
KILLI RESOURCES LIMITED
ACN 647 322 790

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 10.00AM (AWST)
DATE: 22 November 2023
PLACE: CWA House
1176 Hay Street
WEST PERTH WA 6005

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 5.00PM (AWST) on 20 November 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 30 June 2023 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 30 June 2023."

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 – MR GREG MILES

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

"That, Mr Greg Miles who retires by rotation in accordance with clause 14.2 of the Constitution and for all other purposes, and being eligible and offering himself for re-election, is re-elected as a Director."

4. RESOLUTION 3 – 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."

5. RESOLUTION 4 – RATIFICATION OF THE ISSUE OF BROKER OPTIONS

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

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the prior issue using the Company's capacity under Listing Rule 7.1A of 1,500,000 Broker Options (each exercisable at \$0.20 on or before 1 June 2026) to CG Nominees (Australia) Pty Ltd pursuant to the terms and conditions set out in the Explanatory Memorandum."

6. RESOLUTION 5 – REPLACEMENT OF CONSTITUTION

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

"That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form as signed by the chairman of the Meeting for identification purposes."

Dated: 19 October 2023

By order of the Board

A handwritten signature in black ink, appearing to read 'Bevan', with a stylized flourish at the end.

Richard Bevan
Non-executive Chairperson

Voting Prohibition Statement

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.

Voting Exclusion Statement

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 4 by or on behalf of a person who participated in the issue or is a counterparty to the agreement being approved (namely CG Nominees (Australia) Pty Ltd) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of this 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.

Should you wish to discuss the matters in this Notice please do not hesitate to contact the Company Secretary on +61 8 9322 7600.

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 30 June 2023 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.killi.com.au.

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 last annual general meeting, the Remuneration Report was approved by over 75% of Shareholders present and voting.

In summary, if the Remuneration Report receives a 'no' vote of 25% or more at this Meeting Shareholders should be aware that if there is a 'no' vote of 25% or more at the next annual general meeting the consequences are that all Directors (other than the Managing Director) may be up for re-election.

3. RESOLUTION 2– RE-ELECTION OF DIRECTOR – MR GREG MILES

3.1 General

The Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors (rounded upwards to the nearest whole number), must retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who have been Directors for the same period of time, those to retire shall be determined by lot (unless they agree otherwise).

A Director who retires by rotation under clause 14.2 of the Constitution is eligible for re-election.

As each of the Directors have held office for the same period it is agreed that Mr Greg Miles retires by rotation at this Meeting and, being eligible, seeks re-election.

3.2 Qualifications and other material directorships

Mr Miles graduated as a geologist from the Australian National University in Canberra and has gained over 25 years of experience in the exploration and delineation of mineral resources and has led successful teams in the discovery of new precious and base metal deposits throughout Australia.

Mr Miles is the Managing Director of Caspin Resources Ltd (ASX:CPN) which is actively exploring the Yarawindah Brook Project and Mount Squires Projects in Western Australia. Previous leadership roles have included executive and non-executive board positions with numerous junior mining companies, providing expertise in exploration, project management and acquisitions.

Greg is a member of the Australian Institute of Geoscientists.

3.3 Independence

If elected, the Board considers that Mr Miles will be independent Directors.

Mr Miles has no interests, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity 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 Mr Miles before his appointment to the Board. These include checks as to a person's experience, educational qualifications, character, criminal record and bankruptcy history.

Mr Miles has confirmed that he will have sufficient time to fulfil his 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 Mr Miles' performance since his appointment to the Board and considers that their skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board (excluding Mr Miles) supports Mr Miles standing for election and recommends that Shareholders vote in favour of Resolution 2.

4. RESOLUTION 3 – APPROVAL OF 7.1A MANDATE

4.1 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 \$4,680,003 (based on the number of Shares on issue and the closing price of Shares on the ASX on 18 October 2023).

Resolution 3 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 3 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 3 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.

4.2 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 3:

(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 4.2(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 to fund the Company's exploration program on existing tenements, projects 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 3 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 18 October 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			
		\$0.03	\$0.06	\$0.12	
		50% decrease	Issue Price	50% increase	
		Funds Raised			
Current	78,000,058 Shares	7,800,005 Shares	\$234,000	\$468,000	\$936,000
50% increase	117,000,087 Shares	11,700,008 Shares	\$351,000	\$702,000	\$1,404,000
100% increase	156,000,116 Shares	15,600,011 Shares	\$468,000	\$936,000	\$1,872,001

*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 78,000,058 Shares on issue.
2. The issue price set out above is the closing market price of the Shares on the ASX on 18 October 2023 (being \$0.06).
3. The Company issues the maximum possible number of Equity Securities under the 7.1A Mandate.
4. The Company has not issued any Ordinary 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**

As this is the Company's first annual general meeting, the Company has not previously obtained approval under Listing Rule 7.1A. Accordingly, the Company has not issued any Equity Securities under Listing Rule 7.1A.2 in the twelve months preceding the date of the Meeting.

4.3 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.

5. RESOLUTION 4 – RATIFICATION OF THE ISSUE OF BROKER OPTIONS

5.1 General

As announced on 30 May 2023, the Company raised \$1.4 million from fully underwritten non-renounceable entitlement offer (**Entitlement Offer**). Under the Entitlement Offer eligible shareholders were able to subscribe for 1 Share for every 2 Shares held, together with 1 free-attaching Option for every 2 Shares subscribed for.

Canaccord acted as lead manager and underwriter to the Entitlement Offer. The Company agreed to pay Canaccord the following fees for providing these services:

- (a) a capital raising fee of 4% and a management fee of 2% of the proceeds raised under Entitlement Offer;

- (b) 1,500,00 Options exercisable at \$0.20 on or before 1 June 2026 (**Broker Options**).

On 1 June 2023, the Company issued 1,500,000 Broker Options to the CG Nominees (Australia) Pty Ltd as part of their fees payable to Canaccord as lead manager and underwriter to the Entitlement Offer.

The Broker Options were issued within the Company's 15% annual limit permitted under Listing Rule 7.1, without the need for Shareholder approval.

Listing Rule 7.1 provides that a company must not (subject to specified exceptions), without the approval of shareholders, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 provides that where a company in general meeting ratifies a previous issue of securities made pursuant to Listing Rule 7.1 (including the additional 10% capacity under Listing Rule 7.1A), provided that the previous issue did not breach Listing Rule 7.1, the issue of those securities will be deemed to have been with shareholder approval for the purpose of Listing Rule 7.1.

Resolution 4 seek Shareholder approval for the ratification of the issue of the Broker Options

The effect of Shareholders passing Resolution 4 will be to restore the Company's ability to issue securities within the 15% placement capacity under Listing Rule 7.1 during the next 12 months without obtaining prior Shareholder approval.

Resolution 4 is an ordinary resolution.

5.2 Technical information required by Listing Rule 14.1A

If Resolution 4 is passed, the Broker Options 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 Broker Options.

If Resolution 4 is not passed, the Broker Options 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 Broker Options.

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 3 being passed at this Meeting.

5.3 Information required by Listing Rule 7.5

For the purposes of Listing Rule 7.5 information regarding the issue of the Broker Options pursuant to Resolution 4 is provided as follows:

- (a) 1,500,000 Broker Options were issued on 1 June 2023;

- (b) the Broker Options were issued for nil cash consideration. They were issued as part of the fees for the capital raising and underwriting services provided by Canaccord in respect to its Entitlement Offer. Accordingly, no funds were raised from the issue;
- (c) the Broker Options are exercisable at \$0.20 each on or before 1 June 2026. Full terms and conditions of the Broker Options are outlined in Schedule 1. Shares issued on exercise of the Broker Options will be fully paid ordinary shares of the Company ranking equally with all other fully paid ordinary shares of the Company;
- (d) the Broker Options were issued to the CG Nominees (Australia) Pty Ltd, who is not a related party of the Company;
- (e) 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;
- (f) the Broker Options were issued to CG Nominees (Australia) Pty Ltd under the underwriting agreement between the Company and Canaccord (**Underwriting Agreement**). A summary of the material terms of the Underwriting Agreement is set out in Schedule 2; and
- (g) a voting exclusion statement is included in the Notice.

6. RESOLUTION 5 – REPLACEMENT OF CONSTITUTION

6.1 General

A company may modify or repeal its constitution or a provision of its constitution by special resolution of shareholders.

Resolution 5 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution (**Proposed Constitution**) which is of the type required for a listed public company limited by shares updated to ensure it reflects the current provisions of the Corporations Act and Listing Rules.

This will incorporate amendments to the Corporations Act and Listing Rules since the current Constitution was adopted in 2021.

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution. Many of the proposed changes are administrative or minor in nature including but not limited to:

- (a) updating the name of the Company to that adopted in 2021; and
- (b) expressly providing for statutory rights by mirroring these rights in provisions of the Proposed Constitution.

The Directors believe these amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Statement, however, a summary of the proposed material changes is set out below.

A copy of the Proposed Constitution is available for review by Shareholders at the Company's website www.killi.com.au and at the office of the Company. A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary (+61 8 9322 7600). Shareholders are invited to contact the Company if they have any queries or concerns.

6.2 Summary of material proposed changes

Minimum Securityholding (clause 3)

Clause 3 of the Constitution outlines how the Company can manage securityholdings which represent an "unmarketable parcel" of securities, being a securityholding that is less than \$500 based on the closing price of the Company's securities on ASX as at the relevant time.

The Proposed Constitution is in line with the requirements for dealing with "unmarketable parcels" outlined in the Corporations Act such that where the Company elects to undertake a sale of unmarketable parcels, the Company is only required to give one notice to holders of an unmarketable parcel to elect to retain their securityholding before the unmarketable parcel can be dealt with by the Company, saving time and administrative costs incurred by otherwise having to send out additional notices.

Clause 3 of the Proposed Constitution continues to outline in detail the process that the Company must follow for dealing with unmarketable parcels.

Joint Holders (clause 9.8)

The ASX is considering replacement options for its Clearing House Electronic Subregister System (**CHES**). Due to complexities with the solution design, there is no current go-live date. To ensure compliance with any replacement CHES system, clause 9.8 of the Proposed Constitution provides that the number of registered joint holders of securities shall be as permitted under the Listing Rules and the ASX Settlement Operating Rules.

Capital Reductions (clause 10.2)

The Proposed Constitution now permits sales of unmarketable parcels to a sale nominee as part of a capital reduction.

Use of technology (clause 14)

The Proposed Constitution includes a new provision to permit the use of technology at general meetings (including wholly virtual meetings) to the extent permitted under the Corporations Act, Listing Rules and applicable law.

Partial (proportional) takeover provisions (clause 37)

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for

Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption of last renewal of the clause.

Information required by section 648G of the Corporations Act

Effect of proposed proportional takeover provisions

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a Resolution to approve the proportional off-market bid is passed.

Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

Knowledge of any acquisition proposals

As at the date of this Notice, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

Potential advantages and disadvantages of proportional takeover provisions

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (a) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (b) assisting in preventing Shareholders from being locked in as a minority;
- (c) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (d) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (a) proportional takeover bids may be discouraged;
- (b) lost opportunity to sell a portion of their Shares at a premium; and
- (c) the likelihood of a proportional takeover bid succeeding may be reduced.

Recommendation of the Board

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 5.

GLOSSARY

\$ means Australian dollars.

7.1A Mandate has the meaning given in Section 4.1.

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.

Broker Options means the 1,500,000 Options issued to the subject of Resolution 4.

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.

Canaccord means Canaccord Genuity (Australia) Limited

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 Killi Resources Limited (ACN 647 322 790).

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.

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.

Proxy Form means the proxy form accompanying the Notice.

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 30 June 2023.

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.

Securities means an equity security in the capital of the Company.

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

Shareholder means a registered holder of a Share.

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 - TERMS OF BROKER OPTIONS

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.20 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5 pm (WST) on 1 June 2026 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

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

(e) **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.

(f) **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**).

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

Within 5 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 (g)(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.

(h) **Shares issued on exercise**

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

(i) **Reconstruction of capital**

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

(j) **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.

(k) **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.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

SCHEDULE 2 – SUMMARY OF THE UNDERWRITING AGREEMENT

A summary of the material terms of the Underwriting Agreement is set out below:

Fees	<p>The Company agreed to pay / issue Canaccord:</p> <ul style="list-style-type: none"> (a) a management fee of 2% of the total gross amount raised under the Entitlement Offer; (b) an underwriting fee of 4% of the total gross amount raised under the Entitlement Offer; (c) 1,500,000 Options exercisable at \$0.20 within three (3) years of the issue date; and (d) any reasonable disbursements and out of pocket expenses, which will be agreed upon between Canaccord and the Company prior to their incursion.
Termination Events	<p>Canaccord may terminate its obligations under the Underwriting Agreement (without cost or liability to it) if:</p> <ul style="list-style-type: none"> (a) Certificate A certificate which is required to be furnished by the Company under the Underwriting Agreement is not furnished by the time specified or any statement in a certificate is untrue, inaccurate, incomplete or misleading or deceptive in any material respect. (b) General Market Fall The S&P/ASX All Ordinaries Index (ASX:XAO) or Small Ordinaries Index (ASX:XSO) is at any time from and including the date of the Underwriting Agreement and prior to the close of trading of Shares on the ASX on the settlement date lower than 90% of the level of that index as at the close of normal trading on ASX on either the Business Day immediately preceding the date of the Underwriting Agreement or the date of the Underwriting Agreement. (c) Share Price The Shares of the Company that trade on the ASX under the ASX code "KLI" close on any day less than the Price for three consecutive days. (d) ASIC Action Either: <ul style="list-style-type: none"> (i) an application is made by ASIC for an order under Part 9.5 in relation to the Entitlement Offer or the Entitlement Offer documents; (ii) ASIC issues or threatens to issue proceedings in relation to the Entitlement Offer, or commences any hearing, inquiry or investigation in relation to the Entitlement Offer; or (iii) ASIC commences or gives notice of an intention to commence a prosecution of the Company or investigation or hearing under Part 3 of the <i>Australian Securities and Investments Commission Act 2001</i> (Cth) in relation to the Entitlement Offer or the Entitlement Offer documents. (e) Regulatory Action Any regulatory body withdraws, revokes or amends any regulatory approval or there is an application to a government agency for an order, declaration or other remedy, or a government agency commences any investigation or hearing or announces its intention to

do so, in each case in connection with the Entitlement Offer (or any part of it) or any agreement entered into in respect of the Entitlement Offer (or any part of it).

(f) **ASX Approval**

ASX makes an official statement to any person, or indicates to the Company or any Underwriter (whether or not by official statement) that:

- (i) official quotation of all of the Securities under the Entitlement Offer will not be granted by ASX or will be granted subject to conditions that are not acceptable to Canaccord or such approvals will not be given by the trading date (or such later date agreed in writing by Canaccord in its absolute discretion) or is withdrawn, qualified or withheld on or before the Trading Date;
- (ii) any Shares of the Company will be suspended from quotation by the ASX; or
- (iii) the Company will be removed from the official list of the ASX, or any of the matters, events or things referred to above occur.

(g) **New Circumstances**

A new circumstance that would be adverse from the point of view of an investor arises that would have been required to be disclosed in the Entitlement Offer documents had it arisen before the Entitlement Offer documents were lodged with ASX.

(h) **Securityholder Approval**

The Company is or becomes required to obtain the approval of any class of security holder pursuant to the Listing Rules, the Corporations Act or any other applicable law in order to issue the Securities under the Entitlement Offer.

(i) **Non-compliance with disclosure requirements**

It transpires that the prospectus does not contain all the information required by the Corporations Act.

(j) **Disclosures in Company Information**

The Company's information includes:

- (i) a statement which is or becomes misleading or deceptive or likely to mislead or deceive; or
- (ii) any forecasts, expressions of opinion, intention or expectation which are not based on reasonable grounds.

(k) **Offer Documents to Comply**

The Entitlement Offer documents or any aspect of the Entitlement Offer does not comply with the Corporations Act, Listing Rules or any other applicable law including due to:

- (i) a statement in the Entitlement Offer documents which is or becomes misleading or deceptive or likely to mislead or deceive, or omit any information that is required (including, without limitation, having regard to sections 708AA and 708A); or
- (ii) any forecasts, expressions of opinion, intention or expectation which are not based on reasonable grounds.

(l) **Capital Structure**

There is an alteration to the Company's capital structure or Constitution, without the prior consent of Canaccord or as otherwise

provided in the Underwriting Agreement, or a breach of the Constitution occurs.

(m) **Correction Notice**

The Company becomes required to give or gives a correcting notice under subsection 708AA(10) or 708A(9).

(n) **Compliance with Regulatory Requirements**

The Company commits a material breach of the Corporations Act, Listing Rules, the Constitution, or other applicable laws, or has failed to comply with its continuous disclosure obligations or its Constitution.

(o) **Offences by Directors**

Any of the following occurs:

- (i) the Company is charged with an indictable offence;
- (ii) any administrative, regulatory, self-regulating body, court or other judicial body commences any public action against any such person in their capacity as such in relation to any fraudulent conduct or activity whether or not in connection with the Entitlement Offer or the Company engages in fraudulent activity; or
- (iii) any director of the Company is disqualified from managing a corporation under the Corporations Act.

(p) **Withdrawal**

The Company withdraws the Entitlement Offer, or it does not proceed in accordance with the Underwriting Agreement.

(q) **Insolvency**

Any member of the group becomes insolvent or there is an act or omission which is reasonably likely to result in any member of the group becoming insolvent.

(r) **Material Adverse Change**

Any material adverse change occurs in the assets, liabilities, financial position or performance, profits, losses or prospects of the Company, or the group including any adverse change in the assets, liabilities, financial position or performance, profits, losses or prospects of the Company, and the group from those respectively disclosed in the ASX materials or any adverse information arises or is released to ASX after the date of the Underwriting Agreement that can reasonably be expected to have a material adverse effect on the market price of the Shares.

(s) **Timetable**

Any event specified in the timetable is delayed for 2 or more Business Days without the prior written consent of Canaccord (such consent not to be unreasonably withheld or delayed).

(t) **Disclosures**

The due diligence questionnaire, due diligence committee report or any other information supplied by or on behalf of the Company to Canaccord in relation to the group, the Entitlement Offer or the Entitlement Offer documents is or becomes misleading or deceptive, including by way of omission.

(u) **Market or Trading Disruption**

- (i) a suspension or material limitation in trading in securities on ASX, the New York Stock Exchange, NASDAQ, the London Stock Exchange or the Hong Kong Stock Exchange or any adverse change or disruption to the existing financial markets, political or economic conditions of Australia, Japan, Hong Kong, the Republic of China, the United Kingdom, the United States of America, a member state of the European Union or the international financial markets; or
- (ii) a general moratorium on commercial banking activities is declared by the relevant central banking authority in any of those countries.

(v) **Change In Law**

There is introduced into the Parliament of Australia or any State of Australia, a law or prospective law, or any new regulation is made under any statute, or a Government Agency adopts a policy, or there is any announcement that such a law, prospective law or regulation may be introduced or policy may be adopted (except where such law is announced or generally known to the market prior to the date of the Underwriting Agreement), any of which does or is likely to prohibit or restrict the Entitlement Offer.

(w) **Hostilities**

Hostilities not presently existing commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of the United States, Australia, New Zealand, the United Kingdom, France, Germany, Russia, North Korea, South Korea, China, Japan or a member state of the European Union or the declaration by any of these countries of a national emergency or war or a major terrorist act is perpetrated in any of these countries.

(x) **Misrepresentation**

A representation, warranty or undertaking made or given by the Company under the Underwriting Agreement proves to be or becomes, untrue or incorrect.

(y) **Breach**

The Company fails to perform or observe any of its obligations or breaches any term or condition under the Underwriting Agreement.

(z) **Legal Proceedings**

Legal proceedings against the Company, any other group member or against any director of the Company or any other group member in that capacity is commenced or any regulatory body commences any enquiry or public action against a group member.

(aa) **Licences**

Any intellectual property right, licence, permit, authorisation or consent held by any group member that is necessary to conduct its business is revoked, withdrawn, rescinded, breached, terminated, altered or amended (other than with the consent of Canaccord).

(bb) **Change in Management**

a change in the senior management of the Company or in the board of directors of the Company is announced or occurs, other than one which has already been disclosed to ASX before the date of the Underwriting Agreement;

(cc) **Force Majeure**

There is an event or occurrence, including any statute, order, rule, regulation, directive or request compliance with which is in accordance with the general practice of persons to whom the request is addressed of any governmental agency which makes it illegal for Canaccord to satisfy an obligation under the Underwriting Agreement, or to market or promote the Entitlement Offer or subscribe for shortfall securities;

(dd) **Unauthorised Public Statements**

The Company issues a public statement concerning the Entitlement Offer which has not been approved by Canaccord in breach of the Underwriting Agreement.

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 **10.00am (AWST) on Monday, 20 November 2023**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

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

YOUR NAME AND ADDRESS

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

STEP 1 – APPOINT A PROXY

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

DEFAULT TO THE CHAIR OF THE MEETING

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

STEP 2 - VOTES ON ITEMS OF BUSINESS

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

APPOINTMENT OF SECOND PROXY

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

SIGNING INSTRUCTIONS

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

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

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

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

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

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

CORPORATE REPRESENTATIVES

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

Lodging your Proxy Voting Form:

Online

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

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



BY MAIL:

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IN PERSON:

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