

QUARTERLY ACTIVITIES REPORT FOR THE QUARTER ENDED 31st March 2022

The Directors of K2 Energy Limited (NSX: KTE) ("K2") provide the following report for the quarter ended 31st March 2022.

K2 Energy's major activities during the quarter were its strategic investment in Atomera, Inc. ("Atomera").

ATOMERA, INC.

K2 Energy provided critical funding to Atomera, Inc. during its R & D development phase while they developed patentable technology for the silicon chip industry with energy saving and performance attributes. This funding converted into a significant interest in a NASDAQ listed corporation, being Atomera, Inc.

Detailed below are extracts from announcements made by Atomera in April 2022.

"Atomera Incorporated (NASDAQ:ATOM), a semiconductor materials and technology licensing company, announced the success of its Joint Development Agreement (JDA) with a leading semiconductor company that it had entered into last year. Officially reaching this milestone results in Atomera recognizing revenue related to it in Q1 2022.

Announced in January 2021, this JDA included a manufacturing license enabling Atomera's customer to build Mears Silicon Technology™ (MST®) wafers on an epitaxial deposition (Epi) tool in their own factory. The focus of the JDA was to ensure Atomera's technology met the manufacturability and performance targets set by the customer before further work commenced within the company. Having met these criteria, Atomera can now move on to engagements with individual business units and applications areas.

"Clearing this critical hurdle with such an important customer showcased many important steps to commercialization," said Scott Bibaud, president and CEO of Atomera. "Our two teams worked together to transfer our technology into their hands and validate performance on their tool. We then closely cooperated to deliver results which proved MST meets manufacturability targets of a high-volume semiconductor manufacturer. This is a very important milestone that we believe will be appreciated by our future customers."

MST is a quantum-engineered material that enhances transistors to deliver significantly better performance in semiconductor devices, while shrinking die sizes and reducing costs. As it is a complementary material technology to other nano-scaling technologies in the semiconductor industry roadmap, it can be implemented on standard manufacturing tools without significant additional cost or modification to the current semiconductor fabrication process. When successfully integrated, MST can deliver up to a full node of power and performance improvement within the same geometry."

Further details are available at www.atomera.com.

Atomera's share price as at 31 March 2022 was approximately USD13 per share, which valued K2 Energy's shareholding in Atomera at approximately AUD9.1 million.

MST™ SOLAR

K2 Energy owns the exclusive worldwide rights to the MST™ Technology for all solar energy applications.

QUARTERLY CASHFLOW

Cash on hand at 31 March 2022 was \$129,964.

Cash outgoings for the quarter were \$343,000, including an amount of \$335,500 which was paid in relation to previously accrued prior years' directors' and management fees and \$3,300 paid for the use of the Company's registered office premises.

Authorised by: Terence Flitcroft, Company Secretary on behalf of K2 Energy Limited

21st April 2022