



ASX: LTR

**Liontown Resources Limited  
ACN 118 153 825**

## **Notice of Annual General Meeting**

**The Annual General Meeting of the Company will be held at the Cassia Room, Level 1 Function Floor, The Westin Perth, at 480 Hay Street, Perth, Western Australia on Wednesday, 25 November 2020 at 11.00am (WST).**

The Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from a suitably qualified professional advisor prior to voting.

**Should you wish to discuss any matter, please do not hesitate to contact the Company Secretary by telephone on (08) 9322 7431.**

**Shareholders are urged to attend or vote by lodging the proxy form attached to the Notice**

**Liontown Resources Limited**  
**ACN 118 153 825**  
**(Company)**

## **Notice of Annual General Meeting**

Notice is given that the annual general meeting of Liontown Resources Limited will be held at the Cassia Room, Level 1 Function Floor, The Westin Perth, at 480 Hay Street, Perth, Western Australia on Wednesday, 25 November 2020 at 11:00 am (WST) (**Meeting**).

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

The Directors have determined that pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those persons who are registered Shareholders at 4.00 pm (WST) on Monday, 23 November 2020.

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 financial year ended 30 June 2020, which includes the Financial Report, the Directors' Report and the Auditor's Report.

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

#### **2 Resolutions**

##### **Resolution 1 – Remuneration Report**

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

*'That the Remuneration Report be adopted by Shareholders.'*

##### **Resolution 2 – Re-election of Director – Mr Craig Williams**

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

*'That Mr Craig Williams, who retires in accordance with Clause 14.4 of the Constitution, Listing Rule 14.4 and for all other purposes, retires and, being eligible and offering himself for re-election, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum.'*



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

**Resolution 3(a), (b) and (c):** 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.

**BY ORDER OF THE BOARD**

Craig Hasson  
Company Secretary  
Liontown Resources Limited  
Dated: 22 October 2020

**Liontown Resources Limited**  
**ACN 118 153 825**  
**(Company)**

## **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, at 480 Hay Street, Perth, Western Australia on Wednesday, 25 November 2020 at 11:00 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 information about the following to assist Shareholders in deciding how to vote on the Resolutions:

Section 2	Voting and attendance information
Section 3	Annual Report
Section 4	Resolution 1 – Remuneration Report
Section 5	Resolution 2 – Re-election of Director – Mr Craig Williams
Section 6	Resolution 3 – Approval to issue Options to Non-Executive Directors
Schedule 1	Definitions
Schedule 2	Terms and conditions of Incentive Options
Schedule 3	Valuation of Incentive Options
Schedule 4	Summary of Employee Securities Incentive Scheme

A Proxy Form is located at the end of the Explanatory Memorandum.

### **2. Voting and attendance information**

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

#### **2.1 Impact of COVID-19 on the Meeting**

The health and safety of members and personnel, and other stakeholders, is the highest priority and the Company is acutely aware of the current circumstances resulting from COVID-19.

Based on the best information available to the Board at the time of the Notice, the Board considers it will be in a position to hold an 'in-person' meeting to provide Shareholders with a reasonable opportunity to participate in and vote at the Meeting, while complying with the COVID-19 restrictions regarding gatherings. The Company, however, strongly encourages Shareholders to submit proxies prior to the Meeting.

If the situation in relation to COVID-19 were to change in a way that affects the position above, the Company will provide a further update ahead of the Meeting by releasing an announcement on the ASX market announcements platform.

## 2.2 Voting in person

Given the current COVID-19 circumstances and in the interests of public health and safety of our Shareholders, the Company will implement arrangements to allow Shareholders to physically attend the Meeting in accordance with COVID-19 protocols and government advice.

The Company will strictly comply with applicable limitations on indoor gatherings in force at the time of the Meeting. If you attend the Meeting in person, you will be required to adhere to COVID-19 protocols in place at the time of the Meeting.

## 2.3 Voting by proxy

Shareholders are encouraged to vote by completing a Proxy Form.

Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Lodgement instructions (which include the ability to lodge proxies electronically) are set out in the Proxy Form to the Notice of Meeting.

Proxy Forms can be lodged:

Online:	at <a href="http://www.investorvote.com.au">www.investorvote.com.au</a>
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 <a href="http://www.intermediaryonline.com">www.intermediaryonline.com</a> to submit your voting intentions.

In order for your proxy to be valid, your Proxy Form (and any power of attorney under which it is signed) must be received by **11:00am (WST) on Monday, 23 November 2020**. Proxies received after this time will be invalid.

## 2.4 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 (or the Chairman is appointed by default) and you have not specified the way the Chair is to vote on any of 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 if 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 2020.

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 <https://www.ltresources.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 Chair about the management of the Company, or to the Company's auditor about:

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

may be submitted no later than five 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.

If the Company's Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings, Shareholders will have the opportunity to remove the whole Board, except the managing director (if any).

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, if any) 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 2019 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 2021 annual general meeting, this may result in the re-election of the Board.

The Chair 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.

Given the personal interests of all Directors in this Resolution, the Board makes no recommendation to Shareholders regarding this Resolution.

## **5. Resolution 2 – Re-election of Director – Mr Craig Williams**

### **5.1 General**

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

Clause 14.4(c) of the Constitution provides that a Director who retires in accordance with Clause 14.4(a) is eligible for re-election.

Non-Executive Director, Mr Williams was last elected at the annual general meeting held on 28 November 2017. Accordingly, Mr Williams retires at this Meeting and, being eligible, seeks re-election pursuant to Resolution 2.

### **5.2 Craig Williams**

Mr Williams is a Geologist with over 40 years' experience in mineral exploration and development. Mr Williams co-founded Equinox Minerals Limited in 1993 and was President, Chief Executive Officer and Director prior to Barrick Gold's takeover of Equinox. He has been directly involved in several significant discoveries, including the Ernest Henry Deposit in Queensland and a series of gold deposits in Western Australia. In addition to his technical capabilities, he also has extensive corporate management and financing experience. Mr Williams was appointed as a Non-Executive Director on 14 November 2006.

Mr Williams holds a Bachelor of Science (Honours).

Mr Williams is currently the Non-executive Chairman of OreCorp Limited.

Mr Williams has acknowledged to the Company that he will continue to have sufficient time to fulfil his responsibilities as a Director.

The Board considers Mr Williams to be an independent Director.



### 5.3 Board recommendation

The Board considers that Mr Williams has made and continues to make a significant and valuable contribution to the Company through demonstrating a high level of requisite corporate leadership. Mr Williams provides the Board with extensive experience in geology, corporate management and financing. The Board believes that the qualifications, skill set and experience of Mr Williams will continue to enhance the Board's ability to perform its role.

The Board has considered Mr Williams' length of service as a Director, and is of the view that it does not compromise Mr Williams's capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the entity and its security holders generally. On this basis, the Board has classified Mr Williams as an independent director.

The Board (other than Mr Williams) strongly support the re-election of Mr Williams and recommends that Shareholders vote in favour of Resolution 2.

### 5.4 Additional information

Resolution 2 is an ordinary resolution.

## 6. Resolution 3 – Approval to issue Options to Non-Executive Directors

### 6.1 General

The Company is proposing, subject to obtaining Shareholder approval, to issue up to 3,250,000 unquoted Options (**Incentive Options**) to Steven Chadwick, Anthony Cipriano and Craig Williams (together, **Non-Executive Directors**), or their respective nominees, as follows:

<b>Directors</b>	<b>Incentive Options</b>
Steven Chadwick	1,250,000
Anthony Cipriano	1,000,000
Craig Williams	1,000,000
<b>TOTAL</b>	<b>3,250,000</b>

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 Non-Executive 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 Incentive Options is a prudent means of conserving the Company's available cash reserves. The Board believes it is important to offer these Incentive Options to continue to attract and maintain highly experienced and qualified Board members in a competitive market.

The Incentive Options are to be issued under the Company's Plan, the terms of which are summarised in the Company's 2018 notice of annual general meeting, announced on ASX on 29 October 2018.

Resolution 3(a) to (c) (inclusive) seek Shareholder approval pursuant to Listing Rule 10.14 for the issue of up to 3,250,000 Incentive Options under the Plan to the Non-Executive Directors or their respective nominees.

## 6.2 Listing Rule 10.14

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire Equity Securities under an employee incentive scheme:

- (a) a Director of the Company (Listing Rule 10.14.1);
- (b) an associate of a Director of the Company (Listing Rule 10.14.2); or
- (c) a person whose relationship with the Company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its Shareholders (Listing Rule 10.14.3),

unless it obtains the approval of its Shareholders.

The proposed issue of the Incentive Options falls within Listing Rule 10.14.1 (or Listing Rule 10.14.2 if a Non-Executive Director elects for the Incentive Options to be granted to his nominee) and therefore requires the approval of Shareholders under Listing Rule 10.14.

Resolution 3(a) to (c) (inclusive) seeks the required Shareholder approval to the proposed issue under and for the purposes of Listing Rule 10.14. As Shareholder approval is sought under Listing Rule 10.14, approval under Listing Rule 7.1 or 10.11 is not required.

If Resolution 3(a) to (c) (inclusive) is passed, the Company will be able to proceed with the issue of Incentive Options to the Non-Executive Directors (or their respective nominees) in the proportions listed above in Section 6.1.

If Resolution 3(a) to (c) (inclusive) are not passed, the Company will not be able to proceed with the issue of the Incentive Options to the Non-Executive Directors (or their respective nominees) and the Company will consider other forms of remuneration, including by the payment of cash, subject to the requirements of the Constitution, Corporations Act and Listing Rules.

## 6.3 Specific information required by Listing Rule 10.15

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

- (a) The Incentive Options will be issued under the Plan to Steven Chadwick, Anthony Cipriano and Craig Williams (or their respective nominees), each of whom is a Non-Executive Director.
- (b) The Non-Executive Directors are related parties of the Company by virtue of being Directors and fall into the category stipulated by Listing Rule 10.14.1. If the Non-Executive Directors elects for the Incentive Options to be granted to their nominees, Listing Rule 10.14.2 will apply.
- (c) The maximum number of Incentive Options to be issued to the Non-Executive Directors (or their respective nominees) is 3,250,000, in the proportions set out in Section 6.1 above.
- (d) The current total remuneration package for each of the Non-Executive Directors as at the date of this Notice are set out below:

<b>Non-Executive Director</b>	<b>Salary and fees (inclusive of superannuation)</b>
Steven Chadwick	\$35,157
Anthony Cipriano	\$40,635
Craig Williams	\$40,635

- (e) It is proposed to issue Mr Chadwick a greater number of Incentive Options due to his additional contribution to the Company in connection with its feasibility studies.
- (f) The number of the Securities previously issued under the Plan to the Non-Executive Directors (and their associates) and the average acquisition price paid for each Security (if any) is set out below:

<b>Non-Executive Director (or associates)</b>	<b>Securities</b>	<b>Number</b>	<b>Average acquisition price</b>	<b>Exercise price (each)</b>	<b>Expiry date</b>
Steven Chadwick	Service Rights*	109,183	Issued in lieu of cash Director fees. Deemed issue price of \$0.0805.	Nil	30 June 2022
	Service Rights	76,964	Issued in lieu of cash Director fees. Deemed issue price of \$0.1142.	Nil	30 September 2022
	Service Rights	49,184	Issued in lieu of cash Director fees. Deemed issue price of \$0.1787.	Nil	31 December 2022
	Options	2,000,000	Nil	\$0.15	28 November 2022
	Options*	3,500,000	Nil	\$0.035	28 November 2023
Anthony Cipriano	Service Rights*	126,197	Issued in lieu of cash Director fees. Deemed issue price of \$0.0805.	Nil	30 June 2022
	Service Rights	88,957	Issued in lieu of cash Director fees. Deemed issue price of \$0.1142.	Nil	30 September 2022

Non-Executive Director (or associates)	Securities	Number	Average acquisition price	Exercise price (each)	Expiry date
	Service Rights	56,849	Issued in lieu of cash Director fees. Issued in lieu of cash Director fees. Deemed issue price of \$0.1787.	Nil	31 December 2022
	Options	2,000,000	Nil	\$0.15	28 November 2022
	Options	2,500,000	Nil	\$0.035	28 November 2023
Craig Williams	Service Rights*	126,197	Issued in lieu of cash Director fees. Deemed issue price of \$0.0805.	Nil	30 June 2022
	Service Rights	88,957	Issued in lieu of cash Director fees. Deemed issue price of \$0.1142.	Nil	30 September 2022
	Service Rights	56,849	Issued in lieu of cash Director fees. Deemed issue price of \$0.1787.	Nil	31 December 2022
	Options	2,000,000	Nil	\$0.15	28 November 2022
	Options*	2,500,000	Nil	\$0.035	28 November 2023

\* These Options and Service Rights have been exercised or converted in full.

- (g) The Incentive Options will be exercisable at \$0.30 each on or before 25 November 2023 and will otherwise be issued on the terms and conditions in Schedule 3.
- (h) The Board considers that Incentive Options, rather than Shares, are an appropriate form of incentive because the Incentive Options granted will generally only be of benefit if the Non-Executive Directors performs to the level whereby the value of the Company increases sufficiently to warrant exercising the Incentive Options. The issue of the Incentive Options will therefore further align the interests of the Non-Executive Directors with Shareholders. If all Incentive Options are exercised, it would also result in a cash injection to the Company of \$975,000 (assuming no cashless-exercise facility is utilised).
- (i) A valuation of the Incentive Options is in Schedule 3, with a summary for each Non-Executive Director below:

<b>Non-Executive Director</b>	<b>Value of Incentive Options</b>
Steven Chadwick	\$131,133
Anthony Cipriano	\$104,906
Craig Williams	\$104,906

- (j) The Incentive Options will be issued as soon as practicable following the receipt of approval at the Meeting, and in any event, no later than 12 months after the date of the Meeting.
- (k) The Incentive Options will have an issue price of nil as they will be issued as part of each Non-Executive Director's remuneration package.
- (l) A summary of the material terms of the Plan is in Schedule 4.
- (m) No loan will be provided to the Non-Executive Directors in relation to the issue of the Incentive Options.
- (n) Details of any Securities issued under the Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14. Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Securities under the Plan after Resolution 3(a) to (c) (inclusive) are approved and who were not named in the Notice will not participate until approval is obtained under Listing Rule 10.14.
- (o) A voting exclusion statement is included in the Notice.

#### 6.4 **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 Incentive Options constitutes giving a financial benefit to the Non-Executive Directors, who are related parties of the Company by virtue of being Directors.

The Board (with Messrs Chadwick, Cipriano and Williams abstaining) has resolved that the issue of the Incentive Options constitutes 'reasonable remuneration' in the circumstances, and therefore falls within the scope of the exception in section 211 of the Corporations Act.

## 6.5 **Board recommendation**

Steven Chadwick, Anthony Cipriano and Craig Williams decline to make a recommendation in relation to Resolution 3(a) to (c) (inclusive), due to their personal interest in the outcome of the Resolutions.

Tim Goyder and David Richards, being the Directors without a personal interest in relation to Resolution 3(a) to (c) (inclusive), recommends that Shareholders vote in favour of those Resolutions for the following reasons:

- (a) through the leadership of Messrs Chadwick, Cipriano and Williams, they have overseen the development of the Company throughout a period of exceptional growth and advancement over the last 12 months;
- (b) accordingly, the grant of the Incentive Options is a reasonable benefit to recognise the past performance by Steven Chadwick, Cipriano and Williams;
- (c) if all the Incentive Options vest and are exercised, based on the exercise price of \$0.30, the Company will receive \$975,000 (assuming the cashless exercise facility of the Plan is not used);
- (d) the grant of the Incentive Options will further align the interests of Messrs Chadwick, Cipriano and Williams with those of Shareholders to increase shareholder value;
- (e) the issue of the Incentive Options provides Messrs Chadwick, Cipriano and Williams with incentives to focus on superior performance in creating shareholder value;
- (f) the grant of the Incentive Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Messrs Chadwick, Cipriano and Williams; and
- (g) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Incentive Options upon the terms proposed.

## 6.6 **Additional information**

Resolution 3(a) to (c) (inclusive) are ordinary resolutions.

## Schedule 1 Definitions

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

<b>\$ or A\$</b>	means Australian Dollars.
<b>Annual Report</b>	means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 30 June 2020.
<b>ASX</b>	means the ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
<b>Auditor's Report</b>	means the auditor's report on the Financial Report.
<b>Board</b>	means the board of Directors.
<b>Chair</b>	means the person appointed to chair the Meeting of the Company convened by the Notice.
<b>Clause</b>	means a clause of the Constitution.
<b>Closely Related Party</b>	means: <ul style="list-style-type: none"><li>(a) a spouse or child of the member; or</li><li>(b) has the meaning given in section 9 of the Corporations Act.</li></ul>
<b>Company</b>	means Liontown Resources Limited ACN 118 153 825.
<b>Constitution</b>	means the constitution of the Company as at the date of the Meeting.
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth).
<b>Director</b>	means a director of the Company.
<b>Directors' Report</b>	means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.
<b>Equity Security</b>	has the same meaning as in the Listing Rules.
<b>Explanatory Memorandum</b>	means the explanatory memorandum which forms part of the Notice.
<b>Financial Report</b>	means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.
<b>Incentive Options</b>	means up to 3,250,000 Options the subject of Resolution 3(a) to (c) (inclusive).
<b>Key Management Personnel</b>	has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any

Director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

<b>Listing Rules</b>	means the listing rules of ASX.
<b>Meeting</b>	has the meaning given in the introductory paragraph of the Notice.
<b>Notice</b>	means this notice of annual general meeting.
<b>Option</b>	means an option to acquire a Share.
<b>Plan</b>	means the Company's Employee Securities Incentive Plan approved by Shareholders at the Company's 2018 annual general meeting held on 27 November 2018.
<b>Proxy Form</b>	means the proxy form to the Notice.
<b>Remuneration Report</b>	means the remuneration report of the Company contained in the Directors' Report.
<b>Resolution</b>	means a resolution referred to in the Notice.
<b>Schedule</b>	means a schedule to the Notice.
<b>Section</b>	means a section of the Explanatory Memorandum.
<b>Securities</b>	means any Equity Securities of the Company (including Shares, Options and/or performance securities).
<b>Share</b>	means a fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	means the holder of a Share.
<b>Strike</b>	means a 'no' vote of 25% or more on the resolution approving the Remuneration Report.
<b>WST</b>	means Western Standard Time, being the time in Perth, Western Australia.



## Schedule 2 Terms and conditions of Incentive Options

The terms of the Incentive Options are as follows:

1. **(Entitlement)**: Each Option entitles the holder to subscribe for one Share upon exercise of the Option (once vested).
2. **(Issue Price)**: No cash consideration is payable for the issue of the Options.
3. **(Exercise Price)**: The Options have an exercise price of \$0.30 per Option (**Exercise Price**).
4. **(Expiry Date)**: The Options expire at 5.00 pm (WST) on 25 November 2023 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date. If this falls during a "Blackout Period" as defined in the Company's securities trading policy, the Expiry Date will be 5pm (WST) on the date 10 Business Days after the last day of that Blackout Period.
5. **(Exercise Period)**: The Options are exercisable at any time after it has vested and prior to the Expiry Date.
6. **(Vesting Conditions)**: The Incentive Options will vest immediately.
7. **(Quotation of the Options)**: The Company will not apply for quotation of the Options on ASX.
8. **(Transferability of the Options)**: The Options are not transferable.
9. **(Notice of Exercise)**: The Options may be exercised by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.  
  
Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).
10. **(Timing of issue of Shares on exercise)**: Within 5 Business Days after the Exercise Date the Company will:
  - (a) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
  - (b) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
  - (c) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.
11. **(Restrictions on transfer of Shares)**: If the Company is required but unable to give ASX a notice under paragraph 10(b), or such a notice for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, Shares issued on exercise of Options may not be traded and will be subject to a holding lock until 12 months after their

issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.

12. **(Shares issued on exercise):** Shares issued on exercise of the Options will rank equally with the then Shares of the Company.
13. **(Quotation of Shares on exercise):** If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options in accordance with the Listing Rules.
14. **(Reconstruction of capital):** If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.
15. **(Participation in new issues):** There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
16. **(Adjustment for bonus issues of Shares):** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment, the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue.
17. **(Cessation of employment):** Where the holder (or the person who is entitled to be registered as the holder) of the Options is no longer employed, or their engagement is discontinued (for whatever reason), with the Company, any unexercised Options will automatically lapse and be forfeited on the date that is 3 months from the cessation of that engagement, unless the Board otherwise determines in its sole discretion.

## Schedule 3 Valuation of Incentive Options

The Incentive Options to be issued to the Non-Executive Directors pursuant to Resolution 3(a) to (c) (inclusive) have been valued using the Black & Scholes valuation model on the following assumptions:

Non-Executive Director	Steven Chadwick	Anthony Cipriano	Craig Williams
Number of Incentive Options	1,250,000	1,000,000	1,000,000
Valuation date	5 October 2020	5 October 2020	5 October 2020
Assumed Share price at grant date	\$0.21	\$0.21	\$0.21
Exercise price	\$0.30	\$0.30	\$0.30
Market value on ASX of underlying Shares at the time of setting the exercise price	\$0.21	\$0.21	\$0.21
Exercise price premium to market value	42.9%	42.9%	42.9%
Expiry date	25 November 2023	25 November 2023	25 November 2023
Expected volatility	90%	90%	90%
Risk free interest rate	0.18%	0.18%	0.18%
Annualised dividend yield	0%	0%	0%
Value of each Incentive Option	\$0.105	\$0.105	\$0.105
Aggregate value of each Incentive Option	\$131,133	\$104,906	\$104,906

### Notes:

1. At the Valuation Date, the volatility of the Share price of the Company was calculated using data extracted from Miraql.
2. The Australian Government 3-year bond rate as at the Valuation Date was used.
3. A nil dividend yield was assumed on the basis that the Company is unlikely to pay a dividend during the life of the Incentive Options.
4. The assumed Share price at the grant date of \$0.21 is based on the underlying Share price on the valuation date of 5 October 2020.

## **Schedule 4 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.



ABN 39 118 153 825

## Need assistance?



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



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

LTR

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



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **11:00 AM (WST) on Monday, 23 November 2020.**

# Proxy Form

## How to Vote on Items of Business

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

### APPOINTMENT OF PROXY

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

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

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

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

### SIGNING INSTRUCTIONS FOR POSTAL FORMS

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

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

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

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

### PARTICIPATING IN THE MEETING

#### Corporate Representative

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

## Lodge your Proxy Form:

**XX**

### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 999999**  
**SRN/HIN: I9999999999**  
**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia

### By Fax:

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



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



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

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

# Proxy Form

Please mark  to indicate your directions

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

XX

I/We being a member/s of 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 Wednesday, 25 November 2020 at 11:00 am (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 Item 1, 3(a), 3(b) and 3(c) (except where I/we have indicated a different voting intention in step 2) even though Item 1, 3(a), 3(b) and 3(c) are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Item 1, 3(a), 3(b) and 3(c) by marking the appropriate box in step 2.

## Step 2 Items of Business

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

		For	Against	Abstain
1	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Re-election of Director – Mr Craig Williams	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3(a)	Approval to issue Options to Non-Executive Directors - up to 1,250,000 Options to Mr Steven Chadwick	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3(b)	Approval to issue Options to Non-Executive Directors - up to 1,000,000 Options to Mr Anthony Cipriano	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3(c)	Approval to issue Options to Non-Executive Directors - up to 1,000,000 Options to Mr Craig Williams	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1  Securityholder 2  Securityholder 3  / /  
 Sole Director & Sole Company Secretary Director Director/Company Secretary Date

**Update your communication details** (Optional)

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

