

11 April 2023

Dear Shareholders

2023 ANNUAL GENERAL MEETING

Kuniko Limited (ASX:KNI)(the **Company**) is convening its Annual General Meeting of shareholders to be held on 12 May 2023 at 3:00pm (WST) at the Sunset Room, Cottesloe Beach Hotel, 104 Marine Parade, Cottesloe WA 6011 (**Meeting**).

The Company will not be sending hard copies of the Notice of Meeting to shareholders unless a shareholder has requested a hard copy. The Notice of Meeting and Explanatory Memorandum can be viewed and downloaded from the link set out below.

<https://kuniko.eu/investment-centre/>

Alternatively, a complete copy of the Notice of Meeting and Explanatory Statement has been posted on the Company's ASX market announcements page.

The Company **strongly encourages Shareholders to lodge a directed proxy form prior to the meeting and register their attendance prior to the Meeting if they intend to attend.** Questions should also be submitted in advance of the Meeting as this will provide management with the best opportunity to prepare for the meeting, for example by preparing answers in advance to Shareholders questions. However, votes and questions may also be submitted during the Meeting.

If you have nominated an email address and have elected to receive electronic communications from the Company, you will also receive an email to your nominated email address with a link to an electronic copy of the Notice of Meeting and Explanatory Statement.

In order to receive electronic communications from the Company in the future, please update your Shareholder details online at <https://investor.automic.com.au/#/home> and log in with your unique shareholder identification number and postcode (or country for overseas residents), where you can find on your enclosed personalised proxy form. Once logged in you can also lodge your proxy vote online by clicking on the "Vote" tab.

If you are unable to access the Notice of Meeting and Explanatory Memorandum online please contact the Company Secretary, Joel Ives, on +61 8 6364 5095 or via email at info@kuniko.eu.

The Notice of Meeting and Explanatory Memorandum are important and should be read in its entirety. If you are in doubt as to the course of action you should follow, you should consult your financial adviser, lawyer, accountant or other professional adviser.

This announcement is authorised for market release by the Company Secretary of Kuniko Limited.

Sincerely,

Joel Ives
Joint Company Secretary

KUNIKO LIMITED
ACN 619 314 055

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 3:00pm (WST)

DATE: Friday, 12 May 2023

PLACE: Sunset Room, Cottesloe Beach Hotel, 104 Marine Parade, Cottesloe WA
6011

The business of the Meeting affects your shareholding and your vote is important.

This Notice 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 Meeting are those who are registered Shareholders at 5:00 PM (WST) on 10 May 2023.

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 31 December 2022 together with the declaration of the Directors, the Director's report, the Remuneration Report and the auditor's report.

2. RESOLUTION 1 – ADOPTION OF 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 contained in the Company's annual financial report for the financial year ended 31 December 2022.”

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

A voting prohibition statement applies to this Resolution. Please see below.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – GAVIN REZOS

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

“That, for the purpose of clause 14.2 of the Constitution and for all other purposes, Mr Gavin Rezos, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – BIRGIT LIODDEN

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

“That, for the purpose of clause 14.2 of the Constitution and for all other purposes, Ms Birgit Liodden, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

5. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF SHARES

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 823,043 Shares on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

6. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF SHARES – LISTING RULE 7.1

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 170,000 Shares on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

7. RESOLUTION 6 – ISSUE OF INCENTIVE OPTIONS TO DIRECTOR – GAVIN REZOS

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

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 1,500,000 Incentive Options to Mr Gavin Rezos (or their nominee) under the Incentive Plan on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

8. RESOLUTION 7 – ISSUE OF INCENTIVE OPTIONS TO DIRECTOR – BRENDAN BORG

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

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 1,000,000 Incentive Options to Mr Brendan Borg (or their nominee) under the Incentive Plan on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

9. RESOLUTION 8 – ISSUE OF INCENTIVE OPTIONS TO DIRECTOR – MAJA MCGUIRE

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

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 1,000,000 Incentive Options to Ms Maja McGuire (or their nominee) under the Incentive Plan on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

For personal use only

10. RESOLUTION 9 – ISSUE OF INCENTIVE OPTIONS TO DIRECTOR – BIRGIT LIODDEN

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

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 1,000,000 Incentive Options to Ms Birgit Liodden (or their nominee) under the Incentive Plan on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

11. RESOLUTION 10 – APPROVAL OF 7.1A MANDATE

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

“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal 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 otherwise on the terms and conditions set out in the Explanatory Statement.”

Dated: 11 April 2023

By order of the Board



**Joel Ives
Company Secretary**

Voting Prohibition Statements

Resolution 1 – Adoption of Remuneration Report

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either 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 as a proxy if the vote is not cast on behalf of a person described above and either:

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

Resolutions 6 – 9 – Issue of Incentive Options to Directors

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom Resolutions 6 to 9 would permit a financial benefit to be given, or an associate of such a related party (**Resolutions 6 to 9 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolutions 6 to 9 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolutions 6 to 9 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Voting Exclusion Statements

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the Resolution set out below by or on behalf of the following persons:

Resolution 4 – Ratification of prior issue of Shares	A person who participated in the issue or is a counterparty to the agreement being approved (namely 1Minerals) or an associate of that person or those persons.
Resolution 5 – Ratification of prior issue of Shares – Listing Rule 7.1	A person who participated in the issue or is a counterparty to the agreement being approved or an associate of that person or those persons.
Resolution 6 – Issue of Incentive Options to Director – Gavin Rezos	Any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Mr Gavin Rezos) or an associate of that person or those persons.
Resolution 7 – Issue of Incentive Options to Director – Brendan Borg	Any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Mr Brendan Borg) or an associate of that person or those persons.
Resolution 8 – Issue of Incentive Options to Director – Maja McGuire	Any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Ms Maja McGuire) or an associate of that person or those persons.
Resolution 9 – Issue of Incentive Options to Director – Birgit Liodden	Any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Ms Birgit Liodden) or an associate of that person or those persons.

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

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting by proxy

To vote by proxy, please complete and sign the 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 two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the Shareholder appoints two 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.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

You may still attend the Meeting and vote in person even if you have lodged appointed a proxy. If you have previously submitted a Proxy Form, your attendance will not revoke your proxy appointment unless you actually vote at the Meeting for which the proxy is proposed to be used, in which case, the proxy's appointment is deemed to be revoked with respect to voting on that Resolution.

Please bring your personalised Proxy Form with you as it will help you to register your attendance at the Meeting. If you do not bring your Proxy Form with you, you can still attend the Meeting but representatives from Automic Registry Services will need to verify your identity. You can register from 2:30pm WST on the day of the Meeting.

Should you wish to discuss the matters in this Notice please do not hesitate to contact the Company Secretary on +61 8 6364 5095.

EXPLANATORY STATEMENT

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.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Corporations Act, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 31 December 2022 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.kuniko.eu.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

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 a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) 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 of the company is approved will be the directors of the company.

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Meeting.

3. RESOLUTIONS 2 AND 3 – DIRECTOR RE-ELECTIONS

3.1 General

Clause 14.2 of the Constitution provides that, at each annual general meeting of the Company, one third of its Directors (rounded-up and excluding any managing director) must retire from office but are eligible for re-election at the meeting.

At this Annual General Meeting, the Company's Directors:

- (a) Mr Gavin Rezos (Non-Executive Chairman) who has served as a Director since 1 October 2020 and was last re-elected 24 November 2021; and
- (b) Ms Birgit Liodden (Non-Executive Director) who has served as a Director since 27 May 2021 and was last re-elected 24 November 2021,

retire as Directors by rotation and, being eligible, offer themselves for re-election.

3.2 Qualifications and other material directorships

(a) Gavin Rezos

Mr Rezos has extensive Australian and international investment banking experience and is a former investment banking Director of HSBC Group with regional roles during his career in London, Sydney and Dubai. Gavin has held Chairman, Board and CEO positions of companies in the materials, technology and resources sectors in Australia, the United Kingdom, the United States and Singapore, and was formerly a non-executive director of Iluka Resources and of Rowing Australia, the peak Olympics sports body for rowing in Australia.

(b) Birgit Liodden

Ms Liodden is a self-made entrepreneur and business activist who has worked to push sustainability, entrepreneurship, next generation & diversity across the maritime industry through 15 years. One of the most visible young female leaders within the global maritime industry, and the first leader fronting MeToo in global shipping.

Ms Liodden is a former Director of Sustainability, Ocean Industries & Communication at Oslo Business Region, Project Manager Oslo European Green Capital/Business program. Director of Nor-Shipping, Founder & SG of YoungShip International, Project Manager Global Systems & Processes at Wilhelmsen. School dropout at 16, with 20+ year's business background.

Ms Liodden has pioneered several global first initiatives; built up the first global organization for young maritime professionals, developed the first award targeting ocean entrepreneurs, the first female maritime mentor program, and the first global expo initiative that fully integrated corporates & startups.

3.3 Independence

If elected, the Board considers:

- (a) Mr Gavin Rezos will be an independent Director; and
- (b) Ms Birgit Liodden will be an independent Director.

Each Mr Rezos and Ms Liodden have no interests, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company as a whole rather than in the interests of an individual security holder or other party.

3.4 Other material information

The Company conducts appropriate checks on the background and experience of candidates before their appointment to the Board. These include checks as to a person's experience, educational qualifications, character, criminal record and bankruptcy history. The Company undertook such checks prior to the appointment of each Director prior to their appointment or in connection with the Company's initial public offering and ASX listing.

Each Director has confirmed that they consider they will have sufficient time to fulfil their responsibilities as a Director of the Company and does not consider that any other commitment will interfere with their availability to perform their duties as a Director of the Company.

3.5 Board recommendation

The Board has reviewed each Director's performance since their appointment to the Board and considers that each Director's skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the re-election of each of the Directors standing for election and recommends that Shareholders vote in favour of Resolutions 2 and 3.

4. RESOLUTIONS 4 AND 5 – RATIFICATION OF PRIOR ISSUE OF SHARES

4.1 Background to Resolution 4

As announced on 9 March 2023, the Company and its 100% owned subsidiary, Kuniko Resources Canada Ltd, entered into three individual option agreements with 1Minerals Corp. (a company registered in Canada) (**1Minerals**) (**Option Agreements**) for the sale and purchase of a 100% interest in the Fraser Lake, Mia North and Nemaska Projects (**Acquisitions**).

A summary of the key terms of the Option Agreements is set out in Schedule 1.

On 9 March 2023, the Company issued 823,043 Shares in consideration of the Acquisitions as the first issuance of Shares under the Option Agreements (**Acquisition Shares**).

4.2 Background to Resolution 5

As announced on 5 May 2022, Kuniko received firm commitments from sophisticated, professional and institutional investors to raise \$8,000,000 (before costs) through a placement of 8,000,000 Shares at a price of \$1.00 per Share (**Placement**).

In order to allow Shareholders to also participate in the Company's capital raising activities, the Company also sought to raise up to \$2,000,000 under a share purchase plan (**Plan**).

The Company issued a further 170,000 Shares to a Shareholder, who had oversubscribed under the Plan, on the same terms and conditions as the Shares offered under the Placement and the Plan, out of the Company's existing 7.1 capacity at the time on 31 May 2022 (**Plan Shares**, which together with the Acquisition Shares are the **Ratification Shares**).

The issue of the Ratification Shares did not breach Listing Rule 7.1 at the time of the issue.

4.3 Listing Rule 7.1

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

Under Listing Rule 7.1A, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%.

The Company's ability to utilise the additional 10% capacity provided for in Listing Rule 7.1A for issues of equity securities following this Meeting remains conditional on Resolution 10 being passed at this Meeting.

The issue of the Ratification Shares does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Ratification Shares.

4.4 Listing Rule 7.4

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

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Ratification Shares.

Resolutions 4 and 5 seek Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Ratification Shares.

4.5 Technical information required by Listing Rule 14.1A

If Resolutions 4 and 5 are passed, the Ratification Shares will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue

without Shareholder approval over the 12 month period following the date of issue of the Ratification Shares.

If Resolutions 4 and 5 are not passed, the Ratification Shares will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Ratification Shares.

It is noted that the Company's ability to utilise the additional 10% capacity provided for in Listing Rule 7.1A for issues of equity securities following this Meeting remains conditional on Resolution 10 being passed at this Meeting.

4.6 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolutions 4 and 5:

- (a) the Acquisition Shares were issued to 1Minerals;
- (b) The Plan Shares were issued to an existing Shareholder;
- (c) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients were:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (d) 823,043 Acquisition Shares were issued and the Acquisition Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) 170,000 Plan Shares were issued and the Plan Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the Acquisition Shares were issued on 9 March 2023;
- (g) the Plan Shares were issued on 1 June 2022;
- (h) the Acquisition Shares were issued at a nil issue price, in consideration for the Acquisitions. The Company has not and will not receive any other consideration for the issue of the Acquisition Shares;
- (i) the Plan Shares were issued at a \$1.00 per Plan Share. The Company has not and will not receive any other consideration for the issue of the Plan Shares;
- (j) the purpose of the issue of the Acquisition Shares was to satisfy the Company's obligations under the Option Agreements;
- (k) the purpose of the issue of the Plan Shares was to raise \$170,000, which was applied towards the acceleration of the Company's projects in Norway;

- (l) the Acquisition Shares were issued to 1Minerals under the Option Agreements. A summary of the material terms of the Option Agreements is set out in Schedule 1; and
- (m) the Plan Shares were not issued under an agreement.

5. RESOLUTIONS 6 TO 9 – ISSUE OF INCENTIVE OPTIONS TO DIRECTORS

5.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue two tranches of Options to the Directors (the **Tranche 1 Options** and **Tranche 2 Options** or together, the **Incentive Options**):

- (a) 750,000 Tranche 1 Options and 750,000 Tranche 2 Options to Mr Gavin Rezos (or their nominees) (pursuant to Resolution 6);
- (b) 500,000 Tranche 1 Options and 500,000 Tranche 2 Options to Mr Brendan Borg (or their nominees) (pursuant to Resolution 7);
- (c) 500,000 Tranche 1 Options and 500,000 Tranche 2 Options to Ms Maja McGuire (or their nominees) (pursuant to Resolution 8); and
- (d) 500,000 Tranche 1 Options and 500,000 Tranche 2 Options to Ms Birgit Liodden (or their nominees) (pursuant to Resolution 9),

(together, the **Related Parties**), pursuant to the Company's employee securities incentive plan (**Incentive Plan**) on the terms and conditions set out below.

The Incentive Options will be exercisable as follows:

Incentive Options	Exercise Price	Expiry Date
Tranche 1 Options	\$0.690	11 May 2027
Tranche 2 Options	\$0.921	

5.2 Director Recommendation

Each Director has a material personal interest in the outcome of Resolutions 6 to 9 on the basis that all of the Directors (or their nominees) are to be issued Incentive Options should Resolutions 6 to 9 be passed. For this reason, the Directors do not believe that it is appropriate to make a recommendation on Resolutions 6 to 9 of this Notice.

5.3 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of the Incentive Options to the Related Parties constitutes giving a financial benefit and each of the Related Parties is a related party of the Company by virtue of being a Director.

As the Incentive Options are proposed to be issued to all of the Directors, the Directors are unable to form a quorum to consider whether one of the exceptions set out in sections 210 to 216 of the Corporations Act applies to the issue of the Incentive Options. Accordingly, Shareholder approval for the issue of Incentive Options to the Related Parties is sought in accordance with Chapter 2E of the Corporations Act.

5.4 Listing Rule 10.14

Listing Rule 10.14 provides that an entity must not permit any of the following persons to acquire equity securities under an employee incentive scheme without the approval of the holders of its ordinary securities:

- 10.14.1 a director of the entity;
- 10.14.2 an associate of a director of the entity; or
- 10.14.3 a person whose relationship with the entity or a person referred to in Listing Rules 10.14.1 to 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by security holders.

The issue of Incentive Options to the Related Parties falls within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

Resolutions 6 to 9 seek the required Shareholder approval for the issue of the Incentive Options under and for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.14.

5.5 Technical information required by Listing Rule 14.1A

If Resolutions 6 to 9 are passed, the Company will be able to proceed with the issue of the Incentive Options to the Related Parties under the Incentive Plan within three years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Incentive Options (because approval is being obtained under Listing Rule 10.14), the issue of the Incentive Options will not use up any of the Company's 15% annual placement capacity.

If Resolutions 6 to 9 are not passed, the Company will not be able to proceed with the issue of the Incentive Options to the Related Parties under the Incentive Plan and may need to seek alternative means of remunerating the Related Parties.

5.6 Technical information required by Listing Rule 10.15 and section 219 of the Corporations Act

Pursuant to and in accordance with the requirements of Listing Rule 10.15 and section 219 of the Corporations Act, the following information is provided in relation to Resolutions 6 to 9:

- (a) Incentive Options will be issued to the following persons:
 - (i) Mr Gavin Rezos (or their nominee) pursuant to Resolution 6;
 - (ii) Mr Brendan Borg (or their nominee) pursuant to Resolution 7;

- (iii) Ms Maja McGuire (or their nominee) pursuant to Resolution 8; and
 - (iv) Ms Birgit Liodden (or their nominee) pursuant to Resolution 9,

each of whom falls within the category set out in Listing Rule 10.14.1 by virtue of being a Director;
- (b) the maximum number of Incentive Options to be issued to the Related Parties (being the nature of the financial benefit proposed to be given) is 4,500,000 comprising:
 - (i) 750,000 Tranche 1 Options and 750,000 Tranche 2 Options to Mr Gavin Rezos (or their nominees) (pursuant to Resolution 6);
 - (ii) 500,000 Tranche 1 Options and 500,000 Tranche 2 Options to Mr Brendan Borg (or their nominees) (pursuant to Resolution 7);
 - (iii) 500,000 Tranche 1 Options and 500,000 Tranche 2 Options to Ms Maja McGuire (or their nominees) (pursuant to Resolution 8); and
 - (iv) 500,000 Tranche 1 Options and 500,000 Tranche 2 Options to Ms Birgit Liodden (or their nominees) (pursuant to Resolution 9),
- (c) the Related Parties have received the following Securities under the Incentive Plan:
 - (i) Mr Gavin Rezos – 2,400,000 Performance Rights;
 - (ii) Mr Brendan Borg – 900,000 Performance Rights;
 - (iii) Ms Maja McGuire – 300,000 Performance Rights; and
 - (iv) Ms Birgit Liodden – 300,000 Performance Rights;
- (d) a summary of the material terms and conditions of the Incentive Options is set out in Schedule 2;
- (e) the Incentive Options are unquoted Options. The Company has chosen to issue Incentive Options to the Related Parties for the following reasons:
 - (i) the Incentive Options are unquoted convertible Securities, convertible into shares. Therefore, the issue of the Incentive Options has no immediate dilutionary impact on Shareholders until the Incentive Options are exercised;
 - (ii) the deferred taxation benefit which is available to the Related Parties in respect of an issue of the Incentive Options is also beneficial to the Company as it means the Related Parties are not required to immediately sell Shares to fund a tax liability (as would be the case in an issue of Shares where the tax liability arises upon issue of the Shares) and will instead, continue to hold an interest in the Company (but may be required to Shares to fund the exercise of the Incentive Options in the future); and
 - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Incentive Options on the terms proposed;

- (f) the number of Incentive Options to be issued to each of the Related Parties has been determined based upon a consideration of:
- (i) current market standards and/or practices of other ASX listed companies of a similar size and stage of development to the Company;
 - (ii) the remuneration of the Related Parties; and
 - (iii) incentives to attract and retain the service of the Related Parties who have appropriate knowledge and expertise, while maintaining the Company's cash reserves.

The Company does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Incentive Options upon the terms proposed;

- (g) the total remuneration package for each of the Related Parties for the previous financial year and the proposed total remuneration package for the current financial year are set out below:

Related Party	Current Financial Year Ending 31 December 2023	Previous Financial Year Ended 31 December 2022
Gavin Rezos	\$503,659 ¹	\$96,250 ⁵
Brendan Borg	\$309,930 ²	\$38,588 ⁶
Maja McGuire	\$309,930 ³	\$67,797 ⁷
Birgit Liodden	\$319,524 ⁴	\$70,187 ⁸

Notes:

1. Comprising Directors' fees of \$96,906 and share-based payments of \$406,753 (including an increase of \$406,753 being the value of the Incentive Options).
2. Comprising Directors' fees of \$38,762 and share-based payments of \$271,168 (including an increase of \$271,168, being the value of the Incentive Options).
3. Comprising Directors' fees \$38,762 and share-based payments of \$271,168 (including an increase of \$271,168, being the value of the Incentive Options).
4. Comprising Directors' fees of \$48,356 and share-based payments of \$271,168 (including an increase of \$271,168, being the value of the Incentive Options).
5. Comprising Directors' salary and fees of \$96,250.
6. Comprising Directors' salary and fees of \$38,588.
7. Comprising Directors' salary and fees of \$38,588 and share-based payments of \$29,209.
8. Comprising Directors' salary and fees of \$40,978 and share-based payments of \$29,209.

- (h) the value of the Incentive Options and the pricing methodology is set out in Schedule 3;
- (i) the Incentive Options will be issued to the Related Parties no later than 3 years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated to be shortly after the Meeting;

- (j) the issue price of the Incentive Options will be nil, as such no funds will be raised from the issue of the Incentive Options (other than in respect of funds received on exercise of the Incentive Options);
- (k) the purpose of the issue of the Incentive Options is to provide a performance linked incentive component in the remuneration package for the Related Parties to align the interests of the Related Parties with those of Shareholders, to motivate and reward the performance of the Related Parties in their roles as Directors and to provide a cost effective way from the Company to remunerate the Related Parties, which will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties;
- (l) a summary of the material terms and conditions of the Incentive Plan is set out in Schedule 4;
- (m) no loans are being made to the Related Parties in connection with the acquisition of the Incentive Options;
- (n) details of any Options issued under the Incentive Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14;
- (o) any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Options under the Incentive Plan after Resolutions 6 to 9 are approved and who were not named in this Notice will not participate until approval is obtained under Listing Rule 10.14;
- (p) the relevant interests of the Related Parties in securities of the Company as at the date of this Notice are set out below:

As at the date of this Notice

Related Party	Shares ¹	Options	Performance Rights	Undiluted	Fully Diluted
Gavin Rezos	4,157,552 ²	Nil	Nil	6.18%	5.93%
Brendan Borg	1,400,000 ³	Nil	Nil	2.08%	2.00%
Maja McGuire	160,000 ⁴	Nil	200,000 ⁶	0.24%	0.51%
Birgit Liodden	150,000 ⁵	Nil	200,000 ⁶	0.22%	0.50%

Notes:

1. Fully paid ordinary shares in the capital of the Company (ASX: KNI).
2. Comprising:
 - (a) 2,400,000 Shares held indirectly through Vivien Enterprises Pte Ltd; and
 - (b) 1,757,552 Shares held indirectly through Aymon Pacific Pty Ltd <Jerezos Discretionary A/C>.
3. Comprising:
 - (a) 500,000 Shares held indirectly through Mr Brendan James Borg + Mrs Erin Belinda Borg <Borg Family Super Fund A/C>; and

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- (b) 900,000 Shares (escrowed until 23 August 2023) and 25,000 held indirectly through Borg Geoscience Pty Ltd.
4. Held indirectly through Maja McGuire <Scaraf A/C>.
 5. Held indirectly through Valiant Eiendom AS.
 6. Comprising:
 - (a) 100,000 Class E Performance Rights, vesting 24 months of continuous service; and
 - (b) 100,000 Class F Performance Rights, vesting 36 months of continuous service.
 7. Held indirectly through Valiant Eiendom AS.

Post issue of Incentive Options to Related Parties

Related Party	Shares ¹	Options	Performance Rights	Undiluted	Fully Diluted
Gavin Rezos	4,157,552	1,500,000 ¹	Nil	6.18%	7.58%
Brendan Borg	1,400,000	1,000,000 ²	Nil	2.08%	3.22%
Maja McGuire	160,000	1,000,000 ²	200,000	0.24%	1.82%
Birgit Liodden	150,000	1,000,000 ²	200,000	0.22%	1.81%

Notes:

1. Comprising of 750,000 Tranche 1 Options and 750,000 Tranche 2 Options.
 2. Comprising of 500,000 Tranche 1 Options and 500,000 Tranche 2 Options.
- (q) if the Incentive Options issued to the Related Parties are exercised, a total of 4,500,000 Shares would be issued. This will increase the number of Shares on issue from 67,236,542 (being the total number of Shares on issue as at the date of this Notice) to 71,736,542 (assuming that no Shares are issued and no convertible securities vest or are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 6.27%, comprising 1.39% by Mr Gavin Rezos, 1.39% by Mr Brendan Borg, 1.39% by Ms Maja McGuire and 1.39% by Ms Birgit Liodden;
- (r) the market price for Shares during the term of the Incentive Options would normally determine whether the Incentive Options are exercised. If, at any time any of the Incentive Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Incentive Options, there may be a perceived cost to the Company.

The trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	\$1.50	14 April 2022
Lowest	\$0.39	16 March 2023 and 21 March 2023
Last	\$0.46	6 April 2023

- (s) the Board is not aware of any other information that is reasonably required by Shareholders to allow them to decide whether it is in the best interests of the Company to pass Resolutions 6 to 9.

6. RESOLUTION 10 – APPROVAL OF 7.1A MANDATE

6.1 General

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

However, under Listing Rule 7.1A, an eligible entity may seek shareholder approval by way of a special resolution passed at its annual general meeting to increase this 15% limit by an extra 10% to 25% (**7.1A Mandate**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300,000,000 or less. The Company is an eligible entity for these purposes.

As at the date of this Notice, 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 \$30,928,809 (based on the number of Shares on issue and the closing price of Shares on the ASX on 6 April 2023).

Resolution 10 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% placement capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

For note, a special resolution is a resolution requiring at least 75% of votes cast by shareholders present and eligible to vote at the meeting in favour of the resolution.

If Resolution 10 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 10 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1A, and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

6.2 Technical information required by Listing Rule 7.1A

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to Resolution 10:

(a) Period for which the 7.1A Mandate is valid

The 7.1A Mandate will commence on the date of the Meeting and expire on the first to occur of the following:

- (i) the date that is 12 months after the date of this Meeting;
- (ii) the time and date of the Company's next annual general meeting; and
- (iii) the time and date of approval by Shareholders of any transaction under Listing Rule 11.1.2 (a significant change in the nature or scale of activities) or Listing Rule 11.2 (disposal of the main undertaking).

(b) Minimum price

Any Equity Securities issued under the 7.1A Mandate must be in an existing quoted class of Equity Securities and be issued for cash consideration at a minimum price of 75% of the volume weighted average price of Equity Securities in that 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 by the entity and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in Section 6.2(b)(i), the date on which the Equity Securities are issued.

(c) Use of funds raised under the 7.1A Mandate

The Company intends to use funds raised from issues of Equity Securities under the 7.1A Mandate for acquisition of new resources, assets and investments (including expenses associated with such an acquisition), continued exploration expenditure on the Company's Norwegian and Canadian projects (funds would then be used for completion of drill programs, assaying, feasibility studies and ongoing project administration) and general working capital.

(d) Risk of Economic and Voting Dilution

Any issue of Equity Securities under the 7.1A Mandate will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 10 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 7.1A Mandate, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the closing market price of Shares and the number of Equity Securities on issue or proposed to be issued as at 30 March 2023.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 7.1A Mandate.

Dilution					
Number of Shares on Issue (Variable A in Listing Rule 7.1A.2)		Shares issued – 10% voting dilution	Issue Price		
			\$0.230	\$0.460	\$0.69
			50% decrease	Issue Price	50% increase
			Funds Raised		
Current	67,236,542 Shares	6,723,654 Shares	\$1,546,440	\$3,092,880	\$4,639,321
50% increase	100,854,813 Shares	10,085,481 Shares	\$2,319,660	\$4,639,321	\$6,958,981
100% increase	134,473,084 Shares	13,477,308 Shares	\$3,092,880	\$6,185,761	\$9,278,642

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. There are currently 67,263,542 Shares on issue.
2. The issue price set out above is the closing market price of the Shares on the ASX on 6 April 2023 (being \$0.46).
3. The Company issues the maximum possible number of Equity Securities under the 7.1A Mandate.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
5. The issue of Equity Securities under the 7.1A Mandate consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under Listing Rule 7.1 unless otherwise disclosed.
8. 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%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 7.1A Mandate, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

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

(e) **Allocation policy under the 7.1A Mandate**

The recipients of the Equity Securities to be issued under the 7.1A Mandate have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 7.1A Mandate, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue, share purchase plan, placement or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

(f) **Previous approval under Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to Listing Rule 7.1A at its annual general meeting held on 31 May 2022 (**Previous Approval**).

During the 12 month period preceding the date of the Meeting, being on and from 12 May 2022, the Company has not issued any Equity Securities pursuant to the Previous Approval.

6.3 Voting Exclusion Statement

As at the date of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A. Accordingly, a voting exclusion statement is not included in this Notice.

GLOSSARY

\$ or **A\$** means Australian dollars.

C\$ means Canadian dollars.

1Minerals means 1Minerals Corp., a company registered in Canada.

7.1A Mandate has the meaning given in Section 6.1.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair 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) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Kuniko Limited (ACN 619 314 055).

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

Equity Securities includes 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.

Incentive Plan or **Plan** means the employee securities incentive plan of the Company.

Incentive Options comprises the Tranche 1 Options and Tranche 2 Options.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listing Rules means the Listing Rules of ASX.

Meeting means the meeting convened by the Notice.

Notice means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Performance Right means a right to acquire a Share.

Proxy Form means the proxy form accompanying the Notice.

Related Parties means the Directors; Mr Gavin Rezos, Mr Brendan Borg, Ms Maja McGuire and Ms Birgit Liodden.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 31 December 2022.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

Security means a Share, Option or Performance Right.

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

Shareholder means a registered holder of a Share.

Tranche 1 Options has the meaning given in Section 5.1 and on the terms and conditions set out in Schedule 2.

Tranche 1 Options has the meaning given in Section 5.1 and on the terms and conditions set out in Schedule 2.

Variable A means "A" as set out in the formula in Listing Rule 7.1A.2.

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

SCHEDULE 1 – SUMMARY OF THE OPTION AGREEMENTS

A summary of the key terms of the Option Agreements is set out below.

Fraser Range Consideration	<p>An aggregate of C\$1,250,000 cash consideration and C\$1,250,000 worth of ordinary shares in the Company, in accordance with the following:</p> <ul style="list-style-type: none"> (a) on signing of the option agreement pay C\$200,000 in cash and issue C\$200,000 of Shares; (b) pay C\$350,000 in cash and issue C\$350,000 of Shares within one year following signing; (c) pay C\$350,000 in cash and issue C\$350,000 of Shares within two years following signing; and (d) pay C\$350,000 in cash and issue C\$350,000 of Shares within three years of signing.
Mia North Consideration	<p>An aggregate of C\$500,000 cash consideration and C\$3,500,000 worth of ordinary shares in the Company, in accordance with the following:</p> <ul style="list-style-type: none"> (a) on signing of the option agreement pay C\$100,000 in cash and issue C\$100,000 of Shares; (b) pay C\$100,000 in cash and issue C\$1,000,000 of Shares within one year following signing; (c) pay C\$150,000 in cash and issue C\$1,000,000 of Shares within two years following signing; and (d) pay C\$150,000 in cash and issue C\$1,400,000 of Shares within three years of signing.
Nemaska South Consideration	<p>An aggregate of C\$375,000 cash consideration and C\$375,000 worth of ordinary shares in the Company, in accordance with the following:</p> <ul style="list-style-type: none"> (a) on signing of the option agreement pay C\$55,000 in cash and issue C\$55,000 of Shares; (b) pay C\$80,000 in cash and issue C\$80,000 of Shares within one year following signing; (c) pay C\$120,000 in cash and issue C\$120,000 of Shares within two years following signing; and (d) pay C\$120,000 in cash and issue C\$120,000 of Shares within three years of signing.
Share calculations	<p>The number of Shares issued will be determined by the volume weighted average price for Shares for the period of 20 consecutive trading days up to and including the trading day prior to the relevant issue date and prevailing C\$/A\$ exchange rate as published on the website of the Reserve Bank of Australia. The Company has the right to elect to pay the cash equivalent value in lieu of issuing shares.</p>
Acceleration	<p>The Company has the right to accelerate payments to acquire a 100% interest in the each of the projects.</p>
Minimum Expenditure	<p>No minimum expenditure requirements (other than obligation to maintain the project licences in good standing while the option remains on foot) for each of the projects.</p>
Net Smelter Royalty	<p>1 Minerals will retain a 2.0% net smelter return royalty (NSR) on each project, with Kuniko having a buyback option for 1.5% of each NSR, for C\$2,000,000 each.</p>
Bonus Payment	<p>In the event test drilling on any project yields results above 1% Li₂O intercept length of ten (10) meters or more, the Company will make a bonus payment to 1 Minerals of C\$1,000,000 per project.</p>
Other terms	<p>Agreements are otherwise on terms considered standard with agreements of this nature.</p>

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SCHEDULE 2 – TERMS AND CONDITIONS OF INCENTIVE OPTIONS

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Incentive Plan**

The Options are granted under the Company's Incentive Plan.

Defined terms in these terms and conditions have the same meaning as in the Incentive Plan. In the event of any inconsistency between the Incentive Plan and these terms and conditions, these terms and conditions will apply to the extent of the inconsistency.

(c) **Exercise Price**

Subject to paragraph (j), the amount payable upon exercise of each Option will be:

(i) Tranche 1 Options: \$0.690; and

(ii) Tranche 2 Options: \$0.921,

(together, the **Exercise Price**).

(d) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 11 May 2027 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(e) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(f) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(g) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(h) **Timing of issue of Shares on exercise**

Within five Business Days after the Exercise Date, the Company will:

(i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;

- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (h)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(i) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(j) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(k) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(l) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(m) **Transferability**

The Options are not transferable.

(n) **Restrictions on dealing**

The Options cannot be sold, assigned, transferred, have a security interest granted over or otherwise dealt with unless in "Special Circumstances" as defined under the Plan (including in the case of death or total or permanent disability of the holder) with the consent of the Board in which case the Options may be exercisable on terms determined by the Board .

A holder must not enter into any arrangement for the purpose of hedging their economic exposure to an Option that has been granted to them.

SCHEDULE 3 – VALUATION OF INCENTIVE OPTIONS

The Incentive Options to be issued to the Related Parties pursuant to Resolutions 6 to 9 have been valued by internal management.

Using the Black & Scholes option model and based on the assumptions set out below, the Incentive Options were ascribed the following value:

Assumptions:	Tranche 1	Tranche 2
Valuation date	30/03/2023	30/03/2023
Market price of Shares (VWAP 10)	\$0.460	\$0.460
Exercise price	\$0.690	\$0.921
Expiry date (length of time from issue)	4 years	4 years
Risk free interest rate	2.85%	2.85%
Volatility (discount)	100%	100%
Indicative value per Incentive Option	\$0.285	\$0.258
Total Value of Incentive Options	\$640,688	\$579,569
- Gavin Rezos (Resolution 6)	\$213,563	\$193,190
- Brendan Borg (Resolution 7)	\$142,375	\$128,793
- Maja McGuire (Resolution 8)	\$142,375	\$128,793
- Birgit Liodden (Resolution 9)	\$142,375	\$128,793

Note: The valuation noted above is not necessarily the market price that the Incentive Options could be traded at and is not automatically the market price for taxation purposes.

SCHEDULE 4 – TERMS AND CONDITIONS OF INCENTIVE PLAN

A summary of the terms of the Company's Incentive Plan is set out below.

(a) **Eligible Participant**

Eligible Participant means a person who is a full-time or part-time employee, a non-executive Director, a contractor or a casual employee of the Company, or an Associated Body Corporate, or such other person who has been determined by the Board to be eligible to participate in the Incentive Plan from time to time.

The Company will seek Shareholder approval for Director and related party participation in accordance with Listing Rule 10.14.

(b) **Purpose**

The purpose of the Incentive Plan is to:

- (i) assist in the reward, retention and motivation of Eligible Participants;
- (ii) link the reward of Eligible Participants to Shareholder value creation; and
- (iii) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.

(c) **Incentive Plan administration**

The Incentive Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Incentive Plan rules in its sole and absolute discretion. The Board may delegate its powers and discretion.

(d) **Eligibility, invitation and application**

The Board may from time to time determine that an Eligible Participant may participate in the Incentive Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides.

On receipt of an invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part.

If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.

(e) **Grant of Securities**

The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of Securities, subject to the terms and conditions set out in the invitation, the Incentive Plan rules and any ancillary documentation required.

(f) **Terms of Convertible Securities**

Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Incentive Plan. Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them unless otherwise determined by the Board. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.

(g) **Vesting of Convertible Securities**

Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.

(h) **Exercise of Convertible Securities and cashless exercise**

To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time following vesting of the Convertible Security (if subject to vesting conditions) and prior to the expiry date as set out in the invitation or vesting notice.

An invitation may specify that at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.

A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Incentive Plan rules, or such earlier date as set out in the Incentive Plan rules.

(i) **Delivery of Shares on exercise of Convertible Securities**

As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Incentive Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.

(j) **Forfeiture of Convertible Securities**

Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest.

Where the Board determines that a Participant has acted fraudulently or dishonestly; committed an act which has brought the Company, the Group or any entity within the Group into disrepute, or wilfully breached his or her duties to the Group or where a Participant is convicted of an offence in connection with the affairs of the Group; or has a judgment entered against him or her in any civil proceedings in respect of the contravention by the Participant of his or her duties at law, in equity or under statute, in his or her capacity as an employee, consultant or officer of the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the Incentive Plan rules:

- (i) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
- (ii) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation or vesting notice.

(k) **Change of control**

If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event provided that, in respect of Convertible Securities, the maximum number of Convertible Securities (that have not yet been exercised) that the Board may determine will vest and be exercisable into Shares under this Rule is that number of Convertible Securities that is equal to 10% of the Shares on issue immediately following vesting under this Rule, which as far as practicable will be allocated between holders on a pro-rata basis on the basis of their holdings of Convertible Securities on the date of determination of vesting.

(l) **Rights attaching to Incentive Plan Shares**

All Shares issued or transferred under the Incentive Plan or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (Incentive Plan Shares) will rank pari passu in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Incentive Plan Shares and may participate in any dividend reinvestment Incentive Plan operated by the Company in respect of Incentive Plan Shares. A Participant may exercise any voting rights attaching to Incentive Plan Shares.

(m) **Disposal restrictions on Incentive Plan Shares**

If the invitation provides that any Incentive Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.

For so long as a Incentive Plan Share is subject to any disposal restrictions under the Incentive Plan, the Participant will not:

- (i) transfer, encumber or otherwise dispose of, or have a security interest granted over that Incentive Plan Share; or
- (ii) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.

(n) **Adjustment of Convertible Securities**

If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an issue of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.

Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

(o) **Participation in new issues**

There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.

(p) **Compliance with applicable law**

No Security may be offered, grated, vested or exercised if to do so would contravene any applicable law. In particular, the Company must have reasonable grounds to believe, when making an invitation, that the total number of Incentive Plan Shares that may be issued upon exercise of Convertible Securities offer when aggregated with the number of Shares issued or that may be issued as a result of offers made at any time during the previous three year period under:

- (i) an employee incentive scheme of the Company covered by ASIC Class Order 14/1000 (**Class Order**); or

- (ii) an ASIC exempt arrangement of a similar kind to an employee incentive scheme, but disregarding any offer made or securities issued in the capital of the Company by way of or as a result of:
- (A) an offer to a person situated at the time of receipt of the offer outside Australia;
 - (B) an offer that did not need disclosure to investors because of section 708 of the Corporations Act (exempts the requirement for a disclosure document for the issue of securities in certain circumstances to investors who are deemed to have sufficient investment knowledge to make informed decisions, including professional investors, sophisticated investors and senior managers of the Company); or
 - (C) an offer made under a disclosure document, which would exceed 5% (or such other maximum permitted under any applicable law) of the total number of Shares on issue at the date of the invitation.

(q) **Maximum number of Securities**

When relying on the Class Order relief, the Company will not make an invitation under the Incentive Plan if the number of Incentive Plan Shares that may be issued, or acquired upon exercise of Convertible Securities offered under an invitation, when aggregated with the number of Shares issued or that may be issued as a result of all invitations under the Incentive Plan, will exceed 5% of the total number of issued Shares at the date of the invitation.

(r) **Amendment of Incentive Plan**

Subject to the following paragraph, the Board may at any time amend any provisions of the Incentive Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Incentive Plan and determine that any amendments to the Incentive Plan rules be given retrospective effect, immediate effect or future effect.

No amendment to any provision of the Incentive Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.

(s) **Incentive Plan duration**

The Incentive Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Incentive Plan for a fixed period or indefinitely and may end any suspension. If the Incentive Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.

(f) **Income Tax Assessment Act**

The Incentive Plan is a plan to which Subdivision 83A-C of the *Income Tax Assessment Act 1997* (Cth) applies (subject to the conditions in that Act).

(u) **Maximum number of equity securities proposed to be issued under the Incentive Plan**

For the purposes of Listing Rule 7.2 (Exception 13(a)), the maximum number of securities proposed to be issued under the Incentive Plan is 2,659,024, being approximately 5% of the Company's issued Share capital on listing. This is in addition to the Performance Rights which will be on issue at listing. Also, this number does not include any incentive securities which may be offered or issued to persons to whom the disclosure requirements under Chapter 6D of the Corporations Act do not apply, utilising the Company's placement capacity under Listing Rule 7.1 or subject to shareholder approval under Listing Rules 7.1, 10.11 or 10.14 (as applicable).

For personal use only

Proxy Voting Form

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

Your proxy voting instruction must be received by **3:00pm (WST) on Wednesday, 10 May 2023**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

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

YOUR NAME AND ADDRESS

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

STEP 1 – APPOINT A PROXY

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

DEFAULT TO THE CHAIR OF THE MEETING

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

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

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

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/login>

or scan the QR code below using your smartphone

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



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

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

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

