
K-TIG LIMITED

ACN 158 307 549

NOTICE OF ANNUAL GENERAL MEETING

TIME: 3.00pm (ACDT)

DATE: Tuesday, 26 November 2019

PLACE: Building 5, 9 William Street, Milne End, Adelaide SA 5031

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

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meetings are those who are registered Shareholders at 5.00 pm (WST) on 24 November 2019.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that an Annual General Meeting of K-TIG Limited (ACN 158 307 549) (**Company**) will be held at 3.00pm (ACDT) on Tuesday, 26 November 2019 at Building 5, 9 William Street, Milne End, Adelaide SA 5031.

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

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders of the Company at 5.00pm (WST) on 24 November 2019.

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

1. FINANCIAL STATEMENTS AND REPORTS

To consider the Annual Report of the Company and its controlled entities for the financial year ended 30 June 2019, which includes the Financial Report, the Directors' Report and the Independent Auditor's Report.

The reports referred to above are included in the 2019 Annual Report sent to those Shareholders who elected to receive a hard copy. A copy of the report is also available on the Company's website at <http://www.k-tig.com>.

2. RESOLUTION 1 – REMUNERATION REPORT

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

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as set out in the Company's Annual Report for the financial year ended 30 June 2019, on the terms and conditions in the Explanatory Statement".

Voting exclusion statement: The Company will disregard any votes cast (in any capacity) in favour of the Resolution by or on behalf of a member of the Key Management Personnel whose remuneration is disclosed in the Remuneration Report or a Closely Related Party of those persons (which includes their spouse, child, dependent, other family members and any controlled company), unless the vote is cast as a proxy for a person who is entitled to vote on this Resolution in accordance with a direction on the Proxy Form or by the Chairman and the appointment of the Chairman as proxy does not specify the way the proxy is to vote on this Resolution and expressly authorises the Chairman to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Note: In accordance with the Corporations Act, the vote on this Resolution is advisory only and does not bind the Directors or the Company.

The Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies.

If 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution ("spill resolution") that another meeting be held within 90 days at which all of the Company's directors (other

than the Managing Director) must go up for re-election. For further information, please refer to the Explanatory Statement.

The Chair intends to vote any undirected proxies in favour of this Resolution. In exceptional circumstances, the Chair may change his or her voting intention on the Resolution, in which case an ASX announcement will be made.

3. RESOLUTION 2 – ELECTION OF DIRECTOR – MR COLM O'BRIEN

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

"That, for the purposes of clause 7.2 of the Constitution and for all other purposes, Mr Colm O'Brien, retires under clause 7.2 of the Constitution and being eligible, offers himself for re-election, be re-elected as a Director."

4. RESOLUTION 3 – APPROVAL OF 10% PLACEMENT CAPACITY

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

"That, for the purpose of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement."

<p>Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or behalf of any person who may participate in the issue of Equity Securities under this Resolution or a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed or any Associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a 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.</p>
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5. RESOLUTION 4 – RESIGNATION AND APPOINTMENT OF AUDITORS

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

"THAT pursuant to section 327B of the Corporations Act and for all other purposes, BDO Adelaide, having been nominated by a shareholder and having given its consent in writing to act as auditor, be appointed as the auditor the Company to hold office from the conclusion of this Annual General Meeting until it resigns or is removed from the office of auditor of the Company; and that pursuant to section 331 and other applicable provisions of the Corporations Act, BDO Adelaide be paid remuneration as may be mutually agreed between the auditors and the Board of Directors of the Company."

6. RESOLUTION 5 – AMENDMENT TO THE CONSTITUTION

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

"That, pursuant to and in accordance with section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to modify its Constitution by making the amendment contained in the document tabled at the Meeting and signed by the Chairman for the purposes of identification, with effect from the close of the Meeting."

DATED: 18 OCTOBER 2019

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'Deborah Ho', written over a horizontal line.

**DEBORAH HO
COMPANY SECRETARY**

Proxy Appointment and Voting Instructions

Proxy Form

To vote by proxy, please complete and sign the relevant enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

If you wish to appoint the Chair as your proxy, mark the appropriate box on the Proxy Form. If you appoint the Chair as your proxy, he or she can only cast your votes on Resolution 1 (Adoption of the Remuneration Report) if you expressly authorise him or her to do so. If the person you wish to appoint as your proxy is someone other than the Chair, please write the full name of that person on the Proxy Form. If you leave this section blank, or your named proxy does not attend the Meeting, the Chair will be your proxy. A proxy need not be a Shareholder of the Company.

Corporate Shareholders

Corporate Shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:

- two directors of the company;
- a director and a company secretary of the company; or
- for a proprietary company that has a sole director who is also the sole company secretary, that director.

Corporate Representatives

A corporation may elect to appoint an individual to act as its representative in accordance with section 250D of the Corporations Act, in which case the Company will require a certificate of appointment of the corporate representative executed in accordance with the Corporations Act. The certificate of appointment must be lodged with the Company and/or the Company's share registry before the Meeting or at the registration desk on the day of the Meeting.

Votes on Resolutions

You may direct your proxy how to vote by placing a mark in the 'FOR', 'AGAINST' or 'ABSTAIN' box opposite the Resolution. All your votes will be cast in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on the Resolutions 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 Resolutions, your proxy may vote as he or she chooses. If you mark more than one box on a Resolution your vote on that Resolution will be invalid.

Voting Restrictions That May Affect Your Proxy Appointment

Due to the voting exclusions that may apply to certain items of business, the Key Management Personnel and their Closely Related Parties will not be able to vote your proxy on Resolution 1 (Adoption of the Remuneration Report) unless you have directed them how to vote or, in the case of the Chair, if you expressly authorise him or her.

Chair Voting Undirected Proxies

If the Chair is your proxy, the Chair will cast your votes in accordance with your directions on the Proxy Form. If you do not mark any of the boxes on the Resolutions, then you expressly authorise the Chair to vote your undirected proxies at his/her discretion.

As at the date of this Notice, the Chair intends to vote undirected proxies FOR each of the Resolutions. In exceptional cases the Chair's intentions may subsequently change and in this event, the Company will make an announcement to the market.

Voting Eligibility – Snapshot Date

The Company may specify a time, not more than 48 hours before the Meeting, at which a “snapshot” of Shareholders will be taken for the purposes of determining Shareholder entitlements to vote at the Meeting.

The Directors have determined that all Shares of the Company that are quoted on ASX at 5.00pm WST on Sunday, 24 November 2019 shall, for the purpose of determining voting entitlements at the Meeting, be taken to be held by the persons registered as holding the Shares at that time. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Defined terms

Capitalised terms used in the Notice and the Explanatory Statement are defined in the Glossary.

Questions from Shareholders

At the Meeting, the Chair will allow a reasonable opportunity for Shareholders to ask questions or make comments on the management of the Company.

The Chair will allow a reasonable opportunity for Shareholders to ask the Company’s auditor questions about:

- the conduct of the audit;
- the preparation and content of the auditor’s report;
- the accounting policies adopted by the Company in relation to the preparation of financial statements; and
- the independence of the auditor in relation to the conduct of the audit.

To assist the Board and the Auditor in responding to any questions that you may have, please submit any questions to the Company by Tuesday, 19 November 2019 to the Company Secretary at Ground Floor, 16 Ord Street, West Perth, Western Australia, 6005.

As required under section 250PA of the Corporations Act, the Company will make available at the Meeting those questions directed to the Auditor received in writing at least 5 business days prior to the Meeting, being questions which the Auditor considers relevant to the content of the Auditor’s report or the conduct of the audit of the annual financial report for the year ended 30 June 2019. The Chair will allow a reasonable opportunity for the Auditor to respond to the questions set out on this list.

Questions Regarding the Notice of Meeting

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9482 0500.

EXPLANATORY STATEMENT

1. INTRODUCTION

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions which are the subject of the business of the Meeting.

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

2. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution and section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2019.

There is no requirement for Shareholders to approve the Annual Report. The reports referred to above are included in the Annual Report sent to those Shareholders who elected to receive a hard copy. A copy of the report is also available on the Company's website at <http://www.k-tig.com>

3. RESOLUTION 1 – ADOPTION OF THE REMUNERATION REPORT

3.1 Adoption

In accordance with section 250R(2) of the Corporations Act, the Company must put a resolution that the Remuneration Report as set out in the Directors' Report of the annual financial report of the Company for the financial year ending 30 June 2019 be adopted to vote at the Annual General Meeting. The vote on Resolution 1 is advisory only and does not bind the Directors or the Company.

The chair of the meeting must allow a reasonable opportunity for discussion of the Remuneration Report at the Annual General Meeting.

3.2 Spill resolution

In accordance with the Corporations Act, if at least 25% of the votes cast on the Resolution are voted **against** adoption of the Remuneration Report in two consecutive annual general meetings, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of directors of the Company (**Spill Resolution**) at the second annual general meeting, if at the first of those annual general meetings a Spill Resolution was not put to a vote.

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the extraordinary general meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the Directors who were in office when the Directors' report (as included in the Company's annual financial report for the financial year ended immediately before the second annual general meeting) was approved, other than the managing Director of the Company, 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 of the Company.

At the Company's previous annual general meeting in 2018 the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, a Spill Resolution will not be required at the Meeting in any event.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 2019.

3.3 Proxy restrictions

Shareholders appointing a proxy for this Resolution should note the following:

Proxy	Directions given	No directions given
Key Management Personnel ¹	Vote as directed	Unable to vote ³
Chair ²	Vote as directed	Able to vote at discretion of Proxy ⁴
Other	Vote as directed	Able to vote at discretion of Proxy

Notes:

¹ Refers to Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member.

² Refers to the Chair (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report), or a Closely Related Party of such a member).

³ Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

⁴ The Proxy Form notes it is the Chair's intention to vote all undirected proxies in favour of all Resolutions.

3.4 Directors' recommendations

The Board declines to make a recommends on Resolution 1 as each Director has a material personal interest in the outcome of the Resolution.

4. RESOLUTION 2 – ELECTION OF DIRECTOR – MR COLM O'BRIEN

4.1 Constitutional requirements

ASX Listing Rule 14.4 provides that a director of an entity must not hold office (without re-election) past the third AGM following the director's appointment or 3 year, whichever is the longer.

Clause 7.2 of the Constitution provides that the person who has been a Director the longest without re-election must retire and stand for re-election.

4.2 Background on Mr O'Brien

Mr Colm O'Brien is the Director longest in office since his last election, retires by rotation and seeks re-election.

Mr O'Brien's qualifications and experience are set out in the 2019 Annual Report.

4.3 Directors' recommendations

The Board (excluding Mr O'Brien) recommends that Shareholders vote in favour of Resolution 2. The Chair intends to exercise all available proxies in favour of Resolution 2.

5. RESOLUTION 3 – APPROVAL OF 10% PLACEMENT CAPACITY

5.1 Background

ASX Listing Rule 7.1A provides that an Eligible Entity (defined below) may seek Shareholder approval by special resolution passed at an annual general meeting to have the capacity to issue up to that number of Equity Securities (as defined below) equal to 10% of its issued capital (10% Placement Capacity) without using that company's existing 15% annual placement capacity granted under ASX Listing Rule 7.1.

If Shareholders approve Resolution 3, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out in Section 7.1 below).

The effect of Resolution 3 will be to allow the Directors to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

Resolution 3 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 3 for it to be passed.

5.2 Applicable Listing Rules

ASX Listing Rule 7.1A came into effect on 1 August 2012 and enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000, (Eligible Entity).

The Company is an Eligible Entity.

5.3 Information on Additional Placement Facility

As at the date of this Notice, the Company currently has on issue 144,593,344 Shares and the last recorded closing price of the Shares on 17 October 2019 was 34 cents. The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$48,438,770.

An Equity Security is a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has two class of quoted Equity Securities on issue, being Shares (ASX Code: KTG), and one classes of options over shares (ASX Codes: "KTGOB").

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

$$\text{Additional Placement Capacity} = (A \times D) - E$$

where:

A = the number of fully paid ordinary securities on issue 12 months before the issue date or date of agreement to issue:

- plus the number of fully paid ordinary securities issued in the 12 months under an exception in Listing Rule 7.2;
- plus the number of partly paid ordinary securities that became fully paid in the 12 months;
- plus the number of fully paid ordinary securities issued in the 12 months with approval of holders of ordinary securities under Listing Rule 7.1 or Listing Rule 7.4;
- less the number of fully paid ordinary securities cancelled in the 12 months.

D = 10%

E = 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 issue or agreement to issue that are not issued with the approval of Shareholders under Listing Rule 7.1 or 7.4.

5.4 Listing Rule requirements

Pursuant to and in accordance with Listing Rule 7.3A, the following information is provided in relation to the proposed approval of the Additional Placement Facility:

(a) Minimum price at which Equity Securities may be issued

The issue price of any Equity Security under the Additional Placement Facility will not be less than 75% of the VWAP for 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 securities are to be issued is agreed; or
- (ii) if the securities are not issued within 5 trading days of the date above, the date on which the securities are issued.

(b) Risk of economic and voting dilution

If Resolution 3 is passed and the Company issues securities under the Additional Placement Facility, then there is a risk to existing Shareholders of economic and voting dilution, including the risk that:

- (i) the market price for Equity Securities in the same class may be significantly lower on the issue date of the new Equity Securities than on the date of this Meeting; and
- (ii) the new Equity Securities may be issued at a price that is at a discount to the market price for Equity Securities in the same class on the issue date or the new Equity Securities may be issued in consideration for the acquisition of a new asset.

The table below identifies the potential dilution to existing Shareholders following the issue of Equity Securities under the Additional Placement Facility (based on the formula set out above) using different variables for the number of issued Shares and the market price of Shares.

The numbers are calculated on the basis of the latest available market price of Shares before the date of this Notice and the current number of Shares on issue.

Variable A in Listing Rule 7.1A		Nominal issue price		
		\$0.17 (100% decrease in market price)	\$0.34 (market price)	\$0.67 (100% decrease in market price)
Current capital issued	Shares issued under LR 7.1A	14,459,334	14,459,334	14,459,334
	Voting dilution	10%	10%	10%

A = 144,593,344 Shares	Funds raised	\$2,421,939	\$4,843,877	\$9,687,754
50% increase in issued capital A = 216,890,016 Shares	Shares issued under LR 7.1A	21,689,002	21,689,002	21,689,002
	Voting dilution	10%	10%	10%
	Funds raised	\$3,632,908	\$7,265,816	\$14,531,631
100% increase in issued capital A = 289,186,688 Shares	Shares issued under LR 7.1A	28,918,669	28,918,669	28,918,669
	Voting dilution	10%	10%	10%
	Funds raised	\$4,843,877	\$9,687,754	\$19,375,508

This table has been prepared on the following assumptions:

1. the latest available market price of Shares, being the closing price as at 17 October 2019, was \$0.34;
2. the Company issues the maximum number of equity securities available under the Additional Placement Facility;
3. existing Shareholders' holdings do not change from the date of this Meeting to the date of the issue under the Additional Placement Facility;
4. the Company issues Shares only and does not issue other types of equity securities (such as Options) under the Additional Placement Facility; and
5. the impact of placements under Listing Rule 7.1 or following the exercise of options is not included in the calculations.

(c) Date by which Equity Securities may be issued

Equity Securities may be issued under the Additional Placement Facility for 12 months after the Meeting.

However, the approval to the Additional Placement Facility under this Resolution 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) Purpose for which Equity Securities may be issued

The Company may seek to issue Equity Securities under the Additional Placement Facility for the following purposes:

- (i) cash consideration to fund business growth, to acquire new assets or make investments, to develop the Company's existing assets and operations and for general working capital; and
- (ii) non-cash consideration to acquire new assets or make investments. In these circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

(e) Allocation policy

The Company's allocation policy for the issue of Equity Securities under the Additional Placement Facility will depend on the prevailing market conditions at the time of the proposed issue. The allottees will be

determined on a case-by-case basis having regard to the factors such as:

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

As at the date of this Notice, the Company has not identified any proposed allottees of Equity Securities using the Additional Placement Facility. However, the eventual allottees may include existing substantial Shareholders, other Shareholders and/or new investors.

None of the allottees will be a related party or an associate of a related party of the Company. Existing Shareholders may or may not be entitled to subscribe for Equity Securities under the Additional Placement Facility and it is possible that their shareholding will be diluted.

If the Additional Placement Facility is used to acquire new assets or investments, then it is likely that the allottees will be the vendors of these assets/investments.

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

- (f) Equity securities issued under previous placement facility approval

The Company previously obtained Shareholder approval under Listing Rule 7.1A at its 2018 annual general meeting held on 27 November 2018. In the 12 months preceding the date of the 2019 Annual General Meeting and as at the date of this Notice, the Company has issued 131,925,501 Equity Securities. The Equity Securities represents 817% of the total number of Equity Securities (post-consolidation) on issue at the commencement of that 12 month period.

Details of each issue of Equity Securities by the Company during the 12 months preceding the date of this Meeting are set out in table in **Schedule 1**.

5.5 Directors' recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 3 as it will provide the Company with the flexibility to raise additional capital.

6. RESOLUTION 4 – RESIGNATION AND APPOINTMENT OF AUDITOR

The Company's current auditor, Stantons International Audit & Consulting Pty Ltd, is seeking consent from ASIC to resign as auditor of the Company pursuant to section 329(5) of the Corporations Act.

As of the date of this Notice of Meeting, ASIC consent for the resignation has not been received. Accordingly, this Resolution, which contemplates the appointment of a new auditor, is subject to ASIC consent being obtained before the date of this Meeting.

If ASIC consent is obtained before the date of this Meeting, the Board of the Company will, pursuant to section 327C(1) of the Corporations Act, appoint, BDO Audit (SA) Pty Ltd of Level 7, 420 King William Street, Adelaide SA 5000 as auditor of the Company to fulfil a casual vacancy.

Under section 327C(2) of the Corporations Act, an auditor who has been appointed under section 327C(1) of the Corporations Act only holds office until the company's next annual general meeting. The Company is required to appoint an auditor to fill any vacancy at each annual general meeting (after its first annual general meeting) pursuant to section 327B(1) of the Corporations Act.

Pursuant to section 328B of the Corporations Act, the Company received a valid notice of nomination which nominated BDO Audit (SA) Pty Ltd of Level 7, 420 King William Street, Adelaide SA 5000 as to be appointed as the new auditor of the Company.

A copy of the notice of nomination is set out in Schedule 2 of this Notice of Meeting. BDO Audit (SA) Pty Ltd of Level 7, 420 King William Street, Adelaide SA 5000 has provided the Company its written consent to act, subject to Shareholder approval being obtained, as the Company's auditor in accordance with section 328A(1) of the Corporations Act.

Accordingly, subject to receipt of ASIC consent in relation to the resignation of the Company's outgoing auditor before the date of this Meeting, under this Resolution, Shareholder approval is being sought to appoint BDO Audit (SA) Pty Ltd of Level 7, 420 King William Street, Adelaide SA 5000 as the auditor of the Company.

6.2 Directors' recommendation

The Chairman intends to vote all available proxies in favour of Resolution 4.

7. RESOLUTION 5 – AMENDMENT TO THE CONSTITUTION

7.1 General

Under section 136(2) of the Corporations Act, a company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Resolution 5 seeks the approval of Shareholders to modify the Company's Constitution as set out in Section 7.2 below.

A copy of the amended constitution is available for review by Shareholders at the office of the Company. A copy of the amended constitution can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

Resolution 5 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

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

7.2 Proposed amendment

(a) Restricted securities

ASX is proposing to introduce a number of changes to the escrow regime in the Listing Rules in December 2019 to make aspects of the listing process and ongoing compliance with the Listing Rules more efficient for issuers and for ASX.

Amongst these, ASX is proposing to introduce a two-tier escrow regime where ASX can and will require certain more significant holders of restricted securities and their controllers to execute a formal escrow agreement in the form of Appendix 9A, as is currently the case. However, for less significant holdings, ASX will instead permit entities to rely on a provision in their constitution imposing appropriate escrow restrictions on the holder of restricted securities and to simply give a notice to the holder of restricted securities in the form of a new Appendix 9C advising them of those restrictions.

Accordingly, the Company is seeking Shareholder approval to amend the Constitution to meet the requirements of proposed amended Listing Rules 9 and 15.12 as follows:

Insert a new defined term in Article 1.1:

*"**Dispose** has the meaning given to that term in the Listing Rules and **Disposal** has the corresponding meaning."*

*"**Restricted Securities** has the meaning given to it by the Listing Rules."*

Amend the definition of 'Restriction Agreement' in Article 1.1 to the following:

*"**Restriction Agreement** or **Restriction Deed** means a restriction deed in a form prescribed by the Listing Rules or otherwise approved by a Stock Exchange."*

Insert new Article 2.7:

"2.7 Restricted Securities

- (a) While the Company is on the official list of ASX, the Company must recognise and comply with the Listing Rules with respect to Restricted Securities.
- (b) Notwithstanding the generality of article 2.7(a):
 - (i) a holder of Restricted Securities must not Dispose of, or agree or offer to Dispose of, the Restricted Securities during the escrow period applicable to those Restricted Securities except as permitted by the Listing Rules or ASX;
 - (ii) if the Restricted Securities are in the same class as quoted securities, the holder will be taken to have agreed in writing that the Restricted Securities are to be kept on the Company's issuer

sponsored sub-register and are to have a holding lock applied for the duration of the escrow period applicable to those securities;

- (iii) the Company will refuse to acknowledge any Disposal (including, without limitation, to register any transfer), of Restricted Securities during the escrow period except as permitted by the Listing Rules or the ASX;*
- (iv) a holder of Restricted Securities will not be entitled to participate in any return of capital on those Restricted Securities during the escrow period applicable to those Restricted Securities except as permitted by the Listing Rules or ASX; and*
- (v) if a holder of Restricted Securities breaches a Restriction Deed or a provision of this Constitution restricting a Disposal of those Restricted Securities, the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those Restricted Securities for so long as the breach continues."*

(b) Provisions required by rule 15.11.1

The Company is also seeking Shareholder approval to amend the Constitution to meet the requirements of Appendix 15A (Provisions required by rule 15.11.1) as follows:

Delete Article 1.8(b)(vi) in its entirety and replace with the following:

"Article 1.8(b)(vi)

if any provision of this Constitution is or becomes inconsistent with the Corporations Act, the Listing Rules is deemed not to contain that provision to the extent of the inconsistency."

GLOSSARY

\$ means Australian dollars.

ACDT means Australian Central Daylight Time as observed in Adelaide, South Australia.

Additional Placement Capacity has the meaning given to that term in Section 5.1 of this Explanatory Statement.

Annual General Meeting or **Meeting** means the meeting convened by the Notice of General Meeting.

Annual Report means the annual report of the Company for the 2019 financial year, including the annual financial report, the Directors' report and the Auditor's report for the financial year ended 30 June 2019.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning given to that term in the Listing Rules.

ASX means ASX Limited.

Board means the current board of directors of the Company.

Business Day means a day that is not a Saturday, Sunday, New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, or a day that is not an ASX trading day.

Chair means the chairperson of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth) – currently are none prescribed.

Company or **K-Tig** means K-TIG Limited (ACN 158 307 549).

Company Secretary means the Company's Company Secretary.

Constitution means the Company's Constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company.

Equity Securities means a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

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

Listing Rules means the Listing Rules of ASX.

Notice of Annual General Meeting or **Notice** means the Notice of Annual General Meeting to which this Explanatory Statement is attached.

Officer means a Director of the Company or such other person within the meaning of that term as defined by the Corporations Act.

Option means an option which entitles the holder to subscribe for one Share.

Proxy Form means the proxy form accompanying the Notice.

Relevant Person means:

- (a) in respect of an Eligible Participant, that person; and
- (b) in respect of a Nominee of an Eligible Participant, that Eligible Participant.

Remuneration Report means the remuneration report appearing in the Annual Report.

Resolution means a resolution set out in the Notice of Special Meeting or Notice of General Meeting, or all of them, as the context requires.

Section means a section of this Explanatory Statement.

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

Shareholder means a holder of a Share.

VWAP means volume weighted average price.

WST means Western Standard Time as observed in Perth, Western Australia.

Schedule 1 – Equity Securities issued in previous 12 months

Issue Date	Number and Class	Allottees	Issue price	Discount to market price	Cash consideration and use of funds	Non cash consideration and current value
30 September 2019	<p>a) 35,000,000 fully paid ordinary shares</p> <p>b) 11,250,000 fully paid ordinary shares</p> <p>c) 80,200,501 fully paid ordinary shares</p> <p>d) 5,475,000 unlisted options exercisable at \$0.30 per option, expiring on 30 September 2023</p> <p>e) 4,331,801 unlisted options exercisable at \$0.30 per option, expiring on 30 September 2023</p> <p>f) 1,140,351 unlisted options exercisable at \$0.30 per option, expiring on 30 September 2023</p>	<p>All shares and options were issued in accordance with the Company's Replacement Prospectus dated 15 August 2019, and as approved by shareholders at the Company's General Meeting held on 15 August 2019.</p> <p>a) Public investors</p> <p>b) Convertible note holders</p> <p>c) Vendors</p> <p>d) Lead broker</p> <p>e) Lead broker</p> <p>f) Directors</p>	<p>a) \$0.20</p> <p>b) nil</p> <p>c) nil</p> <p>d) nil</p> <p>e) \$0.0001</p> <p>f) \$0.0001</p>	N/A	<p>a) \$7,000,000</p> <p>e) \$434</p> <p>f) \$114</p> <p>The funds are to be utilised as disclosed in the Company's Replacement Prospectus dated 15 August 2019,</p>	<p>b) The deemed value of the shares on conversion of the Convertible Notes is \$1,350,000, which is based on the issue price of the Convertible Notes.</p> <p>The deemed value of the shares issued, based on the closing ASX share price on 17 October 2019, is \$3,825,000.</p> <p>c) If all options were exercised, the cash consideration would be \$2,942,040.</p> <p>If all options were exercised, the deemed value of the shares issued, based on the closing ASX share price on 17 October 2019, is \$3,334,312.</p>

Schedule 2 - Nomination of Auditor

14 October 2019

The Board of Directors

K-Tig Limited


16 Ord Street

West Perth WA 6005

To The Board of Directors,

I, Stuart Carmichael, being a Director of K-TIG Limited ('the Company'), hereby give written notice pursuant to Section 328B(1) of the Corporations Act of the nomination of BDO Audit (SA) Pty Ltd of Level 7, 420 King William Street, Adelaide SA 5000 for appointment as Auditor of the Company at the next Annual General Meeting.

Yours Faithfully

A handwritten signature in black ink, appearing to read 'Stuart Carmichael', written over a horizontal line.

Stuart Carmichael

Director

PROXY FORM – ANNUAL GENERAL MEETING

K-TIG Limited
ACN 158 307 549

All correspondence to:
K-TIG Limited
PO Box 902
West Perth WA 6872
Phone: 08 9482 0500
Email: dho@ventnorcapital.com

I/We _____
(insert name of holder – please print)

Of _____
(insert address of holder – please print)

Appointment of Proxy

I/We being member/s of K-TIG Limited and entitled to attend and vote hereby appoint

	The Chair of the Meeting (mark with an 'X')	OR		Write here the name of the person you are appointing if this person is someone other than the Chair of the Meeting
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or failing the person named, or if no person is named, the Chair of the Meeting or a nominee of the Chair, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of K-Tig Ltd to be held at Building 5, 9 William Street, Milne End, Adelaide SA 5031 on Tuesday, 26 November 2018 at 3.00pm (ACDT) and at any adjournment of that meeting.

Important: The Chair of the Meeting intends to vote all undirected proxies in favour of all Resolutions. If the Chair of the Meeting is your proxy or is appointed your proxy by default, unless you indicate otherwise by ticking either the 'for', 'against' or 'abstain' box, you will be authorising the Chairman to vote in accordance with the Chairman's voting intentions even if those Resolutions are connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Voting directions to your proxy - please mark

Ordinary business

- | | |
|---------------------|--|
| Resolution 1 | REMUNERATION REPORT |
| Resolution 2 | ELECTION OF DIRECTOR – MR COLM O'BRIEN |
| Resolution 3 | APPROVAL OF 10% PLACEMENT CAPACITY |
| Resolution 4 | CHANGE OF AUDITOR |
| Resolution 5 | AMENDMENT TO THE CONSTITUTION |

X to indicate your directions

For Against Abstain*

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

PLEASE SIGN HERE

This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

Proxy Notes:

A Shareholder entitled to attend and vote at the Meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at the Meeting. If the Shareholder is entitled to cast 2 or more votes at the Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting, the representative of the body corporate to attend the Meeting must produce the Certificate of Appointment of Representative prior to admission. A form of the certificate may be obtained from the Company's share registry.

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

Individual where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name all of the holders should sign.

Power of Attorney: if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.

Companies: a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or email which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at or received by email transmission at the address below no later than 48 hours prior to the time of commencement of the Meeting (WST).

Postal deliveries: K-TIG Limited
 PO Box 902
 West Perth WA 6872

Email dho@ventnorcapital.com