

Appendix 4G

Key to Disclosures

Corporate Governance Council Principles and Recommendations

Name of entity

Liontown Resources Limited

ABN/ARBN

34 650 766 911

Financial year ended:

30 June 2021

Our corporate governance statement¹ for the period above can be found at:²

- These pages of our annual report:
- This URL on our website: <http://www.ltresources.com.au/corporate-governance>

The Corporate Governance Statement is accurate and up to date as at 18 October 2021 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.³

Date: 18 October 2021

Name of authorised officer authorising lodgement: Clint McGhie – Company Secretary

¹ “Corporate governance statement” is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of Listing Rule 4.10.3.

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council’s recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity’s corporate governance statement. They serve different purposes and an entity must produce each of them separately.

² Tick whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where your corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

³ Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes “OR” at the end of the selection and you delete the other options, you can also, if you wish, delete the “OR” at the end of the selection.

See notes 4 and 5 below for further instructions on how to complete this form.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	<input checked="" type="checkbox"/> Refer Corporate Governance Statement and we have disclosed a copy of our board charter at: https://www.ltresources.com.au/corporate-governance (see <i>Board Charter</i>)	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	<input checked="" type="checkbox"/> Refer Corporate Governance Statement.	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<input checked="" type="checkbox"/> Refer Corporate Governance Statement.	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	<input checked="" type="checkbox"/> Refer Corporate Governance Statement.	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

⁴ Tick the box in this column only if you have followed the relevant recommendation **in full** for the **whole** of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with “*insert location*” underneath. If the disclosure in question has been made in your corporate governance statement, you need only insert “our corporate governance statement”. If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg “pages 10-12 of our annual report”). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg “www.entityname.com.au/corporate-governance/charters/”).

⁵ If you have followed all of the Council’s recommendations **in full** for the **whole** of the period above, you can, if you wish, delete this column from the form and re-format it.

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
<p>1.5 A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</p> <p>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p> <p>If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>	<p><input type="checkbox"/></p> <p>and we have disclosed a copy of our diversity policy at: https://www.ltresources.com.au/corporate-governance</p> <p>and we have disclosed the information referred to in paragraph (c) in our Corporate Governance Statement.</p> <p>We were not included in the S&P / ASX 300 Index at the commencement of the reporting period.</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>1.6 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the evaluation process referred to in paragraph (a) at: https://www.ltresources.com.au/corporate-governance (see <i>Process for Performance Evaluations</i>)</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process in our Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/> and we have disclosed the evaluation process referred to in paragraph (a) at:</p> <p>https://www.ltresources.com.au/corporate-governance (see <i>Process for Performance Evaluations</i>)</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process in our Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p><input checked="" type="checkbox"/> We have disclosed the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively at:</p> <p>https://www.ltresources.com.au/corporate-governance (see <i>Nomination Committee Charter</i>) and in our Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.</p>	<p><input checked="" type="checkbox"/> and we have disclosed our board skills matrix in our Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p><input checked="" type="checkbox"/> and we have disclosed the names of the directors considered by the board to be independent directors in our Corporate Governance Statement.</p> <p>and, where applicable, the information referred to in paragraph (b) in our Corporate Governance Statement.</p> <p>and the length of service of each director in our Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
2.4	<p>A majority of the board of a listed entity should be independent directors.</p>	<p><input type="checkbox"/></p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement.</p>

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2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	<input type="checkbox"/>	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement.
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	<input checked="" type="checkbox"/> Refer Corporate Governance Statement.	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should articulate and disclose its values.	<input type="checkbox"/> and we have disclosed our values at: https://www.ltresources.com.au/corporate-governance (see <i>Statement of Values and Code of Conduct</i>).	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement, the Company's values were not disclosed for the whole of the reporting period.
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	<input checked="" type="checkbox"/> and we have disclosed our code of conduct at: https://www.ltresources.com.au/corporate-governance (see <i>Code of Conduct</i>).	<input type="checkbox"/> set out in our Corporate Governance Statement
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	<input checked="" type="checkbox"/> and we have disclosed our whistleblower policy at: https://www.ltresources.com.au/corporate-governance (see <i>Whistleblower Policy</i>).	<input type="checkbox"/> set out in our Corporate Governance Statement
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy.	<input checked="" type="checkbox"/> and we have disclosed our anti-bribery and corruption policy at: https://www.ltresources.com.au/corporate-governance (see <i>Anti-Bribery and Corruption Policy</i>).	<input type="checkbox"/> set out in our Corporate Governance Statement

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PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p><input type="checkbox"/></p> <p>and we have disclosed a copy of the charter of the committee at: https://www.ltresources.com.au/corporate-governance (see <i>Audit Committee Charter</i>).</p> <p>and the information referred to in paragraphs (4) and (5) in the Corporate Governance Statement and in the Directors' Report contained within the 2021 Annual Report at pages 21-23.</p> <p>and we have disclosed the fact that we do not have an audit committee that met the requirements of paragraph (a) and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner in our Corporate Governance Statement.</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
4.3	<p>A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

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PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	<input checked="" type="checkbox"/> and we have disclosed our continuous disclosure compliance policy at: https://www.ltresources.com.au/corporate-governance (see <i>Policy on Continuous Disclosure and Compliance Procedures</i>).	<input type="checkbox"/> set out in our Corporate Governance Statement
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement.	<input type="checkbox"/> set out in our Corporate Governance Statement
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement.	<input type="checkbox"/> set out in our Corporate Governance Statement
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<input checked="" type="checkbox"/> and we have disclosed information about us and our governance on our website at: https://www.ltresources.com.au/corporate-governance	<input type="checkbox"/> set out in our Corporate Governance Statement
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement.	<input type="checkbox"/> set out in our Corporate Governance Statement
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	<input checked="" type="checkbox"/> and we have disclosed how we facilitate and encourage participation at meetings of security holders at: https://www.ltresources.com.au/corporate-governance (see <i>Shareholder Communication and Investor Relations Policy</i>)	<input type="checkbox"/> set out in our Corporate Governance Statement
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement.	<input type="checkbox"/> set out in our Corporate Governance Statement
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement.	<input type="checkbox"/> set out in our Corporate Governance Statement

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PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p><input checked="" type="checkbox"/></p> <p>we have disclosed the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework at:</p> <p>https://www.ltresources.com.au/corporate-governance (see <i>Risk Committee Charter</i>)</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period in our Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes in our Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

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7.4	A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.	<input checked="" type="checkbox"/> and we have disclosed whether we have any material exposure to environmental and social risks and, if we do, how we manage or intend to manage those risks in our Corporate Governance Statement.	<input type="checkbox"/> set out in our Corporate Governance Statement

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PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p><input checked="" type="checkbox"/> and we have disclosed a copy of the charter of the committee at: https://www.ltresources.com.au/corporate-governance (see <i>Remuneration Committee Charter</i>) and the information referred to in paragraphs (4) and (5) in our Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p><input checked="" type="checkbox"/> and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives in our Remuneration Report in our 2021 Annual Report on pages 27 to 38.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p><input checked="" type="checkbox"/> and we have disclosed our policy on this issue or a summary of it in our Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES			
9.1	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.	<input type="checkbox"/> and we have disclosed information about the processes in place at: [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we do not have a director in this position and this recommendation is therefore not applicable OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	<input type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are established in Australia and this recommendation is therefore not applicable OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.3	A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	<input type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable <input type="checkbox"/> we are an externally managed entity that does not hold an AGM and this recommendation is therefore not applicable
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	<i>Alternative to Recommendation 1.1 for externally managed listed entities:</i> The responsible entity of an externally managed listed entity should disclose: (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; and (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.	<input type="checkbox"/> and we have disclosed the information referred to in paragraphs (a) and (b) at: [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p><input type="checkbox"/></p> <p>and we have disclosed the terms governing our remuneration as manager of the entity at:</p> <p>.....</p> <p>[insert location]</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

Corporate Governance Statement

Liontown Resources Limited ACN 118 153 825 (Company)

Approach to Corporate Governance

Liontown Resources Limited ACN 118 153 825 (**Liontown** or the **Company**) has established a corporate governance framework designed to ensure that the Company is effectively managed, regulatory obligations are met and that the Company is managed in an appropriate manner to meet the expectations of stakeholders.

This Corporate Governance Statement outlines the main features of our governance framework reporting against the recommendations contained in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 4th edition (Principles & Recommendations). The Company follows each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. In compliance with the "if not, why not" reporting regime, where, after due consideration, the Company's corporate governance practices do not follow a recommendation, the Board has explained its reasons for not following the recommendation and disclosed what, if any, alternative practices the Company has adopted instead of those in the recommendation.

The directors of the Company (**Directors**, being either Non-Executive Directors or Executive Directors) are responsible to the shareholders for the performance of the Company in both the short and the longer term and seek to balance sometimes competing objectives in the best interests of the Company as a whole. Their focus is to enhance the interests of shareholders and other key stakeholders and to ensure the Company is properly managed.

Details of the Company's governance related documents can be found on the Company's website at <https://www.ltresources.com.au/corporate-governance>.

This Corporate Governance Statement is current as at 18 October 2021 and has been approved by the Board.



PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Recommendation 1.1: Board Charter – Roles and Responsibilities

Complies with Recommendation? Yes

The Board is responsible for the overall corporate governance and performance of the Company. The Board has delegated to the Managing Director and management team matters involving corporate strategy and management of the business. The Board has adopted a *Board Charter* that defines the respective roles and responsibilities of the Board and management.

The role of the Board is to provide leadership for, and oversight of, the Company's management. The Board defines the purpose and sets the strategic objectives of the Company, and regularly measures the progression by management of those strategic objectives. Other matters expressly reserved for the responsibility of the Board include:

- Appointing the Company's chair;
- Appointing and replacing the chief executive officer;
- Approving the appointment and removal of the company secretary and other senior executives;
- Approving the Company's values and Code of Conduct;
- Satisfying itself that the Company's remuneration policies are aligned with its purpose, values, strategic objectives and risk appetite;
- Overseeing the Company's process for making timely and balanced disclosure of all material information concerning the Company;
- Monitoring the effectiveness of the Company's governance practices; and
- Satisfying itself that the Company has in place an appropriate risk management framework and setting the risk appetite within which the Board expects management to operate.

The role of management includes:

- Implementing the strategic objectives and operating within the values, Code of Conduct, budget and risk appetite set by the Board;
- Undertaking the day to day running of the Company, in accordance with the materiality thresholds set by the Board; and
- Providing the Board with accurate, timely and clear information on the Company's operations to enable the Board to perform its responsibilities.

Further information on the roles and responsibilities of the Board and management can be found in the Company's Board Charter which is available at <https://www.ltresources.com.au/corporate-governance>.

Recommendation 1.2: Director Information and Background Checks

Complies with Recommendation? Yes

The Company undertakes appropriate checks before appointing a director or senior executive, or putting forward to shareholders a candidate for election as a director and provides shareholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

The checks which are undertaken, and the information provided to shareholders are set out in the Company's *Policy and Procedure for the Selection and (Re)Appointment of Directors and Senior Executives*, which is available at <https://www.ltresources.com.au/corporate-governance>.

The Company provided shareholders with all material information in its possession relevant to the decision on whether or not to re-elect Mr Craig Williams at the Company's 2020 Annual General Meeting in the notice of meeting.

Recommendation 1.3: Director and Senior Executive Agreements

Complies with Recommendation? Yes



The Company has in place a written agreement with each director which outlines the terms of their appointment, duties and responsibilities, time commitment and compliance with Company policies, procedures and regulatory requirements. In addition, the agreement sets out the indemnity and insurance arrangements that the Company has in place and the Company's policy on Directors access to information and seeking external independent professional advice.

The Company has in place written agreements with each Senior Executive which sets out the terms of their appointment, a description of their position, duties and responsibilities, remuneration details and the circumstances giving rise to termination.

The requirement to have written agreements in place with each director and senior executive can be found in the Company's *Policy and Procedure for the Selection and (Re)Appointment of Directors and Senior Executives*, which is available at <https://www.ltresources.com.au/corporate-governance>.

Any material variations to the Directors' and Managing Director's agreements are disclosed in accordance with ASX Listing Rule 3.16.4

Recommendation 1.4: Company Secretary

Complies with Recommendation? Yes

The Company Secretary is accountable directly to the Board, through the Chair, on all matters supporting the effectiveness of the Board and its committees. Each director is able to communicate directly with the Company Secretary. Further details on the role of the Company Secretary are outlined in the Company's *Board Charter* which is available at <https://www.ltresources.com.au/corporate-governance>.

Mr Clint McGhie was appointed Company Secretary on 5 May 2021. Details of Mr McGhie's qualifications and experience are set out in the Directors' Report contained within the Company's 2021 Annual Report.

Recommendation 1.5: Diversity

Complies with Recommendation? Partially

The Company has a Diversity Policy which is available at <https://www.ltresources.com.au/corporate-governance>.

The Diversity Policy provides that the Board may establish measurable objectives that are appropriate for the Company for achieving gender diversity. These measurable objectives may include appropriate and meaningful benchmarks that are able to be, and are, measured and monitored for effectiveness in addressing any gender imbalance issues in an organisation.

Due to the current size and composition of the Company during the Reporting Period, the Board has not yet set Objectives for achieving gender diversity.

The Company recognises that valuing diversity will contribute to the Company's culture and performance, and assist in attracting, retaining and motivating talented employees.

The Company will set measurable diversity objectives during the reporting period ending 30 June 2022 and the Board will assess annually both the objectives and the progress towards achieving those objectives. Following the Company's inclusion in the S&P/ASX300 in September 2021, this will include setting a measurable objective of achieving no less than 30% of each gender on its Board within a specified period.

The respective proportions of men and women on the Board, in senior executive positions and across the whole organisation are set out in the following table. "Senior Executive" for these purposes means Key Management Personnel and officers of the Company.



	Proportion of women
Whole organisation	4 out of 17 (24%)
Senior executive positions	0 out of 3 (0%)
Board	0 out of 6 (0%)

The Company is not currently a “relevant employer” under the Workplace Gender Equality Act.

Recommendation 1.6: Board and Managing Director Performance

Complies with Recommendation? Yes

The Chair is responsible for the evaluation of the Board and, when appropriate, Board committees and individual directors in accordance with the Company’s *Process for Performance Evaluations*. The Chair is responsible for evaluating the Managing Director.

The evaluation of the Board, individual directors and the Managing Director is undertaken annually by each director completing a questionnaire which is then evaluated by the Chair. Any issues arising are addressed by the Chair with the Board.

An evaluation of the Board, individual directors and the Managing Director in respect of the Reporting Period took place in accordance with the process disclosed in the Company’s *Process for Performance Evaluations*.

Recommendation 1.7: Senior Executive Performance

Complies with Recommendation? Yes

The Managing Director and Chairman is responsible for evaluating the performance of senior executives in accordance with the process disclosed in the Company’s *Process for Performance Evaluations*. This is conducted by informal interviews, and via ongoing contact between the Managing Director, the Chairman and the senior executives. As the Company grows, it will review the need for a formal evaluation process.

A performance evaluation on senior executives in respect of the Reporting Period took place in accordance with the process disclosed in the Company’s *Process for Performance Evaluations*.

PRINCIPLE 2 – STRUCTURE THE BOARD TO ADD VALUE

Recommendation 2.1: Nomination Committee

Complies with Recommendation? Yes

The Board has not established a separate Nomination Committee.

Given the current size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate Nomination Committee. Accordingly, the Board performs the role of the Nomination Committee. Although the Board has not established a separate Nomination Committee, it has adopted a *Nomination Committee Charter* which is available at <https://www.ltresources.com.au/corporate-governance>. The *Nomination Committee Charter* describes the role, composition, functions and responsibilities of the full Board in its capacity as the Nomination Committee.

When the Board convenes as the Nomination Committee it carries out those functions which are delegated to it in the Company’s *Nomination Committee Charter*, including but not limited to succession planning and



board composition. Items that are usually required to be discussed by a Nomination Committee are marked as separate agenda items at Board meetings when required.

The Board deals with any conflicts of interest that may occur when convening in the capacity of the Nomination Committee by ensuring that the director with conflicting interests is not party to the relevant discussions.

As noted above, the full Board carries out the role of the Nomination Committee. The full Board did not officially convene as a Nomination Committee during the Reporting Period, however nomination-related discussions occurred from time to time during the year as required.

Recommendation 2.2: Board Skills Matrix

Complies with Recommendation? Yes

During the Reporting Period, the Board reviewed its *Board Skills Matrix*. The methodology used to develop the skills matrix involved determining the desired skills and experience considered appropriate to implement the Company’s strategy and key issues facing the Company. The Board seeks to ensure that it has an extensive, diverse and relevant skill set.

Each Director was asked to grade their experience, capability and knowledge in respect of each identified skill using an assessment scale of 0 to 5, with 0 being no competency and 5 being a recognised industry expert. A level of 3 or above indicates a ‘well developed competency’ to participate in Board level decision making.

The following table sets out the identified skills/experience, capability and knowledge requirements that comprise the Company’s *Board Skills Matrix* and the number of Directors that have been assessed in each category to a minimum level of 3. At the end of the Reporting Period there were six Director’s in total (including the Managing Director).

Category	Experience, capability and knowledge requirements	Number of Directors with a competency level of three or above.
Leadership and People Management	Significant Board and/or Executive experience in a publicly listed company or large organisation, with a proven track record of effective leadership and management of multi-disciplined teams.	6
Strategic Planning, Business Development and Commercial	Formulating, assessing and executing strategic vision, objectives, business models and relevant financial metrics. Knowledge of industry competitive landscape, key risks, capability requirements and strategic planning processes.	6
Corporate Transactions	Planning and execution of equity or debt capital raisings, mergers, acquisitions, joint ventures, de-mergers and takeover defence.	6
Financial	Evaluating financial statements, understanding key financial drivers of a business, corporate finance (including debt and equity capital markets) and assessment of financial risks and controls.	6
Governance and Compliance	Formulating, implementing and overseeing of organisation-wide governance and compliance systems, processes, policies and frameworks. Knowledge of governance issues, including the legal, compliance and regulatory environment applicable to publicly listed entities.	6

Category	Experience, capability and knowledge requirements	Number of Directors with a competency level of three or above.
People, Culture and Remuneration	Establishing and overseeing organisation-wide capabilities, remuneration frameworks, performance assessment, people management and company culture, mindsets and behaviours.	6
Investor Relations	Drafting and delivery of public announcements, other shareholder communications, market research / analysis and presentations at industry events / conferences.	6
Risk Management	Formulating risk management frameworks and controls, setting appropriate risk appetite, identifying and providing oversight of key business risks (both financial and nonfinancial).	6
Health and Safety	Formulating and implementing health and safety management systems, risk identification and mitigation processes, performance monitoring and governance.	6
Sustainability and Environment	Formulating and managing environment and sustainability policies, standards, practices and implementation of environmental impact mitigations for mining projects.	6
Community and Government Relations	Formulating and implementing stakeholder engagement and management strategies. Local, State and Federal Government and regulatory management.	6
Geology and Exploration Targeting	Base, precious and rare metal mineral systems, geology and targeting. Design, planning and execution of mineral exploration programs.	5
Exploration and Resources Definition	Base, precious and rare metal geology, resource and reserve measurement and classifications. Design, planning and execution of resource definition drilling programs and related activities.	5
Metallurgy and Mineral Processing	Base, precious and rare metal mineralogy, metallurgy and marketing. Design, testing and optimisation of metallurgical flowsheet, processing facility and offtake.	4
Project Studies and Engineering	Formulation and execution of mining scoping and feasibility studies to define and assess project scope, economic potential, financing options and risk factors.	6
Project Design and Construction	Planning, management and execution of large-scale mining project construction, including financial assessment, contracting, procurement, engineering and risks.	4
Mining Operations and Decommissioning	Managing and operating mid to large scale mining operations in base and/or precious metals, including mining engineering, mineral processing, logistics and operational management.	4

The Board skills evaluation undertaken demonstrates that the Board is comprised of members that possess a diverse range of skills with significant experience in the majority of areas. The Board will continue to assess the mix of skills required to implement the Company's strategy and where considered appropriate will seek to enhance the overall strength of the Board across the identified skills/experience, capability and knowledge requirements through any casual vacancies arising from Board succession and/or increasing the number of Directors on the Board.



A profile of each director setting out their skills, experience, expertise and length of service is set out in section 1 of the Directors' Report contained in the Company's 2021 Annual Report.

Recommendation 2.3: Director's Independence

Complies with Recommendation? Yes

The Board's approach to Director independence is set out in its *Policy on Assessing Independence of Directors* which states that to be judged independent, a director must, in the opinion of the Board, be free of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect, their capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of Liontown as a whole rather than in the interests of an individual security holder or any other person.

The Board considers the independence of directors having regard to the *Policy on Assessing Independence of Directors* and the relationships listed in Box 2.3 of the Principles & Recommendations. To the extent that it is necessary for the Board to consider issues of materiality, the Board refers to the thresholds for qualitative and quantitative materiality as adopted by the Board and contained in the *Board Charter*, which is available at <https://www.litresources.com.au/corporate-governance>.

The Board has undertaken a review of all Directors during the Reporting Period and determined the following:

Director Name	Position	Independent?	Length of Service (as at 30 June 2021)
Mr Tim Goyder	Chairman	No	15.4 years
Mr Tony Ottaviano	Managing Director	No	0.2 years
Mr David Richards	Technical Director	No	11.2 years
Mr Anthony Cipriano	Non-Executive Director	Yes	7.0 years
Mr Craig Williams	Non-Executive Director	Yes	14.6 years
Mr Steven Chadwick	Non-Executive Director	Yes	2.5 years

Mr Goyder is not considered independent as he is a substantial shareholder of the Company.

Mr Ottaviano is not considered independent as he is engaged in an executive capacity as Managing Director.

Mr Richards is not considered independent as he was engaged in an executive capacity as Managing Director until 4 May 2021 and as Technical Director effective from 5 May 2021.

The Board considers that Mr Anthony Cipriano, Mr Craig Williams and Mr Steven Chadwick are independent as they are non-executive directors who are not members of management and are free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of judgement, as discussed further below.

During the reporting period, as a means of conserving cash during the Covid-19 pandemic, directors were issued service rights in lieu of cash fees following receipt of shareholder approval. Mr Cipriano, Mr Williams and Mr Chadwick were also issued unlisted options following approval by shareholders at the 2020 Annual General Meeting. Whilst the unlisted options were issued under the terms of the Employee Securities Incentive Plan, neither the unlisted options or the service rights are linked to any performance conditions and are not considered sufficiently material to impact the independence of directors.

During the reporting period, Mr Cipriano provided corporate, financial advisory services and general support services to the incoming Managing Director, Tony Ottaviano, and existing key management personnel, as the Company transitions from exploration to development and ultimately commercial operation. The Board considers that the services provided are not of sufficient quantum or value, nor have they been provided



for a prolonged period, that they would be considered sufficiently material to impact Mr Cipriano's independent judgement and consideration on issues brought to the Board. Accordingly, the Board has classified Mr Cipriano as an independent director.

Mr Williams has been a non-executive Director of the Company since 2006 and has a deep understanding of the business along with extensive technical and corporate experience. 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.

Mr Chadwick is an independent non-executive director of Lycopodium Limited. Lycopodium Limited is considered a provider of material professional services to the Company as part of the various Kathleen Valley feasibility studies being undertaken. Mr Chadwick excuses himself from Board discussions regarding Lycopodium's provision of services where relevant and abstains from any Board resolutions regarding Lycopodium.

In addition, Mr Chadwick also provides general metallurgical and technical advisory services to the Company through a consultancy agreement. The consulting services are on an ad hoc and minor basis, usually for no more than one to two days per month. The Board has assessed that, the nature of Mr Chadwick's independent non-executive directorship of Lycopodium Limited and minor consultancy services to the Company, does not interfere with Mr Chadwick'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 Chadwick as an independent director.

Recommendation 2.4: Majority of Independent Directors

Complies with Recommendation? *No*

Following the appointment of Mr Tony Ottaviano as Managing Director on 5 May 2021, the Board is not comprised of a majority of independent directors (3 of 6). The independent directors are Mr Anthony Cipriano, Mr Craig Williams and Mr Steven Chadwick.

While the Company did not have a majority of Independent Directors for the whole of the reporting period, the Board considers that given the size and scope of the Company's operations, it has the relevant experience in the exploration, development and mining industry and is appropriately structured to discharge its duties in a manner that is in the best interests of the Company and its shareholders from both a long-term strategic and operational perspective.

Following the planned retirement of Mr David Richards at the 2021 Annual General Meeting in November 2021, the Board will be comprised of a majority of independent directors again (3 of 5).

The Board continues to review its composition and as the Company's activities evolve it will appoint further independent directors when considered appropriate.

Recommendation 2.5: The Chair of the Board

Complies with Recommendation? *No*

The Chair of the Board is Mr Tim Goyder.

Mr Goyder is not considered independent as he is a substantial shareholder and therefore does not satisfy box 2.3 of the Principles and Recommendations. The Board believes that Mr Goyder is the most appropriate person for the position of Chair of the Board.



The Board has appointed Mr Anthony Cipriano to act as senior independent director when any conflicts or perceived conflicts of interest arise. The role and responsibilities of the Lead Independent Director are contained in the *Board Charter* which is available at <https://www.ltresources.com.au/corporate-governance>.

Recommendation 2.6: Board Induction and Professional Development

Complies with Recommendation? Yes

The Company has an induction program for new directors appointed to the Board. The goal of the program is to assist new directors to participate fully and actively in Board decision-making at the earliest opportunity.

The Board annually reviews whether the directors as a group have the skills, knowledge and familiarity with the Company and its operating environment required to fulfil their role on the Board and the Board committees effectively using a *Board Skills Matrix*. Where any gaps are identified, the Board considers what training or development should be undertaken to fill those gaps. Refer to Recommendation 2.2 for further information on the *Board Skills Matrix*.

PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY

Recommendation 3.1: Values

Complies with Recommendation? No – Values were not available on the Company’s website for the whole of the reporting period.

The Company’s core values of Safety, Sustainability, Integrity, Respect, Ambition and Sense of Team are the fundamental beliefs upon which Liontown’s business is based. These values set the expectation for employee mindsets and behaviours to support its vision and strategy. The Board and senior executives review the appropriateness of the Company’s values regularly.

The Company’s values are detailed in the *Code of Conduct* which is available at <https://www.ltresources.com.au/corporate-governance>.

Recommendation 3.2: Code of Conduct

Complies with Recommendation? Yes

The Company has established a *Code of Conduct* that sets out standards for appropriate ethical and professional behaviour that applies to all directors, senior executives and employees. A copy of the *Code of Conduct* is available at <https://www.ltresources.com.au/corporate-governance>.

Material breaches of the *Code of Conduct* must be reported to the Board.

Recommendation 3.3: Whistleblower Protection Policy

Complies with Recommendation? Yes

The Company has established a *Whistleblower Policy* to encourage the reporting of suspected unethical, illegal, fraudulent or violations (orsuspected violations) of the Company’s Code of Conduct and provide effective protection from victimisation or dismissal to those reporting by implementing systems for confidentiality and report handling.

A copy of the *Whistleblower Policy* is available on the Company’s website at <https://www.ltresources.com.au/corporate-governance>.

Material incidents reported under the *Whistleblower Policy* must be reported to the Board.



Recommendation 3.4: Anti-Bribery and Corruption Policy

Complies with Recommendation? Yes

The Company has established an *Anti-bribery and Corruption Policy* to establish a governance framework and business practices to mitigate the risk of bribery and corruption within the jurisdictions where it operates. A copy of the *Anti-bribery and Corruption Policy* is available on the Company's website at <https://www.ltresources.com.au/corporate-governance>.

Material breaches of the *Anti-bribery and Corruption Policy* must be reported to the Board.

PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING

Recommendation 4.1: Audit Committee

Complies with Recommendation? No

The Board has established an Audit Committee; however, the Audit Committee is currently not structured in compliance with Recommendation 4.1.

Due to the size of the organisation, the audit committee consists of two members, namely Mr Anthony Cipriano (Chair) and Mr Craig Williams, who are both independent non-executive directors. The Board considers this structure was the best mix of skills and expertise to carry out the function of an Audit Committee available to the Company and appropriate for the Company's current needs and size. Following the Company's inclusion in the S&P/ASX300 in September 2021, the Board will ensure that the structure of the Audit Committee is in compliance with Recommendation 4.1 by 30 June 2022.

The Audit Committee held two meetings during the Reporting Period. Details of director attendance at the Audit Committee meetings during the Reporting Period are set out in a table in the Directors' Report in section 3 of Directors' Report contained within the Company's 2021 Annual Report.

Details of each of the director's qualifications are set out in section 1 to the Directors' Report. Anthony Cipriano (Chair) is a member of the Chartered Accountants Australia and New Zealand, and Craig Williams is financially literate and has an understanding of the industry in which the Company operates.

The Board has adopted an *Audit Committee Charter* which describes the Audit Committee's role, composition, functions and responsibilities. The *Audit Committee Charter* is reviewed annually and is available on the Company's website at <https://www.ltresources.com.au/corporate-governance>.

The Company has also established a *Procedure for the Selection, Appointment and Rotation of its External Auditor*. The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises. Candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances.

The performance of the external auditor is reviewed on an annual basis by the Board.

Recommendation 4.2: Executive Assurance to the Board

Complies with Recommendation? Yes

Before the Board approved the Company's financial statements for the half year ended 31 December 2020, the full-year ended 30 June 2021 and each of the quarters ending 30 September 2020, 31 December 2020, 31 March 2021 and 30 June 2021, it received from the Managing Director and the Chief Financial Officer a declaration that, in their opinion, the financial records of the Company for the relevant financial period have been properly maintained and that the financial statements for the relevant financial period



comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and the consolidated entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Recommendation 4.3: Processes for Verification of Non-Audited Periodic Reports

Complies with Recommendation? Yes

Where periodic corporate reports are not audited or reviewed by an external auditor, the Company ensures it employs processes which minimise the chance of error in the report. The processes employed involves a review by the relevant internal stakeholder culminating in an internal sign-off that the portion of the report to which they have contributed is accurate prior to receiving approval by the Board.

Principle 5 – MAKE TIMELY AND BALANCED DISCLOSURES

Recommendation 5.1: Continuous Disclosure Policy

Complies with Recommendation? Yes

The Company has established written policies and procedures for complying with its continuous disclosure obligations under the Corporations Act and the ASX Listing Rules. A summary of the Company's *Policy on Continuous Disclosure and Compliance Procedures* are disclosed on the Company's website at <https://www.ltresources.com.au/corporate-governance>.

Recommendation 5.2: Provision of Announcements to the Board after Release

Complies with Recommendation? Yes

The Company Secretary is responsible for ensuring that all material ASX Announcements are provided to the Board promptly after release.

Recommendation 5.3: Investor or Analyst Presentations

Complies with Recommendation? Yes

All new and substantive investor and analyst presentations provided by the Company are lodged with the ASX prior to the presentation in accordance with the Company's *Policy on Continuous Disclosure and Compliance Procedures* which are disclosed on the Company's website at <https://www.ltresources.com.au/corporate-governance>.

PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS

Recommendation 6.1: Communication with Security Holders - Website

Complies with Recommendation? Yes

The Company provides information about itself and its governance to investors via its website at www.ltresources.com.au as set out in its *Shareholder Communication and Investor Relations Policy*.

Recommendation 6.2: Investor Relations Program

Complies with Recommendation? Yes



The Company has designed and implemented an investor relations program to facilitate effective two-way communication with investors. The program is set out in the Company's *Shareholder Communication and Investor Relations Policy* which is available at <https://www.ltresources.com.au/corporate-governance>.

Recommendation 6.3: Security Holder Participation at Meetings

Complies with Recommendation? Yes

The Company has in place a *Shareholder Communication and Investor Relations Policy* which outlines the policies and processes that it has in place to facilitate and encourage participation at meetings of shareholders.

The Chair of a meeting of shareholders will allow a reasonable opportunity for members to ask questions about or make comments on the management of the Company. Those members who are not able to attend the meeting and exercise their rights under section 250S of the Corporations Act, are given the opportunity to provide questions or comments before the meeting. Where appropriate, these questions or comments will be answered at the meeting, either by being read out and then responded to at the meeting, or by providing a transcript of the question and a written answer at the meeting.

Recommendation 6.4: Polls

Complies with Recommendation? Yes

It is the practice of the Company that at all security holder meetings, including the AGM, the outcomes of resolutions are decided by a poll rather than a show of hands.

Recommendation 6.5: Electronic Communications

Complies with Recommendation? Yes

Security holders are given the option and are encouraged to receive communications from, and send communications to, the Company and its share registry, Computershare Investor Services, electronically.

The Company provides security holders the option to receive communications from, and send communications to, the Company and its share registry electronically by registering their email address online with Computershare at <https://www.computershare.com.au/easyupdate/LTR>.

Security holders and other stakeholders can register on the Company's website to receive information updates about the Company at www.ltresources.com.au.

PRINCIPLE 7 – RECOGNISE AND MANAGE RISK

Recommendation 7.1: Risk Management Committee

Complies with Recommendation? Yes

The Board has not established a separate Risk Committee.

Given the current size and composition of the Board a separate Risk Committee has not been established. Accordingly, the Board performs the role of Risk Committee. Although the Board has not established a separate Risk Committee, it has adopted a *Risk Committee Charter*, which describes the Risk Committee's role, composition, functions and responsibilities. The *Risk Committee Charter* is available at <https://www.ltresources.com.au/corporate-governance>.



When the Board convenes as the Risk Committee it carries out those functions which are delegated to it in the Company's *Risk Committee Charter*. Items that are usually required to be discussed by a Risk Committee are marked as separate agenda items at Board meetings when required. The Board deals with any conflicts of interest that may occur when convening in the capacity of the Risk Committee by ensuring that the director with conflicting interests is not party to the relevant discussions.

As noted above, the full Board carries out the role of the Risk Committee. The full Board did not officially convene as a Risk Committee during the Reporting Period, however risk-related reviews occurred from time to time during the year as required.

Recommendation 7.2: Risk Management Framework – Review at least Annually

Complies with Recommendation? Yes

The Board reviews the Company's risk management framework bi-annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the Company faces and to ensure that the Company is operating within the risk appetite set by the Board. The Board carried out these reviews during the Reporting Period in line with the process outlined in its Risk Management Policy.

Recommendation 7.3: Internal Audit Function

Complies with Recommendation? Yes

The Company does not have an internal audit function. The Board considers that the current size and nature of the Company's operations does not necessitate the need for an internal audit function at this time.

To evaluate and continually improve the effectiveness of the Company's risk management and internal control processes, the Board relies on ongoing reporting and discussion of the management of material business risks as outlined in the Company's *Risk Management Policy*.

Recommendation 7.4: Material Exposure to Environmental or Social Sustainability Risks

Complies with Recommendation? Yes

The Company identifies and manages material exposure to environmental and social risks in a manner consistent with its Risk Management Policy, which is available at <https://www.ltresources.com.au/corporate-governance>. The Company has, and continues to, undertake various organisation wide risk reviews to identify potential business risks. The effectiveness of the controls in place to address each risk is reviewed on a regular basis and, where the residual risk is considered outside of acceptable limits, further controls and risk mitigation measures are developed and implemented.

As a lithium development company, there are a number of material environmental or social sustainability risks that could adversely affect the Company and the achievement of the Company's strategic objectives. The Company believes that a strong focus on Environmental, Social, and Governance (ESG) matters are integral to how the Company operates and its overall business strategy.

Environmental: The Company is subject to, and responsible for, ensuring compliance with various regulations, licenses, approvals and standards so that its activities do not cause unauthorised environmental harm. Through its ongoing management of environmental activities, the Company expects to be able to operate in an environmentally sustainable and responsible manner.

Social: The Company recognises that a failure to manage stakeholder expectations may lead to disruption to the Company's operations. The Company works closely with the various stakeholders in the region in



which it operates. During the reporting period, the Company has engaged with Native title Holders (Tjiwarl) through formal negotiations, multiple site heritage and archaeological survey's in order to progress towards the finalisation of a formal Native Title Agreement (NTA) for the Kathleen Valley Project.

The Company is compiling its inaugural sustainability report in-line with GRI Standards and consideration of SASB, TCF standards and SDG goals to ensure transparent assessment and reporting in line with ESG guidelines. Liantown's inaugural sustainability report is scheduled for release in Q4, 2021.

PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY

Recommendation 8.1: Remuneration Committee

Complies with Recommendation? Yes

The Board established a separate Remuneration Committee.

The Remuneration Committee consists of three members, namely Mr Anthony Cipriano (Chair), Mr Craig Williams and Mr Tim Goyder who are all non-executive directors. The majority of the Remuneration Committee members are independent, namely of Mr Cipriano (Chair) and Mr Williams.

The Remuneration committee held three meetings during the Reporting Period. Details of director attendance at the Remuneration Committee meetings during the Reporting Period are set out in a table in the Directors' Report in section 3 of Directors' Report contained within the Company's 2021 Annual Report.

The Board has adopted a *Remuneration Committee Charter* which describes the role, composition, functions and responsibilities of the Remuneration Committee. The *Remuneration Committee Charter* is disclosed on the Company's website at <https://www.ltresources.com.au/corporate-governance>.

Recommendation 8.2: Remuneration of Executive and Non-Executive Directors and other senior executives

Complies with Recommendation? Yes

Details of remuneration, including the Company's policy on remuneration, are contained in the "Remuneration Report" which forms of part of the Directors' Report within the Company's 2021 Annual Report.

The Company's policy on remuneration clearly distinguishes the structure of non-executive directors' remuneration from that of executive directors and senior executives.

Non-executive directors are remunerated at a fixed fee for time, commitment and responsibilities. Remuneration for non-executive directors is not linked to individual performance, however, non-executive directors, at the discretion of the Board may participate in the Company's Employee Securities Incentive Scheme (subject to shareholder approval). There are no termination or retirement benefits for non-executive directors (other than for superannuation).

Apart from their duties as directors, some non-executive directors may undertake work for the Company on a consultancy basis pursuant to the terms of any consultancy services agreement. The nature of the consultancy work may vary depending on the expertise of the relevant non-executive director. Under the terms of any consultancy agreements non-executive directors are entitled to receive a daily rate or a monthly retainer for the work performed at a rate comparable to market rates that they would otherwise receive for their consultancy services.

Pay and rewards for executive directors and senior executives consists of a base salary and may comprise performance incentives. Long term and short term performance incentives may include options or



performance rights granted at the discretion of the Board and subject to obtaining the relevant approvals. Executives are offered competitive remuneration packages and are reviewed annually.

Recommendation 8.3: Economic Risks Under Equity-Based Remuneration Scheme

Complies with Recommendation? Yes

The Company's *Securities Trading Policy* includes a statement of the Company's policy on prohibiting transactions in associated products which limit the risk of participating in unvested entitlements under any equity based remuneration schemes.

The Company's *Securities Trading Policy* is available at <https://www.ltresources.com.au/corporate-governance>.