



KINETIKO

ENERGY LTD

ACN 141 647 529

NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY STATEMENT

**Annual General Meeting to be held at the offices of Trident Capital,
Level 24, 44 St George's Terrace, Perth, Western Australia
on 23 November 2018 commencing at 10.00am (WST).**

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

KINETIKO ENERGY LIMITED

ACN: 141 647 529

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Kinetiko Energy Limited (ACN 141 647 529) ("**Company**") will be held at the offices of Trident Capital, Level 24, 44 St George's Terrace, Perth, Western Australia on 23 November 2018 commencing at 10.00am (WST).

ORDINARY BUSINESS

1. Financial Statements and Reports

To receive and consider the annual financial report, together with the Director's and auditor's reports for the year ending 30 June 2018.

2. Resolution 1 – Approval of Remuneration Report

To consider and, if thought fit, pass the following **advisory only resolution**:

"That, for the purpose of section 250R of the Corporations Act and for all other purposes, Shareholders approve the Remuneration Report for the year ending 30 June 2018."

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

Voting Exclusion Statement:

A vote in respect of Resolution 1 must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member,

However, a person (the **voter**) described above may cast a vote on this Resolution 1 as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as proxy by writing that specifies the way the proxy is to vote on this Resolution 1; or
- (b) the voter is the Chairman and the appointment of the Chairman as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution 1; and
 - (ii) expressly authorises the Chairman to exercise the proxy even if this Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. Resolution 2 – Re-election of James Searle as a Director

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

"That, for all purposes, James Searle, who retires by rotation in accordance with clause 11.3 of the Constitution and, being eligible, offers himself for re-election, is re-elected as a Director."

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4. Resolution 3 – Ratification of issue of Loan Repayment Shares

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

“That for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the prior issue of 30,346,104 Shares to Exempt Investors as repayment of loans 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, any person who participated in the issue the subject of this resolution and any person associated with those persons. However, the Company need not disregard any vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

5. Resolution 4 – Issue of Securities to Related Parties

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

(a) *“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval be and is hereby given to issue up to 6,473,396 Shares to Vital Nominees Pty Ltd (and/or its nominees) on the terms and conditions as outlined in the Explanatory Statement.”*

(b) *“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval be and is hereby given to issue 37,545,203 Shares to Adam Sierakowski and his associated entities (and/or his nominees) on the terms and conditions as outlined in the Explanatory Statement.”*

(c) *“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval be and is hereby given to issue 6,325,000 Shares to Earthsciences Pty Ltd (and/or its nominees) on the terms and conditions as outlined in the Explanatory Statement.”*

Shareholders should note that if this Resolution is passed, the approval of Shareholders is not required under Listing Rule 7.1.

Voting Exclusion Statement

Geoff Michael: The Company will disregard any votes cast in favour of Resolution 4(a) by or on behalf of Geoff Michael (and/or his nominees) and any of his associates.

However, the Company will not disregard a vote if it is cast by Geoff Michael (and/or his nominees) or any of their associates as proxy for a person who is entitled to vote in accordance with the directions on the proxy form or if it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Adam Sierakowski: The Company will disregard any votes cast in favour of Resolution 4(b) by or on behalf of Adam Sierakowski (and/or his nominees) and any of his associates.

However, the Company will not disregard a vote if it is cast by Adam Sierakowski (and/or his nominees) or any of their associates as proxy for a person who is entitled to vote in accordance with the directions on the proxy form or if it is cast by the person chairing the meeting as proxy

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for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

James Searle: The Company will disregard any votes cast in favour of Resolution 4(c) by or on behalf of James Searle (and/or his nominees) and any of his associates.

However, the Company will not disregard a vote if it is cast by James Searle (and/or his nominees) or any of their associates as proxy for a person who is entitled to vote in accordance with the directions on the proxy form or if it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

6. Resolution 5 – Approval of 10% Placement Facility

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

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

Voting Exclusion

The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of a person (and any associates of such a person) who may participate in the 10% Placement Facility, or who might obtain a material benefit as a result of any issue under the 10% Placement Facility, except a benefit solely by reason of being a holder of ordinary securities in the Company, if Resolution 5 is passed.

However, the Company will not disregard a vote if:

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

Explanatory Statement

The accompanying Explanatory Statement forms part of this Notice of Annual General Meeting and should be read in conjunction with it.

Shareholders are specifically referred to the Glossary in the Explanatory Statement which contains definitions of capitalised terms used in this Notice of Annual General Meeting and the Explanatory Statement.

Proxies

Please note that:

- (a) a Shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company;
- (c) a Shareholder may appoint a body corporate or an individual as its proxy;
- (d) 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

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- (e) 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 Annual General Meeting or handed in at the Annual General Meeting when registering as a corporate representative.

Voting Entitlements

In accordance with Regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth), the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the register of Shareholders as at 5.00pm (WST) on 21 November 2018. Accordingly, transactions registered after that time will be disregarded in determining Shareholder's entitlement to attend and vote at the Annual General Meeting.

By Order of the Board of Directors



Stephen Hewitt-Dutton
Company Secretary
Kinetiko Energy Limited

18 October 2018

Explanatory Statement

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Company's Annual General Meeting.

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 resolution in the accompanying Notice of Annual General Meeting.

This Explanatory Statement should be read in conjunction with the Notice of Annual General Meeting. Capitalised terms in this Explanatory Statement are defined in the Glossary.

Financial Statements

The Corporations Act requires the annual financial report, the directors' report and the auditor's report for the last financial year to be laid before the Annual General Meeting. The financial statements and reports are contained in the Company's Annual Report. Shareholders who have elected to receive the Annual Report will have been provided with a copy. The Annual Report is also available on ASX's website and the Company's website.

While no resolution is required in relation to this item, Shareholders will be given the opportunity to ask questions and make comments on the financial statements and reports.

1. Resolution 1 – Approval of Remuneration Report

The Remuneration Report of the Company for the financial year ended 30 June 2018 is included in the Directors' report in the Company's annual report for the financial year ended 30 June 2018. The Remuneration Report sets out the Company's remuneration arrangements for the executive and non-executive Directors and executive Employees.

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 provides that a resolution that the Remuneration Report be adopted must be put to the vote. Resolution 1 seeks the adoption of the Remuneration Report.

However, Shareholders should note that in accordance with Section 250R(3) of the Corporations Act, Resolution 1 is an "advisory only" Resolution and does not bind the Directors or the Company.

Following consideration of the Remuneration Report at the Annual General Meeting, the Chairman, in accordance with Section 250SA of the Corporations Act, must give Shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

Section 250V of the Corporations Act provides that if the resolution to approve the Remuneration Report receives "no" votes of 25% or more at two successive annual general meetings of the Company, the Shareholders will be required to vote at the second of those annual general meetings on a resolution ("spill resolution") that an extraordinary meeting be held at which all of the Directors (except the Managing Director) must stand for re-election. If more than 50% of Shareholders vote in favour of the spill resolution, the Company must convene the extraordinary meeting ("spill meeting") within 90 days of the second annual general meeting. All of the Directors who were in office when the resolution to make the 2018 Director's report was passed, other than the Managing Director (who may in accordance with the Listing Rules continue to hold office indefinitely without being re-elected to office), will cease to hold office immediately before the end of the spill meeting but may stand for re-election at the spill meeting. Following the spill meeting, those persons whose election or re-election as Directors is approved will be the Directors.

Section 250R of the Corporations Act restricts the Chairperson, Key Management Personnel and any Closely Related Parties of them from voting on a Remuneration Report.

Section 250R(4) of the Corporations Act prohibits any votes on this Resolution 1 being cast by Key Management Personnel or a Closely Related Party, whose remuneration details are disclosed in the Remuneration Report. This prohibition extends to undirected proxy votes to be cast by the Chairman. In this regard, you should specifically note that if you indicate on the Proxy Form that you

do not wish to specify how your proxy should vote on Resolution 1, you will be deemed to have expressly directed the Chairman to cast your votes in favour of Resolution 1.

What this means for Shareholders: If you wish to appoint the Chairman as your proxy but do NOT want your votes to be cast in favour of Resolution 1, you must indicate your voting intention by marking either “against” or “abstain” on Resolution 1 in the Proxy Form. Please see the Proxy Form for further information on such appointments.

2. Resolution 2 – Re-election of James Searle as a Director

In accordance with Listing Rule 14.4 and clause 11.3 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.

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 taken into account.

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

Details of James Searle are as follows:

Dr James Searle (B. Sc., PhD, MAusIMM, MAICD) is a geologist with 35 years of experience in exploration, project management, project financing and development in both the minerals and energy industries. He has spent 20 years in Executive and Non-Executive capacities as a Director, Managing Director and Chairman of ASX-listed companies. He has led exploration and development teams for successful projects in Australia, Africa and Europe.

Dr Searle has a Bachelor of Science Honours degree in soft and hard rock geology, and a PhD from the University of Western Australia. He is a Member of the Australian Institute of Mining and Metallurgy and a Member of the Australian Institute of Company Directors.

3. Resolution 3 – Ratification of Issue of Loan Repayment Shares

3.1 General

On 15 October 2018 the Company announced that it had repaid \$415,000 (plus accrued interest) of loans from unrelated parties through the issue of 30,346,104 Shares (16,863,436 at an issue price of \$0.01 per Share and 13,482,668 at an issue price of \$0.02 per Share).

Shareholder approval is sought to approve and ratify the 30,346,104 Shares previously and referred to in Resolution 3.

3.2 Listing Rules

Listing Rule 7.1 provides that (subject to certain exceptions, none of which are relevant here) prior approval of shareholders is required for an issue of securities by a company if the securities will, when aggregated with the securities issued by the company during the previous 12 months, exceed 15% of the number of the ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 provides that an issue of securities by a company made without approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 and the Company's shareholders subsequently approve it. Such approval replenishes the company's 15% capacity and enables it to issue further securities up to that limit. Accordingly, if Resolution 5 is approved, the Shares issued in repayment of the loans will not be included in the Company's 15% calculation for the purposes of Listing Rule 7.1.

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

(a) **Number of Securities allotted**

A total of 30,346,104 Shares were issued.

(b) **The price at which the Securities were issued**

The Shares had an issue price of:

- 16,863,436 Shares at an issue price of \$0.01 each; and
- 13,482,668 Shares at an issue price of \$0.02 each.

(c) **The terms of the Securities**

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

(d) **Names of the allottees or the basis on which the allottees were determined**

The Loan Repayment Shares were issued to Exempt Investors under section 708A(5) of the Corporations Act, none of whom were related parties of the Company, who are clients of Trident Capital Pty Ltd.

(e) **The use of (or intended use) of the funds raised**

The funds raised from the loans were used to further the negotiations with potential funding partners in South Africa, exploration of the Company's South African project and additional working capital.

4. Resolutions 4(a), 4(b) and 4(c) – Issue of Shares to Related Parties

Resolutions 4(a), 4(b) and 4(c) are ordinary resolutions and seek Shareholder approval for the issue of Securities to entities associated with Adam Sierakowski, Geoff Michael and James Searle. The Securities to be issued to Adam Sierakowski are in repayment of loans advanced, on the same terms as the loans repaid through the issue of securities the subject of resolution 3 above. The remainder of the Securities to be issued to entities associated with Adam Sierakowski, Geoff Michael and James Searle are in satisfaction of amounts owed in relation to director fees owing, and are being paid through the issue of Securities on the same basis as the loan repaid through the issue of securities the subject of resolution 3 above.

Director	Amount	Interest Accrued	Shares
Adam Sierakowski	\$198,000	\$14,840.03	13,114,898
Adam Sierakowski (Trident Capital Pty Ltd)	\$488,606	\$-	24,430,305
Geoff Michael (Vital Nominees Pty Ltd)	\$129,468	\$-	6,473,396
James Searle (Earthsciences Pty Ltd)	\$126,500	\$-	6,325,000
Total	\$942,574	\$14,840.03	50,343,599

Trident Capital Pty Ltd is a Related Party of the Company as Mr. Adam Sierakowski is a director of the Company and a director and shareholder of Trident Capital Pty Ltd. Vital Nominees Pty Ltd is a Related Party of the Company as Mr. Geoff Michael is a director of the Company and a director and

Shareholder of Vital Nominees Pty Ltd. Earthsciences Pty Ltd is a Related Party of the Company as Dr. James Searle is a director of the Company and a director and Shareholder of Earthsciences Pty Ltd.

As Adam Sierakowski, Trident Capital Pty Ltd, Vital Nominees Pty Ltd Earthsciences Pty Ltd are Related Parties of the Company, Resolutions 4(a), 4(b) and 4(c) must be approved by Shareholders under Listing Rule 10.11.

The ASX Listing Rules set out a number of regulatory requirements which must be satisfied in connection with the proposed issue of securities to Related Parties. These are summarised below.

4.1 ASX Listing Rule 10.11

Chapter 10 of the Listing Rules contains certain provisions in relation to transactions between a company and “persons in a position of influence”. Listing Rule 10.11 provides that a company must not issue equity securities to a “Related Party” without the approval of holders of ordinary securities by ordinary resolution. The term “Related Party” is defined in for these purposes to include a Related Party within the meaning of section 228 of the Corporations Act and a person whose relationship with the entity or a Related Party is, in ASX’s opinion, such that approval should be obtained.

If Resolutions 4(a), 4(b) and 4(c) are passed, securities will be issued to Adam Sierakowski, Trident Capital Pty Ltd, Vital Nominees Pty Ltd and Earthsciences Pty Ltd (and/or their nominees) which are Related Parties of the Company. Accordingly approval for the proposed issue of Shares to Adam Sierakowski, Trident Capital Pty Ltd, Vital Nominees Pty Ltd and Earthsciences Pty Ltd is required pursuant to ASX Listing Rule 10.11.

ASX Listing Rule 10.13 sets out a number of matters which must be included in a Notice of Meeting proposing an approval of an issue of securities under ASX Listing Rule 10.11. For the purposes of ASX Listing Rule 10.13, the following information is provided in relation to Resolutions 4(a), 4(b) and 4(c):

(a) **Names of the Allottees of the Securities**

Director	Shares
Adam Sierakowski	13,114,898
Trident Capital Pty Ltd	24,430,305
Vital Nominees Pty Ltd (and/or their nominees)	6,473,396
Earthsciences Pty Ltd (and/or their nominees)	6,325,000

(b) **Maximum Number of Securities issued**

A total of 50,343,599 Shares are to be issued.

(c) **Date by which the Securities will be issued**

It is intended that the Shares are issued on 30 November 2018, and in any case no later than 1 month from the date of the Annual General Meeting. It is not anticipated that the Shares will be issued progressively.

(d) **The price at which the Securities will be issued**

The Shares will have an issue price of:

- 4,945,793 Shares at an issue price of \$0.01 each; and

- 45,397,806 Shares at an issue price of \$0.02 each.

(e) **The terms of the Securities**

The Shares issued will be fully paid ordinary shares in the capital of the Company and rank equally in all respects with the existing fully paid ordinary shares on issue.

(f) **The use of (or intended use) of the funds raised**

No funds will be raised from the issue of the Securities, however the payment of these amounts owing through the issue of Securities will preserve the funds raised by the Company.

4.2 **Section 208 of the Corporations Act**

The Board has determined that Shareholder approval under section 208 of the Corporations Act is not required for the issue of securities to the Participating Directors under Resolutions 4(a), 4(b) and 4(c) due to the “arm’s length” exception in section 210. In forming this view, the Board considers that:

- the terms of the loan from Adam Sierakowski:
 - were negotiated on an arm’s length basis;
 - are the same for non-related loans the subject of Resolution 3; and
 - are reasonable in the circumstances if the Company were dealing at arm’s length.
- the terms on which the amounts owing to Trident Capital Pty Ltd are to be settled through the issue of Securities:
 - were negotiated on an arm’s length basis;
 - are on the same basis as the repayment of the non-related and related loans the subject of Resolution 3 and 4(a) and amounts the subject of resolutions 4(b) and 4(c); and
 - are reasonable in the circumstances if the Company were dealing at arm’s length.
- the terms on which the amounts owing to Vital Nominees Pty Ltd are to be settled through the issue of Securities:
 - were negotiated on an arm’s length basis;
 - are on the same basis as the repayment of the non-related and related loans the subject of Resolution 3 and 4(a) and amounts the subject of resolutions 4(a) and 4(c); and
 - are reasonable in the circumstances if the Company were dealing at arm’s length.
- the terms on which the amounts owing to Earthsciences Pty Ltd are to be settled through the issue of Securities:
 - were negotiated on an arm’s length basis;
 - are on the same basis as the repayment of the non-related and related loans the subject of Resolution 3 and 4(a) and amounts the subject of resolutions 4(a) and 4(c); and
 - are reasonable in the circumstances if the Company were dealing at arm’s length.

4.3 Directors' Recommendation

The Directors (other than Mr Michael) do not have any personal interest in the outcome of Resolution 4(a). The Directors (other than Mr Michael) believe that the payment of the amounts owing through the issue of Securities is beneficial to the Company as it conserves the Company's cash position by the issue of securities in payment, rather than cash.

The Directors (other than Mr Michael) believe that the number of Shares to be issued pursuant to Resolution 4(a) are commercial for the Company in light of the minimal dilutionary effect and the preservations of the Company's cash, described above and recommend Shareholders vote in favour of Resolution 4(a).

Mr Michael declines to make a recommendation in relation to Resolution 4(a) due to the fact that he has a material personal interest in the outcome.

The Directors (other than Mr Sierakowski) do not have any personal interest in the outcome of Resolution 4(b). The Directors (other than Mr Sierakowski) believe that the repayment of loan through the issue of Securities is beneficial to the Company as it conserves the Company's cash position by the issue of securities in payment, rather than cash.

The Directors (other than Mr Sierakowski) believe that the number of Shares to be issued pursuant to Resolution 4(b) are commercial for the Company in light of the minimal dilutionary effect and the preservations of the Company's cash, described above and recommend Shareholders vote in favour of Resolution 4(b).

Mr Sierakowski declines to make a recommendation in relation to Resolution 4(b) due to the fact that he has a material personal interest in the outcome.

The Directors (other than Dr Searle) do not have any personal interest in the outcome of Resolution 4(c). The Directors (other than Dr Searle) believe that the repayment of loan through the issue of Securities is beneficial to the Company as it conserves the Company's cash position by the issue of securities in payment, rather than cash.

The Directors (other than Dr Searle) believe that the number of Shares to be issued pursuant to Resolution 4(c) are commercial for the Company in light of the minimal dilutionary effect and the preservations of the Company's cash, described above and recommend Shareholders vote in favour of Resolution 4(c).

Dr Searle declines to make a recommendation in relation to Resolution 4(c) due to the fact that he has a material personal interest in the outcome.

5. Resolution 5 – Approval of 10% Placement Facility

5.1 General

Listing Rule 7.1A enables eligible entities to issue Equity Securities totalling up to 10% of its issued share capital through placements over a 12 month period after the entity's annual general meeting ("**10% Placement Facility**"). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact 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 4.2(c) below).

The Board believes that Resolution 8 is in the best interests of the Company and unanimously recommends that Shareholders vote in favour of this Resolution.

5.2 Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.

(b) Equity Securities

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 Company.

As at the date of this Notice of Annual General Meeting, the only Equity Securities that the Company has on issue are its 189,326,784 Shares.

(c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

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

A 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 under an exception in Listing Rule 7.2;
- (B) plus the number of partly paid shares that became fully paid in the 12 months;
- (C) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- (D) less the number of fully paid shares cancelled in the 12 months.

Note that "A" has the same meaning as in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

(d) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 5.2(c) above).

(e) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 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:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (f) **10% Placement Period**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

("10% Placement Period").

5.3 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 ASX trading days on which trades in that class were recorded immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 5 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. 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 Annual General 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 or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

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

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

The table also shows:

- (iii) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific

placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and

- (iv) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Variable A in Listing Rule 7.1A.2		Dilution		
		\$0.01 50% decrease in Market Price	\$0.02 Current Market Price	\$0.04 50% increase in Market Price
Current Variable A 254,612,064	10% Voting Dilution	25,461,206 Shares	25,461,206 Shares	25,461,206 Shares
	Funds raised	\$ 254,612	\$ 509,224	\$ 763,836
50% increase in current Variable A 381,918,096	10% Voting Dilution	38,191,810 Shares	38,191,810 Shares	38,191,810 Shares
	Funds raised	\$ 381,918	\$ 763,836	\$ 1,145,754
100% increase in current Variable A 509,224,128	10% Voting Dilution	50,922,413 Shares	50,922,413 Shares	50,922,413 Shares
	Funds raised	\$ 509,224	\$ 1,018,448	\$ 1,527,672

The table has been prepared on the following assumptions:

1. The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
2. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
3. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Annual General Meeting.
4. The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
5. The issue of Equity Securities under the 10% Placement Facility consists only of Shares.
6. The issue price is \$0.02, being the closing price of the Shares on ASX when the Company's Shares were suspended on 4 October 2017.

- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 5 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking)).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
- (i) non-cash consideration for the acquisition of new resource assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
 - (ii) cash consideration. In such circumstances, the Company intends to use 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.

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

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the purpose of the issue;
- (ii) the methods of raising funds that are available to the Company including, but not limited to, rights issue or other issue in which existing security holders can participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the financial situation and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice of Annual General Meeting but are likely to be investors which are sophisticated or professional investors (or both) for the purposes of section 708 of the Corporations Act.

If the Company is successful in acquiring new resources assets or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new resources assets or investments.

- (e) The Company has previously obtained Shareholder approval under Listing Rule 7.1A at the Annual General Meeting held on 29 November 2017.
- (f) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.
- (g) Details of securities issued during the 12 months preceding the date of the meeting.

Date of issue	15 October 2018
Number issued	30,346,104
Percentage	11.9% of the shares on issue at the commencement of the 12 month period.
Class of Security	Ordinary Fully paid
Persons who received securities	Exempt investors under s708 of the Corporations Act
Price (per Share)	\$0.01 (16,863,436 Shares) \$0.02 (13,482,668 Shares)
Discount to market	\$0.01 Shares – 50% \$0.02 Shares – 0%
Total cash consideration	Nil
Amount of cash spent	N/A
Use of cash	N/A
Intended use for remaining cash	N/A
Non-cash consideration	Repayment of loans totaling \$415,000 plus interest
Current value	\$606,922 at \$0.02 per Share

Glossary

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

10% Placement Facility	has the meaning given in section 4.1 of the Explanatory Statement.
10% Placement Period	has the meaning given in section 4.2(f) of the Explanatory Statement.
Annual General Meeting	the annual general meeting convened by this Notice of Annual General Meeting.
Annual Report	the annual report of the Company for the financial year ended 30 June 2018.
ASX	ASX Limited (ACN 008 624 691) trading as the Australian Securities Exchange.
Board	the board of Directors.
Business Day	a day on which banks in Perth, Western Australia are generally open for business, except a Saturday, Sunday and gazetted public holiday.
Chairman	Mr Adam Sierakowski.
Closely Related Party	a closely related party of a member of Key Management Personnel as defined in Section 9 of the Corporations Act, being: <ul style="list-style-type: none">(a) a spouse or child of the member;(b) a child of that member's spouse;(c) a dependant 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.
Constitution	the constitution of the Company.
Company	Kinetiko Energy Limited ACN 141 647 529.
Corporations Act	Corporations Act 2001 (Cth).
Director	a director of the Company.
Equity Securities	has the meaning given in the Listing Rules.
Exempt Investors	exempt investors under section 708A(5) of the Corporations Act
Explanatory Statement	the explanatory statement accompanying the Notice of Annual General Meeting.
Key Management Personnel	the key management personnel of the Company as defined in Section 9 of the Corporations Act and Australian Accounting Standards Board accounting standard 124, being those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise).
Listing Rules	the listing rules of ASX.
Notice of Annual General Meeting	the notice of annual general meeting accompanying the Explanatory Statement.
Related Party	a party so defined by section 228 of the Corporations Act.
Remuneration Report	the section of the Annual Report entitled "Remuneration Report".
Share	a fully paid ordinary share in the capital of the Company.
Shareholder	a holder of Shares.
Trident Capital	Trident Capital Pty Ltd (ACN 100 561 733).



Kinetiko Energy Limited | ACN 141 647 529

AGM Proxy Card

Holder Number:

Name and Address

Vote by Proxy: KKO

Your proxy voting instruction must be received by **10.00am (WST) on Wednesday, 21 November 2018** being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY VOTE BY PAPER

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

YOUR NAME AND ADDRESS

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

VOTING UNDER STEP 1 - APPOINTING A PROXY

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

DEFAULT TO THE CHAIRMAN OF THE MEETING

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

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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 of shares 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

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

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

Joint holding: Where the holding is in more than one name, all of the Shareholders must 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>.

ATTENDING THE MEETING

Completion of a Proxy Voting Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Voting Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms.



Contact us

Return your completed form

BY MAIL:
 Trident Capital
 PO Box Z5183
 Perth, WA, 6831

IN PERSON:
 Trident Capital
 Level 24, St Martin's Tower
 44 St Georges Tce
 Perth WA 6000

BY EMAIL:
 To the Company at
 info@tridentcapital.com.au

BY FAX:
 To the Company at
 +61 8 9218 8875

Contact us – All enquiries to Automic

WEBCHAT: <https://automic.com.au/>

EMAIL: hello@automic.com.au

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

STEP 1: Appoint Your Proxy

Complete and return this form as instructed

I/We being a Shareholder entitled to attend and vote at the Annual General Meeting of Kinetiko Energy Limited, to be held at **10.00am (WST) on Friday, 23 November 2018 at Trident Capital, Level 24, 44 St Georges Terrace, Perth, WA, 6000** hereby:

Appoint the Chairman of the Meeting (Chair) OR if you are not appointing the Chairman of the Meeting as your proxy, please write in the box provided below the name of the person or body corporate you are appointing as your proxy or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.

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The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote. Unless indicated otherwise by ticking the "for," against" or "abstain" box you will be authorising the Chair to vote in accordance with the Chair's voting intention.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

STEP 2: Your Voting Direction

Resolutions	For	Against	Abstain
1. Approval of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-election of James Searle as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Ratification of Issue of Loan Repayment Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4a. Issue of Securities to Related Parties – Vital Nominees Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4b. Issue of Securities to Related Parties – Adam Sierakowski	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4c. Issue of Securities to Related Parties – Earthsciences Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3: Sign Here + Contact Details

SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	Director	Director / Company Secretary

Contact Name:

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Email Address:

--

Contact Daytime Telephone:

--

 Date: (DD/MM/YY)

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By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).

[HolderNumber] [CompanyASXCode]