

18 February 2021



**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the General Meeting of Shareholders of Lakes Oil NL (Company) will be held virtually via a webinar conferencing facility at 11.00am (AEDT) on 23 March 2021 (AGM, Annual General Meeting or Meeting).

In accordance with subsection 5(1)(f) of the Corporations (Coronavirus Economic Response) Determination (No.3) 2020 made by the Commonwealth Treasurer on 22 September 2020, the Company will not be dispatching physical copies of the Notice of Meeting. Instead the Notice of Meeting and accompanying explanatory statement (Meeting Materials) are being made available to shareholders electronically. This means that:

- You can access the Meeting Materials online at the Company's website <https://lakesoil.net.au/> or at or at the Company's share registry's website (<http://www.investorvote.com.au>) through Investor Centre.
- A complete copy of the Meeting Materials and the Company's 2020 Annual Report has been posted to the Company's ASX Market announcements page at [www.asx.com.au](http://www.asx.com.au) under the Company's ASX code "LKO".
- If you have provided an email address and have elected to receive electronic communications from the Company, you will receive an email to your nominated email address with a link to an electronic copy of the Meeting materials and the voting instruction form.
- You can download the Company's 2020 Annual Report from the following link [https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02330206-3A559393?access\\_token=83ff96335c2d45a094df02a206a39ff4](https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02330206-3A559393?access_token=83ff96335c2d45a094df02a206a39ff4)

If you would like to receive electronic communications from the Company in the future, please update your communication elections online at <http://www.investorvote.com.au>. If you have not yet registered, you will need your shareholder information including SRN/HIN details.

If you are unable to access the Meeting Materials online please contact our share registry Computershare on <http://www.investorvote.com.au> or by phone on +61 (0)3 9415 4000 or 1300 850 505 (within Australia between 8:30am and 5:30pm (AEST) Monday to Friday, to obtain a copy.

As a result of the potential health risks and the Governments restrictions in response to the COVID-19 pandemic, the Meeting will be held via a webinar conferencing facility. Details of how to register to attend the Meeting are contained in the Meeting Materials. The Company strongly recommends to Shareholders to lodge a directed proxy as soon as possible in advance of the meeting even if they are planning to attend the meeting online.

Yours sincerely,

Richard Ash  
Company Secretary and Chairman  
Lakes Oil NL

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**LAKES OIL NL**  
**ACN 004 247 214**

# **Notice of Annual General Meeting**

## **Explanatory Statement and Proxy Form**

Date of Meeting:  
**Tuesday, 23 March 2021**

Time of Meeting:  
**11:00am (AEDT)**

**Due to the ongoing COVID-19 pandemic, the meeting will be held virtually via a webinar conferencing facility. If you are a shareholder who wishes to attend and participate in the virtual meeting, please register in advance as per the instructions outlined in this Notice of Meeting. Shareholders are strongly encouraged to lodge their completed proxy forms in accordance with the instructions in this Notice of Meeting.**

Following recent modifications brought to the Corporations Act 2001 and the Corporations Regulations 2001 under the Corporations (Coronavirus Economic Response) Determination (no.3) 2020, no hard copy of the Notice of Annual General Meeting and Explanatory Memorandum will be circulated. The Notice of Meeting has been given to those entitled to receive by use of one or more technologies. The Notice of Meeting is also available on the Australian Stock Exchange Announcement platform and on the Company's website <https://lakesoil.net.au/>

*This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional advisor without delay.*

# LAKES OIL NL

ACN 004 247 214

Registered office: Level 4, 100 Albert Road, South Melbourne, VIC 3205

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of Lakes Oil NL (Company) will be held virtually via a webinar conferencing facility at 11:00am (AEDT) on Tuesday, 23 March 2021 ("**Annual General Meeting**", "**AGM**" or "**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. While the COVID-19 situation remains volatile and uncertain, based on the best information available to the Company at the time of preparing the Notice of Annual General Meeting (Notice), the Company intends to conduct a poll on the resolutions set out in the Notice using the proxies filed prior to the Meeting.

Shareholders are strongly encouraged to submit their proxies as early as possible and in any event prior to the cut-off for proxy voting as set out in the Notice. To lodge your proxy, please follow the directions on your personalised proxy form which will be delivered to you by email or post (depending on your communication preferences).

Shareholders attending the AGM virtually will be able to ask questions and the Company has made provision for Shareholders who register their attendance before the start of the meeting to also electronically cast their votes on the proposed resolutions at the AGM. Shareholders who intend to join the Meeting are asked to dial-in 30 minutes prior to the start of the meeting to allow the Company to take your details.

The live webcast can be attended using the following details:

**When:** Tuesday, 23 March 2021 at 11:00am (AEDT)  
**Topic:** LKO Annual General Meeting

**Register in advance for this webinar:**

[https://us02web.zoom.us/webinar/register/WN\\_DTDDeHtGS5-vSouOIFe2Jw](https://us02web.zoom.us/webinar/register/WN_DTDDeHtGS5-vSouOIFe2Jw)

After registering, you will receive a confirmation email containing information about joining the meeting. The Company strongly recommends its Shareholders to lodge a directed proxy as soon as possible in advance of the meeting even if they are planning to attend the meeting online.

The Company is happy to accept and answer questions submitted prior to the meeting by email to [lakes@lakesoil.com.au](mailto:lakes@lakesoil.com.au). Where a written question is raised in respect of the key management personnel of the Company, the resolutions to be considered at the meeting, the Company will address the relevant question during the course of the meeting or by written response after the Meeting (subject to the discretion of the Company not to respond to unreasonable and/or offensive questions). 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 announcement to ASX.

Any Shareholders who wish to attend the AGM should monitor the Company's website and its ASX announcements for any updates about the AGM. If it becomes necessary or appropriate to make alternative arrangements for the holding or conducting of the meeting, the Company will make further information available through the ASX website at [asx.com.au](http://asx.com.au) (ASX: LKO) and on its website at <https://lakesoil.net.au/>.

# LAKES OIL NL

ACN 004 247 214

Registered office: Level 4, 100 Albert Road, South Melbourne, VIC 3205

## AGENDA

The Explanatory Statement and Proxy Form which accompany and form part of this Notice, include defined terms and describe in more detail the matters to be considered. Please consider this Notice, the Explanatory Statement and the Proxy Form in their entirety.

### ORDINARY BUSINESS

#### Receipt and Consideration of Accounts & Reports

To receive and consider the financial report of the Company and the related reports of the Directors (including the Remuneration Report) and auditors for the year ended 30 June 2020.

*Note: Except for as set out in Resolution 1, there is no requirement for Shareholders to approve these reports. Accordingly, no Resolution will be put to Shareholders on this item of business.*

#### Resolution 1: Adoption of Remuneration Report

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

*"That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report (included in the Directors' report) for the financial year ended 30 June 2020 be adopted."*

#### Resolution 2: Re-election of Mr. Richard Ash as a Director of the Company

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

*"That, Mr Richard Ash, who retires by rotation pursuant to the Constitution of the Company, and being eligible, offers himself for re-election, is hereby re-elected as a Director of the Company."*

#### Resolution 3: Approval to Issue Shares to Acuity

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

*"That, for the purpose of Listing Rules 7.1 and 7.3 and for all other purposes, Shareholder approval is given for the Company to issue 1,700,000,000 fully paid ordinary shares at Nil issue price and 30,000,000 fully paid ordinary shares at an issue price of AU\$ 0.001 (0.1 cent) to Acuity Capital Investment Management Pty Ltd as trustee for the Acuity Capital Holdings Trust in relation to the Controlled Placement Agreement in as announced on 31 October 2019 on the terms and conditions as described in in the Explanatory Statement."*

#### Resolution 4: Ratification of prior issue of Unlisted Convertible Redeemable Notes

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

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 2,273,015 Unlisted Convertible Redeemable Notes with a face value of \$0.0009 (0.09 cents) per Note on the terms and conditions as set out in the Explanatory Statement."*

#### Resolution 5: Approval to Issue Fully Paid Ordinary Shares to Mr Nick Mather

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

*“That, for the purpose of Listing Rule 10.11 and for all other purposes, Shareholder approval is given for the Company to issue Nick Mather (or his nominee), a Director of the Company, up to 41,750,627 Fully Paid Ordinary Shares with a issue price of AU\$0.001 (0.1 cents) per Share in satisfaction of his outstanding Director fees for services provided in the event Mr Mather elects to take Shares in lieu of a physical cash payments for fees and on the basis as set out in the accompanying Explanatory Statement.”*

**Resolution 6: Approval to Issue Fully Paid Ordinary Shares to Mr Roland Sleeman**

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

*“That, for the purpose of Listing Rule 10.11 and for all other purposes, Shareholder approval is given for the Company to issue Roland Sleeman (or his nominee), a Director of the Company, up to 13,302,750 Fully Paid Ordinary Shares with a issue price of AU\$0.001 (0.1 cents) per Share in satisfaction of his outstanding Director and CEO fees for services provided in the event Mr Sleeman elects to take Shares in lieu of a physical cash payments for fees and on the basis as set out in the accompanying Explanatory Statement.”*

**Resolution 7: Approval to Issue Fully Paid Ordinary Shares to Mr Richard Ash**

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

*“That, for the purpose of Listing Rule 10.11 and for all other purposes, Shareholder approval is given for the Company to issue Richard Ash (or his nominee), a Director of the Company, up to 59,269,102 Fully Paid Ordinary Shares with a issue price of AU\$0.001 (0.1 cents) per Share in satisfaction of his outstanding Director fees for services provided in the event Mr Ash elects to take Shares in lieu of a physical cash payments for fees and on the basis as set out in the accompanying Explanatory Statement.”*

**Resolution 8: Approval to Issue Unlisted Convertible Redeemable Notes and Royalty Units to Mr Roland Sleeman**

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

*“That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholder approval be given to issue 615,490,767 Unlisted Convertible Redeemable Notes (Notes) with a face value of AU\$0.0009 (0.09 cents) per Convertible Note together with 597,570 accompanying Royalty units in the Company, to Mr Roland Sleeman (or his nominee(s)) (a Director of the Company), on the terms and conditions set out in the Explanatory Statement accompanying the Notice of Meeting.”*

**Resolution 9: Approval to Issue Unlisted Convertible Redeemable Notes and Royalty Units to Mr Nick Mather**

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

*“That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholder approval be given to issue 566,500,000 Unlisted Convertible Redeemable Notes (Notes) with a face value of AU\$0.0009 (0.09 cents) per Convertible Note together with 515,000 accompanying Royalty units in the Company, to Mr Nick Mather (or his nominee(s)) (a Director of the Company), on the terms and conditions set out in the Explanatory Statement accompanying the Notice of Meeting.”*

**SPECIAL BUSINESS**

**Resolution 10: Approval of 10% Placement Facility**

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

*“That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement.”*

**Resolution 11: Change of Company Name**

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

*“That, in accordance with Section 157(1) of the corporations Act, and for all other purposes, the Company change its name from “Lakes Oil N.L” to “Lakes Blue Energy NL ”*

**By order of the Board**



**Richard Ash**  
**Company Secretary and Chairman**  
**15 February 2021**

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## Notes

1. **Entire Notice:** The details of the Resolutions contained in the Explanatory Statement accompanying this Notice of Meeting should be read together with, and form part of, this Notice of Meeting.
2. **Record Date:** The Company has determined that for the purposes of the Annual General Meeting, Shares will be taken to be held by the persons who are registered as holding the shares at 7.00pm on the date 48 hours before the date of the Annual General Meeting. Only those persons will be entitled to vote at the Annual General Meeting and transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Annual General Meeting.

3. **Proxies**

- a. Votes at the Annual General Meeting may be given personally or by proxy, attorney or representative.
- b. Each shareholder has a right to appoint one or two proxies.
- c. A proxy need not be a shareholder of the Company.
- d. If a shareholder is a company, it must execute under its common seal or otherwise in accordance with its Constitution or the Corporations Act.
- e. Where a shareholder is entitled to cast two or more votes, the shareholder may appoint two proxies and may specify the proportion of number of votes each proxy is appointed to exercise.
- f. If a shareholder appoints two proxies, and the appointment does not specify the proportion or number of the shareholder's votes, each proxy may exercise half of the votes. If a shareholder appoints two proxies, neither proxy may vote on a show of hands.
- g. A proxy form must be signed by the shareholder or his or her attorney who has not received any notice of revocation of the authority. Proxies given by corporations must be signed in accordance with corporation's constitution and Corporations Act.
- h. To be effective, proxy forms must be received by the Company's share registry (Computershare Investor Services Pty Limited) no later than 48 hours before the commencement of the Annual General Meeting, this is no later than 11:00am (AEDT) on Sunday, 21 March 2021. Any proxy received after that time will not be valid for the scheduled meeting.

4. **Corporate Representative**

Any corporate shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

5. **How the Chair will vote Undirected Proxies**

Subject to the restrictions set out in Note 6 below, the Chair of the meeting will vote undirected proxies in favour of all of the proposed resolutions. In exceptional circumstances, the Chair may change his or her voting intention on the Resolution, in which case an ASX announcement will be made. Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

6. **Voting Exclusion Statement:**

### Resolution 1

In accordance with sections 250R(4) and 250BD(1) of the Corporations Act, a vote must not be cast (in any capacity, including as a proxy), and the Company will disregard any votes purported to be cast, on this resolution by, or on behalf of, a member of the Key Management Personnel, details of whose remuneration are included in the remuneration report, or a Closely Related Party of such a member (**KMP voter**), unless the KMP voter is casting a vote on this resolution on behalf of a person who is not a KMP voter (including as a proxy) and either:

- (a) the KMP voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or
- (b) the KMP voter is the Chair of the meeting and the appointment of the Chair as proxy:
  - a. does not specify the way the proxy is to vote on the resolution; and
  - b. expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company or the consolidated entity.

If you appoint the Chairman as your proxy and you do not direct the Chairman how to vote, you will be expressly authorising the Chairman to exercise the proxy even if the relevant resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

If the Chair of the Meeting is appointed as a proxy for a person who is permitted to vote on Resolution 1, the Chair will vote any proxies which do not indicate on their Proxy Form the way the Chair must vote, in favour of Resolution 1. In exceptional circumstances, the Chair may change his or her voting intention on the Resolution, in which case an ASX announcement will be made. Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

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.

### Resolution 2

There are no voting exclusions on Resolution 2.

### Resolutions 3 & 4

The Company will disregard any votes cast in favour on these Resolutions by any person who participated or who will participate in the respective issues of the securities or any associates of those persons.

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

- a) a person as a 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; or
- b) the chair of the meeting 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.

#### **Resolutions 5 to 7**

The Company will disregard any votes cast in favour of Resolutions 5, 6 and 7 (respectively and separately) by or on behalf of:

- (a) Mr Nicholas Mather, Mr Roland Sleeman and Mr Richard Ash; or any person(s) who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity), or
- (b) an associate of person referred to in the preceding paragraph.

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

- a) a person as a 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; or
- b) the chair of the meeting 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.

Furthermore, a vote must not be cast as proxy on any Resolutions 5, 6 and 7 by a member of the Key Management Personnel (as defined by the Corporations Act) or a closely related party of Key Management Personnel.

However, a person described above (a "**Restricted Voter**") may cast a vote on any Resolutions 5 to 7 as a proxy if:

- a. The Restricted Voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution(s); or
- b. The Chairman is the Restricted Voter and the written appointment of the Chairman as proxy does not specify the way the proxy is to vote on the Resolution(s) or expressly authorises the Chairman to exercise the proxy even though the Resolution(s) is or are connected with the remuneration of a member of the Key Management Personnel.

If you appoint the Chairman as your proxy and you do not direct the Chairman how to vote, you will be expressly authorising the Chairman to exercise the proxy even if the relevant resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company

#### **Resolutions 8 & 9**

The Company will disregard any votes cast in favour of Resolution 8 & 9 by or on behalf of Mr Roland Sleeman (or his nominee(s)) or Mr Nick Mather (or his nominee(s)), and any other person(s) who will obtain a material benefit as a result of the proposed issues (except a benefit solely by reason of being a holder of ordinary securities in the entity), or an associate of any of those persons.

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

- a) a person as a 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; or
- b) the chair of the meeting 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.

#### **Resolutions 10 & 11**

There is no voting exclusion on Resolutions 10 & 11.

#### **7. Enquiries**

Shareholders are invited to contact the Company Secretary on +61 3 9692 7222 if they have any queries in respect of the matters set out in these documents.



## EXPLANATORY STATEMENT

### **Purpose of Information**

This Explanatory Statement (“Statement”) accompanies and forms part of the Company’s Notice of Annual General Meeting (“Notice”) for the 2020 Annual General Meeting (“Meeting”) will be held virtually via a webinar conferencing facility at 11:00am (AEDT) on Tuesday, 23 March 2021.

The Notice incorporates, and should be read together, with this Statement.

### **Receipt and Consideration of Accounts and Reports**

A copy of the Annual Report for the financial year ending 30 June 2020 (which incorporates the Company's financial report, reports of the Directors (including the Remuneration Report and the Auditors Report) is not enclosed as there is no longer a requirement for the Company to incur the printing and distribution cost associated with doing so for all Shareholders. You may obtain a copy free of charge in hard copy form by contacting the Company by phone at +61 3 9692 7222, and you may request that this occurs on a standing basis for future years.

Alternatively, you may access the Annual Report at the Company's website: [www.lakesoil.net.au](http://www.lakesoil.net.au) or via the Company's announcement platform on ASX under the ASX Code “LKO”. Except for as set out in Resolution 1, no Resolution is required on these reports.

Shareholders will have the opportunity to ask questions about or make comments on, the 2020 Annual Report and the management of the Company. The auditor will be invited to attend, to answer questions about the audit of the Company's 2020 Annual Financial Statements.

### **Resolution 1: Adoption of Remuneration Report**

#### ***Background***

Section 250R(2) of the Corporations Act requires that a resolution to adopt the remuneration report must be put to the vote at the Annual General Meeting. The vote on this Resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report is set out in the Directors' Report in the Company's 2020 Annual Report. The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company.

In accordance with Section 250SA of the Corporations Act 2001, Shareholders will be provided with a reasonable opportunity to ask questions concerning, or make comments on, the remuneration report at the Annual General Meeting.

In accordance with Division 9 of Part 2G.2 of the Corporations Act, if twenty five (25%) per cent or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive Annual General Meetings, Shareholders will be required to vote at the second of those Annual General Meetings on a resolution (a “spill resolution”) that another meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director) must go up for re-election.

It is noted that at the Company's last Annual General Meeting, the votes cast against the Remuneration Report represented less than twenty five (25%) per cent of the total votes cast on that resolution and accordingly, a spill resolution will not under any circumstances be required for the Meeting.

The Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies.

#### ***Board Recommendation***

The Board recommends that all eligible Shareholders vote in favour of this Resolution to adopt the Remuneration Report. The Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 1.

#### ***Voting Exclusions***

Refer Note 6 for voting exclusions on this resolution.

## **Resolution 2: Re-Election of Mr. Richard Ash as a Director of the Company**

### ***Background***

Pursuant to Clause 20 of the Company's Constitution at least one Director must retire from office at each Annual General Meeting provided that no Director (except a Managing Director) retains office for more than three (3) years or until the third Annual General Meeting following their appointment, whichever is the longer, without submitting themselves for re-election. Mr Richard Ash being eligible, offers himself for re-election.

Mr Ash is a Chartered Accountant and has a Bachelor of Economics degree with more than 25 years of experience in funds management and finance in Australia and Asia. Prior to forming AAP Capital, Mr Ash was a Managing Director, Head of Asset Finance for Developed Asia and a member of the Australian executive team for Nomura Australia. He has also worked at Westpac, Macquarie Bank and KPMG.

### ***Directors Recommendation***

The Board (with Mr Ash abstaining), recommends that shareholders vote in favour of the re-election of Mr Ash. The Chairman of the meeting intends to vote undirected proxies in favour of Mr Ash's re-election.

### ***Voting Exclusions***

Refer Note 6 for voting exclusions on this resolution.

## **Resolution 3: Approval of issue of Shares to Acuity**

### ***Background***

On 31 October 2019 the Company announced that it had entered into a Controlled Placement Agreement (**CPA**) with Acuity Capital Investment Management Pty Ltd as trustee for the Acuity Capital Holdings Trust (**Acuity**). The CPA will provide the Company with up to \$10 million of standby equity capital for the period through to 31 January 2022. It is advised that there is no requirement for the Company to utilise the CPA and it maintains full flexibility to raise additional capital at any time through other arrangements. In addition if the Company exercises its right to utilise the CPA it retains full control of all aspects of the share placement process, having sole discretion as to if and when the CPA is utilised, the quantum of shares issued, the minimum issue price of shares and the timing of any placement. The CPA may be terminated at any time without costs or penalty to the Company.

### ***Controlled Placement Agreement Key Terms***

- a) Maximum facility size: A\$10,000,000;
- b) Facility set up fee: \$30,000 payable in cash or shares (proposed to be issued in shares);
- c) The Company may activate the CPA at any time, though there is no requirement on the Company to utilise the CPA.
- d) Lakes Oil has absolute control over how many shares may be issued, when, and at what minimum price;
- e) Issue of 1,700,000,000 collateral shares (**Collateral Shares**) to Acuity, equivalent to approximately 5% of the current shares on issue; and
- f) At maturity or early termination of the CPA, the Company may buy back the Collateral Shares for nil consideration and cancel the Collateral Shares (subject to shareholder approval).

The Company is therefore seeking shareholder approval to issue a total of 1,730,000,000 fully paid ordinary shares which consists of 1,700,000,000 collateral shares to be held by Acuity until the maturity date of the agreement or the termination of the agreement (and at which time and to the extent that any Collateral Shares remain in the possession of Acuity or its nominee, the Collateral Shares will be either returned to the Company for nil consideration (subject to shareholder approval), or a subscription price to be agreed by the parties is paid by Acuity for the Collateral Shares, or the Collateral Shares are transferred to a party nominated by the Company for nil consideration) and 30,000,000 fully paid ordinary shares as consideration for the facility set up as outlined above.

ASX Listing Rule 7.3 requires the following information be provided to shareholders for the purpose of obtaining shareholder approval (in addition to the information noted above):

- a) the shares are proposed to be issued to Acuity Capital Investment Management Pty Ltd as trustee for the Acuity Capital Holdings Trust ;
- b) a maximum of 1,730,000,000 fully paid ordinary collateral shares are proposed to be issued;

- c) the 1,700,000,000 Collateral Shares will be issued at a Nil issue price and the 30,000,000 Shares for facility set up fees will be issued at a price of \$0.001 (0.1 cent) per Share;
- d) the shares will be issued no later than three months after the date on which shareholder approval is obtained;
- e) the purpose of the facility is to provide the Company with additional flexibility to raise capital for working capital purposes should it require;
- f) there will be no funds raised from the issue of shares;

### **Directors Recommendation**

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

### **Voting Exclusions**

Refer note 6 for voting exclusions on this resolution.

### **Resolution 4: Ratification of prior issue of Unlisted Convertible Redeemable Notes**

The Company is seeking Shareholder approval to ratify the issue of a total of 2,273,015 Unlisted Convertible Redeemable Notes (**Notes**) in the Company on 14 October 2020, issued at \$0.0009 (0.09 cents) per Convertible Note to the existing holders of the Notes for settlement of interest payable as at 30 June 2020 (a total of 269,636,381 Notes were issued for settlement of interest as at 30 June 2020 however the Company had prior shareholder approval for 267,363,366 Convertible Notes and as such only seeks to ratify 2,273,015 Notes).

Key Terms of the Unlisted Convertible Redeemable Notes are as follows:

1. The Notes will have an issue price of \$0.0009 (0.09 cents) per Convertible Note.
2. Interest will be paid half yearly in arrears at a rate of 15% per annum. Interest may be paid at Lakes Oil's election by the issue of further Notes.
3. The maturity date of the Notes, if not earlier converted, will be 31 December 2021.
4. The Company may redeem the Notes prior to the maturity date at any time after 31 December 2020 upon 15 days' notice. Upon the issue of an early redemption notice, if Notes are not subsequently converted then the Notes will be redeemed by the Company at 103% of their face value.
5. Notes are convertible at any time at the election of the Noteholder into one ordinary share in Company subject to usual adjustment mechanisms in certain circumstances.
6. Notes will be secured by a first ranking charge over Company's assets.
7. No dividends may be declared or paid by the Company whilst the Notes are on issue.

### **ASX Listing Rule 7.1**

ASX Listing Rule 7.1 provides that a company must not, without shareholder approval, issue or agree to issue more securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period. The issue of Shares were issued within the Company's available placement capacity under ASX Listing Rule 7.1.

Under ASX Listing Rule 7.4 an issue of securities will be treated as having been made with the approval of shareholders for the purposes of ASX Listing Rule 7.1 if the issue did not breach ASX Listing Rules 7.1 at the time and shareholders subsequently approve it. The issue of Shares was within the Company's ASX Listing Rule 7.1 placement capacity and the Company now seeks Shareholder ratification of the issue pursuant to ASX Listing Rule 7.4.

If Resolution 4 is approved, the issue of 2,273,015 Notes may be treated by the Company as having been made with Shareholder approval under ASX Listing Rules 7.1. The Company will therefore be able to issue additional equity securities without the Shares in the subject of Resolution 5, counting towards the 15% threshold for the purposes of ASX Listing Rule 7.1.

If this Resolution 4 is not approved, the prior issue of 2,273,015 Notes will not be treated by the Company as having been made with Shareholder approval under ASX Listing Rules 7.1. The Company will therefore have the 2,273,015 Notes as counting towards the 15% threshold for the purposes of ASX Listing Rule 7.1. This will limit the Company's placement capacity under the Listing Rule 7.1.

ASX Listing Rule 7.5 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to ASX Listing Rule 7.4:

- a) the Unlisted Convertible Redeemable Notes were issued to the existing Noteholders of the Company which are professional, sophisticated and other exempt investors and does not include any Director of the Company;
- b) the total number and class of securities issued were 2,273,015 Unlisted Convertible Redeemable Notes in the Company;
- c) the Notes were issued on 14 October 2020 and mature on 31 December 2021;
- d) the Notes issued rank pari passu with all existing Notes of their class;
- e) the Notes were issued at an issue price of \$0.0009 (0.09 cents) per Note;
- f) the purpose of the issue was to settle the interest payable as at 30 June 2020 to the existing Noteholders of the Company; and
- g) There were no funds raised from the issue of Notes.

#### **Board Recommendation**

The Board recommends that shareholders vote in favour of Resolution 4 and ratify the prior issue of 2,273,015 Notes as described above.

#### **Voting Exclusions**

Refer Note 6 for voting exclusions on this resolution.

#### **Resolutions 5, 6 and 7: Approval to Issue of Fully Paid Ordinary Shares to Directors**

To facilitate the purposes of maintaining financial liquidity, minimising cash outflows and remunerating the Directors for their extensive contribution towards promoting the Company's operations, the Company under Resolutions 5 to 7 of this Notice seek Shareholder approval for the purpose of Listing Rule 10.11 and all other purposes to issue fully paid ordinary shares to Directors of the Company as consideration for of up to 100% of their current outstanding Director's fees as per the election of each Director as set out below. The deemed issue price of the Shares will be \$0.001 (0.1 cents) per Share.

#### **Directors' Outstanding and Remuneration Packages and Interests**

As at the date of this Notice, the details (including the amount) of all amounts payable in relation to remuneration (*up until 31 January 2021*) in addition to the total remuneration package of each of the Directors to whom (or to whose nominee(s)) Shares would be issued if Resolutions 5, 6 and 7 are passed are:

| <b>Resolution</b> | <b>Director</b>    | <b>Fees Payable</b> | <b>Maximum Shares to be issued</b> | <b>Remuneration Package</b>  |
|-------------------|--------------------|---------------------|------------------------------------|--|
| 5                 | Mr Nicholas Mather | \$41,750.63         | 41,750,627                         | Directors fees of \$33,333 per annum.  |
| 6                 | Mr Roland Sleeman  | \$13,302.75         | 13,302,750                         | Package consists of a monthly retainer of \$6,500 per month with any work in excess of 40 hours per month charged at a rate of \$230 per hour for CEO services provided in addition to Directors fees of \$33,333 per annum. |
| 7                 | Mr Richard Ash     | \$59,269.10         | 59,269,102                         | Directors fees of \$33,333 per annum in addition to Company Secretarial fees of \$33,333 per annum.  |

The relevant interests of the related parties in Shares of the Company and the potential future voting power of each Directors based on the issues of Shares in lieu of Directors fees are set out below:

| Resolution No | Director           | Shares currently held | % Voting power | Maximum No. of Shares to be issued* | Shares held post Resolution approval | % Voting power* |
|---------------|--------------------|-----------------------|----------------|-------------------------------------|--------------------------------------|-----------------|
| 5             | Mr Nicholas Mather | 120,000,093           | 0.36%          | 41,750,627                          | 161,750,720                          | 0.48%           |
| 6             | Mr Roland Sleeman  | 152,842,202           | 0.45%          | 13,302,750                          | 166,144,952                          | 0.49%           |
| 7             | Mr Richard Ash     | 262,931,140           | 0.78%          | 59,269,102                          | 322,200,242                          | 0.95%           |

\*Note: These figures are based on the maximum number of Shares that will be issued under Resolutions 5, 6 and 7 as it has been assumed that the floor issue price of \$0.001 (0.1 cents) is the deemed issue price. The above table does not take into consideration the conversion of any Convertible Notes into Fully Paid Ordinary Shares.

### Corporations Act

The Board (with interested Director abstaining for his own resolution) has formed the view that the issue of Shares pursuant to Resolutions 5, 6 and 7, falls within the exception under section 211 of the Corporations Act (reasonable remuneration) given the circumstances of the Company and the position held by the Directors. Accordingly, the Directors are not seeking Shareholder approval under section 208 of the Corporations Act, although Shareholder approval must be obtained pursuant to Listing Rule 10.11.

A “financial benefit” is defined in section 229 of the Corporations Act and includes granting an option to a related party.

Section 228 of the Corporations Act defines a “related party” for the purposes of Chapter 2E to include:

- directors of the public company (section 228(2)(a)); and
- an entity controlled by directors of the public company (section 228(4)). Section 228(5) provides that an entity is a related party of a public company at a particular time if the entity was a related party of the public company of a kind referred to in subsection (1), (2), (3) or (4) at any time within the previous 6 months.

In reaching this view, the Board considers the proposed issue of Shares aligns the interests of each of the above Directors with the interests of Shareholders. The issue of Shares to each of the above Directors is a cost-effective form of remuneration when compared to the payment of cash consideration.

Consistent with the desire to minimise cash expenditures, the Board believes that having regard to the Company's current cash position, and the Company's objective to use available cash to fund its operations in the near future, and in order to compensate the above Directors in line with current market practices, Shares provide an appropriate and meaningful remuneration component to the above Directors that is aligned with Shareholder interests.

Each recipient of the proposed Shares was not present during the decision-making process, including any decision to put to shareholders for the proposed issue of their respective Shares or otherwise regarding the proposed issues of their respective Shares. If Resolutions 5, 6 and 7 are passed and the Shares are issued, each of the Directors proposed to receive securities under Resolutions 5, 6 and 7 (including direct and indirect interests) will have a relevant interest as set out in the table above.

### ASX Listing Rule 10.11

Listing Rule 10.11 provides that a listed company must not, without the approval of shareholders issue or agree to issue equity securities to certain persons, including:

- 10.11.1: related party; or
- 10.11.4: an associate of a related party.

The proposed issue of the Shares falls within Listing Rules 10.11.1 above, as the proposed recipients of the Shares are directors of the Company and are therefore related parties of the Company. The proposed issue of the Shares therefore requires the approval of the Company's shareholders under Listing Rule 10.11.

Resolutions 5, 6 and 7 seek the required shareholder approval to the issue under and for the purposes of Listing Rule 10.11.

If Resolutions 5, 6 and 7 are passed, the Company will be able to proceed with the issue of the Shares and the Directors (or their nominee(s)) will receive the numbers of Shares set out in the tables below, with the increase in their remuneration and potentially increase in their shareholdings as described therein.

If all or any of Resolutions 5, 6 and 7 are not passed, the Company will not proceed with the issue of the Shares to the applicable Director(s), and the applicable Director(s) (or their nominee(s)) will not receive the Shares as described on table below within the explanatory statement. The Company will then be liable to pay such Director fee in cash to the applicable Director(s).

If approvals are given under ASX Listing Rule 10.11, approvals are not required under ASX Listing Rule 7.1.

The following information is given under ASX Listing Rule 10.13 in respect of the proposed issues of Shares to each Director under Resolutions 5, 6 and 7 (respectively):

- (a) the proposed recipients are Mr Nicholas Mather, Mr Roland Sleeman and Mr Richard Ash, each of whom is a Director of the Company, or their respective nominee(s) (each of which would be an associate of the respective Director);
- (b) each of the proposed recipients are related parties of the Company as each of them is a director of the Company as referred to under Listing Rule 10.11.1;
- (c) the maximum number of Shares proposed to be issued by the Company to each Director has been determined by dividing the total current directors' fees payable a price of \$0.001 (0.1 cents) per Share as outlined in the table set out above;
- (d) The Shares will be issued as remuneration and as such there will be no funds will be raised through the issue of Shares, but the Company will be able to reduce its current and future liabilities in relation to director's fees by the amounts specified within the table above;
- (e) the shares will be issued no later than one month after the date of the meeting; and
- (f) the current total remuneration packages of each of Mr Nick Mather, Mr Richard Ash and Mr Roland Sleeman are set out in the table above.

#### **Board Recommendation**

The Board (with the respective directors abstaining in relation to the relevant Resolution regarding their own proposed Shares) recommends that shareholders vote in favour of this Resolutions 5, 6 and 7.

#### **Voting Exclusions**

Refer Note 6 for voting exclusions on this resolution.

#### **Resolution 8: Approval to Issue Unlisted Convertible Redeemable Notes and Royalty Units to Mr Roland Sleeman**

The Company is seeking Shareholder approval for the issue of up to a total of 615,490,767 Unlisted Convertible Redeemable Notes (**Notes**) in the Company at \$0.0009 (0.09 cents) per Note with an attaching 597,570 (of which 38,033 relates to notes issued to existing Noteholders prior to the December 20 Note issues as noted in the Key Terms of the Royalty trust and 559,537 attaching the current Notes seeking shareholder approval) royalty units under the Royalty Agreement to Mr Roland Sleeman (or his nominee(s)). The issue of Notes and royalty units is in consideration of funds advanced by Mr Roland Sleeman to the Company.

The Company has recently established the LKO Royalty Trust, being a fixed trust that has a right to a 12% royalty over specified tenements of the Company, such royalty to be distributed to unit holders in accordance with the trust deed. There are 6 million units in the trust of which 1,850,464 units are held by the Company. The remaining units have been (or subject to this Resolution and Resolution 9, will be) allocated to:

- a) entities that participated in the Company's \$3.1m capital raising, by issue of Convertible Notes, that took place in December 2020; or
- b) entities that held Convertible Notes prior to the December 2020 capital raising, in consideration for those entities giving approval for establishment of the LKO Royalty Trust.

## Key Terms of Royalty Trust

1. The royalty arrangement will involve subscribers being issued with unit(s) ('Royalty Units') in a fixed trust. Each Royalty Unit has a face value of one cent. The trust has a total of 6 million units.
2. The fixed trust will itself have an entitlement to receive a 12% royalty upon the Company's share of the wellhead value petroleum (if any) produced from Petroleum Retention Lease 2 or Petroleum Exploration Permits 167, 169 or 175 in Victoria ('Royalty Tenements').
3. The wellhead value for the purpose of royalty calculation is the same as that used for the purpose of calculation of royalties payable by the Company to the Victorian Government.
4. For each one million dollars subscribed the subscriber will receive a royalty entitlement 2% (pro rata for lesser or greater subscriptions).
5. Royalty Units will also be issued to existing holders of Convertible Notes. The royalty entitlement of existing holders will be issued on the basis of an approximate 2% entitlement for the approximately 5,437,552,204 of Convertible Notes on issue prior to the December-20 issues. The issue of Royalty Units to existing holders of Convertible Notes was necessary in order to obtain approval from the existing Noteholders for establishment of the royalty arrangement, noting that Convertible Notes are secured by a charge over the assets of the Company and the creation of the royalty arrangement disposes of an asset that they currently have security over.
6. The trustee of the fixed trust will have no discretion regarding distribution of royalty income. All royalty income earned by the fixed trust will be distributed to unit holders in accordance with the trust deed that will establish the fixed trust.
7. No application will be made for Royalty Units to be quoted.
8. There are no participating rights or entitlements inherent in the Royalty Units and the holders will not be entitled to participate in future issues or pro-rata issues of capital to Shareholders.
9. Royalty Unit holders' royalty entitlement will be preserved in the event of any replacement or sale of any Royalty Tenement.
10. Royalty income is not guaranteed and is considered to be highly speculative.

## Key Terms of the Unlisted Convertible Redeemable Notes

1. The Notes will have an issue price and face value of 0.09 cents per Convertible Note.
2. Interest will be paid half yearly in arrears at a rate of 15% per annum. Interest may be paid at Lakes Oil's election by the issue of further Notes.
3. The maturity date of the Notes, if not earlier converted, will be 31 December 2021.
4. The Company may redeem the Notes prior to the maturity date at any time after 31 December 2020 upon 15 days' notice. Upon the issue of an early redemption notice, if Notes are not subsequently converted then the Notes will be redeemed by the Company at 103% of their face value.
5. Notes are convertible at any time at the election of the Noteholder into one ordinary share in Company subject to usual adjustment mechanisms in certain circumstances.
6. Notes will be secured by a first ranking charge over Company's assets.
7. No dividends may be declared or paid by the Company whilst the Notes are on issue.
8. The Notes have been issued as per the terms of a Royalty Trust noted above.

## **Corporations Act**

The Board has formed the view that the issues of units within the royalty trust to the above Director (or their respective nominee(s)) do not require Shareholder approval under section 208 of the Corporations Act as the issues constitute securities issued on an arms length transaction in accordance with section 210 of the Corporations Act. As the Company has issued the securities to other professional and sophisticated investors and the terms are the same, the Board considers the exemption applies. Accordingly, the Directors are not seeking Shareholder approval under section 208 of the Corporations Act, although Shareholder approval must be obtained pursuant to Listing Rule 10.11.

A "financial benefit" is defined in section 229 of the Corporations Act and includes granting a unit in a royalty trust to a related party.

Section 228 of the Corporations Act defines a "related party" for the purposes of Chapter 2E to include:

- directors of the public company (section 228(2)(a)); and
- an entity controlled by directors of the public company (section 228(4)). Section 228(5) provides that an entity is a related party of a public company at a particular time if the entity was a related party of the public company of a kind referred to in subsection (1), (2), (3) or (4) at any time within the previous 6 months.

## ASX Listing Rule 10.11

Listing Rule 10.11 provides that a listed company must not, without the approval of shareholders, issue or agree to issue equity securities to certain persons, including:

- 10.11.1: related party; or
- 10.11.4: an associate of a related party.

The proposed issue of the Notes falls within Listing Rules 10.11.1 above, as the proposed recipients of the Notes and Royalty units is a director of the Company and is therefore a related party of the Company. The proposed issue of the Notes and Royalty units therefore requires the approval of the Company's shareholders under Listing Rule 10.11.

Resolution 8 seeks the required shareholder approval to the issue Notes and Royalty units under and for the purposes of Listing Rule 10.11.

If Resolution 8 is passed, the Company will be able to proceed with the issue of the Notes and Royalty units and Mr Sleeman (or his nominee(s)) which will receive 615,490,767 Notes with an attaching 597,570 royalty units, with potential increase in his shareholdings as described in the table below.

If Resolution 8 is not passed, the Company will not proceed with the issue of 615,490,767 Notes with an attaching 597,570 royalty units to Mr Roland Sleeman (or his nominee(s)) and the Company will repay the funds advanced in cash to Mr Roland Sleeman (or his nominee(s)).

If approvals are given under ASX Listing Rule 10.11, approvals are not required under ASX Listing Rule 7.1.

The following information is given under ASX Listing Rule 10.13 in respect of the proposed issues of Notes to Mr Roland Sleeman (or his nominee(s)) under Resolution 8:

- (a) the proposed recipient is Mr Roland Sleeman who is a Director of the Company, or his nominee(s) (each of which would be an associate of Mr Sleeman);
- (b) approval is being sought under ASX Listing Rule 10.11.1 for Mr Sleeman being a Director of the Company;
- (c) the maximum number and class of securities proposed to be issued are 615,490,767 Notes with an attaching 597,570 royalty units in the Company;
- (d) that subject to Shareholder approval, the Notes and royalty units will be issued no later than one month after the date of the Meeting;
- (e) the royalty units are issued on the basis 1 unit each \$1.00 of funds advanced with attaching royalty on basis of 2% royalty over specified assets.
- (f) the Notes carry a face value of \$0.0009 (0.09 cents).
- (g) the funds raised will be utilised towards Company's on-going projects and general working capital utilisation.

### **Board Recommendation**

The Board (with Mr. Sleeman abstaining) recommends that the Shareholders vote in favour of Resolution 8.

### **Voting Exclusions**

Refer Note 6 for voting exclusions on this resolution.

### **Resolution 9: Approval to Issue Unlisted Convertible Redeemable Notes and Royalty Units to Mr Nick Mather**

The Company is seeking Shareholder approval for the issue of up to a total of 566,500,000 Unlisted Convertible Redeemable Notes (**Notes**) in the Company at \$0.0009 (0.09 cents) per Note with an attaching 515,000 royalty units under the Royalty Agreement to Mr Nick Mather (or his nominee(s)). The issue of Notes and royalty units is in consideration of funds advanced by Mr Roland Sleeman to the Company.

The Company has recently established the LKO Royalty Trust, being a fixed trust that has a right to a 12% royalty over specified tenements of the Company, such royalty to be distributed to unit holders in accordance with the trust deed. There are 6 million units in the trust of which 1,850,464 units are held by the Company. The remaining units have been (or subject to this Resolution and Resolution 8, will be) allocated to:

- a) entities that participated in the Company's \$3.1m capital raising, by issue of Convertible Notes, that took place in December 2020; or
- b) entities that held Convertible Notes prior to the December 2020 capital raising, in consideration for those entities giving approval for establishment of the LKO Royalty Trust.



## Key Terms of Royalty Trust

1. The royalty arrangement will involve subscribers being issued with unit(s) ('Royalty Units') in a fixed trust. Each Royalty Unit has a face value of one cent. The trust has a total of 6 million units.
2. The fixed trust will itself have an entitlement to receive a 12% royalty upon the Company's share of the wellhead value petroleum (if any) produced from Petroleum Retention Lease 2 or Petroleum Exploration Permits 167, 169 or 175 in Victoria ('Royalty Tenements').
3. The wellhead value for the purpose of royalty calculation is the same as that used for the purpose of calculation of royalties payable by the Company to the Victorian Government.
4. For each one million dollars subscribed the subscriber will receive a royalty entitlement 2% (pro rata for lesser or greater subscriptions).
5. Royalty Units will also be issued to existing holders of Convertible Notes. The royalty entitlement of existing holders will be issued on the basis of an approximate 2% entitlement for the approximately 5,437,552,204 of Convertible Notes on issue prior to the December-20 issues. The issue of Royalty Units to existing holders of Convertible Notes was necessary in order to obtain approval from the existing Noteholders for establishment of the royalty arrangement, noting that Convertible Notes are secured by a charge over the assets of the Company and the creation of the royalty arrangement disposes of an asset that they currently have security over.
6. The trustee of the fixed trust will have no discretion regarding distribution of royalty income. All royalty income earned by the fixed trust will be distributed to unit holders in accordance with the trust deed that will establish the fixed trust.
7. No application will be made for Royalty Units to be quoted.
8. There are no participating rights or entitlements inherent in the Royalty Units and the holders will not be entitled to participate in future issues or pro-rata issues of capital to Shareholders.
9. Royalty Unit holders' royalty entitlement will be preserved in the event of any replacement or sale of any Royalty Tenement.
10. Royalty income is not guaranteed and is considered to be highly speculative.

## Key Terms of the Unlisted Convertible Redeemable Notes

1. The Notes will have an issue price and face value of 0.09 cents per Convertible Note.
2. Interest will be paid half yearly in arrears at a rate of 15% per annum. Interest may be paid at Lakes Oil's election by the issue of further Notes.
3. The maturity date of the Notes, if not earlier converted, will be 31 December 2021.
4. The Company may redeem the Notes prior to the maturity date at any time after 31 December 2020 upon 15 days' notice. Upon the issue of an early redemption notice, if Notes are not subsequently converted then the Notes will be redeemed by the Company at 103% of their face value.
5. Notes are convertible at any time at the election of the Noteholder into one ordinary share in Company subject to usual adjustment mechanisms in certain circumstances.
6. Notes will be secured by a first ranking charge over Company's assets.
7. No dividends may be declared or paid by the Company whilst the Notes are on issue.
8. The Notes have been issued as per the terms of a Royalty Trust noted above.

## **Corporations Act**

The Board has formed the view that the issues of units within the royalty trust to the above Director (or their respective nominee(s)) do not require Shareholder approval under section 208 of the Corporations Act as the issues constitute securities issued on an arms length transaction in accordance with section 210 of the Corporations Act. As the Company has issued the securities to other professional and sophisticated investors and the terms are the same, the Board considers the exemption applies. Accordingly, the Directors are not seeking Shareholder approval under section 208 of the Corporations Act, although Shareholder approval must be obtained pursuant to Listing Rule 10.11.

A "financial benefit" is defined in section 229 of the Corporations Act and includes granting a unit in a royalty trust to a related party.

Section 228 of the Corporations Act defines a "related party" for the purposes of Chapter 2E to include:

- directors of the public company (section 228(2)(a)); and
- an entity controlled by directors of the public company (section 228(4)). Section 228(5) provides that an entity is a related party of a public company at a particular time if the entity was a related party of the public company of a kind referred to in subsection (1), (2), (3) or (4) at any time within the previous 6 months.

## ASX Listing Rule 10.11

Listing Rule 10.11 provides that a listed company must not, without the approval of shareholders, issue or agree to issue equity securities to certain persons, including:

- 10.11.1: related party; or
- 10.11.4: an associate of a related party.

The proposed issue of the Notes falls within Listing Rules 10.11.1 above, as the proposed recipients of the Notes and Royalty units is a director of the Company and is therefore a related party of the Company. The proposed issue of the Notes and Royalty units therefore requires the approval of the Company's shareholders under Listing Rule 10.11.

Resolution 9 seeks the required shareholder approval to the issue Notes and Royalty units under and for the purposes of Listing Rule 10.11.

If Resolution 9 is passed, the Company will be able to proceed with the issue of the Notes and Royalty units and Mr Mather (or his nominee(s)) which will receive 566,500,000 Notes with an attaching 515,000 royalty units, with potential increase in his shareholdings as described in the table below.

If Resolution 9 is not passed, the Company will not proceed with the issue of 566,500,000 Notes with an attaching 515,000 royalty units to Mr Nick Mather (or his nominee(s)) and the Company will repay the funds advanced in cash to Mr Nick Mather (or his nominee(s)).

If approvals are given under ASX Listing Rule 10.11, approvals are not required under ASX Listing Rule 7.1.

The following information is given under ASX Listing Rule 10.13 in respect of the proposed issues of Notes to Mr Nick Mather (or his nominee(s)) under Resolution 9:

- (h) the proposed recipient is Mr Nick Mather who is a Director of the Company, or his nominee(s) (each of which would be an associate of Mr Mather);
- (i) approval is being sought under ASX Listing Rule 10.11.1 for Mr Mather being a Director of the Company;
- (j) the maximum number and class of securities proposed to be issued are 566,500,000 Notes with an attaching 515,000 royalty units in the Company;
- (k) that subject to Shareholder approval, the Notes and royalty units will be issued no later than one month after the date of the Meeting;
- (l) the royalty units are issued on the basis 1 unit each \$1.00 of funds advanced with attaching royalty on basis of 2% royalty over specified assets.
- (m) the Notes carry a face value of \$0.0009 (0.09 cents).
- (n) the funds raised will be utilised towards Company's on-going projects and general working capital utilisation.

### **Board Recommendation**

The Board (with Mr. Mather abstaining) recommends that the Shareholders vote in favour of Resolution 9.

### **Voting Exclusions**

Refer Note 6 for voting exclusions on this resolution.

## **Resolution 10: Approval of 10% Placement Facility**

### **Background**

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12-month period after the Annual General Meeting ("**10% Placement Facility**"). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is, at the date of this Notice, an eligible entity.

The Company is seeking shareholder approval by way of a special resolution to have the ability, if required, to issue Equity Securities under the 10% Placement Facility. The effect of this resolution will be to allow the Directors to issue Equity Securities under Listing Rule 7.1A during the 10% Placement Period (as described below) without using the Company's 15% placement capacity under Listing Rule 7.1.

If Shareholders approve this resolution, the number of Equity Securities permitted to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (see below).

If this Resolution is passed, the Company will be able to issue equity securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without further shareholder approval.

If this Resolution is not passed, the Company will not be able to access the additional 10% capacity to issue equity securities without shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing equity securities without shareholder approval set out in Listing Rule 7.1

If Shareholders do not approve Resolution 4, the Company will not be able to access the additional 10% capacity to issue equity securities without Shareholder approval provided for under Listing Rule 7.1A and will remain subject to the 15% limit on issuing equity securities without Shareholder approval set out in Listing Rule 7.1.

This resolution is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote at this Meeting (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

### **Description of Listing Rule 7.1A**

#### *(a) Shareholder approval*

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an Annual General Meeting. This means it requires approval of 75% of the votes cast by shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate shareholder, by a corporate representative).

#### *(b) Equity Securities*

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue two classes of Equity Securities, quoted Fully Paid Ordinary Shares and Unquoted Options.

#### *(c) Formula for calculating 10% Placement Facility*

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an Annual General Meeting may issue or agree to issue, during the 12 month period after the date of the Annual General Meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

**A** is the number of shares on issue at the commencement of the “relevant period” (which, for the Company, is the 12 month period immediately preceding the date of the issue or agreement):

- (A) plus the number of fully paid shares issued in the relevant period under an exception in Listing Rule 7.2, other than exception 9, 16 or 17;
- (B) plus the number of fully paid shares issued in the relevant period on the conversion of convertible securities within rule 7.2 exception 9 where:
  - (i) the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
  - (ii) the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under rule 7.1 or rule 7.4;
- (C) plus the number of fully paid shares issued in the relevant period under an agreement to issue securities within rule 7.2 exception 16 where:
  - (i) the agreement was entered into before the commencement of the relevant period; or
  - (ii) the agreement or issue was approved, or taken under the Listing Rules to have been approved, under rule 7.1 or rule 7.4;
- (D) plus the number of fully paid shares (D) issued in the relevant period with approval of holders of shares under Listing Rules 7.1 or 7.4.;

- (E) plus the number of partly paid shares that became fully paid in the relevant period;
- (F) less the number of fully paid shares cancelled in the relevant period.

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

**D** is 10%

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the relevant period where the issue or agreement has not been subsequently approved by shareholders under Listing Rule 7.4.

(d) *Listing Rule 7.1 and Listing Rule 7.1A*

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer above).

(e) *Nature of consideration for issue and Minimum Issue Price*

The Equity Securities issued under Listing Rule 7.1A must be issued for a cash consideration per security which must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) *10% Placement Period*

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the Annual General Meeting at which the approval is obtained and expires on the first to occur of the following:

- (i) the date that is 12 months after the date of the Annual General Meeting at which the approval is obtained;
- (ii) the time and date of the Company's next annual general meeting;
- (iii) the time and date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

**(10% Placement Period).**

### **Specific information required by Listing Rule 7.3A**

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The period for which the Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A commences on the date of the Annual General Meeting at which the approval is obtained, being 23 March 2021, and expires on the first to occur of the following:
  - (i) the date that is 12 months after the date of the Annual General Meeting at which the approval is obtained, being 23 March 2022;
  - (ii) the time and date of the Company's next annual general meeting;
  - (iii) the time and date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).
- (b) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities in the same class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(c) The purposes for which the funds raised (cash consideration only) by an issue of Equity Securities under rule 7.1A.2 may be used by the Company include:

- (i) advancements of the Company's current and future exploration tenements; and
- (ii) general working capital.

(d) If this resolution is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. Shareholders may also be exposed to economic risk and voting dilution, including the following:

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

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The below table shows the dilution of existing Shareholders on the basis of the market price of Shares as at 10 February 2021 (**Current Share Price: Note this is the previously traded price given the securities have been suspended**) and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows:

- two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

| Variable 'A' in Listing Rule 7.1A.2                          |                     | Issue Price   |                                   |   |
|--|---------------------|---|-----------------------------------|---|
|  |                     | \$0.0005<br>50% decrease in<br>Current Share<br>Price | \$0.001<br>Current Share<br>Price | \$0.002<br>100% increase in<br>Current Share<br>Price |
| Current Variable A<br>33,677,086,481 Shares                  | 10% Voting Dilution | 3,367,708,648 Shares                                  |                                   |   |
|  | Funds raised        | \$1,683,854   | \$3,367,709                       | \$6,735,417   |
| 50% increase in current Variable A<br>50,515,629,722 Shares  | 10% Voting Dilution | 5,051,562,972 Shares                                  |                                   |   |
|  | Funds raised        | \$2,525,781   | \$5,051,563                       | \$10,103,126  |
| 100% increase in current Variable A<br>67,354,172,962 Shares | 10% Voting Dilution | 6,735,417,296 Shares                                  |                                   |   |
|  | Funds raised        | \$3,367,709   | \$6,735,417                       | \$13,470,835  |

The table has been prepared on the following assumptions:

- The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- No Options or Performance Rights (including any Options or Performance Rights issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities;

- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Annual General Meeting.
- The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Options or Performance Rights, it is assumed that those Options or Performance Rights are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- The Current Share Price is **\$0.001** (0.1 cent), being the closing price of the Shares on ASX on **10 February 2021**.

- (e) The Company will comply with the disclosure obligations under Listing Rule 7.1A(4) upon issue of any Equity Securities.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to relevant factors including, but not limited to, the following:

- (i) the methods of raising funds that are available to the Company, including, but not limited to, rights issues or other issues in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders, subject to compliance with Listing Rule 10.11, and/or new Shareholders who are not related parties or associates of a related party of the Company.

- (f) The Company:
- (i) has not issued, nor agreed to issue, any Equity Securities under Rule 7.1A.2 in the 12-month period preceding the date of the Meeting; and
  - (ii) had not agreed, before the 12-month period referred to in the preceding paragraph, to issue any Equity Securities under rule 7.1A.2 where such securities remain unissued as at the date of the Meeting.

### **Board Recommendation**

The Board believes that Resolution 10 is in the best interests of the Company recommends that Shareholders vote in favour of this Resolution. The Chairman of the Meeting intends to vote undirected proxies in favour of this Resolution.

### **Voting Exclusions**

Refer Note 6 for voting exclusions on this resolution.

## **Resolution 11: Change of Company Name**

### **Background**

The Board believes that the name of the Company should be reflective of its strategic direction.

This Resolution is a special resolution which seeks approval of the Shareholders for the Company to change its name. Subject to the Resolution being passed, the Company proposes to change its name from "*Lakes Oil N.L.*" to "*Lakes Blue Energy NL*". The change will not, in itself, affect the legal status of the Company or any of its assets or liabilities.

The Company has received no objection from ASX to retain the current ASX ticker "LKO". As such, subsequent to the name change, if approved by the Shareholders, there will be no change in the ASX tickers of the Company's securities.

**Why approval is required under Section 157 of the Corporations Act**

In accordance with Section 157 of the Corporations Act, Shareholder approval of this Resolution by special resolution is required.

Following Shareholder approval, the Company will make an application to ASIC for the change of name to "Lakes Blue Energy NL". The new name will take effect on the issue of a certificate of registration of change of name by ASIC.

This Resolution is a special resolution. In this regard, at least 75% of the votes cast by Shareholders present and eligible to vote (in person or by proxy) at the Meeting must be in favour of the Resolution for it to be passed.

**Board Recommendation**

The Board recommends that shareholders vote in favour of Resolution 11.

**Voting Exclusions**

There are no voting exclusions applicable to this Resolution.

## GLOSSARY

The following terms have the following meanings in this Explanatory Statement:

“\$” means Australian Dollars;

“**10% Placement Facility**” has the meaning as defined in the Explanatory Statement for Resolution 11;

“**10% Placement Period Facility**” has the meaning as defined in the Explanatory Statement for Resolution 11;

“**Annual Report**” means the Directors’ Report, the Financial Report, and Auditor’s Report, in respect to the year ended 30 June 2020;

“**ASX**” means ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange, as the context requires;

“**Auditor’s Report**” means the auditor’s report on the Financial Report;

“**AEDT**” means Australian Eastern Daylight Time.

“**Board**” means the Directors acting as the board of Directors of the Company or a committee appointed by such board of Directors;

“**Chairman**” means the person appointed to chair the Meeting of the Company convened by the Notice;

“**Closely Related Party**” means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

“**Company**” means Lakes Oil NL ACN 004 247 214;

“**Constitution**” means the constitution of the Company as at the date of the Meeting;

“**Convertible Security**” means a security of the Company which is convertible into shares;

“**Corporations Act**” means the Corporations Act 2001 (Cth);

“**Director**” means a Director of the Company;

“**Directors Report**” means the annual directors’ report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;

“**Equity Security**” has the same meaning as in the Listing Rules;

“**Explanatory Statement**” means the explanatory statement which forms part of the Notice;

“**Financial Report**” means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;

“**Key Management Personnel**” means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company;

“**Listing Rules**” means the Listing Rules of the ASX;

“**Meeting**” has the meaning given in the introductory paragraph of the Notice;

“**Notice**” means the Notice of Meeting accompanying this Explanatory Statement;

“**Option**” means a right to acquire a Share;

“**Performance Right**” means a right to acquire a Share;

“**Proxy Form**” means the proxy form attached to the Notice;

“**Remuneration Report**” means the remuneration report which forms part of the Directors’ Report of Lakes Oil NL for the financial year ended 30 June 2020 and which is set out in the 2020 Annual Report.

“**Resolution**” means a resolution referred to in the Notice;

“**Share**” means a fully paid ordinary share in the capital of the Company;

“**Shareholder**” means shareholder of the Company;

“**Trading Day**” means a day determined by ASX to be a trading day in accordance with the Listing Rules;

“**Notes**” means Unlisted Convertible Redeemable Notes in the Company;

“**Noteholder**” means any person (including a Director or a Director’s nominee) holding an Unlisted Convertible Redeemable Note with a face value of \$0.0009 (0.09 cents) per Note in the Company; and

“**VWAP**” means volume weighted average price.





# LAKES OIL N.L.

(ABN 62 004 247 214)

## Need assistance?



**Phone:**

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



**Online:**

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



LKO

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **11:00am (AEDT) on Sunday, 21 March 2021.**

# 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](http://www.investorcentre.com) under the help tab, "Printable Forms".

## Lodge your Proxy Form:

**XX**

### 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: 999999**

**SRN/HIN: I999999999**

**PIN: 99999**

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.

MR SAM SAMPLE  
 FLAT 123  
 123 SAMPLE STREET  
 THE SAMPLE HILL  
 SAMPLE ESTATE  
 SAMPLEVILLE VIC 3030

**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.



I 9999999999

I ND

# Proxy Form

Please mark  to indicate your directions

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

XX

I/We being a member/s of Lakes Oil N.L. hereby appoint

the Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman 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 Chairman 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 Annual General Meeting of Lakes Oil N.L. to be held online on Tuesday, 23 March 2021 at 11:00am (AEDT) and at any adjournment or postponement of that meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 5, 6, 7, 8 and 9 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1, 5, 6, 7, 8 and 9 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 5, 6, 7, 8 and 9 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 poll and your votes will not be counted in computing the required majority.

| ORDINARY BUSINESS |  |                          | For                      | Against                  | Abstain |  |  |  | For | Against | Abstain |
|-------------------|--|--------------------------|--------------------------|--------------------------|---------|--|--|--|-----|---------|---------|
| 1.                | Adoption of Remuneration Report  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |         |  |  |  |     |         |         |
| 2.                | Re-election of Mr. Richard Ash as a Director of the Company                                    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |         |  |  |  |     |         |         |
| 3.                | Approval to Issue Shares to Acuity   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |         |  |  |  |     |         |         |
| 4.                | Ratification of prior issue of Unlisted Convertible Redeemable Notes                           | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |         |  |  |  |     |         |         |
| 5.                | Approval to Issue Fully Paid Ordinary Shares to Mr Nick Mather                                 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |         |  |  |  |     |         |         |
| 6.                | Approval to Issue Fully Paid Ordinary Shares to Mr Roland Sleeman                              | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |         |  |  |  |     |         |         |
| 7.                | Approval to Issue Fully Paid Ordinary Shares to Mr Richard Ash                                 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |         |  |  |  |     |         |         |
|                   |  |                          |                          |                          |         |  |  |  |     |         |         |
| 8.                | Approval to Issue Unlisted Convertible Redeemable Notes and Royalty Units to Mr Roland Sleeman | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |         |  |  |  |     |         |         |
| 9.                | Approval to Issue Unlisted Convertible Redeemable Notes and Royalty Units to Mr Nick Mather    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |         |  |  |  |     |         |         |
| SPECIAL BUSINESS  |  |                          |                          |                          |         |  |  |  |     |         |         |
| 10.               | Approval of 10% Placement Facility   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |         |  |  |  |     |         |         |
| 11.               | Change of Company Name   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |         |  |  |  |     |         |         |

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman 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         | Securityholder 2     | Securityholder 3           | / /  |
| <input type="text"/>                   | <input type="text"/> | <input type="text"/>       |      |
| Sole Director & Sole Company Secretary | Director             | Director/Company Secretary | Date |

**Update your communication details** (Optional)

|                      |                      |
|----------------------|----------------------|
| Mobile Number        | Email Address        |
| <input type="text"/> | <input type="text"/> |

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

