

# NOTICE OF THE 2017 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2017 Annual General Meeting (AGM) of the members of LWP Technologies Limited (the Company) will be held at the offices of BDO, Level 10, 12 Creek Street, BRISBANE QLD 4000 on Thursday 28 June, 2018 commencing at 10:00 am Brisbane time (AEST).

## **ORDINARY BUSINESS**

### **To Receive the Accounts**

To receive and consider the Financial Statements for the year ended 30 June 2017 together with the Declaration of the Directors, the Directors' Report, the Remuneration Report and Auditor's Report. Also available for consideration is the Shareholders Annual Report.

In compliance with Section 315 of the Corporations Act 2001, these reports are available to be viewed or downloaded in PDF format at the Company's website and can be obtained through the following link [www.lwptech.com](http://www.lwptech.com). However, if you wish to receive hard copies of these reports, please send a written request to the Company Secretary, LWP Technologies Limited, PO Box 115, Concord NSW 2137.

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## **RESOLUTION 1 - ADOPTION OF REMUNERATION REPORT**

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

*"Pursuant to Section 250R(2) of the Corporations Act and for all other purposes, approval is given to the adoption of the Remuneration Report as contained in the Company's Annual Financial Report for the year ended 30 June 2017".*

**Short Explanation:** The vote on this Resolution is advisory only and does not bind the Directors or the Company.

### **Voting Prohibition Statement:**

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel (KMP), details of whose remuneration are included in the Remuneration Report; or
- (b) a closely related party of such a member (including close family members and companies the KMP controls).

However, a person (the **Voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (c) the Voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (d) the Voter is the Chair of the meeting and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on this Resolution; and
  - (ii) expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company or if the Company is part of a consolidated entity, for the entity.

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## **RESOLUTION 2 – RE-ELECTION OF DIRECTOR – DR DAVID JOHN HENSON**

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

*"That Dr David John Henson, who retires by rotation as a Director of the Company in accordance with Section 13.2 of the Company's Constitution and being eligible, offers himself for re-election, be and is hereby re-appointed as a Director of the Company".*

Notes: The non-candidate Directors unanimously support the re-election of Dr Henson. The Chairman of the meeting intends to vote undirected proxies in favour of Dr Henson's re-election.

### RESOLUTION 3 – CONFIRM APPOINTMENT OF DIRECTOR – MR DANIEL JOSEPH LANSKEY

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

*“That, for all purposes, Mr Daniel Joseph Lanskey, in accordance with Section 13.5 of the Company’s Constitution and, being eligible, is confirmed as being appointed as a Director of the Company.”*

Notes: The non-candidate Directors unanimously support the re-election of Mr Lanskey. The Chairman of the meeting intends to vote undirected proxies in favour of Mr Lanskey’s re-election.

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### RESOLUTION 4 – CONFIRM APPOINTMENT OF DIRECTOR – MR ANDREW NORMAN SPARKE

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

*“That, for all purposes, Mr Andrew Norman Sparke, in accordance with Section 13.5 of the Company’s Constitution and, being eligible, is confirmed as being appointed as a Director of the Company.”*

Notes: The non-candidate Directors unanimously support the re-election of Mr. Sparke. The Chairman of the meeting intends to vote undirected proxies in favour of Mr Sparke’s re-election.

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### SPECIAL BUSINESS

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### RESOLUTION 5 – CONSOLIDATION OF CAPITAL

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

*“That pursuant to section 254H of the Corporations Act and for all other purposes, the issued capital of the Company be consolidated on the basis that:*

- (a) every 70 Shares be consolidated into 1 Share; and*
- (b) every 70 Options be consolidated into 1 Option; and*
- (c) every 70 Performance Rights be consolidated into 1 Performance Rights*

*and, where this Consolidation results in a fraction of a Share or an Option or a Performance Right being held, the Company be authorised to round that fraction up to the nearest whole Share or Option or Performance Right (as the case may be).”*

Note: In accordance with section 254H(4) of the Corporations Act, a copy of this Resolution 5, if passed, shall be lodged with the Australian Securities & Investments Commission within one (1) month of the meeting.

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### RESOLUTION 6 – APPROVAL OF 10% PLACEMENT FACILITY

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

*“That, pursuant to and in accordance with ASX Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of equity securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions referred to in, the Explanatory Memorandum accompanying this Notice.”*

#### **Voting Exclusion Statement:**

The Company will disregard any votes cast on this Resolution by a person (and any associates of such a person) who may participate in the 10% placement facility and a person who might obtain a benefit, if this Resolution is passed, except a benefit solely in the capacity of a holder of ordinary securities and any associate of that person (or those persons).

However, the Company need not disregard a vote, if:

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

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### **Eligibility to Vote**

For the purposes of Rule 7.11.37 of the Corporations Regulations, the Directors have set 7.00 pm Brisbane e Time (AEST) on Tuesday 26 June 2018 as the time and date to determine holders of the Company's Shares for the purposes of the AGM. Share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the AGM.

On a show of hands every Shareholder has one vote, and on a poll, every Shareholder has one vote for each Share held.

### **Voting Intentions of the Chairman**

The Chairman intends to vote all undirected proxies in favour of all Resolutions.

### **Proxies**

Any Shareholder entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote instead of that Shareholder.

The proxy does not need to be a Shareholder of the Company.

A Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the Shareholder's votes.

Proxies must be:

- (a) lodged at the Company's share registry, Computershare Investor Services Pty Limited, or
- (b) faxed to the fax number specified below,

To be effective, proxy forms must be received by the Company or share registry at least 48 hours before the time for holding the meeting.

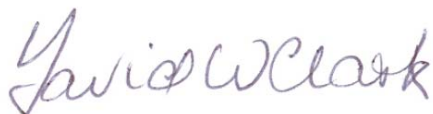
Address (postal deliveries): GPO Box 242, Melbourne, VIC, Australia, 3001

Fax number for lodgement: 1800 783 447 or +61 3 9473 2555

The proxy form has been enclosed. Please read all instructions carefully before completing the proxy form.

Dated at Sydney this 11 day of May 2018

### **BY ORDER OF THE BOARD**



David Clark  
Company Secretary

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared for the information of the Shareholders of LWP Technologies Limited in connection with the business to be conducted at the Annual General Meeting to be held at the offices of BDO, Level 10, 12 Creek Street, BRISBANE QLD 4000 on Thursday 28 June, 2018 commencing at 10:00 am Brisbane time.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

### **Voting Exclusion Statement:**

Where a voting exclusion applies, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

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## FINANCIAL STATEMENTS AND DIRECTORS' REPORTS

In accordance with the Company's Constitution, the business of the meeting will include receipt and consideration of the Company's Financial Report and Reports of Directors' and Auditor's for the year ended 30 June 2017.

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### RESOLUTION 1 - ADOPTION OF REMUNERATION REPORT

Section 250R(3) of the Corporations Act requires that a Resolution to adopt the Remuneration Report must be put to the vote at the Annual General Meeting. The vote on this Resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report is set out in the Directors' Report in the Company's 2017 Annual Report. The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company.

In accordance with Section 250SA of the Corporations Act 2001, Shareholders will be provided with a reasonable opportunity to ask questions concerning, or make comments on, the Remuneration Report at the Annual General Meeting.

The Corporations Act requires the Company to put a Resolution to Shareholders that in accordance with Division 9 of Part 2G.2 of the Corporations Act, if twenty-five (25%) per cent or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive Annual General Meetings, Shareholders will be required to vote at the second of those Annual General Meetings on a Resolution (a "Spill Resolution") that another meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director) must go up for re-election.

It is noted that at the Company's last Annual General Meeting, the votes cast against the Remuneration Report represented less than twenty-five (25%) per cent of the total votes cast and accordingly, a spill Resolution will not under any circumstances be required for the Annual General Meeting.

A voting exclusion applies to Resolution 1 in the terms set out in the Notice of Meeting. Key Management Personnel and their closely related parties may not vote on this Resolution and may not cast a vote as proxy, unless the proxy appointment gives a direction on how to vote or the proxy is given to the Chairman and expressly authorises the Chairman to exercise the proxy.

The Chairman will use any such proxies to vote in favour of Resolution 1. The Company encourages all eligible Shareholders to cast their votes in favour of Resolution 1 (Remuneration Report).

The Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies.

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## **RESOLUTION 2 – RE-ELECTION OF DIRECTOR – DR DAVID JOHN HENSON**

In accordance with Section 13.2 of the Company's Constitution and ASX Listing Rule 14.4, a Director cannot hold office for more than 3 years without retiring by rotation.

Dr David John Henson was appointed a Director of the Company by the Board on 15 August 2014, elected as a Director at the 2014 Annual General Meeting held on 10 November 2014 and re-elected as a Director at the 2016 Annual General Meeting held on 17 November 2016. Dr Henson is to retire by rotation at the 2017 Annual General Meeting, and being eligible, offers himself for re-election as a Director.

Dr Henson is the Company's Chief Executive Officer (CEO) of LWP (Americas) and based in Houston Texas. Dr Henson is a chemical engineer and holds a PhD in Chemical Engineering, and was formerly CEO of Siemens conceptual engineering services and project manager at a \$3.8 Bn gas to liquids export facility in the USA.

In accordance with Article 13.2 of the Company's Constitution, Dr Henson seeks appointment to the office of Director of the Company. The proposed Director has provided the Company with written consent to being a Director of the Company.

The Board, with the exception of Dr Henson, unanimously recommends that members vote in favour of Dr Henson's re-election as a Non-Executive Director.

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## **RESOLUTION 3 – CONFIRM APPOINTMENT OF DIRECTOR – MR DANIEL JOSEPH LANSKEY**

In accordance with Section 13.5 of the Company's Constitution which relevantly states that:

"The Directors may at any time appoint a person to be a Director (but not as an alternate Director), either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors does not at any time exceed the maximum number specified by this Constitution. Any Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting."

Mr Lanskey holds a post graduate Business Degree from Griffith University and has over ten (10) years experience in the oil and gas industry. From 2006 to 2014 Dan was Founding and Managing Director of AusTex Oil Limited (ASX: AOK - OTCQX: ATXDY) which is now a successful US operating oil and gas production company. At AOK, Dan oversaw the initial public listing of AOK on the ASX and subsequent listing on the OTCQX and TSX Venture Exchange and was integral in all capital raising undertaken by the company. Prior to working in the oil and gas industry, Dan was involved in the information technology industry in Australia, Asia and North America. Dan is also Chairman of TurnTable Energy Limited, an unlisted Australian public company and licensed oil and gas operator and producer based in Oklahoma and Chairman of The Needle Corporation Inc. (TSX-V:NEDL.P), a Capital Pool Corporation listed on the TSX Venture exchange.

Mr Lanskey was a Director of the Xped Limited (ASX: XPE) (formerly the Raya Group Limited) from 14 January 2015 to 22 October 2015. Mr Lanskey resigned as a director of AusTex Oil Limited on 19 June 2014.

In accordance with Article 13.5 of the Company's Constitution, Mr Lanskey seeks appointment to the office of Director of the Company. The proposed Director has provided the Company with written consent to being a Director of the Company.

The Board, with the exception of Mr Lanskey, unanimously recommends that members vote in favour of Mr Lanskey's re-election as a Non-Executive Director.

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## **RESOLUTION 4 – CONFIRM APPOINTMENT OF DIRECTOR – MR ANDREW NORMAN SPARKE**

In accordance with Section 13.5 of the Company's Constitution which relevantly states that:

"The Directors may at any time appoint a person to be a Director (but not as an alternate Director), either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors does not at any time exceed the maximum number specified by this Constitution. Any Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting."

Mr. Sparke is a Director at Lanstead Investors Pty Ltd, a UK based investment fund and heads up their Sydney office. Andrew has extensive experience in Equity Capital Markets (ECM), capital raising and corporate advisory services for ASX listed companies. Prior to joining Lanstead Investors, Mr. Sparke worked for a number of Australian and Asian investment banks completing numerous equity raisings & corporate transactions including IPO's, backdoor listings and private equity transactions.

Mr. Sparke is a current and former Director of a number of public and private company's including Olive Capital Pty Ltd and Non Executive Chairman of Torian Resources Ltd (ASX:TNR). Andrew holds a Bachelor of Business (Marketing), a Masters in Finance (Current) and is a member of the Australian Institute of Company Directors (MAICD).

In accordance with Article 13.5 of the Company's Constitution, Mr Sparke seeks appointment to the office of Director of the Company. The proposed Director has provided the Company with written consent to being a Director of the Company.

The Board, with the exception of Mr Sparke, unanimously recommends that members vote in favour of Mr Sparke's re-election as a Non-Executive Director.

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## **RESOLUTION 5 – CONSOLIDATION OF CAPITAL**

### **5.1 Background**

If Resolution 5 is passed and excluding any securities issued pursuant to the other resolutions passed at this Meeting, the number of:

- (a) Shares on issue will be reduced from 5,929,872,725 to 84,712,468 (subject to rounding); and
- (b) Options on issue will be reduced from 120,000,000 to 1,714,286 (subject to rounding).
- (c) Performance Rights on issue will be reduced from 21,372,500 to 305,322 (subject to rounding).

### **5.2 Legal requirements**

Section 254H of the Corporations Act provides that a company may, by resolution passed in a general meeting, convert all or any of its shares into a larger or smaller number.

### **5.3 Fractional entitlements**

Not all Security Holders will hold that number of Shares or Options (as the case may be) which can be evenly divided by ten. Where a fractional entitlement occurs, the Company will round that fraction up to the nearest whole Security. If the Company reasonably believes that a shareholder has been a party to the division of a shareholding in an attempt to obtain an advantage from this treatment of fractions, the Company will take appropriate action, having regard as appropriate to the terms of the Company's constitution and the ASX Listing Rules. In particular, the Company reserves the right to disregard the division of the shareholding for the purpose of dealing with fractions so as to round up any fraction to the nearest whole number of shares that would have been received but for the division.

## **5.4 Taxation**

It is not considered that any taxation implications will exist for Security holders arising from the Consolidation. However, Security holders are advised to seek their own tax advice on the effect of the Consolidation and neither the Company, nor its advisers, accept any responsibility for the individual taxation implications arising from the Consolidation.

## **5.5 Holding statements**

From the date two (2) Business Days after the Consolidation is approved by Shareholders, all holding statements for Securities will cease to have any effect, except as evidence of entitlement to a certain number of Securities on a post-Consolidation basis.

After the Consolidation becomes effective, the Company will arrange for new holding statements for Securities to be issued to holders of those Securities.

It is the responsibility of each Security Holder to check the number of Securities held prior to disposal or exercise (as the case may be).

## **5.6 Reasons for the consolidation**

LWP Technologies Limited has a very large number of shares on issue (over 5.9 billion) due to historical equity-based capital raisings and corporate transactions. When considered in the context of the Company's market capitalisation, the number of shares on issue is disproportionate to the Company's peers and the likely consequence of this fact will be that the market price per Share on the ASX will be relatively low.

In the interests of its Shareholders, the Board considers that the Consolidation will enable the Company to establish a Share price that is more appropriate for a listed entity of its size and market capitalisation. The Board further believes that the Consolidation will make the Company more attractive to potential investors. In addition, the Consolidation may have future potential cost saving benefits in terms of administrative costs.

## **5.7 Effect on capital structure**

As the consolidation applies equally to all of the Company's security holders, individual holdings will be reduced in the same ratio as the total number of the Company's issued securities (subject only to the rounding of fractions). It follows that the consolidation will have no material effect on the percentage interest of each individual shareholder in the Company. Therefore, if a shareholder currently has 10,000,000 shares representing approximately 0.16 percent of the Company's issued capital on a fully diluted basis, then if the consolidation of capital is approved and implemented, the shareholder will have 142,858 shares following the consolidation, still representing the same 0.16 percent of the Company's issued capital on a fully diluted basis. Similarly, the aggregate value of each shareholder's holding (and the Company's market capitalisation) should not materially change – other than minor changes as a result of rounding – as a result of the consolidation alone (that is assuming no other market movements or impacts occur).

Shareholders should note, however, that the reduction of share capital, if approved, will have an effect on the Company's share price as the price per share can be expected to increase to reflect the reduced number of shares on issue.

The effect which the Consolidation will have on the Company's capital structure is set out in the table below.

<b>Capital Structure</b>	<b>Shares</b>	<b>Unlisted Options<sup>1</sup></b>	<b>Performance Rights</b>
Pre-Consolidation Securities	5,929,872,725	120,000,000	21,372,500
Post 70:1 Consolidation (Resolution 5) <sup>2</sup>	84,712,468	1,714,286	305,321
<b>Total Securities on Issue on completion of all Resolutions</b>	<b>84,712,468</b>	<b>1,714,286</b>	<b>305,321</b>

1. The terms of these Options are set out in the table below.
2. Assuming no Options are exercised and no other securities in the Company are issued.

The effect the Consolidation will have on the terms of the Options is as set out in the table below:

<b>Options - Pre Consolidation</b>	<b>Number</b>
Unquoted Options exercisable at \$0.006 on or before 1 September 2019	120,000,000
<b>Options - Post Consolidation</b>	<b>Number</b>
Unquoted Options exercisable at \$0.42 on or before 1 September 2019	1,714,286

## 5.8 Indicative timetable

If Resolution 5 is passed, the reduction of capital will take effect in accordance with the following timetable (as set out in Appendix 7A (paragraph 8) of the ASX Listing Rules):

<b>Action</b>	<b>Date</b>
Company announces Consolidation and sends out Notice of Meeting.	11 May 2018
Company tells ASX that Shareholders have approved the Consolidation.	28 June 2018
Last day for pre-Consolidation trading.	29 June 2018
Post-Consolidation trading starts on a deferred settlement basis.	2 July 2018
Last day for Company to register transfers on a pre-Consolidation basis.	3 July 2018
First day for Company to send notice to each holder of the change in their details of holdings.	4 July 2018
First day for the Company to register Securities on a post-Consolidation basis and first day for issue of holding statements.	4 July 2018
Change of details of holdings date. Deferred settlement market ends.	4 July 2018
Last day for Securities to be entered into holders' Security holdings.	4 July 2018
Last day for the Company to send notice to each holder of the change in their details of holdings.	4 July 2018



## **5.9 Minimum parcel sale**

Following completion of the Consolidation, the Company proposes undertaking a minimum parcel sale in accordance with clause 3 of the Company's Constitution. This process will apply only to holdings of less than AUD\$500 at the time of the consolidation. This will have the effect of further reducing the Company costs, in particular administration costs, going forward. Further information on that process will be contained in correspondence to Shareholders holding a minimum shareholding (as defined in the Constitution).

## **5.10 Recommendation**

The Directors unanimously recommend that shareholders vote in favour of the consolidation of capital. Each Director intends to vote all the Company's shares controlled by him or her in favour of the proposed consolidation.

The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 5.

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## **RESOLUTION 6 – APPROVAL OF 10% PLACEMENT FACILITY**

ASX Listing Rule 7.1A enables eligible entities to issue "equity securities" up to 10% of its issued Share capital through placements over a 12 month period after the Annual General Meeting (10% Placement Facility). The 10% Placement Facility is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1.

An eligible entity for the purposes of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity as it is not included in the A&P/ASX 300 Index and has a current market capitalisation of approximately \$5.9 million.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue equity securities under the 10% Placement Facility. The exact number of equity securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (see below).

The Company is an Australian energy technology company, which has focused on the development of a fly ash based proppant for use in hydraulic fracturing of oil and gas wells. As disclosed in the Company's previous Annual Report and Quarterly Activity Reports, the Company is actively seeking to restructure and raise additional capital to ensure continuation of the business. The Board is reviewing several existing businesses in the Oil and Gas Sector with the view of identifying a complimentary business that would provide cashflow and growth opportunities, whilst enabling the existing technology to be retained.

Should the Company utilise the 10% Placement Facility, the Company may seek to issue the equity securities for the following purposes:

- (i) non-cash consideration in relation to costs associated with the acquisition of new resource assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3; or

- (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of resource assets or investments (which may include costs associated with due diligence and engagement of advisors in assessing new resource assets) and/or continued development on the Company's existing resource assets in Australia (US Patent for its proprietary method of producing next generation, fly-ash based proppant) or to meet additional working capital requirements.

Resolution 6 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Directors of the Company believe that Resolution 6 is in the best interests of the Company and unanimously recommends that Shareholders vote in favour of this Resolution.

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## Description of ASX Listing Rule 7.1A

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**(a) Shareholder Approval**

The ability to issue equity securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an Annual General Meeting.

**(b) Equity Securities**

Any equity securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of equity securities of the Company.

The Company, as at the date of the Notice, has on issue Shares and Unlisted Options (Convertible Securities).

**(c) Formula for Calculating the 10% Placement Facility**

Listing Rule 7.1A.2 provides that eligible entities which have obtained Shareholder approval at an Annual General Meeting may issue or agree to issue, during the 12 month period after the date of the Annual General Meeting, a number of equity securities calculated in accordance with the following formula:

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

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

- a) plus the number of fully paid Shares issued in the 12 months under an exception in Listing Rule 7.2;
- b) plus the number of partly paid Shares that became fully paid in the 12 months;
- c) plus the number of fully paid Shares issued in the 12 months with approval of holders of Shares under Listing Rule 7.1 or 7.4. This does not include an issue of fully paid Shares under the entity's 15% placement capacity without Shareholder approval;
- d) less the number of fully paid Shares cancelled in the 12 months.

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

**D** is 10%

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

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

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

In accordance with Listing Rule 7.1, the Company will have a capacity to issue 15% or 889,480,909 equity securities.

Under Listing Rule 7.1A the Company requests an additional 10% capacity which will increase the total number of equity securities that can be placed without Shareholder approval to 592,987,273 for the next 12 months.

The actual number of equity securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the equity securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to paragraph (c) above).

**(e) Minimum Issue Price**

The issue price of equity securities issued under Listing Rule 7.1A must not be less than 75% of the VWAP of equity securities in the same class calculated over the 15 Trading Days immediately before:

- (i) the date on which the price at which the equity securities are to be issued is agreed; or
- (ii) if the equity securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the equity securities are issued.

**(f) 10% Placement Period**

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

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

or such longer period if allowed by the ASX (10% Placement Period).

**Listing Rule 7.1A**

The effect of Resolution 6 will be to allow the Directors to issue the equity securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

**Specific Information Required by Listing Rule 7.3A**

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

- (a) The equity securities will be issued at an issue price of not less than 75% of the VWAP for the Company's equity securities over the 15 Trading Days immediately before:
  - (i) the date on which the price at which the equity securities are to be issued is agreed; or
  - (ii) if the equity securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the equity securities are issued.

(b) If Resolution 6 is approved by Shareholders and the Company issues equity securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:

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

which may have an effect on the amount of funds raised by the issue of the equity securities.

(c) The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of the Notice.

(d) The table also shows:

- (i) two examples where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro-rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Variable A: Number of Shares on Issue	Dilution			
	Variable B: Issue Price (per Share)	\$0.0350 (50% Decrease in Current Issue Price)	\$0.070 (Current Issue Price)	\$0.1050 (50% Increase in Current Issue Price)
84,712,468 (Current)	Shares Issued (10% Dilution)	8,471,247 Shares	8,471,247 Shares	8,471,247 Shares
	Funds Raised	\$296,494	\$592,987	\$889,481
127,068,701 (50% Increase)*	Shares Issued (10% Dilution)	12,706,870 Shares	12,706,870 Shares	12,706,870 Shares
	Funds Raised	\$444,740	\$889,481	\$1,334,221
169,424,935 (100% Increase)*	Shares Issued (10% Dilution)	16,942,494 Shares	16,942,494 Shares	16,942,494 Shares
	Funds Raised	\$592,987	\$1,185,975	\$1,778,962

\* The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table has been prepared on the following assumptions:

- (i) The Current number of shares on issue is on a Post-Consolidation basis and subject to Resolution 5 passing.
  - (ii) The Company issues the maximum number of equity securities available under the 10% Placement Facility.
  - (ii) No Convertible Securities (including any Convertible Securities issued under the 10% Placement Facility) are converted into Shares before the date of the issue of the equity securities;
  - (iv) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
  - (v) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
  - (vi) The table shows only the effect of issues of equity securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
  - (vii) The issue of equity securities under the 10% Placement Facility consists only of Shares.
  - (viii) The issue price is \$0.070 being the deemed post-consolidation share price of Shares and subject to Resolution 5 passing.
- (e) The Company will only issue the equity securities during the 10% Placement Period. The approval of Resolution 6 for the issue of the equity securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change of the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- (f) The Company may seek to issue the equity securities for the following purposes:
- (i) non-cash consideration in relation to costs associated with the acquisition of new resource assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
  - (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of resource assets or investments (which may include costs associated with due diligence and engagement of advisors in assessing new resource assets) and/or continued development on the Company's existing assets in Australia and internationally and to meet additional working capital requirements.
- (g) The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any equity securities.
- (h) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of equity securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
  - (ii) the effect of the issue of the equity securities on the control of the Company;
  - (iii) the financial situation and solvency of the Company; and
  - (iv) advice from corporate, financial and broking advisers (if applicable).
- (i) The allottees under the 10% Placement Facility have not been determined as at the date of the Notice but may include existing substantial Shareholders and/or new Shareholders who are not a related party or an associate of a related party of the Company. Further, if the Company is successful in acquiring new resource assets or investments, it is possible that the allottees under the 10% Placement Facility will be the vendors of the new assets or investments.

- (j) The Company previously obtained Shareholder approval under Listing Rule 7.1A on 20 November 2015 (previous approval).

On 27 June 2016, the Company issued 320,000,000 ordinary Shares pursuant to the Previous Approval. As announced to the Market on 22 June 2016, this issue was made to sophisticated and professional investors unrelated to the Company at an issue price of \$0.005 per share. The funds raised of \$1.6M were used for the investment in Graphenera and for general working capital.

During the 12 month period preceding the date of the Meeting, being on and from 17 November 2016, the Company has not otherwise issued any Shares.

- (k) A voting exclusion statement is included in the Notice.
- (l) At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the equity securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

## SCHEDULE 1 – DEFINITIONS

**\$** means Australian dollars.

**AGM** or **Annual General Meeting** means the Annual General Meeting to be held at the offices of BDO, Level 10, 12 Creek Street, BRISBANE QLD 4000 on Thursday 28 June, 2018 commencing at 10:00 am Brisbane time and notified to Shareholders by this Notice.

**Associate** has the meaning given in section 12 of the Corporations Act.

**ASX** means ASX Limited or the Australian Securities Exchange, as the context requires.

**Board** means the current board of directors of the Company.

**Closely related party** of a member of the key management personnel means:

- (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 dealings with the Company;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth).

**Company** means LWP Technologies Limited (ACN 112 379 503).

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

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

**Constitution** means the Company's constitution.

**Director** means a current director of the Company.

**Equity Securities** includes a Share, a right to a Share or Option, an Option, a Performance Share and any security that ASX decides to classify as an Equity Security.

**Explanatory Statement** means this explanatory statement.

**Group** or **Group Company** mean the Company and a body corporate that is a subsidiary of the Company within the meaning of Section 9 of the Corporations Act.

**Key Management Personnel** has the same meaning given in the accounting standards. Broadly speaking this includes the Directors and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The 2017 Annual Financial Report identifies the Key Management Personnel for the financial year ended 30 June 2017.

**Listing Rules** means the Official Listing Rules of ASX.

**Notice** or **Notice of Meeting** means the notice of meeting accompanying this Explanatory Statement.

**Proxy Form** means the proxy form accompanying the Notice of Meeting.

**Resolutions** means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

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

**Shareholder** means a holder of a Share.

### Lodge your vote:



**By Mail:**

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

Alternatively you can fax your form to  
 (within Australia) 1800 783 447  
 (outside Australia) +61 3 9473 2555

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

**For all enquiries call:**

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



LWP

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

## Proxy Form

**XX**

 **For your vote to be effective it must be received by 10:00 am (AEST) Tuesday 26 June 2018**

### How to Vote on Items of Business

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

#### Appointment of Proxy

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

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

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

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

### Signing Instructions

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

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

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

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

### Attending the Meeting

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

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

**Turn over to complete the form** ➔



View your securityholder information, 24 hours a day, 7 days a week:

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

- Review your securityholding
- Update your securityholding

**Your secure access information is:**

**SRN/HIN: I9999999999**



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



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

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



I 9999999999

I ND

# Proxy Form

Please mark  to indicate your directions

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

XX

I/We being a member/s of Lwp Technologies Limited hereby appoint

the Chairman of the Meeting OR

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Lwp Technologies Limited to be held at **the offices of BDO, Level 10, 12 Creek Street, Brisbane QLD 4000 on Thursday 28 June, 2018 at 10.00 am Brisbane time (AEST)** and at any adjournment or postponement of that Meeting.

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

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

## STEP 2 Items of Business

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

	For	Against	Abstain
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director - Dr David John Henson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Confirm appointment of Director - Mr Daniel Joseph Lanskey	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Confirm appointment of Director - Mr Andrew Norman Sparke	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Consolidation of capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /

LWP

999999A

Computershare +