



**Lion Selection Group**

ACN 077 729 572

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# **NOTICE OF GENERAL MEETING AND EXPLANATORY STATEMENT**

**General Meeting** to be held at the Lion Selection Group Limited office, Level 2, 175 Flinders Lane Melbourne on **Thursday 26 October 2017 at 10.00am**

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

## NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of Lion Selection Group Limited will be held at the **Lion Selection Group Limited office, Level 2, 175 Flinders Lane, Melbourne** on **Thursday 26 October 2017** at **10.00am** (Melbourne time).

### ITEMS OF BUSINESS

#### RESOLUTION 1

##### **Approval of issue of shares to a Director, Mr Robin Widdup**

To consider, and if thought fit, to pass the following resolution

*"That, for the purposes of ASX Listing Rule 10.11 and all other purposes, approval is given for Mr Robin Widdup, a Director of the Company (or his nominee), to be issued up to 1,332,336 Shares on the terms and conditions set out in the Explanatory Statement."*

#### RESOLUTION 2

##### **Approval of issue of shares to a Director, Mr Christopher Melloy**

To consider, and if thought fit, to pass the following resolution

*"That, for the purposes of ASX Listing Rule 10.11 and all other purposes, approval is given for Mr Christopher Melloy, a Director of the Company (or his nominee), to be issued up to 571,429 Shares on the terms and conditions set out in the Explanatory Statement."*

#### RESOLUTION 3

##### **Approval of issue of shares to a Director, Mr Peter Maloney**

To consider, and if thought fit, to pass the following resolution

*"That, for the purposes of ASX Listing Rule 10.11, and all other purposes, approval is given for Mr Peter Maloney, a Director of the Company (or his nominee), to be issued up to 200,000 Shares on the terms and conditions set out in the Explanatory Statement."*

#### RESOLUTION 4

##### **Ratification of prior issue of Shares**

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

*"That for the purpose of ASX Listing Rule 7.4 and all other purposes, the allotment and issue of up to 7,771,428 Shares at \$0.35 per Share pursuant to the Placement, on the terms set out in the Explanatory Memorandum, be ratified."*

BY ORDER OF THE BOARD



**Jane Rose**

Company Secretary  
25 September 2017

## NOTES

These Notes form part of the Notice of Meeting.

### Right to vote

The Directors have determined that, for the purpose of voting at the meeting, members are those persons who are the registered holders of shares at 7.00pm (Melbourne Time) on 24 October 2017.

Each member entitled to attend and vote at the meeting may vote by:

- (a) attending the meeting in person; or
- (b) appointing a proxy to attend and vote at the meeting on their behalf.

### Voting Exclusions

The Corporations Act and the Listing Rules require that certain persons must not vote, and the Company must disregard any votes cast by certain persons, on the resolutions to be considered at the meeting. These voting exclusions are described below:

#### Item 1 – Approval of issue of shares to a Director, by Mr Robin Widdup

The Company will disregard any votes cast on resolution 1 by:

- ▶ Mr Robin Widdup or his nominee (if any); and
- ▶ associates of Mr Robin Widdup or his nominee.

However, the Company need not disregard a vote if:

- ▶ it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- ▶ it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as their proxy decides.

#### Item 2 – Approval of issue of shares to a Director, by Mr Christopher Melloy

The Company will disregard any votes cast on resolution 2 by:

- ▶ Mr Christopher Melloy or his nominee (if any); and
- ▶ associates of Mr Christopher Melloy or his nominee.

However, the Company need not disregard a vote if:

- ▶ it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- ▶ it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as their proxy decides.

#### Item 3 – Approval of issue of shares to a Director, by Mr Peter Maloney

The Company will disregard any votes cast on resolution 3 by:

- ▶ Mr Peter Maloney or his nominee (if any); and
- ▶ associates of Mr Peter Maloney or his nominee.

However, the Company need not disregard a vote if:

- ▶ it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- ▶ it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as their proxy decides.

#### Item 4 – Ratification of prior issue of Shares

The Company will disregard any votes cast on Resolution 4 by:

- ▶ any person who participated in the issue; and
- ▶ any of their associates.

However, the Company need not disregard a vote if:

- ▶ it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- ▶ it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as their proxy decides.

## APPOINTMENT OF PROXIES

A Proxy Form accompanies this Notice of General Meeting. A shareholder who is entitled to attend and vote at the meeting is entitled to appoint no more than two proxies to attend and vote in their place. A proxy may be either an individual or a corporation, and need not be a shareholder of the Company.

A single proxy exercises all voting rights. A member entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. Where a shareholder wishes to appoint two proxies, the names of both proxies and the percentage of votes or number of securities for each should be included in the enclosed Proxy Form. If a shareholder appoints two proxies and does not specify each proxy's voting rights, the rights are deemed to be 50% each. Fractions of votes are to be disregarded. Where two proxies are appointed, neither may vote on a show of hands.

A proxy need not vote in that capacity on a show of hands on any resolution nor (unless the proxy is the Chairman of the Meeting) on a poll. However, if the proxy's appointment specifies the way to vote on a resolution, and the proxy decides to vote in that capacity on that resolution, the proxy must vote the way specified (subject to the other provisions of these Notes, including the voting exclusions noted above).

If a proxy does not attend the meeting, then the Chairman of the Meeting will be taken to have been appointed as the proxy of the relevant shareholder in respect of the meeting. If the Chairman of the Meeting is appointed, or taken to be appointed, as a proxy, but the appointment does not specify the way to vote on a resolution, then the Chairman intends to exercise the relevant shareholder's votes in favour of the relevant resolution (subject to the Proxy Form directions and the other provisions of these Notes, including the voting exclusions noted above).

A proxy need not be a member of the Company and can be an individual or a body corporate.

A body corporate appointed as a member's proxy may appoint a representative to exercise any of the powers the body may exercise as a proxy at the general meeting. The representative should bring to the meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

## BODIES CORPORATE

A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at meetings of a company's members. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a resolution.

The representative should bring to the meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

### LODGMET OF PROXY DOCUMENTS

For an appointment of a proxy for the meeting to be effective:

- ▶ the proxy's appointment; and
- ▶ if the appointment is signed by the appointor's attorney – the authority under which the appointment was signed (eg a power of attorney) or a certified copy of it, must be received by the Company at least 48 hours before the meeting.

The following addresses are specified for the purposes of receipt of proxies:

#### Online

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

#### By Mail

Computershare Investor Services Pty Limited,  
GPO Box 242, Melbourne Vic 3001

#### By Fax

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

#### Intermediary Online Subscribers (such as custodians and nominees)

Visit [www.intermediaryonline.com](http://www.intermediaryonline.com) to submit your voting intentions.

## EXPLANATORY STATEMENT

This Explanatory Memorandum has been prepared for the information of members of the Company in connection with the business to be conducted at the General Meeting of the Company to be held at the Lion Selection Group Limited office, Level 2, 175 Flinders Lane, Melbourne on 26 October 2017.

The purpose of this Explanatory Memorandum is to provide information that the Directors believe to be material to Shareholders in deciding whether or not to pass the resolutions set out in the Notice. The Directors recommend Shareholders read the accompanying Notice and this Explanatory Memorandum in full before making any decision in relation to the resolutions.

This Explanatory Memorandum forms part of and should be read in conjunction with the accompanying Notice.

## RESOLUTIONS 1–4

### APPROVAL OF ISSUE OF SHARES TO DIRECTORS

#### Background

On 18 September 2017, the Company announced it had successfully raised \$2.7 million via a placement of approximately 7.8 million ordinary shares to institutional and sophisticated investors (**Placement**). The issue price under the Placement was \$0.35 per Share.

Subject to shareholder approval, three of the directors of the Company have committed to participate in the Placement, as set out in the table below.

Name	Position	Placement Commitment No. of Shares	Placement Commitment (\$)
Robin Widdup	Lion Director	1,332,336	466,317.60
Chris Melloy	Lion Director	571,429	200,000.15
Peter Maloney	Lion Chairman	200,000	70,000.00

#### 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 of the entity. Robin Widdup, Peter Maloney and Chris Melloy are considered to be related parties of the Company as they are directors of the Company. Accordingly, Resolutions 1 to 3 seek Shareholder approval pursuant to Listing Rule 10.11 to enable Robin Widdup, Peter Maloney and Chris Melloy to participate in the placement.

If shareholder approval is given under Listing Rule 10.11 pursuant to these Resolutions, approval is not required under Listing Rule 7.1

#### Information required under Listing Rule 10.13

The Company provides the following additional information in accordance with Listing Rule 10.13:

##### *With respect to the Placement:*

- ▶ The related parties proposing to participate in the placement Shares are Robin Widdup, Peter Maloney and Chris Melloy (or their respective nominees) and they are related parties by virtue of being Directors.
- ▶ The maximum number of Shares Robin Widdup, Peter Maloney and Chris Melloy will subscribe for under the placement to Directors is set out in the table above.
- ▶ The Shares will be issued no later than 1 month after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that allotment will occur on 27 October 2017.
- ▶ The issue price will be \$0.35 per Share; and the Shares issued 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.
- ▶ The funds raised from the Placement will strengthen Lion's cash position which will enable opportunistic participation in deal flow in junior miners including further investment in EganStreet Resources Limited. Lion participated in the recently announced EganStreet Resources Limited placement and holds 7.7m 25c options exercisable prior to March 2018.

#### Directors' recommendation

- ▶ The directors, other than Mr Robin Widdup, recommend that you vote in favour of Resolution 1.
- ▶ The directors, other than Mr Christopher Melloy, recommend that you vote in favour of Resolution 2.
- ▶ The directors, other than Mr Peter Maloney, recommend that you vote in favour of Resolution 3.

## RESOLUTION 4 RATIFICATION OF PRIOR ISSUE OF SHARES

### Listing Rules

Subject to certain exceptions, Listing Rule 7.1 imposes a limit on the number of securities the Company can issue without Shareholder approval. In general terms, the Company may not, without Shareholder approval, issue securities representing more than 15% of its share capital in a 12 month period.

Listing Rule 7.4 provides that shareholder approval can be obtained after the Shares are issued if the issue did not breach the 15% limit in Listing Rule 7.1 when made and the Company's members subsequently approve it.

The Shares issued under the Placement represented 7.02% of the issued share capital of the Company and accordingly the issue did not breach the 15% limit.

Resolution 4 is proposed for the purpose of ratifying the issue of the Shares under the Placement. Ratifying the issue of shares under resolution 4 will give the Company flexibility to issue further securities in the next 12 months up to the 15% limit without the need for Shareholder approval.

### Regulatory information

In compliance with Listing Rule 7.5, the following information is provided:

- ▶ The number of Shares allotted and issued pursuant to the Placement was 7,771,428 Shares.
- ▶ The issue price of the Placement Shares was \$0.35 per Share.
- ▶ The Placement Shares rank equally in all respects with existing Shares from the date of issue.
- ▶ The Placement Shares were allotted and issued to a number of sophisticated investors and existing shareholders in the Company.
- ▶ The funds raised from the Placement will enable the Company to take up its pro rata entitlement in the recently announced Egan Street Resources Limited placement and anticipated option exercise in early 2018 in addition to other opportunities.

### Directors' recommendation

As noted above, Mr Robin Widdup, Mr Chris Melloy and Mr Peter Maloney have an interest in the outcome of resolution 4 because they have committed to participate in the Placement (subject to shareholder approval). Because of their interest in the outcome, Messrs Widdup, Melloy and Maloney do not make a recommendation in relation to resolution 4. Mr Barry Sullivan recommends that you vote in favour of Resolution 4.

## GLOSSARY

In the Notice and Explanatory Memorandum the following meanings unless the context requires otherwise

<b>ASX</b>	ASX Limited (ACN 008 624 691) or the securities exchange operated by ASX Limited (as the context requires)
<b>Board</b>	the board of Directors
<b>Company</b>	Lion Selection Group Limited (ACN 077 729 572)
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth)
<b>Directors</b>	the directors of the Company
<b>Listing Rules</b>	the official listing rules of ASX
<b>Share</b>	a fully paid ordinary share in the capital of the Company
<b>Shareholder</b>	a registered holder of Shares
<b>SPP</b>	the share purchase plan as set out in these Terms and Conditions and the Application Form

## Lion Selection Group Limited

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