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**LAKES BLUE ENERGY NL (ASX: LKO)**

**ACN 004 247 214**

**NOTICE OF ANNUAL GENERAL MEETING**

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Notice is given that the **Annual General Meeting** will be held at:

**TIME:** 10.00am (AEDT)

**DATE:** Friday, 25 March 2022

**PLACE:** Level 23, Governor Macquarie Tower  
1 Farrer Place, Sydney NSW 2000

**2021 Annual Report**

A copy of Lakes Blue Energy NL's 2021 Annual Report, including the financial report, directors' report and auditors report for the year ended 30 June 2021 is available on the Company's website at <https://lakeblueenergy.com.au>

21<sup>st</sup> February 2022

Dear Shareholder,

It is with great pleasure that my fellow Directors and I look forward to your attendance at Lakes Blue Energy's Annual General Meeting on 25<sup>th</sup> March 2022. The meeting will be held in the Sydney office of Piper Alderman Lawyers, but will also be screened live via a link that can be found on the Company's website.

This will be the first Company meeting since our re quoting on the ASX with an exciting outlook for the future. We have funding in place for the Company to pursue its vision and by the time of the meeting, we will know the outcome of drilling at Wellesley, in Queensland, and will be to provide an update on exploration prospects in Victoria, where exploration is at last allowed again.

Perhaps as a reflection of the number, prospectivity and size of Lakes Blue Energy's exploration opportunities, the Company's recent share offer was fully subscribed and, but for the initiatives requiring your approval in this Notice of Meeting, would have been oversubscribed. To avoid oversubscription and consequent scaling back of entitlements, a number of the offer underwriter's clients were prepared to delay their applications and, instead, await shareholder approval for issue of shares. Similarly, the Directors, all of whom have also voluntarily put their existing shareholding into 6-month escrow, delayed their applications, which in any case require shareholder approval.

In view of the above, the agenda for the forthcoming AGM features numerous resolutions relating to issue of shares on the same terms as the recent fund raising and we seek your support for them. Unfortunately, to ensure regulatory compliance, this is unavoidable and I thank you for your patience.

Finally, in addition to looking forward to your attendance at the forthcoming AGM, I thank you all, old and new shareholders alike, for your support of Lakes Blue Energy. The Company looks forward to realising the potential of its portfolio and, to delivering significant shareholder value for you

Yours sincerely

A handwritten signature in black ink, appearing to read "Richard Ash".

Richard Ash  
Chairman  
Lakes Blue Energy N.L

For personal use only

# LAKES BLUE ENERGY NL

ACN 004 247 214

## NOTICE OF ANNUAL GENERAL MEETING 10.00am (AEDT) on Friday, 25<sup>th</sup> March 2022

Notice is hereby given that the Annual General Meeting of Shareholders (**AGM**) of Lakes Blue Energy NL (**Company** or **LKO**) will be held on **Friday, 25<sup>th</sup> March 2022** at 10.00am (AEDST) at the offices of Piper Alderman, **Level 23, Governor Macquarie Tower, 1 Farrer Place, Sydney NSW 2000**.

The Explanatory Statement that accompanies and forms part of this Notice of Meeting describes in more detail the matters to be considered at the AGM. Please ensure you read the Explanatory Statement in full.

### AGENDA

#### 1. ANNUAL REPORT

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To receive and consider the Annual Financial Report of the Company and its controlled entities for the year ended 30 June 2021 which includes the Financial Report and the Directors' and Auditor's Reports.

#### 2. RESOLUTION 1 – REMUNERATION REPORT

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To consider and, if thought fit, to pass, with or without amendment, the following resolution as a non-binding **advisory resolution**:

*"That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report as contained in the Company's Annual Financial Report for the financial year ended 30 June 2021 be adopted."*

**Note: the vote on this resolution is advisory only and does not bind the Directors or the Company.**

**Voting Exclusion Statement:** In accordance with Section 250R of the Corporations Act, the Company will disregard any votes cast (in any capacity) on Resolution 1 by or on behalf of either of the following persons:

- (a) A member of the Key Management Personnel, details of whose remuneration are included in the remuneration report;
- (b) A closely related party of such a member. A closely related party includes close family members and companies the Key Management Personnel controls.

However, the Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, either in accordance with a direction on the Proxy Form to vote as the proxy decides or pursuant to the express authorisation detailed on the Proxy Voting Form.

### 3. RESOLUTION 2 – RE-ELECTION OF MR. NICK MATHER

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

*"That Mr. Nick Mather, who retires by rotation in accordance with Clause 20 of the Company's Constitution, being eligible, be re-elected as a director of the Company."*

### 4. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE – PROSPECTUS OFFER (LR 7.1)

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To consider and, if thought fit, to pass, with or without amendment, 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 3,308,872,085 fully paid ordinary Shares on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast in favour of Resolution 3 by or on behalf of a person who participated in the issue o, or any associates of those persons.

However, the Company will not disregard a vote cast in favour of Resolution 3 by:

- a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- 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
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - 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
  - the holder votes on the resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

### 5. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE – PROSPECTUS OFFER (LR 7.1A)

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To consider and, if thought fit, to pass, with or without amendment, 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 3,552,140,896 fully paid ordinary Shares on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of a person who participated in the issue or any associates of those persons.

However, the Company will not disregard a vote cast in favour of Resolution 4 by:

- a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- 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
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- 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
- the holder votes on the resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

## **6. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE - CONVERTIBLE NOTES (LR 7.1)**

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To consider and, if thought fit, to pass, with or without amendment, 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 419,448,277 Convertible Notes on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of a person who participated in the issue or any associates of those persons.

However, the Company will not disregard a vote cast in favour of Resolution 5 by:

- a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- 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
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - 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
  - the holder votes on the resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

## **7. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE - CONVERTIBLE NOTES (LR 7.1)**

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To consider and, if thought fit, to pass, with or without amendment, 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 546,977,778 Convertible Notes on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of Resolution 6 by or on behalf of a person who participated in the issue or any associates of those persons.

However, the Company will not disregard a vote cast in favour of Resolution 6 by:

- a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- 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
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - 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
  - the holder votes on the resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

## 8. RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE - CONVERTIBLE NOTES (LR 7.1)

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To consider and, if thought fit, to pass, with or without amendment, 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 1,052,913,204 Convertible Notes on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast in favour of Resolution 7 by or on behalf of a person who participated in the issue or any associates of those persons.

However, the Company will not disregard a vote cast in favour of Resolution 7 by:

- a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- 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
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - 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
  - the holder votes on the resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

## 9. RESOLUTION 8 – APPROVAL TO ISSUE CONVERTIBLE NOTES | SAMUEL CAPITAL

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

*"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 88,161,348 Convertible Notes to Samuel Capital Pty Ltd, an entity associated with Director Nick Mather, or its nominee, in accordance with the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast in favour of Resolutions 8 by or on behalf of Samuel Capital Pty Ltd; or any associates of Samuel Capital Pty Ltd.

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

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- 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
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - 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
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## 10. RESOLUTION 9 – APPROVAL TO ISSUE CONVERTIBLE NOTES | SLEEMAN TRUST

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

*"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 50,770,671 Convertible Notes to Mr. Roland Kingsbury Sleeman as trustee for The Sleeman Trust, in accordance with the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast in favour of Resolutions 9 by or on behalf of Mr. Roland Sleeman; or any associates of Mr. Roland Sleeman.

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

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- 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
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - 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
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## 11. RESOLUTION 10 – APPROVAL TO ISSUE CONVERTIBLE NOTES | SLEEMAN FAMILY SUPER

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

*"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 77,718,936 Convertible Notes to Mrs. Caroline Patricia Sleeman and Mr. Roland Kingsbury Sleeman as trustees for the Sleeman Family Super Fund, in accordance with the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast in favour of Resolutions 10 by or on behalf of Mrs. Caroline Sleeman and Mr. Roland Sleeman; or any associates of Mrs. Caroline Sleeman and Mr. Roland Sleeman.

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

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- 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
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - 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
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## 12. RESOLUTION 11 – APPROVAL TO ISSUE CONVERTIBLE NOTES | SUPER SLEEMAN FUND

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

*"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 3,423,741 Convertible Notes to Mr Stuart Kingsbury Sleeman & Miss Michelle Claire Sleeman & Miss Rebecca Louise Sleeman as trustees for the Super Sleeman Fund, in accordance with the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast in favour of Resolutions 11 by or on behalf of Mr Stuart Kingsbury Sleeman & Miss Michelle Claire Sleeman & Miss Rebecca Louise Sleeman; or any associates of Mr Stuart Kingsbury Sleeman & Miss Michelle Claire Sleeman & Miss Rebecca Louise Sleeman.

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

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- 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
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - 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
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## 13. RESOLUTION 12 – APPROVAL TO ISSUE OF NEW SHARES | NICK MATHER

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

*"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue and allot 31,249,688 new Shares to Samuel Capital Pty Ltd, in accordance with the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast in favour of Resolutions 12 by or on behalf of Samuel Capital Pty Ltd; or any associates of Samuel Capital Pty Ltd.

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

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- 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
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - 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
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.



#### 14. RESOLUTION 13 – APPROVAL TO ISSUE OF NEW SHARES | RICHARD ASH

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

*"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 53,228,634 new Shares to Mr. Richard Ash, or his nominee, in accordance with the terms and conditions set out in the Explanatory Statement.*

**Voting Exclusion:** The Company will disregard any votes cast in favour of Resolutions 13 by or on behalf of Mr. Richard Ash; or any associates of Mr. Richard Ash.

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

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- 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
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - 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
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

#### 15. RESOLUTION 14 – APPROVAL TO ISSUE OF NEW SHARES | ROLAND SLEEMAN

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

*"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 233,044,763 new Shares to Mr. Roland Sleeman, or his nominee in accordance with the terms and conditions set out in the Explanatory Statement.*

**Voting Exclusion:** The Company will disregard any votes cast in favour of Resolution 14 by or on behalf of Mr. Sleeman, or any associates of Mr. Sleeman.

However, the Company will not disregard a vote cast in favour of Resolution 14 by:

- a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- 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
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - 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
  - the holder votes on the resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

## 16. RESOLUTION 15 – APPROVAL TO ISSUE CONVERTIBLE NOTES

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

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, approval is given for the Company to issue 720,820,262 Convertible Notes in accordance with the terms and conditions as set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on Resolution 15 by:

- any person who may participate in the issue of equity securities under this resolution and a person who might obtain a benefit, except a benefit solely in the capacity as a holder of ordinary Shares, if the resolution is passed; and
- any associates of that person.

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

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- 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
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - 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
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## 17. RESOLUTION 16 – APPROVAL TO ISSUE NEW SHARES | SUTTON NOMINEES

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

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, approval is given for the Company to issue 68,750,000 new Shares to Sutton Nominees Pty Ltd as trustee for the W M Gatacre Family Fund in accordance with the terms and conditions as set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on Resolution 16 by Sutton Nominees Pty Ltd and any associates of Sutton Nominees Pty Ltd.

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

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- 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
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - 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

- the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## 18. RESOLUTION 17 - APPROVAL TO ISSUE NEW SHARES | UNDERWRITER

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

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, approval is given for the Company to issue 2,005,000,000 new Shares to Bizzell Capital Partners Pty Ltd, and/or its nominee/s in accordance with the terms and conditions as set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on Resolution 17 by:

- any person who may participate in the issue of equity securities under this resolution and a person who might obtain a benefit, except a benefit solely in the capacity as a holder of ordinary Shares, if the resolution is passed; and
- any associates of that person.

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

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- 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
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - 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
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## 19. RESOLUTION 18 - APPROVAL FOR ADDITIONAL SHARE PLACEMENT CAPACITY

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

*"That, for the purpose of ASX Listing Rule 7.1A and for all other purposes, Shareholders approve giving the Company an additional ten percent (10%) capacity to issue equity securities in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting."*

**Voting Exclusion:** The Company will disregard any votes cast on Resolution 18 by:

- any person who may participate in the issue of equity securities under this resolution and a person who might obtain a benefit, except a benefit solely in the capacity as a holder of ordinary Shares, if the resolution is passed; and
- any associates of that person.

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

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- 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

- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - 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
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## VOTING AND PARTICIPTION

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### Your vote is important

The business of the Meeting affects your shareholding and your vote is important.

### HOW TO VOTE

Shareholders can vote on the resolutions by:

- Submitting their vote before the meeting either online or using the proxy form; or
- At the meeting.

Shareholders are encouraged to lodge their vote prior to the meeting by visiting [www.investorvote.com.au](http://www.investorvote.com.au) and following the instructions **no later than 48 hours before the commencement of the meeting which is at 10.00am (AEDT) on 25 March 2022.**

You may also lodge completed Proxy Forms by mail to:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001

Given changes to Australia Post's services which may see mail take longer to arrive as a result of the COVID-19 pandemic, the Company suggests that you allow additional time if you decide to send your completed voting form by post. Further instructions on direct voting are available on the front of the voting form.

### All Resolutions will be by poll

Each resolution considered at the meeting will be conducted by a poll, rather than on a show of hands.

### Joint holders

When joint holders are named in the register of members, only one joint holder may vote. If more than one of the joint holders is present at the meeting, only the person whose name appears first in the register of members will be entitled to vote. If more than one holder votes at the meeting, only the vote of the first named of the joint holders in the register of members will be counted.

### Proxies

All Shareholders who are entitled to participate in and vote at the AGM have the right to appoint a proxy to participate in the AGM and vote in their place. A proxy need not be a Shareholder and can be an individual or a body corporate.

You can direct your proxy how to vote (i.e. to vote 'for' or 'against', or to 'abstain' from voting on, each resolution) by following the instructions either online or on the hard copy voting form. A proxy may decide whether to vote on an item of business, except where the proxy is required by law or the constitution to vote, or abstain from voting, in his or her capacity as proxy. If a proxy is directed how to vote on an item of business, the proxy may only vote on the item as directed. If a proxy is not directed how to vote on an item of business, the proxy may vote as he or she thinks fit.

For your proxy appointment to be effective, it must be received by Computershare not less than 48 hours before the time for holding the AGM (that is by 10.00am (AEDT) on 23 March 2022).

If you appoint the Chairman as your proxy but do not direct the Chairman on how to vote, then by completing and submitting your voting instructions you are expressly authorising the Chairman to vote in favour of each item of business, even when an item of business is directly or indirectly connected to the remuneration of a member of the key management personnel of LKO. The Chair intends to vote all available (including undirected) proxies in favour of all resolutions, subject to the applicable voting exclusions.

If you are entitled to cast two or more votes, you may appoint two proxies and you may specify the proportion or number of votes that each proxy is appointed to exercise. If your appointment does

not specify the proportion or number of your voting rights, each proxy may exercise half your votes (disregarding fractions).

The appointment of one or more duly appointed proxies will not preclude a Shareholder from attending the meeting and voting personally. If the Shareholder votes on a resolution, the proxy must not vote as the Shareholder's proxy on that resolution.

### **QUESTIONS AND COMMENTS FROM SHAREHOLDERS**

Lakes Blue Energy welcomes questions from Shareholders and proxyholders in the lead up to and during the AGM. In the interests of all participants, please confine your questions to matters being considered at the AGM that are relevant to Shareholders as a whole. It may not be possible to respond to all questions during the AGM and a number of similar questions may be grouped together and answered by the Chairman or management.

#### **Before the meeting**

Shareholders may submit written questions to the Company or the auditor in advance of the AGM by email to the Company Secretary at [elissa.hansen@cosecservices.com.au](mailto:elissa.hansen@cosecservices.com.au) or by post to the Company's share registry (see address details above).

#### **During the meeting**

All Shareholders will have a reasonable opportunity to ask questions during the AGM, including the opportunity to ask questions of the Company's auditor, William Buck.

### **COMMUNICATION WITH SHAREHOLDERS**

By signing up to receive e-communications you will be helping to reduce print, paper and postage costs and the associated environmental impact. To sign up for e-communications visit <https://www.computershare.com/au>. In line with our commitment to the environment and sustainability, unless you elect otherwise we will provide our Annual Reports to you by making them available on our website at <https://lakesblueenergy.com.au/about/corporate/>.

**Dated: 21<sup>st</sup> February 2022**

**By order of the Board**

**Elissa Hansen  
Company Secretary**

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## ANNUAL GENERAL MEETING EXPLANATORY STATEMENT

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This Annual General Meeting (**AGM**) Explanatory Statement has been prepared for the information of Shareholders in connection with the business to be conducted at the AGM.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the General Meeting resolutions.

### 1. ANNUAL REPORT

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#### 1.1 General

The first agenda item is to receive the Annual Report of the Company for the year ended 30 June 2021.

#### 1.2 Corporations Act

Section 317 of the *Corporations Act 2001 (Cth)* requires the directors to lay before the Annual General Meeting the Financial Report, the Directors' Report (including the Remuneration Report) and the Auditor's Report for the last financial year that ended 30 June 2021.

The Annual Report is available on the Company's website and a printed copy has been sent to those shareholders who requested it.

In accordance with sections 250S and 250SA of the Corporations Act, Shareholders present at the Annual General Meeting will be provided with a reasonable opportunity to:

- (a) ask questions or make comment to the Directors present on the management of the Company and Remuneration Report; and
- (b) ask questions or make comment to the Auditor about the conduct of the audit and the preparation and content of the Auditor's Report.

No formal resolution to adopt the Annual Report will be put to the Shareholders at the Annual General Meeting.

Shareholders who are unable to attend the Annual General Meeting are able to submit written questions to the Chairman or the auditor about:

- (a) The preparation and the content of the 2021 Auditor's Report;
- (b) The conduct of the 2021 audit;
- (c) Accounting policies adopted by the Company in relation to the preparation of the 2021 financial statements; and
- (d) The independence of the Auditor in relation to the conduct of the 2021 audit.

The questions will need to be submitted no later than five (5) business days before the Annual General Meeting to the Company Secretary at the Company's Registered Office or via email to [elissa.hansen@cosecservices.com.au](mailto:elissa.hansen@cosecservices.com.au).

### 2. RESOLUTION 1 – REMUNERATION REPORT

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#### 2.1 General

In accordance with Section 250R(2) of the Corporations Act, at a listed company's Annual General Meeting, a resolution that the Company's Remuneration Report be adopted must be put to the vote. Section 250R(3) of the Corporations Act provides that the vote on the resolution is advisory only and does not bind the Directors or the Company.

In accordance with Section 300A, the Remuneration Report sets out the Company's remuneration arrangements for Key Management Personnel. The Remuneration Report is part of the Directors' Report contained in the Annual Financial Report for the financial year ending 30 June 2021. A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

## 2.2 Voting Consequences

Under the Corporations Act, companies are required to put to shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company ("Spill Resolution") if, at two consecutive Annual General Meetings, at least 25% of the votes cast on the Remuneration Report are voted against the adoption of the Remuneration Report and at the first of those Annual General Meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those Annual General Meetings.

If more than 50% of votes are cast in favour of a Spill Resolution, the Company must convene a shareholder meeting ("Spill Meeting") within 90 days of the second Annual General Meeting. At that meeting, all directors who were in office at the time of the Directors' Report, other than the managing director, will cease to hold office immediately before the Spill Meeting. Those persons who are elected or re-elected at the Spill Meeting will be the directors of the company. Note those directors who ceased to hold office immediately prior to the Spill Meeting may stand for re-election.

At the 2020 Annual General Meeting, the adoption of the remuneration report was approved by 98.70% of votes by shareholders who voted on the resolution. Accordingly, a Spill Resolution is not required at this AGM.

Shareholders of the Company will be provided with the opportunity to ask questions about or make comments on the Remuneration Report.

## 3. RESOLUTION 2 - ELECTION OF DIRECTOR

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### 3.1 General

In accordance with ASX Listing Rule 14.5, a public listed company must hold an election of directors at each annual general meeting. Further, in accordance with ASX Listing Rule 14.4 and the Company's Constitution, a director must not hold office (without re-election) past the third annual general meeting following the director's appointment and a director appointed to fill a casual vacancy or as an addition to the board must not hold office (without re-election) past the next annual general meeting.

Mr. Nick Mather was last re-elected as a director at the 2018 AGM, having initially been appointed as a director on 1 February 2012. Mr. Mather will retire by rotation at the conclusion of this meeting and, being eligible, offers himself for re-election.

Mr. Mather special expertise is generation of and entry into of undervalued or unrecognised resource exploration opportunities. He has been instrumental in generating \$5.7B cash for shareholders including as Co-Founder of Arrow Energy, sold to Shell and Petro-China for \$3.5B in 2010, Bow Energy, sold to Arrow Energy for \$550m in 2012. After 2012, Waratah Coal \$130m to Mineralogy 2009, Northern Energy \$250m New Hope Collieries 2011, BeMaX Resources \$350m to Cristal 2003.

Mr. Mather was founder and CEO SolGold Plc until March 2020 have presided over the discovery of the world class cascabel gold project in Ecuador. Mr. Mather is CEO of DGR Global and Executive Chairman of Armour Energy.



## **4. RESOLUTIONS 3 & 4 – RATIFICATION OF PRIOR ISSUE – PROSPECTUS OFFER (LR 7.1 & LR 7.1A)**

### **4.1 Background**

On 1 February 2022, the Company announced that the Offers under the Replacement Prospectus dated 20 January 2022 closed full subscribed on 31 January 2022 raising \$4,342,810 under the Replacement Prospectus and \$1,146,000 through placements made in advance of the issue of the Prospectus.

The Offer was underwritten to the amount of \$1,604,000 by Bizzell Capital Partners Pty Ltd, which was in addition to \$800,000 to be raised by way of firm subscriptions.

2 February 2022, the Company issued and allotted 6,861,012,981 fully paid ordinary Shares at \$0.0008 per Share to raise at total of \$5,488,810. The capital raise, *inter alia*, also facilitated the Company's reinstatement to ASX.

### **4.2 Resolution 3 - ASX Listing Rule 7.1**

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity 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.

### **4.3 Resolution 4 – ASX Listing Rule 7.1A**

ASX Listing Rule 7.1A provides that, in addition to issues permitted without prior shareholder approval under ASX Listing Rule 7.1, an entity that is eligible and obtains shareholder approval under ASX Listing Rule 7.1A may issue or agree to issue during the period for which the approval is valid a number of quoted equity securities which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period as adjusted in accordance with the formula in ASX Listing Rule 7.1.

Where an eligible entity obtains shareholder approval to increase its placement capacity under ASX Listing Rule 7.1A then any ordinary securities issued under that additional placement capacity:

- (a) will not be counted in variable "A" in the formula in ASX Listing Rule 7.1A; and
- (b) are counted in variable "E",

until their issue has been ratified under ASX Listing Rule 7.4 (and provided that the previous issue did not breach ASX Listing Rule 7.1A) or 12 months has passed since their issue.

### **4.4 ASX Listing Rule 7.4**

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

By ratifying the issue of Prospectus Offer Shares, the subject of Resolutions 3 & 4, the base figure (ie. variable "A") in which the Company's 15% and 10% annual placement capacities are calculated will be a higher number which in turn will allow a proportionately higher number of securities to be issued without prior Shareholder approval.

### **4.5 Technical information required by Listing Rule 14.1A**

If Resolutions 3 and 4 are passed, the Prospectus Offer Shares will be excluded in calculating the Company's 15% and 10% limits under ASX Listing Rules 7.1 and 7.1A respectively, increasing the number of equity securities the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Prospectus Offer Shares.

If Resolutions 3 and/or 4 are not passed, the Prospectus Offer Shares will be included in calculating the Company's combined 15% limit in ASX Listing Rule 7.1, and 10% limit in ASX Listing Rule 7.1A, decreasing the number of equity securities the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Prospectus Offer Shares.

#### **4.6 Technical information required by ASX Listing Rule 7.5**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolutions 3 & 4:

- (a) The Prospectus Offer Shares were issued on the following basis:
  - (i) 3,308,872,085 Prospectus Offer Shares were issued utilising the Company's placement capacity under ASX Listing Rule 7.1; and
  - (ii) 3,552,140,896 Prospectus Offer Shares were issued utilising the Company's placement capacity under ASX Listing Rule 7.1A;
- (b) the issue price for all of the Prospectus Offer Shares was \$0.0008;
- (c) the Prospectus Offer Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Prospectus Offer Shares were issued to new and existing shareholders who subscribed for Shares under the Replacement Prospectus dated 20 January 2022 and those investors who made firm commitments prior to the Prospectus Offer. None of the subscribers are related parties of the Company; and
- (e) funds raised from the issue of Prospectus Offer Shares will be applied towards fund drilling of the Wellesley-2 well, within the Roma Shelf Project in Queensland; fund preparation works for resumption of exploration within Victoria; meet ongoing corporate costs and for working capital; and meet the costs of the Offer.

### **5. RESOLUTIONS 5 – 7 – RATIFICATION OF PRIOR ISSUE – CONVERTIBLE NOTES (LR 7.1)**

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#### **5.1 General**

Resolutions 5 to 7 seek Shareholder ratification for the prior issue of 2,019,339,259 Convertible Notes (**Notes**).

On 18 February 2021, the Company issued 419,448,277 Notes to existing holders of Notes in settlement of interest payable on the Notes as at 31 December 2020 at \$0.0009 each.

On 21 May 2021, the Company issued 286,000,000 Notes for cash consideration and 260,977,778 Notes to settle liabilities of the Company for a total of 546,977,778 Notes at \$0.0009 each.

On 21 July 2021, the Company issued 610,022,626 Notes to existing holders of Notes in consideration of interest payable on the Notes to 30 June 2021; 416,309,300 Notes for cash consideration; and 26,581,278 Notes to settle liabilities of the Company for a total of 1,052,913,204 Notes at \$0.0009 each.

A summary of ASX Listing Rule 7.1 is set out in section 4.2 above.

#### **5.2 Technical information required by Listing Rule 14.1A**

If Resolutions 5 to 7 are passed, the issue of the Notes will be excluded in calculating the Company's 15% and 10% limits under ASX Listing Rules 7.1 and 7.1A respectively, increasing the number of equity securities the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Notes.

If Resolutions 5 to 7 are not passed, the Notes will be included in calculating the Company's combined 15% limit in ASX Listing Rule 7.1 and 10% limit in ASX Listing Rule 7.1A, decreasing the number of equity securities the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Notes.

### 5.3 Technical information required by ASX Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolutions 5 to 7:

- (a) the Notes were issued to current holders of Notes and sophisticated and institutional investors who are clients of Bizzell Capital Partners Pty Ltd. None of these subscribers are a related party of the Company;
- (b) the Notes issued were all Convertible Notes issued on the same terms and conditions as the Company's existing Convertible Notes. A summary of the terms of the Notes is set out in Annexure A;
- (c) the Notes were all issued on:
  - (i) 18 February 2021 (419,448,277 Notes);
  - (ii) 21 May 2021 (546,977,778 Notes);
  - (iii) 21 July 2021 (1,052,913,204 Notes).
- (d) the issue price for all of the Notes was \$0.0009; and
- (e) Notes were issued to settle interest payable on the Notes, settle liabilities of the Company and in cash consideration for working capital.

## 6. RESOLUTIONS 8-11 – APPROVAL TO ISSUE CONVERTIBLE NOTES – RELATED PARTIES

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### 6.1 General

Resolutions 8 to 11 seek Shareholder approval for the issue of 220,074,696 Notes to parties related to the Company in consideration of interest payable to 31 December 2021 and commission payable.

88,161,348 Notes are to be issued to Samuel Capital Pty Ltd, a company controlled by Mr. Nick Mather, in consideration of interest payable on Notes held by Samuel Capital Pty Ltd. Mr. Nick Mather is a director of the Company.

77,718,936 Notes are to be issued to Mrs. Caroline Patricia Sleeman and Mr. Roland Kingsbury Sleeman as trustees for the Sleeman Family Super Fund in consideration of interest payable on Notes held by Mrs. Caroline Patricia Sleeman and Mr. Roland Kingsbury Sleeman as trustees for the Sleeman Family Super Fund. Mr. Roland Kingsbury Sleeman is a director of the Company.

47,104,004 Notes are to be issued to Mr. Roland Kingsbury Sleeman as trustee for The Sleeman Trust in consideration of interest payable on Notes held by Mr. Roland Kingsbury Sleeman as trustee for The Sleeman Trust together with 3,666,667 Notes to be issued in consideration of commission payable as at 30 June 2021 to Mr. Roland Kingsbury Sleeman as trustee for The Sleeman Trust. Mr. Roland Kingsbury Sleeman is a director of the Company.

3,423,741 Notes are to be issued to Mr Stuart Kingsbury Sleeman & Miss Michelle Claire Sleeman & Miss Rebecca Louise Sleeman as trustees for the Super Sleeman Fund in consideration of interest payable on Notes held by Mr Stuart Kingsbury Sleeman & Miss Michelle Claire Sleeman & Miss Rebecca Louise Sleeman as trustees for the Super Sleeman Fund. Mr Stuart Kingsbury Sleeman & Miss Michelle Claire Sleeman & Miss Rebecca Louise Sleeman are the children of Mr. Roland Kingsbury Sleeman, who is a director of the Company.

## 6.2 Technical information required by ASX Listing Rule 14.1A

If Resolutions 8 to 11 are passed, the Company will be able to proceed with the issue of Note to related parties of the Company within one (1) month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of ASX Listing Rules).

Additionally, as approval pursuant to ASX Listing Rule 7.1 is not required for the issue of the Related Party Shares (because approval is being obtained under ASX Listing Rule 10.11), the issue of the Shares will not use up any of the Company's 15% annual placement capacity.

If Resolutions 8 to 11 are not passed, the Company will not be able to proceed with the issue of the Notes and will need to pay the interest due on the Notes and for the commission in cash.

## 6.3 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (1) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (2) give the benefit within 15 months following such approval,

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

The issue of Notes to related parties of the Company constitutes giving a financial benefit and Messrs. Mather and Sleeman are related parties of the Company by virtue of being Directors.

The Directors (other than Mr. Mather who has a material personal interest in Resolution 8) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Notes, the subject of Resolution 8 because the Notes are to be issued on the same terms and conditions as those issued to other Note holders which were negotiated on an arm's length basis.

The Directors (other than Mr. Sleeman who has a material personal interest in Resolutions 9, 10 and 11) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Notes, the subject of Resolutions 9, 10 and 11 because the Notes are to be issued on the same terms and conditions as those issued to other Note holders which were negotiated on an arm's length basis.

## 6.4 ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the issue of Shares, the subject of these Resolutions, involves the issue of securities to related parties of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in these current circumstances.

## 6.5 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolution 8 to 11:

- (1) 88,161,348 Notes are to be issued to Samuel Capital Pty Ltd, a company controlled by Mr. Nick Mather. Mr. Nick Mather is a related party of the Company by virtue of being a director of the Company;

- (2) 77,718,936 Notes are to be issued to Mrs. Caroline Patricia Sleeman and Mr. Roland Kingsbury Sleeman as trustees for the Sleeman Family Super Fund. Mr. Sleeman is a related party of the Company by virtue of being a director of the Company.
- (3) 50,770,671 Notes are to be issued to Mr. Roland Kingsbury Sleeman as trustee for The Sleeman Trust. Mr. Sleeman is a related party of the Company by virtue of being a director of the Company.
- (4) 3,423,741 Notes are to be issued to Mr Stuart Kingsbury Sleeman & Miss Michelle Claire Sleeman & Miss Rebecca Louise Sleeman as trustees for the Super Sleeman Fund. Mr Stuart Kingsbury Sleeman & Miss Michelle Claire Sleeman & Miss Rebecca Louise Sleeman are the children of Mr. Sleeman, is a related party of the Company by virtue of being a director of the Company.
- (5) The maximum number of securities to be issued are 220,074,696 Notes;
- (6) The Notes will be issued no later than 1 month after the date of the Meeting and it is intended that the issue of Notes will occur on the same date;
- (7) The Notes will be issued at \$0.0009 per share to extinguish interest payable on Notes held pay the recipients together with 277,260 Notes to be issued to Mr. Sleeman in consideration of commission payable; and
- (8) A summary of the terms of the Notes is set out in Annexure A.
- (9) The remuneration and emoluments from the Company to the Related Parties for the previous financial year and the proposed remuneration and emoluments for the current financial year are:

Related Party	Current Financial Year	Financial Year ended 30 June 2021
Richard Ash	\$33,333	\$61,111
Roland Sleeman	\$293,333 <sup>1</sup>	\$169,069
Nicholas Mather	\$33,333	\$33,333

Note 1: Mr Sleeman bills on an hourly for services provided as Chief Executive Officer. This is an estimate based upon billing for the first half of 2021/22.

If Resolutions 8 to 11 are not passed, the Company will need to repay the interest and commission payable in cash.

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of the Notes as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of the Notes that are the subject of Resolutions 8 to 11 will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

## 7. RESOLUTIONS 12-14 – ISSUE OF NEW SHARES | RELATED PARTIES

### 7.1 General

Resolutions 12 to 14 seek Shareholder approval for the Company to issue 317,523,085 new Shares, in consideration of \$254,018.47 in outstanding amounts due to directors to 31 January 2022.

31,249,688 Shares are proposed to be issued to Samuel Capital Pty Ltd in consideration for director's fees payable to Mr. Nicholas Mather of \$24,999.75

53,228,634 Shares are proposed to be issued to Mr. Richard Ash in consideration for director's fees payable to Mr. Ash of \$42,582.91

233,044,763 Shares are proposed to be issued to Mr. Roland Sleeman or his nominee(s) in consideration for director's fees and CEO remuneration payable to Mr. Roland Sleeman of \$186,435.81

## **7.2 Technical information required by Listing Rule 14.1A**

If Resolutions 12 to 14 are passed, the Company will be able to proceed with the issue of Shares to related parties of the Company within one (1) month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of ASX Listing Rules).

Additionally, as approval pursuant to ASX Listing Rule 7.1 is not required for the issue of the Related Party Shares (because approval is being obtained under ASX Listing Rule 10.11), the issue of the Shares will not use up any of the Company's 15% annual placement capacity.

If Resolutions 12 to 14 are not passed, the Company will not be able to proceed with the issue of the Shares and will need to pay the directors fees payable to directors in cash.

## **7.3 Chapter 2E of the Corporations Act**

A summary of Chapter 2E of the Corporations Act is set out in section 6.3 above

It is the view of Directors that the issue of Shares pursuant to Resolutions 12 to 14 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 summary of ASX Listing Rule 10.11 is set out in section 6.4 above.

## **7.4 Technical Information required by ASX Listing Rule 10.13**

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolutions 12 to 14:

1. the Shares are to be issued to:
  - a. Samuel Capital Pty Ltd, an entity controlled by Mr. Mather who is a related party by virtue of being a director of the Company (31,249,688 Shares);
  - b. Mr. Richard Ash who is a related party by virtue of being a director of the Company (53,228,634 Shares);
  - c. Mr. Roland Sleeman or his nominee(s). Mr Sleeman is the trustee and a beneficiary of the trust and is a related party by virtue of being a director of the Company (233,044,763 Shares);
2. the maximum number of securities to be issued is 317,523,085 Shares.
3. the Shares will be issued no later than 1 month after the date of the Meeting and it is intended that issue of Shares will occur on the same date;
4. the Shares will be issued at \$0.0008 per Share;
5. the Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
6. Directors' remuneration details are set out in section 6.5 (9) above.

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of the Shares to Messrs. Mather, Sleeman and Ash, as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares the subject of this resolution will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

## **8. RESOLUTION 15 – ISSUE OF NEW CONVERTIBLE NOTES**

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### **8.1 General**

Resolution 15 seeks shareholder approval to issue and allot 720,820,262 Convertible Notes to current Note holders (not including related parties) in consideration for interest payable on the Notes to 31 December 2021.

A summary of ASX Listing Rule 7.1 is set out in section 4.2 above.

### **8.2 Technical information required by Listing Rule 14.1A**

If Resolution 15 is passed, the Company will be able to proceed with the issue of Notes and they will be excluded in calculating the Company's 15% and 10% limits under ASX Listing Rules 7.1 and 7.1A respectively, increasing the number of equity securities the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Prospectus Offer Shares.

If Resolution 15 is not passed, the Notes will be issued under the Company's placement capacity, decreasing the number of equity securities the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Notes.

### **8.3 Technical Information required by ASX Listing Rule 7.3**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 15:

1. the Notes are to be issued to current holders of Convertible Notes.
2. 720,820,262 Convertible Notes are to be issued. A summary of the key terms of the Notes is set out in Annexure A.
3. the Convertible Notes will be issued no later than three months after the date of the Meeting and it is intended that issue of Shares will occur on the same date.
4. The Convertible Notes will be issued for \$0.0009 each.
5. No funds will be raised from the issue of the Notes however they will reduce a liability owed by the Company for interest payable on the current Notes on issue.

## **9. RESOLUTION 16 – ISSUE OF NEW SHARES | SUTTON NOMINEES**

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### **9.1 General**

Resolution 16 seeks shareholder approval to issue and allot 68,750,000 new Shares to Sutton Nominees Pty Ltd as trustee for the W M Gatacre Family Fund. Sutton Nominees Pty Ltd, a long-time shareholder of the Company, sought to participate in the Company's Prospectus Offer, sending his application and cheque to the Company's share registry on 24 January 2022. Unfortunately, due to postal delays, the application and cheque were not received until 1 February 2022, after the close of the Offer. In consideration of Sutton Nominees long time support and commitment to the Company, the directors agreed to issue the shares applied for to Sutton Nominees, subject to Shareholder approval

A summary of ASX Listing Rule 7.1 is set out in section 4.2 above.

### **9.2 Technical information required by Listing Rule 14.1A**

If Resolution 15 is passed, the Company will be able to proceed with the issue of Shares and they will be excluded in calculating the Company's 15% and 10% limits under ASX Listing Rules 7.1 and 7.1A respectively, increasing the number of equity securities the Company can issue

without Shareholder approval over the 12-month period following the date of issue of the Prospectus Offer Shares.

If Resolution 15 is not passed, the Shares will be included in calculating the Company's combined 15% limit in ASX Listing Rule 7.1, and 10% limit in ASX Listing Rule 7.1A, decreasing the number of equity securities the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Prospectus Offer Shares.

### **9.3 Technical Information required by ASX Listing Rule 7.3**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 15:

1. the Shares are to be issued to Sutton Nominees Pty Ltd as trustee for the W M Gatacre Family Fund.
2. 68,750,000 fully paid ordinary Shares are to be issued.
3. the Shares will be issued no later than three months after the date of the Meeting and it is intended that issue of Shares will occur on the same date;
4. Shares will be issued for \$0.0008 each.
5. Funds raised from the issue will be used for working capital.

## **10. RESOLUTION 17 – ISSUE OF NEW SHARES | UNDERWRITER**

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### **10.1 General**

Bizzell Capital Partners Pty Ltd was the underwriter to the Company's offers under the Replacement Prospectus dated 20 January 2022. See section 4.1 above for further information.

There was no shortfall from the offers as they were fully subscribed. However pursuant to the underwriting agreement between the Company and Bizzell Capital Partners Pty Ltd, Bizzell Capital Partners Pty Ltd has the ability to subscribe for shares up to the underwritten amount, subject to Shareholder approval, notwithstanding there was no shortfall from the offer. This Resolution 17 seeks Shareholder approval to issue and allot up to 2,005,000,000 new Shares to Bizzell Capital Partners Pty Ltd and/or their nominees/s.

A summary of ASX Listing Rule 7.1 is set out in section 4.2 above.

### **10.2 Technical information required by Listing Rule 14.1A**

If Resolution 17 is passed, the Company will be able to proceed with the issue of Shares and they will be excluded in calculating the Company's 15% and 10% limits under ASX Listing Rules 7.1 and 7.1A respectively, increasing the number of equity securities the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Prospectus Offer Shares.

If Resolution 17 is not passed, the Shares will be included in calculating the Company's combined 15% limit in ASX Listing Rule 7.1, and 10% limit in ASX Listing Rule 7.1A, decreasing the number of equity securities the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Prospectus Offer Shares.

### **10.3 Technical Information required by ASX Listing Rule 7.3**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 17:

1. the Shares are to be issued to Bizzell Capital Partners Pty Ltd and/or its nominee/s.
2. up to 2,005,000,000 fully paid ordinary Shares are to be issued.



3. the Shares will be issued no later than three months after the date of the Meeting and it is intended that issue of Shares will occur on the same date;
4. Shares will be issued for \$0.0008 each.
5. Funds raised from the issue will be used for working capital.

## **11. RESOLUTION 18 - APPROVAL FOR ADDITIONAL SHARE PLACEMENT CAPACITY**

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### **11.1 General**

ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its Annual General Meeting to allow it to issue Equity Securities up to 10% of its issued capital (**Additional Placement Capacity**). For the purposes of ASX Listing Rule 7.1A an 'eligible entity' is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. Lakes Blue Energy NL is an 'eligible entity'. The Additional Placement Capacity is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1 and, as such, if the Additional Placement Capacity is approved, the Directors will be allowed to issue equity securities of up to 25% of the Company's issued share capital without prior approval from shareholders.

The Company seeks Shareholder approval by way of a special resolution to have the ability to issue equity securities under the Additional Placement Capacity, should the need arise. The Company has not previously sought and obtained shareholder approval under Listing Rule 7.1A.

As a **special resolution** at least 75% of votes cast by Shareholders eligible to vote at the meeting must be in favour of the resolution for it to be passed.

### **11.2 Technical information required by Listing Rule 14.1A**

If Resolution 17 is passed, LKO will be able to issue an additional 10% of shares without Shareholder approval under its placement capacity under Listing Rule 7.1A.

If Resolution 16 is not passed, the Company will only have 15% of placement capacity available to it, decreasing the number of equity securities the Company can issue without Shareholder approval over the next 12-month period.

### **11.3 ASX Listing Rule 7.3A Requirements**

Pursuant to ASX Listing Rule 7.3A the issue price for each security issued under the Additional Placement Capacity will not be less than 75% of the volume weighted average price for securities in that class over the 15 trading days on which trades in that class were recorded immediately before:

- the date on which the price at which the securities are to be issued is agreed by the entity and the recipient of the securities; or
- if the securities are not issued within 10 trading days of the date above, the date on which the securities are issued.

The issue of equity securities under the Additional Placement Capacity may result in voting dilution of existing ordinary shareholders (as shown in the table below). There is also the risk that:

- the market price for equity securities in that class may be significantly lower on the issue date than on the date of the Annual General Meeting; and
- the equity securities may be issued at a price that is at a discount to the market price for those equity securities on the issue date.

Table 1 following shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.3A.2 on the basis of the current market price of Shares and the current number of ordinary securities quoted on ASX 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:

- i. 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
- ii. two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% against the current market price.

**Table 1**

Variable "A" Number of Shares on Issue	Dilution			
	Issue Price (per Share)	\$0.001 50% decrease in Issue Price	\$0.001 Issue Price	\$0.002 50% Increase in Issue Price
<b>42,382,421,941</b> (Current number of Shares on Issue)	<b>10% Voting Dilution</b>	4,238,242,194 Shares	4,238,242,194 Shares	4,238,242,194 Shares
	<b>Funds Raised</b>	\$2,119,121	\$4,238,242	\$6,357,363
<b>63,573,632,912</b> (50% increase in Shares on Issue)	<b>10% Voting Dilution</b>	6,357,363,291 Shares	6,357,363,291 Shares	6,357,363,291 Shares
	<b>Funds Raised</b>	\$3,178,682	\$6,357,363	\$9,536,045
<b>84,764,843,882</b> (100% increase in Shares on Issue)	<b>10% Voting Dilution</b>	8,476,484,388 Shares	8,476,484,388 Shares	8,476,484,388 Shares
	<b>Funds Raised</b>	\$4,238,242	\$8,476,484	\$12,714,727

The above table is based on the following assumptions:

- The number of shares on issue (variable "A") is calculated as 41,382,421,941 being all fully paid ordinary shares quoted on ASX as at the date of this Notice.
- The Company issues the maximum number of equity securities available under the Additional Placement Capacity.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue.
- The table shows only the issue of equity securities under the Additional Placement Capacity and not under Listing Rule 7.1.
- The issue of equity securities under the Additional Placement Capacity includes only Shares.
- The issue price of \$0.001 was the closing price of shares on ASX on 7<sup>th</sup> February 2022.

Equity securities under the Additional Placement Capacity may be issued until the earlier of:

- the date on which the price at which the securities are to be issued is agreed by the entity and the recipient of the securities; or
- the time and date that is 12 months after the date of the Annual General Meeting at which the approval is obtained; or
- the time and date of approval by ordinary shareholders of a significant change to the Company's activities under ASX Listing Rule 11.1.2 or the date of approval by ordinary shareholders of a disposal of a major asset under ASX Listing Rule 11.2.
- To be clear, any approval of the Additional Placement Capacity at this Annual General Meeting will cease to be valid in the event that ordinary shareholders approve a transaction under ASX Listing Rule 11.1.2 or 11.2.
- The Company may issue equity securities under the Additional Placement Capacity for cash consideration: to raise funds for the development of the Company's new and existing products and services, the acquisition of new assets or investments (including assets associated with such acquisition), to repay debt or to fund working capital.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 upon issue of any equity securities under the Additional Placement Capacity.

The Company's allocation policy for issues under the Additional Placement Capacity is dependent on prevailing market conditions at the time of any proposed issue. The identity of the allottees of the equity securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- the purpose of the issue;
- the methods of raising funds that are available to the Company, including rights issues or other issues in which existing shareholders may participate;
- the effect of the issue of the equity securities on the control of the Company;
- the financial situation and solvency of the Company;
- prevailing market conditions; and
- advice from the Company's advisors.

As the Company has no current plans to undertake a new capital raising, the allottees under the Additional Placement Capacity have not yet been determined but if such an exercise was undertaken, allottees may include existing substantial shareholders and/or new shareholders who are not related parties or associates of a related party of the Company.

LKO sought Additional Placement Capacity at its 2021 Annual General Meeting. During the 12 months preceding the date of this meeting, it issued 100% of its 10% placement capacity under Listing Rule 7.1A being 10% of the total number of shares on issued at the commencement of the 12-month period preceding this AGM. All 3,552,140,896 Shares utilising the full 10% additional placement capacity were issued on 2 February 2022 at \$0.0008 per Share raising \$2.84 million as part of the Prospectus Offer. Funds raised from the Prospectus Offer were for working capital, drilling of the Wellesely-2 Gas Well, cost associated with the offer and Wellesley gas production flowline or resumption of Victorian exploration. As at the date of this Notice of Meeting, none of the funds raised under Listing rule 7.1A have been used.

A voting exclusion statement has been included in this Notice. However, as at the date of this Notice, the Company has not approached any particular existing Shareholders to participate in the issue of equity securities under the Additional Placement Capacity. No existing Shareholders' votes will therefore be excluded under the voting exclusion in the Notice.

When the Company issues equity securities pursuant to the Additional Placement Capacity, it will give to ASX a list of the allottees of the equity securities and the number of equity securities allotted to each (not for release to the market), in accordance with Listing Rule 7.1A.4.

For personal use only

## GLOSSARY

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\$ means Australian dollars.

**Annual General Meeting** means the meeting convened by the Notice of Annual General Meeting.

**Annual General Meeting Explanatory Statement** means the explanatory statement accompanying the Notice of Annual General Meeting.

**Annual General Meeting Proxy Form** means the proxy form accompanying the Notice of Annual General Meeting.

**Annual General Meeting Resolutions** means the resolutions set out in the Notice of Annual General Meeting, or any one of them, as the context requires.

**ASIC** means the Australian Securities & Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Chair** means the chair of the Meeting.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

**Company** means Lakes Blue Energy NL (ACN 004 247 214).

**Constitution** means the Company's constitution.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means the current directors of the Company.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

**Note** or **Convertible Note** means a security that is convertible into Shares.

**Notice of Annual General Meeting** means this notice of meeting including the Annual General Meeting Explanatory Statement and the Annual General Meeting Proxy Form.

**Resolution** means a resolution set out in the Notice of Annual General Meeting.

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

**Shareholder** means a registered holder of a Share.

## Appendix A

### TERMS AND CONDITIONS OF CONVERTIBLE NOTES

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The terms of the Convertible Notes on issue by the Company are:

<b>Issuer</b>	Lakes Blue Energy NL ACN 004 247 214
<b>Convertible Note Issue</b>	Convertible Notes to be issued by the Issuer pursuant to the Convertible Note Trust Deed.
<b>Purpose</b>	To finance the drilling of the Nangwarry well, general working capital and costs of the issue.
<b>Issue Price</b>	Face Value of \$0.0009 per Convertible Note
<b>Conversion at Holders Election</b>	Each Note is convertible at any time at the holder's election into one ordinary share of the Issuer (ASX: LKO). For clarity, a Noteholder may exercise conversion rights in relation to only some, or all, of their Notes at any time.
<b>Term</b>	Approx. 2 years
<b>Maturity Date</b>	31 December 2023
<b>Security</b>	Investors to be granted security over all assets of the Issuer in accordance with the terms of the Note Trust Deed
<b>Security Ranking</b>	The Convertible Notes will have first ranking security
<b>Status</b>	<p>The Notes are direct and secured debt obligations of the Company.</p> <p>Each Note ranks for payment in a Winding Up of the Company:</p> <ul style="list-style-type: none"><li>(i) equally and proportionally with each Note; and</li><li>(ii) ahead of all unsecured or subordinated debts of the Issuer and ordinary shareholders.</li></ul>
<b>Coupon Rate</b>	Interest of 15% p.a, paid half yearly in arrears on the Interest Payment Dates. Interest accrues from the date of issue of any Convertible Note. The first interest period may be a shorter or longer period.
<b>Issue of Notes in lieu of Interest</b>	<p>The Issuer may elect, at its discretion, to issue Notes (at the Issue Price and on the same terms and conditions as the Placement Notes) in lieu of any Interest due on an Interest Payment Date, and the issue of those Notes will be in full and final satisfaction of the Interest due and payable on that date.</p> <p>The number of Notes that will be issued will be so many Notes as is determined in accordance with the following formula:</p> $A = B/C$ <p>Where:</p> <p>A = the number of Notes to be issued in lieu of Interest payable on any Interest Payment Date,</p> <p>B = the amount of Interest due on the relevant Interest Payment Date, and</p> <p>C = \$0.0009 (being the Issue Price/Face Value per Note).</p>
<b>Payment of Interest on Conversion</b>	<p>If a Holder elects to Convert Notes:</p> <ul style="list-style-type: none"><li>(i) on a date being an Interest Payment Date, the Company will pay to the Holder an amount of Interest being:<ul style="list-style-type: none"><li>a. all Interest owing on that Interest Payment Date; and</li><li>b. all accrued and unpaid Interest;</li></ul></li><li>(ii) on a day that falls between Interest Payment Dates, then because interest is payable in arrears, on the next Interest Payment Date</li></ul>

immediately following the relevant Conversion Date, the Company will pay to the Holder an amount of Interest calculated in accordance with the following formula:

$$R = (I/180 \times MP)$$

Where

R = the amount of Interest to be paid by the Company;

I = the total amount of Interest which would have been payable to that Holder in respect of the relevant Notes on the Interest Payment Date following the Conversion Date, had the Notes not been Converted; and

MP = the number of days commencing on the Interest Payment Date which immediately preceded the date of Conversion and ending on the Conversion Date.

### **Adjustments to Conversion Ratio**

#### **Pro Rata Offer**

If at any time prior to the earlier to occur of the Conversion, Redemption or Maturity Date of the Notes the Company makes a pro rata offer (excluding a bonus issue) to Shareholders, the Conversion Ratio will be adjusted using the formula as follows:

$$NR = OR + E[P - (S+O)]$$

N+1

Where:

NR = the new Conversion Ratio of the Notes.

OR = the old Conversion Ratio of the Note prior to the pro rata offer.

E = the number of shares into which one Note is convertible.

P = average market price per share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex-rights date or ex-entitlements date.

S = the subscription price of a share under the pro rata issue.

O = the dividend due but not yet paid on the existing underlying shares (except those

to be issued under the pro rata issue).

N = the number of shares with rights or entitlements that must be held to receive a right to 1 new share.

#### **Bonus Issue**

If a bonus issue of shares is made by the Company, then the number of shares issued to each Holder on Conversion will be increased by the number of bonus shares that a Holder would have received if the Note had been exercised prior to the record date for the bonus issue and no change will be made to the Conversion Ratio.

#### **Reorganisation of capital**

The Company may only reorganise its capital:

- (i) in accordance with the Listing Rules; and
- (ii) if, in respect of the Notes, the number of Notes or the Face Value, or both, is reorganised so that the Holders will not receive a benefit that Shareholders do not receive.

Unless the Listing Rules require otherwise, the Conversion Ratio must be adjusted as follows:

- (1) Reduction in capital

If the issued capital of the Company is reduced, the entitlement of a Holder to convert its Notes to shares at the Conversion Ratio will be reduced in the same proportion and manner as the issued capital is so reduced (subject to any provisions with respect to the rounding of entitlements as may be sanctioned by the meeting of the members of the Company approving the reduction of capital) but in all other respects the Conversion Rights will remain unchanged.

(2) Consolidation of capital

If the issued capital of the Company is consolidated, the entitlement of a Noteholder to convert its Notes to shares at the Conversion Ratio will be reduced in the same proportion and manner as the issued capital is so consolidated (subject to any provisions with respect to the rounding of entitlements as may be sanctioned by the meeting of the members of the Company approving the consolidation of capital) but in all other respects the Conversion Rights will remain unchanged.

(3) Subdivision of capital

If the issued capital of the Company is subdivided, the entitlement of a Holder to convert its Notes to shares at the Conversion Ratio will be increased in the same proportion and manner as the issued capital is so subdivided (subject to any provisions with respect to the rounding of entitlements as may be sanctioned by the meeting of the members of the Company approving the subdivision of capital) but in all other respects the Conversion Rights will remain unchanged.

**Redemption**

Repayment of Face Value and any unpaid interest at the Maturity Date in cash.

**Early Redemption  
Takeover Event**

The Company may give a Redemption Notice in the event of a Takeover Event. Takeover Event means that if at any time on or before the Maturity Date, an off market bid, a market bid, scheme of arrangement, or offer or invitation is made to all holders of Ordinary Shares to purchase or otherwise acquire Ordinary Shares and the bid, scheme or offer becomes unconditional, and the offeror has at least 50% of the voting power (as defined by the Corporations Act) in the Company.

If the Company issues a Redemption Notice, and the Notes are not subsequently converted, then the Notes will be redeemed by the Company at 103% of their Face Value.

Notwithstanding the issue of a Redemption Notice, a Holder may give a Conversion Notice (which may be expressed to be subject to Takeover Event completing) in respect of any of its Notes which are the subject of the Redemption Notice up to the before the relevant Redemption Date (or such later time as the Company may agree with the relevant Holder), and only Notes for which Conversion Notices have not been so given or are treated as having not been given will be Redeemed on the specified Redemption Date.

**Early Redemption after  
Twelve Months**

The Company may issue an Early Redemption Notice to Noteholders at any time after 31 December 2020 specifying a Redemption Date no earlier than 15 days after the date of the Early Redemption Notice. If the Company issues an Early Redemption Notice, and the Notes are not subsequently converted, then the Notes will be redeemed by the Company at 103% of their Face Value.

Notwithstanding the issue of a Early Redemption Notice, a Holder may give a Conversion Notice in respect of any of its Notes which are the subject of the Redemption Notice up to the before the relevant Redemption Date (or such later time as the Company may agree with the relevant Holder), and



only Notes for which Conversion Notices have not been so given or are treated as having not been given will be Redeemed on the specified Redemption Date.

**Events of Default**

Customary events of default are to be incorporated in the formal transaction documents, including but not limited to payment, redemption or conversion breaches, cross defaults, suspension from trading for more than 10 days and insolvency events.

**No Dividends**

No dividends may be declared or paid whilst the Convertible Notes are on issue.

**Investor Eligibility**

The Notes are being offered to 'sophisticated investors', 'professional investors' (under the Corporations Act) and investors who are exempt to disclosure requirements.

**ASX Listing**

The Notes will not be listed on ASX

**Note Trustee & Security Trustee**

Centec Securities Pty Ltd ACN 007 281 745



Lakes Blue Energy NL  
ABN 62 004 247 214

LKO

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

## Need assistance?



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



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



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (AEDT) on Wednesday, 23 March 2022.**

# Proxy Form

## How to Vote on Items of Business

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

### APPOINTMENT OF PROXY

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

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

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

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

### SIGNING INSTRUCTIONS FOR POSTAL FORMS

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

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

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

### PARTICIPATING IN THE MEETING

#### Corporate Representative

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

## Lodge your Proxy Form:

**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 Blue Energy NL 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 Blue Energy NL to be held at Level 23, Governor Macquarie Tower, 1 Farrer Place, Sydney NSW 2000 on Friday, 25 March 2022 at 10:00am (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 Items 1, 8, 9, 10, 11, 12, 13 and 14 (except where I/we have indicated a different voting intention in step 2) even though Items 1, 8, 9, 10, 11, 12, 13 and 14 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 Items 1, 8, 9, 10, 11, 12, 13 and 14 by marking the appropriate box in step 2.

## STEP 2 Items of Business

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

	For	Against	Abstain		For	Against	Abstain
1 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10 Approval to issue Convertible Notes - Sleeman Family Super	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of a Director - Mr. Nick Mather	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11 Approval to issue Convertible Notes - Super Sleeman Fund	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Ratification of prior issue - Prospectus Offer (LR 7.1)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12 Approval to issue new Shares - Nick Mather	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Ratification of prior issue - Prospectus Offer (LR 7.1A)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13 Approval to issue new Shares - Richard Ash	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Ratification of prior issue - Convertible Notes (LR 7.1)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	14 Approval to issue new Shares - Roland Sleeman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Ratification of prior issue - Convertible Notes (LR 7.1)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	15 Approval to issue Convertible Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Ratification of prior issue - Convertible Notes (LR 7.1)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	16 Approval to issue new Shares - Sutton Nominees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Approval to issue Convertible Notes - Samuel Capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	17 Approval to issue new Shares - Underwriter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9 Approval to issue Convertible Notes - Sleeman Trust	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	18 Approval for Additional Share Placement Capacity	<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.

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /

LKO

285561A



Computershare +