

QUARTERLY ACTIVITIES REPORT FOR THE QUARTER ENDED 31st December 2021

The Directors of K2 Energy Limited (NSX: KTE) (“K2”) provide the following report for the quarter ended 31st December 2021.

K2 Energy’s major activities during the quarter were its strategic investment in Atomera, Inc. (“Atomera”) and its solar energy activities.

ATOMERA, INC.

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

Detailed below are extracts from announcements made by Atomera in October and November 2021.

“Atomera Incorporated (NASDAQ:ATOM), a semiconductor materials and technology licensing company, today announced the company now has 300 pending and issued patents. Throughout 20 years of advanced development, the company has built an expansive portfolio of atomic-level materials technologies that form the company’s Mears Silicon Technology (MST[®]). These inventions have enabled Atomera to improve semiconductors across the board, such as providing up to a 30% increase in circuit performance, improving transistor power efficiency, and reducing semiconductor die sizes by 15-20% without the need for major capital equipment expenditures.

Patents are the core asset of the company’s technology licensing business model. When partnering with customers, Atomera works together with customers using their proprietary know-how to find the optimal means of integrating MST into their semiconductor manufacturing process. Because MST integrates into existing manufacturing flows, customers can quickly take advantage of Atomera’s growing patents portfolio to improve power, performance and area (PPA) and address the slowdown of Moore’s law.”

"Atomera's strong benefits for power devices, RF products and advanced nodes devices have been confirmed through extensive testing and modeling, and our customers and partners are now seeing the data as our staff has been able to visit more customers in person over this last quarter," said Scott Bibaud, President and CEO. "We have expanded our pipeline for future JDA customers, while our current JDA partner made progress toward production. We are confident we can help customers gain competitive advantages as the industry starts to exit this period of tight fab capacity and supply shortages, and enters a stage of robust investment in new production technologies and equipment."

Further details are available at www.atomera.com

Atomera’s share price as at 31 December 2021 was approximately USD20 per share, which valued K2 Energy’s shareholding in Atomera at approximately AUD14.5 million.

MST™ SOLAR

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

K2 Energy funded a research and development solar program conducted by Atomera with the aim being to develop more efficient silicon-based cells utilising MST™. Atomera and K2 Energy agreed that the solar activities have entered the commercialisation/collaboration phase. K2 Energy is seeking a solar group to joint venture or collaborate with, in order to commercialise the MST™ Technology.

QUARTERLY CASHFLOW

Cash on hand at 31 December 2021 was \$472,426.

Cash outgoings for the quarter were \$19,000, including an amount of \$3,300 paid for the use of the Company's registered office premises.

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

25 January 2022