



ACN 118 153 825

**2014
NOTICE OF ANNUAL GENERAL MEETING
AND EXPLANATORY MEMORANDUM**

The Annual General Meeting of the Company will be held at Liontown Resources Limited, Level 2, 1292 Hay Street, West Perth, Western Australia, on 26 November 2014 at 11.00 am (WST)

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Annual General Meeting of the Shareholders of Liontown Resources Limited (**Liontown or the Company**) to which this Notice of Meeting relates will be held at 11.00 am (WST) on Wednesday 26 November 2014 at:

Liontown Resources Limited, Level 2, 1292 Hay Street, West Perth, Western Australia

YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

VOTING BY PROXY

All Shareholders who are entitled to attend and vote at the Meeting have the right to appoint a proxy to attend and vote for them. The proxy does not have to be a Shareholder. Shareholders holding two or more shares can appoint either one or two proxies. If two proxies are appointed, the appointing Shareholder can specify what proportion of their votes they want each proxy to exercise.

To vote by proxy, please complete and sign the Proxy Form enclosed and either send it:

- (a) by post to Liontown Resources Limited, GPO Box 2890, Perth, WA 6001 or
- (b) by facsimile (within Australia) to (08) 9322 5800 and (outside Australia) +618 9322 5800

so that it is received **no later than 11.00 am (WST) on 24 November 2014**, being not less than 48 hours prior to the commencement of the Meeting. Proxy Forms received later than this time will be invalid. Where a Proxy Form is executed under power of attorney, the power of attorney must be lodged in the same way as the Proxy Form.

Proxy vote if appointment specifies way to vote

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

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

Transfer of non-chair proxy to chair in certain circumstances

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

- (a) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;
- (b) the appointed proxy is not the Chairman of the meeting;
- (c) at the meeting, a poll is duly demanded on the resolution; and
- (d) either of the following applies:
 - (i) the proxy is not recorded as attending the meeting;
 - (ii) the proxy does not vote on the resolution,

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

BODIES CORPORATE – CORPORATE REPRESENTATION

A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at the Meeting. The appointment may be a standing one. A "Certificate of Appointment of Corporate Representative" may be obtained from Computershare Investor Services Pty Ltd or online at www.investorcentre.com under the information tab, "Downloadable forms".

VOTING ENTITLEMENTS

The board has determined that, for the purpose of voting at the meeting, Shareholders are those persons who are registered holders of the Company's shares at 4 pm (WST) on 24 November 2014.

ENQUIRIES

The Company welcomes enquiries in respect of matters covered in this Notice of Meeting and Explanatory Memorandum and the attendance of Shareholders at the Annual General Meeting. Should you require further information please contact:

The Company Secretary

Leanne Stevens

Phone: (+61 8) 9322 7431

Fax: (+61 8) 9322 5800

Email: lstevens@ltresources.com.au

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS GIVEN that the Annual General Meeting of the Shareholders of Liontown Resources Limited (**Liontown or the Company**) will be held at Liontown Resources Limited, Level 2, 1292 Hay Street, West Perth, Western Australia on Wednesday 26 November 2014 at 11.00 am (WST).

AGENDA

ORDINARY BUSINESS

FINANCIAL REPORT

To receive and consider the Company's Financial Report and the reports of the directors and auditors for the year ended 30 June 2014.

RESOLUTION 1 – REMUNERATION REPORT

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

“That for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2014”

Note: The vote on Resolution 1 is advisory only and does not bind the Directors or the Company.

Voting Exclusion Statement

In accordance with section 250R of the Corporations Act votes must not be cast and the Company will disregard any vote cast on Resolution 1 by, or on behalf of:

- a) a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report; or
- b) a Closely Related Party of those persons,

unless the vote is cast by a person as a proxy for a person entitled to vote in accordance with a direction on the Proxy Form or by the Chairman as proxy for a person entitled to vote and the Chairman has received express authority to vote undirected proxies as the Chairman sees fit even if Resolution 1 is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

The Chairman intends to vote all available proxies in favour of Resolution 1.

RESOLUTION 2 – RE-ELECTION OF MR CRAIG WILLIAMS AS A DIRECTOR

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

“To re-elect as a Director of the Company, Mr Craig Williams who retires by rotation in accordance with clause 14.4(a) of the Company's Constitution and the ASX Listing Rules and, being eligible, offers himself for re-election.”

RESOLUTION 3 – ELECTION OF MR ANTHONY CIPRIANO AS A DIRECTOR

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

“That Mr Anthony Cipriano, having been appointed as a Director on 1 July 2014, is elected as a Director in accordance with clause 14.3(b) of the Company's constitution and the ASX Listing Rules.”

RESOLUTION 4 – SHARE ISSUE TO MR TIMOTHY GOYDER IN LIEU OF ACCRUED AND OUTSTANDING DIRECTORS' FEES

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

“That for the purposes of ASX Listing Rule 10.11, Shareholders approve the issue of 1,415,067 Shares at an issue price of 3 cents per Share to Mr Timothy Goyder in full satisfaction of the accrued and outstanding Directors' fees as at 30 September 2014, being \$42,452.”

Voting Statement

The Company will disregard any vote cast on Resolution 4 by Timothy Goyder (or his nominee) and any of their associates.

However the Company need not disregard a vote if:

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

In addition, a member of the Key Management Personnel (or any of their Closely Related Parties) must not vote as proxy, and the Company will disregard any such votes, where the appointment does not specify the way the proxy is to vote, unless the proxy is the Chairman and has been expressly authorised to vote on behalf of someone entitled to vote on Resolution 4, even though it is connected with the remuneration of Key Management Personnel.

The Chairman intends to vote all available proxies in favour of Resolution 4.

RESOLUTION 5 – SHARE ISSUE TO MR ANTHONY CIPRIANO IN LIEU OF ACCRUED AND OUTSTANDING DIRECTORS' FEES

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

"That for the purposes of ASX Listing Rule 10.11, Shareholders approve the issue of 193,500 Shares at an issue price of 3 cents per Share to Mr Anthony Cipriano in full satisfaction of the accrued and outstanding Directors' fees as at 30 September 2014, being \$5,805."

Voting Statement

The Company will disregard any vote cast on Resolution 5 by Anthony Cipriano (or his nominee) and any of their associates.

However the Company need not disregard a vote if:

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

In addition, a member of the Key Management Personnel (or any of their Closely Related Parties) must not vote as proxy, and the Company will disregard any such votes, where the appointment does not specify the way the proxy is to vote, unless the proxy is the Chairman and has been expressly authorised to vote on behalf of someone entitled to vote on Resolution 5, even though it is connected with the remuneration of Key Management Personnel.

The Chairman intends to vote all available proxies in favour of Resolution 5.

RESOLUTION 6 – SHARE ISSUE TO MR CRAIG WILLIAMS IN LIEU OF ACCRUED AND OUTSTANDING DIRECTORS' FEES

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

"That for the purposes of ASX Listing Rule 10.11, Shareholders approve the issue of 996,233 Shares at an issue price of 3 cents per Share to Mr Craig Williams in full satisfaction of the accrued and outstanding Directors' fees as at 30 September 2014, being \$29,887."

Voting Statement

The Company will disregard any vote cast on Resolution 6 by Craig Williams (or his nominee) and any of his associates.

However the Company need not disregard a vote if:

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

In addition, a member of the Key Management Personnel (or any of their Closely Related Parties) must not vote as proxy, and the Company will disregard any such votes, where the appointment does not specify the way the proxy is to vote, unless the proxy is the Chairman and has been expressly authorised to vote on behalf of someone entitled to vote on Resolution 6, even though it is connected with the remuneration of Key Management Personnel.

The Chairman intends to vote all available proxies in favour of Resolution 6.

RESOLUTION 7 – RATIFICATION OF SHARE ISSUE - PLACEMENT

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

“That, for the purpose of ASX Listing Rule 7.4 and all other purposes, Shareholders ratify the issue of 50,010,000 Shares at 3 cents per share on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 5 by any person or entity or any of their associates that participated in the placement.

However, the Company need not disregard a vote if:

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

RESOLUTION 8 – SECTION 195 APPROVAL

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

“That, for the purpose of section 195(4) of the Corporations Act and for all other purposes, Shareholders approve and authorise the Directors to complete the transactions as contemplated in this Notice.”



LEANNE STEVENS
Company Secretary
16 October 2014

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of shareholders of Liontown Resources Limited (ACN 118 153 825) (**Liontown** or **the Company**) in connection with the business to be transacted at the Annual General Meeting of the Company to be held on 26 November 2014.

At the Annual General Meeting, Shareholders will be asked to consider the following Resolutions:

- (a) the adoption of the Remuneration Report;
- (b) the re-election of Mr Craig Williams as a Director;
- (c) the election of Mr Anthony Cipriano as a Director;
- (d) the issue of Shares to Mr Timothy Goyder, Mr Anthony Cipriano and Mr Craig Williams in lieu of the Company paying accrued Directors' fees;
- (e) the ratification of a share placement; and
- (f) the approval of section 195(4).

The purpose of this Explanatory Memorandum is to provide information that the Directors believe to be material to Shareholders in deciding whether or not to pass these Resolutions. It explains the Resolutions and identifies the Board's reasons for putting them to Shareholders. The Explanatory Memorandum should be read in conjunction with the accompanying Notice of Meeting.

FINANCIAL STATEMENTS AND REPORTS

The Corporations Act at section 317 requires the Company to lay before the Annual General Meeting the Financial Report, Directors' Report (including the Remuneration Report) and the Auditor's Report for the last financial year that ended before the Annual General Meeting.

No resolution is required for this item, but Shareholders will be provided with a reasonable opportunity to ask questions or make comments in relation to these reports. The Company's auditor will also be present at the Meeting and Shareholders will be given the opportunity to ask the auditor questions about the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company and the independence of the auditor.

RESOLUTION 1 – REMUNERATION REPORT

A resolution for adoption of the Remuneration Report is required to be considered and voted on in accordance with section 250R(2) of the Corporations Act. The Remuneration Report details the Company's policy on the remuneration of the Company's Key Management Personnel, being its non-executive Directors, executive Directors, the Managing Director and senior executives and is set out in the Company's 2014 Annual Report.

In accordance with section 250R(3) of the Corporations Act, the vote on the adoption of the Remuneration Report is advisory only and does not bind the Directors or the Company. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

The *Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011* which came into effect on 1 July 2011, amended the Corporations Act to provide that Shareholders will have the opportunity to remove the whole Board except the managing director if the Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings.

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

The Company's Remuneration Report did not receive a Strike at the 2013 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 2015 annual general meeting, this may result in the re-election of the Board.

Shareholders will be provided with a reasonable opportunity to ask questions and to make comments on the Remuneration Report at the Annual General Meeting.

Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following:

- (a) If you appoint a member of the Key Management Personnel (other than the Chairman) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member as your proxy.

You must direct your proxy how to vote on this Resolution. Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

- (b) If you appoint the Chairman as your proxy (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member).

You do not need to direct your proxy how to vote on this Resolution. However, if you do not direct the Chairman how to vote, you must mark the acknowledgement on the Proxy Form to expressly authorise the Chairman to exercise his/her discretion in exercising your proxy even though this Resolution is connected directly or indirectly with the remuneration of Key Management Personnel.

- (c) If you appoint any other person as your proxy

You do not need to direct your proxy how to vote on this Resolution, and you do not need to mark any further acknowledgement on the Proxy Form.

Recommendation

The Board unanimously recommends that Shareholders vote in **favour** of Resolution 1.

RESOLUTION 2 – RE-ELECTION OF CRAIG WILLIAMS AS A DIRECTOR OF THE COMPANY

Clause 14.4(a) of the Company's Constitution provides that at each Annual General Meeting one-third of the Directors or, if their number is not a multiple of three, then the number nearest to but not exceeding one-third, must retire from office. The Directors to retire are those that have been in office the longest since their last election, in this instance being Mr Craig Williams.

Mr Williams, being eligible, has offered himself for re-election as a Director of the Company in accordance with clause 14.4(c) of the Constitution.

Mr Williams is an independent non-executive Director of the Company and a member of the Audit Committee. Mr Williams is a Geologist with over 30 years' experience in mineral exploration and development. 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 co-founded Equinox Minerals Limited in 1993 and was President, Chief Executive Officer and Director prior to Barrick Gold's takeover of Equinox. Mr Williams is currently Chairman of OreCorp and has been a Director of the Company since 2006.

Recommendation

The Board (except Mr Williams) unanimously recommends that Shareholders vote in **favour** of Resolution 2.

RESOLUTION 3 – ELECTION OF ANTHONY CIPRIANO AS A DIRECTOR OF THE COMPANY

Mr Cipriano was appointed as non-executive Director on 1 July 2014. Under the ASX Listing Rules and clause 14.3(b) of the Company's Constitution, a Director who is newly appointed must stand for election at the next general meeting.

The Company has undertaken appropriate checks before recommending the election of Mr Cipriano as a director and noted no material adverse information as a result of these checks. Mr Cipriano has acknowledged to the Company that he has sufficient time to fulfil his responsibilities as a director.

Mr Cipriano is a Chartered Accountant with 27 years' experience, with the last 15 years as a Partner at Deloitte. Prior to his retirement at Deloitte, Mr Cipriano was the leader of the Deloitte Perth Tax Practice and Deloitte National Tax Leader for Energy and Resources. Mr Cipriano has significant experience working across tax, accounting, legal and financial aspects of corporate transactions on both a national and international level. Mr Cipriano's wide ranging financial skills complements the existing Board's skill set and the Board consider that Mr Cipriano will, if elected qualify as an independent director.

Recommendation

The Board (except Mr Cipriano) unanimously recommends that Shareholders vote in **favour** of Resolution 3.

RESOLUTIONS 4, 5 AND 6 – SHARE ISSUES TO MR TIMOTHY GOYDER, MR ANTHONY CIPRIANO AND MR CRAIG WILLIAMS IN LIEU OF ACCRUED AND OUTSTANDING DIRECTORS' FEES

During the last financial year, with the aim to preserve cash within the Company, each of Mr Goyder, Mr Cipriano and Mr Williams (**Related Parties**) agreed to accrue their respective Directors' fees from 1 October 2013 up until 30 September 2014.

Each Related Party has now agreed with the Company that, subject to Shareholder approval, and again with the intention of preserving cash within the Company, they will accept Shares in lieu of their respective accrued Directors' fees.

Resolutions 4, 5 and 6 seeks Shareholder approval to issue the Related Parties the following number of Shares, each at a deemed issue price of 3 cents per Share:

Director	Fees Outstanding (\$)	Shares to be Issued
Timothy Goyder	42,452	1,415,067
Anthony Cipriano	5,805	193,500
Craig Williams	29,887	996,233
Total	78,144	2,604,800

The deemed issued price of 3 cents per Share was determined by reference to the most recent capital raising undertaken by the Company in May 2014. The volume weighted average sale price on ASX of the Shares during the 5 days preceding 10 October 2014 was 2.1 cents ("VWAP"), therefore the deemed issued price of 3 cents is 42.86% higher than the VWAP.

Part 2E of the Corporations Act

Part 2E.1 of the Corporations Act prohibits the Company from giving a financial benefit to a related party (such as a Director) unless either:

- (a) the giving of the financial benefit falls within one of the exceptions in section 210 to 217 of the Corporations Act; or
- (b) Shareholder approval is obtained prior to the giving of the financial benefit.

Section 210 of the Corporations Act provides an exception for a financial benefit to a related party that would be reasonable in the circumstances if the Company and the related party were dealing on arm's length terms. Section 211 of the Corporations Act provides an exception for a financial benefit that is remuneration to an officer of the Company where the remuneration is reasonable given the circumstances of the Company and the officer (including the responsibilities involved in such office).

Mr Richards, being a Director who does not have a material personal interest in the outcome of Resolutions 4, 5 and 6 considers that the issue of Shares in lieu of the Directors' accrued fees is both on arm's length terms and reasonable remuneration in the circumstances given the issue is in essence a conversion of the Directors' existing cash entitlements to Shares on the basis of the market price of Shares, and does not involve any additional remuneration to the Directors. Mr Richards therefore considers that Shareholder approval is not required under Part 2E.1 of the Corporations Act.

The Company's Shares have been suspended voluntarily and at the request of the Company, from trading on ASX for more than 5 days in the last 12 months. Therefore, the Company is not permitted to lodge a cleansing notice. Those Shares to be issued to the Related Parties will be unable to be traded until the earlier of the date that a cleansing prospectus is lodged by the Company and the date that is 12 months from the time the Company was suspended voluntarily. The Related Parties have agreed to place a holding lock over the shares until this time.

ASX Listing Rule 10.11

ASX Listing Rule 10.11 provides that a company cannot issue equity securities to a related party (including its directors) unless shareholder approval is obtained or the issue falls within one of the exceptions in ASX Listing Rule 10.12. As none of the exceptions apply to the issue of Shares to Directors under Resolutions 4, 5 or 6, the Company is seeking Shareholder approval for Resolutions 4, 5 and 6 under ASX Listing Rule 10.11.

The Company provides the following information required by ASX Listing Rule 10.13:

- (a) the Related Parties are related parties of the Company by virtue of being Directors;
- (b) the maximum number of Shares to be issued to the Related Parties are as follows:
 - (i) under Resolution 4, the maximum number of Shares to be issued to Timothy Goyder is 1,415,067;
 - (ii) under Resolution 5, the maximum number of Shares to be issued to Anthony Cipriano is 193,500; and
 - (iii) under Resolution 6, the maximum number of Shares to be issued to Craig Williams is 996,233.
- (c) the Shares will be issued as soon as possible after the meeting and in any event no later than 1 month thereafter;
- (d) the deemed share issue price was arrived by reference to the Company's most recent capital raising (completed on 23 May 2014), being 3 cents per share with the number of Shares to be issued to the respective Related Parties being calculated by dividing the Directors' fees owing to the Related Parties by the issue price of 3 cents;
- (e) the Related Party Shares are to be issued in lieu of Directors' fees and accordingly no funds will be raised as a result of the issue; and
- (f) a voting exclusion statement is included for Resolution 4 in the Notice of Meeting.

As approval is sought under ASX Listing Rule 10.11, approval is not required under ASX Listing Rule 7.1. If Resolutions 4, 5 and 6 are approved, the Shares issued will not count towards the Company's 15% placement capacity.

Recommendation

Each director recommends that Shareholders vote in favour of those Resolutions that they do not have a personal interest in. Mr Richards, being a Director does not have an interest in the outcome of Resolutions 4, 5 or 6, recommends that Shareholders vote in favour of Resolutions 4, 5 and 6.

RESOLUTION 7 – RATIFICATION OF SHARE ISSUE – PLACEMENT

ASX Listing Rule 7.1 prohibits a company from issuing equity securities (which includes ordinary shares and options) representing more than 15% of its share capital in any 12 month period without shareholder approval (subject to certain exceptions). ASX Listing Rule 7.4 allows a company to seek subsequent approval to ratify a previous issue of securities made pursuant to ASX Listing Rule 7.1. The effect of such ratification is that the issue is then deemed to have been one to which shareholder approval has been obtained thus not counting towards the 15% referred to in this paragraph.

Resolution 7 seeks ratification of the placement of 50,010,000 Shares issued to clients of Blackswan Equities Limited, who were sophisticated investors, on 23 May 2014 at 3 cents per Share raising \$1,503,000 before issue costs ("the Placement Shares"). The funds raised were applied to advance exploration at the Ibagá Copper-Zinc Project in Tanzania and for working capital purposes.

Pursuant to ASX Listing Rule 7.5 the following additional information is advised in relation to the Placement Shares:

- (a) 50,010,000 Shares were issued;
- (b) the Shares were issued on 23 May 2014;
- (c) the Shares were issued at an issue price of 3 cents per Share raising \$1,503,000 before issue costs;
- (d) the Shares ranked equally from the date of issue with all existing Shares in the Company;
- (e) the Shares were issued to clients of Blackswan Equities Limited who are sophisticated investors. None of the subscribers are related parties of the Company; and
- (f) the purpose of the issue was to provide funds to advance exploration at the Ibagá Copper-Zinc Project in Tanzania and for working capital purposes.

Recommendation

The Board unanimously recommends that Shareholders vote in **favour** of Resolution 7.

RESOLUTION 8 – SECTION 195 APPROVAL

In accordance with section 195 of the Corporations Act, a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a "material personal interest" are being considered.

The Directors may have a material personal interest in the outcomes of Resolutions 4, 5 and 6.

In the absence of this Resolution 8, the Directors may not be able to form a quorum at directors' meetings necessary to carry out the terms of Resolutions 4, 5 and 6.

The Directors accordingly exercise their right under section 195(4) of the Corporations Act to put the issue to Shareholders to resolve.

GLOSSARY

The following is a glossary of terms and abbreviations used frequently throughout this Explanatory Memorandum and in the Notice of Meeting and which such meanings shall apply unless the context requires otherwise. Additional terms used only occasionally are defined where used in their first instance in the body of this Explanatory Memorandum.

ASX:	means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as appropriate.
ASX Listing Rules:	means the Listing Rules of ASX.
Board of Directors or Board:	means the board of Directors of the Company.
Business Day:	means a day, other than Saturdays, Sundays or any other public holiday in Perth, Western Australia.
Chairman:	means the chair appointed for the Annual General Meeting.
Closely Related Party:	of a member of the Key Management Personnel means: <ul style="list-style-type: none"> (a) a spouse or child of the member; (b) a child of the member's spouse; (c) a dependent of the member or the member's spouse; (d) anyone else who is one of the member's family and may be expected to influence the member or be influenced by the member, in the member's dealing with the entity; (e) a company the member controls; or (f) a person prescribed by the <i>Corporations Regulations 2001 (Cth)</i>.
Constitution:	means the constitution of the Company.
Corporations Act:	means the <i>Corporations Act 2001 (Cth)</i> .
Directors:	means the directors of the Company.
Explanatory Memorandum:	means this explanatory memorandum.
Key Management Personnel:	is as defined in the Remuneration Report.
Liontown or Company:	means Liontown Resources Limited (ACN 118 153 825).
Managing Director:	means the Managing Director of Liontown.
Meeting or	
Annual General Meeting:	means the meeting of Shareholders called by the Notice of Meeting.
Notice of Meeting:	means the notice of meeting of which this Explanatory Memorandum forms part.
Office:	means Level 2, 1292 Hay Street, West Perth, WA 6005, Australia.
Option:	means an option to acquire a Share upon the payment of the appropriate exercise price and prior to the Options expiry period.
Proxy Form:	means the proxy form enclosed with the Notice of Meeting.
Related Parties:	means Mr Timothy Goyder, Mr Anthony Cipriano and Mr Craig Williams.
Remuneration Report:	means the remuneration report of the Company for the financial year ended 30 June 2014 (unless otherwise stated) as set out in the Directors' Report contained in the 2014 Annual Report to Shareholders.
Resolution:	means a resolution to be considered by the Shareholders at the Meeting.
Shares:	means fully paid ordinary shares in the capital of the Company.
Shareholder:	means a registered member of the Company.
Strike:	means a 'no' vote of 25% or more on the resolution approving the Remuneration Report.
WST:	means Western Standard Time.

Instructions for Completing 'Appointment of Proxy' Form

1. A Shareholder entitled to attend and vote at a meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.

2. A duly appointed proxy need not be a Shareholder of the Company.

3. **Signing Instructions**

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, all of the Shareholders should sign.

Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, 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 indicate the office held by signing in the appropriate place.

If a representative of the corporation is to attend the meeting a "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate is either included in the Notice of Annual General Meeting or may be obtained from the Company's share registry.

4. Completion of a proxy form will not prevent individual Shareholders from attending the meeting in person if they wish. Where a Shareholder completes and lodges a valid proxy form and attends the meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the meeting.

5. Please complete and sign the proxy form enclosed and either:

(a) send the proxy form by post to Liontown Resources Limited, GPO Box 2890, Perth, Western Australia, 6001;
or

(b) send the proxy form by facsimile to the Company on facsimile number (+61 8) 9322 5800,

so that it is received **no later than 11.00 am (AWST) on 24 November 2014**, being not less than 48 hours prior to the commencement of the meeting. **Proxy forms received later than this time will be invalid.**

Appointment of Corporate Representative

Section 250D of the Corporations Act 2001 (Cwlth)

This is to certify that by a resolution of the directors of:

..... (Insert name of company)

(Company), the Company has appointed:

....., (Insert name of corporate representative),

in accordance with the provisions of section 250D of the Corporations Act 2001 (Cwlth), to act as the body corporate representative of that company at the Annual General Meeting of Liontown Resources Limited to be held at 11.00am (WST) on 26 November 2014 and at any adjournment of that meeting.

DATED 2014

Executed by the Company)
)
 in accordance with its constituent documents

.....
 Signed by authorised representative

.....
 Signed by authorised representative

.....
 Name of authorised representative (print)

.....
 Name of authorised representative (print)

.....
 Position of authorised representative (print)

.....
 Position of authorised representative (print)

INSTRUCTIONS FOR COMPLETION

Under Australian law, an appointment of a body corporate representative will only be valid if the Certificate of Appointment is completed precisely and accurately.

Please follow the following instructions to complete the Certificate of Appointment:

1. Execute the certificate following the procedure required by your company's constitution or other constituent documents.
2. Print the name and position (eg director) of each company officer who signs this certificate on behalf of the company.
3. Insert the date of execution where indicated.
4. Send or deliver the certificate to the registered office of Liontown Resources Limited or fax the certificate to the registered office at (+61 8) 9322 5800.



LIONTOWN RESOURCES LIMITED

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