

ASX/Media Release

For Immediate Release – 8 June 2018



LION
energy

Completion of Placement and Issue of Securities

Lion Energy Limited (“Lion” or “Company”) (ASX: LIO) advises that the placement announced on 8 June 2018 (“Placement”) has completed.

The Company has received \$848,500 (before costs) from the Placement and today has allotted and issued a total of 24,242,857 fully paid ordinary shares (“Shares”) under the Company’s Listing Rule 7.1 and 7.1A placement capacities.

In accordance with ASX Listing Rule 7.1A.4(b) and 3.10.5A, the Company makes the following disclosure in respect of the Placement:

- a) The dilutive effect of the Placement on existing shareholders is as follows:

Number of shares on issue prior to the Placement: 113,438,532

	Shares	% of Post Placement Capital
Placement issue under Listing Rule 7.1	17,869,554	12.97%
Placement issue under Listing Rule 7.1A	6,373,303	4.62%
Total dilution as a result of the Placement	24,242,857	17.6%

Number of shares on issue following the Placement: 137,681,389

Details of the approximate percentage of the issued capital following the completion of the Placement held by pre-Placement shareholders and new shareholders are as follows. Please note this information relates specifically in relation to the portion of shares issued under Listing Rule 7.1A (6,373,303 shares):

	% of Post Placement Capital
Pre-placement security holders who did not participate	100%
Pre-placement security holders who did participate	0%
Participants in the placement who were not previously security holders	100%

- b) The Company issued shares as a placement to sophisticated and professional investors as this was considered to be the most expedient mechanism for raising funds in a timely manner and for lower costs. The Company is grateful for the support of its long-term shareholders.
- c) No underwriting agreements were entered into with respect to the Placement.
- d) No other fees or costs incurred in connection to the issue.

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The Company has also issued 5,691,829 Shares to directors and contracts of the Company and 6,250,000 performance shares as outlined in the cleansing statement dated 8 June 2018.

An Appendix 3B follows this announcement.

For and on behalf of the board of

Lion Energy Limited

Arron Canicais
Company Secretary

ENDS.

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Lion Energy Limited

ABN

51 000 753 640

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|---|
| 1 | +Class of +securities issued or to be issued | <ol style="list-style-type: none">1. Ordinary Shares2. Ordinary shares3. Performance Rights |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | <ol style="list-style-type: none">1. 24,242,8572. 5,691,8293. 6,250,000 |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | <ol style="list-style-type: none">1. Ordinary Fully Paid shares2. Ordinary Fully Paid shares3. Performance Rights with terms disclosed in 2018 AGM notice dated 30 April 2018 |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<ol style="list-style-type: none"> 1. Yes 2. Yes 3. No. Upon vesting and conversion, will rank equally with Lion Energy Limited fully paid ordinary shares trading on the ASX under Code LIO.
<p>5 Issue price or consideration</p>	<ol style="list-style-type: none"> 1. \$0.035 per share 2. Nil 3. Nil
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<ol style="list-style-type: none"> 1. Placement announced on 8 June 2018 2. Shares issued in lieu of cash payment to consultants and directors approved at the 2018 AGM on 31 May 2018. 3. Performance rights issued to Directors and approved by shareholders at the 2018 AGM on 31 May 2018.
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>Yes</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>31/05/2018</p>
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	<p>17,869,554 fully paid ordinary shares</p>

+ See chapter 19 for defined terms.

6d	Number of +securities issued with security holder approval under rule 7.1A	6,373,303 fully paid ordinary shares				
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	5,691,829 fully paid ordinary shares approved under listing rule 10.13 at the 2018 AGM on 31 May 2018 6,250,000 performance rights approved under listing rule 10.13 at the 2018 AGM on 31 May 2018				
6f	Number of +securities issued under an exception in rule 7.2	As outlined in section 6e				
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	Yes Issued at \$0.035 each on 8 June 2018 15 day VWAP: \$0.03321 (75% = \$0.0249) Source: Miraqle				
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A				
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Capacity under LR 7.1 is Nil Capacity under LR 7.1A is 5,539,733				
7	+Issue dates <small>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.</small>	8 June 2018				
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Number</th> <th style="width: 50%;">+Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">143,373,218</td> <td style="text-align: center;">Ordinary Shares</td> </tr> </tbody> </table>	Number	+Class	143,373,218	Ordinary Shares
Number	+Class					
143,373,218	Ordinary Shares					

+ See chapter 19 for defined terms.

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New issue announcement

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	3,125,000	Class A Performance Rights
	3,125,000	Class B Performance Rights
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A	

Part 2 - Pro rata issue

11 Is security holder approval required?	
12 Is the issue renounceable or non-renounceable?	
13 Ratio in which the +securities will be offered	
14 +Class of +securities to which the offer relates	
15 +Record date to determine entitlements	
16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17 Policy for deciding entitlements in relation to fractions	
18 Names of countries in which the entity has security holders who will not be sent new offer documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	
19 Closing date for receipt of acceptances or renunciations	

+ See chapter 19 for defined terms.

20	Names of any underwriters	<input type="text"/>
21	Amount of any underwriting fee or commission	<input type="text"/>
22	Names of any brokers to the issue	<input type="text"/>
23	Fee or commission payable to the broker to the issue	<input type="text"/>
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	<input type="text"/>
25	If the issue is contingent on security holders' approval, the date of the meeting	<input type="text"/>
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	<input type="text"/>
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	<input type="text"/>
28	Date rights trading will begin (if applicable)	<input type="text"/>
29	Date rights trading will end (if applicable)	<input type="text"/>
30	How do security holders sell their entitlements <i>in full</i> through a broker?	<input type="text"/>
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	<input type="text"/>

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

- 32 How do security holders dispose of their entitlements (except by sale through a broker)?
- 33 ⁺Issue date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of ⁺securities
(tick one)
- (a) ⁺Securities described in Part 1
- (b) All other ⁺securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional ⁺securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38 Number of +securities for which +quotation is sought

39 +Class of +securities for which quotation is sought

40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)		

+ See chapter 19 for defined terms.

Appendix 3B New issue announcement

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: Arron Canicais
(~~Director~~/Company secretary)

Date: 8 June 2018

Print name: Arron Canicais

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+ See chapter 19 for defined terms.

Appendix 3B - Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	108,186,532
<p>Add the following:</p> <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	10,943,8239 (issued with shareholder approval)
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
“A”	119,130,361

+ See chapter 19 for defined terms.

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Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	17,869,554
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	17,869,554 fully paid ordinary shares
“C”	17,869,554
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	17,869,554
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	17,869,554
Total [“A” x 0.15] – “C”	0 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	119,130,361
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	11,913,036
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	6,373,303
“E”	6,373,303

+ See chapter 19 for defined terms.

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Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	11,913,036
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	6,373,303
Total [“A” x 0.10] – “E”	5,539,733 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.