

ASX Announcement

December 13, 2020



NOTICE OF GENERAL MEETING

Lion Energy Limited (ASX: LIO, Lion, or the Company) wishes to announce the attached documents relating to the General Meeting:

- Letter to Shareholders,
- Notice of General Meeting,
- Proxy Form.

END

Authorised by:

The Company Secretary of Lion Energy Limited.

Lion at a glance

- ASX listed oil and gas E&P company focused on Indonesia; two conventional PSC's.
- Net production of around 50bopd from the Seram PSC which also contains the Lofin gas/condensate discovery.
- New focus on production opportunities in Southeast Asia, initial focus on Seram Island.
- Executive team and strategic investors with impressive track records for value creation in Indonesia.

Contact

Lion Energy Limited

ABN 51 000 753 640

ASX Code: LIO

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295 Rokeby Road

Subiaco WA 6008

Australia

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Tel +61 8 9211 1500 | Fax +61 8 9211 1501

info@lionenergy.com.au

www.lionenergy.com.au

Directors & Officers

Tom Soulsby	Executive Chairman
Damien Servant	Executive Director
Russell Brimage	Non-Executive Director
Chris Newton	Non-Executive Director
Zane Lewis	Non-Executive Director
Arron Canicais	Company Secretary

For more information contact

Tom Soulsby

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Dear Shareholder,

General Meeting - Notice and Proxy Form

Notice is given that a General Meeting (**Meeting**) of Shareholders of Lion Energy Limited (**Company**) will be held as follows:

Time and date: 10:00am (Perth time) on 12 January 2022

Location: Suite 1 / 295 Rokeby Road SUBIACO WA 6008

As permitted by the *Corporations Act 2001* (Cth), the Company will not be dispatching physical copies of the Notice of Meeting and accompanying Explanatory Statement (together, **Meeting Materials**) unless the shareholder has made a valid election to receive such documents in hard copy. Instead the Meeting Materials are being made available to shareholders electronically and can be viewed and downloaded as follows:

- You can access the Meeting materials online at the Company's website: <http://lionenergy.com.au/investor-dashboard/asx-announcements/>
- A complete copy of the Meeting materials has been posted to the Company's ASX Market announcements page at www.asx.com.au under the Company's ASX code "LIO".

For those shareholders that have not elected to receive notices by email, a copy of your personalised Proxy Form is enclosed for your convenience. Please complete and return the attached Proxy Form to the Company using any of the following methods:

By post: Suite 1, 295 Rokeby Road, Subiaco, Western Australia 6008
By hand delivery: Suite 1, 295 Rokeby Road, Subiaco, Western Australia 6008
By facsimile: +61 8 9211 1501
By email: info@lionenergy.com.au

Your proxy voting instruction must be received by 10:00am (Perth time) on 10 January 2022, 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. The Company strongly encourages all shareholders to submit their personalised Proxy Form as instructed prior to the Meeting.

The Meeting Materials 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 Company intends to hold a physical meeting. However, in order to minimise the risk to shareholders and to the Company and its ongoing operations, shareholders are encouraged to vote by proxy instead of attending the meeting. The Company will continue to monitor Australian Government restrictions on public gatherings. The situation is constantly evolving and accordingly we may make alternative arrangements to the way in which the Meeting is held. If this occurs, we will notify any changes by way of announcement on ASX and the details will also be made available on our website.

Yours sincerely

Tom Soulsby
Executive Chairman
Lion Energy Limited



**Lion Energy Limited
ACN 000 753 640**

Notice of General Meeting

The General Meeting of the Company will be held as follows:

Time and date: 10:00am (WST) on 12 January 2022

Location: Suite 1, 295 Rokeby Road, Subiaco, Western Australia 6008

The Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their suitably qualified professional adviser prior to voting.

Should you wish to discuss any matter, please do not hesitate to contact the Company on (08) 9211 1500.

Shareholders are urged to attend or vote by lodging a Proxy Form.

Lion Energy Limited
ACN 000 753 640
(Company)

Notice of General Meeting

Notice is hereby given that the annual general meeting of Shareholders of Lion Energy Limited (**Company**) will be held at Suite 1, 295 Rokeby Road, Subiaco, Western Australia 6008 on 12 January 2022 at 10:00am (WST) (**Meeting**).

The Board is closely monitoring the rapidly changing coronavirus (COVID-19) pandemic. The health of the Company's Shareholders, employees and other stakeholders is of paramount importance.

While the Board would like to host all Shareholders in person, in order to minimise the risk to Shareholders and to the Company and its ongoing operations, the Company suggests that Shareholders do not attend the Meeting in person. Accordingly, the Directors strongly encourage all Shareholders to lodge Proxy Forms prior to the Meeting.

The Board will continue to monitor Government restrictions on public gatherings. If it becomes necessary or appropriate to make alternative arrangements to those set out in this Notice, the Company will notify Shareholders accordingly via the Company's website at <http://www.lionenergy.com.au/> and the ASX announcement platform.

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 10.00am (WST) on 10 January 2022.

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

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

1 Resolutions

Resolution 1(a) and (b) – Ratification of issue of Placement Shares

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

'That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of:

(a) 45,742,756 Placement Shares under Listing Rule 7.1; and

(b) 30,507,244 Placement Shares under Listing Rule 7.1A,

on the terms and conditions in the Explanatory Memorandum.'

Resolution 2 – Approval of issue of Placement Options

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

'That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 38,125,000 Placement Options on the terms and conditions in the Explanatory Memorandum.'

Resolution 3 – Approval of issue of Conversion Securities on conversion of Convertible Notes

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

'That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 42,187,500 Shares and 21,093,750 Options on conversion of the Convertible Notes, on the terms and conditions set out in the Explanatory Memorandum.'

Resolution 4 – Approval of issue of LM Options

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

'That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 15,000,000 LM Options to the Lead Manager (or its nominees) on the terms and conditions in the Explanatory Memorandum.'

Resolution 5 – Approval of issue of Director Placement Securities

To consider and, if thought fit, to pass without or without amendment, each as a **separate** ordinary resolution the following:

'That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of the Director Placement Securities to Thomas Soulsby and Damien Servant (or their respective nominees) as follows:

- (a) *up to 1,250,000 Director Placement Shares and 625,000 Director Placement Options to Thomas Soulsby;*
- (b) *up to 312,500 Director Placement Shares and 156,250 Director Placement Options to Damien Servant,*

on the terms and conditions in the Explanatory Memorandum.'

Voting exclusions

Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of:

- (a) Resolution 1(a) and (b) by or on behalf of a person who participated in the issue of the Placement Shares, or any of their respective associates;
- (b) Resolution 2 by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder), or any of their respective associates;

- (c) Resolution 3 by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue of the Conversion Securities (except a benefit solely by reason of being a Shareholder), or any of their respective associates;
- (d) Resolution 4 by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue of the LM Options (except a benefit solely by reason of being a Shareholder), or any of their respective associates;
- (e) Resolution 5(a) by or on behalf of Thomas Soulsby (and his nominees), and any other person who will obtain a material benefit as a result of the issue of these Director Placement Shares (except a benefit solely by reason of being a Shareholder), or any of their respective associates; and
- (f) Resolution 5(b) by or on behalf of Damien Servant (and his nominees), and any other person who will obtain a material benefit as a result of the issue of these Director Placement Shares (except a benefit solely by reason of being a Shareholder), or any of their respective associates.

The above voting exclusions do not apply to a vote cast in favour of the relevant Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way;
- (b) the Chair as proxy or attorney for a person who is entitled to vote, 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.

BY ORDER OF THE BOARD

Arron Canicais
 Company Secretary
 Lion Energy Limited
 Dated: 13 December 2021

Lion Energy Limited
ACN 000 753 640
(Company)

Explanatory Memorandum

1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Suite 1, 295 Rokeby Road, Subiaco, Western Australia 6008, on 12 January 2022 at 10:00am (WST) **(Meeting)**.

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

The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2	Voting and attendance information
Section 3	Resolution 1(a) and (b) – Ratification of issue of Placement Shares
Section 4	Resolution 2 – Approval of issue of Placement Options
Section 5	Resolution 3 – Approval of issue of Conversion Securities on conversion of Convertible Notes
Section 6	Resolution 4 – Approval of issue of LM Options Error! Reference source not found.
Section 7	Resolution 5(a) and (b) – Approval of issue of Director Placement Securities
Schedule 1	Definitions
Schedule 2	Terms and Conditions of Options
Schedule 3	Terms and Conditions of Convertible Notes

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Voting and attendance information

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Impact of COVID-19 on the Meeting

The health and safety of members and personnel, and other stakeholders, is the highest priority and the Company is acutely aware of the current circumstances resulting from COVID-19.

Based on the best information available to the Board at the time of the Notice, the Board considers it will be in a position to hold an 'in-person' meeting to provide Shareholders with a reasonable opportunity to participate in and vote at the Meeting, while complying with the COVID-19 restrictions regarding gatherings. The Company, however, strongly encourages Shareholders to submit proxies prior to the Meeting.

If the situation in relation to COVID-19 were to change in a way that affected the position above, the Company will provide a further update ahead of the Meeting by releasing an ASX announcement.

2.2 Voting in person

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

2.3 Voting by proxy

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (i) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (ii) a proxy need not be a member of the Company; and
- (iii) a member of the Company 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, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (i) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);
- (ii) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands;
- (iii) if the proxy is the Chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and

- (iv) if the proxy is not the Chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Section 250BC of the Corporations Act provides that, if:

- (i) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;
- (ii) the appointed proxy is not the chair of the meeting;
- (iii) at the meeting, a poll is duly demanded on the resolution; and
- (iv) either the proxy is not recorded as attending the meeting or the proxy does not vote on the resolution,

the Chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

2.4 Chair's voting intentions

The Chair intends to exercise all available proxies in favour of all Resolutions, unless the Shareholder has expressly indicated a different voting intention.

2.5 Submitting questions

Shareholders may submit questions in advance of the Meeting to the Company. Questions must be submitted by emailing the Company Secretary at acanicais@lionenergy.com.au by 5 January 2022.

Shareholders will also have the opportunity to submit questions during the Meeting in respect to the formal items of business. In order to ask a question during the Meeting, please follow the instructions from the Chair.

The Chair will attempt to respond to the questions during the Meeting. The Chair will request prior to a Shareholder asking a question that they identify themselves (including the entity name of their shareholding and the number of Shares they hold).

3. Resolution 1(a) and (b) – Ratification of issue of Placement Shares

3.1 General

On 17 November 2021, the Company announced a capital raising of \$9,600,000 (before costs). The capital raising is comprised of the following three tranches:

- (a) the issue of 76,250,000 Shares to unrelated parties at an issue price of \$0.08 per Share (**Placement Shares**), with one free-attaching Option for every two Placement Shares issued (**Placement Options**);
- (b) the issue of 42,187,500 Convertible Notes, convertible into Shares at a conversion price of \$0.08, with one free-attaching Option for every two Shares issued on conversion; and
- (c) the issue of 1,562,500 Shares to certain Directors (or their nominees) at an issue price of \$0.08 per Share (**Director Placement Shares**), with one free-attaching Option for every two Director Placement Share issued (**Director Placement Options**),

(collectively, the **Placement**).

On 23 November 2021, the Company issued the Placement Shares using the Company's placement capacity under Listing Rule 7.1 and 7.1A on the following basis:

- (a) 45,742,756 Shares issued under Listing Rule 7.1; and
- (b) 30,507,244 Shares issued under Listing Rule 7.1A.

Resolution 1(a) and (b) seek the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of the Placement Shares.

3.2 Listing Rules 7.1, 7.1A and 7.4

Broadly speaking, Listing Rule 7.1 limits the ability of a listed entity from issuing or agreeing to issue Equity Securities over a 12 month period which exceeds 15% of the number of fully paid ordinary Shares it had on issue at the start of the 12 month period.

Listing Rule 7.1A provides that an eligible entity may seek shareholder approval at its annual general meeting to allow it to issue Equity Securities comprising up to 10% of its issued capital. The Company obtained this approval at its annual general meeting held on 29 June 2021.

The issue of the Placement Shares does not fit within any of the exceptions to Listing Rule 7.1 and 7.1A and, as it has not yet been approved by Shareholders, effectively uses up part of the Company's placement capacity under Listing Rule 7.1 and 7.1A. This reduces the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 and 7.1A for the 12 month period following the issue of the Placement Shares.

Listing Rule 7.4 provides an exception to Listing Rule 7.1 and 7.1A. It provides that where a company in a general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 and 7.1A (and provided that the previous issue did not breach Listing Rule 7.1 and 7.1A), those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1 and 7.1A, as applicable.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rules 7.1 and 7.1A.

If Resolution 1(a) and (b) are passed, the issue of the Placement Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1 and 10% limit in Listing Rule 7.1A in their respective portions, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue date.

In the event that Resolution 1(a) is not passed, those Placement Shares will continue to be included in the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue or agree to issue without obtaining prior Shareholder approval to the extent of 45,742,756 Equity Securities for the 12 month period following the issue of those Placement Shares.

In the event that Resolution 1(b) is not passed, those November Placement Shares will continue to be included in the Company's 10% limit under Listing Rule 7.1A, effectively decreasing the number of Equity Securities the Company can issue or agreed to issue without

obtaining prior Shareholder approval, to the extent of 30,507,244 Equity Securities for the 12 month period following the issue of those Placement Shares.

3.3 Specific 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 the ratification of the issue of the Placement Shares:

- (a) The Placement Shares were issued to sophisticated and professional investors, none of whom is a related party of the Company or a Material Investor. The placement participants were introduced to the Company from existing contacts of the Lead Manager.
- (b) 76,250,000 Placement Shares were issued as follows:
 - (i) 45,742,756 Placement Shares were issued within the Company's 15% limit permitted under Listing Rule 7.1, without the need for Shareholder approval; and
 - (ii) 30,507,244 Placement Shares were issued within the 10% limit permitted under Listing Rule 7.1A, without the need for Shareholder approval.
- (c) The Placement Shares are fully paid ordinary Shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (d) The Placement Shares were issued on 23 November 2021.
- (e) The Placement Shares were issued at \$0.08 each.
- (f) The proceeds from the issue of the Placement Shares have been or are intended to be used to:
 - (i) explore business opportunities in green hydrogen in Australia;
 - (ii) provide contingency funding for the onshore seismic operations in the East Seram PSC; and
 - (iii) provide general working capital.
- (g) One free-attaching Option is proposed to be issued for every two Placement Shares issued, subject to the receipt of Shareholder approval of Resolution 2. There are no other material terms to the agreement for the subscription of the Placement Shares.
- (h) A voting exclusion statement is included in the Notice.

3.4 Additional information

Each of the Resolutions which forms part of Resolution 1 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 1(a) and (b).

4. Resolution 2 – Approval of issue of Placement Options

4.1 General

The background to the proposed issue of the Placement Options is in Section 3.1 above.

Resolution 2 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of 38,125,000 free-attaching Placement Options.

4.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is in Section 3.2 above.

The effect of Shareholders passing Resolution 2 will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% additional placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

If Resolution 2 is passed, the Company will be able to proceed with the issue of the Placement Options.

If Resolution 2 is not passed, the Company may continue to proceed with the issue of the Placement Options by using its 15% placement capacity permitted under Listing Rule 7.1 or will otherwise be required to reach a commercial agreement with the placement participants. The number of Equity Securities the Company can issue or agree to issue without obtaining prior Shareholder approval, will be reduced to the extent of 38,125,000 Equity Securities for the 12 month period following the issue of the Placement Options.

4.3 Specific information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the issue of the Placement Options:

- (a) The Placement Options will be issued to the persons who were issued Placement Shares, as described in Section 3.3(a).
- (b) A maximum of 38,125,000 Placement Options will be issued.
- (c) The Placement Options will be exercisable at \$0.12 each and will expire 30 months from the date of issue and are otherwise subject to the terms and conditions in Schedule 2.
- (d) The Placement Options will be issued no later than 3 months after the date of the Meeting.

The Placement Options are proposed to be issued for nil cash consideration as they are free-attaching to the Placement Shares. Accordingly, no funds will be raised from the issue of the Placement Options.

- (e) A summary of the intended use of funds raised from the Placement is in Section 3.3(f) above. No additional funds will be raised by the issue of the Placement Options.
- (f) There are no other material terms to the agreement for the issue of the Placement Options.
- (g) A voting exclusion statement is included in the Notice.

4.4 Additional information

Resolution 2 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 2.

5. Resolution 3 – Approval of issue of Conversion Securities on conversion of Convertible Notes

5.1 General

The background to the issue of the Convertible Notes is in Section 3.1 above.

As part of the Placement, the Company issued 3,375,000 convertible notes with a face value of \$1 each (**Convertible Notes**) to raise \$3,375,000 (before costs). The Convertible Notes accrue interest at a rate of 12% per annum, however no interest is payable if the Convertible Notes are converted into Shares.

The Convertible Notes were issued on 19 November 2021 as debt instruments and not Equity Securities as they cannot be converted into Shares unless Shareholder approval is obtained.

Resolution 3 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of up to 42,187,500 Shares and 21,093,750 Options (together, **Conversion Securities**) on conversion of the Convertible Notes as follows:

	Value	Conversion Securities	
		Shares	Options
Face value	\$3,375,000	42,187,500	21,093,750

The terms and conditions of the Convertible Notes (summarised in Schedule 3) provide for the mandatory conversion of the Convertible Notes into Shares within 5 business days after Shareholder approval is obtained in respect of this Resolution 3. The relevant conversion price of the Convertible Notes is the same price as the Shares issued under the Placement, being \$0.08 each.

5.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is in Section 3.2 above.

If Resolution 3 is passed, the Convertible Notes will be converted into the Conversion Securities in accordance with the terms and conditions in Schedule 3.

If Resolution 3 is not passed, then:

- (a) the Convertible Notes will not be converted into the Conversion Securities; and
- (b) the Company must repay the Convertible Notes at their face value of \$1 per Convertible Note plus accrued interest to the relevant subscriber, in accordance with the terms and conditions summarised in Schedule 3.

5.3 Specific information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the issue of the Convertible Securities on conversion of the Convertible Notes:

- (a) The Conversion Securities will be issued to the holders of the Convertible Notes. The Convertible Notes were issued to sophisticated and professional investors known to the Company, some of which were existing Shareholders, and some of which were new Shareholders. The subscribers of the Convertible Notes included Areen Investments Pte Ltd, a substantial Shareholder of the Company (**Areen Investments**). Areen Investments holds 43,353,555 Shares and subscribed for 2,300,000 Convertible Notes, which are convertible into 28,750,000 Shares and 14,375,000 Options. No other Material Investors participated in the issue of the Convertible Notes.
- (b) A maximum of 42,187,500 Shares and 21,093,750 Options will be issued on conversion of the Convertible Notes.
- (c) A summary of the material terms of the Convertible Notes is in Schedule 3. The Shares issued on conversion of the Convertible Notes will be fully paid ordinary Shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue. The Options will be exercisable at \$0.12 each and expire 30 months from the date of issue, and otherwise be on the terms and conditions in Schedule 2.
- (d) The Conversion Securities will be issued within 5 business days after Shareholder approval is obtained in respect of this Resolution 3, and in any event no later than 3 months after the date of this Meeting.
- (e) The Convertible Notes were issued with a face value of \$1 each and accrue interest at a rate of 12% per annum (payable only if the Convertible Notes are repaid in cash). The relevant conversion price of the Convertible Notes into Shares is \$0.08 each. The Options will be issued for nil cash consideration as they are free-attaching to the Shares issued on conversion of the Convertible Notes.
- (f) A summary of the intended use of funds raised from the issue of the Convertible Notes is in Section 3.3(f) above.
- (a) The Convertible Notes were issued under a subscription deed pursuant to which subscribers provided a binding commitment to subscribe for the Convertible Notes on the material terms summarised in this Notice (refer to Schedule 3) and otherwise on terms considered standard for agreements of this nature.
- (b) A voting exclusion statement is included in the Notice.

5.4 Additional information

Resolution 3 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 3.

6. Resolution 4 – Approval of issue of LM Options Error! Reference source not found.

6.1 General

Refer to Section 3.1 for the background to the Placement.

Peak Asset Management acted as lead manager and bookrunner to the Placement and the Convertible Note issue (**Lead Manager**). As part consideration for the provision of lead manager services, the Company agreed to issue the Lead Manager (or its nominees) 15,000,000 Options exercisable at \$0.12 each and expiring 30 months from the date of issue (**LM Options**).

Resolution 4 seeks Shareholders approval pursuant to Listing Rule 7.1 to the issue the LM Options to the Lead Manager.

6.2 Summary of LM Mandate

The Company entered into a mandate with the Lead Manager for the provision of lead manager services and bookrunner services, including the coordination and management of the placements as well as marketing and corporate advisory services (**LM Mandate**).

Under the LM Mandate, the Company has agreed to pay the Lead Manager:

- (a) a capital raising fee of 6% on all funds raised under the Placement; and
- (b) up to 15,000,000 LM Options, subject to the prior receipt of Shareholder approval.

The LM Mandate contains additional provisions, including warranties and indemnities in respect of the Company, which are considered standard for agreements of this nature.

6.3 Listing Rule 7.1

A summary of Listing Rule 7.1 is in Section 3.2 above.

The effect of Shareholders passing Resolution 4 will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% additional placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

If Resolution 4 is passed, the Company will be able to proceed with the issue of the LM Options.

If Resolution 4 is not passed, the Company will not be able to proceed with the issue of LM Options and will have to consider alternative commercial means to pay the Lead Manager for its services, which may include issuing the LM Options using any available 15% placement capacity permitted under Listing Rule 7.1.

6.4 Specific information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the issue of the LM Options:

- (a) The LM Options will be issued to the Lead Manager (or its nominees).
- (b) A maximum of 15,000,000 LM Options will be issued.

- (c) The LM Options are exercisable at \$0.12 each and expire 30 months from the date of issue and otherwise on the terms and conditions in Schedule 2.
- (d) The LM Options will be issued no later than 3 months after the date of the Meeting.
- (e) The LM Options will be issued for nil cash consideration and no funds will be raised by their issue.
- (f) A summary of the material terms of the LM Mandate is in Section 6.2 above.
- (g) A voting exclusion statement is included in the Notice.

6.1 Additional information

Resolution 4 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 4.

7. Resolution 5(a) and (b) – Approval of issue of Director Placement Securities

7.1 General

The background to the proposed issue of the Director Placement Securities is in Section 3.1 above.

Resolution 5(a) and (b) seek Shareholder approval pursuant to Listing Rule 10.11 for the issue of up to 1,562,500 Director Placement Shares and 781,250 Director Placement Options (together, the **Director Placement Securities**) to Thomas Soulsby and Damien Servant (or their respective nominees).

Messrs Soulsby and Servant have committed a total of \$125,000 under the Placement. The Director Placement Securities will be issued in the following proportions:

Director	Amount committed to the Placement (\$)	Number of Director Placement Shares	Number of Director Placement Options
Thomas Soulsby	\$100,000	1,250,000	625,000
Damien Servant	\$25,000	312,500	156,250
TOTAL	\$125,000	1,562,500	781,250

7.2 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue Equity Securities to any of the following persons without the approval of its Shareholders:

- (a) a related party (Listing Rule 10.11.1);

- (b) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial holder (30%+) in the company (Listing Rule 10.11.2);
- (c) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial holder (10%+) in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so (Listing Rule 10.11.3);
- (d) an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3 (Listing Rule 10.11.4); or
- (e) a person whose relation with the company or a person referred to in Listing Rule 10.11.1 or 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders (Listing Rule 10.11.5).

Messrs Thomas Soulsby and Damien Servant are related parties of the Company by virtue of being Directors. Shareholder approval pursuant to Listing Rule 10.11 is therefore required unless an exception applies. It is the view of the Board that the exceptions set out in Listing Rule 10.12 do not apply in the current circumstances.

Approval pursuant to Listing Rule 7.1 is not required for the issue of the Director Placement Securities as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of the Director Placement Securities to the Messrs Soulsby and Servant (or their respective nominees) will not be included in the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

The effect of Shareholders passing Resolution 5(a) and (b) will be to allow the Company to issue the Director Placement Securities, raising \$125,000 (before costs).

If Resolution 5(a) and (b) are not passed, the Company will not be able to proceed with the issue of the Director Placement Securities, and will not receive the additional \$125,000 committed by Messrs Soulsby and Servant.

7.3 Specific information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the proposed issue of the Director Placement Securities:

- (a) The Director Placement Securities will be issued to Thomas Soulsby and Damien Servant (or their respective nominees).
- (b) The Directors fall into the category stipulated by Listing Rule 10.11.1 by virtue of being Directors of the Company.
- (c) A maximum of 2,343,750 Director Placement Securities will be issued to the Directors (or their respective nominees) in the manner and form set out in Section 7.1 above.
- (d) The Director Placement Shares will be fully paid ordinary Shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue. The Director Placement Options will be exercisable at \$0.12 each and will expire 30 months from the date of issue. The Director Placement Options are subject to the terms and conditions in Schedule 2.

- (e) The Director Placement Securities will be issued no later than one month after the date of the Meeting.
- (f) The Director Placement Shares are proposed to be issued at an issue price of \$0.08 each, being the same price at which the Placement Shares were issued. The Director Placement Options are proposed to be issued for nil cash consideration as they are free-attaching to the Director Placement Shares. Accordingly, no funds will be raised from the issue of the Director Placement Options.
- (g) A summary of the intended use of funds raised from the Placement is in Section 3.3(f) above.
- (h) The proposed issue of the Director Placement Securities are not intended to remunerate or incentivise the Directors.
- (i) There are no other material terms to the proposed issue of the Director Placement Securities.
- (j) A voting exclusion statement is included in the Notice.

7.4 Chapter 2E of the Corporations Act

In accordance with Chapter 2E of the Corporations Act, in order to give a financial benefit to a related party, the Company must:

- (a) obtain Shareholder approval in the manner set out in section 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 proposed issue of the Director Placement Securities constitutes giving a financial benefit to related parties of the Company.

The Board considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Director Placement Securities because the Securities will be issued on the same terms as those Securities issued to non-related party participants in the Placement and as such the giving of the financial benefit is on arm's length terms.

7.5 Additional information

Each of the resolutions which forms part of Resolution 5 is an ordinary resolution.

The Board (other than Messrs Thomas Soulsby and Damien Servant who have a personal interest in the outcome of Resolution 5) recommend that Shareholders vote in favour of Resolution 5(a) and (b).

Schedule 1 Definitions

In the Notice, words importing the singular include the plural and vice versa.

\$	means Australian Dollars.
ASX	means the ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
Board	means the board of Directors.
Chair	means the person appointed to chair the Meeting of the Company convened by the Notice.
Company	means Lion Energy Limited (ACN 000 753 640).
Convertible Notes	has the meaning in given in Section 5.1.
Conversion Securities	means the Shares and the Options to be issued on conversion of the Convertible Notes, the subject of Resolution 3.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth) as amended or modified from time to time.
Director	means a director of the Company.
Director Placement Options	means the 781,250 free-attaching Options to the Director Placement Shares proposed to be issued to certain Directors (or their respective nominees) under the Placement, the subject of Resolution 5.
Director Placement Securities	means the Director Placement Shares and the Director Placement Options, the subject of Resolution 5.
Director Placement Shares	means the 1,562,500 Shares proposed to be issued to certain Directors (or their respective nominees) under the Placement, the subject of Resolution 5.
Equity Security	has the same meaning as in the Listing Rules.
Explanatory Memorandum	means the explanatory memorandum which forms part of 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.

LM Mandate	means the mandate between the Company and Lead Manager for the provision of lead manager services and bookrunner services in relation to the Placement and the Convertible Note issue.
LM Options	means the 15,000,000 Options to be issued to the Lead Manager (or its nominees), the subject of Resolution 4.
Lead Manager	means Peak Asset Management.
Listing Rules	means the listing rules of ASX.
Material Investor	means, in relation to the Company: (a) a related party; (b) Key Management Personnel; (c) a substantial Shareholder; (d) an advisor; or (e) an associate of the above, who received Shares which constituted more than 1% of the Company's capital structure at the time of issue.
Meeting	has the meaning given in the introductory paragraph of the Notice.
Notice	means this notice of general meeting.
Option	means an option, giving the holder the right, but not an obligation, to acquire a Share at a predetermined price and at a specified time in the future.
Performance Right	means a right to be issued a Share, subject to the satisfaction or waiver of specified vesting conditions.
Placement	has the meaning given in Section 3.1.
Placement Options	means the 38,125,000 free-attaching Options to the Placement Shares, the subject of Resolution 2.
Placement Shares	means the 76,250,000 Shares, the subject of Resolution 1.
Proxy Form	means the proxy form attached to the Notice.
Resolution	means a resolution referred to in the Notice.
Schedule	means a schedule to the Notice.
Section	means a section of the Explanatory Memorandum.
Securities	means any Equity Securities of the Company (including Shares, Options and/or Performance Rights).
Share	means a fully paid ordinary share in the capital of the Company.

Shareholder

means the holder of a Share.

WST

means Western Standard Time, being the time in Perth, Western Australia.

Schedule 2 Terms and Conditions of Options

The free-attaching options (**Options**) will be issued on the following terms and conditions:

1. **(Entitlement)**: Each Option entitles the holder to subscribe for one fully paid ordinary share (**Share**) upon exercise of the Option.
2. **(Exercise Price)**: The Options have an exercise price of \$0.12 per Option (**Exercise Price**).
3. **(Expiry Date)**: The Options expire at 5.00pm (Perth time) on the date two years and six months after the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
4. **(Exercise Period)**: The Options are exercisable at any time and from time to time on or prior to the Expiry Date.
5. **(Quotation of the Options)**: The Company intends to apply for quotation of the Options on ASX, subject to meeting the requirements of ASX and the Corporations Act.
6. **(Transferability)**: The Options are freely transferable from the date of issue, subject to any restriction or escrow arrangements imposed by ASX or under Australian securities laws.
7. **(Notice of Exercise)**: The Options may be exercised 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.

The Options held by each holder may be exercised in whole or in part, and if exercised in part, multiples of at least 10,000 must be exercised on each occasion.

Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at 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**).

8. **(Timing of issue of Shares on exercise)**: Within 5 Business Days after the Exercise Date the Company will, subject to paragraph 10:
 - (a) allot and 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;
 - (b) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
 - (c) 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.
9. **(Shares issued on exercise)**: Shares issued on exercise of the Options will rank equally with the then Shares of the Company.
10. **(Takeovers prohibition)**:

- (a) the issue of Shares on exercise of the Options is subject to and conditional upon the issue of the relevant Shares not resulting in any person being in breach of section 606(1) of the Corporations Act; and
 - (b) the Company will not be required to seek the approval of its members for the purposes of item 7 of section 611 of the Corporations Act to permit the issue of any Shares on exercise of the Options;
- 11. **(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 Listing Rules at the time of the reconstruction.
- 12. **(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.
- 13. **(Entitlement to dividends):** The Options do not confer any entitlement to a dividend, whether fixed or at the discretion of the directors, during the currency of the Options without exercising the Options.
- 14. **(Entitlement to capital return):** The Options do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise, and similarly do not confer any right to participate in the surplus profit or assets of the Company upon a winding up, in each case, during the currency of the Options without exercising the Options.
- 15. **(Adjustment for bonus issues of Shares):** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
 - (a) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
 - (b) no change will be made to the Exercise Price.
- 16. **(Voting rights):** The Options do not confer any right to vote at meetings of members of the Company, except as required by law, during the currency of the Options without first exercising the Options.
- 17. **(Constitution):** Upon the issue of Shares on exercise of the Options, the holder agrees to be bound by the Company's Constitution.

Schedule 3 Terms and Conditions of Convertible Notes

1. Interpretation and definitions

Unless the context otherwise requires, in these conditions (**Note Conditions**):

\$, A\$ or dollar	means the lawful currency of the Commonwealth of Australia.
ASX	means ASX Limited (ACN 008 624 691) or the financial market operated by it, as the context requires.
Attaching Options	means options to acquire Shares on the terms and conditions in Schedule 2.
Attaching Options Prospectus	means a disclosure document issued by the Company to ASIC pursuant to section 713 of the Corporations Act which complies with Chapter 6D of the Corporations Act, for the offer of Attaching Options.
Bonus Issue	has the meaning given to that term in the Listing Rules.
Bonus Securities	means Securities issued under a Bonus Issue.
Business Day	has the meaning given to that term in the Listing Rules.
Cleansing Prospectus	means a disclosure document issued by the Company to ASIC pursuant to section 708A(11) of the Corporations Act which complies with Chapter 6D of the Corporations Act, so as to ensure that an offer for sale of Shares after the date of the disclosure document does not require disclosure to investors under Part 6D.2 of the Corporations Act.
Cleansing Statement	means a written notice issued by the Company pursuant to section 708A(5)(e) of the Corporations Act at a time when the Company and the Shares comply with the matters set out in sections 708A(5)(a) to (d) of the Corporations Act, which notice meets the requirements of section 708A(6) of the Corporations Act, and is in a form, and contains the required information, that is sufficient to permit secondary trading on the ASX of the Shares to which it relates.
Completion Date	means 5pm on 19 November 2021.
Constitution	means the constitution of the Company.
Conversion or Converted	means the conversion of the Convertible Notes into Conversion Securities pursuant to the Note Conditions.
Conversion Price	means the issue price per Share under the Placement, which is \$0.08 per Share.
Conversion Shares	means the Shares issued pursuant to a Conversion.

Conversion Securities	means Conversion Shares and/or Attaching Options (as applicable).
Event of Default	means any event or circumstance specified in clause 8.
Face Value	means \$1.
Financial Indebtedness	means any indebtedness for or in respect of: (a) moneys borrowed and any debit balance at any financial institution; (b) any amount raised under any acceptance credit, bill acceptance or bill endorsement facility or dematerialised equivalent; (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument; (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with GAAP, be treated as a balance sheet liability; (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis); (f) any redeemable shares where the holder has the right, or the right in certain conditions, to require redemption; (g) any amount raised under any other transaction (including any forward sale or purchase agreement) of a type not referred to in any other paragraph of this definition having the commercial effect of a borrowing; (h) consideration for the acquisition of assets or services payable more than 90 days after acquisition; (i) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount) will be taken into account); (j) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; or (k) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (j) above.
Holder	has the meaning given in the Convertible Note Certificate (and, if applicable, any person to whom the Convertible Notes are

transferred or assigned in accordance with the Note Conditions).

Maturity Date means 31 December 2022.

Permitted Financial means:

Indebtedness

- (a) incurred under any other convertible note agreements entered into on terms materially the same as this agreement, as part of the same capital raising;
- (b) any Financial Indebtedness incurred between members of the Group as intercompany loans;
- (c) any Financial Indebtedness incurred in favour of any banks, financial institutions, lending entities or counterparties to a hedging arrangement or a security trustee or agent acting on behalf of such banks, financial institutions, lending entities or hedge counterparties, and any associated security interests) providing for the development and/or operations of any project operated by the Group and/or any subsequent re-financings of any such financings;
- (d) any Financial Indebtedness incurred in the ordinary course of business in an amount in aggregate not exceeding \$1,000,000;
- (e) any liability of a member of the Group under any agreement entered into in the ordinary course of business for the acquisition of any asset or service where payment for the asset or service is deferred for a period of not more than 90 days; and
- (f) any other Financial Indebtedness approved by the Holder in writing.

Register means the register(s) of Securities established and maintained by the Company.

Resolution means the approval of Shareholders at the General Meeting pursuant to and in accordance with Listing Rule 7.1 for the conversion of the Subscription Convertible Notes into Conversion Securities, pursuant to and in accordance with this agreement including the Note Conditions.

Securities includes Shares, options, debentures, debenture stocks and notes (including Convertible Notes) or rights to subscribe for any of them.

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

Shareholders means the holders of one or more Shares.

2. **Face Value**

Each Convertible Note has a face value of \$1 (**Face Value**).

3. Terms of issue

- (a) Each Convertible Note:
 - (i) is interest bearing at a rate of 12% per annum levied on the face value of the Convertible Notes from the date of issue of the Convertible Notes until the Convertible Notes are redeemed, provided that no interest shall be payable if the Convertible Note is converted into Shares;
 - (ii) is unsecured, with the Holder ranking as an unsecured general creditor of the Company;
 - (iii) is not proposed to be quoted on any securities exchange;
 - (iv) is to automatically be Converted following Shareholder approval of the Resolution in accordance with Note Condition 4; and
 - (v) subject to the Corporations Act and the Listing Rules, may be sold, assigned or transferred to another person, subject to the Holder first providing written notice of the sale, assignment or transfer to the Company.
- (b) If a Convertible Note is Converted then such Convertible Note will be automatically cancelled and may not be re-issued.
- (c) On the Conversion of a Convertible Note, the obligations of the Company with respect to that Convertible Note are deemed to be discharged.

4. Number of Conversion Securities

- (a) The number of Conversion Shares to be issued on Conversion is equal to the Face Value of the Convertible Note divided by the Conversion Price.
- (b) The number of Attaching Options to be issued on Conversion is equal to half the number of Conversion Shares to be issued.
- (c) If the Conversion of the Convertible Notes in accordance with Note Condition 4(a) results in a fraction of Conversion Securities, the number of Conversion Securities to be issued is to be rounded to the nearest whole number.

5. Issue of Conversion Shares

- (a) Subject to Note Conditions 1.1(b) to 1.1(f) (inclusive), within 5 Business Days after Shareholder approval of the Resolution, the Company must:
 - (i) allot and issue the Shares required to be issued to the Holder pursuant to the Conversion;
 - (ii) record the Holder as the holder of the Conversion Shares in the Register;
 - (iii) apply for official quotation on ASX of such Conversion Shares; and
 - (iv) subject to Note Condition 1.1(b), if the Company is able to issue a Cleansing Statement, lodge with the ASX in accordance with all applicable laws in respect of the issue of the Conversion Shares a Cleansing Statement which will enable

the Conversion Shares to be freely tradeable from the date of the Cleansing Statement.

- (b) If the Company is not able to issue a Cleansing Statement within the time required pursuant to Note Condition 1.1(a)(iv), and subject to Note Condition 1.1(f), the Company must, instead of issuing a Cleansing Statement, issue a Cleansing Prospectus as soon as reasonably practicable after the issue of the Conversion Shares and in any event, within 20 Business Days of that date. Until the Company has issued the Cleansing Prospectus, the Holder may only transfer the Conversion Shares to a person satisfying the requirements of section 708(8), (10) or (11) of the Corporations Act.
- (c) The Company must, no later than 5 Business Days after the issue of the Conversion Shares to the Holder, deliver or cause to be delivered to the Holder a holding statement in respect of the Conversion Shares.
- (d) Upon the issue of the Conversion Shares, the Holder agrees to be bound by the Constitution.
- (e) The Conversion Shares must rank *pari passu* with the other Shares on issue at the date of issue. However, any Conversion Shares will not be entitled to any dividend which has been declared and whose record date occurs prior to the issue of the Conversion Shares.
- (f) Notwithstanding any other provision of these Note Conditions:
 - (i) the issue of Conversion Shares is subject to and conditional upon the issue of the relevant Conversion Shares not resulting in any person being in breach of section 606(1) of the Corporations Act;
 - (ii) the Company will not be required to seek the approval of its members for the purposes of item 7 of section 611 of the Corporations Act to permit the issue of any Conversion Shares;
 - (iii) if the issue of Conversion Shares would result in any person being in breach of section 606(1) of the Corporations Act:
 - (A) the Conversion shall be deferred until such time or times thereafter that the Conversion would not result in a contravention of section 606(1) of the Corporations Act; and
 - (B) if such time or times are after the Maturity Date, the Company must pay to the Holder an amount equal to the aggregate Face Value of the Convertible Notes the Conversion of which would result in the Holder being in contravention of section 606(1) of the Corporations Act and upon such payment such Convertible Notes will be cancelled.

6. Issue of Attaching Options

- (a) The Company must, by no later than the date of the General Meeting, issue the Attaching Options Prospectus.
- (b) The offer under the Attaching Options Prospectus will be subject to and conditional on the Resolution being passed by the requisite majority of Shareholders.

- (c) The Holder must apply for the Attaching Options under the Attaching Options Prospectus as a condition precedent to the issue of the Attaching Options on Conversion.
- (d) Subject to Note Conditions 6(a) to 6(c) (inclusive), within 5 Business Days after Shareholder approval of the Resolution, the Company must:
 - (i) allot and issue the Attaching Options required to be issued to the Holder pursuant to the Conversion;
 - (ii) record the Holder as the holder of the Attaching Options in the Register; and
 - (iii) apply for official quotation on ASX of such Attaching Options.
- (e) The Company must, no later than 5 Business Days after the issue of the Attaching Options to the Holder, deliver or cause to be delivered to the Holder a holding statement in respect of the Attaching Options.

7. **Bonus issues and reconstructions**

- (a) If at any time after the Completion Date but before the Convertible Notes being Converted, the Company:
 - (i) makes a Bonus Issue and issues to the holders of Shares any Bonus Securities, then the Company must issue to the Holder Bonus Securities of the number which the Holder would have been entitled to receive, by way of participation in the issue of Bonus Securities, if it had Converted the Convertible Notes then on issue into Shares:
 - (A) immediately before the issue of Bonus Securities; or
 - (B) if before the Conversion there has been more than one issue of Bonus Securities, immediately before the first issue of Bonus Securities, and had retained all the Conversion Shares issued together with all the Bonus Securities which would have been issued to it under this Note Condition following the first issue; or
 - (ii) conducts a reorganisation of the issued share capital of the Company, the rights of the Holders will be varied to the extent necessary to ensure that the Holders will not receive a benefit that holders of Shares do not receive.
- (b) Fractional entitlements are disregarded for the purposes of Note Condition 7(a).

8. **Event of Default**

- (a) On the occurrence of an Event of Default, the Holder may by written notice to the Company declare all of the Convertible Notes then outstanding due and payable and demand the payment of the Face Value of each Convertible Note.
- (b) Upon receipt of a declaration under Note Condition 8(a), the sum of the Face Value of each Convertible Note then outstanding shall become due and payable by the Company to the Holder on the date that is 20 Business Days following receipt of such declaration and the Company must pay such amount in immediately available funds to the bank account nominated by the Holder within this timeframe.

9. **Covenants by the Company**

(a) At all times prior to the earlier of all of the Convertible Notes being:

- (i) Converted in accordance with Note Condition 4; or
- (ii) repaid by the Company in accordance with Note Condition 8,

the Company must:

- (i) other than Permitted Financial Indebtedness, not incur any Financial Indebtedness;
- (ii) other than in respect of Permitted Financial Indebtedness, not permit any Financial Indebtedness to be granted a security interest ranking in priority to Convertible Notes;
- (iii) execute and do all acts and things as are reasonably necessary for conferring the full benefit of the Convertible Notes and the Note Conditions on the Holder; and
- (iv) not amend its Constitution or alter the voting or other rights attached to the Shares in a manner which is prejudicial to the interests of the Holder.

Lion Energy Limited
ACN 000 753 640
PROXY FORM

The Company Secretary
Lion Energy Limited

By post: Suite 1, 295 Rokeby Road, Subiaco, Western Australia 6008
By hand delivery: Suite 1, 295 Rokeby Road, Subiaco, Western Australia 6008
By facsimile: +61 8 9211 1501
By email: info@lionenergy.com.au

**Name of
Shareholder:¹**

**Address of
Shareholder:**

**Number of Shares
entitled to vote:**

Please mark ☒ to indicate your directions. Further instructions are provided overleaf.

STEP 1 – APPOINT A PROXY TO VOTE ON YOUR BEHALF

Proxy appointments will only be valid and accepted by the Company if they are made and received no later than 48 hours before the Meeting.

I/We being Shareholder/s of the Company hereby appoint:

**The Chair of
the Meeting
(mark box)**

☐

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy²

Or failing the person/body corporate named, or if no person/body corporate is named, the Chair of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the General Meeting of the Company to be held at Suite 1, 295 Rokeby Road, Subiaco, Western Australia 6008, Western Australia on 12 January 2022 at 10:00am (WST), and at any adjournment or postponement of that Meeting.

CHAIR'S VOTING INTENTIONS IN RELATION TO UNDIRECTED PROXIES

The Chair intends to vote all available undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intentions on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

CHAIR AUTHORISED TO EXERCISE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

If the Chair is a person referred to in the voting prohibition statement applicable to a Resolution under section 224 of the Corporations Act, the Chair will only be able to cast a vote as proxy for you on that Resolution if you are

entitled to vote and have specified your voting intention in the Proxy Form for that Resolution. Shareholders are encouraged to specify their voting intention for each Resolution.

STEP 2 - INSTRUCTIONS AS TO VOTING ON RESOLUTIONS

The proxy is to vote for or against the Resolution referred to in the Notice as follows:

(a)	For	Against	Abstain*
Resolution 1(a) - Ratification of issue of Placement Shares - Listing Rule 7.1			
Resolution 1(b) - Ratification of issue of Placement Shares - Listing Rule 7.1A			
Resolution 2 – Approval of issue of Placement Options			
Resolution 3 – Approval of issue of Conversion Securities on conversion of Convertible Notes			
Resolution 4 – Approval of LM Options			
Resolution 5(a) – Approval of issue of Director Placement Securities - Thomas Soulsby			
Resolution 5(b) – Approval of issue of Director Placement Securities - Damien Servant			

If no directions are given my proxy may vote as the proxy thinks fit or may abstain.

* If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

Authorised signature/s This section **must** be signed in accordance with the instructions below to enable your voting instructions to be implemented.

Individual or Shareholder 1

Sole Director/Company Secretary

Shareholder 2*

Director

Shareholder 3*

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

¹Insert name and address of Shareholder

² Insert name and address of proxy

*Omit if not applicable

PROXY NOTES

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

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that General Meeting, the representative of the body corporate to attend the General Meeting must produce the

Certificate of Appointment of Representative prior to admission. A form of the certificate may be obtained from the Company's share registry.

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

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

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

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

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

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be provided to the Company Secretary at an address provided above (by post, hand delivery or email) not less than 48 hours prior to the time of commencement of the General Meeting (WST).