

# ASX RELEASE

16 October 2024



## Notice of General Meeting

Lion Energy Limited (ASX: LIO, Lion, or the Company) provides the attached documents relating to a General Meeting of Shareholders:

- Letter to Shareholders
- Notice of General Meeting
- Sample Proxy Form

-Ends-

This ASX announcement was approved and authorised for release by the Company Secretary.

### Contact

**Lion Energy Limited**

**ABN 51 000 753 640**

**ASX Code: LIO**

Suite 1 295 Rokeby Road  
Subiaco WA 6008 Australia

Post Box 557  
Subiaco WA 6904  
Australia

**T +61 8 9211 1500**

**E [info@lionenergy.com.au](mailto:info@lionenergy.com.au)**

**[www.lionenergy.com.au](http://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

**Rowan Harland** Company Secretary

### For more information

**Tom Soulsby**

Executive Chairman

+61 487-527-958

[tsoulsby@lionenergy.com.au](mailto:tsoulsby@lionenergy.com.au)



16 October 2024

Dear Shareholder

**General Meeting – Notice of Meeting and Proxies**

Notice is given that a General Meeting (**Meeting**) of Shareholders of Lion Energy Limited (ACN 000 753 640) (**Company**) will be held as follows:

**Time and date:** 10:00am (AWST) on Friday, 15 November 2024

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

**Notice of Meeting**

In accordance with the *Corporations Act 2001* (Cth), the Company will not be dispatching physical copies of the Notice of Meeting unless the Shareholder has made a valid election to receive documents in hard copy. Instead, the Notice of Meeting and accompanying explanatory memorandum (together, **Meeting Materials**) are being made available to Shareholders electronically and can be viewed and downloaded from:

- the Company's website at <http://lionenergy.com.au/investor-dashboard/asx-announcements/>; or
- the ASX market announcements page under the Company's code "LIO".

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

**Voting at the Meeting or by proxy**

**Shareholders are encouraged to vote by lodging a proxy form.**

By post: Computershare Investor Services Pty Limited  
GPO Box 242, Melbourne VIC 3001, Australia

By facsimile: 1800 783 447 (within Australia)  
+61 3 9473 2555 (outside Australia)

Online: [www.investorvote.com.au](http://www.investorvote.com.au)

Your proxy voting instructions must be received by **10.00am (AWST) on Wednesday, 13 November 2024**, being 48 hours before the commencement of the Meeting.

**Any proxy voting instructions received after the above time will not be valid for the Meeting.**

The Meeting Materials should be read in their entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Authorised for release by

**Rowan Harland**  
**Company Secretary**  
**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 (AWST) on Friday, 15 November 2024**

**Location: Suite 1, 295 Rokeby Road, Subiaco WA 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 advisor prior to voting.

**Should you wish to discuss any matter, please do not hesitate to contact the Company Secretary by telephone on (08) 6555 2950.**

**Shareholders are urged to vote by lodging the Proxy Form**

**Lion Energy Limited**  
**ACN 000 753 640**  
**(Company)**

## **Notice of General Meeting**

Notice is hereby given that the General meeting of Shareholders of Lion Energy Limited (**Company**) will be held at Suite 1, 295 Rokeby Road, Subiaco WA 6008 on Friday, 15 November 2024 at 10:00am (AWST) (**Meeting**).

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

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 as Shareholders on Wednesday, 13 November 2024 at 4:00am (AWST).

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

## **Agenda**

### **1 Resolutions**

#### **Resolution 1 – Approval to issue Director Performance Rights**

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 10.14, sections 195(4) and 208 of the Corporations Act and for all other purposes, Shareholders approve the issue of the Director Performance Rights to the Directors (or their respective nominees) under the Plan as follows:*

- (a) *up to 10,000,000 Director Performance Rights to Thomas Soulsby;*
- (b) *up to 7,000,000 Director Performance Rights to Damien Servant;*
- (c) *up to 2,000,000 Director Performance Rights to Russell Brimage;*
- (d) *up to 2,000,000 Director Performance Rights to Christopher Newton; and*
- (e) *up to 2,000,000 Director Performance Rights to Zane Lewis,*

*on the terms and conditions set out in the Explanatory Memorandum.”*

#### **Resolution 2 – Ratification of issue 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 7.4 and for all other purposes, Shareholders ratify the issue of 1,600,000 Convertible Notes and the issue of up to 59,259,260 Shares on*

*conversion of the Convertible Notes, on the terms and conditions set out in the Explanatory Memorandum.'*

## Voting prohibitions

**Resolution 1(a) to (e) (inclusive):** In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on these Resolutions if:

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

However, the above prohibition does not apply if:

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

Further, in accordance with section 224 of the Corporations Act, a vote on **Resolution 1(a) to (e) (inclusive)** must not be cast (in any capacity) by or on behalf of a related party of the Company to whom these Resolutions would permit a financial benefit to be given, or an associate of such a related party.

However, the above prohibition does not apply if:

- (a) it is cast by a person as a proxy appointed by writing that specified how the proxy is to vote on the relevant Resolution; and
- (b) it is not cast on behalf of a related party of the Company to whom the relevant Resolution would permit a financial benefit to be given, or an associate of such a related party.

**Please note:** If the Chair is a person referred to in the section 224 Corporations Act voting prohibition statement above, the Chair will only be able to cast a vote as proxy for a person who is entitled to vote on the relevant Resolution. If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

## Voting exclusions

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

- (a) **Resolution 1(a):** by or on behalf of Thomas Soulsby (or his nominee/s), and any other person referred to in Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Plan, or any of their respective associates.
- (b) **Resolution 1(b):** by or on behalf of Damien Servant (or his nominee/s), and any other person referred to in Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Plan, or any of their respective associates.
- (c) **Resolution 1(c):** by or on behalf of Russell Brimage (or his nominee/s), and any other person referred to in Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Plan, or any of their respective associates.

- (d) **Resolution 1(d):** by or on behalf of Christopher Newton (or his nominee/s), and any other person referred to in Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Plan, or any of their respective associates.
- (e) **Resolution 1(e):** by or on behalf of Zane Lewis (or his nominee/s), and any other person referred to in Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Plan, or any of their respective associates.
- (f) **Resolution 2:** by or on behalf of a person who participated in the issue of the Convertible Notes, 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 on the Resolution, 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 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.

**BY ORDER OF THE BOARD**



**Rowan Harland**  
**Company Secretary**  
**Lion Energy Limited**  
Dated: 16 October 2024

**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 WA 6008 on Friday, 15 November 2024 at 10:00am (AWST).

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	Action to be taken by Shareholders
Section 3	Resolution 1(a) to (e) – Approval to issue Director Performance Rights
Section 4	Resolution 2 – Ratification of issue of Convertible Notes
Schedule 1	Definitions
Schedule 2	Summary of material terms of Plan
Schedule 3	Terms and conditions of the Director Performance Rights
Schedule 4	Valuation of the Director Performance Rights
Schedule 5	Summary of material Terms and Conditions of Convertible Notes

A Proxy Form is made available at the end of the Explanatory Memorandum.

## **2. Action to be taken by Shareholders**

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

Voting on all proposed Resolutions at the Meeting will be conducted by poll. On a poll, each Shareholder has one vote for every fully paid ordinary Share held in the Company.

### **2.1 Voting in person**

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

### **2.2 Voting by a corporation**

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Meeting evidence of their appointment, including any authority under which it is signed.

### **2.3 Voting by proxy**

Shareholders are encouraged to vote by completing a Proxy Form.

A Proxy Form is made available with this 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:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) 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 available 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:

- (a) 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);
- (b) 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;



- (c) 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
- (d) 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:

- (a) 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;
- (b) the appointed proxy is not the Chair of the meeting;
- (c) at the meeting, a poll is duly demanded, or is otherwise required under section 250JA, on the resolution; and
- (d) 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.

Your proxy voting instruction must be received by 10:00am (AWST) on Wednesday, 13 November 2024, being not later than 48 hours before the commencement of the Meeting.

## 2.4 **Chair's voting intentions**

If the Chair is your proxy, either by appointment or by default, and you have not indicated your voting intention, you expressly authorise the Chair to exercise the proxy in respect of **Resolution 1(a) to (e)** (inclusive) even though these Resolutions are connected directly or indirectly with the remuneration of the Company's Key Management Personnel.

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

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 the relevant Resolution if you are entitled to vote and have specified your voting intention in the Proxy Form for that Resolution.

## 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 [info@lionenergy.com.au](mailto:info@lionenergy.com.au) by 13 November 2024.

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) to (e) – Approval to issue Director Performance Rights

#### 3.1 General

The Company is proposing, subject to obtaining Shareholder approval, to issue up to a total of 23,000,000 Performance Rights to the Directors (or their respective nominees) as follows:

- (a) up to 10,000,000 Performance Rights to Thomas Soulsby;
- (b) up to 7,000,000 Performance Rights to Damien Servant;
- (c) up to 2,000,000 Performance Rights to Russell Brimage;
- (d) up to 2,000,000 Performance Rights to Christopher Newton; and
- (e) up to 2,000,000 Performance Rights to Zane Lewis,

(together, the **Director Performance Rights**).

The Director Performance Rights issued to each of the Directors (or their respective nominees) will be divided equally into the following five tranches:

Tranche	No. of Performance Rights	Vesting Conditions	Expiry Date
A	4,600,000	Performance Rights will vest upon the Company achieving a volume weighted average price of Shares over 20 consecutive trading days ( <b>20-Day VWAP</b> ) of at least \$0.04.	3 years
B	4,600,000	Performance Rights will vest upon the Company achieving a 20-Day VWAP of Shares of at least \$0.06.	3 years
C	4,600,000	Performance Rights will vest upon the Company achieving a 20-Day VWAP of Shares of at least \$0.08.	3 years
D	4,600,000	Performance Rights will vest upon the Company achieving a 20-Day VWAP of Shares of at least \$0.10.	3 years
E	4,600,000	Performance Rights will vest upon the Company achieving a 20-Day VWAP of Shares of at least \$0.12.	3 years

Refer to Schedule 4 for a summary of the maximum number of Director Performance Rights that will be issued to each Director per tranche.

The Company is in an important stage of development with significant opportunities and challenges in both the near- and long-term, and the proposed issue of the Director Performance Rights aims to align the efforts of the Directors in seeking to achieve growth of the Company's projects and in the creation of Shareholder value.

The Board believes that the issue of these Director Performance Rights will further align the interests of the Directors with those of the Company and its Shareholders. In addition, the Board also believes that incentivising with Performance Rights is a prudent means of conserving the

Company's available cash reserves. The Board believes it is important to offer these Director Performance Rights to continue to attract and maintain highly experienced and qualified Board members in a competitive market.

Resolution 1(a) to (e) (inclusive) seek Shareholder approval pursuant to Listing Rule 10.14 and sections 208 and 195(4) of the Corporations Act for the issue of Director Performance Rights to the Directors (or their respective nominee/s) under the Plan.

### 3.2 **Listing Rule 10.14**

Listing Rule 10.14 provides that an entity must not permit any of the following persons to acquire Equity Securities under an employee incentive scheme without the approval of its Shareholders:

- (a) a director of the entity (Listing Rule 10.14.1);
- (b) an associate of a person referred to in Listing Rule 10.14.1 (Listing Rule 10.14.2); and
- (c) a person whose relationship with the entity or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by shareholders.

Approval pursuant to Listing Rule 7.1 is not required for the issue of the Director Performance Rights as approval is being obtained under Listing Rule 10.14. Accordingly, the issue of the Director Performance Rights to each of the Directors (or their respective nominee/s) will not be included in the Company's 15% annual placement capacity in Listing Rule 7.1.

The effect of Shareholders passing Resolution 1(a) to (e) (inclusive) will be to allow the Company to issue the Director Performance Rights to the Directors (or their respective nominees).

If Resolution 1(a) to (e) (inclusive) is not passed, the Company will not be able to proceed with the issue of the Director Performance Rights, and the Company will have to consider alternative commercial means to incentivise its Directors.

### 3.3 **Specific information required by Listing Rule 10.15**

Pursuant to and in accordance with Listing Rule 10.15, the following information is provided in relation to the proposed issue of the Director Performance Rights:

- (a) The Director Performance Rights will be issued under the Plan to Thomas Soulsby, Damien Servant, Russell Brimage, Christopher Newton and Zane Lewis (or their respective nominees).
- (b) The Directors fall into the category stipulated by Listing Rule 10.14.1 by virtue of being Directors of the Company. In the event the Director Performance Rights are issued to a nominee of the Directors, that person will fall into the category stipulated by Listing Rule 10.14.2.
- (c) A maximum of 23,000,000 Director Performance Rights will be issued to the Directors (or their respective nominee/s) in the proportions set out at Section 3.1 above.
- (d) The current total annual remuneration packages for each of the Directors at the date of this Notice (not including the Director Performance Rights proposed to be issued) are set out below:

Director	Position	Salary and fees (excluding superannuation)
Thomas Soulsby <sup>(1)</sup>	Executive Chair	US\$240,012
Damien Servant <sup>(2)</sup>	Executive Director	US\$206,780
Russell Brimage	Non-Executive Director	US\$43,200
Christopher Newton	Non-Executive Director	US\$43,200
Zane Lewis	Non-Executive Director	US\$43,200

**Notes:**

- (1) Of Mr Thomas Soulsby's total fees of \$240,012, \$141,750 of fees are paid out of the East Seram Joint Operation, which is jointly funded by the Consolidated Entity and the Joint Venture Partner. The total fees attributable to the Consolidated Entity per year is \$183,312.
- (2) Of Mr Damien Servant's total fees of \$206,780, \$71,250 of fees are paid out of the East Seram Joint Operation, which is jointly funded by the Consolidated Entity and the Joint Venture Partner. The total fees attributable to the Consolidated Entity per year is \$178,280.
- (e) No Equity Securities have been issued under the Plan to the Directors, since it was approved at the annual general meeting on 26 May 2023.
- (f) The Director Performance Rights will be issued on the terms and conditions set out in Schedule 3.
- (g) The valuation of the Director Performance Rights as conducted by Company's management, who the Company believes has the necessary experience and competency to perform the valuation, is summarised below. The detailed overview of the valuation is in Schedule 4.

Director	Total Performance Rights	Valuation
Thomas Soulsby	10,000,000	\$108,256
Damien Servant	7,000,000	\$75,779
Russell Brimage	2,000,000	\$21,651
Christopher Newton	2,000,000	\$21,651
Zane Lewis	2,000,000	\$21,651
<b>Total</b>	<b>23,000,000</b>	<b>\$248,988</b>

- (h) The Company is issuing the Director Performance Rights as a cost effective, non-cash measure of compensating the Directors. The Board believes that the grant of the Director Performance Rights:
- (i) will further align the interests of the Directors with those of Shareholders;
- (ii) is a reasonable and appropriate method to provide cost-effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater

proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Directors; and

- (iii) the Company does not consider that there are any opportunity costs to the Company or benefits foregone by the Company in issuing the Director Performance Rights on the terms proposed.
- (i) The Director Performance Rights will be issued to the Directors (or their respective nominees) as soon as practicable following the Meeting and in any event not later than three years after the Meeting.
- (j) The Director Performance Rights will be issued for nil cash consideration and will be provided as an incentive component to the Directors' remuneration packages.
- (k) A summary of the material terms of the Plan is in Schedule 2.
- (l) No loan will be provided in relation to the issue of the Director Performance Rights.
- (m) Details of any Securities issued under the Plan will be published in the annual report of the Company relating to a period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.
- (n) Any additional persons covered by Listing Rule 10.14 who become entitled to participate in the Plan after Resolution 1(a) to (e) (inclusive) are approved and who were not named in the Notice will not participate until approval is obtained under Listing Rule 10.14.
- (o) A voting exclusion statement is included in the Notice.

### 3.4 **Section 195 of the Corporations Act**

Section 195(1) of the Corporations Act prohibits the director of a public company who has a material personal interest in a matter that is being considered at a meeting of directors from being present while the matter is being considered at the meeting or voting on the matter. If there is not a quorum of directors who are eligible to vote on a matter because of the operation of section 195(1) of the Corporations Act, one or more directors may call a general meeting and the general meeting may deal with the matter.

All of the Company's Directors have a personal interest in the outcome of Resolution 1(a) to (e) (inclusive) and have experienced their right under section 195(4) of the Corporations Act to put the issue of the Director Performance Rights to Shareholders to resolve.

### 3.5 **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 sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

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

The proposed issue of the Director Performance Rights constitutes giving a financial benefit to related parties of the Company. Notwithstanding that the issue of the Director Performance Rights is considered by the Board as reasonable remuneration and therefore falls within the exception stipulated by section 211 of the Corporations Act, the Board has resolved to seek Shareholder approval pursuant to Chapter 2E of the Corporations Act in respect of the issue of the Director Performance Rights to avoid any conflict of interest given the personal interests of the Company's Directors in the outcome of these Resolutions.

### 3.6 Information required under Chapter 2E of the Corporations Act

Pursuant to and in accordance with section 219 of the Corporations Act, the following information is provided in relation to the proposed issue of the Director Performance Rights:

(a) **Identity of the related parties to whom Resolution 1(a) to (e) (inclusive) permit financial benefits to be given**

Refer to Section 3.1 above.

(b) **Nature of the financial benefit**

Resolution 1(a) to (e) (inclusive) seek Shareholder approval to allow the Company to issue the Director Performance Rights in the amounts specified in Section 3.1 to the Directors (or their respective nominee/s).

The Director Performance Rights are to be issued in accordance with the Plan and otherwise on the terms and conditions as detailed in Schedule 3.

The Shares to be issued upon conversion of the Director Performance Rights will be fully paid ordinary Shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and will rank equally in all respects with the Company's existing Shares. The Company will apply for official quotation of the Shares on ASX.

(c) **Board Recommendations**

Given the personal interests of the Directors in the outcome of these Resolutions, the Board declines to make a recommendation to Shareholders in relation to the Resolution.

(d) **Valuation of financial benefit**

Refer to Section 3.3(g) above.

(e) **Remuneration of the Directors**

Refer to Section 3.3(d) above.

(f) **Existing relevant interests of the Directors**

At the date of this Notice, the Directors hold the following relevant interests in Equity Securities of the Company:

Director	Shares
Thomas Soulsby	7,330,673

Damien Servant	3,242,740
Russell Brimage	6,119,971
Christopher Newton	2,329,007
Zane Lewis	4,577,900

Assuming that Resolution 1(a) to (e) (inclusive) are approved by Shareholders, all of the Director Performance Rights are issued, vested and exercised into Shares, and no other Equity Securities are issued or exercised (including any existing Options or Performance Rights held by the Directors as at the date of this Notice), the respective interests of the Directors in the Company would be as follows:

- (i) Thomas Soulsby's interest would represent approximately 3.77% of the Company's issued Share capital;
- (ii) Damien Servant's interest would represent approximately 2.23% of the Company's issued Share capital;
- (iii) Russell Brimage's interest would represent approximately 1.77% of the Company's issued Share capital;
- (iv) Christopher Newton's interest would represent approximately 0.94% of the Company's issued Share capital; and
- (v) Zane Lewis's interest would represent approximately 1.43% of the Company's issued Share capital.

(g) **Dilution**

The issue of the Director Performance Rights will have a diluting effect on the percentage interest of existing Shareholder's holding if the Director Performance Rights vest and are exercised. The potential dilution if all Director Performance Rights vest and are exercised into Shares is approximately 5.26%. This figure assumes the current Share capital structure as at the date of this Notice and that no Shares are issued other than the Shares issued on exercise of the Director Performance Rights.

The exercise of all of the Director Performance Rights will result in a total dilution of all other Shareholders' holdings of approximately 3.92% on a fully diluted basis (assuming that all Options, Performance Rights and Convertible Notes are exercised or converted, as applicable). The actual dilution will depend on the extent that additional Shares are issued by the Company.

(h) **Trading history**

The highest and lowest closing market sale prices of the Shares on ASX during the 12 months prior to the date of this Notice were:

**Highest:** \$0.036 per Share on 20 March 2024

**Lowest:** \$0.014 per Share on 9 January 2024

The latest available closing market sale price of the Shares on ASX prior to the date of this Notice was \$0.022 per Share on 11 October 2024.

(i) **Corporate Governance**

Thomas Soulsby and Damien Servant are executive Directors of the Company and therefore the Board (other than Thomas Soulsby and Damien Servant) believe that the grant of the Director Performance Rights is in line with Recommendation 8.2 of the 4th Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**Recommendations**).

The Board acknowledges that the proposed grant of the Director Performance Rights to Russell Brimage, Christopher Newton and Zane Lewis, the non-executive Directors, is contrary to the guidelines in Box 8.2 of the Recommendations, which provides that non-executive directors should not receive performance-based remuneration as it may lead to bias in their decision making and compromise their objectivity. However, the Board considers the grant of the Director Performance Rights to the non-executive Directors to be reasonable in the circumstances for the reasons provided in Section 3.1 above. The Board also considers that the grant does not affect the independence of the Directors as there is no performance-based milestones (other than Share price performance) attaching to the Director Performance Rights.

(j) **Taxation consequences**

There are no taxation consequences for the Company arising from the issue of the Director Performance Rights (including fringe tax benefits).

(k) **Other information**

The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 1(a) to (e) (inclusive).

3.7 **Additional information**

Resolution 1(a) to (e) (inclusive) are separate ordinary resolutions.

4. **Resolution 2 – Ratification of issue of Convertible Notes**

4.1 **General**

On 28 May 2024, the Company announced a capital raising of \$1,600,000 (before costs) by the issue of 1,600,000 convertible notes with a face value of \$1.00 each (**Convertible Notes**).

The Convertible Notes were issued on 13 June 2024 and can be converted to Shares at the election of the noteholders on or before 31 December 2025 (**Maturity Date**) at a conversion price of \$0.027 each.

The Company issued the Convertible Notes, and provided for the issue of the underlying Shares without prior Shareholder approval, out of its 15% annual placement capacity under Listing Rule 7.1. The maximum number of underlying Shares (59,259,260) was within the Company's capacity under Listing Rule 7.1 as at the date the Company agreed to issue the Convertible Notes, and the Company was therefore able to issue these Convertible Notes without obtaining prior Shareholder approval.

Resolution 2 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of up to 59,259,260 Shares on conversion of the Convertible Notes.



#### 4.2 **Listing Rules 7.1 and 7.4**

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

The Convertible Notes do not fit within any of the exceptions in Listing Rule 7.2 and, as it has not yet been approved by the Company's Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12-month period following the issue date.

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

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. The Convertible Notes are convertible at any time, and were issued under the Company's placement capacity under Listing Rule 7.1. The maximum number of Shares that may be issued on conversion of the Convertible Notes, based on the agreed conversion price of \$0.027 per Share, is 59,259,260 Shares.

The effect of Resolution 2 will be to permit the Company to ratify the issue of the Convertible Notes, refresh the Company's placement capacity under Listing Rule 7.1 and approve the issue of the underlying Shares for the purpose of Listing Rule 7.4.

The effect of Shareholders passing Resolution 2 will be to allow the Company to ratify the issue of the Convertible Notes, refresh the Company's placement capacity under Listing Rule 7.1 and approve the issue of Shares on conversion of the Convertible Notes for the purpose of Listing Rule 7.1 and retain the flexibility to issue Equity Securities in the future up to the 15% placement capacity set out in Listing Rule 7.1, without the requirement to obtain prior Shareholder approval.

If Resolution 2 is passed, 59,259,260 Equity Securities will be excluded in calculating the Company's 15% limit under Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12-month period following the issue date.

If Resolution 2 is not passed, 59,259,260 Equity Securities 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 59,259,260 Equity Securities for the 12-month period following the issue date.

#### 4.3 **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 Convertible Notes and the issue of the Shares on conversion of the Convertible Notes:

- (a) The Convertible Notes will be issued to the holders of the Convertible Notes (or their respective nominees) in the following proportions:
  - (i) up to 25,925,926 Shares to Areen Investments Pte Ltd;
  - (ii) up to 25,925,926 Shares to Risco Energy Investments (SEA) Limited; and

- (iii) up to 7,407,408 Shares to PT Senada Nusantara,  
(together the **Noteholders**).
- (b) 1,600,000 Convertible Notes were issued. A maximum of 59,259,260 Shares will be issued upon conversion of the Convertible Notes.
- (c) A summary of the material terms of the Convertible Notes is in Schedule 5. 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.
- (d) The Convertible Notes were issued on 13 June 2024.
- (e) The Convertible Notes were issued with a face value of \$1 each. The relevant conversion price of the Convertible Notes into Shares is \$0.027 each.
- (f) The purpose of the issue of the Convertible Notes was to raise \$1,600,000 (before costs). Proceeds from the Convertible Notes will be used to fund ongoing expenditures in relation to the Port of Brisbane project.
- (g) 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 5) and otherwise on terms considered standard for agreements of this nature.
- (h) 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.

## Schedule 1      Definitions

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

<b>\$ or A\$</b>	means Australian Dollars.
<b>20-Day VWAP</b>	means the VWAP calculated over the previous 20 days on which Shares were traded.
<b>ASX</b>	means the ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
<b>AWST</b>	means Western Standard Time, being the time in Perth, Western Australia.
<b>Board</b>	means the board of Directors.
<b>Chair</b>	means the person appointed to chair the Meeting of the Company convened by the Notice.
<b>Closely Related Party</b>	means: <ul style="list-style-type: none"><li>(a) a spouse or child of the member; or</li><li>(b) has the meaning given in section 9 of the Corporations Act.</li></ul>
<b>Company</b>	means Lion Energy Limited (ACN 000 753 640).
<b>Constitution</b>	means the Constitution of the Company.
<b>Convertible Notes</b>	has the meaning given in Section 4.1.
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth), as amended.
<b>Director</b>	means a director of the Company.
<b>Director Performance Rights</b>	has the meaning given in Section 3.1.
<b>Equity Security</b>	has the same meaning as in the Listing Rules.
<b>Explanatory Memorandum</b>	means the explanatory memorandum which forms part of the Notice.
<b>Key Management Personnel</b>	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.

<b>Listing Rules</b>	means the listing rules of ASX.
<b>Maturity Date</b>	has the meaning given in Section 4.1.
<b>Meeting</b>	has the meaning given in the introductory paragraph of the Notice.
<b>Noteholder</b>	has the meaning given in Section 4.3(a).
<b>Notice</b>	means this notice of General Meeting.
<b>Option</b>	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.
<b>Plan</b>	means the Company's employee incentive plan approved by Shareholders on 26 May 2023.
<b>Proxy Form</b>	means the proxy form made available with this Notice.
<b>Resolution</b>	means a resolution referred to in the Notice.
<b>Schedule</b>	means a schedule to the Notice.
<b>Section</b>	means a section of the Explanatory Memorandum.
<b>Securities</b>	means any Equity Securities of the Company (including Shares, Options and/or Performance Rights).
<b>Share</b>	means a fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	means the holder of a Share.
<b>Trading Day</b>	has the same meaning as in the Listing Rules.
<b>VWAP</b>	means volume weighted average price.

## Schedule 2      Summary of material terms of Plan

The following is a summary of the material terms and conditions of the Plan:

1.      **(Eligible Participant):** Eligible Participant means a person that has been determined by the Board to be eligible to participate in the Plan from time to time and is an “ESS participant” (as that term is defined in Division 1A) in relation to the Company or an associated entity of the Company. This relevantly includes, amongst others:
  - (a)      an employee or director of the Company or an individual who provides services to the Company;
  - (b)      an employee or director of an associated entity of the Company or an individual who provides services to such an associated entity;
  - (c)      a prospective person to whom paragraphs (a) or (b) apply;
  - (d)      a person prescribed by the relevant regulations for such purposes; or
  - (e)      certain related persons on behalf of the participants described in paragraphs (a) to (d) (inclusive).
2.      **(Maximum allocation)** The Company must not make an offer of Securities under the Plan in respect of which monetary consideration is payable (either upfront, or on exercise of convertible securities) where:
  - (a)      the total number of Plan Shares (as defined in paragraph 13 below) that may be issued or acquired upon exercise of the convertible securities offered; plus
  - (b)      the total number of Plan Shares issued or that may be issued as a result of offers made under the Plan at any time during the previous 3-year period,would exceed 5% of the total number of Shares on issue at the date of the offer or such other limit as may be specified by the relevant regulations or the Company’s Constitution from time to time.

The maximum number of equity securities proposed to be issued under the Plan for the purposes of Listing Rule 7.2, Exception 13 will be as approved by Shareholders from time to time (**ASX Limit**). This means that, subject to the following paragraph, the Company may issue up to the ASX Limit under the Plan without seeking Shareholder approval and without reducing its placement capacity under Listing Rule 7.1.

The Company will require prior Shareholder approval for the acquisition of equity securities under the Plan to Directors, their associates and any other person whose relationship with the Company or a Director or a Director’s associate is such that, in ASX’s opinion, the acquisition should be approved by Shareholders. The issue of Securities with Shareholder approval will not count towards the ASX Limit.
3.      **(Purpose):** The purpose of the Plan is to:
  - (a)      assist in the reward, retention and motivation of Eligible Participants;
  - (b)      link the reward of Eligible Participants to Shareholder value creation; and

- (c) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.
4. **(Plan administration):** The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion, subject to compliance with applicable laws and the Listing Rules. The Board may delegate its powers and discretion.
5. **(Eligibility, invitation and application):** The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides. An invitation issued under the Plan will comply with the disclosure obligations pursuant to Division 1A.

On receipt of an invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part. If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation. A waiting period of at least 14 days will apply to acquisitions of Securities for monetary consideration as required by the provisions of Division 1A.

6. **(Grant of Securities):** The Company will, to the extent that it has accepted a duly completed application, grant the successful applicant (**Participant**) the relevant number of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.
7. **(Terms of Convertible Securities):** Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan.

Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.

8. **(Vesting of Convertible Securities):** Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.
9. **(Exercise of Convertible Securities and cashless exercise):** To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation.

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

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

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

10. **(Delivery of Shares on exercise of Convertible Securities):** As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.
11. **(Forfeiture of Convertible Securities):** Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest.

Where the Board determines that a Participant has acted fraudulently or dishonestly, or wilfully breached his or her duties to the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

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

- (a) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
  - (b) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.
12. **(Change of control):** If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.
13. **(Rights attaching to Plan Shares):** All Shares issued under the Plan, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (**Plan Shares**) will rank *pari passu* in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.

14. **(Disposal restrictions on Securities):** If the invitation provides that any Plan Shares or Convertible Securities are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.
15. **(Adjustment of Convertible Securities):** If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

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

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

16. **(Participation in new issues):** There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.
17. **(Amendment of Plan):** Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.

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

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

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



## Schedule 3      Terms and conditions of the Director Performance Rights

The terms and conditions of the Director Performance Rights (hereinafter referred to as **Performance Rights**) are as follows:

1.     **(Entitlement)**: Subject to the terms and conditions set out below, each Performance Right, once vested, entitles the holder to the issue of one fully paid ordinary share in the capital of the Company (**Share**).
2.     **(Issue Price)**: The Performance Rights are issued for nil cash consideration.
3.     **(Vesting Conditions)**: Subject to the terms and conditions set out below, the Performance Rights will have the vesting conditions (**Vesting Condition**) specified below:

Tranche	No. of Performance Rights	Vesting Conditions	Expiry Date
A	4,600,000	Performance Rights will vest upon the Company achieving a volume weighted average price of Shares over 20 consecutive trading days ( <b>20-Day VWAP</b> ) of at least \$0.04.	3 years
B	4,600,000	Performance Rights will vest upon the Company achieving a 20-Day VWAP of Shares of at least \$0.06.	3 years
C	4,600,000	Performance Rights will vest upon the Company achieving a 20-Day VWAP of Shares of at least \$0.08.	3 years
D	4,600,000	Performance Rights will vest upon the Company achieving a 20-Day VWAP of Shares of at least \$0.10.	3 years
E	4,600,000	Performance Rights will vest upon the Company achieving a 20-Day VWAP of Shares of at least \$0.12.	3 years

4.     **(Vesting)**: Subject to the satisfaction of the relevant Vesting Condition, the Company will notify the Holder in writing (**Vesting Notice**) that a Vesting Condition has been satisfied.
5.     **(Expiry Date)**: The Performance Rights will expire and lapse on the first to occur of the following:
  - (a)     the relevant Vesting Conditions becoming incapable of satisfaction as determined by the Board in its discretion; and
  - (b)     5.00pm (AWST) on the date which is 3 years after the date of issue of the Performance Rights,

**(Expiry Date)**.

6. **(Exercise):** At any time between receipt of a Vesting Notice and the Expiry Date (as defined in clause 5 above), the holder may apply to exercise Performance Rights, by delivering a signed notice of exercise to the Company Secretary. The holder is not required to pay a fee to exercise the Performance Rights.
7. **(Issue of Shares):** As soon as practicable after the valid exercise of a vested Performance Right, the Company will:
  - (a) issue, allocate or cause to be transferred to the holder the number of Shares to which the holder is entitled;
  - (b) issue a substitute Certificate for any remaining unexercised Performance Rights held by the holder;
  - (c) if required, and subject to clause 8, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
  - (d) do all such acts, matters and things to obtain the grant of quotation of the Shares by ASX in accordance with the Listing Rules.
8. **(Restrictions on transfer of Shares):** If the Company is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or such a notice for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, Shares issued on exercise of the Performance Rights may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act. The Company is authorised by the holder to apply a holding lock on the relevant Shares during the period of such restriction from trading.
9. **(Ranking):** All Shares issued upon the conversion of Performance Rights will upon issue rank equally in all respects with other Shares.
10. **(Transferability of the Performance Rights):** The Performance Rights are not transferable, except in exceptional circumstances under the Plan.
11. **(Leaver):** Where the holder ceases to be an Eligible Participant all unvested Performance Rights will be dealt with in accordance with the terms of the Plan, whereby the Board will determine to either permit some or all of the Performance Rights to vest or determine that the unvested Performance Rights be forfeited by the holder.
12. **(Change of Control):** If a Change of Control Event occurs (as defined in the Plan), or the Board determines that such an event is likely to occur, any unvested Performance Rights will automatically vest.
13. **(Dividend rights):** A Performance Right does not entitle the holder to any dividends.
14. **(Voting rights):** A Performance Right does not entitle the holder to vote on any resolutions proposed at a general meeting of the Company, subject to any voting rights provided under the Corporations Act or the ASX Listing Rules where such rights cannot be excluded by these terms.
15. **(Quotation of the Performance Rights):** The Company will not apply for quotation of the Performance Rights on any securities exchange.

16. **(Adjustments for reorganisation):** If there is any reorganisation of the issued share capital of the Company, the rights of the Performance Rights holder will be varied in accordance with the Listing Rules.
17. **(Entitlements and bonus issues):** Subject to the rights under clause 15, holders will not be entitled to participate in new issues of capital offered to shareholders such as bonus issues and entitlement issues.
18. **(Bonus issues):** 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), the number of Shares which must be issued on the exercise of a vested Performance Right will be increased by the number of Shares which the holder would have received if the holder had exercised the Performance Right before the record date for the bonus issue.
19. **(Return of capital rights):** The Performance Rights do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
20. **(Rights on winding up):** The Performance Rights have no right to participate in the surplus profits or assets of the Company upon a winding up of the Company.
21. **(Takeovers prohibition):**
  - (a) the issue of Shares on exercise of the Performance Rights 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 Performance Rights.
22. **(No other rights):** A Performance Right does not give a holder any rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.
23. **(Amendments required by ASX):** The terms of the Performance Rights may be amended as considered necessary by the Board in order to comply with the ASX Listing Rules, or any directions of ASX regarding the terms provided that, subject to compliance with the Listing Rules, following such amendment, the economic and other rights of the holder are not diminished or terminated.
24. **(Plan):** The Performance Rights are issued pursuant to and are subject to the Plan. In the event of conflict between a provision of these terms and conditions and the Plan, these terms and conditions prevail to the extent of that conflict.
25. **(Constitution):** Upon the issue of the Shares on exercise of the Performance Rights, the holder will be bound by the Company's Constitution.

## Schedule 4 Valuation of the Director Performance Rights

The Director Performance Rights to be issued to the Directors pursuant to Resolution 1(a) to (e) (inclusive) have been valued by internal management. Using the Monte Carlo Method and based on the assumptions set out below, the Director Performance Rights were ascribed the following value:

Assumptions	Tranche A	Tranche B	Tranche C	Tranche D	Tranche E
Valuation date	23 September 2024	23 September 2024	23 September 2024	23 September 2024	23 September 2024
Market price of Shares	\$0.022	\$0.022	\$0.022	\$0.022	\$0.022
Target Price	\$0.04	\$0.06	\$0.08	\$0.10	\$0.12
Exercise price	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Expiry date (length of time from issue)	3 Years	3 Years	3 Years	3 Years	3 Years
Risk free interest rate	3.46%	3.46%	3.46%	3.46%	3.46%
Volatility (discount)	92.3%	92.3%	92.3%	92.3%	92.3%
<b>Indicative value per Director Performance Right</b>	\$0.0143	\$0.0120	\$0.0105	\$0.0091	\$0.0083

Director	Tranche A		Tranche B		Tranche C		Tranche D		Tranche E		TOTAL	
	Number	Valuation	Number	Valuation	Number	Valuation	Number	Valuation	Number	Valuation	Number	Valuation
Thomas Soulsby (Resolution 1(a))	2,000,000	\$28,621	2,000,000	\$23,915	2,000,000	\$21,007	2,000,000	\$18,175	2,000,000	\$16,538	10,000,000	\$108,256
Damien Servant (Resolution 1(b))	1,400,000	\$20,035	1,400,000	\$16,741	1,400,000	\$14,705	1,400,000	\$12,722	1,400,000	\$11,576	7,000,000	\$75,779
Russell Brimage (Resolution 1(c))	400,000	\$5,724	400,000	\$4,783	400,000	\$4,201	400,000	\$3,635	400,000	\$3,308	2,000,000	\$21,651
Christopher Newton (Resolution 1(d))	400,000	\$5,724	400,000	\$4,783	400,000	\$4,201	400,000	\$3,635	400,000	\$3,308	2,000,000	\$21,651
Zane Lewis (Resolution 1(e))	400,000	\$5,724	400,000	\$4,783	400,000	\$4,201	400,000	\$3,635	400,000	\$3,308	2,000,000	\$21,651
<b>TOTAL</b>	<b>4,600,000</b>	<b>\$65,829</b>	<b>4,600,000</b>	<b>\$55,005</b>	<b>4,600,000</b>	<b>\$48,316</b>	<b>4,600,000</b>	<b>\$41,802</b>	<b>4,600,000</b>	<b>\$38,037</b>	<b>23,000,000</b>	<b>\$248,988</b>

## **Schedule 5      Summary of material Terms and Conditions of Convertible Notes**

### **1.      Face Value**

Each Convertible Note has a face value of \$1.00 (**Face Value**).

### **2.      Terms of issue**

- (a)      Each Convertible Note:
  - (i)      does not bear interest;
  - (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 to Shares following receipt by the Company of a conversion notice in accordance with, and subject to, Note Condition 5; 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.
- (d)      Each Convertible Note outstanding on Maturity Date shall be redeemed by the Company by repaying the Face Value to the holder.
- (e)      The Company shall not redeem a Convertible Note prior to the Maturity Date unless pursuant to Note Condition 5 or Note Condition 7.

### **3.      Number of Conversion Shares**

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

### **4.      Issue of Conversion Shares**

- (a)      Subject to Note Conditions 5(b) to 5(g) (inclusive), within 5 Business Days after receipt of a conversion notice (**Conversion Notice**) (or, if applicable, the approval of a resolution by Shareholders pursuant to Note Condition 5(b)), the Company must:
  - (i)      allot and issue the Conversion 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 Company's register;
- (iii) apply for official quotation on ASX of such Conversion Shares; and
- (iv) subject to Note Condition 5(b), if the Company is able to issue a written notice issued by the Company pursuant to section 708A(5)(e) of the Corporations Act (**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 unable to issue the Shares without a Resolution:

- (i) By no later than the date falling 45 days from the date of receipt of the Conversion Notice (or such later date as may be agreed by the Company and the holder), the Company must hold a general meeting to seek the approval of Shareholders of the Resolution (**General Meeting**).
- (ii) If a resolution is approved by the requisite majority of Shareholders at a general meeting, the Convertible Notes will be converted into Conversion Shares in accordance with the Note Conditions.
- (iii) If a resolution is not approved by the requisite majority of Shareholders at the General Meeting:
  - (A) the Convertible Notes will not be convertible into Conversion Shares; and
  - (B) the Company must, within 5 Business Days from date of the General Meeting, redeem the Convertible Notes by repaying the Face Value of the Convertible Notes together with the Redemption Premium (defined below) to the holder.
  - (C) The Redemption Premium shall be calculated as:

$$\text{Face Value} * \frac{\text{VWAP} - \text{Conversion Price}}{\text{Conversion Price}}$$

Where VWAP is the volume weighted average trading price of the Shares traded for the five consecutive trading days immediately prior to the day on which the Conversion Notice is received by the Company.

- (c) If the Company is not able to issue a Cleansing Statement within the time required pursuant to Note Condition 5(a)(iv), and subject to Note Condition 5(g), the Company must, instead of issuing a Cleansing Statement, issue a disclosure document issued by the Company to ASIC pursuant to section 708A(11) of the Corporations (**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.

- (d) 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.
- (e) Upon the issue of the Conversion Shares, the Holder agrees to be bound by the Constitution.
- (f) 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.
- (g) 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.

## 5. **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 (as defined in the Listing Rules) and issues to the holders of Shares any Securities pursuant to a Bonus Issue (**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 6(a).

## 6. **Event of Default**

- (a) Within 3 Business Days of becoming aware of the occurrence of:
  - (i) the Company or its subsidiaries becoming insolvent; or
  - (ii) any attachment or distress effects any assets of the Company or its subsidiaries valued at more than \$1,000,000 and is not discharged within 10 Business Days,

(each an **Event of Default**), the Company must inform the Holder of such occurrence and the nature of the Event of Default.
- (b) 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 and all accrued Interest.
- (c) Upon receipt of a declaration under Note Condition 7(a), the sum of the Face Value of each Convertible Note then outstanding plus all accrued Interest 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.

## 7. **Covenants by the Company**

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

- (a) Converted or repaid in accordance with Note Condition 5; or
- (b) repaid by the Company in accordance with Note Condition 7,

the Company must:

- (c) other than permitted financial indebtedness including (amongst others outlined in the Convertible Note Agreement) monies borrowed any debit balance at any financial institution, any amount raised pursuant to any note purchase facility or the issue of bonds and any amount raised under any acceptance credit (**Permitted Financial Indebtedness**), not incur any financial indebtedness;
- (d) 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;
- (e) 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
- (f) 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  
ABN 51 000 753 640

## Need assistance?



**Phone:**  
1300 850 505 (within Australia)  
+61 3 9415 4000 (outside Australia)



**Online:**  
[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (AWST) on Wednesday, 13 November 2024.**

# Proxy Form

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### APPOINTMENT OF PROXY

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

## SIGNING INSTRUCTIONS FOR POSTAL FORMS

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

**Joint Holding:** Where the holding is in more than one name, all of the securityholders 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 form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

## PARTICIPATING IN THE MEETING

### Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at [www.investorcentre.com/au](http://www.investorcentre.com/au) and select "Printable Forms".

## Lodge your Proxy Form:

### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 184199**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia

### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

# Proxy Form

Please mark ☒ to indicate your directions

## Step 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of Lion Energy Limited hereby appoint

☐ the Chair  
of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chair of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and 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 Lion Energy Limited to be held at Suite 1, 295 Rokeby Road, Subiaco, WA 6008 on Friday, 15 November 2024 at 10:00am (AWST) and at any adjournment or postponement of that meeting.

**Chair authorised to exercise undirected proxies on remuneration related resolutions:** Subject to the following, where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1a, 1b, 1c, 1d and 1e (except where I/we have indicated a different voting intention below) even though Resolutions 1a, 1b, 1c, 1d and 1e are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair. If the Chair is a person referred to in the voting prohibition statement applicable to a Resolution under section 224 of the Corporations Act 2001 (Cth), the Chair will only be able to cast a vote as proxy for you on the relevant Resolution if you are entitled to vote and have specified your voting intention in the Proxy Form.

**Important Note:** If the Chair of the Meeting is (or becomes) your proxy you can direct the Chair to vote for or against or abstain from voting on Resolutions 1a, 1b, 1c, 1d and 1e by marking the appropriate box in step 2.

## Step 2 Items of Business

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

	For	Against	Abstain
1a Approval to issue Director Performance Rights to Thomas Soulsby	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1b Approval to issue Director Performance Rights to Damien Servant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1c Approval to issue Director Performance Rights to Russell Brimage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1d Approval to issue Director Performance Rights to Christopher Newton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1e Approval to issue Director Performance Rights to Zane Lewis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Ratification of issue of Convertible Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chair of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chair of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

**Update your communication details** (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

