



ACN 118 153 825

NOTICE OF ANNUAL GENERAL MEETING

**The Annual General Meeting of the Company
will be held at Cassia Room, Level 1 Function Floor,
The Westin Perth, 480 Hay Street, Perth, Western Australia,
on Tuesday, 27 November 2018 at 10 am (WST)**

The Notice of Annual General Meeting 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 prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on +61 (8) 9322 7431.

Shareholders are urged to attend or vote by voting online at www.investorvote.com.au or lodging the proxy form attached to the Notice

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of Shareholders of Liontown Resources Limited (**Company**) will be held at Cassia Room, Level 1 Function Floor, The Westin Perth, 480 Hay Street, Perth, Western Australia at 10 am (WST) on Tuesday, 27 November 2018 (**Meeting**).

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

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations* 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Sunday, 25 November 2018 at 10 am (WST).

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

AGENDA

1. Annual Report

To consider the Annual Report of the Company and its controlled entities for the year ended 30 June 2018, which includes the Financial Report, the Directors' Report and the Auditor's Report.

2. Resolution 1 – Remuneration Report

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

"That the Remuneration Report be adopted by the Shareholders on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

In accordance with section 250R of the Corporations Act, a vote on this Resolution must not be cast by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member.

A vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the person is the Chairman and the appointment of the Chairman as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chairman to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

3. Resolution 2 – Re-election of Director – Mr Tim Goyder

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

"That Mr Tim Goyder, who retires in accordance with clause 14.4(a) of the Constitution and Listing Rule 14.4 and being eligible, offers himself for election, be elected as a Director."

4. Resolution 3 - Approval to increase Non-Executive Directors' Remuneration

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

"That, for the purposes of clause 14.8(f) of the Constitution, Listing Rule 10.17 and for all other purposes, Shareholders approve an increase of the maximum total aggregate amount of fees payable to non-executive Directors to \$500,000 per annum on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a Director or any of their respective associates.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibitions

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

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

However, the above prohibition does not apply if:

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

5. Resolution 4 – Ratification of previous issues of Securities

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

"That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of the following Equity Securities:

- (a) 1,785,714 Shares;
- (b) 111,111,111 Shares; and
- (c) 10,000,000 Shares,

on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of Resolution 4(a), (b) or (c) (as applicable) by or on behalf of any person who participated in the issue or an associate of that person (or those persons).

However, the Company need not disregard a vote if:

- (a) 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
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. Resolution 5 – Approval of Employee Securities Incentive Scheme

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

*"That, pursuant to and in accordance with exception 9(b) of Listing Rule 7.2 and for all other purposes, Shareholders approve the adoption of the Employee Securities Incentive Scheme (**Scheme**), the terms and conditions of which are summarised in the Explanatory Memorandum."*

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) or any of their respective associates.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

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

However, the above prohibition does not apply if:

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

7. Resolution 6 – Approval of potential termination benefits under Employee Securities Incentive Scheme

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

"That, conditional on Resolution 5 being approved, for a period commencing from the date this Resolution is passed and ending upon the expiry of all Securities issued or to be issued under the Employee Securities Incentive Scheme, approval be given for all purposes including Part 2D.2 of the Corporations Act for the giving of benefits to any current or future person holding a managerial or executive office of the Company or a related body corporate in connection with that person ceasing to hold such office, on the terms and conditions in the Explanatory Memorandum"

Voting Prohibition

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

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

However, the above prohibition does not apply if:

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

Further, in accordance with section 200E(2A) of the Corporations Act, a vote on this Resolution must not be cast by any participants or potential participants in the Employee Incentive Scheme and their associates, otherwise the benefit of this Resolution will be lost by such a person in relation to that person's future retirement.

However, a vote may be cast by such a person if:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; and
- (b) it is not cast on behalf of the person or an associate of the person.

8. Resolution 7 – Approval of issue of Director Options

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

"That, pursuant to and in accordance with sections 195(4) and 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, and conditional on Resolution 5 being passed, Shareholders approve the issue of up to 14,000,000 Options to the Directors (or their nominees) as follows:

- (a) 4,000,000 Options to Mr Tim Goyder;
- (b) 5,000,000 Options to Mr David Richards;
- (c) 2,500,000 Options to Mr Craig Williams; and
- (d) 2,500,000 Options to Mr Anthony Cipriano,

*(together the **Director Options**) on the terms and conditions in the Explanatory Memorandum."*

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any Director who is eligible to participate in the Scheme, or an associate of those persons.

However, the Company need not disregard a vote if:

- (a) 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
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition

In accordance with section 224 of the Corporations Act, a vote on Resolution 7(a), (b), (c) or (d) must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party.

However, the above prohibition does not apply if:

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

Please note: If the Chairman is a person referred to in the section 224 Corporations Act voting prohibition statement above, the Chairman will only be able to cast a vote as proxy for a person who

is entitled to vote if the Chairman is appointed as proxy in writing and the Proxy Form specifies how the proxy is to vote on the relevant Resolution.

Further, in accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 7(a), (b), (c) or (d) if:

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

However, the above prohibition does not apply if:

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

9. Resolution 8 – Approval of 10% Placement Facility

To consider and, if thought fit, to pass with or without amendment, as a special resolution the following:

"That, in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities of up to 10% of the issued capital of the Company, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company), or an associate of that person (or those persons).

However, the Company need not disregard a vote if:

- (a) 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
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

BY ORDER OF THE BOARD



Kym Verheyen
Company Secretary

Dated: 12 October 2018

EXPLANATORY MEMORANDUM

1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Cassia Room, Level 1 Function Floor, The Westin Perth, 480 Hay Street, Perth, Western Australia, on Tuesday, 27 November 2018 at 10 am (WST).

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2:	Action to be taken by Shareholders
Section 3:	Annual Report
Section 4:	Resolution 1 – Remuneration Report
Section 5:	Resolution 2 – Re-election of Director – Mr Tim Goyder
Section 6:	Resolution 3 - Approval to increase Non-Executive Directors' Remuneration
Section 7:	Resolution 4 – Ratification of previous issues of Securities
Section 8:	Resolution 5 – Approval of Employee Securities Incentive Scheme
Section 9:	Resolution 6 – Approval of potential termination benefits under Employee Securities Incentive Scheme
Section 10:	Resolution 7 – Approval of issue of Director Options
Section 11:	Resolution 8 – Approval of 10% Placement Facility
Schedule 1:	Definitions
Schedule 2:	Summary of Employee Securities Incentive Scheme
Schedule 3:	Valuation of Director Options

A Proxy Form is attached to this notice of meeting.

2. Action to be taken by Shareholders

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

(a) **Voting by Proxy**

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon, or online by following the directions below. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Online: at www.investorvote.com.au

By mail: Share Registry – Computershare Investor Services Pty Limited, GPO Box 242, Melbourne Victoria 3001, Australia

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

By mobile: Scan the QR Code on your Proxy Form and follow the prompts

Custodian voting: For Intermediary Online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions.

Please note that:

- (i) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (ii) a proxy need not be a member of the Company; and
- (iii) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

(b) **Proxy vote if appointment specifies way to vote**

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (i) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);
- (ii) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands;
- (iii) if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (iv) if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

(c) **Transfer of non-chair proxy to chair in certain circumstances**

Section 250BC of the Corporations Act provides that, if:

- (i) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;
- (ii) the appointed proxy is not the chair of the meeting;
- (iii) at the meeting, a poll is duly demanded on the resolution; and
- (iv) either the proxy is not recorded as attending the meeting or the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

2.2 Voting Prohibition by Proxy Holders (Remuneration of Key Management Personnel)

In accordance with sections 250BD and 250R of the Corporations Act, votes on Resolutions 1 and 6 must not be cast (in any capacity) by, or on behalf of:

- (a) a member of the Key Management Personnel; or
- (b) a Closely Related Party of such member.

However, a person described above may cast a vote on Resolutions 1 and 6 if the vote is not cast on behalf of a person who is excluded from voting on the relevant Resolution and:

- (c) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (d) the person is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on the resolution, but expressly authorises the Chair to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

2.3 Chair's voting intentions

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

If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on the Resolutions by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

3. Annual Report

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2018.

There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at www.asx.com.au;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about:

- (d) the preparation and content of the Auditor's Report;
- (e) the conduct of the audit;
- (f) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (g) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

4. Resolution 1 – Remuneration Report

In accordance with subsection 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with subsection 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

Part 2G.2, Division 9 of the Corporations Act provides Shareholders with the opportunity to remove the whole Board except the managing director if the Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings.

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the Managing Director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Company's Remuneration Report did not receive a Strike at the 2017 annual general meeting. If the Remuneration Report receives a Strike at this Meeting, Shareholders should be aware that if a second Strike is received at the 2019 annual general meeting, this may result in the re-election of the Board.

The Chairman will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

Resolution 1 is an ordinary resolution.

5. Resolution 2 – Re-election of Director – Mr Tim Goyder

Clause 14.4(a) of the Constitution requires that one third of the Directors (excluding the Managing Director) must retire at each annual general meeting (or if that is not a whole number, the whole number nearest to one third).

The Company currently has 4 Directors. Accordingly, one of the Directors is required to retire pursuant to Article 10.3(c) of the Constitution.

Clause 14.4(b) provides that the Directors to retire under clause 14.4(a) as those who have held office the longest since last being elected or appointed.

Clause 14.4(a) of the Constitution and Listing Rule 14.4 also provide that a Director must not hold office, without re-election, past the third annual general meeting following the Director's appointment, or three years, whichever is longer.

Mr Tim Goyder was last elected at the 2015 annual general meeting and has held office the longest since last being elected. Accordingly, Mr Goyder will retire by rotation at this Meeting and, being eligible, will seek re-election.

Mr Goyder has over 30 years' experience in the resource industry and has been involved in the formation and management of a number of publicly-listed companies and is currently Chairman of both Chalice Gold Mines Limited and DevEx Resources Limited, and a Director of both Strike Energy Limited and PhosEnergy Limited (an unlisted, public company).

Mr Goyder was first elected as a Director of the Company on 2 February 2006, and is currently Chairman of the Company. Mr Goyder is the Company's largest Shareholder with an interest of 20.30%, and therefore the Board is of the view that Mr Goyder is not an independent director in accordance with Box 2.3 of the Corporate Governance Principles and Recommendation 3rd Edition.

5.1 Additional information

The Board (excluding Mr Goyder) recommends that Shareholders vote in favour of Resolution 2.

Resolution 2 is an ordinary resolution.

6. Resolution 3 - Approval to increase Non-Executive Directors' Remuneration

6.1 Background

Listing Rule 10.17 provides that an entity must not increase the total aggregate amount of directors' fees payable to all of its non-executive directors without the approval of holders of its ordinary securities.

Clause 14.8(a)(ii) of the Constitution also requires that remuneration payable to the non-executive Directors will not exceed the sum determined by the Company in general meeting from time to time, and the total aggregate fixed sum will be divided between the non-executive Directors as the Directors shall determine and, in default of agreement between them, then in equal shares.

The maximum aggregate amount of fees payable to all of the non-executive Directors is currently set at \$300,000 (inclusive of superannuation). This level was approved by the Shareholder of the Company prior to it becoming admitted to the official list of ASX (see Section 10.5 of the Company's prospectus dated 14 November 2006).

Resolution 3 seeks the approval of Shareholders pursuant to Listing Rule 10.17 and clause 14.8(f) of the Constitution to increase the total aggregate fixed sum per annum to be paid to the non-executive Directors to \$500,000 (inclusive of superannuation).

6.2 Rationale for the increase

The maximum aggregate amount of fees proposed to be paid to the non-executive Directors per annum has been determined after reviewing similar companies listed on ASX and the Directors

believe that this level of remuneration is in line with corporate remuneration of similar companies.

This proposed level of permitted fees does not mean that the Company must pay the entire amount approved as fees in each year, rather the proposed limit is requested to ensure that the Company:

- (a) maintains its capacity to remunerate both existing and any new non-executive Directors joining the Board;
- (b) remunerates its non-executive Directors appropriately for the expectations placed upon them both by the Company and the regulatory environment in which it operates; and
- (c) has the ability to attract and retain non-executive Directors whose skills and qualifications are appropriate for a company of the size and nature of the Company.

6.3 Specific information required by Listing Rule 10.17

Pursuant to and in accordance with Listing Rule 10.17, the following information is provided in relation to the proposed increase in the aggregate amount payable to non-executive Directors:

- (a) the Company is proposing to increase the total aggregate fixed sum per annum to be paid to the non-executive Directors by \$200,000;
- (b) the maximum aggregate amount per annum to be paid to all non-executive Directors is \$500,000, and includes superannuation contributions made by the Company for the benefit of non-executive Directors and any fees which a non-executive Director agrees to sacrifice for other benefits. It does not include reimbursement of genuine out of pocket expenses, genuine "special exertion" fees paid in accordance with the Constitution, or securities issued to a non-executive Director under Listing Rules 10.11 or 10.14 with approval of Shareholders;
- (c) in the past 3 years, the Company has issued Equity Securities to non-executive Directors, or their nominees, as follows:

Non-Executive Director	Shareholder approval	Equity Securities	Date of issue
Tim Goyder	Listing Rule 10.11: in lieu of outstanding director fees	383,286 Shares (deemed issue price of \$0.007 per Share)	25 November 2015
Craig Williams	Listing Rule 10.11: in lieu of outstanding director fees	3,316,857 Shares (deemed issue price of \$0.007 per Share)	25 November 2015
Anthony Cipriano	Listing Rule 10.11: in lieu of outstanding director fees	3,316,857 Shares (deemed issue price of \$0.007 per Share)	25 November 2015
Tim Goyder	Listing Rule 10.11: In lieu of outstanding loan facility	23,333,333 Shares (issue price of \$0.015 per Share)	24 May 2016

Non-Executive Director	Shareholder approval	Equity Securities	Date of issue
Tim Goyder	Listing Rule 10.14: Employee Share Option Plan	2,000,000 Options exercisable at \$0.035 each on or before 31 March 2021	24 May 2016
Craig Williams	Listing Rule 10.11: Placement	2,666,666 Shares (issue price of \$0.015 per Share)	24 May 2016
Anthony Cipriano	Listing Rule 10.14: Employee Share Option Plan	1,000,000 Options exercisable at \$0.035 each on or before 31 March 2021	24 May 2016
Tim Goyder	Listing Rule 10.14: Employee Share Option Plan	4,000,000 Options exercisable at \$0.02 each on or before 31 October 2022	28 November 2017
Craig Williams	Listing Rule 10.14: Employee Share Option Plan	2,000,000 Options exercisable at \$0.02 each on or before 31 October 2022	28 November 2017
Anthony Cipriano	Listing Rule 10.14: Employee Share Option Plan	2,000,000 Options exercisable at \$0.02 each on or before 31 October 2022	28 November 2017

(d) a voting exclusion statement is included in the Notice.

6.4 Additional information

Resolution 3 is an ordinary resolution.

Given the interest of the non-executive Directors in this Resolution, the Board makes no recommendation to Shareholders regarding this Resolution.

7. Resolution 4 – Ratification of previous issues of Securities

7.1 Background

Resolution 4 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of a total of 132,896,825 Shares which the Company issued within the last 12 months without obtaining prior shareholder approval (**Issued Securities**).

7.2 Listing Rule 7.1

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.

The Issued Securities were issued in accordance with Listing Rule 7.1.

7.3 Listing Rule 7.4

Listing Rule 7.4 provides an exception to Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1), those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1.

The effect of Resolution 4 will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

7.4 Specific information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Issued Securities:

(a) Norcott Placement

- (i) 1,785,714 Shares were issued on 1 May 2018;
- (ii) the Shares were issued at a deemed issue price of \$0.028 per Share;
- (iii) the Shares issued were fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue;
- (iv) the Shares were issued to the vendor of the Norcott Lithium Project, Galahad Resources Pty Ltd (or its nominees), none of whom are related parties to the Company;
- (v) the Shares were issued in part consideration for the acquisition of the Norcott Lithium Project and therefore no funds were raised as a result of the issue; and
- (vi) a voting exclusion statement is included in the Notice for this Resolution.

(b) June Placement

- (i) 111,111,111 Shares were issued on 26 June 2018;
- (ii) the Shares were issued at \$0.027 each;
- (iii) the Shares issued were fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue;
- (iv) the Shares were issued to professional investors, none of whom are related parties of the Company;
- (v) the Shares raised approximately \$3,000,000 (before costs) and the Company used these funds to rapidly advance drilling, resource development and initial scoping study activities at the Company's Kathleen Valley Lithium Project, Buldania Lithium Project and Toolebuc Vanadium Project; and
- (vi) a voting exclusion statement is included in the Notice for this Resolution.

(c) Killaloe Project – Tranche 1

- (i) 10,000,000 Shares were issued on 6 September 2018;

- (ii) the Shares were issued at a deemed issue price of of \$0.03 per Share;
- (iii) the Shares issued were fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue;
- (iv) the Shares were issued to the vendor of the Killaloe Project, Matsa Resources Limited (or its nominees), none of whom are related parties of the Company;
- (v) the Shares were issued in part consideration for the acquisition of the Killaloe Project and therefore no funds were raised as a result of the issue; and
- (vi) a voting exclusion statement is included in the Notice for this Resolution.

7.5 Additional information

The Board recommends that Shareholders vote in favour of each of Resolutions 4(a), (b) and (c).

Resolutions 4(a), (b) and (c) are ordinary resolutions.

8. Resolution 5 – Approval of Employee Securities Incentive Scheme

8.1 General

The Company considers that it is desirable to replace the Company's Employee Share Option Plan (last renewed by Shareholders on 24 November 2015 at the 2015 annual general meeting) with the Employee Securities Incentive Scheme (**Scheme**).

Pursuant to the Scheme, the Company can issue Equity Securities to attract, motivate and retain key Directors, employees and consultants and provide them with the opportunity to participate in the future growth of the Company.

Resolution 5 seeks Shareholders' approval for the adoption of the Scheme in accordance with Listing Rule 7.2 exception 9(b).

Under the Scheme, the Board may offer to eligible persons the opportunity to subscribe for such number of Equity Securities in the Company as the Board may decide and, on the terms, set out in the rules of the Scheme, a summary of the key terms and conditions of which is in Schedule 2. In addition, a copy of the Scheme is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Scheme can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

8.2 Listing Rules 7.1 and 7.2, exception 9(b)

A summary of Listing Rule 7.1 is contained in Section 7.2 above.

Listing Rule 7.2, exception 9(b) provides an exception to Listing Rule 7.1 such that issues of Equity Securities under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of Equity Securities under the scheme as an exception to Listing Rule 7.1.

If Resolution 5 is passed, the Company will be able to issue Equity Securities under the Scheme to eligible participants over a period of 3 years without using the Company's 15% annual placement capacity under Listing Rule 7.1.

However, any future issues of Equity Securities under the Scheme to a related party or a person whose relation with the Company or the related party is, in ASX's opinion, such that approval

should be obtained will require additional Shareholder approval under Listing Rule 10.14 at the relevant time.

Shareholders should note that no Equity Securities have previously been issued under the Scheme.

8.3 Additional information

The Board recommends that Shareholders vote in favour of Resolution 5.

Resolution 5 is an ordinary resolution.

9. Resolution 6 – Approval of potential termination benefits under Employee Securities Incentive Scheme

9.1 Summary

The Corporations Act contains certain limitations concerning the payment of "termination benefits" to persons who hold a "managerial or executive office". The Listing Rules also provides certain limitations on the payment of "termination benefits" to officers of listed entities.

As is common with employee incentive schemes, the Scheme provides the Board with the discretion to, amongst other things, determine that some or all of the Equity Securities granted to a participant under the Scheme (**Scheme Securities**) will not lapse in the event of that participant ceasing their engagement with the Company before such Scheme Securities have vested. This "accelerated vesting" of Scheme Securities may constitute a "termination benefit" prohibited under the Corporations Act, regardless of the value of such benefit, unless shareholder approval is obtained. Accordingly, the Board has resolved to seek Shareholder approval for the granting of such termination benefits in accordance with Resolution 6.

9.2 General

Subject to Shareholder approval of Resolution 5, Shareholder approval is also sought for the purposes of Part 2D.2 of the Corporations Act to approve the giving of benefits under the Employee Securities Incentive Scheme to a person by the Company in connection with that person ceasing to be an officer of, or ceasing to hold a managerial or executive office in, the Company (or subsidiary of the Company) on the terms and conditions in this Explanatory Memorandum.

As noted above, under the terms of the Scheme and subject to the ASX Listing Rules, the Board possesses the discretion to vary the terms or conditions of the Scheme Securities. Notwithstanding the foregoing, without the consent of the participant in the Scheme, no amendment may be made to the terms of any granted Scheme Security which reduces the rights of the participant in respect of that Scheme Security, other than an amendment introduced primarily to comply with legislation, to correct any manifest error or mistake or to take into consideration possible adverse tax implications.

As a result of the above discretion, the Board has the power to determine that some or all of a participant's Scheme Securities will not lapse in the event of the participant ceasing employment or office before the vesting of their Scheme Securities. The Board's current intention is to only exercise this discretion where the person leaves employment or office without fault on their part. The exercise of this discretion by the Board may constitute a "benefit" for the purposes of section 200B of the Corporations Act. The Company is therefore seeking Shareholder approval for the

exercise of the Board's discretion in respect of any current or future participant in the Scheme who holds:

- (a) a managerial or executive office in, or is an officer of, the Company (or subsidiary of the Company) at the time of their leaving or at any time in the three years prior to their leaving; and
- (b) Scheme Securities at the time of their leaving.

In accordance with Listing Rule 10.9, the Company will ensure that no officer of the Company or any of its child entities will, or may be, entitled to termination benefits if the value of those benefits and the terminations benefits that are or may be payable to all officers together exceed 5% of the equity interests of the company as set out in the latest accounts given to ASX under the Listing Rules.

9.3 Value of the termination benefits

The value of the termination benefits that the Board may give under the Scheme cannot be determined in advance. This is because various matters will or are likely to affect that value. In particular, the value of a particular benefit will depend on factors such as the Company's Share price at the time of vesting and the number of Scheme Securities that will vest or otherwise be affected. The following additional factors may also affect the benefit's value:

- (a) the participant's length of service and the status of the vesting conditions attaching to the relevant Scheme Securities at the time the participant's employment or office ceases; and
- (b) the number of unvested Scheme Securities that the participant holds at the time they cease employment or office.

Corporations Act Part 2D.2 of the Corporations Act restricts the benefits that can be given to persons who hold a "managerial or executive office" (as defined in the Corporations Act) on leaving their employment with the Company or any of its related bodies corporate, unless an exception applies. Under section 200B of the Corporations Act, a company may only give a person a benefit in connection with them ceasing to hold a managerial or executive office if the benefit is approved by shareholders or an exemption applies. Provided Shareholder approval is given, the value of the termination benefits may be disregarded when applying section 200F(2)(b) or section 200G(1)(c) of the Corporations Act (i.e. the approved benefit will not count towards the statutory cap under the legislation).

9.4 Additional information

The Board recommends that Shareholders vote in favour of Resolution 6.

Resolution 6 is an ordinary resolution.

Resolution 6 is conditional on the passing of Resolution 5. If Resolution 5 is not approved at the Meeting, Resolution 6 will not be put to the Meeting.

10. Resolution 7 – Approval of issue of Director Options

10.1 Background

Subject to Shareholder approval of Resolution 5, the Company is proposing, subject to obtaining Shareholder approval, to issue a total of 14,000,000 Director Options to the Directors under the Scheme, as set out below.

Director	Number of Director Options	Exercise price
Tim Goyder	4,000,000	\$0.035
David Richards	5,000,000	\$0.035
Craig Williams	2,500,000	\$0.035
Anthony Cipriano	2,500,000	\$0.035
Total	14,000,000	\$0.035

The exercise price of all the Director Options will be \$0.035 and the expiry date will be 5 years after the date of issue.

10.2 Chapter 2E of the Corporations Act

In accordance with Chapter 2E of the Corporations Act, in order to give a financial benefit to a related party, the Company must:

- (a) obtain Shareholder approval in the manner set out in section 217 to 227 of the Corporations Act; and
- (b) 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 grant of the Director Options constitutes giving a financial benefit and Messrs Goyder, Richards, Williams and Cipriano are related parties of the Company by virtue of being Directors. The Company is seeking approval for the purposes of Chapter 2E of the Corporations Act in respect of the Director Options proposed to be issued to the Directors pursuant to Resolutions 7(a), (b), (c) or (d).

10.3 Information requirements for Chapter 2E of the Corporations Act

In compliance with the information requirements of section 219 of the Corporations Act, Shareholders are advised of the information below. Neither the Directors nor the Company are aware of any other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated by Resolutions 7(a), (b), (c) or (d).

- (a) **Identity of the related parties to whom Resolutions 7(a), (b), (c) and (d) permit financial benefits to be given**
The Director Options will be issued to Messrs Goyder, Richards, Williams and Cipriano, or their respective nominees.
- (b) **Nature of the financial benefit**
Resolutions 7(a), (b), (c) or (d) seek approval from Shareholders to allow the Company to issue the Director Options in the amounts specified in Section 10.1 above to the

Directors or their nominees. The Director Options are to be issued in accordance with the Scheme and otherwise on the terms and conditions summarised in Section 10.1 above.

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

(c) **Valuation of financial benefit**

Using a Black & Scholes valuation model, the Company's valuation of the Director Options is in Schedule 3, with a summary for each Director below:

Director	Value of Director Options
Tim Goyder	\$71,320
David Richards	\$89,150
Craig Williams	\$44,575
Anthony Cipriano	\$44,575
Total	\$249,620

(d) **Dilution**

The issue of the Director Options to the Directors will have a diluting effect on the percentage interest of existing Shareholders holdings if the Director Options vest and are exercised. The exercise of the Director Options will result in a dilution of all other Shareholders' holdings in the Company of 1.24% based on issued Shares as at the date of this Notice and 1.20% on a fully diluted basis (assuming all existing Options and Performance Rights are exercised or convert, as applicable). The actual dilution will depend on the extent that additional Shares are issued by the Company.

(e) **Remuneration of Directors**

The total annual remuneration arrangements current for each of the Directors as at the date of this Notice are set out below:

Director	Salary and fees including superannuation
Tim Goyder	\$151,500
David Richards	\$300,000
Craig Williams	\$37,448
Anthony Cipriano	\$37,448

Note: On 28 November 2017, Mr Goyder was issued with 4,000,000 Options, Mr Richards was issued with 8,000,000 Options, and Messrs Cipriano and Williams were each issued with 2,000,000 Options, in each case exercisable at \$0.02 cents on or before 31 October 2022 and as partial remuneration.

(f) **Existing relevant interests**

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

Director	Relevant interest	
	Shares	Options
Tim Goyder	226,184,982	2,000,000 Options exercisable at \$0.035 cents each on or before 31 March 2021 4,000,000 Options exercisable at \$0.02 each on or before 31 October 2022
David Richards	3,431,500	2,000,000 Options exercisable at \$0.035 cents each on or before 31 March 2021 8,000,000 Options exercisable at \$0.02 each on or before 31 October 2022
Craig Williams	14,663,122	1,000,000 Options exercisable at \$0.035 cents each on or before 31 March 2021 2,000,000 Options exercisable at \$0.02 each on or before 31 October 2022
Anthony Cipriano	6,370,479	1,000,000 Options exercisable at \$0.035 cents each on or before 31 March 2021 2,000,000 Options exercisable at \$0.02 each on or before 31 October 2022

Assuming that:

- (i) Resolutions 7(a), (b), (c) and (d) are approved by Shareholders;
- (ii) all of the Director Options are issued;
- (iii) each Director exercises all of the Director Options to be granted to him pursuant to Resolutions 7(a), (b), (c) or (d) respectively; and
- (iv) no other Equity Securities are issued or exercised (including the current Options held by the Directors),

the respective interests of the Directors in the Company would be as follows:

- (i) Mr Goyder's interest would represent approximately 20.66% of the Company's expanded Share capital;
- (ii) Mr Richards' interest would represent approximately 0.76% of the Company's expanded Share capital;
- (iii) Mr Williams' interest would represent approximately 1.54% of the Company's expanded Share capital; and

- (iv) Mr Cipriano's interest would represent approximately 0.80% of the Company's expanded Share capital.

As Mr Goyder holds a relevant interest in over 20% of the Company's Shares on issue, it is specifically noted that any acquisition of additional Shares will be subject to compliance with section 606 of the Corporations Act.

(g) **Trading history**

Over the past 12 months prior to the date of this Notice, the Company's Share price history is as follows:

Lowest closing Share price	\$0.009
Highest closing Share price	\$0.055
Closing Share price as at the date of this Notice	\$0.025

(h) **Corporate Governance**

The Board acknowledges the grant of the Director Options to the non-executive Directors is contrary to Recommendation 8.2 of the 3rd edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations. However, the Board considers the grant of Director Options to the non-executive Directors reasonable in the circumstances as the Company is in an important stage of development with significant opportunities and challenges in both the near and long-term, and the proposed issue seeks to align the efforts of the Directors in seeking to achieve growth of the Share price and in the creation of Shareholder value. In addition, the Board also believes that incentivising with the Director Options is a prudent means of conserving the Company's available cash reserves. The Board believes it is important to offer these Director Options to continue to attract and maintain highly experienced and qualified Board members in a competitive market.

(i) **Taxation consequences**

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

(j) **Director recommendations**

The Directors decline to make a recommendation to Shareholders in relation to Resolutions 7(a), (b), (c) or (d) due to their personal interests in the outcome of the Resolutions.

10.4 Specific information required by Listing Rule 10.15

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

- (a) each of Tim Goyder, David Richards, Craig Williams and Anthony Cipriano are Directors;
- (b) the maximum number of Director Options to be issued to the Directors (or their nominees) is 14,000,000 as set out in Section 10.1 above;
- (c) the Director Options are being issued to the Directors under the Scheme at an issue price of nil and otherwise on the terms summarised in Section 10.1 above;

- (d) the Scheme has not previously been approved;
- (e) the Directors are the only persons referred to in Listing Rule 10.14 who are entitled to participate in the Scheme, namely: Tim Goyder, David Richards, Craig Williams and Anthony Cipriano;
- (f) no loans will be made in relation to the acquisition of the Director Options;
- (g) the Director Options will be issued to the Directors no later than 12 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated the Director Options will be issued on one date; and
- (h) a voting exclusion statement is included in the Notice.

10.5 Additional information

Resolutions 7(a), (b), (c) or (d) are ordinary resolutions.

Resolutions 7(a), (b), (c) and (d) are conditional on the passing of Resolution 5. If Resolution 5 is not approved at the Meeting, Resolutions 7(a), (b), (c) and (d) will not be put to the Meeting. Resolutions 7(a), (b), (c) or (d) are not conditional on the passing of each other.

11. Resolution 8 – Approval of 10% Placement Facility

11.1 General

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

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

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility. The number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 11.2(b) below).

The Board unanimously recommends that Shareholders vote in favour of Resolution 8.

Resolution 8 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

11.2 Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an annual general meeting.

Equity Securities

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

The Company, as at the date of the Notice, has on issue one quoted class of Equity Securities, Shares.

(b) **Formula for calculating 10% Placement Facility**

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

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

A is the number of shares on issue 12 months before the date of issue or agreement:

- (A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (B) plus the number of partly paid shares that became fully paid in the 12 months;
- (C) plus the number of fully paid shares issued in the 12 months with Shareholder approval under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without Shareholder approval;
- (D) less the number of fully paid shares cancelled in the 12 months.

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

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with Shareholder approval under Listing Rule 7.1 or 7.4.

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

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

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 11.2(b)).

(d) **Minimum Issue Price**

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

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 trading days of the date in paragraph 11.2(d)(i) above, the date on which the Equity Securities are issued.

(e) **10% Placement Period**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of Shareholder approval of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

11.3 Listing Rule 7.1A

The effect of Resolution 8 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

11.4 Specific information required by Listing Rule 7.3A

In accordance with Listing Rule 7.3A, information is provided as follows:

(a) **Minimum issue price**

The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 trading days of the date in paragraph 11.4(a)(i) above, the date on which the Equity Securities are issued.

If the Equity Securities are issued for non-cash consideration, then, in accordance with the Listing Rules, the Company will provide a valuation of the non-cash consideration to the market that demonstrates that the issue price of the securities complies with Listing Rule 7.1A.3.

(b) **Risk of economic and voting dilution**

If this Resolution is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Options, only if the Options are converted into Shares). There is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

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

The below table shows:

- (iii) the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of the Notice;
- (iv) 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
- (v) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.013 50% decrease in Issue Price	\$0.026 Issue Price	\$0.052 100% increase in Issue Price
Current Variable A 1,113,987,460 Shares	10% Voting Dilution	111,398,746 Shares	111,398,746 Shares	111,398,746 Shares
	Funds raised	\$1,448,184	\$2,896,367	\$5,792,735
50% increase in current Variable A 1,670,981,190 Shares	10% Voting Dilution	167,098,119 Shares	167,098,119 Shares	167,098,119 Shares
	Funds raised	\$2,172,276	\$4,344,551	\$8,689,102
100% increase in current Variable A 2,227,974,920 Shares	10% Voting Dilution	222,797,492 Shares	222,797,492 Shares	222,797,492 Shares
	Funds raised	\$2,896,367	\$5,792,735	\$11,585,470

The table has been prepared on the following assumptions:

1. The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
2. No convertible securities (including any issued under the 10% Placement Facility) are exercised or converted into Shares before the date of the issue of the Equity Securities.
3. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.

4. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
5. The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
6. The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
7. The issue price is \$0.026 being the closing price of the Shares on ASX on 4 October 2018.

(c) **Final date for issue**

The Company will only issue the Equity Securities during the 10% Placement Period.

(d) **Purposes of issues under 10% Placement Facility**

The Company may seek to issue the Equity Securities for the following purposes:

- (i) non-cash consideration for the provision of services to the Company or the acquisition of new resources assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
- (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new resources assets or investments (including expenses associated with such acquisition such due diligence costs and external advisors) and continued exploration on the Company's current projects and working capital requirements.

(e) **Disclosure obligations**

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.

(f) **Allocation policy**

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

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

The allottees under the 10% Placement Facility have not been determined as at the date of the Notice but may include existing substantial Shareholders and/or new

Shareholders who are not a related party or an associate of a related party of the Company.

Further, if the Company is successful in acquiring new projects, assets or investments, it is possible that the allottees under the 10% Placement Facility will be the vendors of the new projects, assets or investments.

(g) **Issues in the past 12 months**

The Company has not previously obtained Shareholder approval under Listing Rule 7.1A.

(h) **Voting exclusion statement**

A voting exclusion statement is included in the Notice.

At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

Schedule 1 - Definitions

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

\$ means Australian Dollars.

10% Placement Facility has the meaning given in Section 11.1.

10% Placement Period has the meaning given in Section 11.2(e).

Annual Report means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 30 June 2018.

Article means an article of the Constitution.

ASX means the ASX Limited ABN 98 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

Auditor's Report means the auditor's report on the Financial Report.

Board means the board of Directors.

Chairman means the person appointed to chair the Meeting of the Company convened by the Notice.

Closely Related Party means:

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

Company means Liontown Resources Limited (ACN 118 153 825).

Constitution means the constitution of the Company as at the date of the Meeting.

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

Director means a director of the Company.

Directors' Report means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Director Options means the Options the subject of Resolution 7.

Equity Security has the same meaning as in the Listing Rules and **Equity Securities** has the corresponding meaning.

Explanatory Memorandum means the explanatory memorandum which forms part of the Notice.

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

Holder means a holder of an Option.

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

Listing Rules means the listing rules of ASX.

Meeting has the meaning given in the introductory paragraph of the Notice.

Notice means this notice of annual general meeting.

Option means an option to acquire a Share.

Scheme means the Company's employee securities incentive scheme the subject of Resolution 5.

Proxy Form means the proxy form attached to the Notice.

Remuneration Report means the remuneration report of the Company contained in the Directors' Report.

Resolution means a resolution referred to in the Notice.

Schedule means a schedule to the Notice.

Section means a section of the Explanatory Memorandum.

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

Shareholder means a shareholder of the Company.

Strike means a 'no' vote of 25% or more on the resolution approving the Remuneration Report.

VWAP means volume weighted average price.

WST means Western Standard Time being the time in Perth, Western Australia.

Schedule 2 – Summary of Employee Securities Incentive Scheme

The Company has established an employee securities incentive scheme (**Scheme**).

The full terms of the Scheme may be inspected at the registered office of the Company during normal business hours. A summary of the terms of the Scheme is set out below.

1. Eligible Participant

"Eligible Participant" means a person that:

- (a) is an "eligible participant" (as that term is defined in ASIC Class Order 14/1000) in relation to the Company or an Associated Body Corporate (as that term is defined in ASIC Class Order 14/1000); and
- (b) has been determined by the Board to be eligible to participate in the Scheme from time to time.

2. Purpose

The purpose of the Scheme is to:

- (a) assist in the reward, retention and motivation of Eligible Participants;
- (b) link the reward of Eligible Participants to Shareholder value creation; and
- (c) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.

3. Scheme administration

The Scheme will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Scheme rules in its sole and absolute discretion. The Board may delegate its powers and discretion.

4. Eligibility, invitation and application

- (a) The Board may from time to time determine that an Eligible Participant may participate in the Scheme and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides.
- (b) On receipt of an invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part.
- (c) If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.

5. Grant of Securities

The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of Securities, subject to the terms and conditions set out in the invitation, the Scheme rules and any ancillary documentation required.

6. Terms of Convertible Securities

- (a) Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan.
- (b) Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. Unless determined otherwise by the Board in its absolute discretion, a Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.

7. Vesting of Convertible Securities

- (a) Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation.
- (b) A vesting condition may, subject to applicable laws, be waived by the Board on such terms and conditions determined by the Board.
- (c) If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. If the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.

8. Exercise of Convertible Securities and cashless exercise

- (a) To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation.
- (b) An invitation may specify that at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the "Market Value" of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities. "Market Value" means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 Trading Days immediately preceding that given date, unless otherwise specified in an invitation.

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

9. Delivery of Shares on exercise of Convertible Securities

As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Scheme rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.

10. Forfeiture of Convertible Securities

Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest.

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

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

- (a) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
- (b) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.

11. Change of control

If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.

12. Rights attaching to Scheme Shares

All Shares issued under the Scheme, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (**Scheme Shares**) will rank pari passu in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Scheme Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Scheme Shares. A Participant may exercise any voting rights attaching to Scheme Shares.

13. Disposal restrictions on Scheme Shares

If the invitation provides that any Scheme Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.

For so long as a Scheme Share is subject to any disposal restrictions under the Scheme, the Participant will not:

- (a) transfer, encumber or otherwise dispose of, or have a security interest granted over that Scheme Share; or
- (b) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.

14. Adjustment of Convertible Securities

If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

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

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

15. Participation in new issues

There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.

16. Amendment of Scheme

Subject to the following paragraph, the Board may at any time amend any provisions of the Scheme rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Scheme and determine that any amendments to the Scheme rules be given retrospective, immediate or future effect.

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

17. Scheme duration

The Scheme continues until the Board decides to end it. The Board may suspend the operation of the Scheme for a fixed period or indefinitely, and may end any suspension. If the Scheme is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

Schedule 3 – Valuation of Director Options

Director:	Tim Goyder	David Richards	Craig Williams	Anthony Cipriano
Exercise price:	\$0.035	\$0.035	\$0.035	\$0.035
Market value of Shares at time of setting exercise price:	\$0.026	\$0.026	\$0.026	\$0.026
Exercise price premium to market value:	34.62%	34.62%	34.62%	34.62%
Expiry date:	26 November 2023	26 November 2023	26 November 2023	26 November 2023
Expected volatility:	100%	100%	100%	100%
Risk free interest rate:	2.06%	2.06%	2.06%	2.06%
Annualised dividend yield:	Nil	Nil	Nil	Nil
Value of each Director Option:	\$0.01783	\$0.01783	\$0.01783	\$0.01783
Aggregate value of Director Options:	\$71,320	\$89,150	\$44,575	\$44,575



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Web: www.ltresources.com.au

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Victoria 3001 Australia

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

Proxy Form

XX



Vote and view the annual report online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999 PIN: 99999

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



 **For your vote to be effective it must be received by 10:00am (WST) Sunday, 25 November 2018**

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.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form** →



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 Liantown Resources Limited 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 Liantown Resources Limited to be held at the Cassia Room, Level 1 Function Floor, The Westin Perth, 480 Hay Street, Perth, Western Australia on Tuesday, 27 November 2018 at 10:00am (WST) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 3 and 5 - 7(d) (except where I/we have indicated a different voting intention below) even though Resolutions 1, 3 and 5 - 7(d) are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

If the Chair is a person referred to in the section 224 Corporations Act voting prohibition statement applicable to Resolution 7(a), (b), (c) or (d) (as applicable), the Chair will only be able to cast a vote on the applicable Resolution as proxy for you if you are entitled to vote, have appointed as proxy in writing and specified your voting direction on the applicable Resolution below.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 3 and 5 - 7(d) by marking the appropriate box in step 2 below.

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.

ORDINARY BUSINESS

		For	Against	Abstain		For	Against	Abstain
Resolution 1	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 6	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director - Mr Tim Goyder	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 7(a)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval to increase Non-Executive Directors' Remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 7(b)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4(a)	Ratification of previous issue of Securities - 1,785,714 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 7(c)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4(b)	Ratification of previous issue of Securities - 111,111,111 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 7(d)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4(c)	Ratification of previous issue of Securities - 10,000,000 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 8	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of Employee Securities Incentive Scheme	<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 <input style="width: 90%; height: 20px;" type="text"/>	Securityholder 2 <input style="width: 90%; height: 20px;" type="text"/>	Securityholder 3 <input style="width: 90%; height: 20px;" type="text"/>
Sole Director and Sole Company Secretary	Director	Director/Company Secretary

Contact Name _____ Contact Daytime Telephone _____ Date ____/____/____