500,000 (before costs) to Talent 10 Holdings 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 Talent 10 Holdings or an Associate of Talent 10 Holdings who participated in the issue of the Capital Raising Shares.

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 these Resolutions, 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 these Resolutions, in accordance with a direction given to the Chair to vote on these Resolutions 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 these Resolutions; and
  - the holder votes on these Resolutions in accordance with directions given by the beneficiary to the holder to vote in that way.

### **Resolution 5(a), (b), (c), (d) & (e) – Approval of issue of Director Options**

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

*“That, for the purposes of Listing Rule 10.11 and Section 195(4) of the Corporations Act, and for all other purposes, approval be given for the Company to issue up to:*

- (a) 4,000,000 Director Options to Mr Adam Sierakowski (and/or his nominee(s));
- (b) 3,000,000 Director Options to Mr Dirk Robert Bulder (and/or his nominee(s));
- (c) 3,000,000 Director Options to Mr Donald Ncube (and/or his nominee(s));
- (d) 3,000,000 Director Options to Mr Thomas Fontaine (and/or his nominee(s)); and
- (e) 3,000,000 Director Options to Mr Geoffrey Michael (and/or his nominee(s)),

at an exercise price of \$0.12 per Director Option and with an expiry date of 31 December 2026 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:

- Mr Adam Sierakowski (or his nominee(s)) for Resolution 5(a), Mr Dirk Robert Bulder (or his nominee(s)) for Resolution 5(b), Mr Donald Ncube (or his nominee(s)) for Resolution 5(c), Mr Thomas Fontaine (or his nominee(s)) for Resolution 5(d) and Mr Geoffrey Michael (or his nominee(s)); or
- an Associate of Mr Adam Sierakowski (or his nominee(s)) for Resolution 5(a), Mr Dirk Robert Bulder (or his nominee(s)) for Resolution 5(b), Mr Donald Ncube (or his nominee(s)) for Resolution 5(c), Mr Thomas Fontaine (or his nominee(s)) for Resolution 5(d) and Mr Geoffrey Michael (or his nominee(s)); or
- any other person who will obtain a material benefit as a result of the proposed issue of the Director Options (except a benefit solely by reason of being a holder of Shares in the Company) and their Associates.

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

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

## **Resolutions 6(a), (b) & (c) – Approval of issue of Management Options**

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

*“That, for the purposes of Listing Rule 7.1, and for all other purposes, approval be given for the Company to issue up to:*

- (a) *5,000,000 Management Options to Mr Nicholas de Blocq (and/or his nominee(s));*
- (b) *2,250,000 Management Options to Mr Paul Doropoulos (and/or his nominee(s)); and*
- (c) *1,500,000 Management Options to Mr Simon Whybrow (and/or his nominee(s)),*

*at an exercise price of \$0.12 per Management Option and with an expiry date of 31 December 2026 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:

- Mr Nicholas de Blocq (or his nominee(s)) for Resolution 6(a), Mr Paul Doropoulos (or his nominee(s)) for Resolution 6(b) and Mr Simon Whybrow (or his nominee(s)) for Resolution 6(c); or
- an Associate of Mr Nicholas de Blocq (or his nominee(s)) for Resolution 6(a), Mr Paul Doropoulos (or his nominee(s)) for Resolution 6(b) and Mr Simon Whybrow (or his nominee(s)) for Resolution 6(c); or
- any other person who will obtain a material benefit as a result of the proposed issue of the Management Options (except a benefit solely by reason of being a holder of Shares in the Company) and their Associates.

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

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

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

## **Resolution 7 - Approval of 10% Placement Facility**

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

*“That, in accordance with Listing Rule 7.1A, and for all other purposes, approval be given for the issue of Equity Securities totalling up to 10% of the issued capital of the Company, 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 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) of securities under Listing Rule 7.1A.2, and any associate of those persons.

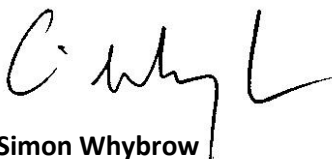
However, this does not apply to a vote cast in favour of the Resolution by:

- 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.

## **OTHER BUSINESS**

In accordance with section 250S(1) of the Corporations Act, Shareholders are invited to ask questions about or make comments on the management of the Company and to raise any other business which may lawfully be brought before the Meeting.

### **BY ORDER OF THE BOARD**



**Simon Whybrow**  
Company Secretary  
Kinetiko Energy Ltd

25 October 2023

# EXPLANATORY STATEMENT

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## IMPORTANT INFORMATION

This Explanatory Statement has been prepared for the information of the Shareholders of Kinetiko Energy Ltd (ACN 141 647 529) (“**Company**”) in connection with the Resolutions to be considered at the Meeting to be held at Level 24, 44 St Georges Terrace, Perth, WA 6000, commencing at 2:00PM (AWST) on Friday, 24 November 2023. 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 of Meeting.

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 section.

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.

## NOTE

If you have recently changed your address or if there is any error in the name and address used for this Notice please notify the Company Secretary. In the case of a corporation, notification is to be signed by a Director or Company Secretary.

## VOTING EXCLUSION STATEMENTS

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

## PROXIES

Please note that:

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

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms. If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the body corporate should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that



company's representative. The authority may be sent to the Company or its share registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

A Proxy Form is enclosed with this Notice. This is to be used by Shareholders if they wish to appoint a representative (a "**Proxy**") to vote in their place. All Shareholders are invited to attend the Meeting or, if they are unable to attend the Meeting, sign and return the Proxy Form to the Company in accordance with the instructions on the Proxy Form. Lodgement of a Proxy Form will not preclude a Shareholder from attending or (subject to the voting exclusions set out in the Notice) voting at the Meeting via the online meeting platform.

Proxy Forms must be received by the Company no later than 2:00PM (AWST) on Wednesday, 22 November 2023, being at least 48 hours before the Meeting. Proxy Forms received later than this time will be invalid.

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

### **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 at 2:00PM (AWST) on Wednesday, 22 November 2023. Accordingly, transactions registered after that time will be disregarded in determining a Shareholder's entitlement to attend and vote at the Meeting.

## REGULATORY INFORMATION

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### 1 Annual Report

The Annual Report of the Company for the financial year ended 30 June 2023, which includes the Financial Report, the Directors' Report, the Remuneration Report and the Auditor's Report, will be laid before the Annual General Meeting.

There is no requirement for Shareholders to approve the Annual Report. However, the Chair will allow a reasonable opportunity for Shareholders to ask questions or make comments about the Annual Report and the management of the Company.

A representative of the Company's auditor, BDO Audit (WA) Pty Ltd, will be in attendance to respond to any questions raised of the auditor or on the Auditor's Report in accordance with section 250T of the Corporations Act.

### 2 Resolution 1 – Remuneration Report

The Remuneration Report for the financial year ended 30 June 2023 is set out in the 2023 Annual Report. The Remuneration Report sets out the Company's remuneration arrangements for its Directors and senior management.

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 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 2023, 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.

#### 2.1 Directors' recommendations

The Directors encourage all Shareholders to vote on Resolution 1.

### 3 Resolution 2 – Re-election of Mr Thomas Fontaine

Resolution 2 is an ordinary resolution which seeks to approve the re-election of Mr Thomas Fontaine as a Non-Executive Director of the Company.

In accordance with clause 11.1 of the Constitution, at every Annual General Meeting, one third of the Directors for the time being must retire from office by rotation and are eligible for re-election. The Directors to retire are those who have been in office for 3 years since their appointment or last re-appointment or who have been longest in office since their appointment

or last re-appointment or, if the Directors have been in office for an equal length of time, by agreement. These requirements for a Director to retire do not apply to a Managing Director (but if there is more than one Managing Director, only one is exempt from retirement).

In determining the number and identity of the Directors to retire by rotation, the Managing Director and any Director seeking election after appointment by the Board to fill a casual vacancy are not considered.

Mr Fontaine retires by rotation at this meeting and, being eligible, offers himself for re-election.

A brief biography of Mr Fontaine is set out below.

### **3.1 Mr Fontaine's Biography**

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.

The Board confirms that Mr Fontaine will be considered an independent Director.

### **3.2 Directors' recommendations**

The Directors (other than Mr Fontaine) unanimously recommend that Shareholders vote in favour of Resolution 2.

The Chair intends to exercise all available proxies in favour of Resolution 2.

## **4 Resolution 3 – Re-election of Mr Geoffrey Michael**

Resolution 3 is an ordinary resolution which seeks to approve the re-election of Mr Geoffrey Michael as a Non-Executive Director of the Company.

In accordance with clause 11.1 of the Constitution, at every Annual General Meeting, one third of the Directors for the time being must retire from office by rotation and are eligible for re-election. The Directors to retire are those who have been in office for 3 years since their appointment or last re-appointment or who have been longest in office since their appointment or last re-appointment or, if the Directors have been in office for an equal length of time, by agreement. These requirements for a Director to retire do not apply to a Managing Director (but if there is more than one Managing Director, only one is exempt from retirement).

In determining the number and identity of the Directors to retire by rotation, the Managing Director and any Director seeking election after appointment by the Board to fill a casual vacancy are not considered.

Mr Michael retires by rotation at this meeting and, being eligible, offers himself for re-election.

A brief biography of Mr Michael is set out below.

#### **4.1 Mr Michael's Biography**

Mr Michael has been an Executive Director of various companies, investment syndicates and enterprise start-ups across a range of asset classes for more than 20 years. His experience ranges from property development and investment to resources, mining services, civil engineering and contracting, to information technology and hospitality. These activities have been carried out in Australia, Europe, Asia and Southern Africa.

Mr Michael has over ten years continuous experience to date as a Non-Executive Director of ASX-listed company Kinetiko Energy Ltd.

The Board confirms that Mr Michael will be considered an independent Director.

#### **4.2 Directors' recommendations**

The Directors (other than Mr Michael) unanimously recommend that Shareholders vote in favour of Resolution 3.

The Chair intends to exercise all available proxies in favour of Resolution 3.

### **5 Resolution 4 – Ratification of prior issue of Capital Raising Shares**

#### **5.1 Background**

Resolution 4 seeks Shareholder approval to ratify the prior issue of 72,222,222 Capital Raising Shares an issue price of \$0.09 per Capital Raising Share to raise \$6,500,000 (before costs) pursuant to Listing Rule 7.4, previously issued to Talent 10 Holdings on 12 September 2023, under the Company's placement capacity pursuant to Listing Rule 7.1.

#### **5.2 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 Capital Raising 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. This reduces 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 Capital Raising Shares.

#### **5.3 Listing Rule 7.4**

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 has been 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 that rule.

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 and Listing Rule 7.1A.

#### **5.4 Listing Rule 14.1A**

If Resolution 4 is passed, the issue of 72,222,222 Capital Raising Shares will be excluded in calculating the Company's 15% limit for the purposes of Listing Rule 7.1, effectively increasing

the number of Equity Securities it can issue without shareholder approval over the 12-month period following the date of issue of the Capital Raising Shares.

If Resolution 4 is not passed, the issue of 72,222,222 Capital Raising Shares will be included in calculating the Company's 15% limit for the purposes of Listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue without shareholder approval over the 12-month period following the date of issue of the Capital Raising Shares.

## **5.5 Information required pursuant to 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:

(i) **Names of the persons to whom the entity will issue the securities (if known) or basis upon which those persons will be identified or selected**

The Capital Raising Shares were issued to Talent 10 Holdings, which is a South Africa investment holding company with a diversified and integrated portfolio of companies. In accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that Talent 10 Holdings:

- is not considered a related party of the Company, a member of the Company's Key Management Personnel, a substantial holder of the Company, an adviser of the Company or an associate of any of these parties; and
- received more than one percent (1%) of the issued capital of the Company, totalling a shareholding of 5.36% after the issue of the Capital Raising Shares.

(ii) **Maximum number of securities the entity issued**

A total of 72,222,222 Capital Raising Shares were issued under Listing Rule 7.1.

(iii) **Terms of the securities**

The Capital Raising Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with existing Shares on issue.

(iv) **Date by which the entity issued the securities**

The Capital Raising Shares issued were issued on 12 September 2023.

(v) **Issue price of the securities**

The issue price of the Capital Raising Shares was \$0.09 per Share.

(vi) **Purpose of the issue and the intended use of the funds raised**

The purpose of the issue was to satisfy a condition of the Company's acquisition of the remaining 51% of the fully paid ordinary shares in Afro Energy from Badimo as announced to the ASX on 24 December 2021. The amount raised through the issue of the Capital Raising Shares was then released to Badimo in accordance with the terms of the transaction (refer to ASX announcements dated 13 October 2022 and 24 May 2023).

(vii) **If the securities will be issued under an agreement, a summary of the material terms of the agreement**

The Capital Raising Shares are being issued pursuant to a share subscription agreement entered into by the Company and Talent 10 Holdings on or around 30 August 2023.

The material terms of the share subscription agreement were as follows:

- the Company agreed to issue the 72,222,222 Capital Raising Shares to Talent 10 Holdings for an aggregate subscription price equal to the South African rand equivalent of AUD\$6,500,000 (i.e. AUD\$0.09 per Share) on or around the subscription date of 8 September 2023 in order to complete the acquisition of Afro Energy;
- at completion, the Company was required to hold a Directors meeting to approve the issue of the Capital Raising Shares and undertake other administrative matters;
- the Company and Talent 10 Holdings agreed to enter into a voluntary restriction deed under which the Capital Raising Shares would be subject to voluntary escrow for a 12 months from the date of issue;
- Talent 10 Holdings warranted that they were a professional, sophisticated or otherwise exempt investor pursuant to section 708 of the Corporations Act; and
- otherwise on terms and conditions considered standard for agreements of this nature, including warranties and indemnities.

## **5.6 Directors' recommendations**

The Directors unanimously recommend that Shareholders vote in favour of Resolution 4. The Chair intends to exercise all available proxies in favour of Resolution 4.

## **6 Resolutions 5(a), (b), (c), (d) & (e) – Approval of issue of Director Options**

### **6.1 Background**

Resolutions 5(a), (b), (c), (d) & (e) seek Shareholder approval under Listing Rule 10.11 and Section 195(4) of the Corporations Act for the issue of a total of 16,000,000 Director Options to the Directors (or their nominee(s)) within one (1) month after the date of the Meeting at an exercise price of \$0.12 per Director Option, an expiry date of 31 December 2026 and otherwise on the terms and conditions set out in Annexure A. The approval to grant the Director Options to Mr Thomas Fontaine, under Resolution 5(d), and Mr Geoffrey Michael, under Resolution 5(e), are each conditional upon their re-election as Directors under Resolutions 2 and 3 of this Notice respectively.

### **6.2 Corporations Act Section 195(4)**

Section 195 of the Corporations Act provides that a director of a public company may not vote or be present during meetings of Directors when matters in which that director holds a material personal interest are being considered, except in certain limited circumstances.

Section 195(4) relevantly provides that if there are not enough directors to form a quorum for a directors meeting because of this restriction, one or more of the directors may call a general meeting and the general meeting may pass a resolution to deal with the matter.

Each of the Directors may be considered to have a material personal interest in the outcome of Resolutions 5(a), (b), (c), (d) & (e) as they apply to each Director respectively. If each does have such an interest, than a quorum could not be formed to consider the matters contemplated by Resolutions 5(a), (b), (c), (d) & (e) at Board level.

Accordingly, for the avoidance of any doubt, and for the purpose of transparency and good corporate governance, the Company seeks Shareholder approval for Resolutions 5(a), (b), (c), (d) & (e) for the purposes of Section 195(4) of the Corporations Act.

### **6.3 Corporations Act Section 208**

Section 208(1)(a) of the Corporations Act prohibits a company from giving a financial benefit (including an issue of securities) to a related party of a company without the approval of shareholders by a resolution passed at a general meeting at which no votes are cast in relation to the resolution in respect of any shares held by the related party or by an associate, unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of Director Options to the Directors (or their nominee(s)) constitutes giving a financial benefit as they are each related parties of the Company by virtue of being Directors.

The Directors (other than the Director that the specific Resolution applies to) consider that Shareholder approval pursuant to Section 208 of the Corporations Act is not required in respect of the issue of the Director Options to each of the Directors, given the arrangement to issue the Director Options is considered to be reasonable remuneration for each Director.

### **6.4 Listing Rule 10.11**

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

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

The issue of the Director Options to the Directors falls within Listing Rule 10.11.1 (a related party) and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of the Company's Shareholders under Listing Rule 10.11.

Resolutions 5(a), (b), (c), (d) & (e) seek the required Shareholder approval to the issue of the Director Options to the Directors (or their nominee(s)) under, and for, the purposes of Listing Rule 10.11.

## 6.5 Listing Rule 10.13

ASX Listing Rule 10.13 requires that the following information be provided to the Shareholders in relation to obtaining approval of Resolutions 5(a), (b), (c), (d) & (e) as an exception to ASX Listing Rule 10.11:

(i) **The name of the allottee of the securities**

The names of the allottees of the Director Options are:

- for Resolution 5(a), Mr Adam Sierakowski (or his nominee(s));
- for Resolution 5(b), Mr Dirk Robert Bulder (or his nominee(s));
- for Resolution 5(c), Mr Donald Ncube (or his nominee(s));
- for Resolution 5(d), Mr Thomas Fontaine (or his nominee(s)); and
- for Resolution 5(e), Mr Geoffrey Michael (or his nominee(s)).

(ii) **The maximum number of securities to be allotted and issued**

The maximum number of Director Options to be allotted and issued pursuant to Resolutions 5(a), (b), (c), (d) & (e) respectively will be:

- 4,000,000 Director Options to Mr Adam Sierakowski (or his nominee(s)); and
- 3,000,000 Director Options to each of Mr Dirk Robert Bulder (or his nominee(s)), Mr Donald Ncube (or his nominee(s)), Mr Thomas Fontaine (or his nominee(s)) and Mr Geoffrey Michael (or his nominee(s)).

Therefore, the total number of Director Options that will be issued is 16,000,000.

(iii) **The date of allotment and issue of the securities**

Any Director Options to be issued to the Directors will be issued at the same time as soon as practicable after the date of this Meeting and, in any event, by no later than one (1) month after the Meeting (or any such longer period permitted by ASX).

(iv) **The relationship that requires Shareholder approval**

The Directors are all related parties of the Company under section 228 of the Corporations Act, and Related Parties for the purposes of Listing Rule 10.11.1, by virtue of being Directors of the Company.

(v) **The issue price of the securities**

The Director Options will be issued for nil consideration, however, if exercised in accordance with the terms of the Director Options as set out in Annexure A, will have an exercise price equal to \$0.12 per Director Option.

(vi) **The terms of the securities**

Full terms of the Director Options are set out in Annexure A.

(vii) **The intended use of the funds**

No funds will be raised through the issue of the Director Options under Resolutions 5(a), (b), (c), (d) & (e). Funds raised in the event of exercise of the Director Options will be



applied towards working capital requirements or in any other manner that the Board considers appropriate at the relevant time. However, there is no guarantee that any of the Director Options will be exercised at any future time.

The purpose of the issue of the Director Options is to incentivise and remunerate the Directors in performing their role and the issue of the Director Options is considered an appropriate mechanism in the circumstances of the Company.

(viii) **Directors' total remuneration package for the current financial year**

The table below sets out the total remuneration package for the current financial year for each Director (and their related parties) including all cash and securities (including the Director Options).

Director	Remuneration for current financial year (i.e., end 30 June 2024)	
	Cash	Non-Cash Incentives
Mr Adam Sierakowski	\$189,900.00 <sup>1</sup>	\$209,540.22 <sup>2</sup>
Mr Dirk Robert Bulder	\$45,000.00 <sup>1</sup>	\$158,750.22 <sup>2</sup>
Mr Donald Ncube	\$45,000.00 <sup>1</sup>	\$158,750.22 <sup>2</sup>
Mr Thomas Fontaine	\$60,000.00 <sup>1</sup>	\$158,750.22 <sup>2</sup>
Mr Geoffrey Michael	\$60,000.00 <sup>1</sup>	\$158,750.22 <sup>2</sup>
<b>Total for Directors</b>	<b>\$399,900.00<sup>1</sup></b>	<b>\$844,541.10<sup>3</sup></b>

**Notes:**

1. Figures not inclusive of superannuation payment amounts (where applicable).
2. The only non-cash incentives identified for the Directors are:
  - a. the Director Options, which are proposed to be issued to each of the Directors with a value of \$0.0508 per Director Option for the reporting period; and
  - b. an equal apportionment of the Company's Directors and Officers insurance cover amount.
3. The Director Options proposed to be issued to each of the Directors are valued at a total amount of \$812,640.00 for the reporting period.

(ix) **If the securities are to be issued under an agreement, a summary of the material terms of the agreement**

All of the Director Options (other than those proposed to be issued to Mr Adam Sierakowski) are not being issued under any agreement.

The Director Options proposed to be issued to Mr Adam Sierakowski under Resolution 5(a) are to be issued as an incentive under the terms of his employment for his engagement as Executive Chairman of the Company. The material terms of Mr Adam Sierakowski's employment agreement are as follows:

- base remuneration for services of \$189,900.00 per annum;

- commencing on 1 January 2021 and continuing until terminated in accordance with the terms of the employment agreement; and
- otherwise, on standard commercial terms for an agreement of its nature.

## **6.6 Listing Rule 14.1A**

Listing Rule 14.1A provides that a notice of meeting which contains a resolution approval of securityholders under the Listing Rules must summarise the relevant Listing Rule (see summary of Listing Rule 10.11 above) and what will happen if securityholders give, or do not give, that approval.

If Resolutions 5(a), (b), (c), (d) & (e) are approved by Shareholders, then the Company will be able to proceed with the issue of the Director Options to the Directors.

If Resolutions 5(a), (b), (c), (d) & (e) are not approved by Shareholders, the Company will not be able to proceed with the issue of the Director Options to the Directors, respectively and, as a result, may not be able to retain the service of the Directors.

## **6.7 Directors' recommendation**

The Directors (other than the Directors to the extent that a Resolution relates to their own material personal interest) recommend that Shareholders approve Resolutions 5(a), (b), (c), (d) & (e) and the issue of the Director Options to the Directors.

## **7 Resolutions 6(a), (b) & (c) – Approval of issue of Management Options**

### **7.1 Background**

Resolutions 6(a), (b) & (c) seeks Shareholder approval under Listing Rule 7.1 for the issue of up to 8,750,000 Management Options to Management (or their nominee(s)) within three (3) months after the date of the Meeting at an exercise price of \$0.12 per Management Option, an expiry date of 31 December 2026 and otherwise on the terms and conditions set out in Annexure B.

### **7.2 Listing Rules 7.1 and 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 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 Management Options does not fall within any of the exceptions to Listing Rule 7.1 and the Company does not have sufficient placement capacity remaining under Listing Rule 7.1 or 7.1A to accommodate the issue. The Company therefore requires the approval of Shareholders under Listing Rule 7.1 for the issue of the Management Options.

### **7.3 Information required by Listing Rule 7.3**

Listing Rule 7.3 requires that the following information be provided to Shareholders in relation to obtaining approval of Resolutions 6(a), (b) & (c) for the purposes of Listing Rule 7.1:

- (i) **Names of the persons to whom the entity will issue the securities (if known) or basis upon which those persons will be identified or selected**

The following number of Management Options will be issued to the following persons:

- 5,000,000 Management Options to the Company's Chief Executive Officer, being Mr Nicholas de Blocq (or his nominee(s));
- 2,250,000 Management Options to the Company's Chief Financial Officer, being Mr Paul Doropoulos (or his nominee(s)); and
- 1,500,000 Management Options to the Company Secretary, being Mr Simon Whybrow (or his nominee(s)).

In accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that each of the Management is a member of the Company's Key Management Personnel but is not a related party, substantial holder or adviser of the Company or an Associate of any of those persons, but the Management will not be issued more than one percent (1%) of the issued capital of the Company each due to the issue of the Management Options under Resolutions 6(a), (b) & (c).

(ii) **Maximum number of securities the entity is to issue**

The maximum number of Management Options to be allotted and issued pursuant to Resolutions 6(a), (b) & (c) respectively will be:

- 5,000,000 Management Options to Mr Nicholas de Blocq (or his nominee(s)); and
- 2,250,000 Management Options to Mr Paul Doropoulos (or his nominee(s)); and
- 1,500,000 Management Options to Mr Simon Whybrow (or his nominee(s)).

Therefore, the total number of Management Options that will be issued is 8,750,000.

(iii) **Date by which the entity will issue the securities**

The Management Options will be issued shortly after the Meeting, and in any event, within three (3) months of the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).

(iv) **Issue price of the securities**

The Management Options will be issued for nil consideration, however, if exercised in accordance with the terms of the Management Options as set out in Annexure B, will have an exercise price equal to \$0.12 per Management Option.

(v) **Terms of the securities**

Refer to Annexure B of this Notice for a detailed summary of the material terms and conditions of the Management Options.

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

No funds will be raised through the issue of the Management Options under Resolutions 6(a), (b) & (c). Funds raised in the event of exercise of the Management Options will be applied towards working capital requirements or in any other manner that the Board considers appropriate at the relevant time. However, there is no guarantee that any of the Management Options will be exercised at any future time.

The purpose of the issue of the Management Options is to incentivise and remunerate Management in performing their role and the issue of the Management Options is considered an appropriate mechanism in the circumstances of the Company.

(vii) **If the securities will be issued under an agreement, a summary of the material terms of the agreement**

The Management Options proposed to be issued to Mr Paul Doropoulos under Resolution 6(b) and Mr Simon Whybrow under Resolution 6(c) are not being issued under any agreement.

The Management Options proposed to be issued to Mr Nicholas de Blocq under Resolution 6(a) are to be issued as an incentive under the terms of his employment agreement for his engagement as chief executive officer of the Company. The material terms of Mr Nicholas de Blocq's employment agreement are as follows:

- position of chief executive officer commencing on 1 August 2021;
- base remuneration for services of \$300,000.00 per annum excluding the employer's contributions (subject to annual review);
- three (3) months' notice for termination for convenience by either party and, otherwise, the Company is entitled to terminate with one (1) months' notice to Mr Nicholas de Blocq for incapacity or breach; and
- otherwise, on standard commercial terms for an agreement of its nature.

(viii) **Voting Exclusion Statement**

Refer to the Voting Exclusion Statement beneath the applicable Resolution in the Notice.

#### **7.4 Listing Rule 14.1A**

Listing Rule 14.1A provides that a notice of meeting which contains a resolution approval of securityholders under the Listing Rules must summarise the relevant Listing Rule (see summary of Listing Rule 7.1 above) and what will happen if securityholders give, or do not give, that approval.

If Resolutions 6(a), (b) & (c) are approved by Shareholders, then the Company will be able to proceed with the issue of the Management Options to Management.

If Resolutions 6(a), (b) & (c) are not approved by Shareholders, the Company may not be able to proceed with the issue of the Management Options to Management, respectively and, as a result, may not be able to retain the service of Management.

#### **7.5 Directors' recommendation**

The Directors unanimously recommend that Shareholders vote in favour of Resolutions 6(a), (b) & (c). The Chair intends to exercise all available proxies in favour of Resolutions 6(a), (b) & (c).

### **8 Resolution 7 - Approval of 10% Placement Facility**

Resolution 7 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**").

## 8.1 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 \$300,000,000 or less. The Company is an eligible entity for these purposes.

Resolution 7 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 7 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 7 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:

- 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 on issue 12 months before the date of issue or agreement:

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

**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.

## 8.2 Listing Rule 7.3A

For the purposes of Listing Rule 7.3A, the following information is provided to Shareholders in relation to Resolution 7:

### (i) **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 10 Trading Days of the above date, the date on which the Equity Securities are issued.

Equity Securities issued under Listing Rule 7.1A.2 must be in an existing quoted class and issued for cash consideration.

### (ii) **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.

Variable 'A' (Shares on issue)		Issue price		
		\$0.050 (50% decrease)	\$0.100 (Current) <sup>2</sup>	\$0.150 (50% increase)
1,348,268,334 (Current) <sup>1</sup>	Shares issued	134,826,833	134,826,833	134,826,833
	Funds raised	\$6,741,342	\$13,482,683	\$20,224,025
2,022,402,501 (50% increase)	Shares issued	202,240,250	202,240,250	202,240,250
	Funds raised	\$10,112,013	\$20,224,025	\$30,336,038
2,696,536,668 (100% increase)	Shares issued	269,653,667	269,653,667	269,653,667
	Funds raised	\$13,482,683	\$26,965,367	\$40,448,050

**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 11 October 2023.
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:

- 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.

**(iii) 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).

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

Any Equity Securities issued under the 10% Placement Facility may only be issued for the following purposes (without limitation) 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.

(v) **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 upon issuing any Equity Securities.

(vi) **Previous issues of securities**

The Company has previously obtained Shareholder approval under Listing Rule 7.1A at its annual general meeting held on 30 November 2022. In the 12 months preceding the date of the Meeting and as at the date of this Notice, the Company has not issued any Equity Securities using capacity under Listing Rule 7.1A.2.

### **8.3 Additional information**

The Board unanimously recommends that Shareholders vote in favour of Resolution 7. The Chair intends to exercise all available proxies in favour of Resolution 7.



## DEFINITIONS

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In this Notice of Meeting and Explanatory Statement:

“**10% Placement Facility**” has the meaning given in section 8.

“**10% Placement Period**” has the meaning given in section 8.1.

“**Annual Report**” means the annual report of the Company for the financial year ended 30 June 2023.

“**Afro Energy**” means Afro Energy (Pty) Ltd (Registration Number 2012/080223/07).

“**Afro Energy Shares**” means 51 shares in Afro Energy, representing 51% of the share capital of Afro Energy held by Badimo to be transferred to the Company in accordance with the Restructure Deed.

“**Annual General Meeting**” or “**Meeting**” means the annual general meeting of Shareholders convened in accordance with this Notice of Meeting to be held at Level 24, 44 St Georges Terrace, Perth, WA 6000, commencing at 2:00PM (AWST) on Friday, 24 November 2023.

“**Annual Report**” means the annual report of the Company for the financial year ended 30 June 2023.

“**ASIC**” means the Australian Securities and Investments Commission.

“**Associate**” has the meaning set out in sections 11 to 17 of the Corporations Act, as applicable and as applied in accordance with the note to Listing Rule 14.11.

“**ASX**” means ASX Limited (ACN 008 624 691).

“**Auditor’s Report**” means the auditor’s report contained in the Annual Report.

“**AWST**” means Australian Western Standard Time.

“**Badimo**” means Badimo Gas (Pty) Ltd (Registration Number 1999/025070/07).

“**Board**” means the board of Directors.

“**Business Day**” has the meaning given to it in the Listing Rules.

“**Capital Raising Shares**” means the 72,222,222 Capital Raising Shares with an issue price of \$0.09 per Capital Raising Share issued to Talent 10 Holdings on 12 September 2023.

“**Chair**” means the chairperson of the Meeting.

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

- (a) a spouse or child of the member;
- (b) a child of that member’s spouse;
- (c) a dependent of that member or of that member’s spouse;
- (d) 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;
- (e) a company that is controlled by that member; or

(f) any other person prescribed by the regulations.

“**Company**” means Kinetiko Energy Ltd (ACN 141 647 529).

“**Company Secretary**” means the secretary of the Company.

“**Constitution**” means the constitution of the Company.

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

“**Director**” means a director of the Company.

“**Director Options**” means the 16,000,000 Options proposed to be issued to the Directors (or their nominee(s)) on the terms and conditions set out in Annexure A.

“**Directors’ Report**” means the directors’ report contained in the Annual Report.

“**Equity Securities**” has the meaning given in the Listing Rules.

“**Explanatory Statement**” means this Explanatory Statement.

“**Financial Report**” means the financial report contained in the Annual Report.

“**Key Management Personnel**” means the key management personnel of the Company as defined in the Corporations Act and Australian Accounting Standards Board accounting standard 124, broadly including 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 official Listing Rules of the ASX.

“**Management**” means the proposed recipients of the Management Options, being the Company’s:

- Chief Executive Officer, being Mr Nicholas de Blocq;
- Chief Financial Officer, being Mr Paul Doropoulos; and
- Secretary, being Mr Simon Whybrow.

“**Management Options**” means the 8,750,000 Options proposed to be issued to Management (or their nominee(s)) on the terms and conditions set out in Annexure B.

“**Managing Director**” means the managing Director of the Company.

“**Non-Executive Director**” means a non-executive Director of the Company.

“**Notice**” and “**Notice of Meeting**” means the notice of meeting to which this Explanatory Memorandum is attached.

“**Official List**” means the official list of ASX.

“**Options**” means an option to acquire a Share.

“**Proxy Form**” means the proxy form attached to this Notice.

“**Related Parties**” has the meaning given in Chapter 19 of the Listing Rules.

**“Relevant Interest”** has the meaning given in the Corporations Act.

**“Remuneration Report”** means the remuneration report contained in the Annual Report.

**“Resolution”** means a Resolution set out in this Notice.

**“Restructure Deed”** means the Restructure Deed dated 23 December 2021 between the Badimo Shareholders, Badimo and the Company.

**“Schedule”** means a schedule to this Notice.

**“Section”** means a section of this Explanatory Statement.

**“Share”** means an ordinary fully paid ordinary share in the capital of the Company and **“Shareholder”** has a corresponding meaning.

**“Talent 10 Holdings”** means Talent 10 Holdings (Pty) Ltd.

**“Trading Days”** has the meaning given in Chapter 19 of the Listing Rules.

**“VWAP”** means the volume weighted average price of the Shares over the previous 14 days.

**“Voting Power”** has the meaning given to it in the Corporations Act.

## Annexure A – Terms of Director Options

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### 1. Entitlement

Each Director Option entitles the holder to subscribe for one (1) Share upon exercise of the Director Option.

### 2. Expiry Date

Each Director Option will expire at 5.00pm (AWST) on 31 December 2026 (“**Expiry Date**”).

### 3. Issue and Exercise Price

Each Director Option will be granted for no cash consideration but will have an exercise price of \$0.012 per Director Option (“**Exercise Price**”).

### 4. Vesting, exercise period and lapsing

The Director Options will vest upon the satisfaction of continuous service from the issue date of the Director Options until 1 December 2024 by the relevant Director (“**Vesting Condition**”). Upon satisfaction of the Vesting Condition, the Director Options are exercisable at any time on, or prior to, the Expiry Date (“**Exercise Period**”) and each Director Option will automatically lapse if not exercised by the relevant Director pursuant to these terms and conditions by the Expiry Date.

### 5. Exercise Notice and payment

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

### 6. Shares issued on exercise

Shares issued on exercise of Director Options will rank equally in all respects with then existing Shares in the Company.

### 7. Quotation of Shares

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

### 8. Timing of issue of Shares

Subject to section 9 of this Annexure A, within five (5) business days after the later of the following:

- (a) receipt of an Exercise Notice given in accordance with these terms and conditions and payment of the Exercise Price in cleared funds for each Director 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
- (b) 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 Director Option being exercised by the Company,

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

- (c) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
- (d) apply for official quotation on the ASX of the Shares issued pursuant to the exercise of the Director 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 the Company issuing a Cleansing Prospectus and twelve (12) months from issue, and agrees to a holding lock being placed on the Shares for this period.

#### **9. Shareholder and regulatory approvals**

Despite any other provision of these terms and conditions, exercise of Director 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 Director Options would result in any person being in contravention of section 606(1) of the Corporations Act then the exercise of each Director 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 Director 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 Director Options will not result in any person being in contravention of section 606(1) of the Corporations Act.

#### **10. Participation in new issues**

There are no participation rights or entitlements inherent in the Director Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Director 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 Director Options the opportunity to exercise their Director Options prior to the announced record date for determining entitlements to participate in any such issue.

#### **11. 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), the number of Shares which must be issued on the exercise of a Director Option will be increased by the number of Shares which the holder would have received if the holder had exercised the Director Option before the record date for the bonus issue and there will be no change made to the Exercise Price.

**12. Adjustment for rights issues**

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

**13. 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.

**14. Quotation**

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

**15. Transferability**

Director Options can only be transferred with the prior written consent of the Company, which consent may be withheld in the Company's sole discretion.

## Annexure B – Terms of Management Options

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### 1. Entitlement

Each Management Option entitles the holder to subscribe for one (1) Share upon exercise of the Management Option.

### 2. Expiry Date

Each Management Option will expire at 5.00pm (AWST) on 31 December 2026 (“**Expiry Date**”).

### 3. Issue and Exercise Price

Each Management Option will be granted for no cash consideration but will have an exercise price of \$0.012 per Management Option (“**Exercise Price**”).

### 4. Vesting, exercise period and lapsing

The Management Options will vest upon the satisfaction of continuous service from the issue date of the Management Options until 1 December 2024 by the relevant Management position (“**Vesting Condition**”). Upon satisfaction of the Vesting Condition, the Management Options are exercisable at any time on, or prior to, the Expiry Date (“**Exercise Period**”) and each Management Option will automatically lapse if not exercised by the relevant Management position pursuant to these terms and conditions by the Expiry Date.

### 5. Exercise Notice and payment

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

### 6. Shares issued on exercise

Shares issued on exercise of Management Options will rank equally in all respects with then existing Shares in the Company.

### 7. Quotation of Shares

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

### 8. Timing of issue of Shares

Subject to section 9 of this Annexure B, within five (5) business days after the later of the following:

- (a) receipt of an Exercise Notice given in accordance with these terms and conditions and payment of the Exercise Price in cleared funds for each Management 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
- (b) 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 Management Option being exercised by the Company,

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

- (c) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
- (d) apply for official quotation on the ASX of the Shares issued pursuant to the exercise of the Management 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 the Company issuing a Cleansing Prospectus and twelve (12) months from issue, and agrees to a holding lock being placed on the Shares for this period.

#### **9. Shareholder and regulatory approvals**

Despite any other provision of these terms and conditions, exercise of Management 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 Management Options would result in any person being in contravention of section 606(1) of the Corporations Act then the exercise of each Management 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 Management 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 Management Options will not result in any person being in contravention of section 606(1) of the Corporations Act.

#### **10. Participation in new issues**

There are no participation rights or entitlements inherent in the Management Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Management 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 Management Options the opportunity to exercise their Management Options prior to the announced record date for determining entitlements to participate in any such issue.

#### **11. 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), the number of Shares which must be issued on the exercise of a Management Option will be increased by the number of Shares which the holder would have received if the holder had exercised the Management Option before the record date for the bonus issue and there will be no change made to the Exercise Price.



**12. Adjustment for rights issues**

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

**13. 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.

**14. Quotation**

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

**15. Transferability**

Management Options can only be transferred with the prior written consent of the Company, which consent may be withheld in the Company's sole discretion.

# Proxy Voting Form

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

Your proxy voting instruction must be received by **02.00pm (AWST) on Wednesday, 22 November 2023**, 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

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>.

### Lodging your Proxy Voting Form:

#### Online

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/loginsah> or scan the QR code below using your smartphone

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



#### BY MAIL:

Automic  
GPO Box 5193  
Sydney NSW 2001

#### IN PERSON:

Automic  
Level 5, 126 Phillip Street  
Sydney NSW 2000

#### BY EMAIL:

[meetings@automicgroup.com.au](mailto:meetings@automicgroup.com.au)

#### BY FACSIMILE:

+61 2 8583 3040

#### All enquiries to Automic:

##### WEBSITE:

<https://automicgroup.com.au/>

##### PHONE:

1300 288 664 (Within Australia)  
+61 2 9698 5414 (Overseas)

