



**ACN 118 153 825**

## **Notice of General Meeting**

**The General Meeting of the Company will be held at Quest Kings Park, 54 Kings Park Rd, West Perth, Western Australia on Wednesday, 22 September 2021 at 11.00 am (WST).**

**THE COMPANY IS TAKING PRECAUTIONS TO FACILITATE AN IN PERSON MEETING IN ACCORDANCE WITH COVID-19 RESTRICTIONS. IF THE SITUATION IN RELATION TO COVID-19 CHANGES IN A WAY AFFECTING THE ABILITY TO FACILITATE AN IN PERSON MEETING AS PROPOSED, THE COMPANY WILL PROVIDE AN UPDATE AHEAD OF THE MEETING BY WAY OF AN ASX ANNOUNCEMENT.**

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

***Should you wish to discuss any matter, please do not hesitate to contact the Company Secretary by telephone on +61 8 6186 4600.***

## Important notices

### **ASIC and ASX**

A final copy of this Notice of Meeting and Explanatory Memorandum has been lodged with ASIC and ASX. Neither ASIC, ASX nor any of their respective officers takes any responsibility for the contents of this document.

### **Forward looking statements**

Some of the statements appearing in this document may be in the nature of forward-looking statements. The words 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'plan', 'consider', 'foresee', 'aim', 'will' and similar expressions are intended to identify forward-looking statements. Indications of guidance on future production, resources, reserves, sales, capital expenditure, earnings and financial position and performance are also forward-looking statements.

You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties, many of which are outside the Company's control. Those risks and uncertainties include factors and risks specific to the Company and Minerals 260 such as (without limitation) the status of exploration and mining applications and licences and the risks associated with the non-grant or expiry of those applications and licences, liquidity risk, risks associated with the exploration or developmental stage of projects, funding risks, operational risks, changes to Government fiscal, monetary and regulatory policies, the impact of actions of Governments, the potential difficulties in enforcing agreements, protecting assets, increases in costs of transportation and shipping of international operations, alterations to resource estimates and the imprecise nature of resource and reserve statements, any circumstances adversely affecting areas in which the Company operates, fluctuations in the production, volume and price of commodities, any imposition of significant obligations under environmental regulations, fluctuations in exchange rates, the fluctuating industry and commodity cycles, the impact of inflation on operating and development costs, taxation, regulatory issues and changes in law and accounting policies, the adverse impact of wars, terrorism, political, economic or natural disasters, the impact of changes to interest rates, loss of key personnel and delays in obtaining or inability to obtain any necessary Government and regulatory approvals, insurance and occupational health and safety. For more information on the risk factors facing Minerals 260, please refer to Schedule 4.

Actual events or results may differ materially from the events or results expressed or implied in any forward-looking statement and such deviations are both normal and to be expected.

None of the Company, Minerals 260, any of their respective officers or any person named in this document or involved in the preparation of this document make any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, and you are cautioned not to place undue reliance on those statements.

The forward-looking statements in this document reflect views held only as at the date of this document.

### **No financial product advice**

This document does not constitute financial product, taxation or investment advice nor a recommendation in respect of the Minerals 260 Shares. It has been prepared without taking into account the objectives, financial situation or needs of Shareholders or other persons. Before deciding how to vote or act, Shareholders should consider the appropriateness of the

information, having regard to their own objectives, financial situation and needs and seek legal, taxation and financial advice appropriate to their circumstances.

Neither the Company nor Minerals 260 is licensed to provide financial product advice. No cooling-off regime applies in respect of the acquisition of Minerals 260 Shares under the In-specie Distribution (whether the regime is provided for by law or otherwise).

**No internet site is part of this document**

No internet site is part of this Notice of Meeting and Explanatory Memorandum. The Company maintains an internet site ([www.ltresources.com.au](http://www.ltresources.com.au)). Any reference in this document to this internet site is a textual reference only and does not form part of this document.

Liontown Resources Limited  
ACN 118 153 825  
(Company)

## Notice of General Meeting

Notice is hereby given that the general meeting of Shareholders of Liontown Resources Limited will be held at Quest Kings Park, 54 Kings Park Rd, West Perth, Western Australia on Wednesday, 22 September 2021 at 11.00am (WST) (**Meeting**).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of the Notice. The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Monday, 20 September 2021 at 5.00pm (WST).

The purpose of the Meeting is to facilitate the demerger of certain exploration assets of Liontown Resources Limited (**Liontown** or the **Company**) through the demerger of Minerals 260 Limited (**Minerals 260**), with Liontown Shareholders to receive an allocation of Minerals 260 Shares through an in-specie distribution at nil cost.

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

## Agenda

### 1 **Resolution 1 - Amendment to the Constitution**

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

*"That pursuant to and in accordance with section 136(2) of the Corporations Act and for all other purposes, the Constitution is amended with immediate effect by making the amendments specified in the Explanatory Memorandum accompanying this Notice."*

### 2 **Resolution 2 – Approval for a reduction of capital and in-specie distribution of Minerals 260 Shares**

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

*"That, subject to and conditional on all other Resolutions being passed, for the purposes of Sections 256B and 256C of the Corporations Act and for all other purposes:*

- (a) *the issued share capital of the Company be reduced by an amount equal to the market value of the In-specie Shares less a Demerger Dividend (if any); and*
- (b) *the reduction of capital and the Demerger Dividend (if any) be satisfied by the Company making a pro rata distribution in specie of Minerals 260 Limited Shares to all eligible holders of ordinary shares in the Company at the In-specie Record Date,*

*and on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice."*

**BY ORDER OF THE BOARD**



Clint McGhie  
**Company Secretary**  
**Liontown Resources Limited**  
Dated: 18 August 2021

## **Action to be taken by Shareholders**

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

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

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

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

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

## **Voting in Person**

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

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

## **Proxies**

### **(a) Voting by proxy**

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

Please note that:

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

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

(b) Proxy vote if appointment specifies way to vote

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

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

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

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

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

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

### **Chair's voting intentions**

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

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

## **Explanatory Memorandum**

### **1. Introduction**

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at 11.00am (WST) on Wednesday, 22 September 2021 at Quest Kings Park, 54 Kings Park Rd, West Perth, Western Australia.

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

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

Section 1	Introduction
Section 2	Background to the Company
Section 3	Overview of the Transaction
Section 4	Additional information relating to Minerals 260
Section 5	Additional information relating to Liontown
Section 6	Resolution 1 - Amendment to the Constitution
Section 7	Resolution 2 - Approval of a reduction of capital and In-specie Distribution of Minerals 260 Shares
Section 8	Recommendation of Directors
Section 9	Enquiries
Schedule 1	Definitions
Schedule 2	Liontown Financial Information
Schedule 3	Minerals 260 Financial Information
Schedule 4	Key risk factors facing Minerals 260
Schedule 5	Tenement Schedule
Schedule 6	Independent Technical Assessment Report



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

## 1.1 Purpose of this document

The main purpose of this document is to:

- (a) explain the terms of the Demerger, and the manner in which the Demerger (or parts of the Demerger) will be implemented (if approved); and
- (b) provide such information as is prescribed or otherwise material to Shareholders to assist them in considering whether or not to approve the Resolutions required to give effect to the Demerger.

This document includes a statement of all the information known to the Company that is material to Shareholders in deciding how to vote on Resolution 2, as required by section 256C(4) of the Corporations Act.

## 1.2 Key dates

Event	Date
Minerals 260 lodges prospectus with ASIC	19 August 2021
Prospectus Exposure Period begins	19 August 2021
Priority Offer Record Date	23 August 2021
Minerals 260 applies for admission to the Official List	23 August 2021
ASIC Exposure Period ends (unless extended)	26 August 2021
Opening Date for Priority Offer (unless the ASIC Exposure Period is extended)	27 August 2021
Opening Date for Shortfall Offer (unless the ASIC Exposure Period is extended)	27 August 2021
General Meeting to approve the Resolutions ASX informed of Shareholder approval	22 September 2021
Closing date for the Priority Offer	22 September 2021
Effective date of the In-specie Distribution	23 September 2021
Last day for Share trading cum In-specie Distribution	24 September 2021
In-specie Record Date	28 September 2021
Closing date of the Shortfall Offer	29 September 2021
Completion of acquisition of the Minerals 260 Assets	1 October 2021
In-specie Distribution of Minerals 260 Shares to Shareholders	4 October 2021

Dispatch of holding statements for Minerals 260 Shares distributed under the In-specie Distribution	4 October 2021
Admission of Minerals 260 to the ASX	11 October 2021
Minerals 260 Shares commence trading on ASX	15 October 2021

**These dates are indicative only and may change without notice.**

## 2. Background to the Company

Liontown was admitted to the official list of ASX on 27 December 2006. Liontown's primary activities are the exploration and development of the Kathleen Valley Lithium and Tantalum Project located north-east of Perth, Western Australia (**Kathleen Valley Project**). The Kathleen Valley Project is Liontown's flagship project and its current activities are focused on completion of a Definitive Feasibility Study (**DFS**) and putting in place commercial funding to support the development of that project. Liontown is also looking to advance assessments in respect of possible downstream processing. The Kathleen Valley Project is 100% owned by Liontown.

In addition to the Kathleen Valley Project, Liontown is exploring:

- (a) the Moora Gold-Palladium-Platinum-Nickel-Copper Project, located in south-west Western Australia approximately 150km northeast of Perth; and
- (b) the Buldania Lithium Project, located in the southern Goldfields Province of Western Australia approximately 600km east of Perth,

all of which are 100% owned.

On 25 January 2021, Liontown announced that it had entered into a binding terms sheet with Lachlan Star Limited ACN 000 759 535 (ASX:LSA) (**Lachlan Star**) and Midland (a wholly owned subsidiary of Lachlan Star), setting out the terms on which ERL (Aust) Pty Ltd (**ERL**), a 100% owned subsidiary of Liontown, could earn up to a 51% interest in the Koojan Gold-Palladium-Platinum-Nickel-Copper Project (**Koojan JV Project**) (**Koojan BTS**). The Koojan JV Project is 100% owned by Coobaloo Minerals Pty Ltd ACN 636 424 229 (**Coobaloo**), which is currently owned 50% by Midland and 50% by Wavetime Nominees Pty Ltd (**Wavetime**). Pursuant to the Koojan BTS, as announced by Liontown on 10 August 2021, ERL has entered into a formal farm-in and joint venture agreement with Coobaloo (**Farm-in and JVA**). The Farm-in and JVA supersedes the Koojan BTS and governs ERL's farm-in to the Koojan JV Project. The Koojan JV Project comprises 6 granted Exploration Licences and 1 pending Prospecting Licence (see Schedule 5 for a summary of the Tenements). The Koojan JV Project exploration licences are contiguous with the western boundary of the Moora Project, which is also held by ERL. Please refer to Section 4.3 for more information on the Farm-in and JVA and Section 4.2 for more information on the Moora Project.

Liontown, through ERL, also holds the Dingo Rocks E63/2070 tenement and has lodged tenement applications for Yalwest ELA59/2541 and ELA59/2604 which are both pending. As part of its ordinary business, Liontown, through ERL, will continue to review available land in the vicinity of its existing tenements and tenement applications and otherwise in other areas it considers prospective for precious or base metals. In the event it identifies an area it considers prospective it may seek to make an application for an exploration licence and/or enter into

commercial arrangements for any land which may already have tenements granted or pending.

Liontown is seeking to undertake a demerger of the Moora Project, Koojan JV Project, the Dingo Rocks E63/2070 tenement and the Yalwest ELA59/2541 and ELA59/2604 tenement applications (**Spin-Out Projects**) into the newly incorporated wholly-owned subsidiary of Liontown, Minerals 260, by way of a pro rata in-specie distribution of shares in Minerals 260 to Liontown shareholders (**Demerger**). In conjunction with the proposed Demerger, Minerals 260 intends to undertake an initial public offer (**IPO**) and seek to list on the Official List of ASX (together, the Demerger and the IPO are referred to as the **Transaction**). Minerals 260 was incorporated on 4 June 2021 for the sole purpose of spinning out the Spin-Out Projects and conducting the IPO. The IPO will be conducted via a pro-rata Priority Offer to Liontown Shareholders with any shortfall being subject to a Shortfall Offer available to Liontown Shareholders and new investors, at a price of \$0.50 per share to raise a minimum of \$15,000,000 and a maximum of \$30,000,000 (before costs).

The Board considers that the proposed Transaction is in the best interests of Liontown shareholders as it will allow Liontown to focus on the development of the Kathleen Valley Project and the newly-incorporated Minerals 260 to prioritise resources to further advance the Spin-Out Projects. Further details of the reasons for the Transaction are set out below at Section 3.2.

### 3. Overview of the Transaction

#### 3.1 Key steps of the Transaction

Liontown is proposing, subject to satisfaction or waiver of the Conditions Precedent (as summarised in Section 3.8), that:

- (a) Liontown will transfer 100% of the issued capital of ERL, the Liontown subsidiary which holds the Spin-Out Projects, to Minerals 260, a newly incorporated public company that is wholly owned by Liontown;
- (b) in consideration for the transfer of 100% of the shares of ERL to Minerals 260, Minerals 260 will issue 159,999,000 fully paid ordinary shares in Minerals 260 (**Minerals 260 Shares**) to Liontown;
- (c) 160,000,000 Minerals 260 Shares will be distributed in-specie to the Liontown Shareholders on the basis of 1 Minerals 260 Share for every 11.91 Liontown Shares held (**In-specie Distribution**). The number of Shares on issue may increase prior to the In-specie Record Date which will reduce the ratio of Minerals 260 Shares received for every 1 Share held. The In-specie Distribution will comprise:
  - (i) a capital component, being a reduction of issued share capital (**Capital Reduction**); and
  - (ii) an income component, being a dividend (**Demerger Dividend**);<sup>1</sup>
- (d) Minerals 260 will make an application for admission to the Official List of the ASX and conduct an IPO by the issue of a minimum of 30,000,000 Minerals 260 Shares (**Minimum Subscription**) and a maximum of 60,000,000 Minerals 260 Shares

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<sup>1</sup> The Demerger Dividend is by way of the distribution of Minerals 260 Shares only. There is no additional cash component payable to Liontown Shareholders on distribution.

**(Maximum Subscription)** via a pro-rata Priority Offer to Liontown Shareholders with any shortfall being subject to a Shortfall Offer available to Liontown Shareholders and new investors, at a price of \$0.50 per share to raise a minimum of \$15,000,000 and a maximum of \$30,000,000 (before costs).

Shareholder approval of the Resolutions and implementation of the Transaction will result in two distinct listed entities:

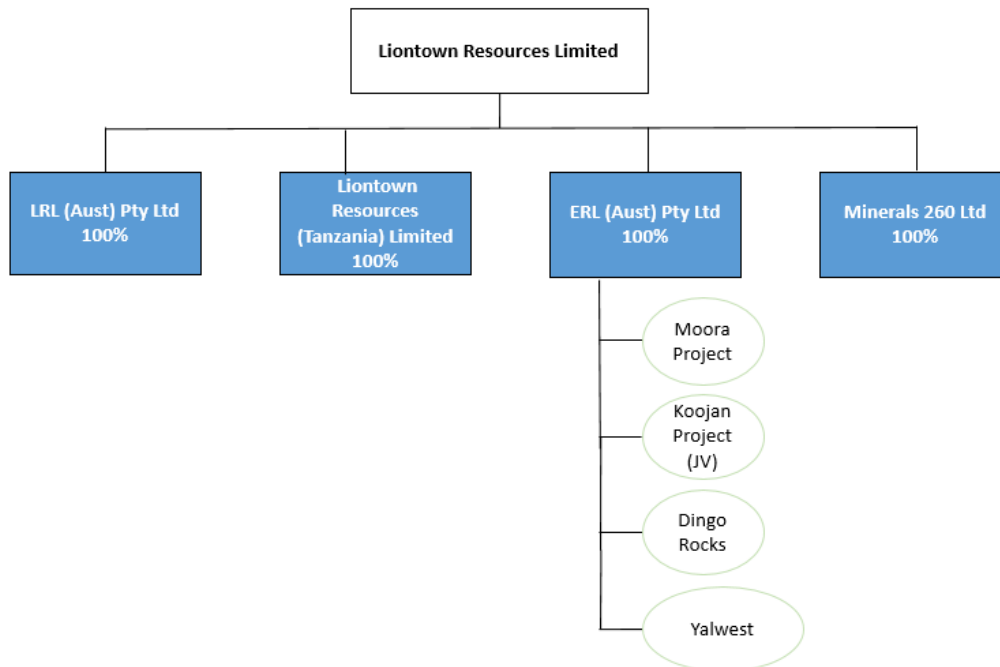
- (a) Liontown, with a focus on developing the Kathleen Valley Project; and
- (b) Minerals 260, with a focus on the exploration and development of the Spin-Out Projects.

A copy of the prospectus containing the Priority Offer and Shortfall Offer (**Prospectus**) is available at [www.minerals260.com.au](http://www.minerals260.com.au).

Liontown and Minerals 260 have entered into a demerger implementation agreement which sets out the process by which the Demerger will be proposed and implemented and the terms and conditions that will govern the implementation of the Demerger by the parties, subject to the satisfaction or waiver of conditions precedent (**DID**). A summary of the DID is set out in Section 3.8. Liontown and Minerals 260 have also entered into a share sale agreement on standard terms, pursuant to which Minerals 260 will acquire 100% of the issued share capital of ERL and therefore the Spin-Out Projects.

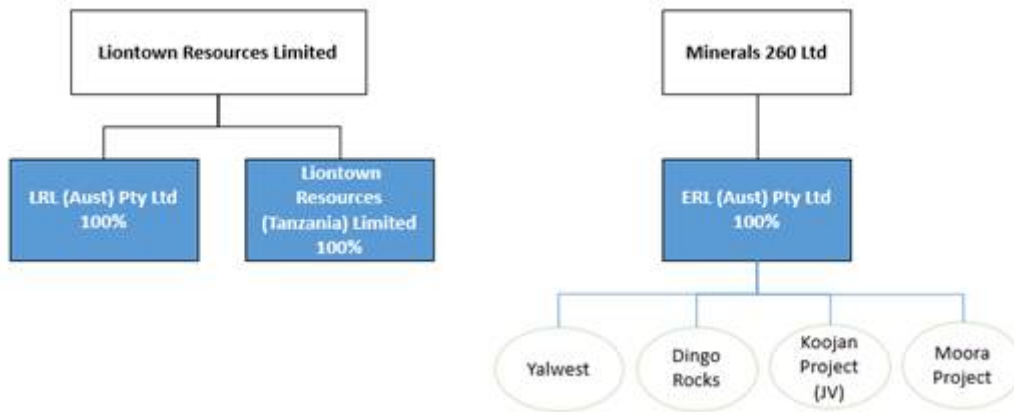
The current corporate structure of Liontown pre and post Transaction is shown below in Figures 1 and 2.

**Figure 1. Current structure**



In the event that the Conditions Precedent are satisfied and the Demerger proceeds, the Demerger will result in the corporate structure of Liontown and Minerals 260 as set out below in Figure 2.

**Figure 2. Structure post Transaction**



### 3.2 Reasons for the Transaction

The Transaction is being proposed by the Board for the following reasons:

- (a) to allow Liontown to focus its efforts on its flagship asset, the Kathleen Valley Project, where current activities are focused on completion of a DFS, putting in place commercial offtake and financing arrangements to support the project, with a view to accelerating the project construction timeline and bringing forward the first delivery of spodumene concentrate to market;
- (b) advancing the assessment of the possible downstream processing operation, for production of precursor battery material from Kathleen Valley spodumene;
- (c) given the focus of Liontown on the Kathleen Valley Project, the Board considers that Liontown is not able to reasonably prioritise resources to further advance the Spin-Out Projects, and therefore their potential value is not being optimised and nor is their value being fully reflected in Liontown's share price;
- (d) to give Liontown Shareholders the opportunity to participate in the growth of the Spin-Out Projects through a separate entity that will have sufficient resources to further develop the assets and optimise their potential value; and
- (e) the Board believes that the separation of the Spin-Out Projects into a standalone company with specific commodity and management focus will allow for a better focus on the advancement of the Spin-Out Projects and enable a more transparent market value to be placed on the Spin-Out Projects.

### 3.3 Advantages and disadvantages of the Transaction

- (a) **Advantages**
  - (i) Liontown will have a clearer focus and corporate strategy, centred on the advancement of the Kathleen Valley Project.
  - (ii) The Demerger provides Shareholders with scrip in two companies – Liontown and Minerals 260. The Board believes a separate entity focused on the Spin-Out Projects presents a better prospect of delivering greater value to Shareholders.
  - (iii) Shareholders may elect to retain exposure to either one or both companies as dictated by their investment preferences and objectives on the basis that:

- (A) all Shareholders will have an interest in Minerals 260 following the pro rata In-specie Distribution and thereby the opportunity to retain this interest to benefit from the advancement of the Spin-Out Projects; and
- (B) all Shareholders will retain their current percentage ownership interest in the capital of Liontown.
- (iv) The Demerger will deliver a structure that allows for Minerals 260 to focus on advancing the Spin-Out Projects and for Liontown to focus its efforts on the Kathleen Valley Project, with neither Minerals 260 nor Liontown affected by events or occurrences relating to the other's projects.
- (v) The Liontown Board sees considerable underlying value in the Spin-Out Projects that is not being valued by the market, and considers that a dedicated fully funded vehicle will assist the market in valuing these assets.
- (vi) Future capital raisings are expected to be more readily achieved by each individual entity as the focus of the funding will be on either the Kathleen Valley Project or the Spin-Out Projects. In addition, the Demerger is expected to provide greater flexibility to both Liontown and Minerals 260 to attract strategic investors.
- (vii) After a full and proper assessment of all available information, the Directors believe that the Demerger is in the best interests of Liontown Shareholders.

(b) **Disadvantages**

- (i) Liontown will incur costs associated with the Demerger including, but not limited to legal, accounting and advisory fees incurred in the preparation of documentation required to give effect to the Demerger and tax advice obtained in relation to any taxation consequences of the Demerger. These costs will be reimbursed by Minerals 260 upon completion of the Transaction, but will be borne by Liontown if the Transaction does not complete.
- (ii) Shareholders may incur additional transaction costs if they wish to dispose of their Minerals 260 Shares (e.g. brokerage costs).
- (iii) There are a number of potential disadvantages arising from Minerals 260 seeking further funding. These include, but are not limited to:
  - (A) dilution of Liontown Shareholders' interest in Minerals 260 via the IPO, to the extent a Shareholder chooses not to fully exercise their pro-rata Priority Offer entitlement; and
  - (B) uncertainty regarding Minerals 260's ability to raise required funding in the future.
- (iv) Assuming completion of the Demerger, there will be two separate companies that will require funding and will incur ongoing administrative costs which in some instances may lead to duplication.
- (v) A significant amount of time will be spent during coming months by the Board and by Company management in giving effect to the Demerger.

### 3.4 **Summary of effect on Shareholders**

#### (a) **What will you receive?**

If the Demerger is implemented, under the In-specie Distribution eligible Shareholders will receive 1 Minerals 260 Share (**In-specie Shares**) for every 11.91 Shares held by them at the In-specie Record Date based on the number of Shares currently on issue. The number of Shares on issue may increase prior to the In-specie Record date which will reduce the ratio of Minerals 260 Shares received for every 1 Share held.

Shareholders are not required to contribute any payment for the In-specie Shares which they are entitled to receive under the In-specie Distribution.

#### (b) **What about overseas Shareholders?**

The In-specie Distribution of the Minerals 260 Shares to overseas Liantown Shareholders under the reduction of capital will be subject to legal and regulatory requirements in their relevant overseas jurisdictions. If, in the opinion of the Directors, the requirements of any jurisdiction where a Liantown Shareholder is resident restricts or prohibits the distribution of Minerals 260 Shares as proposed or would otherwise impose on Liantown an undue administrative cost and burden with respect to compliance with overseas legislation, the Minerals 260 Shares to which the relevant Liantown Shareholder is entitled will not be issued to such Shareholders and instead will be sold by a nominee of Liantown on their behalf as soon as practicable after the In-specie Record Date.

The nominee will be directed to sell those In-specie Shares on market and account to the overseas Shareholder for the proceeds of sale less any costs or expenses in connection with the sale (**Sale Facility Proceeds**).

The Sale Facility Proceeds to be distributed to the overseas Shareholders may be more or less than the notional dollar value of the In-specie Distribution in this Explanatory Memorandum, as security prices may vary from time to time (assuming a liquid market is available). It will be the responsibility of each Liantown Shareholder to comply with the laws to which they are subject in the jurisdictions in which they are resident.

#### (c) **What is the impact on your shareholding in Liantown?**

The number of Shares in Liantown that you hold will not change as a result of the Demerger. The rights attaching to Shares will also not alter.

If the Demerger is implemented, the value of your Shares in Liantown may be less than the value held prior to the Demerger being implemented due to the removal of the Spin-Out Projects from Liantown's asset portfolio. The size of any decrease will be dependent on the value ascribed by the market to the Spin-Out Projects.

#### (d) **Do you have to do anything to receive your Minerals 260 Shares?**

You must hold Liantown Shares on the In-specie Record Date in order to receive the In-specie Distribution of Minerals 260 Shares. If the Demerger proceeds, you will automatically receive the Minerals 260 Shares you are entitled to receive (unless you are an ineligible overseas Shareholder, in which case you will receive the Sale Facility Proceeds – see Section 3.4(b) for more information), even if you vote against the Demerger or do not vote at all.

#### (e) **Can I acquire more Minerals 260 Shares under the Priority Offer or Shortfall Offer?**

Yes, Shareholders may participate in the Priority Offer of Minerals 260 by making a valid application and paying the application monies under the Prospectus. However, you must hold Liantown Shares on the Priority Offer Record Date in order to participate in the Priority Offer.

Any Minerals 260 Shares not subscribed for by the Lontown Shareholders under the Priority Offer will form part of a Shortfall Offer, which is available to Lontown Shareholders and new investors to subscribe to.

(f) **Will I be able to trade my Minerals 260 Shares?**

If the Transaction is approved by Shareholders and is implemented, a holder of Minerals 260 Shares will be able to sell their Minerals 260 Shares in the future.

The Prospectus was lodged with ASIC on or around 19 August 2021. Conditional on the approval of all of the Resolutions contained in the Notice, Minerals 260 will seek admission to the Official List of the ASX.

It is expected that the Minerals 260 Shares will be able to be traded on 15 October 2021, as set out in the timetable in Section 1.2.

(g) **What are the taxation implications of the Demerger?**

A general guide to the taxation implications of the Demerger is set out in Section 3.9 of this Explanatory Memorandum. The description is expressed in terms of the Demerger and is not intended to provide taxation advice in respect of particular circumstances of any Lontown Shareholder. Lontown Shareholders should obtain professional advice as to the taxation implications of the Demerger in their specific circumstances.

It is also noted that from a tax perspective, Lontown is seeking a class ruling from the ATO to confirm that Demerger Relief for income tax purposes will be available. This is discussed further in Section 3.9.

(h) **Conditionality**

The In-specie Distribution is conditional upon satisfaction or waiver of the Conditions Precedent, which includes Minerals 260 receiving conditional approval from ASX for admission to the Official List. If each of the Resolutions (which are interdependent), are approved but Minerals 260 does not receive conditional approval from ASX for any reason, the Transaction will not be completed, which means the Shareholders will not receive any Minerals 260 Shares.

### 3.5 **Summary of effect on Optionholders**

If the Transaction completes, under ASX Listing Rule 7.22.3, the terms of the Options will be reorganised such that the exercise price of each Option will be reduced by the amount returned as capital in relation to each Share. Refer to Section 5.2 for further information on the Options on issue.

The exact value of the reduction to the exercise price will be dependent on the value ascribed to the Spin-Out Projects.

### 3.6 **ASX waiver and confirmation**

Minerals 260 has received in-principle advice from ASX in respect of Listing Rule 9.1(c), confirming that ASX would be likely to grant a waiver to allow the In-specie Shares to be distributed in-specie to Lontown Shareholders, without being subject to the escrow restrictions set out in Appendix 9B to the Listing Rules.

As such, on receipt of a formal application to the ASX by Minerals 260 and grant of the waiver application by ASX, the In-specie Shares will be freely tradeable upon the listing of Minerals 260 on ASX.



### 3.7 **Intention of the Company if the Resolutions are not approved or the Transaction otherwise does not complete**

Each of the Resolutions are conditional and interdependent. If any of the Resolutions are not passed, the Company will retain its holding of ERL, and therefore the Spin-Out Projects, the Transaction will not proceed, the Shareholders will not be issued Minerals 260 Shares and Minerals 260 will not proceed with its application to be admitted to the Official List of the ASX.

In that event, the Company would seek to maximise Shareholder value and would continue to focus its resources on developing all of its projects, with a primary focus remaining the development of the Kathleen Valley Project.

Failure to complete the Transaction may result in a reduced level of expenditure on the Spin-Out Projects by Liontown, or development of the Spin-Out Projects may occur on a delayed timetable or some other commercial arrangement.

The Board has considered all the alternatives currently available and believes that the Transaction is expected to result in the most advantageous result for existing Shareholders.

### 3.8 **Summary of the DID**

To give effect to the Demerger, Liontown, ERL and Minerals 260 entered into the DID on 18 August 2021. The effect of the DID is that Minerals 260 acquires the Spin-Out Projects through the transfer of 100% of the issued capital in ERL and in return Minerals 260 will issue 159,999,000 shares in Minerals 260 to Liontown, for in-specie distribution by Liontown to the Liontown Shareholders.

The Demerger will only proceed if the conditions precedent to the DID are satisfied or waived (together, the **Conditions Precedent**). The outstanding Conditions Precedent are summarised below:

- (a) the Board having resolved in writing to proceed with the Transaction, on or before 5:00pm (AWST) on the Cut-Off Date;
- (b) Liontown obtaining Shareholder approval for the purposes of Sections 256B and 256C of the Corporations Act for the proposed In-specie Distribution of Minerals 260 Shares to Shareholders who hold Shares on the In-specie Record Date, pursuant to Resolution 2;
- (c) Minerals 260 receives valid applications for the Minimum Subscription amount under the Priority Offer or Shortfall Offer, on or before 5:00pm (AWST) on the closing date of the Shortfall Offer;
- (d) Minerals 260 having obtained a waiver from ASX in relation to the escrow restrictions set out in Appendix 9B of the ASX Listing Rules that may otherwise apply to the In-specie Distribution;
- (e) Minerals 260 obtaining a conditional admission letter from ASX on or before 5:00pm (AWST) on the Cut-Off Date;
- (f) Liontown and Minerals 260 having received all necessary third party consents pursuant to agreements to which ERL is a party including waivers of any applicable change of control or pre-emptive right provisions granted in favour of third parties, on or before 5:00pm (AWST) on the Cut-Off Date;

- (g) Liontown receiving a favourable draft class ruling or other ATO confirmation (to the satisfaction of Liontown), on or before 5:00pm on the Cut-Off Date; and
- (h) Minerals 260 having received an advance determination confirming the transfer of ERL to Minerals 260 is exempt from Western Australian stamp duty, on or before 5:00pm on the Cut-Off Date.

Should the Conditions Precedent be satisfied, the In-specie Distribution will be effected by an equal reduction of Liontown's capital on a pro rata basis and the Demerger Dividend. Liontown Shareholders will receive an in specie return of capital and the Demerger Dividend by way of the distribution of Minerals 260 Shares at nil cost in proportion to the number of Liontown's Shares held by them at the In-specie Record Date. Liontown Shareholders will thereby retain direct ownership of Liontown and will also receive direct ownership of Minerals 260.

Either party may terminate the DID prior to completion of the sale and purchase of the ERL shares in the following circumstances:

- (a) by mutual written agreement;
- (b) if the sale and purchase of the ERL shares is not effected by the Cut-Off Date; or
- (c) if one party commits a material breach of the terms of the DID and fails to remedy that breach within 20 Business Days after the giving of notice by any other party to remedy the breach, that other party may terminate the DID by giving no less than 10 Business Days' notice to the other party.

The DID otherwise contains terms and conditions (including standard representations, warranties and indemnities) considered standard for an agreement of this nature.

### 3.9 **Taxation**

#### (a) **Introduction**

The Australian tax and duty comments contained in this Section are based on the Australian taxation laws (together with established interpretations and practices in respect of those laws) applicable as at the date of this Notice. Prior to completion of the Transaction, the Australian taxation laws (or their interpretation or practice) may change. The precise implications of the Demerger (and subsequent ownership or disposal of the Minerals 260 Shares) will also depend upon each investor's specific circumstances. Accordingly, investors should seek their own professional advice on the taxation implications of the Demerger and ownership of Minerals 260 Shares, taking into account their specific circumstances.

The Australian taxation and duty comments contained in this Section 3.9 are general in nature and are not intended to be an authoritative or complete statement of all potential tax implications for any investors participating in the Demerger. Moreover, the comments contained in this Section have been prepared presuming that Liontown and Minerals 260 are Australian tax resident companies for Australian income tax purposes on the basis that both entities are incorporated Australia. Should this presumption be incorrect, or successfully challenged by a tax authority, the comments below may also be incorrect or not suitable for an investor's purposes.

The below tax summary only addresses the position of a Shareholder who:

- (i) participate in the Demerger;
- (ii) hold their Shares on capital account, i.e. not on revenue account or as trading stock;
- (iii) are not subject to the Taxation of Financial Arrangement (TOFA) provisions in Division 230 of the Income Tax Assessment Act 1997 (Cth);
- (iv) did not acquire their Shares under an employee incentive plan; and
- (v) are individuals, complying superannuation entities and certain companies, trusts or partnerships (e.g. the comments do not cover investors who are insurance companies or banks).

As this Section 3.9 only contains Australian tax and duty comments, Shareholders (particularly those that are non-Australian tax residents) are advised to seek appropriate advice regarding the non-Australian tax and duty implications of the Transaction having regard to their country of tax residency and individual circumstances.

The comments in this Section 3.9 do not address the tax implications of participating in the IPO. The general Australian tax implications of participating in the IPO are addressed in the Prospectus. Shareholders are advised to seek appropriate advice regarding the tax and duty implications of participating in the IPO having regard to their individual circumstances.

Deloitte Tax Services Pty Ltd, a registered tax agent, has provided the tax comments below. Deloitte Tax Services Pty Ltd is not licensed under Chapter 7 of the Corporations Act to provide financial product advice. Taxation issues, such as (but not limited to) those covered by this Section 3.9 are only one of the matters an investor needs to consider when making a decision about a financial product. Investors should consider taking advice from someone who holds an Australian financial services licence before making such a decision.

Liontown, Minerals 260, the Directors and proposed Directors of each company and the advisors of each company do not accept any responsibility for the individual taxation implications arising from the Demerger, IPO and related transactions.

**(b) Class Ruling**

Liontown has applied to the ATO for a class ruling confirming certain income tax implications of the Demerger for Shareholders. Liontown understands that the ATO will not issue a class ruling in a final binding form until after the Demerger is complete. As Liontown considers the Demerger would not be value-accretive for Shareholders in the absence of Demerger Relief, receipt of a draft class ruling (or other appropriate guidance) to the satisfaction of Liontown from the ATO is one of the conditions to the implementation of the Demerger.

The comments below (apart from Section 3.9(d)) assume a favourable class ruling is obtained. In the unlikely event that the ATO rules in the final class ruling that Demerger Relief is not available, the tax outcomes will differ – refer to Section 3.9(d) below for further details if Demerger Relief is not available.

**(b) Australian taxation implications for Australian tax resident Shareholders**

*Demerger Dividend*

For Australian tax resident Shareholders, the Demerger Dividend should not be assessable income.

#### *Capital Reduction*

Where Demerger Relief is available, Australian tax resident shareholders who hold their Liontown Shares on capital account are able to choose to apply income tax roll-over relief.

For such Shareholders, they can disregard any capital gain made under CGT event G1 in respect of the capital component of the In-specie Distribution received under the Demerger.

Liontown expects to determine the capital component by reference to the allocation required by the principles set out in a class ruling from the ATO. The Demerger Dividend should therefore be that amount by which the market value of the Minerals 260 Shares arising from the In-specie Distribution exceeds the Capital Reduction amount.

For tax resident shareholders that do not choose to obtain roll-over relief, any capital gain made under CGT event G1 from the Demerger (i.e. if the Capital Reduction amount received is greater than the cost base of their Liontown Shares) cannot be disregarded. Shareholders in this scenario may be eligible to apply the CGT discount to any capital gain made under CGT event G1, however, Shareholders will need to seek specific tax advice having regard to their specific facts and circumstances in order to assess their eligibility for the CGT discount. It is noted that no capital loss should be recognised as a result of CGT event G1 happening. The way a shareholder prepares its income tax return should generally be sufficient evidence of the making of a choice to obtain Demerger Relief. No formal election is generally required.

Regardless of whether Demerger Relief is chosen by an Australian tax resident Shareholder, Shareholders will be required to apportion the total of the cost bases of their Liontown Shares just before the Demerger amongst those Liontown Shares and the corresponding Minerals 260 Shares received under the Demerger. This apportionment must be done on a reasonable basis, having regard to the market values of Liontown Shares and Minerals 260 Shares just after the Demerger, or an anticipated reasonable approximation of those market values. It is expected that the ATO class ruling will set-out the market values / percentages that can be used for this cost base apportionment process.

The Minerals 260 shares received under the Demerger will be acquired for CGT purposes on the date the shares are distributed in-specie. However, irrespective of whether Demerger Relief is chosen, for the purpose of determining entitlement to a discount capital gain in relation to a subsequent CGT event that happens to the Minerals 260 Shares, they will be taken to have been acquired when the original Liontown Shares were acquired.

#### **(c) Australian taxation implications for non-Australian tax resident Shareholders**

##### *Demerger Dividend*

For non-tax resident Shareholders, the Demerger Dividend should not be assessable income in Australia nor subject to dividend withholding tax.

##### *Capital Reduction*

For non-Australian tax resident Shareholders that do not hold their Shares through a permanent establishment in Australia and hold their Shares on capital account, CGT consequences should arise only if:

- (i) the non-Australian tax resident Shareholder has an associate-inclusive interest of at least 10% in Liontown, either at the time of disposal or throughout a 12 month period that began no earlier than 24 months before the event (referred to as a “non-portfolio interest” in Liontown); and
- (ii) Liontown is considered “land rich” for Australian income tax purposes (i.e. greater than 50% of the market value of the company’s underlying assets is attributable to Australian real property or certain interests in relation to Australian minerals).

Relevant non-Australian tax resident Shareholders will need to determine if the above requirements are met at the time of disposal of their Shares. Non-Australian tax resident Shareholders who hold (or have held) a non-portfolio interest (10% or more of the Liontown Shares on an associate inclusive basis), should obtain independent professional advice as to the tax implications of the Capital Reduction. Also, non-Australian tax resident investors who hold their Shares on revenue account (or deemed revenue account) should seek separate independent professional advice.

**(d) Demerger Relief is not available**

Liontown does not expect the ATO to rule that Demerger Relief is unavailable or that the related dividend tax integrity rules (e.g. section 45B of the *Income Tax Assessment Act 1936* (Cth)) apply.

However, in the unlikely event that the ATO rules in the final class ruling that Demerger Relief is not available, Australian tax resident Shareholders should:

- (i) be required to include the Demerger Dividend in their assessable income;
- (ii) make a capital gain under CGT event G1 to the extent (if any) that the Capital Reduction amount received exceeds the cost base of their Shares;
- (iii) have a first element tax cost base and reduced cost base in their Minerals 260 Shares equal to their market value on the Demerger implementation date; and
- (iv) be taken to have acquired their Minerals 260 Shares on the Demerger implementation date for the purposes of determining eligibility for the CGT discount.

If the ATO rules in the final class ruling that the dividend tax integrity measures apply (e.g. section 45B of the *Income Tax Assessment Act 1936* (Cth)), the Capital Reduction amount should be treated as an unfranked dividend in the hands of Shareholders. Relevant withholding tax (e.g. foreign resident dividend withholding tax) should then be applicable to the unfranked dividend at a rate of 30% of the dividend’s gross amount (with the rate subject to reduction under the application of relevant double tax agreements).

**(e) Taxation implications for Liontown**

Where Demerger Relief is available, the Demerger should not have any adverse income tax implications for Liontown.

If the ATO rules that Demerger Relief is not available, Liontown would make a capital gain on its distribution of the Minerals 260 Shares.

(f) **Sale facility**

The Australian income tax implications of the Demerger outlined above should apply equally to Shareholders whose Minerals 260 Shares are sold by the nominee on the ASX under the sale facility.

Under the sale facility, selling Shareholders should be regarded for CGT purposes as having disposed of their Minerals 260 Shares under CGT event A1 (disposal of a CGT asset). The disposal proceeds should equal the proceeds received under the sale facility (adjusted for any applicable withholding tax).

Assuming Demerger Relief is available, for the purpose of determining whether a capital gain or capital loss arises:

- (i) the cost base of the Minerals 260 Shares will be as outlined as above;
- (ii) for the purpose of determining whether the Minerals 260 Shares are held for 12 months or more for the purpose of the CGT discount, Shareholders will be treated as having acquired the corresponding Minerals 260 Shares on the same date as their Liantown Shares.

No Australian income tax consequences should arise for selling Shareholders who are non-Australian tax residents unless they hold (or have held) a non-portfolio interest or their shares are held via an Australian permanent establishment.

(g) **GST**

No GST should be payable in relation to the Demerger. However, the eligibility for Shareholders to claim full or partial input tax credits in relation to GST incurred on advisor fees and other costs relating to their participation in the Demerger will depend on the individual circumstances of each Shareholder.

(h) **Stamp duty**

No stamp duty should be payable in any Australian State or Territory by Shareholders in relation to their participation in the Demerger.

(i) **Foreign resident CGT withholding declaration**

Liantown warrants that it has at all times from the date of this notice of meeting up to and including the date on which the Minerals 260 Shares are distributed in-specie been an Australian tax resident for Australian income tax purposes.

On the basis of the above declaration, and given that Liantown is a company incorporated in Australia, foreign resident CGT withholding should not apply to the acquisition of Minerals 260 Shares by Shareholders under the Demerger.

For completeness, it is also noted that Minerals 260 Shares sold by the nominee on ASX under the sale facility should not be subject to foreign resident CGT withholding given there is a specific exemption from this form of withholding for shares sold on ASX.

(j) **Holding Minerals 260 Shares after the Demerger**

The Australian income tax consequences for holding Minerals 260 Shares should generally be the same as holding Liantown Shares. The below comments are general in nature and do not

necessarily address all possible tax implications of holding Minerals 260 Shares. Shareholders are advised to obtain independent tax advice having regard to their individual circumstances.

### *Dividends*

For Australian tax resident Shareholders:

- (i) they should generally be required to include dividends in respect of Minerals 260 Shares in their assessable income for the income year in which the dividends are received;
- (ii) dividends may be franked. Subject to the “holding period” and “qualified person” rules, Minerals 260 Shareholders should include any franking credits in their assessable income and then be entitled to a tax offset equal to the franking credits;
- (iii) an individual or complying superannuation fund Shareholder may be entitled to receive a tax refund if the franking credits exceed the total income tax payable in a particular income year;
- (iv) a company Shareholder is not entitled to a refund of excess franking credits. Where excess franking credits exist, a company Shareholder should be entitled to have the surplus credits converted into carry forward tax losses;
- (v) Shareholders that are trusts (other than trustees of complying superannuation entities or trusts treated as companies for tax purposes) or partnerships, should include any franking credits in determining the net income of the trust or partnership. The relevant beneficiary or partner may then be entitled to a corresponding tax offset, subject to certain requirements being satisfied; and
- (vi) for trusts or partnerships, including limited partnerships, the rules surrounding the taxation of dividends are complex and advice should be sought to confirm the appropriate taxation considerations and treatment.

For non-Australian tax resident Shareholders:

- (i) no dividend withholding tax for franked dividends should arise;
- (ii) for unfranked dividends, dividend withholding tax should arise. The dividend withholding tax rate is 30%, subject to reduction under relevant double tax agreements between Australia and the country of residence of the Shareholder; and
- (iii) it is recommended that non-Australian tax resident Shareholders consider the tax implications of receiving dividends in respect of shares paid in Australia under their local tax regimes, including if a credit is available for any dividend withholding tax.

Following the Demerger, it is expected that Minerals 260 Shareholders will be given the opportunity to quote their TFN, TFN exemption or their ABN in respect of their Minerals 260 Shares. Shareholders need not quote a TFN, TFN exemption or ABN in respect of their shares. However, if they do not, then withholding tax may be required to be deducted from any dividends paid by Minerals 260 at the highest marginal tax rate plus the Medicare Levy (currently 47%).

### *Sale of Minerals 260 Shares*

Australian tax resident Shareholders will make a capital gain or loss depending on whether the sale proceeds from the sale of their shares is more or less than the cost base / reduced cost base of the shares sold. Assuming Demerger Relief is available, for the purpose of determining the CGT consequences from a sale of the Minerals 260 Shares:

- (i) the cost base / reduced cost base of the Minerals 260 Shares will be as outlined above;
- (ii) for the purpose of determining whether the shares are held for 12 months or more for the purpose of the CGT discount, Shareholders will be treated as having acquired the corresponding Minerals 260 Shares on the same date as their Liantown Shares; and
- (iii) any capital gain or capital loss on the disposal of Minerals 260 Shares deemed to have been acquired before 4 October 1985 will be disregarded.

Non-Australian tax resident Shareholders who hold their Minerals 260 Shares on capital account should not generally be subject to the Australian CGT regime upon disposal of their Minerals 260 Shares except in limited circumstances, for example, where the Minerals 260 Shares relate to a business carried on by the foreign resident through a permanent establishment in Australia or where the Minerals 260 Shares are “indirect Australian real property interests”. The Minerals 260 Shares should be indirect Australian real property interests to the extent that, broadly, the following two requirements are satisfied:

- (i) Minerals 260 is considered “land rich” for Australian income tax purposes (i.e. greater than 50% of the market value of Minerals 260’s underlying assets is principally derived from Australian real property or certain interests in relation to Australian minerals); and
- (ii) the non-resident Shareholder has an associate-inclusive interest of at least 10% in Minerals 260 (either at the time of disposal or throughout a 12-month period that began no earlier than 24 months before the disposal).

Relevant non-Australian tax resident Shareholders will need to determine if the above requirements are met at the time of disposal of their Minerals 260 Shares. Non-Australian resident investors who hold shares on revenue account should seek separate independent professional advice.

Non-resident CGT withholding rules can apply to the disposal of certain taxable Australian property, whereby, a 12.5% non-final withholding tax may be applied. However, the rules should not apply to the disposal of a Minerals 260 Share on the ASX (in accordance with a specific exemption).

## **4. Additional information relating to Minerals 260**

### **4.1 Plans for Minerals 260 following completion of the Demerger**

If the Transaction is successfully implemented, Minerals 260 proposes to undertake exploration across the Spin-Out Projects, with the intention of following up a number of targets identified by previous sampling and drilling programs completed by Liantown.



Subject to ongoing favourable exploration results and the identification of mineralised deposit(s), Minerals 260 will seek to demonstrate the economic potential of any such deposits.

Details of the tenements which comprise the Spin-Out Projects, together with any encumbrances (if any) are set out in Schedule 5. Further details with respect to each of the Spin-Out Projects is set out below and included in the Independent Technical Assessment Report included at Schedule 6.



#### 4.2 Summary of the Spin-Out Projects - Moora Project

##### **General**

The Moora Project comprises three granted exploration licences (E70/5217, E70/5286 and E70/5287) which form a contiguous, 467km<sup>2</sup> area located approximately 150km NNE of Perth, Western Australia.

The exploration licences are currently held by ERL, a wholly owned subsidiary of Liontown.

The Moora Project (with the exception of E70/5287) is largely underlain by freehold properties used for broad acre cropping and livestock rearing. Liontown has negotiated access

agreements over the larger properties which cover the main geophysical anomalies and is in discussions with other landowners.

Liontown has signed a Noongar Standard Heritage Agreement with the South West Aboriginal Land and Sea Council Aboriginal Council who act on behalf of the Yued Agreement Group.

Geochemical exploration has defined strong Au-PGE-Ni-Cu anomalism coincident with geophysical features interpreted to be indicative of mafic-ultramafic intrusions similar to the unit that hosts the world-class Julimar discovery approximately 95km to the south.

The maiden drilling program at Moora was completed in the March 2021 quarter, with 264 air-core holes drilled for 10,349m and 14 reverse circulation holes drilled for 1,946m. Three significant zones of bedrock mineralisation were defined which warrant further drilling.

#### ***Moora Project Agreement with Mr Jacob Paggi***

On 4 September 2018, Liontown entered into a binding terms sheet with Mr Jacob Paggi (trading as Armada Exploration Services) (**Paggi Agreement**). Pursuant to the Paggi Agreement, Liontown was introduced to potential opportunities to apply for tenements in a certain area of interest (either in its own name or in the name of a related body corporate). As a result, the tenements comprising the Moora Project were applied for by ERL in accordance with the Paggi Agreement.

In the event that ERL makes a decision to mine in respect of the tenements comprising the Moora Project, it will be required to pay cash consideration of \$1,000,000 and grant a 0.5% net smelter royalty to Mr Paggi. This obligation has been assigned to Minerals 260, subject to completion of the In-Specie Distribution and IPO.

The royalty granted to Mr Paggi applies to any minerals extracted, produced and sold from the Moora Tenements and will be payable on a quarterly basis from the commencement of commercial production (excluding any testing or trial mining).

Mr Paggi identified the opportunity to apply for these Exploration Licences but was not the owner. Other than as described above, no other consideration was paid or is payable to Mr Paggi in respect of the application for these Exploration Licences.

Mr Paggi is not a related party of Liontown or the Company.

### **4.3 Summary of the Spin-Out Projects - Koojan JV Project**

#### ***General***

The Koojan JV Project area totals approximately 600km<sup>2</sup> and comprises six granted exploration licences (EL70/5312, EL70/5337, EL70/5429, EL70/5450, EL70/5515 and EL70/5516) and one application for a prospecting licence (PL70/1743) (**Koojan Tenements**).

All tenements are 100%-owned by Coobaloo Minerals Pty Ltd (**Coobaloo**), which is owned 50% by Midland (a wholly owned subsidiary of Lachlan Star) and 50% by private group Wavetime Nominees Pty Ltd. Midland is in the process of earning a 75% interest in Coobaloo.

The Koojan JV Project is largely underlain by freehold properties used for broad acre cropping and livestock rearing. Access agreements have been negotiated with key landowners and are in progress with a number of other parties.

Coobaloo has signed a Noongar Standard Heritage Agreement with the South West Aboriginal Land and Sea Council Aboriginal Council who act on behalf of the Yued Agreement Group.

ERL, a wholly owned subsidiary of Liontown, has the right to earn up to 51% equity in the Koojan JV Project which adjoins the western boundary of the Moora Project. The Koojan JV Project is considered prospective for mafic/ultramafic intrusion hosted Au-PGE-Ni-Cu mineralisation similar to that being explored for at the Moora Project.

First pass geochemical surveys have defined a number of gold and platinum group element anomalies which warrant infill sampling followed by drill testing.

### ***Farm-in and JVA***

On 25 January 2021, Lachlan, Midland and ERL entered in to a binding terms sheet setting out the terms on which ERL could earn an interest in the Koojan Tenements.

Pursuant to the Koojan BTS, on 10 August 2021 ERL entered into a formal Farm-in and JVA with Coobaloo and a Side Letter with the shareholders of Coobaloo. The Farm-in and JVA supersedes the binding terms sheet and, together with the Side Letter, governs ERL's farm-in to the Koojan JV Project.

The Farm-in and JVA provides ERL with the right to earn up to a 51% legal and beneficial interest in the Koojan Tenements, following which a joint venture will be formed between ERL and Coobaloo on industry standard joint venture terms, as set out in the Farm-in and JVA. A summary of the key terms of the Farm-in and JVA is set out below:

- (a) **(Farm-In Period)**: the period in which ERL may earn in up to a 51% interest in the Koojan Tenements is 60 months (5 years) from the execution date, unless ceased earlier at the sole election of ERL, at which time, the joint venture will be formed based on the respective percentage interest which has been earned-in to the Koojan Tenements.
- (b) **(Minimum Expenditure Commitment and Coobaloo funding)**: once ERL has expended a minimum of \$500,000 (**Minimum Expenditure Commitment**) on the Koojan Tenements, Coobaloo must, during the Stage 1 Farm-in, fund 20% of all exploration expenditure up to the amount of \$250,000.
- (c) **(Stage 1 Farm-In)**: ERL may earn a 30% interest in each of the Koojan Tenements by expending at least \$1,500,000 (**Stage 1 Farm-In Expenditure**) on exploration commencing on the execution date until the date that the Stage 1 Farm-In interest has been earned by ERL (or such date as ERL otherwise withdraws from the Farm-in and JVA or on the expiry of the Farm-In Period). Upon completion of the Stage 1 Farm-in:
  - (i) ERL will have earned a 30% interest in each of the Koojan Tenements (with Coobaloo holding the remaining 70% interest);
  - (ii) ERL may elect to end the Farm-in Period and form the joint venture based on the 30% / 70% interests or continue the Farm-In Period to complete the Stage 2 Farm-In.

ERL may on 30 days prior notice to Coobaloo, withdraw from the Farm-in and JVA at any time during the period of the Stage 1 Farm-In, provided it has expended the Minimum Expenditure Commitment or paid to Coobaloo the difference of the Minimum Expenditure Commitment and the amount of expenditure that it has actually incurred.

- (d) **(Stage 2 Farm-In):** subject to ERL completing the Stage 1 Farm-In and electing to proceed with the Stage 2 Farm-In, ERL may earn a further 21% interest in each of the Koojan Tenements by expending at least an additional \$2,500,000 (**Stage 2 Farm-in Expenditure**) on exploration within the remaining Farm-In Period, commencing from the end of the Stage 1 Farm-in period. If ERL elects to proceed with the Stage 2 Farm-in, Coobaloo must, during the Stage 2 Farm-in period, fund 23% of all exploration expenditure up to the amount of \$750,000.

Upon completion of the Stage 2 Farm-in ERL will have earned an additional 21% interest in each of the Koojan Tenements (being a total of a 51% interest, with Coobaloo holding the remaining 49% interest) and a joint venture will be formed.

Where ERL has not satisfied the Stage 2 Farm-in Expenditure and earned the additional 21% interest in each of the Koojan Tenements, ERL may elect at any time during the Stage 2 Farm-in period to end the Farm-in Period with immediate effect, in which case, a Joint Venture will be formed based on the 30% / 70% interests in the Koojan Tenements.

- (e) **(Joint Venture):** the terms of the Joint Venture are dealt with in the Farm-in and JVA and are considered standard for a joint venture of this nature, including a standard dilution mechanism, the establishment of a management committee, the functions, rights, powers and duty of the manager and that joint venture costs and activities will be conducted on a pro-rata basis in proportion to the respective percentage interest of ERL and Coobaloo in the Koojan Tenements.
- (f) **(Side Letter):** ERL and the shareholders of Coobaloo (comprising of Midland and Wavetime) have entered into a letter deed which acknowledges that Coobaloo is an incorporated joint venture between Wavetime and Midland and deals with, (amongst other things):
- (i) the restrictions and obligations on Midland and Wavetime in relation to dealing with their shareholding in Coobaloo;
  - (ii) the pre-emptive rights granted by each of Midland and Wavetime to ERL in relation to the shareholdings of Midland and Wavetime in Coobaloo;
  - (iii) Wavetime's right to elect to convert its interest in Coobaloo to a 1% net smelter return royalty on delivery of a bankable feasibility study (in addition to its royalty rights discussed below); and
  - (iv) general payment obligations under the Farm-in and JVA.
- (g) **(Royalty):** ERL will be required to assume the rights and obligations of the Wavetime Royalty (as defined below) according to its participating interests in the Koojan Tenements following the completion of the Stage 1 Farm-In and Stage 2 Farm-In, as the case may be.

### **Royalties**

Wavetime and Coobaloo have entered into a royalty deed (**Wavetime Royalty Deed**) under which, Wavetime is entitled to receive a 1% net smelter return royalty payable in relation to all precious, industrial minerals and base metals produced, sold and proceeds received from the Koojan Tenements (**Wavetime Royalty**).

The royalty will become payable on the date on which the extraction and recovery of mineral products commences from the Koojan Tenements.

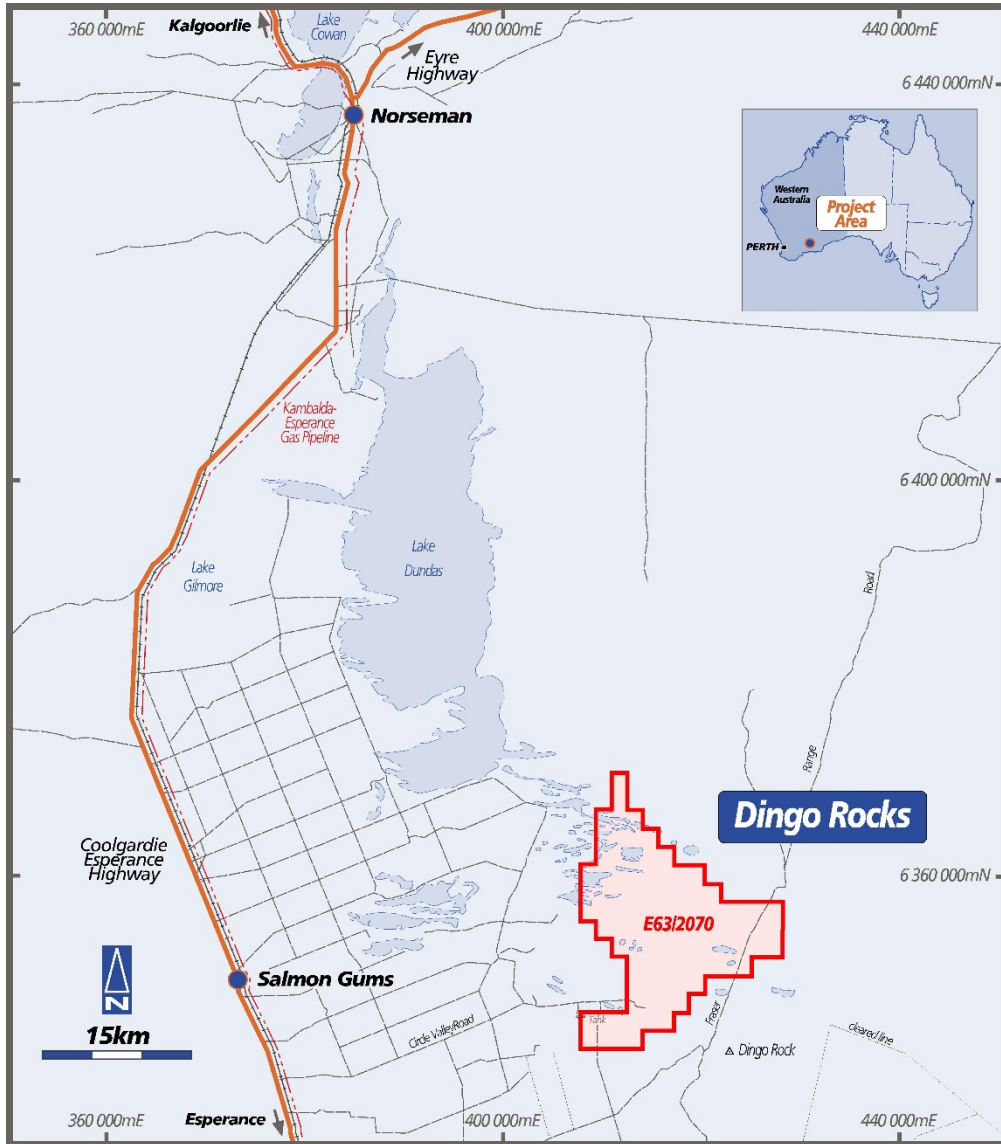
Upon completion of a bankable feasibility study under the Farm-In and JVA, Wavetime has a right to elect to convert all of its 25% interest in Coobaloo to a 1% net smelter return royalty. In the event that Wavetime exercises this right, the Wavetime Royalty Deed will be amended to increase the total percentage amount of the royalty in the Wavetime Royalty Deed to a 2% net smelter return royalty.

#### 4.4 **Summary of the Spin-Out Projects - Dingo Rocks**

The Dingo Rocks project is an early stage exploration project, focused on precious and base metals, within the Esperance region of Western Australia. The project comprises a single exploration licence (E63/2070) covering an area of 270.6km<sup>2</sup> (94 graticular blocks). The project is located 600km east-southeast of Perth, 10km north of Esperance and 45km east of the small town of Salmon Gums. Access to the Dingo Rocks project is via the sealed Coolgardie-Esperance Highway and then via unsealed secondary roads (see Figure 3 below).

The project is located to the east and outside of the Salmon Gums agricultural area and road access within the area is limited.

**Figure 3 Dingo Rocks project location (source: Minerals 260)**

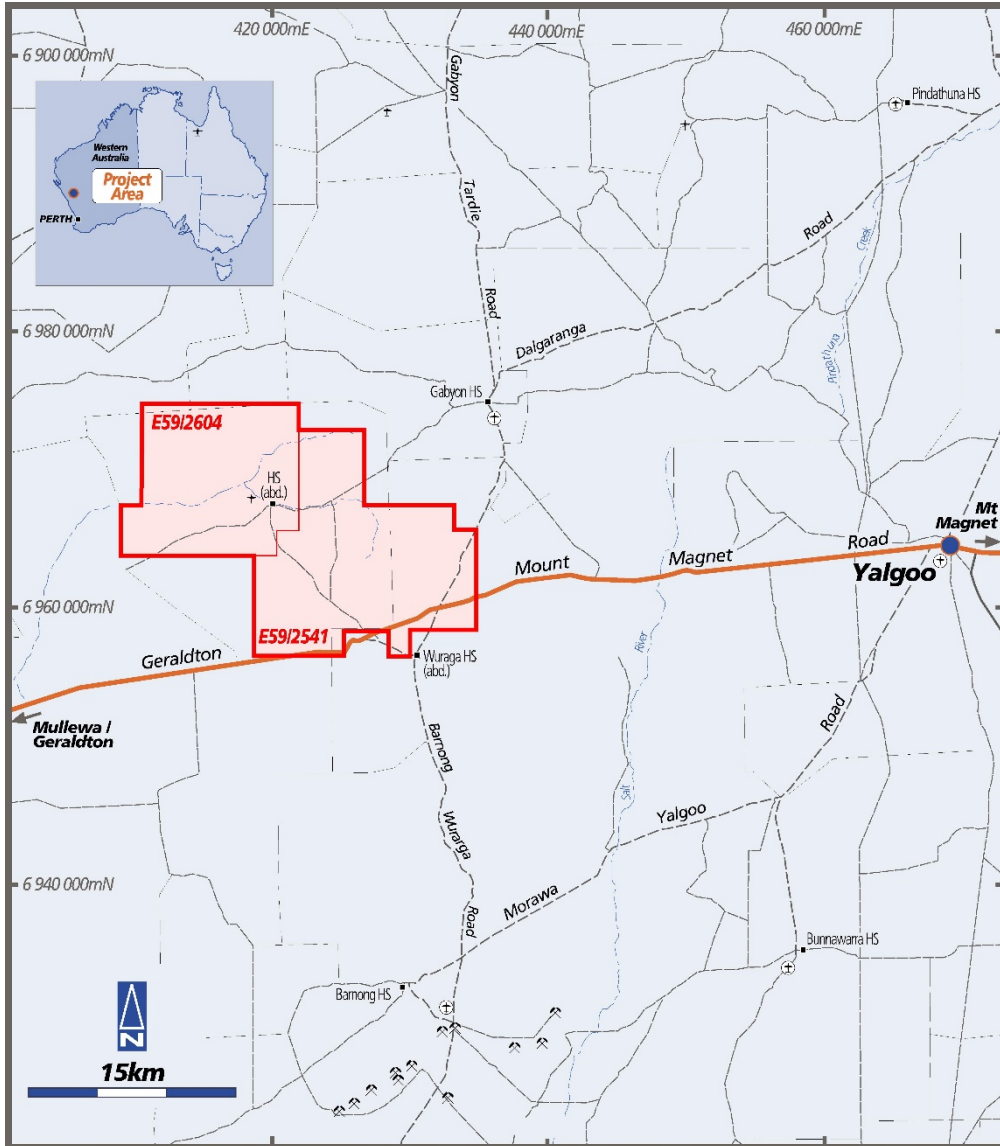


#### 4.5 Summary of the Spin-Out Projects - Yalwest

The Yalwest project is an early stage exploration project, focused on precious & base metals, within the Murchison region of Western Australia. The project comprises two single Exploration Licence applications (ELA59/2541 and ELA59/2604) covering an area of 311.2 km<sup>2</sup> (103 graticular blocks). The project is located 400km north of Perth, 70km east of Geraldton and 40km west of Yalgoo. Access to the Yalwest project is via the sealed

Geraldton-Mount Magnet Road which passes through the southern portion of ELA59/2541, then via station and fence-line tracks (see Figure 4 below).

**Figure 4 Yalwest project location (source: Minerals 260)**



**4.6 Proposed use of funds under the IPO**

The following table shows the intended use of funds raised under the IPO in the two year period following admission to the Official List of Minerals 260:

**Table 1. Proposed use of funds of Minerals 260**

Use of funds - Year 1	Minimum Subscription		Maximum Subscription	
	\$	%	\$	%
Exploration expenditure (Moora, Koojan & Dingo Rocks Projects)	3,881,375	25.9%	6,744,250	22.5%
Directors' fees	176,200	1.2%	176,200	0.6%
General administration fees and working capital <sup>1</sup>	1,396,000	9.3%	1,396,000	4.7%
Future acquisition costs	500,000	3.3%	2,000,000	6.7%
Estimated expenses of the Offer	1,450,000	9.7%	2,220,000	7.4%
<b>Total Funds allocated - Year 1</b>	<b>7,403,575</b>	<b>49.4%</b>	<b>12,536,450</b>	<b>41.8%</b>
Use of funds - Year 2	Minimum Subscription		Maximum Subscription	
	\$	%	\$	%
Exploration expenditure (Moora, Koojan & Dingo Rocks Projects)	4,273,750	28.5%	7,601,000	25.3%
Directors' fees	177,000	1.2%	177,000	0.6%
General administration fees and working capital <sup>1</sup>	2,645,675	17.6%	7,685,550	25.6%
Future acquisition costs	1,000,000	3.3%	2,000,000	6.7%
<b>Total Funds allocated - Year 2</b>	<b>7,596,425</b>	<b>50.6%</b>	<b>17,463,550</b>	<b>58.2%</b>
<b>TOTAL FUNDS ALLOCATED</b>	<b>15,000,000</b>	<b>100.0%</b>	<b>30,000,000</b>	<b>100.0%</b>

**Notes:**

- Working capital includes the general costs associated with the management and operation of the business including administration expenses, rent and other associated costs. Working capital also includes surplus funds. The Minerals 260 Directors will allocate surplus funds at their discretion in the event Minerals 260 raises more than the Minimum Subscription under the IPO.

#### 4.7 Minerals 260 proposed capital structure

The indicative capital structure of Minerals 260 post-completion of the Transaction will be:

**Table 2. Indicative Minerals 260 capital structure**



Security type	Number (Minimum)	%	Number (Maximum)	%
In-specie Shares <sup>1</sup>	160,000,000	84.2	160,000,000	72.73
Shares offered under the IPO <sup>2</sup>	30,000,000	15.79	60,000,000	27.27
<b>Total Minerals 260 Shares on completion of the Transaction</b>	<b>190,000,000</b>	<b>100</b>	<b>220,000,000</b>	<b>100</b>
Minerals 260 Options to be issued to Minerals 260 Directors <sup>3</sup>	6,500,000		6,500,000	
<b>Total Minerals 260 Options<sup>4</sup> on completion of the Transaction</b>	<b>9,750,000</b>	<b>100</b>	<b>9,750,000</b>	<b>100</b>

**Notes:**

1. Minerals 260 Shares distributed to eligible Shareholders of Liantown pursuant to the In-specie Distribution.
2. Priority Offer of up to 60 million Minerals 260 Shares at an issue price of \$0.50 to raise up to \$30,000,000.
3. Minerals 260 Options to acquire Minerals 260 Shares with an exercise price of \$0.72 and expiry 3 years after the date of issue.
4. Minerals 260 intends to issue 6,500,000 Minerals 260 Options to its directors and 750,000 Minerals 260 Options to its company secretary as part of their remuneration packages. Minerals 260 also intends to issue 1,250,000 Minerals 260 Options to each of Messrs Tony Ottaviano and Steven Chadwick, Liantown Directors, in consideration of the work undertaken to date on the development of the Minerals 260 Assets.

Shareholders should note that this structure is indicative only as at the date of this Notice and that Minerals 260 retains discretion to amend the structure and issue more or less shares or other forms of securities, such as options.

#### 4.8 Substantial Minerals 260 Shareholders

Minerals 260 is presently a wholly-owned subsidiary of Liantown and therefore Liantown holds 100% of the issued share capital of Minerals 260.

Based on the information known as at the date of this Notice, and assuming only the Minimum Subscription is achieved, upon admission to the Official List and successful implementation of the Transaction, the following persons will have an interest in 5% or more of the Minerals 260 Shares on issue:

**Table 3. Substantial Minerals 260 Shareholders on completion of the Transaction**

Name of Minerals 260 Substantial Holder	Number of Minerals 260 Shares	% of Minerals 260 Shares <sup>2</sup>
Timothy Goyder	28,091,553 <sup>1</sup>	14.79%

**Notes:**

1. As at the date of this Notice, Timothy Goyder intends to subscribe for 500,000 Minerals 260 Shares under the Priority Offer in addition to the 27,591,553 Minerals 260 Shares he will be distributed pursuant to the In-specie Distribution.

2. Based on the Minimum Subscription.

#### 4.9 **Minerals 260 Board and key management personnel**

Minerals 260 was incorporated on 4 June 2021. The board of directors of Minerals 260 (**Minerals 260 Board**) is set out below.

The Minerals 260 Board is comprised of:

(a) **David Ross Richards – Managing Director**

Qualifications – BSc (Hons), MAIG

Mr Richards has 40 years' experience in mineral exploration in Australia, S.E. Asia and Africa and his career includes exploration and resource definition for a variety of deposit styles including gold, copper and battery metals. He led the teams that discovered globally significant Kathleen Valley Lithium-Tantalum deposit in Western Australia and the multi-million ounce, high grade Vera-Nancy gold deposits in North Queensland. He has held senior positions with Battle Mountain Australia Inc, Delta Gold Limited and AurionGold Limited and was Managing Director of ASX-listed Glengarry Resources Limited (ASX: GGY) from 2003 to 2009 and Liontown from 2010 to 2021.

Mr Richards is currently an Executive Director of Liontown and Non-Executive Director of Woomera Minerals Limited. It is expected that Mr Richards will transition to a Non-Executive Director of Liontown upon listing of Minerals 260.

(b) **Timothy Rupert Barr Goyder – Non-Executive Director**

Mr Goyder is an experienced mining Executive and has over 40 years' experience in the resource industry. He has been involved in the formation and management of a number of publicly listed companies and is currently Chair of Chalice Mining Limited (ASX: CHN), Liontown Resources Limited (ASX: LTR) and DevEx Resources Limited (ASX: DEV).

Mr Goyder will not be considered independent due to his substantial shareholding interests in Minerals 260 post the proposed in-specie distribution of Minerals 260 Shares to shareholders of Liontown.

(c) **Anthony James Cipriano – Non-Executive Chairman (independent)**

Qualifications – B.Bus, FCA, GAICD

Mr Cipriano is a Chartered Accountant with over 30 years' accounting and finance experience. Mr Cipriano was formerly a senior partner at Deloitte and National Tax Leader for Energy & Resources and leader of its Western Australian Tax Practice. Mr Cipriano has significant experience working in the resource sector and in particular dealing with the corporate, legal and financial aspects associated with operating in that sector.

Mr Cipriano is currently a Non-Executive Director of Liontown

(d) **Craig Williams – Non-Executive Director (independent)**

Qualifications – BSc (Hons)

Mr Williams is a geologist with over 40 years' experience in mineral exploration and development. Mr Williams co-founded Equinox Minerals Limited in 1993 and was President,

Chief Executive Officer and Director prior to Barrick Gold Corporation's takeover of Equinox. He has been directly involved in several significant discoveries, including the Ernest Henry Deposit in Queensland and a series of gold deposits in Western Australia. In addition to his technical capabilities, Mr Williams also has extensive corporate management and financing experience. He is currently Chair of OreCorp Limited (ASX: ORR) and Non-Executive Director of Liontown.

#### 4.10 **Key management personnel**

The Minerals 260 Board will be supported by:

##### **Mr Clinton McGhie - Company Secretary**

Qualifications – B.Com, CA, FGIA, FFin

Mr McGhie is an experienced Chartered Accountant and Company Secretary who commenced his career at a large international accounting firm and has since been involved with a number of ASX and AIM listed exploration and development companies operating in the resources sector, including Liontown, Salt Lake Potash Limited, Berkeley Energia Limited and Sovereign Metals Limited. Mr McGhie is a Fellow of the Governance Institute of Australia (Chartered Secretary), and a Fellow of the Financial Services Institute of Australasia.

#### 4.11 **Proposed remuneration of the Minerals 260 Directors**

The proposed total remuneration package for each of the Minerals 260 Directors as at the date of this Notice is set out below:

**Table 4. Remuneration of Minerals 260 Directors**

<b>Minerals 260 Directors</b>	<b>Proposed annual remuneration<sup>1</sup></b>
David Ross Richards	\$296,804 <sup>2</sup>
Anthony James Cipriano	\$55,000
Timothy Rupert Barr Goyder	\$45,000
Craig Williams	\$45,000

**Notes:**

1. In addition to the fees set out in the table above, the Minerals 260 Directors will also be issued Minerals 260 Options as set out in Table 7.
2. Excluding superannuation.

#### 4.12 **Rights attaching to Minerals 260 Shares**

A summary of the more significant rights that will attach to the Minerals 260 Shares is set out below. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of the Minerals 260 Shareholders. Full details of the rights attaching to the Minerals 260 Shares are set out in Minerals 260's constitution, a copy of which is available on request.

##### **(a) General Meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of Minerals 260.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Minerals 260 constitution.

**(b) Voting Rights**

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and
- (iii) on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such shares registered in the shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

**(c) Dividend Rights**

Subject to the rights of persons (if any) entitled to shares with special rights to dividends, the directors may declare a dividend in accordance with the Corporations Act and may authorise the payment or crediting by Minerals 260 to the shareholders of such a dividend. The directors may from time to time pay to shareholders any interim dividend that they may determine. Subject to the rights of any preference shareholders and to the rights of the holders of any shares credited or raised under any special arrangement as to the dividend, the dividend as declared shall be payable proportionately according to the amounts paid up or credited as paid up, on the shares, and otherwise in accordance with Part 2H.5 of the Corporations Act. Interest may not be paid by Minerals 260 in respect of any dividend, whether final or interim.

**(d) Winding-Up**

If Minerals 260 is wound up, the liquidator may, with the authority of a special resolution of Minerals 260, divide among the shareholders in kind the whole or any part of the property of Minerals 260, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the shareholders or different classes of shareholders. The liquidator may, with the authority of a special resolution of Minerals 260, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

**(e) Transfer of Shares**

Generally, shares in Minerals 260 are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the Listing Rules.

(f) **Variation of Rights**

Pursuant to section 246B of the Corporations Act, Minerals 260 may, with the sanction of a special resolution passed at a meeting of shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not Minerals 260 is being wound up may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

4.13 **Risk factors**

On successful completion of the Transaction, Shareholders will become shareholders in Minerals 260 and should be aware of the general and specific risk factors which may affect Minerals 260 and the value of its securities. These risk factors are set out in Schedule 4.

5. **Additional information relating to the Company**

5.1 **Plans for Liontown following completion of the Demerger**

The dominant business activity of Liontown following completion of the Demerger will be the development of the Kathleen Valley Project.

The Kathleen Valley Project is located in Western Australia, approximately 680km north-east of Perth and 350km north-northwest of Kalgoorlie, within the Eastern Goldfields of the Archaean Yilgarn Craton. Liontown commenced work at Kathleen Valley in 2017 and has since defined a world-class Mineral Resource Estimate of 156Mt @ 1.4% Li<sub>2</sub>O and 130ppm Ta<sub>2</sub>O<sub>5</sub> and completed a Pre-Feasibility Study (**PFS**) which confirms the potential for a long-life, standalone mining and processing operation.

For further information in regards to the Kathleen Valley Project, please see the report entitled "Kathleen Valley confirmed as a world-class lithium deposit as Mineral Resource increases to 156Mt @ 1.4% Li<sub>2</sub>O" published by Liontown on 11 May 2020. Mr David Richards, the Managing Director of Liontown, is the Competent Person responsible for the report which is publicly available on Liontown's ASX market announcement platform and contains the requisite disclosures required under the JORC Code 2012 and under ASX Listing Rule 5.8.1.

In regard to the report published on 11 May 2020, Liontown confirms that it is not aware of any new information or data that materially affects the information included in that report and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. Further, Liontown confirms that the form and context in which the Competent Person's findings are presented have not been materially modified.

Work on the Kathleen Valley DFS, which remains on track for completion in the fourth quarter of 2021, has identified potential enhancements which could further enhance the commercial and economic outcomes. The principal focus of the DFS is to further build on the PFS

completed in October 2020 and seeking to optimise the Kathleen Valley Project's operating model, mine plan and ESG position.

## 5.2 Liantown current capital structure

There will be no change to the capital structure of the Company as a result of the Transaction.

The capital structure of Liantown as at the date of this Notice is:

**Table 5. Liantown capital structure**

Security type	Number
Shares	1,905,021,166
Options <sup>1</sup>	19,433,334
Performance rights <sup>2</sup>	6,386,948

**Notes:**

1. Comprised of:
  - a. 3,100,000 Options with an exercise price of \$0.15 each, expiring 28 November 2022;
  - b. 2,000,000 Options with an exercise price of \$0.15 each, expiring 04 June 2023;
  - c. 3,333,334 Options with an exercise price of \$0.1122 each, expiring 16 March 2023;
  - d. 250,000 Options with an exercise price of \$0.30 each, expiring 05 October 2023;
  - e. 3,250,000 Options with an exercise price of \$0.30 each, expiring 25 November 2023;
  - f. 2,500,000 Options with an exercise price of \$0.50 each, expiring 09 February 2023;
  - g. 2,500,000 Options with an exercise price of \$0.54 each, expiring 09 February 2023; and
  - h. 2,500,000 Options with an exercise price of \$0.58 each, expiring 09 February 2024.
2. Comprised of:
  - a. 1,250,000 Performance Rights subject to vesting conditions, expiring 1 July 2023;
  - b. 1,250,000 Performance Rights subject to vesting conditions, expiring 1 July 2024;
  - c. 971,736 Performance Rights subject to vesting conditions, expiring 30 June 2023; and
  - d. 2,915,212 Performance Rights subject to vesting conditions, expiring 30 June 2025.

The number of Shares, Options and Performance Rights on issue will not change by virtue of the Transaction. As required under ASX Listing Rule 7.22.3, the terms of the Options will be reorganised such that the exercise price of each Option will be reduced by the same amount as the capital amount returned in relation to each Share.

The rights attaching to Shares will not be affected by the Transaction. Full details of the rights attaching to the Shares are set out in the Constitution, a copy of which may be obtained by contacting the Company's office during normal business hours.

## 5.3 Board of the Company

Liantown's current Directors are:

- (a) Timothy Goyder as Chair;
- (b) Tony Ottaviano as Managing Director and Chief Executive Officer;

- (c) David Richards as Executive Technical Director;
- (d) Craig Williams as Non-Executive Director;
- (e) Anthony Cipriano as Non-Executive Director; and
- (f) Steven Chadwick as Non-Executive Director.

There are no proposed changes to the Board in connection with the Demerger, however it is expected that Mr Richards will transition from Executive Technical Director to Non-Executive Director.

#### 5.4 Directors' interests

The table below sets out the number of securities in Liontown held by Liontown Directors and proposed Minerals 260 Directors at the date of the Meeting:

**Table 6. Directors' interests**

Director	Liontown Shares	% of Shares on issue	Liontown Options	Performance Rights
Timothy Goyder	328,515,585	17.24%	Nil	Nil
Tony Ottaviano	Nil	0.00%	7,500,000	4,075,466
David Richards	21,686,067	1.14%	2,000,000	Nil
Craig Williams	29,767,515	1.56%	1,000,000	Nil
Anthony Cipriano	18,531,343	0.97%	1,000,000	Nil
Steven Chadwick	10,797,636	0.57%	1,250,000	Nil

The table below sets out the number of Minerals 260 Shares the Liontown Directors and proposed Minerals 260 Directors are likely to have an interest in if the Resolutions are passed and the Transaction is implemented:

**Table 7. Directors' interests on completion of the Transaction**

Director	Approximate Number of Minerals 260 Shares each Director will receive <sup>1</sup>	Approximate Number of Minerals 260 Shares each Director may apply for <sup>2</sup>	Number of Minerals 260 Options each Director will receive <sup>3</sup>	% at Minimum Subscription	% at Maximum Subscription
Timothy Goyder	27,591,553	500,000	1,500,000	14.79%	12.77%
Tony Ottaviano	Nil	100,000	1,250,000	0.05%	0.05%
David Richards	1,821,381	100,000	2,000,000	1.01%	0.87%
Craig Williams	2,500,130	100,000	1,500,000	1.37%	1.18%
Anthony Cipriano	1,556,420	100,000	1,500,000	0.87%	0.75%
Steven Chadwick	906,877	100,000	1,250,000	0.53%	0.46%
<b>Total Minerals 260 Shares/ Minerals 260 Options on issue</b>	<b>190,000,000 (min) 220,000,000 (max)</b>		<b>9,750,000</b>		

**Notes:**

1. Assuming an approximate 1 for 11.91 ratio for the In-specie Distribution for illustrative purposes only. It is not clear at the date of this Notice what the exact ratio for the In-specie Distribution will be.
2. Each of the Directors intends to subscribe for part of their entitlement under the Priority Offer as set out in the table above.
3. As mentioned in Section 4.11, Timothy Goyder, David Richards, Craig Williams and Anthony Cipriano will each receive their respective number of options to acquire Minerals 260 Shares as part of their remuneration package as Minerals 260 Directors.

## 5.5 Effect of Proposed Capital Reduction on Liontown

A pro-forma statement of financial position of Liontown is contained in Schedule 2, which shows the financial impact of the capital reduction and the Demerger on Liontown. Furthermore, Liontown, being an ASX listed entity, is subject to the continuous disclosure requirements set out in Chapter 3 of the ASX Listing Rules. As such, Liontown is required to



lodge quarterly reports detailing Liontown's current cash position. Any use of funds by Liontown will be detailed in these quarterly reports and any significant transactions will be disclosed to Shareholders.

## 5.6 Information concerning Liontown Shares

The highest and lowest recorded sale prices of Liontown's Shares as traded on ASX during the 12 months immediately preceding the date of this Notice, and the respective dates of those sales were:

**Table 8. Share price information**

Date	Highest Price	Date	Lowest Price
5 August 2021	\$1.03	17 August 2020	\$0.125

The latest available closing price of Liontown Shares on ASX prior to the date of this Notice was \$0.93 on 17 August 2021.

## 5.7 Disclosure to ASX

As an entity with Shares quoted on the Official List of the ASX, Liontown is a disclosing entity and, as such, is subject to regular reporting and disclosure obligations. Copies of documents lodged in relation to Liontown may be obtained for a fee from, or inspected at, an office of ASIC or can be accessed at either the ASX announcements platform or Liontown's website.

## 6. Resolution 1 - Amendment to the Constitution

### 6.1 Summary of Resolution 1

Resolution 1 seeks Shareholder approval to amend the Constitution to allow implementation of the Transaction.

If Resolution 1 is passed, the Constitution will be amended as set out in Section 6.3 below with immediate effect.

Resolution 1 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).

### 6.2 General

Under section 136(2) of the Corporations Act, a company may modify or repeal its constitution or a provision of its constitution by special resolution of shareholders.

The Board considers that the following amendments of the Constitution should be made to ensure that the Transaction can be implemented:

- (a) inclusion of a specific reference to a reduction of capital effected by an in-specie distribution;
- (b) inclusion of a statement that, on occurrence of an in-specie distribution, the Shareholders are deemed to have agreed to become shareholders of the relevant

company and to be bound by the relevant constitution (in the case of the Transaction, being, respectively, the Minerals 260 Shares and the Minerals 260 constitution); and

- (c) inclusion of provisions that will, in the case of the Transaction, empower the Company or any of the Directors as the agent of each Shareholder to execute any transfer of Minerals 260 Shares, or any other document required to give effect to the distribution of Minerals 260 Shares to that Shareholder.

As such, Resolution 1 seeks the approval of Shareholders to modify the Constitution by inserting a new Rule 3.10 as set out in Section 6.3 below.

A copy of the amended Constitution is available for review by Shareholders at the office of the Company and can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

### 6.3 **Proposed amendments to the Constitution**

Currently, the Constitution does not state that the Company may reduce its share capital by a reduction of capital in accordance with Division 1 of Part 2J.1 of the Corporations Act. Nevertheless, the provisions of the Corporations Act apply.

Accordingly, the Company is seeking Shareholder approval to the amendment of the Constitution to clarify the Company's powers by the insertion of new Rule 3.10 as follows:

#### **Insert a new Rule 3.10:**

##### **"3.10 *Reductions of capital and buy-backs***

- (a) *Subject to the Corporations Act and the Listing Rules, the Company may:*
  - (i) *reduce its capital; and*
  - (ii) *buy-back shares in itself,*

*on any terms and at any time.*
- (b) *The Company may reduce its capital in any way, including without limitation by any or all of the payment of cash, the issue of Shares, the grant of options or other securities, the transfer of shares or any other securities in any other body corporate or the transfer of any other assets.*
- (c) *If a reduction of capital of the Company includes an issue or transfer of shares in a body corporate, each member:*
  - (i) *agrees to become a member of that body corporate; and*
  - (ii) *in the case of a transfer, appoints the Company and each Director as its agent to execute an instrument of transfer or other document required to transfer those shares in a body corporate to that member."*

## 7. **Resolution 2 - Approval of a reduction of capital and In-specie Distribution of Minerals 260 Shares**

### 7.1 **Summary of Resolution 2**

Resolution 2 seeks Shareholder approval to enable Lontown to undertake a pro-rata in-specie distribution of the In-specie Shares to eligible Shareholders at the In-specie Record Date. For tax purposes, the In-specie Distribution will comprise a return of capital and a Demerger Dividend. As such, Resolution 2 seeks Shareholder approval to enable Lontown to reduce its capital by an amount equivalent to the market value of approximately 160,000,000 Minerals 260 Shares less the Demerger Dividend (if any).

The return of capital and Demerger Dividend (if any) will be effected by a pro rata distribution of the In-specie Shares, proportionately to all of Lontown Shareholders:

- (a) registered as such as at 5.00pm (AWST) on the In-specie Record Date; or
- (b) entitled to be registered as a Shareholder in Lontown by virtue of a transfer of Shares executed before 5.00pm (AWST) on the In-specie Record Date and lodged with Lontown at that time.

Resolution 2 is conditional on the approval of Resolution 1 in this Notice. If Resolutions 1 and 2 are passed, the Company will transfer the Spin-Out Projects via ERL to Minerals 260 and subsequently undertake the In-specie Distribution.

Resolution 2 is an ordinary resolution.

### 7.2 **Section 256C of the Corporations Act**

The proposed reduction of capital by way of the In-specie Distribution is an equal capital reduction.

Under section 256B of the Corporations Act, Lontown may only reduce its capital if it:

- (a) is fair and reasonable to Shareholders as a whole;
- (b) does not materially prejudice Lontown's ability to pay its creditors; and
- (c) is approved by Shareholders in accordance with section 256C of the Corporations Act.

The Directors (other than Messrs Richards, Goyder, Cipriano and Williams, who have a material personal interest in the Demerger by virtue of being a proposed Minerals 260 Director) believe that the Demerger is fair and reasonable to Shareholders as a whole and does not materially prejudice Lontown's ability to pay its creditors.

Under the proposed reduction of capital, each Lontown Shareholder is treated equally and in the same manner since the terms of the reduction of capital are the same for each Shareholder. The In-specie Distribution is on a pro rata basis, and the proportionate ownership interest of each Shareholder remains the same before and after the Demerger (but prior to completion of the Priority Offer and Shortfall Offer). Further, the Directors consider that the Demerger will not result in Lontown being insolvent at the time or after the In-specie Distribution.

In accordance with the Corporations Act:

- (a) the proposed reduction is an equal reduction and requires approval by an ordinary resolution passed at a general meeting of Liantown Shareholders;
- (b) this Explanatory Memorandum and previous ASX announcements set out all information known to Liantown that is material to the decision on how to vote on Resolution 2; and
- (c) Liantown has lodged with ASIC a copy of this Notice of Meeting and accompanying documentation.

### 7.3 **Prospectus pursuant to the offer to transfer Minerals 260 Shares**

Under the Corporations Act, an offer of securities generally requires disclosure to investors through a disclosure document, typically in the form of a prospectus.

The Corporations Act restricts:

- (a) the Company from disposing of the Minerals 260 Shares to its Shareholders by way of an in-specie distribution without issuing a disclosure document; and
- (b) the Shareholders from on-selling their Minerals 260 Shares within the first 12 months after receiving them under an in-specie distribution where a disclosure document has not accompanied the original offer.

The invitation to Shareholders to vote on this Resolution constitutes an offer to transfer Minerals 260 Shares to Shareholders pursuant to an in-specie distribution.

The Company has obtained ASIC relief from the requirement to issue a disclosure document in conjunction with this Notice.

### 7.4 **Capital reduction - general information**

The Corporations Act and the ASX Listing Rules set out the procedure and timing for a capital reduction. Refer to Section 1.2 for an indicative timetable in respect of the Demerger. The alteration to Liantown's capital and the In-specie Distribution will become effective from the In-specie Record Date, provided that after the In-specie Record Date has been set, the Directors have not provided a notice to ASX stating that Liantown does not intend to proceed with the reduction of capital contemplated by Resolution 2.

Generally, the standard record date for a reorganisation of capital of an ASX-listed company is not less than four business days following a general meeting of that company. The In-specie Record Date is 28 September 2021.

If the capital reduction proceeds, Shareholders will receive a pro rata entitlement to the In-specie Shares and each Shareholder's name will be entered on the register of members of Minerals 260 with each Shareholder having deemed to have consented to becoming a Minerals 260 shareholder and being bound by its constitution.

A Shareholder's entitlement to In-specie Shares is to be based on the number of Shares held at the In-specie Record Date.

Due to the outstanding Options and Performance Rights on issue in Liantown and also because of the potential future issue of Shares by Liantown before the In-specie Record Date, it is not clear at the date of this Notice how many Liantown Shares will be on issue at the In-specie Record Date nor therefore what the exact ratio for the In-specie Distribution will be.

At the date of this Notice, there are 1,905,021,166 Shares on issue in Liantown. If no Options or Performance Rights vest and are exercised prior to the In-specie Record Date, the ratio will be 1 In-specie Share for every 11.91 Liantown Shares. Any exercise of Options, vesting and exercise of Performance Rights or further issue of Liantown Shares will have the effect of lowering the number of In-specie Shares distributed for each Liantown Share. If all Options and Performance Rights vest and are exercised, the ratio will be 1 In-specie Share for every 12.07 Liantown Shares. Any fractions of entitlement will be rounded down to the next whole number.

Other than as shareholders of Liantown or as otherwise set out in this Explanatory Memorandum, none of the Directors have any interest in Resolution 2.

#### **7.5 ASX Listing Rule 7.17**

ASX Listing Rule 7.17 provides in part that a listed entity, in offering shareholders an entitlement to securities, must offer those securities pro rata or in such other way as, in the ASX's opinion, is fair in all the circumstances. In addition, there must be no restriction on the number of securities which a shareholder holds before this entitlement accrues. The Demerger satisfies the requirements of ASX Listing Rule 7.17, as the issue of Minerals 260 Shares is being made to Shareholders on a pro rata basis, and there is no restriction on the number of Shares a Shareholder must hold before the entitlement to the Minerals 260 Shares accrues.

#### **7.6 Lodgement with ASIC**

Liantown has lodged with ASIC a copy of this Notice and Explanatory Memorandum in accordance with section 256C(5) of the Corporations Act. ASIC and its Officers take no responsibility for the contents of this Notice or the merits of the transaction to which this Notice relates.

If Resolution 2 is passed, the reduction of capital is required to take effect in accordance with a timetable approved by ASX. Please refer to Section 1.2 for the proposed indicative timetable for completion of the Demerger, which is subject to change by Liantown and any requirements of the ASX Listing Rules and the Corporations Act.

#### **7.7 Other Material Information**

There is no information material to the making of a decision by a Shareholder in Liantown whether or not to approve Resolution 2 (being information that is known to any of the Directors and which has not been previously disclosed to Shareholders in Liantown) other than as disclosed in this Explanatory Memorandum and all relevant Schedules.

### **8. Recommendation of Directors**

After considering all relevant factors, the Directors, with the exception of Messrs Richards, Goyder, Cipriano and Williams, who have a material personal interest in the Demerger by virtue of being a proposed Minerals 260 Director, recommend Liantown Shareholders vote in favour of Resolutions 1 and 2 for the reasons summarised in Sections 3.2 and 3.3 of this Notice.

## 9. **Enquiries**

Shareholders are requested to contact Liantown's company secretary, Mr Clint McGhie, on +61 8 6186 4600 if they have any queries in respect of the matters set out in this Notice.

## Schedule 1 Definitions

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

<b>\$ or A\$</b>	means Australian Dollars.
<b>ABN</b>	means Australian business number.
<b>ASIC</b>	means the Australian Securities & Investments Commission.
<b>ASX</b>	means the ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
<b>ASX Listing Rules</b>	means the Listing Rules of ASX.
<b>ATO</b>	means the Australian Taxation Office.
<b>Board</b>	means the board of Directors.
<b>Business Day</b>	means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.
<b>Capital Reduction</b>	has the meaning provided for under Section 3.1(c)(i).
<b>CGT</b>	means capital gains tax.
<b>Chair</b>	means the person appointed to chair the Meeting of the Company convened by the Notice.
<b>Company or Liontown</b>	means Liontown Resources Limited ACN 118 153 825.
<b>Conditions Precedent</b>	has the meaning given in Section 3.8 of the Explanatory Memorandum.
<b>Constitution</b>	means the constitution of the Company as at the date of the Meeting.
<b>Coobaloo</b>	means Coobaloo Minerals Pty Ltd ACN 636 424 229.
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth).
<b>Cut-Off Date</b>	means 1 December 2021 (or such other date agreed between Liontown and Minerals 260).
<b>Demerger</b>	means the In-specie Distribution.
<b>Demerger Dividend</b>	has the meaning provided for under Section 3.1(c)(ii).
<b>Demerger Relief</b>	means a confirmation from the ATO that (as the context requires):  (a) the relevant shareholders of an entity conducting a demerger may be eligible to choose to receive capital gains tax roll-over under Division 125 of the <i>Income Tax Assessment Act 1997</i> (Cth) in respect of the proposed Demerger; and/or

	(b) the Commissioner for Taxation will not make a determination under subsection 45A(2), paragraph 45B(3)(a) or paragraph 45B(3)(b) of the <i>Income Tax Assessment Act 1936</i> (Cth) in respect of the entity's shareholders participating in the Demerger.
<b>DID</b>	means the demerger implementation deed between Liontown, Minerals 260 and ERL dated 18 August 2021.
<b>Directors or Liontown Directors</b>	means the current directors of the Company.
<b>Equity Security</b>	has the same meaning as in the Listing Rules.
<b>ERL</b>	means ERL (Aust) Pty Ltd ACN 612 667 106.
<b>Explanatory Memorandum</b>	means the explanatory memorandum which forms part of the Notice.
<b>General Meeting or Meeting</b>	means the meeting convened by the Notice.
<b>In-specie Distribution</b>	has the meaning given in Section 3.1 of the Explanatory Memorandum.
<b>In-specie Record Date</b>	means the record date for the In-Specie Distribution to be set by Directors in accordance with Section 7.
<b>In-specie Shares</b>	means approximately 160,000,000 Minerals 260 Shares (based on a ratio of 1 Minerals 260 Share for every 11.90638 Shares held) to be distributed under the In-specie Distribution.
<b>IPO</b>	means the proposed Priority Offer and any Shortfall Offer of Minerals 260 and the proposed admission of Minerals 260 to the Official List of the ASX.
<b>JORC Code</b>	means the Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 Edition.
<b>Kathleen Valley Project</b>	has the meaning given in Section 2.
<b>Koojan BTS</b>	has the meaning given in Section 2.
<b>Koojan JV Project</b>	has the meaning given in Section 2.
<b>Lachlan Star</b>	means Lachlan Star Limited ACN 000 759 535.
<b>Listing Rules</b>	means the listing rules of ASX.
<b>Maximum Subscription</b>	has the meaning given in Section 3.1.
<b>Meeting</b>	has the meaning given in the introductory paragraph of the Notice.
<b>Midland</b>	means Midland Minerals Pty Ltd (ACN 646 712 209).
<b>Minerals 260</b>	means Minerals 260 Limited (ACN 650 766 911).



<b>Minerals 260 Assets</b>	means the assets held by ERL, including the Moora Project, Koojan JV Project, Dingo Rocks and Yalwest tenement applications comprising of the mineral tenements as listed in Schedule 5.
<b>Minerals 260 Board</b>	means the board of directors of Minerals 260.
<b>Minerals 260 Director</b>	means a director of Minerals 260.
<b>Minerals 260 Option</b>	means an option to acquire a Minerals 260 Share.
<b>Minerals 260 Share</b>	means a fully paid ordinary share in the capital of Minerals 260.
<b>Minerals 260 Shareholder</b>	means a holder of Minerals 260 Shares.
<b>Minimum Subscription</b>	has the meaning given in Section 3.1.
<b>Moora Project</b>	has the meaning given in Section 2.
<b>Notice or Notice of Meeting</b>	means this notice of meeting including the Explanatory Memorandum and the Proxy Form.
<b>Option</b>	means an unquoted option to acquire a Share.
<b>Performance Right</b>	means a right to receive a given number of Shares if and when a nominated performance milestones is achieved.
<b>Priority Offer</b>	means the initial public offering via a pro-rata priority offer to Liantown Shareholders, registered on the Priority Offer Record Date, of at least 30,000,000 and up to 60,000,000 Minerals 260 Shares at \$0.50 to raise a minimum of \$15,000,000 and a maximum \$30,000,000 (before costs).
<b>Priority Offer Record Date</b>	means 23 August 2021, as set out in Section 1.2.
<b>Prospectus</b>	has the meaning given in Section 3.1.
<b>Proxy Form</b>	means the proxy form to the Notice.
<b>Resolution</b>	means a resolution referred to in the Notice.
<b>Schedule</b>	means a schedule to the Notice.
<b>Section</b>	means a section of the Explanatory Memorandum.
<b>Securities</b>	means any Equity Securities of the Company (including Shares, Options and/or Performance Rights).
<b>Share</b>	means a fully paid ordinary share in the capital of the Company.
<b>Shareholder or Liantown Shareholder</b>	means the holder of a Share.

<b>Shortfall Offer</b>	means the offer of Minerals 260 Shares not subscribed for by Liontown Shareholders under the Priority Offer and to be offered to Liontown Shareholders and new investors.
<b>Spin-Out Projects</b>	has the meaning provided under Section 2.
<b>Tenements or Minerals 260 Tenements</b>	means the tenements and tenement applications set out in Schedule 5.
<b>TFN</b>	means tax file number.
<b>Transaction</b>	means the proposed Demerger and IPO.
<b>Wavetime</b>	means Wavetime Nominees Pty Ltd ACN 151 741 187.
<b>WST</b>	means Western Standard Time as observed in Perth, Western Australia.

## Schedule 2      Liantown Financial Information

### 1.      **Financial information for Liantown Post Demerger**

The financial information contained in this section has been prepared by the Company in connection with the Demerger.

The financial information for Liantown includes:

- (a)      The historical balance sheet for Liantown as at 31 December 2020 (Liantown Historical Balance Sheet); and
- (b)      The pro forma historical balance sheet for Liantown as at 31 December 2020 (Liantown Pro Forma Historical Balance Sheet).

The Liantown Historical Balance Sheet and Liantown Pro Forma Historical Balance Sheet together form the “Liantown Financial Information”.

The Liantown Financial Information presented in this section should be read in conjunction with the risk factors set out in Schedule 4 and other information in this Notice of Meeting. Investors should note that past results are not a guarantee of future performance.

All amounts disclosed in this section are presented in Australian dollars.

### 1.2      **Basis of preparation and presentation of the Liantown Financial Information**

The Directors are responsible for the preparation and presentation of the Liantown Financial Information. The Liantown Financial Information included in this Notice of Meeting is intended to present potential investors with information to assist them in understanding the historical financial position of Liantown.

The Liantown Financial Information is presented in an abbreviated form and does not include all of the presentation, disclosures, statements and comparative information as required by Australian Accounting Standards (**AAS**) applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

### 1.3      **Preparation of Historical Balance Sheet**

The Liantown Historical Balance Sheet has been prepared in accordance with the recognition and measurement principles prescribed in AAS issued by the Australian Accounting Standards Board (**AASB**), which is consistent with Internal Financial Reporting Standards (**IFRS**) and interpretations issued by the International Accounting Standards Board (**IASB**).

In preparing the Liantown Historical Balance Sheet, the accounting policies of Liantown have been applied. The Liantown Historical Balance Sheet has been derived from the unaudited interim general purpose financial statements of Liantown for the half-year ended 31 December 2020.

1.4 **Liontown Historical Balance Sheet and Liontown Pro Forma Historical Balance Sheet as at 31 December 2020**

	Liontown Resources Ltd Consolidated as at 31 Dec 2020 (unaudited)	Minerals 260 at 30 June 2021 (unaudited)	Eliminations	Liontown Resources Ltd Consolidated Pro Forma at 31 Dec 2020 (unaudited)	Demerger Adjustments	Pro Forma Statement of Financial Position - Demerger
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	16,360,699	-	-	<b>16,360,699</b>	(164,240)	<b>16,196,459</b>
Trade and other receivables	378,418	1,000	(1,000)	<b>378,418</b>	-	<b>378,418</b>
<b>TOTAL CURRENT ASSETS</b>	<b>16,739,117</b>	<b>1,000</b>	<b>(1,000)</b>	<b>16,739,117</b>	<b>(164,240)</b>	<b>16,574,877</b>
<b>NON-CURRENT ASSETS</b>						
Financial Assets	76,813	-	-	<b>76,813</b>	-	<b>76,813</b>
Property, plant and equipment	128,039	-	-	<b>128,039</b>	-	<b>128,039</b>
Right-of-use assets	85,325	-	-	<b>85,325</b>	-	<b>85,325</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>290,177</b>	<b>-</b>	<b>-</b>	<b>290,177</b>	<b>-</b>	<b>290,177</b>
<b>TOTAL ASSETS</b>	<b>17,029,294</b>	<b>1,000</b>	<b>(1,000)</b>	<b>17,029,294</b>	<b>(164,240)</b>	<b>16,865,054</b>
<b>LIABILITIES</b>						
<b>CURRENT LIABILITIES</b>						
Trade and Other Payables	592,351	1,124	-	<b>593,475</b>	(43,694)	<b>549,781</b>
Employee Benefits	157,450	-	-	<b>157,450</b>	-	<b>157,450</b>
Lease liabilities	45,932	-	-	<b>45,932</b>	-	<b>45,932</b>
<b>TOTAL CURRENT LIABILITIES</b>	<b>795,733</b>	<b>1,124</b>	<b>-</b>	<b>796,857</b>	<b>(43,694)</b>	<b>753,163</b>
<b>NON-CURRENT LIABILITIES</b>						
Employee Benefits	3,792	-	-	<b>3,792</b>	-	<b>3,792</b>
Lease liabilities	50,978	-	-	<b>50,978</b>	-	<b>50,978</b>
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>54,770</b>	<b>-</b>	<b>-</b>	<b>54,770</b>	<b>-</b>	<b>54,770</b>
<b>TOTAL LIABILITIES</b>	<b>850,503</b>	<b>1,124</b>	<b>-</b>	<b>851,627</b>	<b>(43,694)</b>	<b>807,933</b>
<b>NET ASSETS</b>	<b>16,178,791</b>	<b>(124)</b>	<b>(1,000)</b>	<b>16,177,667</b>	<b>(120,546)</b>	<b>16,057,121</b>
<b>TOTAL EQUITY</b>	<b>16,178,791</b>	<b>(124)</b>	<b>(1,000)</b>	<b>16,177,667</b>	<b>(120,546)</b>	<b>16,057,121</b>

## 1.5 **Liontown Pro Forma Historical Balance Sheet**

### (a) **Basis for preparation**

The Liontown Pro Forma Historical Balance Sheet as at 31 December 2020 set out above is provided for illustrative purposes only and is prepared on the assumption that the transaction was implemented as at 31 December 2020. The Pro Forma Historical Balance Sheet does not illustrate the financial position that may be contained in future financial statements of Liontown following the Demerger.

The Liontown Pro Forma Historical Balance Sheet has been prepared solely for inclusion in this Notice of Meeting and has been derived from the Historical Balance Sheet of Liontown as at 31 December 2020, adjusted for the effects of the pro forma adjustments described below.

The Liontown Pro Forma Historical Balance Sheet has been prepared in accordance with the recognition and measurement, but not all of the disclosure requirements, of the AAS other than that it includes adjustments which have been prepared in a manner consistent with AAS that reflect the impact of certain transactions contemplated to occur as part of the Demerger of Minerals 260 from Liontown as if they occurred as at 31 December 2020. The Liontown Financial Information has been prepared on a historical cost basis.

In preparing the Liontown Pro Forma Historical Balance Sheet, no adjustments have been made for potential changes in cost or operating structure resulting from the Demerger of Minerals 260 from Liontown.

### (b) **Impact of the Demerger on accounting**

Accounting for demerger transactions is addressed in the AASB Interpretation 17 'Distributions of Non-cash Assets to Owners'. That interpretation requires that any obligations for distributions made by a company to its shareholders should be recognised once declared and, where required, approved by the shareholders. Furthermore, the distribution payable must be measured at the fair value of the assets to be distributed.

The distribution payable is charged to equity. In this regard, the fair value of the distribution payable will be allocated between share capital (Capital Reduction) and demerger reserve (Demerger Distribution). The value of the Capital Reduction will be determined by reference to the tax allocation which is expected to be supported by an ATO ruling. The amount recorded in demerger reserve, the Demerger Distribution, will be the difference between the distribution payable and the Capital Reduction amount.

On the Record Date, Liontown will recognise a distribution payable based on the fair value of Minerals 260. This liability will be settled through the transfer of the Minerals 260 shares. At that time, the difference between the historic cost of the net assets distributed and the fair value of the distribution payables will be recognised in Liontown's income statement.

### (c) **Pro Forma adjustments**

The Pro Forma adjustments are as follows:

#### (i) *Demerger*

In accordance with the Notice of Meeting Liontown is distributing an 100% interest in Minerals 260 which holds the Spin-Out Projects.

The capital reduction and demerger distribution will be recognised as part of the implementation of the Demerger.

The actual measurement of the distribution payable will be based on the fair value of Minerals 260 shares as at the date of settlement.

(ii) *Transaction costs*

This relates to transaction costs associated with the demerger of Minerals 260 and are deemed receivable from Minerals 260.

(iii) *Intercompany loans*

Loans from Lontown to Minerals 260 and ERL will be forgiven prior to Demerger.

(iv) *Minerals 260 incorporation*

Minerals 260 was incorporated on 4 June 2021 with \$1,000 in issued capital and \$1,124 in incorporation costs. Minerals 260 has been deemed to be part of the Lontown consolidated group as if it existed and related incorporation transactions occurred as at 31 December 2020.

(v) *Options*

For the purpose of preparing the Lontown Pro Forma Historical Balance Sheet as at 31 December 2020, it has been assumed that none of the outstanding Options will be exercised.

The pro forma cash and cash equivalents in the Pro Forma Financial Information takes into account the transactions above, however does not include the impact of net operating costs since 31 December 2020 to the date of this Notice of Meeting (excluding the costs of the Demerger as this have been recognised in pro forma adjustment (ii) above).

## Schedule 3 Minerals 260 Financial Information

### 1. Financial Information for Minerals 260

The financial information contained in this section has been prepared by Liontown in relation to Minerals 260 in connection with the Demerger and IPO.

Minerals 260 was incorporated on 4 June 2021 with \$1,000 in issued capital and \$1,124 in incorporation costs. Minerals 260 has been dormant since incorporation.

The financial information for Minerals 260 includes:

- (a) The historical balance sheet of Minerals 260 as at 30 June 2021 (**Minerals 260 Historical Balance Sheet**);
- (b) The historical balance sheet of ERL as at 30 June 2021 (**ERL Historical Balance Sheet**); and
- (c) The pro forma historical balance sheet as at 30 June 2021 (**Minerals 260 Pro Forma Historical Balance Sheet**).

The Minerals 260 Historical Balance Sheet, the ERL Historical Balance Sheet and the Minerals 260 Pro Forma Historical Balance Sheet together form the "Minerals 260 Financial Information".

The Minerals 260 Financial Information presented in this section should be read in conjunction with the risk factors set out in Schedule 4 and other information in this Notice of Meeting. Investors should note that past results are not a guarantee of future performance.

All amounts disclosed in this section are presented in Australian dollars.

### 1.2 Basis of preparation and presentation of the Minerals 260 Financial Information

The Directors of Liontown are responsible for the preparation and presentation of the Minerals 260 Financial Information. The Minerals 260 Financial Information included in this Notice of Meeting is intended to present potential investors with information to assist them in understanding the historical financial position of Minerals 260.

The Minerals 260 Financial Information is presented in an abbreviated form and does not include all of the presentation, disclosures, statements and comparative information as required by AAS applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

### 1.3 Minerals 260 Historical Balance Sheet

The Minerals 260 Historical Balance Sheet has been prepared in accordance with the recognition and measurement principles prescribed in AAS issued by the AASB, which is consistent with IFRS and interpretations issued by the IASB.

In preparing the Minerals 260 Historical Balance Sheet, the accounting policies of Minerals 260 have been applied which are consistent with those applied by Liontown.

The ERL Historical Balance Sheet has been derived from the audited financial statements of ERL for the year ended 30 June 2021. The Minerals 260 Historical Balance Sheet has been derived from the trial balance of Minerals 260 at 30 June 2021 which is unaudited as at the date of the Notice of Meeting. Minerals 260 has been dormant since incorporation however for

the purpose of preparing the Minerals 260 Pro Forma Historical Balance Sheet, it has been assumed that Minerals 260 and ERL are a combined group on 30 June 2021.

#### 1.4 Minerals 260 Historical & Pro Forma Historical Balance Sheets

##### Minimum Subscription raise - \$15m

	Minerals 260 as at 30 June 2021	ERL as at 30 June 2021	Demerger Adjustments	Pro Forma Statement of Financial Position - Demerger	Minimum IPO Pro Forma Adjustment	Pro Forma Statement of Financial Position - IPO
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash and cash equivalents <sup>(iii), (iv)</sup>	-	-	-	-	13,550,000	13,550,000
Trade and other receivables <sup>(ii)</sup>	1,000	-	(1,000)	-	-	-
<b>TOTAL CURRENT ASSETS</b>	1,000	-	(1,000)	-	13,550,000	13,550,000
<b>TOTAL ASSETS</b>	1,000	-	(1,000)	-	13,550,000	13,550,000
<b>LIABILITIES</b>						
<b>CURRENT LIABILITIES</b>						
Trade and other payables	-	47,043	-	47,043	-	47,043
Non-Interest Bearing Loans <sup>(ii)</sup>	1,124	2,032,749	(2,033,873)	-	-	-
<b>TOTAL CURRENT LIABILITIES</b>	1,124	2,079,792	(2,033,873)	47,043	-	47,043
<b>TOTAL LIABILITIES</b>	1,124	2,079,792	(2,033,873)	47,043	-	47,043
<b>NET ASSETS</b>	(124)	(2,079,792)	2,032,873	(47,043)	13,550,000	13,502,957
<b>EQUITY</b>						
Contributed equity <sup>(i), (iii)</sup>	1,000	1	79,999,499	80,000,500	15,000,000	95,000,500
Share issue costs <sup>(iv)</sup>	(1,124)	-	-	(1,124)	(1,450,000)	(1,451,124)
Retained losses <sup>(i), (ii), (v)</sup>	-	(2,079,793)	(80,611,595)	(82,691,388)	-	(82,691,388)
Reserves <sup>(v)</sup>	-	-	2,644,969	2,644,959	-	2,644,959
<b>TOTAL EQUITY</b>	(124)	(2,079,792)	2,032,873	(47,043)	13,550,000	13,502,957



**Maximum Subscription raise - \$30m**

	<b>Minerals 260 as at 30 June 2021</b>	<b>ERL as at 30 June 2021</b>	<b>Acquisition/D emerger Adjustments</b>	<b>Pro Forma Statement of Financial Position - Demerger</b>	<b>Maximum IPO Pro Forma Adjustment</b>	<b>Pro Forma Statement of Financial Position - IPO</b>
	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash and cash equivalents <sup>(iii), (iv)</sup>	-	-	-	-	27,780,000	27,780,000
Trade and other receivables <sup>(ii)</sup>	1,000	-	(1,000)	-	-	-
<b>TOTAL CURRENT ASSETS</b>	1,000	-	(1,000)	-	27,780,000	27,780,000
<b>TOTAL ASSETS</b>	1,000	-	(1,000)	-	27,780,000	27,780,000
<b>LIABILITIES</b>						
<b>CURRENT LIABILITIES</b>						
Trade and other payables	-	47,043	-	47,043	-	47,043
Non-Interest Bearing Loans <sup>(ii)</sup>	1,124	2,032,749	(2,033,873)	-	-	-
<b>TOTAL CURRENT LIABILITIES</b>	1,124	2,079,792	(2,033,873)	47,043	-	47,043
<b>TOTAL LIABILITIES</b>	1,124	2,079,792	(2,033,873)	47,043	-	44,043
<b>NET ASSETS</b>	(124)	(2,079,792)	2,032,873	(47,043)	27,780,000	27,732,957
<b>EQUITY</b>						
Contributed equity <sup>(i), (iii)</sup>	1,000	1	79,999,499	80,000,500	30,000,000	110,000,500
Share issue costs <sup>(iv)</sup>	(1,124)	-	-	(1,124)	(2,220,000)	(2,221,124)
Retained losses <sup>(i), (ii), (v)</sup>	-	(2,079,793)	(80,611,595)	(82,691,388)	-	(82,691,388)
Reserves <sup>(v)</sup>	-	-	2,644,969	2,644,969	-	2,644,969
<b>TOTAL EQUITY</b>	(124)	(2,079,792)	2,032,873	(47,043)	27,780,000	27,732,957

## 1.5 Minerals 260 Pro Forma Historical Balance Sheets

### (a) Basis of preparation

Minerals 260 was incorporated on 4 June 2021. Minerals 260 has been dormant since incorporation.

The Minerals 260 Pro Forma Historical Balance sheets of the as at 30 June 2021 set out above are provided for illustrative purposes only and are prepared on the assumption that the transfer of ERL and Spin-Out Projects under the DID was implemented on 30 June 2021. It does not illustrate the financial position that may be contained in future financial statements of Minerals 260 as a result of the Demerger and IPO.

The Minerals 260 Pro Forma Historical Balance Sheets have been prepared solely for inclusion in this Notice of Meeting and has been derived from the Minerals 260 Historical Balance Sheet and ERL Historical Balance Sheet as at 30 June 2021, adjusted for the effects of the pro forma adjustments described below.

The Minerals 260 Pro Forma Historical Balance Sheets have been prepared in accordance with the recognition and measurement, but not all of the disclosure requirements, of the AAS other than that it includes adjustments which have been prepared in a manner consistent with AAS that reflect the impact of certain transactions contemplated to occur as part of the asset transfer, Demerger and IPO as if occurred as at 30 June 2021. The Minerals 260 Financial Information has also been prepared on a historical cost basis.

In preparing the Minerals 260 Pro Forma Historical Financial Information, no adjustments have been made for potential changes in cost or operating structure resulting from the demerger of Minerals 260 from Liontown.

(b) **Pro forma adjustments**

The Pro Forma adjustments for the purpose of preparing the Minerals 260 Pro Forma Financial Information as at 30 June 2021 are:

(i) *Acquisition accounting*

The acquisition of ERL by the Minerals 260 is outside the scope of AASB 3 Business Combinations as the acquiree does not constitute a business as defined by this Standard. Accordingly, the acquisition is accounted for as an asset acquisition under AASB 2 Share-based Payment. Under AASB 2, the transaction is measured at the fair value of ERL rather than by reference to the equity instruments issued. As such the deemed fair value of the acquisition is with reference to the number of shares being issued to Liontown shareholders multiplied by the fair value of the shares being the IPO price.

(ii) *Intercompany loans*

Loans from Liontown to Minerals 260 and ERL will be forgiven prior to Demerger.

(iii) *IPO*

Completion of \$15,000,000 or \$30,000,000 IPO capital raising before costs.

(iv) *Transaction costs*

Payment of estimated transaction costs totalling \$1,450,000 in the case of a \$15,000,000 IPO and \$2,220,000 in the case of a \$30,000,000 IPO, including Lead Manager fees of 5% of gross proceeds raised (assuming a full priority shortfall placed by the Lead Manager) and reimbursement to Liontown of transactions costs deemed to be loaned.

(v) *Share-based payments*

9,750,000 Incentive Options to be issued prior to admission for nil cash consideration, valued using Black-Scholes option pricing model and utilising the following inputs:

Number of options	9,750,000
Grant date share price	\$0.50
Exercise price	\$0.72
Expected volatility	100%
Option life	3 years
Vesting	Immediately
Risk-free interest rate	0.195%
Fair value per option granted	\$0.27128

The pro forma cash and cash equivalents in the Minerals 260 Pro Forma Financial Information takes into account the transactions above, however does not include the impact of net operating costs since 30 June 2021 to the date of this Notice of Meeting (excluding the costs of the Demerger as this have been recognised in pro forma adjustment (iv) above).

The completion of the In-Specie Distribution is subject to and will not proceed unless all of the Conditions Precedent have been satisfied or waived. Liontown has sought a ruling from the ATO in respect of the grant of Demerger Relief in respect of the intended distribution of Minerals 260 Shares to eligible Liontown shareholders.

## Schedule 4 Key risk factors facing Minerals 260

The business, assets and operations of Minerals 260 will be subject to certain risk factors that have the potential to influence its operating and financial performance in the future. These risks can impact on the value of an investment in its securities and include those highlighted in the table below.

The risk factors set out below ought not to be taken as exhaustive of the risks faced by Minerals 260 or by investors in Minerals 260. The below factors, and others not specifically referred to below, may in the future materially affect the financial performance of Minerals 260 and the value of the Minerals 260 Shares. Therefore, the Minerals 260 Shares carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those shares.

Risk	Description
<p><b>Failure of Minerals 260 to raise capital and/or list on a recognised securities exchange</b></p>	<p>There is a risk that Minerals 260 may fail to raise sufficient capital to advance the Minerals 260 Assets in the future. Further, the Minerals 260 Directors may deem that listing Minerals 260 may not be appropriate and that other forms of funding should be sought. There is no guarantee that these future funding sources or opportunities to invest directly in the Minerals 260 Assets will eventuate.</p> <p>Any additional future equity financing will dilute existing shareholders to the extent they do not participate, and any debt financing, if available, may involve restrictions on Minerals 260's operating activities and business strategy. If Minerals 260 is unable to obtain additional funding as needed, it may be required to reduce the scope of its operations or scale back its business plans or exploration programmes, as the case may be or forfeit rights to some or all of its projects which could have a material adverse effect on Minerals 260's activities.</p> <p>Further, the IPO is conditional upon the successful implementation of the Demerger, Minerals 260 raising the Minimum Subscription under the IPO and ASX providing Minerals 260 with a list of conditions which, once satisfied will result in ASX admitting Minerals 260 to the Official List. If these conditions are not satisfied, Minerals 260 will not be admitted to the Official List and the Transaction will not proceed.</p>
<p><b>Liontown not retaining Minerals 260 Assets</b></p>	<p>Under the Demerger, Liontown (or its subsidiaries) will be transferring the Minerals 260 Assets to Minerals 260 through the transfer of 100% of the issued capital in ERL. Accordingly, Shareholders need to be aware that any investment made in Liontown upon the basis of the Minerals 260 Assets should be undertaken in the knowledge that Liontown (or its subsidiaries) will not be holding those assets following completion of the Demerger. However, investors in Liontown who hold Liontown Shares on the In-specie Record</p>

Risk	Description
	<p>Date will receive In-specie Shares and so will continue to have an ownership interest in the Minerals 260 Assets. At the date of this Notice, all Minerals 260 Assets are in good standing with respect to statutory compliance.</p>
<p><b>Exploration, development, mining and processing risks</b></p>	<p>The tenements to be held by Minerals 260 under the Demerger are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that exploration of these licences, or any other licences that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.</p> <p>The future exploration activities of Minerals 260 may be affected by a wide range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, tribal and traditional ownership processes, changing government regulations and many other factors beyond the control of Minerals 260.</p> <p>The success of Minerals 260 will also depend on Minerals 260 having access to sufficient development capital to allow for progressing exploration opportunities towards mining operations, being able to maintain title to its licences and obtaining all required approvals for its activities. In the event that exploration programmes prove to be unsuccessful, this could lead to a diminution in the value of the licences, a reduction in the base reserves of Minerals 260 and possible relinquishment of the licences.</p> <p>Each of Minerals 260's exploration licences, mining licences and permits are for a specific term and carry with them annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, Minerals 260 could lose title to or its interest in these tenements if licence conditions including environmental are not met or insufficient funds are available to meet expenditure commitments. At the date of this Notice, all Minerals 260 Assets are in good standing with respect to statutory compliance.</p> <p>The exploration costs of Minerals 260 are based on certain assumptions with respect to method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially affect Minerals 260's viability.</p>

Risk	Description
<p><b>Title in Koojan JV Project and grant risk for pending tenement applications</b></p>	<p>As at the date of this Notice, ERL (Aust) Pty Ltd, a wholly-owned subsidiary of the Company has a 100% registered legal and beneficial interest in the Tenements comprising the Moora Project and E63/2070 and is the 100% registered applicant for pending Tenements ELA59/2541 and ELA59/2604.</p> <p>The Tenements comprising the Koojan JV Project are held by Coobaloo, which is owned 50% by Midland (a subsidiary of the Lachlan Star) and 50% by private group Wavetime Nominees Pty Ltd. Pursuant to the Farm-in and JVA, the Company, through ERL, has a right to farm-in to acquire either a 30% or a 51% legal and beneficial interest in the Koojan Tenements (through a 2-stage farm-in).</p> <p>ERL's rights in respect of the Koojan Tenements will be derived from the rights conferred on the tenement holder. While ERL has certain rights and protections in place under the Farm-in and JVA, there is a risk that Coobaloo defaults on its obligations as tenement holder, and that consequently the tenements may be forfeited.</p> <p>The pending Tenements have not yet been granted. Accordingly, there is a risk that these applications may not be granted in their entirety or only granted on conditions unacceptable to the Company or that such grant will be delayed. Further, Pending Tenement ELA59/2541 is subject to a Mining Act objection and in the event the Objection is not withdrawn, the grant of ELA59/2541 will likely be delayed.</p>
<p><b>Land owner and access risk</b></p>	<p>Minerals 260 may be required to reach agreement with and pay compensation to land owners, local authorities, traditional land users and others who may have an interest in the area covered by a mining tenement. Minerals 260's ability to resolve compensation issues and compensation costs involved will have an impact on the future success and financial performance of Minerals 260's operations. If Minerals 260 is unable to resolve such compensation claims on economic terms, this could delay or have a material adverse effect on the business, results or operations and financial condition of Minerals 260. Access to land for exploration purposes can be affected by land ownership, nature reserves and national parks, government regulation and environmental restrictions. Access is critical for exploration and development to succeed and the ability to be able to negotiate satisfactory commercial arrangements with landowners, farmers and occupiers is often essential.</p> <p>The Tenements overlap File Notation Areas. In respect to the File Notation Areas, third party tenure and access rights may be granted in the future.</p>

Risk	Description
	<p>Pending Tenements ELA59/2541 and ELA59/2604 overlap pastoral leases and E63/2070 and Pending Tenement ELA59/2541 overlap mining tenements held by third parties.</p> <p>Several of the Tenements comprising the Moora Project and Koojan JV Project overlap private freehold land. There are a number of land access agreements with private land owners currently in place enabling Minerals 260 to continue exploration activities. Minerals 260 will need to reach agreement with landowners and traditional owners in order to explore areas currently not covered by land access agreements, to undertake development activities and to renew such agreements as and when required.</p>
<p><b>Non-renewal of title</b></p>	<p>Under Western Australian law, exploration tenements are valid for set periods of time and renewal is subject to the approval of the Minister. There is no guarantee that Minerals 260 will be successful in the renewal of exploration tenements as they reach their expiry date.</p> <p>If in future tenements are not extended, Minerals 260 may suffer damage through loss of opportunity to discover and/or develop any mineral resources.</p>
<p><b>Management and Key Personnel</b></p>	<p>Liontown and Minerals 260 have engaged directors and key management personnel, as set out in Sections 4.9, 4.10 and 5.3. The Demerger may lead to circumstances which precipitate unforeseen personnel changes.</p> <p>Recruiting and retaining qualified personnel are important to both Liontown and Minerals 260's success. The number of persons skilled in the exploration and development of mining properties is limited and competition for such persons is strong. There can be no assurance given that there will be no detrimental impact on Minerals 260 if one or more key employees, including the directors, leave Minerals 260 or Liontown.</p>
<p><b>Joint Venture Parties, Agents and Contractors</b></p>	<p>Minerals 260 is unable to predict the risk of financial failure or default by a participant in any current or future joint venture to which Minerals 260 is or may become a party. Further, Minerals 260 is unable to predict the risk of insolvency or managerial failure by any of the contractors used by Minerals 260 in any of its activities or the insolvency or other managerial failure by any of the other service providers used by Minerals 260 for any activity. The effects of such failures may have an adverse effect on Minerals 260's operations.</p>
<p><b>Exploration and Operations</b></p>	<p>The current and future operations of Minerals 260, including exploration, appraisal, development and possible production activities may be affected by a range of exploration and operating factors, including:</p>

Risk	Description
	<ul style="list-style-type: none"> <li>(a) geological conditions;</li> <li>(b) limitations on activities due to seasonal or adverse weather patterns;</li> <li>(c) alterations to program and budgets;</li> <li>(d) unanticipated operational and technical difficulties encountered in geophysical surveys, drilling, metallurgical laboratory work and production activities;</li> <li>(e) mechanical failure of operating plant and equipment, industrial and environmental accidents, acts of terrorism or political or civil unrest and other force majeure events;</li> <li>(f) industrial action, disputation or disruptions;</li> <li>(g) unavailability of transport or drilling equipment to allow access and geological and geophysical investigations;</li> <li>(h) unavailability of suitable laboratory facilities to complete metallurgical test-work investigations;</li> <li>(i) failure of metallurgical testing to determine a commercially viable product;</li> <li>(j) shortages or unavailability of manpower or appropriately skilled manpower;</li> <li>(k) unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment; and</li> <li>(l) prevention or restriction of access by reason of inability to obtain consents or approvals.</li> </ul> <p>Certain of Minerals 260's tenements in future may become subject to agreements with third parties which limit the commodities that Minerals 260 may exploit on these tenements; with third parties having certain rights (no current shared commodity rights). Whilst Minerals 260 does not consider these limitations to be unduly onerous, there is a risk that these restrictions may not be in Minerals 260's best interests or that the third parties may, in asserting their rights over Minerals 260's tenements, not act in Minerals 260's best interests.</p>
<p><b>Environmental, rehabilitation and other regulatory risks</b></p>	<p>Minerals 260's operations are and will be subject to environmental regulation. Environmental regulations are likely to evolve in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance and assessments of proposed projects. Environmental regulations could impact on the viability of Minerals 260's projects. Minerals 260 may become subject to liability for pollution or other hazards against which it has not</p>



Risk	Description
	<p>insured or cannot insure, including those in respect of past mining or other activities for which it was not responsible.</p> <p>The Moora Project Tenements and Koojan JV Project Tenements E70/5337, E70/5450 and E70/5516 encroach on sites which have been gazetted as “rare flora” under the <i>Wildlife Conservation Act 1950</i> (WA). Tenements E70/5217, E70/5312, E70/5450, E70/5429, E70/5515, E70/5337, E70/5286 and PLA70/1743 encroach on areas which are dieback risk zones.</p> <p>The land the subject of Tenements E70/5217, E70/5312, E70/5450, E70/5515, E70/5516, ELA63/2070 and PLA70/1743 overlap several Crown Reserves. Prior to conducting activities on the reserves, Minerals 260 will be required to seek certain consents and approvals.</p> <p>As a condition of the Tenements, Minerals 260 will also be required to rehabilitate, level, reforest or contour land that has been damaged or adversely affected by exploration activities, failure to do so may render the Tenements liable to cancellation. Minerals 260 is also required to lodge rehabilitation security by way of cash deposit.</p> <p>It is Minerals 260’s intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.</p>
<b>Annual Rents and Levies</b>	<p>An annual rental and an administrative levy are payable, based on the size of the Tenements. Tenements are also subject to expenditure requirements in accordance with work programs approved by the WA Department of Mines, Industry, Regulation and Safety. Payment of rentals and levies are currently up to date. Failure to comply with expenditure requirements may render the Tenements liable to cancellation.</p>
<b>Mining Tax and Royalties</b>	<p>There is a risk that the Commonwealth or Western Australian Governments may seek to introduce further, or increase existing, taxes and royalties.</p>
<b>Encumbrances on Title</b>	<p>Minerals 260 may at a future date be required to encumber part or all of its tenure to expedite future commercial transactions.</p>
<b>Unforeseen Risks</b>	<p>There may be other risks which the Minerals 260 Directors are unaware of at the time of issuing this Notice which may impact on Minerals 260 and its operations, and on the valuation and performance of the Minerals 260 Shares.</p>
<b>Economic conditions</b>	<p>General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on</p>

Risk	Description
	<p>Minerals 260's exploration, development and production activities, as well as on its ability to fund those activities. If activities cannot be funded, there is a risk that the tenements comprising the Minerals 260 Assets may have to be surrendered or not renewed. General economic conditions may also affect the value of Minerals 260 Shares and its valuation regardless of its actual performance.</p>
<p><b>Native Title &amp; Heritage Sites</b></p>	<p>The Native Title Act 1993 (Cth) recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is significant uncertainty associated with native title in Australia and this may impact on Minerals 260's operations and future plans.</p> <p>The Company is aware that there are five registered Aboriginal heritage sites and seventeen applications for 'other' Aboriginal heritage places, within Tenements E70/5217, E70/5450, E70/5515, E70/5287, E70/5312 E70/5286, E63/2070 and ELA59/2541.</p> <p>Minerals 260 must also comply with Aboriginal heritage legislation requirements which require heritage survey work to be undertaken ahead of the commencement of exploration and mining operations.</p> <p>Title searches demonstrate that the Tenements comprising the Moora Project and Koojan JV Project are all affected by the Yued native title claim and that the Dingo Rocks Tenement and Yalwest Tenements are subject to two registered native title claims (in the names of Mullewa Wadjari Community and Wajarri Yamatji #1) and three registered native title determinations (in the names of Yamatji Nation, The Esperance Nyungars and Ngadju).</p> <p>The Moora Project and Koojan JV Project Tenements are also subject to the Yued Indigenous Land Use Agreement (<b>ILUA</b>), E63/2070 is subject to the Esperance Nyungar Government ILUA and pending Tenement ELA59/2541 is subject to the Yamatji Nation Agreement ILUA.</p> <p>Minerals 260 must also comply with Aboriginal heritage legislation requirements which require heritage survey work to be undertaken ahead of the commencement of exploration and mining operations.</p>
<p><b>Non-completion of the Demerger</b></p>	<p>There can be no assurance that the Demerger will complete, as a consequence, there is a risk that costs associated with the Demerger and management time allocated to the Demerger will have been wasted.</p>
<p><b>Climate Change</b></p>	<p>There are a number of climate-related factors that may affect the operations and proposed activities of Minerals 260. The</p>

Risk	Description
	<p>climate change risks particularly attributable to Minerals 260 include:</p> <p>(a) the emergence of new or expanded regulations associated with transitioning to a lower-carbon economy and market changes related to climate change mitigation. Minerals 260 may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact Minerals 260 and its profitability. While Minerals 260 will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that Minerals 260 will not be impacted by these occurrences; and</p> <p>(b) climate change may cause certain physical and environmental risks that cannot be predicted by Minerals 260, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which Minerals 260 operates.</p>
<p><b>COVID-19 Risks</b></p>	<p>The outbreak of the coronavirus disease (<b>COVID-19</b>) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Minerals 260 Assets remains unknown. Minerals 260's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact Minerals 260's operations and are likely to be beyond the control of Minerals 260.</p>

## Schedule 5 Tenement Schedule

Tenement	Registered Holder (100%)	Status	Area	Application Date	Grant Date	Expiry Date	Minimum expenditure commitment	Annual Rent	Encumbrances / Notes
<b>Moora Project</b>									
E70/5217	ERL (Aust) Pty Ltd	Live	70 Blocks	26 September 2018	8 May 2019	7 May 2024	Reporting year ends 7 May.  2021: expended in full \$273,648 / \$70,000  2022: \$70,000	2022: Paid in full, \$9,870  2023: \$18,340	Nil
E70/5286	ERL (Aust) Pty Ltd	Live	48 Blocks	3 September 2019	8 November 2019	7 November 2024	Reporting year ends 7 November.  2020: expended in full \$375,181 / \$48,000.	2021: Paid in full, \$6,768.  2022: \$7,008	On 10 March 2021, ERL advised DMIRS that it was in breach of one of the conditions imposed on the tenement as

Tenement	Registered Holder (100%)	Status	Area	Application Date	Grant Date	Expiry Date	Minimum expenditure commitment	Annual Rent	Encumbrances / Notes
							2021: \$48,000		ERL drilled in an area outside that which was approved by the DMIRS. A formal warning was received from DMIRS on 7 July 2021. No penalties were enforced.
E70/5287	ERL (Aust) Pty Ltd	Live	40 Blocks	3 September 2019	13 November 2019	12 November 2024	Reporting year ends 7 May.  2021: expended in full \$273,648 / \$70,000  2022: \$70,000	2021: Paid in full, \$5,640.  2022: \$5,840	Nil
<b>Koojan JV Project</b>									

Tenement	Registered Holder (100%)	Status	Area	Application Date	Grant Date	Expiry Date	Minimum expenditure commitment	Annual Rent	Encumbrances / Notes
E70/5312	Coobaloo Minerals Pty Ltd	Live	40 Blocks	17 October 2019	9 June 2020	8 June 2025	Reporting year ends 8 June.  2021: Form 5 not yet lodged.  2022: \$40,000	2022: Paid in full, \$5,640.  2023: \$5,840	Nil
E70/5337	Coobaloo Minerals Pty Ltd	Live	40 Blocks	10 January 2020	29 April 2020	28 April 2025	Reporting year ends 28 April.  2021: expended in full \$58,685 / \$40,000.  2022: \$40,000	2022: Paid in full, \$5,640.  2023: \$5,840	Nil
E70/5429	Coobaloo Minerals Pty Ltd	Live	6 Blocks	24 April 2020	16 July 2020	15 July 2025	Reporting year ends 15 July.	2022: Paid in full, \$876.	Nil

Tenement	Registered Holder (100%)	Status	Area	Application Date	Grant Date	Expiry Date	Minimum expenditure commitment	Annual Rent	Encumbrances / Notes
							2021: Form 5 not yet lodged.  2022: \$20,000	2023: \$876	
E70/5450	Coobaloo Minerals Pty Ltd	Live	7 Blocks	8 May 2020	21 January 2021	20 January 2026	Reporting year ends 20 January.  2022: \$20,000	2022: Paid in full, \$966.  2023: \$1,022	Nil
E70/5515	Coobaloo Minerals Pty Ltd	Live	56 Blocks	19 June 2020	3 March 2021	2 March 2026	Reporting year ends 2 March.  2022: \$56,000	2022: Paid in full, \$7,728.  2023: \$8,176	Nil
E70/5516	Coobaloo Minerals Pty Ltd	Live	53 Blocks	19 June 2020	24 February 2021	23 February 2026	Reporting year ends 23 February.	2022: Paid in full, \$7,314.  2023: \$7,738	Nil

Tenement	Registered Holder (100%)	Status	Area	Application Date	Grant Date	Expiry Date	Minimum expenditure commitment	Annual Rent	Encumbrances / Notes
							2022: \$53,000		
PLA70/1743	Coobaloo Minerals Pty Ltd	Pending	171 Hectares	11 May 2020	N/A	N/A	N/A	N/A	N/A
<b>Dingo Rocks</b>									
E63/2070	ERL (Aust) Pty Ltd	Live	94 Blocks	3 December 2020	23 July 2021	22 July 2026	Reporting year ends 22 July. \$94,000 (2022)	2022: Paid in full, \$13,254. 2023: \$13,724	Nil
<b>Yalwest</b>									
ELA59/2541	ERL (Aust) Pty Ltd	Pending	60 Blocks	23 April 2021	N/A	N/A	N/A	N/A	Subject to Mining Act Objection 623426 lodged by FI Joint Venture Pty Ltd



Tenement	Registered Holder (100%)	Status	Area	Application Date	Grant Date	Expiry Date	Minimum expenditure commitment	Annual Rent	Encumbrances / Notes
ELA59/2604	ERL (Aust) Pty Ltd	Pending	43 Blocks	21 July 2021	N/A	N/A	N/A	N/A	N/A

Schedule 6 Independent Technical Assessment Report



## Minerals 260 Limited Independent Technical Assessment Report



**J\_2706**

Principal Author:

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		Date:	17 August 2021
Contributors:			
Principal Reviewer:	Christine Standing <i>BSc Hons, MSc (Min Econs), MAusIMM, MAIG</i>	Signature:	
		Date:	17 August 2021
Important Information:			
<p>This Report is provided in accordance with the proposal by Optiro Pty Ltd ('Optiro') to Minerals 260 Limited and the terms of Optiro's Consulting Services Agreement ('the Agreement'). Optiro has consented to the use and publication of this Report by Minerals 260 Limited for the purposes set out in Optiro's proposal and in accordance with the Agreement. Minerals 260 Limited may reproduce copies of this entire Report only for those purposes but may not and must not allow any other person to publish, copy or reproduce this Report in whole or in part without Optiro's prior written consent.</p> <p>Optiro has used its reasonable endeavours to verify the accuracy and completeness of information provided to it by Minerals 260 Limited which it has relied in compiling the Report. We have no reason to believe that any of the information or explanations so supplied are false or that material information has been withheld. It is not the role of Optiro acting as an independent technical expert to perform any due diligence procedures on behalf of the Company. The Directors of the Minerals 260 Limited are responsible for conducting appropriate due diligence in relation to mineral projects. Optiro provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process.</p> <p>The opinion of Optiro is based on the market, economic and other conditions prevailing at the date of this Report. Such conditions can change significantly over short periods of time.</p> <p>The statements and opinions included in this Report are given in good faith and in the belief that they are not false, misleading or incomplete. The terms of engagement are such that Optiro has no obligation to update this Report for events occurring subsequent to the date of this Report.</p>			



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17 August 2021

Our Ref: J\_2706

The Directors  
Minerals 260 Limited  
Level 2  
1292 Hay Street  
West Perth  
WA 6005

Dear Sirs,

### INDEPENDENT TECHNICAL ASSESSMENT REPORT

At the request of Minerals 260 Limited (Minerals 260 or the Company), Optiro has prepared an Independent Technical Assessment Report (Report) on the mineral assets held by Minerals 260. This Report has been prepared in accordance with the Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets, 2015 Edition (the VALMIN Code, 2015), the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code, 2012) and the Australian Securities and Investment Commission (ASIC) Regulatory Guides 111, 112 and 228.

This Report represents an independent assessment of the geology, exploration data and exploration potential of the various mineral assets held by Minerals 260. It is our understanding that this Report will be included in a Notice of Meeting to be issued by Liontown Resources Ltd, seeking shareholder approval to demerge the Company and a Prospectus to be published by the Company in connection with its proposed admission of the shares in the Company to trading on the ASX. Optiro has been informed by Minerals 260 that the principal purpose of the offering is to raise funds to complete further exploration including geophysical and geochemical surveys, geological mapping and the drilling of existing mineral anomalies and exploration targets with the aim of defining Mineral Resources.

The mineral assets of Minerals 260 and its 100% owned subsidiaries, post demerger, will comprise the Moora and Koojan, the Yalwest and the Dingo Rocks Projects all located in Western Australia. The objectives of this Report are to provide an overview of the geological setting of the mineral assets and the associated mineralisation, outline the recent and historical exploration work undertaken over the project areas and comment on the completed exploration work with regards to project prospectivity.

Minerals 260 has provided to Optiro drilling and sampling data and other information generated by Minerals 260, its subsidiaries and by previous owners of the mineral assets. Optiro completed a site inspection of the Moora and Koojan Project on 23 June 2021. The other Projects are at an early stage of assessment and it was considered that site visits would be unlikely to reveal any information or data that is material to this Report. The author is satisfied that sufficient information was available to give an informed opinion.

Based on Optiro's assessment of Minerals 260's mineral assets, it is our opinion that they are of value and contain exploration potential as presented. Optiro has considered the expenditure schedules, studies and exploration programmes outlined by Minerals 260 and considers them to be reasonable and appropriate to progress the Projects. However, all exploration projects are subject to risks from

unforeseen future issues and events beyond the control of the company; in this sense, Minerals 260 is no exception.

Consent has been sought from Minerals 260 and its representatives to include technical information and opinions expressed by Minerals 260. No other entities referred to in this Report have consented to the inclusion of any information or opinions and have only been referred to in the context of reporting any relevant activities.

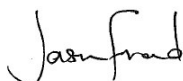
Optiro has prepared this Report on the understanding that the mineral assets held by Minerals 260 are currently in good legal standing and has not independently verified Minerals 260's legal tenure over its tenements. Optiro is not qualified to make statements in this regard and has relied upon information provided by Minerals 260. Optiro understands that Minerals 260 has engaged HWL Ebsworth Lawyers to review the tenement status which is included elsewhere in Minerals 260's Prospectus.

Optiro has endeavoured, by making reasonable enquiry of Minerals 260, to ensure that all material information in the possession of Minerals 260 has been fully disclosed. However, Optiro has not carried out any type of audit of the records of Minerals 260 to verify that all material documentation has been provided. A final draft version of this Report was provided to the Directors of Minerals 260, along with a request to confirm that there are no material errors or omissions in the Report and that the technical information and interpretations provided by them and reflected in the Report are factually accurate. Confirmation of these terms has been provided in writing and has been relied upon by Optiro. Optiro has based its findings upon information supplied up until 17 August 2021.

Optiro is an independent consulting and advisory organisation which provides a range of services related to the minerals industry including, in this case, independent geological services, but also resource evaluation, corporate advisory, mining engineering, mine design, scheduling, audit, due diligence and risk assessment assistance. Optiro declares that the author and reviewer of this Report have no material interest in Minerals 260, their associated entities or in the assets described in this Report. Optiro has charged Minerals 260 a professional fee for services rendered, the quantum of which is unrelated to the outcome or the content of this Report.

Yours sincerely

**OPTIRO PTY LTD**

A handwritten signature in black ink, appearing to read "J C Froud".

**J C Froud** *BSc Hons, Grad Dip (Fin Mkts) MAIG*  
**Principal**

A handwritten signature in black ink, appearing to read "C Standing".

**C Standing** *BSc Hons, MSc, MAusIMM, MAIG*  
**Principal**

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## 1. EXECUTIVE SUMMARY

### 1.1. PURPOSE

At the request of Minerals 260 Limited (Minerals 260 or the Company), an Independent Technical Assessment Report (Report) on the mineral assets held by Minerals 260 has been prepared by Mr Jason Froud (Principal) and was reviewed by Mrs Christine Standing (Principal), both of Optiro Pty Ltd (Optiro). This Report represents an independent assessment of the geology, exploration data and exploration potential of the various mineral assets. It is our understanding that this Report will be included in a Notice of Meeting to be issued by Liontown Resources Ltd (Liontown), seeking shareholder approval to demerge the Company and a Prospectus to be published by the Company in connection with the proposed admission of its shares trading on the ASX. Optiro has been informed by Minerals 260 that the principal purpose of the offering is to raise funds to complete further exploration, including geophysical surveys, geochemical sampling, geological mapping and drilling of existing mineral anomalies and exploration targets, with the aim of defining Mineral Resources.

The mineral assets of Minerals 260 and its 100% owned subsidiaries (post demerger) comprise the Moora and Koojan, Yalwest and Dingo Rocks Projects all located in Western Australia.

### 1.2. MOORA AND KOOJAN PROJECT

The Moora and Koojan Project is a gold, nickel and platinum group exploration target. The Project consists of nine Exploration Licences covering approximately 1,063 km<sup>2</sup> and one Prospecting Licence application covering approximately 1.7 km<sup>2</sup> located approximately 140 km north-northeast of Perth.

The geology within the project area includes prospective mafic/ultramafic rocks within the northern extension of the highly deformed Jimperding Metamorphic Belt which locally comprises high grade metamorphic rocks of quartz feldspar composition with some amphibolite schist and minor banded iron formation. The geological setting is considered similar to that which hosts the Julimar nickel-copper-PGE (platinum group elements) discovery and the historical Yarawindah nickel-copper-PGE occurrence to the south of the Project.

The most significant recent exploration completed by the Company comprised a total of 264 aircore drill holes for 10,349 m and a small follow-up reverse circulation (RC) drilling programme comprising 14 drill holes for 1,946 m. The drilling defined three main zones of bedrock mineralisation associated with the magnetic and geochemical anomalism. These comprise:

- Angepena Zone: a +900 m long gold zone with intersections including:
  - 43 m at 1.8 g/t gold from 198 m downhole
  - 11 m at 1.5 g/t from 2 m downhole.
- Northern Zone: a +2 km and up to 150 m wide copper and gold zone with intersections including:
  - 9 m at 2.1% copper from 33 m downhole
  - 4 m at 1.2 g/t gold from 27 m downhole and 2 m at 3.6 g/t gold from 34 m downhole
  - 7 m at 1.03 g/t gold from 41 m downhole.
- Southeastern Zone (SEZ) defined by a single drill traverse including:
  - 17 m at 0.4 g/t gold from 1 m downhole and 12 m at 0.2% copper from 25 m downhole.

The mineralised trends defined through this drilling remain open along both strike and at depth. There is, however, insufficient geological data at this stage to estimate the true width of mineralisation.

The Moora and Koojan Project is considered to be at an early stage of exploration but recent exploration has demonstrated significant prospectivity with highly encouraging gold and copper mineralisation in the aircore drilling. This has been followed up with RC drilling which intersected

primary gold mineralisation directly below strong surface geochemical anomalism, suggesting good potential for the discovery of a large mineralised system. Testing of the mineralisation is still preliminary and further work is required to determine the geometry and continuity of any potential mineralisation which remains unconstrained and open along both strike and at depth. Furthermore, multiple conceptual greenfields target remain untested.

Optiro considers the Project has very good potential for the discovery of a significant mineralised system.

### **1.3. YALWEST PROJECT**

The Yalwest Project is a conceptual exploration target comprising two Exploration Licence applications (311 km<sup>2</sup>) located 400 km north of Perth. The Project is located in an area that has been subject to no previous recorded exploration and little geological mapping. The Project is of conceptual exploration interest due to unexplained circular and arcuate features in the aeromagnetic geophysical data. Following granting of the licences, only minimum statutory exploration expenditure on the Project is planned at this stage.

### **1.4. DINGO ROCKS PROJECT**

The Dingo Rocks Project is a conceptual exploration target comprising a single Exploration Licence (271 km<sup>2</sup>) located 600 km east-southeast of Perth. The Project is located proximal to the southeastern margin of the Eastern Goldfields Superterrane and the Albany-Fraser Orogen.

The Company is yet to compile all of the previous exploration data but auger geochemical sampling and aircore drilling has been completed over part of the Project which has identified low level gold anomalism. The Company plans to further review and reprocess the available geophysical and sampling data and carry out initial ground reconnaissance. Only minimum statutory exploration expenditure on the Project is planned at this stage.

### **1.5. EXPLORATION AND DEVELOPMENT POTENTIAL**

In Optiro's opinion, Minerals 260's mineral projects are of merit and worthy of further exploration. The planned work programmes are appropriate for the various development stages of the project areas and will provide suitable data to assess the technical risks and the further exploration potential of the identified prospects.

## **2. INTRODUCTION AND TERMS OF REFERENCE**

### **2.1. TERMS OF REFERENCE**

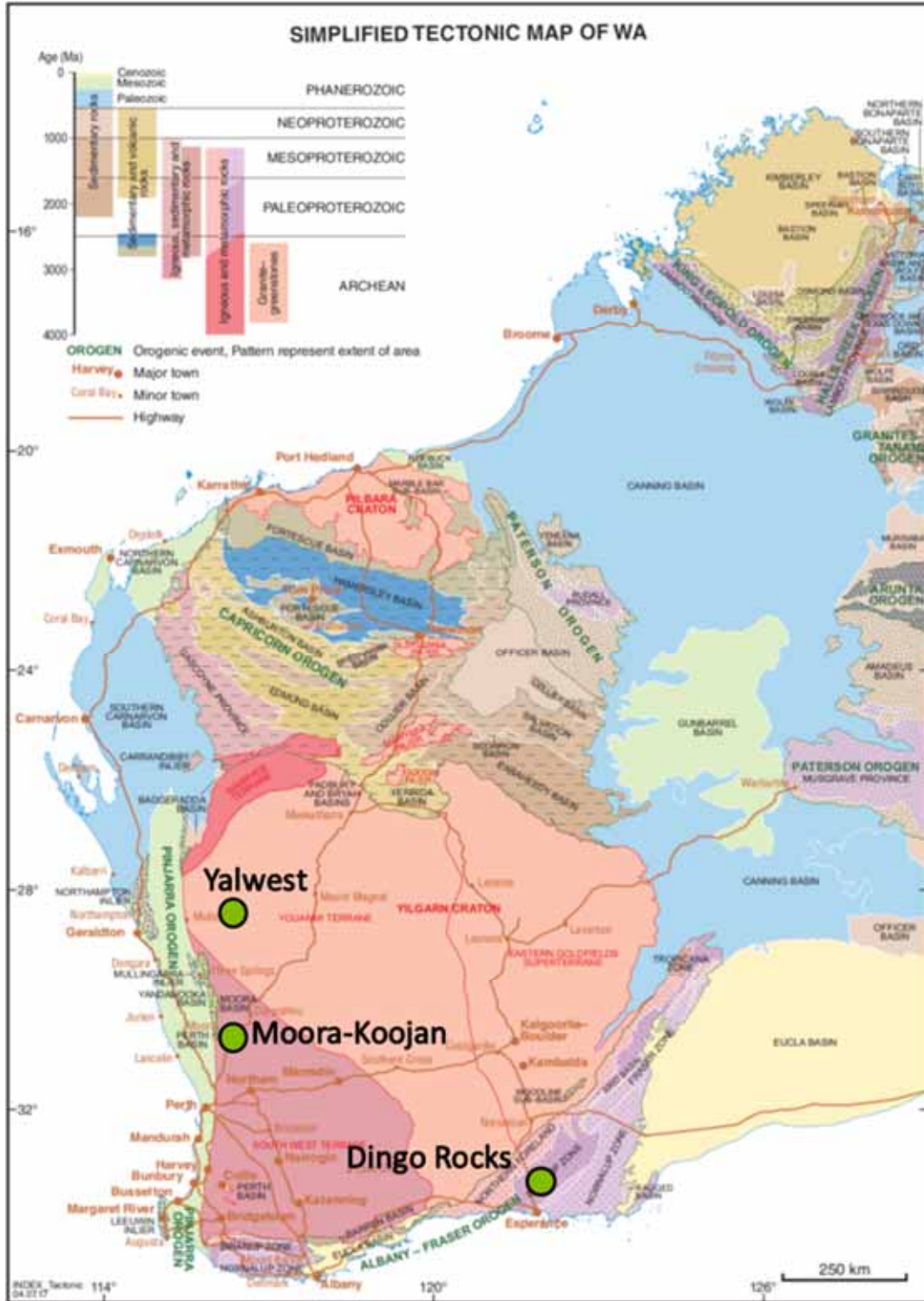
At the request of the Company, an Independent Technical Assessment Report (Report) on the mineral assets of Minerals 260 has been prepared.

This Report represents an independent assessment of the geology, exploration data and exploration potential of the various mineral assets. It is our understanding that this Report will be included in a Notice of Meeting to be issued by Lontown, seeking shareholder approval to demerge the Company and a Prospectus to be published by the Company in connection with the proposed admission of its shares trading on the ASX. Optiro has been informed by Minerals 260 that the principal purpose of the offering is to raise funds to complete further exploration including geophysical surveys, geochemical sampling, geological mapping and drilling of existing mineral anomalies and exploration targets, with the aim of defining Mineral Resources.

Minerals 260 is an Australian registered, Western Australian focussed, metals exploration and development company. The mineral assets of Minerals 260 and its 100% owned subsidiaries, post

demerger, will comprise the Moora and Koojan, Yalwest and Dingo Rocks Projects all located in Western Australia (Figure 2.1). Optiro understands that the mineral assets were held by or acquired by Liontown and they are now being demerged into Minerals 260.

Figure 2.1 Location of Minerals 260’s mineral projects (modified from GSWA)



This report has been prepared by Mr Jason Froud (Principal) and was reviewed by Mrs Christine Standing (Principal) both of Optiro. This report has been prepared in accordance with the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets, 2015 Edition

(the VALMIN Code, 2015), the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code, 2012) and the Australian Securities and Investment Commission (ASIC) Regulatory Guides 111, 112 and 228.

Mr Jason Froud and Mrs Christine Standing meet the competency criteria as set out under Section 11 of the JORC Code, 2012 and Section 3.1 of the VALMIN Code, 2015. Mr Froud (MAIG) is responsible for this report. Mr Froud is a Principal Consultant with Optiro Pty Ltd and has sufficient experience which is relevant to the style of mineralisation, type of deposits under consideration and to the activities being undertaken to qualify as a Competent Person as described by the VALMIN Code, 2015 and the JORC Code, 2012. Mr Froud consents to the inclusion in this Report of the matters based on his information in the form and context in which it appears.

The objectives of this Report are to provide an overview of the geological setting of Minerals 260's mineral assets and the associated mineralisation, outline the recent and historical exploration work undertaken over the project areas and comment on the exploration potential of the project areas and the proposed future work programmes.

Consent has been sought from Minerals 260's representatives to include technical information and opinions expressed by them. No other entities referred to in this Report have consented to the inclusion of any information or opinions and have only been referred to in the context of reporting any relevant activities.

## **2.2. VALIDATION OF TENURE**

Optiro has prepared this Report upon the understanding that the mineral licences to be held by Minerals 260 are currently in good legal standing. Optiro has not independently verified Minerals 260's legal tenure over its tenements and has relied on information provided by Minerals 260. Optiro understands that Minerals 260 has engaged the law firm, HWL Ebsworth Lawyers, to review the Company's tenement status and provide a report which is included elsewhere in Minerals 260's Prospectus. Among other things, the report prepared by HWL Ebsworth Lawyers provides an opinion on Minerals 260's mineral licences, material conditions, Native Title determinations and agreements.

Optiro is not qualified to provide a legal opinion on the status of the granted project licences but has reviewed the Government of Western Australia, Department of Mines, Industry Regulation and Safety (DMIRS) licence permits and records and found them to be in good order. Accordingly, Optiro is satisfied that Minerals 260 currently has good and valid title to the described granted licences required to explore and undertake project development on the project areas in the manner proposed by the Company. Minerals 260 has met or exceeded licence expenditure (or had exemptions granted) and met licence conditions, and therefore Optiro considers it likely that the licences will be renewed as and when required. Any future commercial exploitation of mineralisation will, however, require the grant of a Mining Lease.

The Mining Amendment Act No. 22 of 1990 provides for Exploration Licences to have boundaries defined by lines of predetermined latitudes and longitudes. The land surface is divided by predetermined lines of latitude and longitude into regular units of land. These lines are known as graticules and the units of land created are called graticular sections. The basic graticular section under the legislation is one minute of latitude by one minute of longitude (a block). For example, in the Moora and Koojan Project area (latitude of approximately 30°45'S), one graticular block is approximately 2.95 km<sup>2</sup> in area. Square kilometre areas referred to in this report have been converted based on the latitude and number of graticular blocks and are approximate.

Post demerger, Minerals 260 will own 100% of ERL (Aust) Pty Ltd (ERL) which in turn holds a 100% interest in three granted Exploration Licences comprising the Moora Project. These Exploration Licences cover 158 graticular blocks or approximately 466 km<sup>2</sup> (Table 2.1). The Moora Project is

subject to a 0.5% net smelter return royalty and a deferred payment of A\$1 M should a decision to mine on the project area be made.

Furthermore, post demerger Minerals 260 has the right to earn a 51% interest in the adjacent Koojan Project (Liontown, 27 January 2021). In January 2021, Liontown signed a Binding Term Sheet giving it the right to acquire a 51% interest in the Koojan Project from ASX-listed Lachlan Star Limited (Lachlan Star). To acquire the 51% interest in the Koojan Project, Liontown (now Minerals 260) is required to spend a total of A\$4 M on exploration within five years with a minimum expenditure commitment of A\$500,000 before having the right to withdraw. The Koojan Project comprises six granted Exploration Licences covering 202 graticular blocks or approximately 597 km<sup>2</sup> and one Prospecting Licence application covering 1.7 km<sup>2</sup> (Table 2.1).

At the Yalwest Project, Minerals 260 will hold (through ERL) a 100% interest in two Exploration Licence applications covering 103 graticular blocks or approximately 311 km<sup>2</sup>. At the Dingo Rocks Project, Minerals 260 holds (through ERL) a 100% interest in one Exploration Licence covering 94 graticular blocks or approximately 271 km<sup>2</sup> (Table 2.1).

Annual minimum expenditure requirements on the granted licences totals A\$481,000 with a further A\$73,925 for rent.

**Table 2.1 Minerals 260's exploration tenure in Western Australia (source: Minerals 260, DMIRS)**

Project	Licence	Register holder	Grant	Expiry	Area (blocks)	Area (km <sup>2</sup> )	Expenditure commitment	Rent
Moora	E70/5217	ERL (Aust) Pty Ltd	8 May 19	7 May 24	70	206.4	\$70,000	\$18,340
Moora	E70/5286	ERL (Aust) Pty Ltd	8 Nov 19	7 Nov 24	48	141.5	\$48,000	\$7,008
Moora	E70/5287	ERL (Aust) Pty Ltd	13 Nov 19	12 Nov 24	40	118.2	\$40,000	\$5,840
Koojan	E70/5312	Coobaloo Minerals Pty Ltd <sup>1</sup>	9 Jun 20	8 Jun 25	40	117.9	\$40,000	\$5,840
Koojan	E70/5337	Coobaloo Minerals Pty Ltd <sup>1</sup>	29 Apr 20	28 Aug 25	40	117.9	\$40,000	\$5,840
Koojan	E70/5429	Coobaloo Minerals Pty Ltd <sup>1</sup>	16 Jul 20	15 Jul 25	6	17.7	\$20,000	\$867
Koojan	E70/5450	Coobaloo Minerals Pty Ltd <sup>1</sup>	21 Jan 21	20 Jan 26	7	20.6	\$20,000	\$1,022
Koojan	E70/5515	Coobaloo Minerals Pty Ltd <sup>1</sup>	3 Mar 21	2 Mar 26	56	165.5	\$56,000	\$8,176
Koojan	E70/5516	Coobaloo Minerals Pty Ltd <sup>1</sup>	24 Feb 21	23 Feb 26	53	157.5	\$53,000	\$7,738
Koojan	P70/1743	Coobaloo Minerals Pty Ltd <sup>1</sup>	pending		-	1.7	-	\$496
Yalwest	E59/2541	ERL (Aust) Pty Ltd	pending		60	181.3	\$60,000	\$9,588
Yalwest	E59/2604	ERL (Aust) Pty Ltd	pending		43	129.9	\$43,000	\$6,278
Dingo Rocks	E63/2070	ERL (Aust) Pty Ltd	23 Jul 21	22 Jul 26	94	270.6	\$94,000	\$13,254

<sup>1</sup>: Minerals 260 holds the right to earn a 51% interest.

### 2.3. LEGISLATION AND PERMITTING

All exploration and mining activity in Western Australia must be conducted under an authority from the DMIRS, the Western Australian State Government department responsible for mineral resources. The following information is of a general nature and has been sourced from the DMIRS website. There are seven different types of mining tenements prescribed under the Mining Act 1978:

- Prospecting Licences (Sections 40 to 56, PL)
- Special Prospecting Licences for Gold (Sections 56A, 70 and 85B)
- Exploration Licences (Sections 57 to 69E, EL)
- Retention Licences (Sections 70A to 70M)
- Mining Leases (Sections 700 to 85A, ML)



- General Purpose Leases (Sections 86 to 90)
- Miscellaneous Licences (Sections 91 to 94, L).

Those categories of current or future relevance to the Minerals 260 mineral assets are described below.

### **PROSPECTING LICENCE**

The maximum area for a Prospecting Licence is 200 hectares. Prospecting licences must be marked out unless otherwise specified. There is no limit to the number of licences a person or company may hold, but a security (A\$5,000) is required in respect of each licence. The term of a Prospecting Licence is four years, with the provision to extend for one further four-year period. The holder of a Prospecting Licence may, in accordance with the licence conditions, extract or disturb up to 500 tonnes of material from the ground including overburden, and the Minister for Mines and Petroleum may approve extraction of larger tonnages. Prescribed minimum annual expenditure commitments and reporting requirements apply.

### **EXPLORATION LICENCE**

On 28 June 1991, a graticular boundary (or block) system was introduced for Exploration Licences (one minute of latitude by one minute of longitude). The minimum size of an Exploration Licence is one block, and the maximum size is 70 blocks, except in areas not designated as mineralised areas, where the maximum size is 200 blocks. An Exploration Licence is not marked out and there is no limit to the number of licences a person or company may hold, but a security bond (A\$5,000) is required in respect of each licence.

For licences applied for after 10 February 2006, the term is five years plus a possible extension of five years and further periods of two years thereafter, with 40% of the ground to be surrendered at the end of year six. The holder of an Exploration Licence may, in accordance with the licence conditions, extract or disturb up to 1,000 tonnes of material from the ground, which includes overburden. The Minister for Mines and Petroleum may approve extraction of larger tonnages. Prescribed minimum annual expenditure commitments and reporting requirements apply. The owner of the Exploration Licence must complete an annual Expenditure Report on the tenement, demonstrating that the minimum prescribed expenditure has been met.

The owner of the Exploration Licence has surface access rights but no excavation rights. Access from outside the tenement needs to be negotiated with the pastoral owner, where relevant. Prior to drilling or any ground-disturbing work, an application and approval of a Program of Work (PoW) is required. A PoW provides the right to carry out specified exploration (e.g., drilling or trenching) on the tenements applied for. Permitting needs to be obtained for any infrastructure.

### **MINING LEASES**

The maximum area for a Mining Lease applied for before 10 February 2006 is 1,000 hectares. Beyond that, the area applied for relates to an identified orebody as well as an area for infrastructure requirements.

An application for a Mining Lease must be accompanied by one of the following:

- a Mining Proposal completed in accordance with the Mining Proposal Guidelines published by the department
- a statement of mining operations and a mineralisation report that has been prepared by a qualified person
- a statement of mining operations and a resource report that complies with the JORC Code.

There is no limit to the number of Mining Leases a person or company may hold. The term of a Mining Lease is 21 years and may be renewed for further terms. The lessee of a Mining Lease may work and mine the land, take and remove minerals, and do all the things necessary to effectually carry out mining operations in, on or under the land, subject to conditions of title. Prescribed minimum annual expenditure commitments and reporting requirements apply.

### **MISCELLANEOUS LICENCES**

There is no maximum area for a Miscellaneous Licence. A Miscellaneous Licence is for purposes such as a roads and pipelines, or other purposes as prescribed in Regulation 42B. There is no limit to the number of Miscellaneous Licences a person or company may hold. The term of a Miscellaneous Licence is 21 years and it may be renewed for further terms. A Miscellaneous Licence can be applied for over (and can 'co-exist' with) other mining tenements.

### **GENERAL PURPOSE LEASES**

Unless granted special approval by the Minister for Mines and Petroleum a General Purpose Lease can only be a maximum of 10 hectares. A General Purpose Lease is for purposes such as operating machinery, depositing or treating tailings etc. A person or company may hold an unlimited number of General Purpose Leases. The term of a General Purpose Lease is 21 years, and it may be renewed for further terms. A General Purpose Lease application requires a statement accompanying the application to include either a development and construction proposal or a statement setting out specific intentions for the lease.

### **NATIVE TITLE**

Native title rights and interests are those rights in relation to land or waters that are held by Aboriginal or Torres Strait Islander peoples under their traditional laws and customs, and which are recognised by the common law. Native title was first accepted into the common law of Australia by the High Court of Australia's decision in *Mabo (No 2)* in 1992.

Australian law recognises that, except where Native Title had been wholly extinguished by the historical grant of freehold, leasehold and other interests, Native Title exists where Aboriginal people have maintained a traditional connection to their land and waters substantially uninterrupted since sovereignty. The rights and interests vary from case to case but may include the right to live and camp in the area, conduct ceremonies, hunt and fish, build shelter, and visit places of cultural importance. Some Native Title holders may also have the right to control access.

Australian law also requires that Native Title approval be obtained before mining applications can commence.

At the Moora and Koojan Project, the Company has executed a standard Noongar Heritage Agreement with the South West Aboriginal Land and Sea Council Aboriginal Corporation (SWALSC) (on behalf of the Yued Group) which provides protocols for heritage surveys in areas where there may be retained heritage sites. As the Moora and Koojan Project is predominantly broad acre cropping land, the survey requirements are largely limited to isolated area of undisturbed of native vegetation. To date, exploration activities have been restricted to cropped areas and these protocols have not been enacted.

At the Yalwest Project, Native Title agreements are not yet in place yet. A standard draft Native Title Heritage Agreement from the Yamatji Marlpa Aboriginal Corporation is currently under review as at the date of this report.

At the Dingo Rocks Project, the Company has executed an agreement with the Ngadju Native Title Aboriginal Corporation which covers the northern part of the tenement. A draft standard Heritage

Agreement with the Esperance Tjaltjraak Native Title Aboriginal Corporation which covers the bulk of the tenement area is being reviewed as at the date of this report.

## **2.4. RESPONSIBILITY FOR THE INDEPENDENT TECHNICAL REPORT**

This report was prepared by Mr Jason Froud (Principal), and was reviewed by Mrs Christine Standing (Principal), both of Optiro.

This report has been prepared in accordance with the guidelines of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 Edition (the JORC Code) and the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets, 2015 Edition (the VALMIN Code).

In developing its technical assumptions for the report, Optiro has relied upon information provided by Minerals 260 and its consultants, as well as information obtained from other public sources. The material on which this report is based includes internal and open-file project documentation, technical reports, drill hole and other exploration databases. Minerals 260 has provided to Optiro the drilling and sampling data and other information generated by Minerals 260 and by previous owners of the project areas.

Optiro has independently reviewed all relevant technical and corporate information made available by the management of Minerals 260, which was accepted in good faith as being true, accurate and complete, having made due enquiry of Minerals 260. Optiro has additionally sourced publicly available information relative to Minerals 260's mineral assets.

Optiro completed a site visit to the Moora and Koojan Project on 23 June 2021 to establish reasonable grounds as to the soundness and conclusions of the data presented. Optiro has not completed a site inspection of the Yalwest and Dingo Rocks properties. These Projects are at an early stage of assessment and it was considered that a site visit was unlikely to reveal any information or data that is material to this Report. The author is satisfied that sufficient information was available to form an informed opinion on the various projects.

## **3. MOORA AND KOOJAN PROJECT**

### **3.1. INTRODUCTION**

The Moora and Koojan Project comprises the 100% owned Moora Project and the Koojan joint venture (JV) with Lachlan Star (Figure 3.1). The total Project consists of nine Exploration Licences covering approximately 1,063 km<sup>2</sup> and one Prospecting Licence application covering approximately 1.7 km<sup>2</sup>. The project area is well serviced with existing power and transport infrastructure, located approximately 140 km north-northeast of Perth and 10 km east of Moora. Access to the project area is well established via the Great Northern Highway or the Bindoon-Moora Road from Perth, a network of secondary local roads and well-maintained unsealed farm roads.

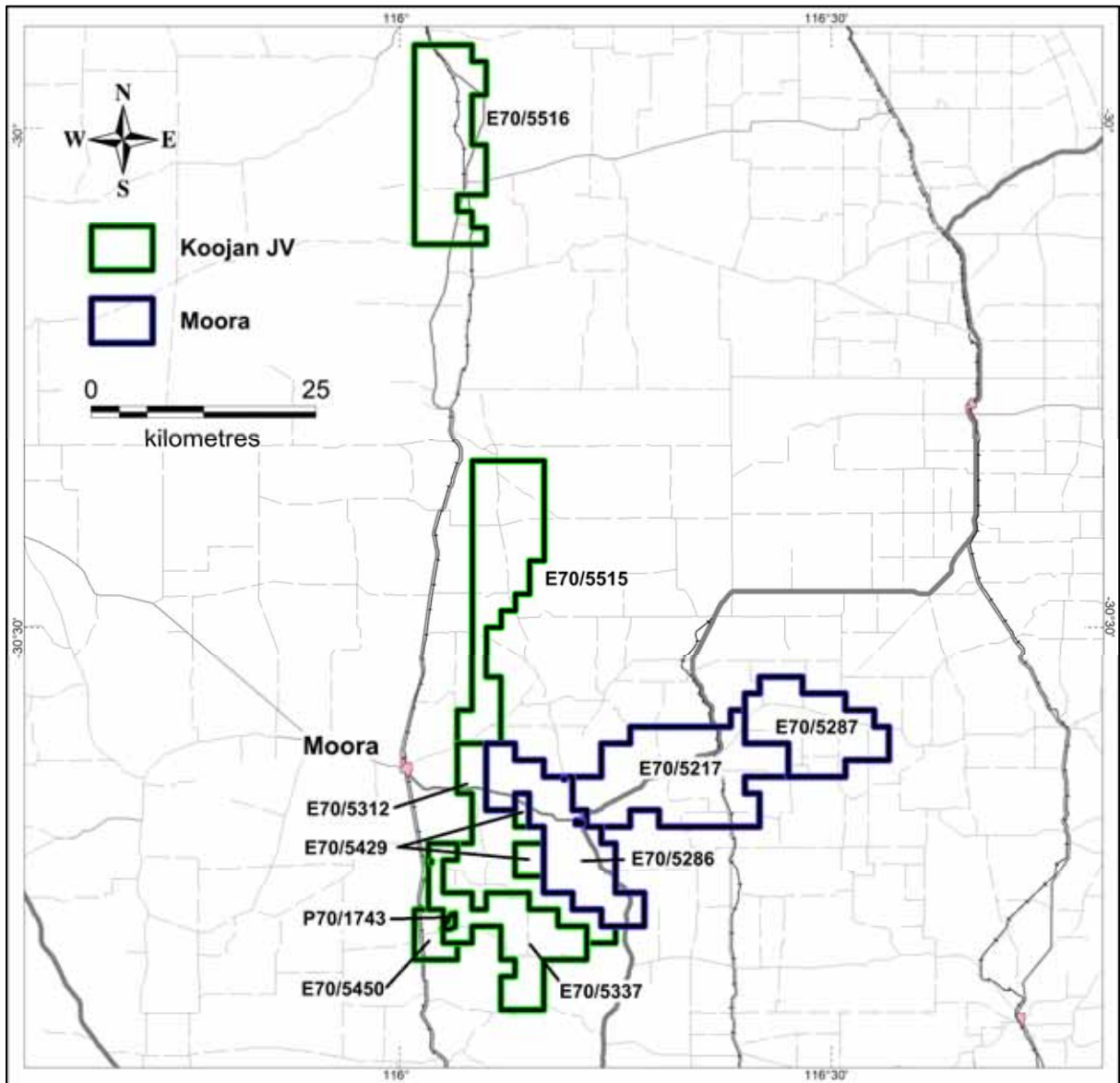
Liontown applied for tenements over the Moora Project from 2018, after identifying the potential of the region to host magmatic nickel-copper-PGE (platinum group elements) massive sulphides. The coincidence of large mafic/ultramafic intrusions located close to a craton margin was considered analogous to magmatic nickel-copper-PGE occurrences elsewhere in the world including the Nova, Savannah and Nebo-Babel deposits in Western Australia. The exploration concept has since been validated by Chalice Mining Ltd's (Chalice) discovery of the Julimar nickel-copper-PGE mineralisation in the same geological terrain at Julimar, located 95 km south of the Moora Project.

The climate is similar to that of Perth with a subtropical (Mediterranean) climate with dry summers and wet winters, although summers are typically hotter, and rainfall is less. Rain falls mainly during



the months of May to September. Most of the original native vegetation has been lost following clearing for broad acre farming.

**Figure 3.1 Moora and Koojan Project location and leases (source: Minerals 260)**



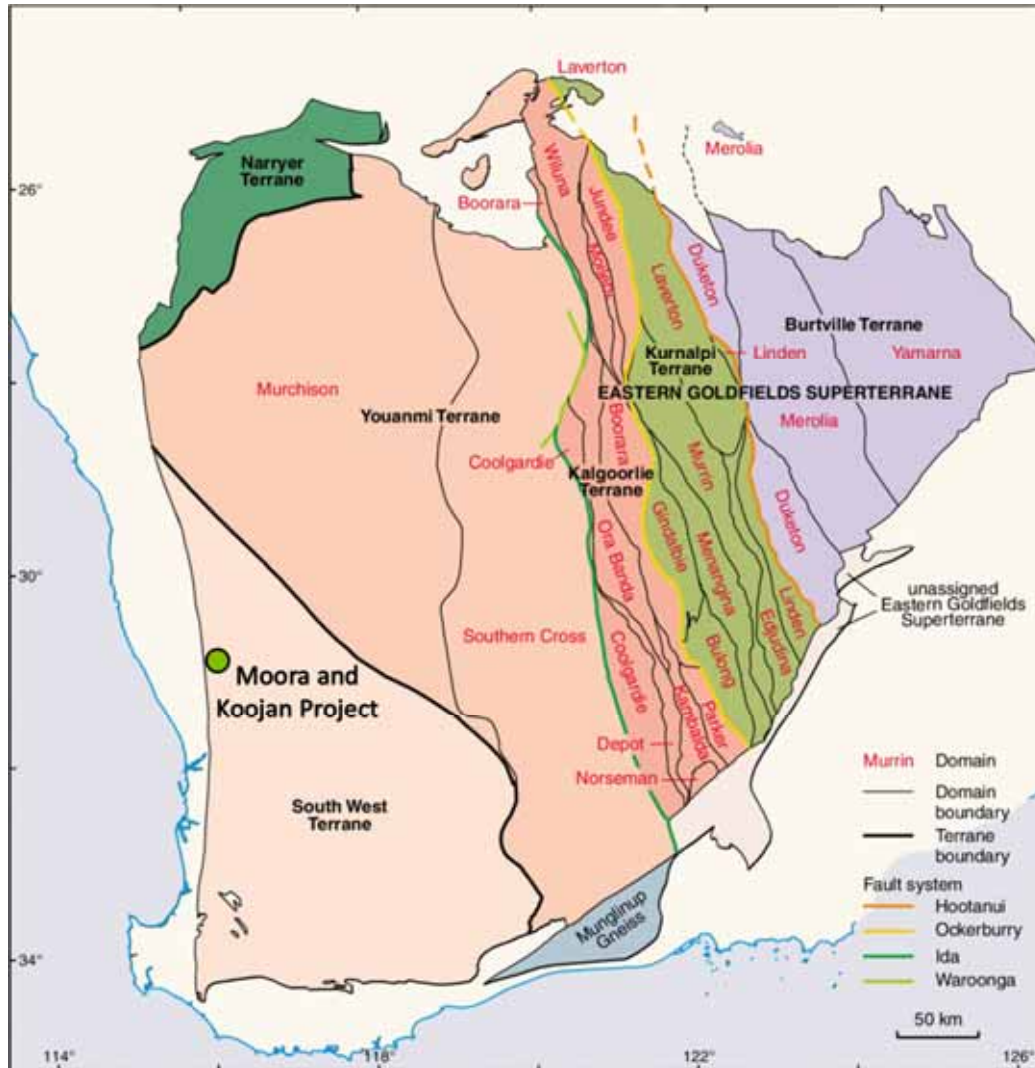
## 3.2. GEOLOGY

### 3.2.1. REGIONAL GEOLOGY

The Moora and Koojan Project is located within the Moora 1:250 000 Geological Survey of Western Australia (GSWA) geological sheet. The Project lies immediately east of the Darling Fault, the western boundary of the Yilgarn Craton (Figure 3.2). The Yilgarn Craton is a large Archean granite-greenstone terrain with an aerial extent of over 750,000 km<sup>2</sup>. The craton consists of metavolcanic and metasedimentary rocks, gabbroic rocks, granites and granitic gneiss that principally formed between 3.05 and 2.60 Ga. Greenstone successions of the Yilgarn Craton are subdivided into mostly elongate terranes based on the regional north-northwest trending faults that comprise a series of fault-bounded domains. Faults at the boundaries of the terranes are poorly exposed but can be traced as lineaments or breaks defined by large scale truncations of stratigraphy.

There have been several attempts to subdivide the Yilgarn Craton into component terranes and domains with the most commonly cited being Cassidy et al. (2006) which has defined six terranes including the older Narryer and South West Terrane along the western margin, the dominantly younger Eastern Goldfields Superterrane (comprising the Kalgoorlie, Kurnalpi, Burtville and Yamarna Terranes) and the Youanmi Terrane (Figure 3.2). Based on this, and the work of Witt et al. (2013) and others, the Moora and Koojan Project is located within the South West Terrane.

Figure 3.2 Subdivisions of the Yilgarn Craton (after Cassidy et al., 2006)



The South West Terrane is an extensive (150 000 km<sup>2</sup>), triangular area amalgamated onto the southwest margin the Youanmi Terrane at ~2.65 Ga (Cassidy et al., 2006). It has an overall northwest-southeast tectonic fabric and is characterised by a paucity of preserved greenstone belts. It is predominantly composed of granitic rocks. The majority of these are divided into five main overlapping suites based on geochemical characteristics, emplaced between 2.75 and 2.62 Ga with a volumetrically smaller group dated at 2.85 to 2.70 Ga (Qiu et al., 1999). The bulk of the granitic rocks are younger than 2.69 Ga and mainly comprise monzogranite, granodiorite and alkali feldspar granites. The younger granitoids were emplaced between 2,648 and 2,626 Ma.

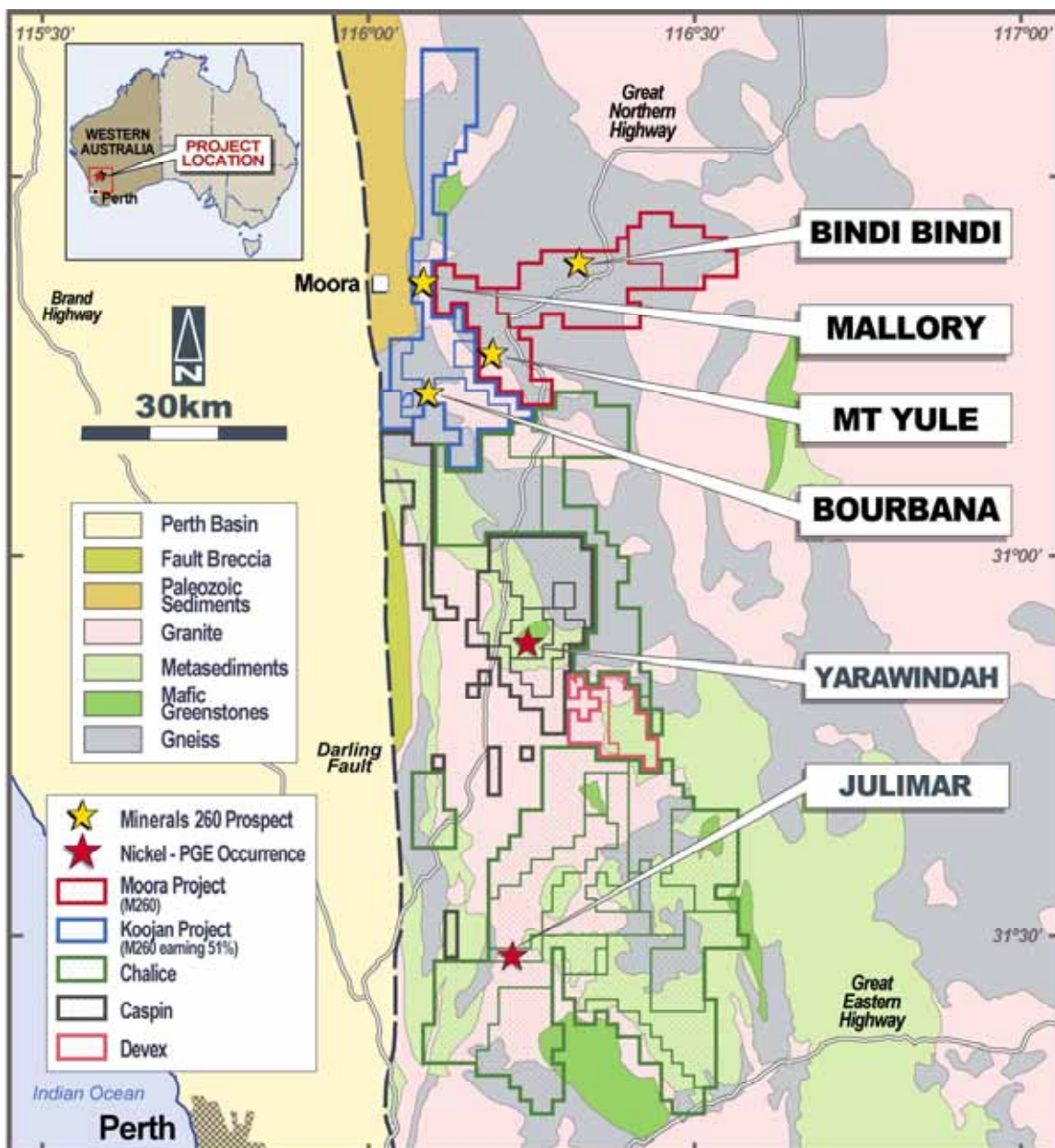
Preserved greenstone belts are limited in extent and number and have a range of ages. In the west, the Wongan Hills Greenstone Belt has been dated at 3.01 to 2.82 Ga, similar to the supracrustal metasedimentary gneisses, and comprises mafic and felsic volcanic rocks, chert, banded iron formation (BIF) and small ultramafic intrusions.

The South West Terrance is relatively unexplored in comparison to the rest of the Yilgarn Craton. The Boddington gold-copper deposit (owned by Newmont Corporation) 220 km to the south is the only significant gold mine known within the South West Terrane. It is, however, one of the largest gold mining operations in Australia. Boddington shows some characteristics of low-grade porphyry gold-copper mineralisation, overprinted by a main stage of orogenic style veining coeval with the intrusion of a 2,612 Ma monzogranite and an episode of brittle deformation.

There is no other significant history of mining in the immediate region with the exception of heavy mineral sands to the west in the Perth Basin and surficial bauxite along the Darling Range, mostly to the south of the project area.

Within the immediate region, the geology encompasses two distinct geological provinces which are separated by the Darling Fault (Figure 3.3). East of the fault (and across the project area), Archaean and Proterozoic rocks of the Yilgarn Craton are present. To the west of the fault lies the Perth Basin, which principally comprises Phanerozoic rocks.

Figure 3.3 Moora and Koojan Project location and third party tenure (source: Minerals 260)



Very little geological work has previously been completed on the Archaean rocks in the project area. Geological mapping has been limited due to poor exposure and disruption of aerial photograph patterns by agriculture. Historically, aeromagnetic data has been of little help in determining geological boundaries. Outcrop exposure is generally of the order of less than 5%, sporadic and often too small to be representative at map scale. The isolated outcrop has, however, enabled the underlying rock type to be broadly determined and allowed the linking of exposures with a reasonable degree of certainty. This lack of outcrop has undoubtedly led to the limited previous exploration.

On the Moora 1:250,000 GSWA Sheet, the geology is composed largely of granitic rocks with locally important developments of migmatite. Metamorphosed layered rocks are a subordinate component with two groups distinguished. These were provisionally called the Berkshire Valley succession; a group representing the northward continuation of both the Jimperding and Chittering Metamorphic Belts of the Perth Sheet; and the Wongan Hills succession (Carter and Lipple, 1982).

### 3.2.1. LOCAL GEOLOGY

The prospective mafic/ultramafic bodies at the Moora and Koojan Project lie within the northern extension of the highly deformed Jimperding Metamorphic Belt (i.e., the Berkshire Valley succession) which locally comprises high grade metamorphic rocks of quartz feldspar composition with some amphibolite schist and minor BIF. The Belt is up to 70 km wide and bounded to the west by the Darling Fault (and Perth Basin) and to the east by Archaean granite rocks. Regionally, the geological trend is northwesterly with moderate to steep northeasterly dips. North-northeast and north-northwest trending, Proterozoic dolerite dykes also intrude the geological sequence. Outcrops are rare and bedrock geology is largely obscured by lateritic duricrust and in places, deep saprolitic weathering. The clearing of farmland and related agricultural practices have further contributed to the masking of the bedrock. The intrusive mafic/ultramafic units are interpreted to form concordant, layered igneous complexes at least 50 m thick; however, the true dimensions are difficult to determine due to the limited outcrop and early stage of exploration.

Government geological mapping within the Moora and Koojan Project area indicates a series of mafic-ultramafic intrusions spatially associated with large, dense bedrock features clearly visible in the regional gravity data. This geological setting is considered similar to those which host Chalice's Julimar nickel-copper-PGE discovery and the historical Yarawindah nickel-copper-PGE occurrence being explored by Caspin Resources Limited (Caspin) (Figure 3.4).

The project area is largely covered by Cenozoic colluvium/sediments and duricrust. Isolated outcrops of Archaean mafic/ultramafic and granite/gneiss appear spatially associated with gravity highs.

### 3.3. PREVIOUS EXPLORATION

Historical exploration in the region has been largely limited to the central part of the project area and has comprised surface sampling and limited shallow rotary air blast (RAB) drilling (Figure 3.5).

In 1968, Poseidon NL (Poseidon) recorded a number of significant nickel intersections in drilling at Moora including:

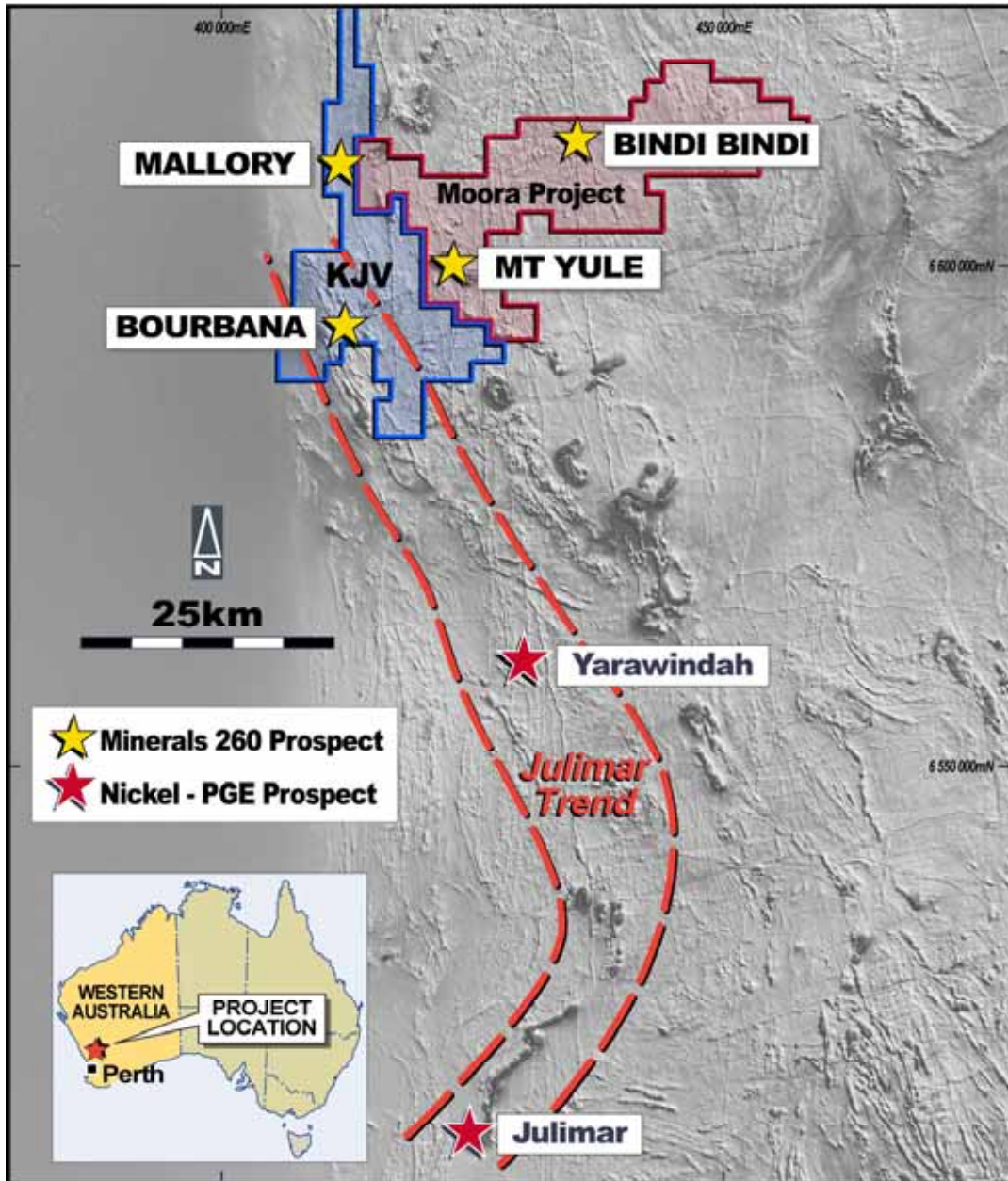
- 9 m at 0.62% nickel from 0 m downhole
- 11.5 m at 0.60% nickel from 1.5 m downhole
- 21 m at 0.57% nickel from 1.5 m downhole.

Drill holes statistics for the Poseidon drilling are provided in Appendix A. It should be noted that the locations are approximate due to the conversion from imperial units and Poseidon's use of local, unsurveyed grids. Furthermore, there is insufficient geological data to estimate true widths. The drill intersections were hosted by strongly weathered, oxidised ultramafic rocks and Poseidon interpreted



the elevated nickel values to be related to primary sulphides at depth based on the steep orientation of the mineralised zones and the presence of anomalous (>300 ppm) copper nearby. Further work was planned by Poseidon, however, its focus shifted to the Eastern Goldfields following its discovery of the Windarra nickel deposit.

Figure 3.4 Moora Project regional magnetics and nearby occurrences (source: Minerals 260)

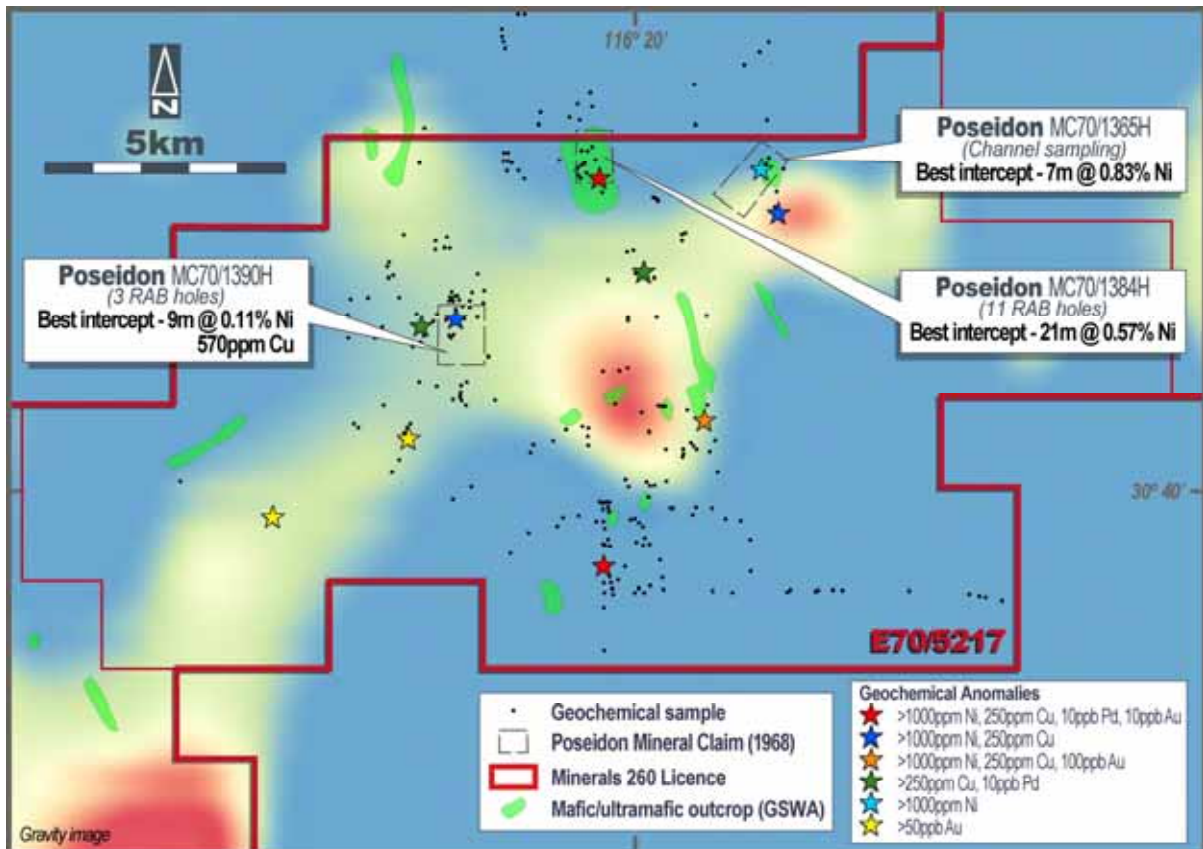


Subsequent exploration by Palladium Resources Ltd (Palladium Resources) and Washington Resources Ltd (Washington Resources) from 1999 to 2001 and 2004 to 2009 respectively confirmed strong, multi-element, nickel-copper-PGE and gold anomalism in the same area as explored by Poseidon. Rock chip sampling by Palladium Resources recorded a number of coincident copper (up to 788 ppm) and nickel (up to 2,060 ppm) anomalies. Shallow follow-up drilling by Palladium, which was limited to the area covered by Poseidon, also recorded multiple zones of coincident copper and nickel anomalism (up to 12 m at 288 ppm copper and 2,763 ppm nickel). Rock chip and drill holes statistics for the Palladium Resources exploration are provided in Appendices B and C.

Field work by Washington Resources included the collection of 333 surficial lateritic, ferricrete and ferruginous pisolite samples which returned anomalous values up to 795 ppm copper, 8,482 ppm nickel, 452 ppb palladium and 517 ppb gold. No follow up work was undertaken by Washington Resources despite the recommendation for further drilling.

Despite the strong geochemical anomalism and prospective geological setting, there has been no prior drill testing of the fresh, unoxidised bedrock at the Moora-Koojan Project.

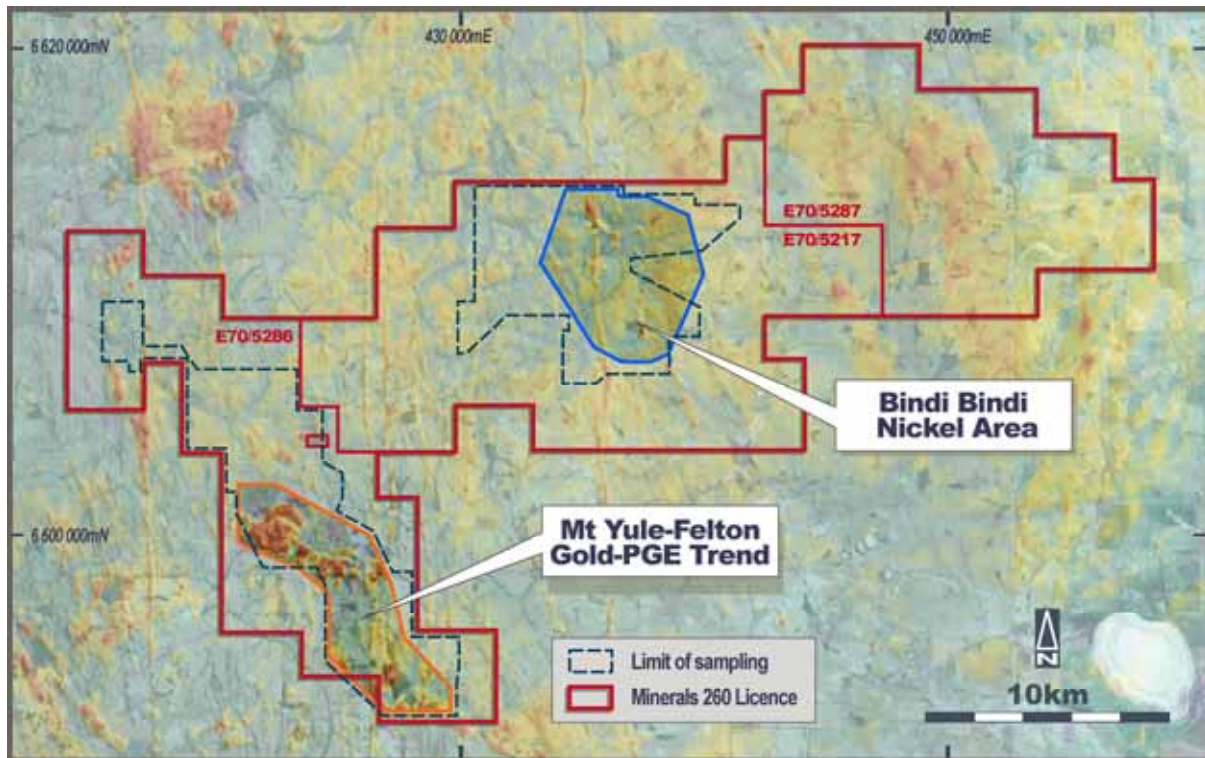
Figure 3.5 Historical exploration results on first vertical derivative gravity image (source: Minerals 260)



### 3.4. RECENT EXPLORATION

In March and April 2020, Liontown completed an initial combined gravity survey and auger sampling programme across two area within E70/5217 and E70/5286. The gravity survey defined a number of dense, discrete bodies spatially associated with magnetic highs, with the results indicating the presence of mafic/ultramafic intrusions significantly larger than indicated by the surface geology, which is typically obscured by strong weathering or transported cover. The auger sampling defined a number of strong multi-element (Au+Pd+Pt+Ni+Cu) anomalies in the western area which overlie, or are adjacent to, gravity and/or magnetic highs (Figure 3.6).

Figure 3.6 Anomalous geochemical trends within the Moora Project (source: Minerals 260)



Given the success of the initial field programme, Liontown completed a second auger programme comprising 1,698 samples which was designed to:

- in-fill geochemical anomalies defined by the initial wide-spaced 400 m by 400 m sampling completed in March and April 2020
- provide first-pass coverage across areas adjacent to the maiden sampling programme.

Two highly anomalous areas were defined by the geochemical sampling comprising the Mt Yule corridor and the Bindi Bindi nickel trend (Figure 3.6).

The Mt Yule corridor was defined as a 15 km long by 2.5 km wide, northwest trending zone containing a number of gold-PGE anomalies coincident with magnetic highs indicative of near surface, mafic-ultramafic intrusions obscured by shallow cover (Figure 3.6). The corridor transitions from being gold-dominant in the northwest to PGE-dominant in the south-west. Specific targets (Figure 3.7) defined by the auger sampling within the Mt Yule corridor include:

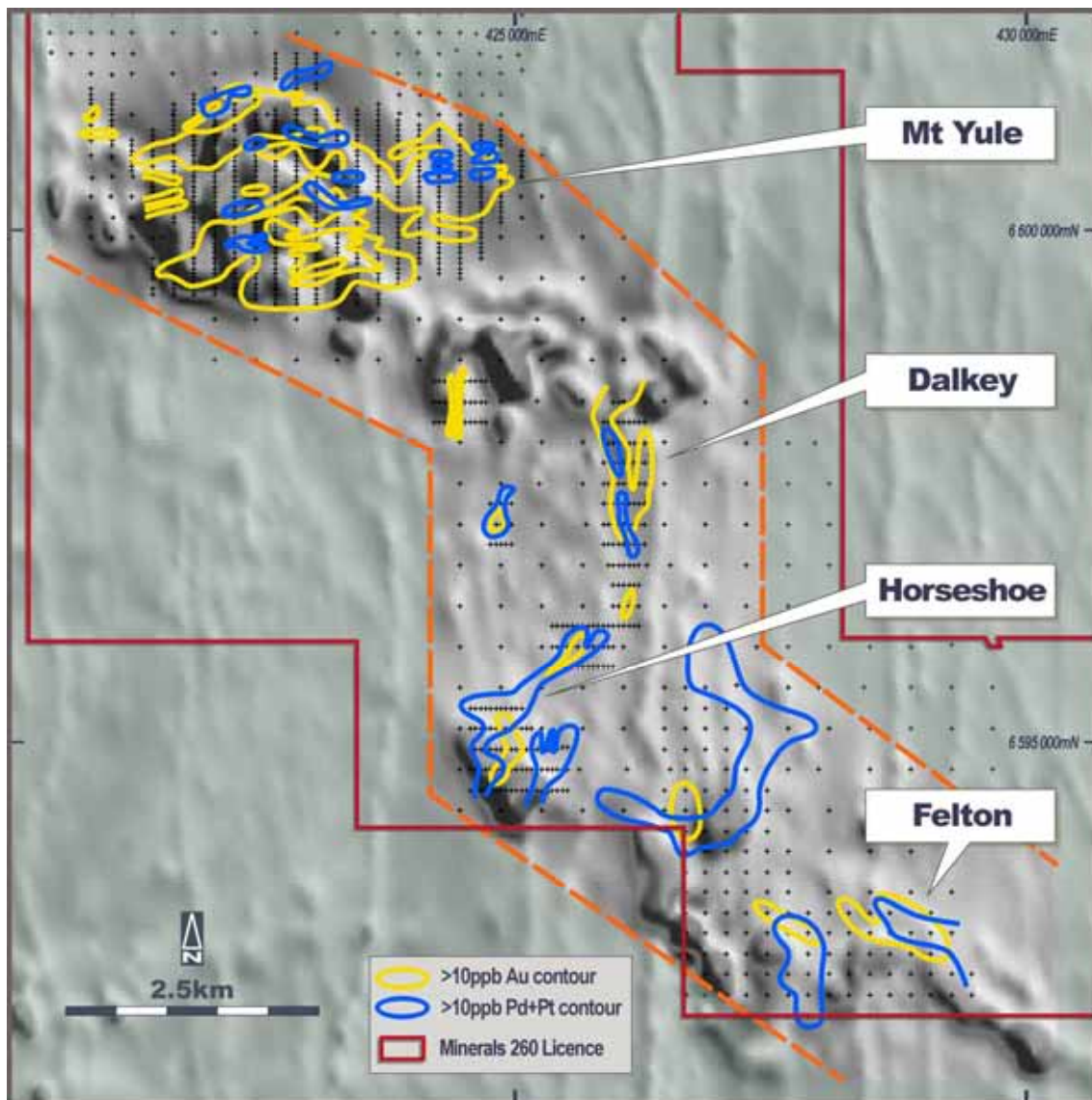
- Mt Yule: a 3.6 km by 2.2 km east-west trending gold anomaly containing multiple plus 100 ppb zones with a number of >500 ppb gold assays. The gold anomalism is associated with elevated PGEs (up to 25 ppb Pd+Pt), nickel (up to 492 ppm) and copper (up to 884 ppm).
- Dalkey: a 1.5 km by 2 km, north-south trending gold anomaly with assays of up to 127 ppb gold. The anomaly is associated with elevated PGEs (>10 ppb Pd+Pt) and is coincident with a linear magnetic low possibly reflecting bedrock alteration and mineralisation.
- Horseshoe: a 3 km by 2 km area containing a number of PGE anomalies (up to 75 ppb) associated with elevated gold (>10 ppb).
- Felton: a 2 km by 1.5 km area of coincident gold (up to 69 ppb gold) and PGE (up to 65 ppb Pd+Pt) anomalism located at the southwest end of the corridor where the trend remains open.

The Bindi Bindi geochemical anomaly corresponds with the nickel intersections in the 1968 Poseidon drilling. In this case, the Bindi Bindi Prospect was defined by a number of geochemical nickel



anomalies (up to 1,720 ppm nickel) including several which are coincident with mafic-ultramafic bodies mapped by the GSWA.

**Figure 3.7 Prospect areas within the Mt Yule corridor (source: Minerals 260)**



In September 2020, Lontown completed an airborne electromagnetic (AEM) geophysical survey over the entire Moora Project (466 km<sup>2</sup>) at a 200 m line spacing. A cluster of late time EM responses indicated possible bedrock conductors in the southwest part of the project area. The conductive zones are broadly coincident with the Mt Yule Corridor. AEM conductive zones were followed up with a moving-loop electromagnetic (MLEM) survey in December 2020. The MLEM survey consisted of 18 east-west lines with 200 m by 200 m loops and 50 m spaced stations. No significant conductors indicative of massive sulphides were identified in the MLEM data.

Following the success of the geochemical programme, Lontown completed its first drilling programme at the Moora Project in January 2021. The majority of drill holes were completed within the Mt Yule corridor (E70/5286). Eight shallow holes were completed at the Bindi Bindi Prospect (MRAC0256 to MRAC0264) which highlighted nickel anomalism from this small programme. At this time, Lontown also executed a farm-in agreement to earn up to a 51% interest in the Koojan Project (see Figure 3.1). The Koojan Project is immediately west and adjacent to the Moora Project and is effectively unexplored.



The drilling programme commenced in December 2020 and comprised a total of 264 aircore drill holes for 10,349 m and a small follow-up reverse circulation (RC) drilling programme comprising 14 holes for 1,946 m (Figure 3.8). Full details of the drilling collars and significant results are provided in Appendix D.

The drilling defined three zones of bedrock mineralisation associated with the Mt Yule magnetic and geochemical anomaly (Figure 3.8). These comprise:

- Angepena Zone: a +900 m long gold zone with intersections including (Figure 3.9 and Figure 3.10):
  - 43 m at 1.8 g/t gold from 198 m downhole (drill hole MRRC0001) including higher grade intersections:
    - 18 m at 3.9 g/t gold from 211 m downhole
    - 2 m at 21.2 g/t gold from 222 m downhole
  - 11 m at 1.5 g/t from 2 m (drill hole MRAC0092)
    - Including 3 m at 3.5 g/t gold from 5 m downhole
- Northern Zone: a +2 km and up to 150 m wide copper and gold zone with intersections including:
  - 9 m at 2.1% copper from 33 m downhole (drill hole MRAC0012)
  - 4 m at 1.2 g/t gold from 27 m downhole and 2 m at 3.6 g/t gold from 34 m downhole (drill hole MRRC0008)
  - 7 m at 1.03 g/t gold from 41 m downhole (drill hole MRRC0009)
- Southeastern Zone (SEZ) defined by a single drill traverse including:
  - 17 m at 0.4 g/t gold from 1 m downhole and 12 m at 0.2% copper from 25 m downhole (drillhole MRAC0072).

Figure 3.8 Prospect areas within the Mt Yule magnetic anomaly (source: Minerals 260)

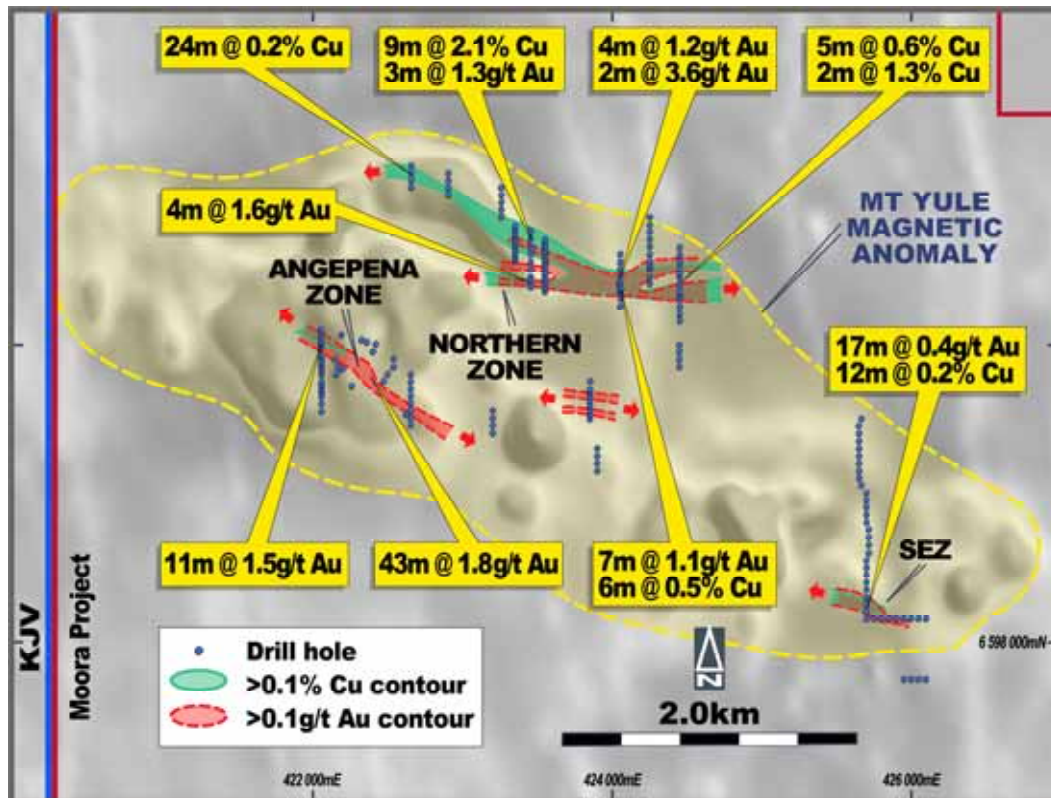


Figure 3.9 Drilling at the Angepena Prospect (source: Minerals 260)

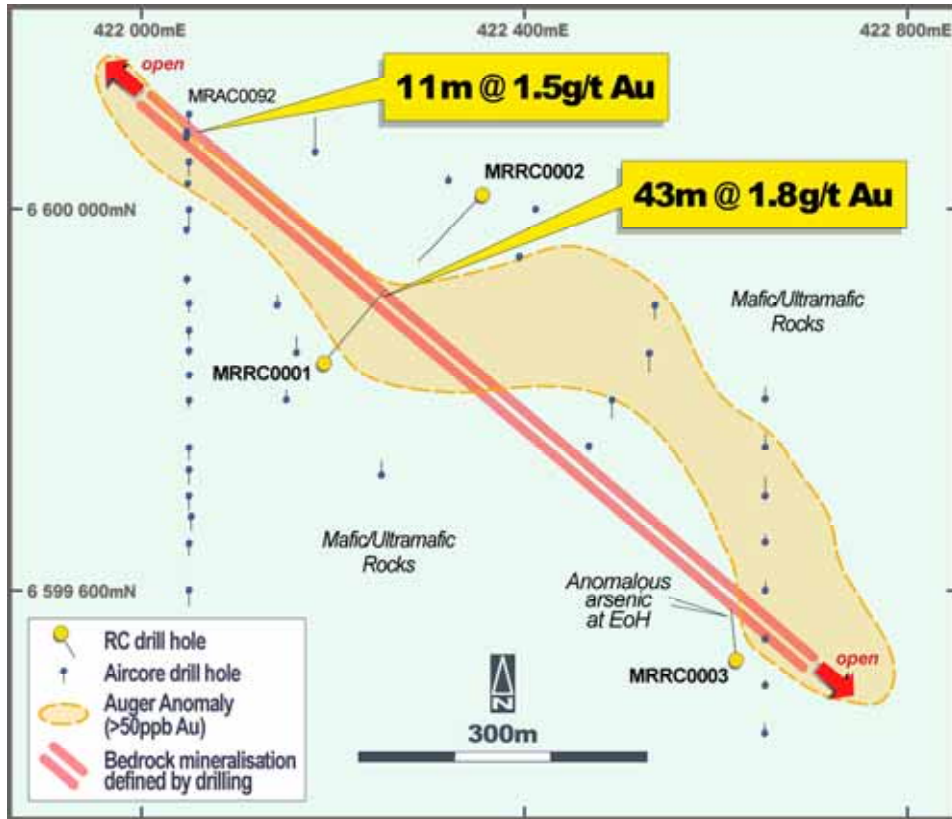
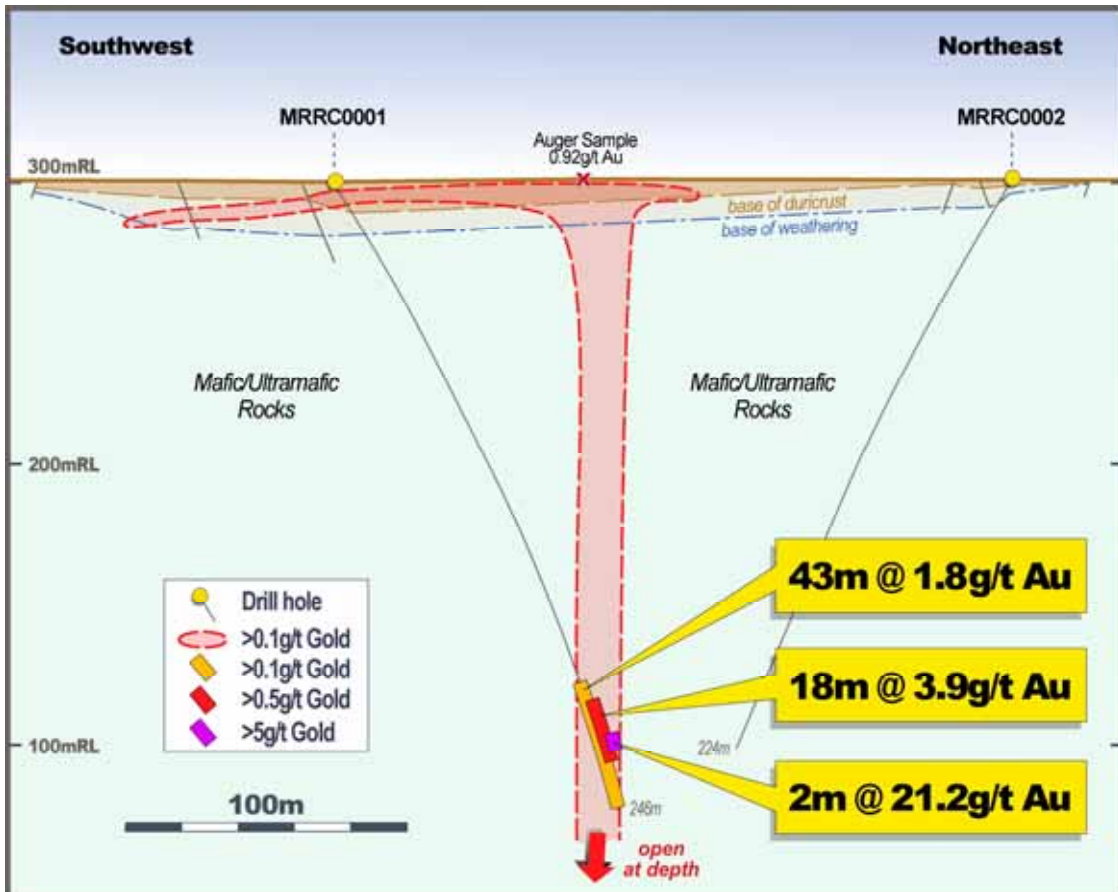


Figure 3.10 Angepena Prospect cross section (source: Minerals 260)



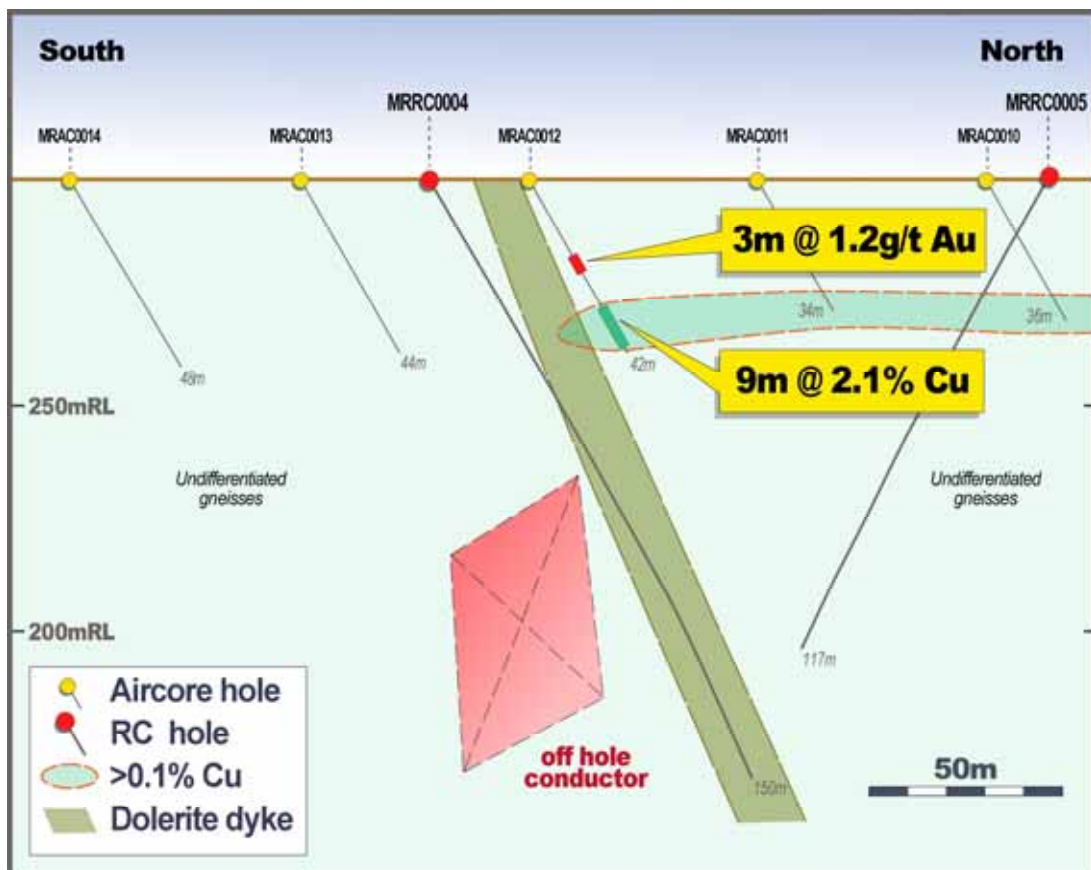
At this early stage of exploration, the Mt Yule mineralised trends defined through drilling remain open both along strike and at depth. There is, however, insufficient geological data at this stage to estimate the true width of mineralisation. The Angepena trend, with high grade results returned from drill hole (MRRC0001 and to a lesser degree MRAC0092) shows good potential to the southeast (Figure 3.9). Drill hole MRRC0003 returned arsenic anomalism at the end of hole (up to 2,250 ppm Arsenic). Of note, drill holes MRRC0001 and MRAC0092 both returned strong arsenic anomalism associated with the gold mineralisation.

Furthermore, while the Angepena and Northern Zones are coincident with surface, geochemical anomalism, the SEZ is not. As such, that the majority of Mt Yule magnetic high is effectively untested and warrants further reconnaissance drill testing.

At the SEZ Prospect, mineralisation has only been intersected in a single drill hole (MRAC0072) towards the end of the of a single aircore traverse. The orientation of the mineralisation has been inferred from the geophysics but further drilling beneath and along strike of the SEZ, to determine the orientation and continuity of mineralisation, is required.

The limited, deeper RC drilling has so far been limited to the Angepena and Northern Zone Prospects. Whilst the RC drilling at Angepena returned highly encouraging results, the RC drilling beneath the northern copper intersection intersected a Proterozoic dolerite dyke which may have stopped out any prospective stratigraphy. Down-hole geophysics was completed after drilling where holes could still be accessed. In the case of MRRC0004, this defined a significant off-hole conductor approximately 50 m below a shallow copper intersection (Figure 3.11). This anomaly is offset by a dolerite dyke and may represent a primary sulphide zone and the source of mineralisation. Minerals 260 plans to further test this zone in their upcoming exploration programmes.

**Figure 3.11** Cross section through the Northern Prospect area showing off-hole conductor (source: Minerals 260)



At the Bindi Bindi Prospect (Figure 3.6), Liontown's reconnaissance aircore drilling intersected anomalous nickel (up to 0.43%) and copper (up to 0.08%), validating the historical work completed by Poseidon in the 1960s. The exploration here is at an early stage but the association of nickel and copper is interpreted to indicate possible primary sulphide related mineralisation at depth.

At the Koojan JV, no previous systematic exploration has been completed. The Company has reviewed the regional magnetic geophysical data and considers that the northerly extension of the Julimar trend extends through the project area. Since commencing work on the Koojan JV in early 2021, Liontown has completed two phases of geochemical sampling comprising:

- an initial first pass programme comprising 2,214 samples
- a second programme of in-fill and extensional sampling totalling 1,649 samples.

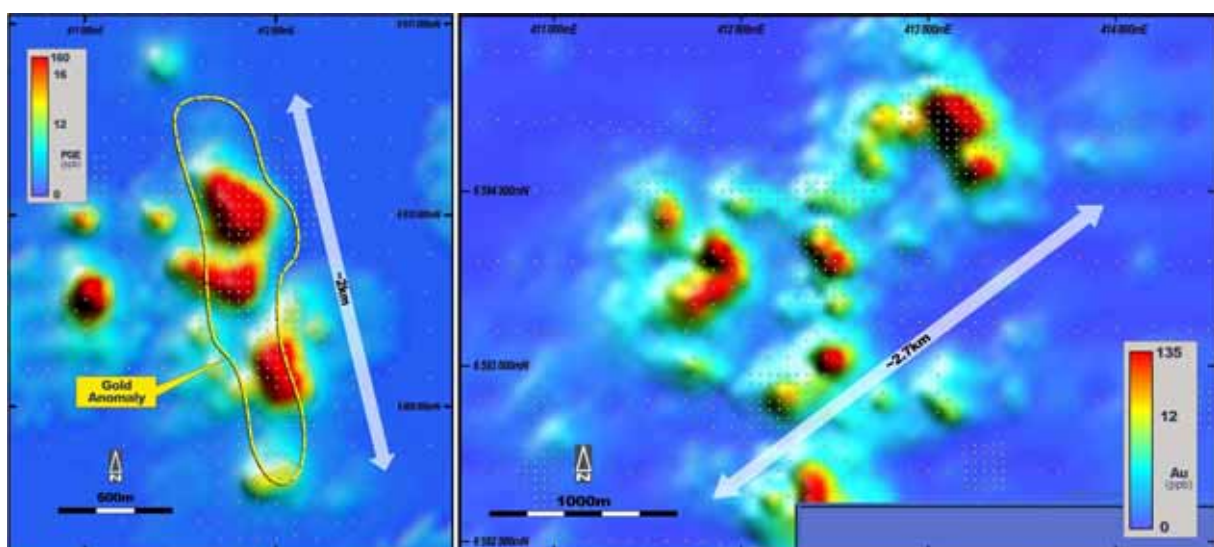
The samples were largely collected using shallow (<1 m) auger sampling techniques with soil samples collected in less accessible areas. The first-pass sample spacing varied from 200 by 50 m up to 400 by 400 m, with in-fill samples collected on 50 by 50 m and 100 by 100 m grids. This geochemical sampling has defined high order PGE and gold anomalism at the Mallory and Bourbana Prospects (Figure 3.12). These prospects remain at a very early stage of assessment.

The Mallory PGE-gold anomaly was defined over a strike length of 2 km with PGE values of >100 ppb (0.1 g/t) recorded coincident with a strongly anomalous, north-northwest/south-southeast trending, coherent gold trend (Figure 3.12). GSWA geological mapping indicates that the underlying bedrock geology comprises poorly exposed mafic, metasedimentary and gneissic rock units.

The Bourbana gold anomaly is an irregular shaped feature with multiple plus 50 ppb gold peaks over approximately 2.7 km (Figure 3.12). The bedrock geology is obscured by shallow lateritic cover; however, the anomaly is coincident with linear magnetic highs, suggestive of the presence of iron-rich mafic units.

Four other geochemically anomalous areas were also defined which warrant further investigation. The Company is planning follow-up geophysical programmes including ground EM, IP and detailed aeromagnetic surveying designed to define bedrock targets for drill.

**Figure 3.12 Geochemical anomalism at the Mallory (left) and Bourbana (right) Prospects**





### 3.5. EXPLORATION POTENTIAL

The Moora and Koojan Project is at an early stage of exploration but recent work completed by Liontown has demonstrated the significant prospectivity of the area. Intersecting gold and copper mineralisation at potentially economically significant grades in aircore drilling in itself is considered highly encouraging. Given that this has been followed up with primary gold mineralisation intersected in drill hole MRRC0001, directly below the strong anomalism in auger geochemistry, suggests good potential for the discovery of a large mineralised system. Testing of the mineralisation is still preliminary and further work is required to determine the geometry and continuity of any potential mineralisation which remains unconstrained and open both along strike and at depth. Furthermore, multiple conceptual greenfields target remain untested.

Optiro considers the Project has very good potential for the discovery of a significant mineral system.

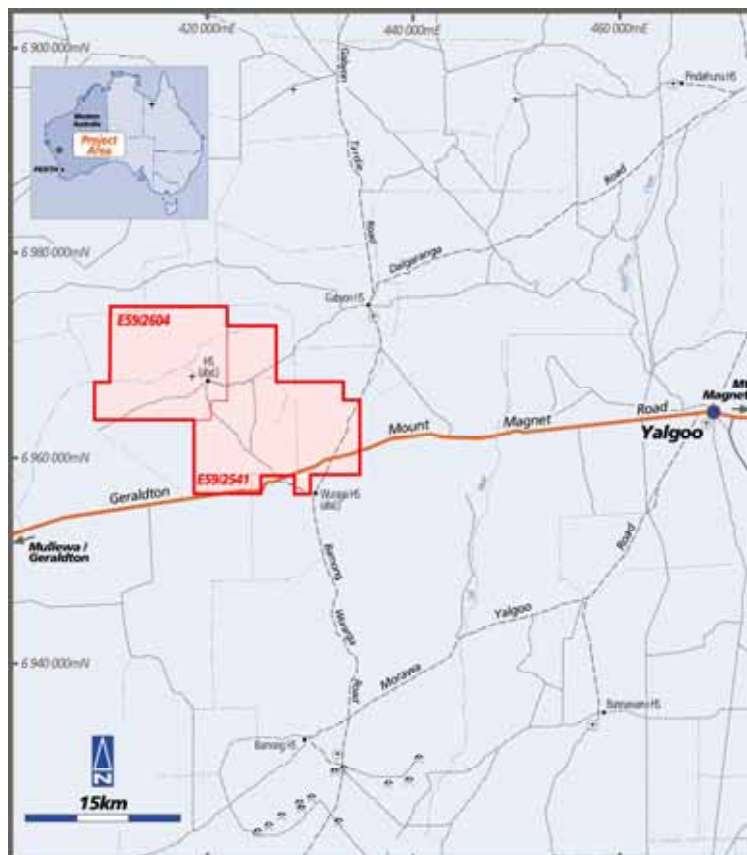
## 4. YALWEST PROJECT

### 4.1. INTRODUCTION

The Yalwest Project is a conceptual exploration target, within the Murchison region of Western Australia. The Project comprises two Exploration Licence applications (E59/2541 and E59/2604) covering an area of approximately 311 km<sup>2</sup> (103 graticular blocks). The Project is located 400 km north of Perth, 70 km east of Geraldton and 40 km west of Yalgoo. Access to the Yalwest Project is via the sealed Geraldton-Mount Magnet Road which passes through the southern portion of EL59/2541, then via station and fence-line tracks (Figure 4.1).

The Project is within the Wurarga 1:100,000 scale and the Yalgoo 1:250,000 scale GSWA mapping sheets. The Deflector gold mine is located 40 km to the south within the Gullewa Greenstone Belt.

**Figure 4.1 Yalwest Project location (source: Minerals 260)**

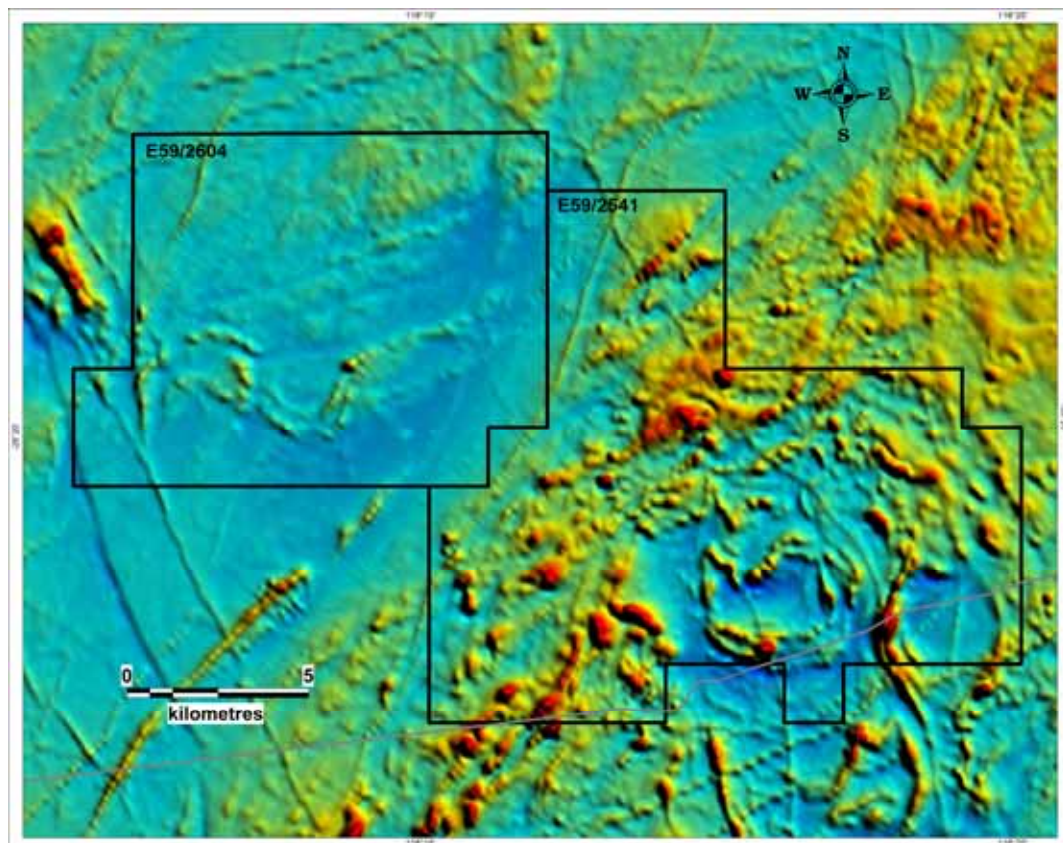


## 4.2. GEOLOGY

The Yalwest Project is located in an area that has been subject to no previous recorded exploration and little geological mapping. GSWA mapping has interpreted the bedrock geology as banded migmatite in the eastern portion largely surrounded porphyritic granite. The migmatite consists variously of thin schlieren of biotite and hornblende-rich material, layers of hornblende-bearing granodiorite, trondjemite, and tonalite and relics of metamorphosed BIF and mafic rocks. The migmatites are interpreted to have formed by absorption of metamorphic rocks by intrusive granitic material (Muhling and Low, 1977). The north-south trending Gullewa Greenstone Belt is located approximately 20 km to the east.

Whilst no previous exploration and no historical mineral occurrences have been recorded in the area, the Project displays an interesting and as yet unexplained circular aeromagnetic feature and a broadly east-west trending, arcuate, linear magnetic trend that is obscured by cover. These features may be a relict of parent metamorphic greenstone but insufficient data is available at this stage. The Company plans to further review and reprocess the available geophysical data and carry out initial ground reconnaissance. Following grant, only minimum statutory exploration expenditure on the Project is planned at this stage.

**Figure 4.2** Aeromagnetic imagery of the Yalwest Project (source: Minerals 260)



## 5. DINGO ROCKS PROJECT

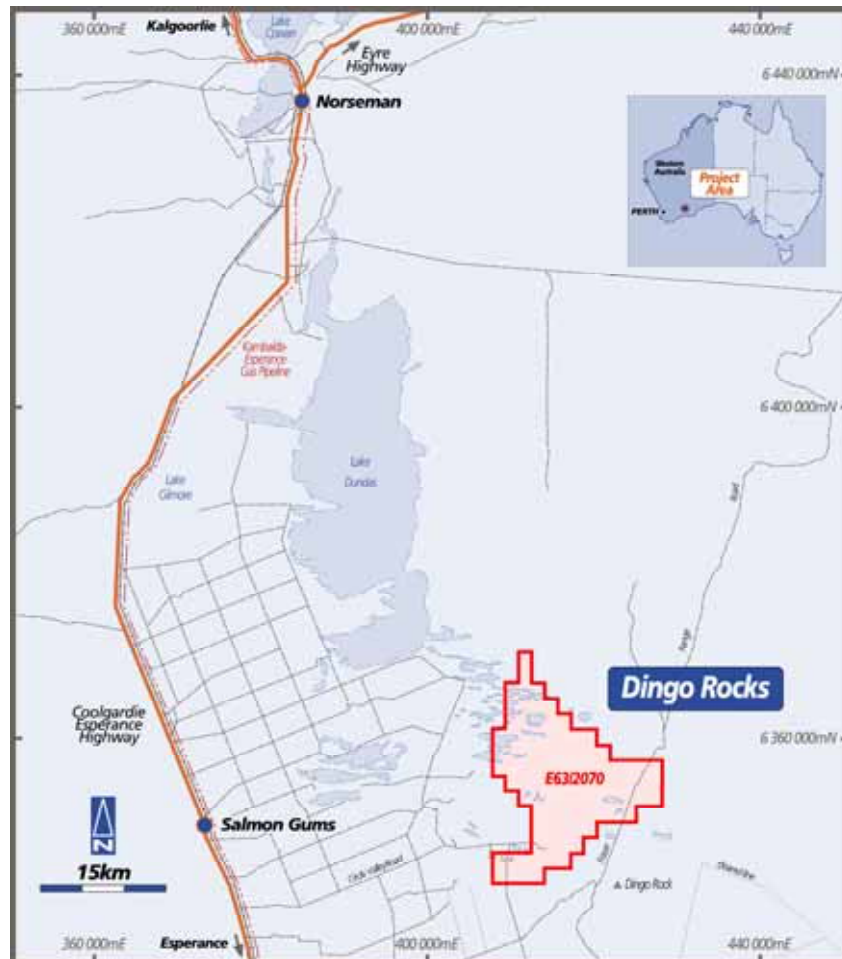
### 5.1. INTRODUCTION

The Dingo Rocks Project is a conceptual exploration target, within the Esperance region of Western Australia. The Project comprises a single Exploration Licence (E63/2070) covering an area of approximately 271 km<sup>2</sup> (94 graticular blocks). The Project is located 600 km east-southeast of Perth, 10 km north of Esperance and 45 km east of the small town of Salmon Gums. Access to the Dingo

Rocks Project is via the sealed Coolgardie-Esperance Highway and then via unsealed secondary roads (Figure 4.1). The Project is located to the east and outside of the Salmon Gums agricultural area and road access within the area limited.

The Project is within the Cowalinya 1:100,000 scale and the Norseman 1:250,000 scale GSWA mapping sheets.

**Figure 5.1** Yalwest Project location (source: Minerals 260)



## 5.2. GEOLOGY

The Dingo Rocks Project is located proximal to the southeastern margin of the Eastern Goldfields Superterrane (EGS) of the Yilgarn Craton and the 1,700 to 1,200 Ma Albany-Fraser Orogen. Geological mapping of the region at 1:100 000 scale has been completed by GSWA, including the Norseman and adjacent Esperance sheets.

The area is underlain by strongly deformed Archaean granite, sedimentary and mafic rocks and Proterozoic metasedimentary rocks. The rocks within the EGS are interpreted to be a product of a variety of tectonic settings, including extensional basins, mantle plumes and volcanic arcs. The greenstone sequences have been intruded by numerous and voluminous granitic plutons.

The EGS is divided into terranes, and further into domains, on the basis of major faults that trend north-northwesterly. The terrane boundaries appear to be continental-scale faults along which accretion once took place. Three terranes have been defined within the EGS (Cassidy et al., 2006), which from west to east are referred to as the Kalgoorlie, Kurnalpi and Burtville Terranes (Figure 3.2). The project area appears to straddle the Kalgoorlie and Kurnalpi Terranes.



The Albany-Fraser Orogen is an arcuate orogenic belt that lies on the south and southeast margins of the Yilgarn Craton. The orogeny is thought to have been active during the Mesoproterozoic, with the rotation of the Mawson Craton onto the West Australian Craton, resulting in an initial stage of continental collision (c. 1,345 to 1,360 Ma), followed by intracratonic reactivation (c. 1,215 to 1,140 Ma).

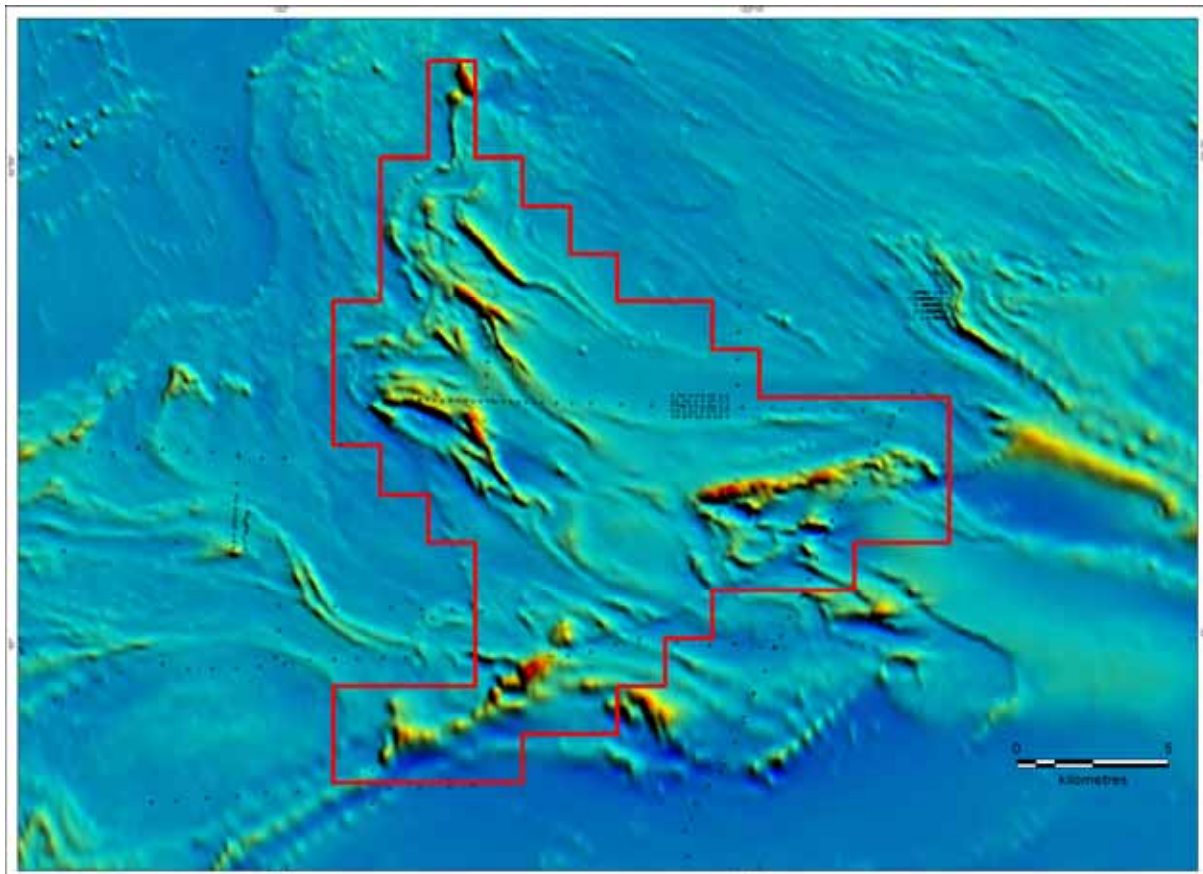
The Precambrian geology of the Project is largely concealed by Phanerozoic cover sediments including palaeochannels that can be up to about 100 m thick.

### 5.3. PREVIOUS EXPLORATION

A number of companies have held tenure over or adjacent to the project area. As the project licence has not yet been granted, Minerals 260 have not yet compiled all of the previous information into digital format. Previous exploration over the project area has included multiple geophysical programmes as well as auger sampling and aircore drilling over the central portion of the licence area and geophysical surveys.

In 2009, AngloGold Ashanti Australia (Anglogold) collected magnetic and radiometric data over a large area where multi-client data quality was poor including part of the project area. In 2011 and 2012, auger sampling was completed over part of the Project on a nominal 200 m by 1,000 m grid pattern. A discrete linear gold in calcrete anomaly (the Double Tank Prospect) of approximately 1 km by 2 km in dimension was identified to the northeast and outside of the project area. The anomaly was coincident with an apparent sinistral jog in the airborne magnetic imagery (Figure 5.2). Aircore drilling at the Double Tank Prospect was completed over two programmes but failed to identify any significant gold anomalism in basement saprolite material.

**Figure 5.2** Aeromagnetic imagery of the Dingo Rocks Project (source: Minerals 260)





Regional aircore drilling completed by AngloGold also identified low level gold anomalism in two adjoining aircore holes in the central portion of the project area. This was interpreted to be at the interface between carbonaceous sediments and reduced saprolite material. The gold anomalism was considered to represent low-level transported gold migrating down into the saprolite and the licence was surrendered in 2013.

The Company plans to further review and reprocess the available geophysical and sampling data and carry out initial ground reconnaissance. Only minimum statutory exploration expenditure on the Project is planned at this stage.

## 6. WORK PROGRAMME

Minerals 260 has developed an exploration budget for its three project areas based on its minimum and maximum subscriptions of \$15 M and \$30 M which is summarised in Table 6.1 to

Table 6.3. The exploration budget is based on staged expenditure at all three projects with the remaining funds allocated on a priority basis.

The majority of the exploration budget is allotted to drilling the various drill-ready targets within the Moora and Koojan Project, most notably at the Mt Yule trend together with supportive geophysical, mapping and geochemical surveys. At this stage only the minimum statutory expenditure is planned on the Yalwest and Dingo Rocks Projects.

Optiro has reviewed the proposed two-year budget and it is considered appropriate and reasonable for the mineralisation styles within the Projects and the stage of exploration. The proposed exploration budget for the minimum raising exceeds the minimum required expenditure commitment for the Projects.

**Table 6.1 Proposed work programme budget – Moora and Koojan Project (source: Minerals 260)**

Item	Minimum raise (\$15 M)			Maximum raise (\$30 M)		
	Year 1	Year 2	Total	Year 1	Year 2	Total
Geochemistry, geophysics and mapping	639,205	88,650	727,855	808,465	169,520	977,985
Drilling and assaying	3,148,170	3,721,730	6,869,900	5,841,785	6,968,110	12,809,895
Metallurgical and scoping studies	-	369,370	369,370	-	369,370	369,370
<b>Total</b>	<b>3,787,375</b>	<b>4,179,750</b>	<b>7,967,125</b>	<b>6,650,250</b>	<b>7,507,000</b>	<b>14,157,250</b>

**Table 6.2 Proposed work programme budget – Yalwest Project (source: Minerals 260)**

Item	Minimum raise (\$15 M)			Maximum raise (\$30 M)		
	Year 1	Year 2	Total	Year 1	Year 2	Total
Geochemistry, geophysics and mapping	75,000	75,000	150,000	75,000	75,000	150,000
Drilling and assaying	-	-	-	-	-	-
Metallurgical and scoping studies	-	-	-	-	-	-
<b>Total</b>	<b>75,000</b>	<b>75,000</b>	<b>150,000</b>	<b>75,000</b>	<b>75,000</b>	<b>150,000</b>

**Table 6.3 Proposed work programme budget – Dingo Rocks Project (source: Minerals 260)**

Item	Minimum raise (\$15 M)			Maximum raise (\$30 M)		
	Year 1	Year 2	Total	Year 1	Year 2	Total
Geochemistry, geophysics and mapping	94,000	94,000	188,000	94,000	94,000	188,000
Drilling and assaying	-	-	-	-	-	-
Metallurgical and scoping studies	-	-	-	-	-	-
<b>Total</b>	<b>94,000</b>	<b>94,000</b>	<b>188,000</b>	<b>94,000</b>	<b>94,000</b>	<b>188,000</b>

## 7. DECLARATIONS BY OPTIRO

### 7.1. INDEPENDENCE

Optiro is an independent consulting organisation which provides a range of services related to the minerals industry including, in this case, independent geological services, but also resource evaluation, corporate advisory, mining engineering, mine design, scheduling, audit, due diligence and risk assessment assistance. The principal office of Optiro is at 16 Ord Street, West Perth, Western Australia, and Optiro's staff work on a variety of projects across a range of commodities worldwide.

This report has been prepared independently and in accordance with the VALMIN and JORC Codes and in compliance with ASIC Regulatory Guide 112. The author and reviewer do not hold any interest in Minerals 260, their associated parties, or in any of the mineral properties which are the subject of this report. Fees for the preparation of this report are charged at Optiro's standard rates, whilst expenses are reimbursed at cost. Payment of fees and expenses is in no way contingent upon the conclusions drawn in this report. Optiro will charge Minerals 260 fees of approximately A\$26,000 for the preparation of this report. Optiro has not had any material prior association with either Minerals 260 or the mineral assets being assessed.

### 7.2. QUALIFICATIONS

The principal person responsible for the preparation of this Report, and Competent Person, is Mr Jason Froud (Principal). This report was reviewed by Mrs Christine Standing (Principal). Both Mr Froud and Mrs Christine Standing are employed by Optiro.

Mr Jason Froud [BSc (Hons) Geology, Grad Dip (Fin Mkts), MAIG] is a geologist with over 25 years' experience in mining geology, exploration, resource definition, mining feasibility studies, reconciliation, consulting and corporate roles in gold, iron ore, base metal and uranium deposits principally in Australia and Africa. Jason has previously acted as a Competent Person and Independent Expert across a range of commodities with expertise in mineral exploration, grade control, financial analysis, reconciliation and quality assurance and quality control.

Mrs Christine Standing [BSc (Hons) Geology, MSc (Min Econs), MAusIMM, MAIG] is a geologist with over 35 years' worldwide experience in the mining industry. She has six years' experience as an exploration geologist in Western Australia and over 30 years' experience as a consultant specialising in resource estimation, reconciliation, project management and statutory and Competent Persons' reporting on worldwide projects for a range of commodities. She has acted as a Qualified Person and Competent Person for gold, silver, copper, mineral sands, nickel, chromium, lithium and PGEs.

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- 16 April 2020. Initial phase of exploration completed at 100%-owned Moora Nickel Project, located north-east of Perth in Western Australia.
  - 13 May 2020. Strong gold, PGE, nickel and copper anomalism returned from initial fieldwork completed at 100%-owned Moora Project, WA.
  - 13 July 2020. Further outstanding gold, PGE and nickel results from 100%-owned Moora Project, WA.
  - 19 August 2020. Airborne electromagnetic survey commences at Liontown's 100%-owned Moora gold, PGE, nickel and copper project, WA.
  - 24 September 2020. Large, strong EM conductors identified at the Moora Project, WA
  - 8 December 2020. Maiden drilling program commences at Liontown's 100%-owned Moora Gold-PGE-Nickel-Copper Project, WA
  - 19 January 2021. Initial assays of up to 2.5% copper and 1.1g/t gold from maiden drilling program at 100%-owned Moora Project, WA.
  - 27 January 2021. Liontown expands strategic footprint in northern Julimar province with key farm-in deal adjacent to Moora Project.
  - 12 February 2021. Significant new assays from air-core drilling confirm emerging discovery potential at Moora Project, WA.
  - 2 March 2021. Outstanding intercept of 44m at 1.6g/t gold in first Reverse Circulation drill hole at the Moora Project, WA.
  - 13 April 2021. Drilling defines multiple bedrock zones with potential for a significant

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## 9. GLOSSARY OF ABBREVIATIONS AND TECHNICAL TERMS

Term	Explanation
abbreviations	Ft – foot, g/t – grams per tonne, Ga- billion years ago, ha – hectare, JV - joint venture, km – kilometre, km <sup>2</sup> – square kilometre, m – metre, m <sup>3</sup> – cubic metres, M – million, Ma – million years ago, Mt – million tonnes, % - percentage, PGE – platinum group elements, ppm – parts per million, ppb – parts per billion, t – tonnes.
chemical elements	As – arsenic, Au – gold, Co – cobalt, Cu – copper, Ni - nickel, Pb – lead, Pd - palladium, Pt – platinum, Zn – zinc.
aircore drilling	A method that uses blades to bore a hole into unconsolidated ground. The rods are hollow and contain an inner tube which sits inside the hollow outer rod barrel. The drill cuttings are removed by injection of compressed air into the hole and brought back to the surface up the inner tube.
alteration	A change in mineralogical composition of a rock through reactions with hydrothermal fluids, temperature or pressure changes.
amphibole	A group of silicate minerals forming prism or needle like crystals generally containing ions of iron and/or magnesium in their structures.
amphibolite	A metamorphic rock that contains amphibole, especially hornblende and actinolite, as well as plagioclase.
Archaean	The second of four geologic eons of Earth's history, representing the time from 4,000 to 2,500 Ma.
banded iron formation (BIF)	Iron formation that shows banding, generally of iron-rich minerals and chert or fine-grained quartz.
basalt	A fine-grained igneous rock consisting mostly of plagioclase feldspar and pyroxene.
bedrock	The solid rock lying beneath superficial material such as gravel or soil.
Cambrian	First geological period of the Palaeozoic Era. The Cambrian lasted from 541 Ma to the beginning of the Ordovician Period at 485 Ma.
chert	A very fine-grained sedimentary rock composed of silica.
complex	A unit of rocks composed of rocks of two or three metamorphic, igneous or sedimentary rock types.
classification	A system for reporting Mineral Resources and Ore Reserves according to a number of accepted Codes.
cut-off grade	The grade that differentiates between mineralised material that is economic or not to mine.
felsic	Silicate minerals, magmas, and rocks which are enriched in the lighter elements such as silica, oxygen, aluminium, sodium, and potassium.
formation	A defined interval of strata, often comprising similar rock types.
gabbro	A mafic intrusive igneous rock formed from the slow cooling of magnesium- and iron-rich magma.
geophysical survey	A survey that measures the physical properties of rock formations, commonly magnetism, specific gravity, electrical conductivity and radioactivity.
gneiss	A common and widely distributed type of rock formed by high-grade regional metamorphic processes from pre-existing formations that were originally either igneous or sedimentary rocks. Gneissic rocks are coarsely foliated and largely recrystallised.
granite	A coarse grained intrusive felsic igneous rock.
granitoid	A common and widely occurring type of intrusive, felsic, igneous rock.
granodiorite	A silica rich intrusive igneous rock similar to granite but containing more plagioclase feldspar than orthoclase feldspar.
greenschist facies	Assemblage of minerals formed during regional metamorphism.
hornblende	An informal name for dark green to black amphiboles.
Indicated Mineral Resource	'An 'Indicated Mineral Resource' is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed.' (JORC 2012)
Inferred Mineral Resource	'An 'Inferred Mineral Resource' is that part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes which may be limited or of uncertain quality and reliability.' (JORC 2012)
intercept	Mineralised intersection in a drill hole.
intrusive	A rock formed when magma cools slowly below the Earth's surface.
JORC Code	The JORC Code provides minimum standards for public reporting to ensure that investors and their advisers have all the information they would reasonably require for forming a reliable opinion on the results and estimates being reported. The current version is dated 2012.
mafic	Silicate minerals, magmas, and volcanic and intrusive igneous rocks that have relatively high concentrations of the heavier and darker minerals.
Measured Mineral Resource	'A 'Measured Mineral Resource' is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic

Term	Explanation
	viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to confirm geological and grade (or quality) continuity between points of observation where data and samples are gathered.' (JORC 2012)
metamorphism	Alteration of the minerals, texture and composition of a rock caused by exposure to heat, pressure and chemical actions.
metasedimentary	A sediment or sedimentary rock that shows evidence of having been subjected to metamorphism.
Mineral Resource	'A 'Mineral Resource' is a concentration or occurrence of material of intrinsic economic interest in or on the Earth's crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.' (JORC 2012)
migmatite	A rock found in medium to high-grade metamorphic environments. It consists of two or more constituents often layered repetitively, reconstituted by partial melting.
mineralisation	The process by which a mineral or minerals are introduced into a rock, resulting in a valuable deposit.
monzodiorite	A coarse-grained igneous rock consisting of plagioclase feldspar, orthoclase feldspar, hornblende and biotite.
monzogranite	A granitoid rock composed mostly of quartz, alkali-feldspar and plagioclase.
orogen	A belt of the earth's crust involved in the formation of mountains.
Palaeoproterozoic	The first of the three sub-divisions (eras) of the Proterozoic occurring between 2500 Ma and 1600 Ma.
Palaeozoic	The earliest of three geologic eras of the Phanerozoic Eon lasting from 541 to 252 Ma
porphyry	A variety of igneous rock consisting of large grained crystals, such as feldspar or quartz, dispersed in a fine-grained feldspathic matrix or groundmass.
Proterozoic	Era of the geological time scale within the Precambrian eon containing rocks of approximately 1,000 – 2,500 Ma.
pyrite	Iron disulphide, (FeS <sub>2</sub> ).
quartz	Crystalline silica (SiO <sub>2</sub> ).
rotary air blast (RAB) drilling	A cheap and quick drilling method using a rotating bit together with air pressure to produce rock chips for sampling. It is used at the exploration stage of project evaluation.
regolith	Loose unconsolidated rock that sits atop a layer of bedrock
reverse circulation drilling (RC)	Drilling method that uses compressed air and a hammer bit to produce rock chips.
sediments	Loose, unconsolidated deposit of debris that accumulates on the Earth's surface.
silicification	The process of bringing in silica into a non-siliceous rock.
schlieren	Irregular dark or light streaks in plutonic igneous rock of platy or blocky minerals, typically ferromagnesian minerals, often from either unmelted residue from xenoliths or mineral accumulations formed during magma flow.
stratigraphy	The study of stratified rocks, their timing, characteristics and correlations in different locations.
strike	Geological measurement – the direction of bearing of bedding or structure in the horizontal plane.
tonalite	An igneous plutonic rock of felsic composition where felsic minerals are composed mostly of quartz (20 to 60%), alkali-feldspar and plagioclase.
trondhjemite	A leucocratic variety of tonalite in which the plagioclase is mostly in the form of oligoclase.
volcanic	An igneous rock of volcanic origin.
vein	A tabular or sheet like body of one or more minerals deposited in openings of fissures, joints, or faults.
weathering	The process by which rocks are broken down and decomposed by the action of wind, rain, changes in temperature, plants and bacteria.
ultramafic	Igneous rocks with very low silica content (less than 45%), generally >18% MgO, high FeO, low potassium and are composed of usually greater than 90% mafic minerals.
VALMIN Code	The Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets, 2015 Edition. The VALMIN Code provides a set of fundamental principles (Competence, Materiality and Transparency), mandatory requirements and supporting recommendations accepted as representing good professional practice to assist in the preparation of relevant Public Reports on any Technical Assessment or Valuation of Mineral Assets. It is a companion to the JORC Code.
volcaniclastic	Relating to or denoting a clastic rock which contains volcanic material.

## Appendix A Poseidon - drill hole statistics at the Moora and Koojan Project

Hole ID	Local north (ft)	Local east (ft)	Depth (ft / m)	Azimuth	Dip	Significant intercepts (>0.4% nickel)			
						From (ft / m)	To (ft / m)	Interval (ft / m)	Nickel %
PH1	308N	1616W	130 / 39	150	-63				NSR
PH2	167N	1621W	120 / 36	352	-60				NSR
PH3	395S	840E	110 / 33	12	-63	20 / 6	25 / 7.5	5 / 1.5	0.42
PH4	290S	880E	90 / 27	201	-50	15 / 4.5	30 / 9	15 / 4.5	0.42
and						60 / 18	90 / 27	30 / 9	0.52
PH5	203S	763E	100 / 30	22	-63	0 / 0	30 / 9	30 / 9	0.62
PH6	95S	790E	65 / 20	202	-55	5 / 1.5	30 / 9	25 / 7.5	0.43
and						40 / 12	60 / 18	20 / 6	0.48
PH7	259S	882E	75 / 23	0	-90				NSR
PH8	90S	480E	50 / 15	0	-90	5 / 1.5	45 / 13.5	40 / 12	0.49
PH9	224S	20E	100 / 30	270	-65				NSR
PH10	225S	80W	90 / 27	90	-60				NSR
PH11	115S	1577W	80 / 24	340	-45				NSR
PH12	175S	774E	120 / 36	201	-45	1.5 / 0.5	40 / 12	38.5 / 11.5	0.6
PH13	321S	984E	120 / 36	201	-45				NSR
PH14	355S	1070E	110 / 33	201	-45				NSR
PH15	46S	706E	125 / 38	202	-45	5 / 1.5	60 / 18	55 / 16.5	0.48
PH16	148S	878E	110 / 33	202	-45	5 / 1.5	75 / 22.5	70 / 21	0.57

Note: Drilling completed by RAB methods.

NSR – no significant results.

Significant intercepts reported above 0.4% nickel for practical reporting reasons.

Drill hole locations are approximate due to the conversion from imperial units and Poseidon's use of local, unsurveyed grids.

Elevation (RL) is not recorded and is immaterial at this stage of exploration.

There is insufficient geological data to estimate true widths.

## Appendix B Palladium Resources - Moora and Koojan Project rock chip samples

Sample ID	Easting	Northing	Cu ppm	Pb ppm	Zn ppm	As ppm	Ni ppm	Au g/t	Pt ppm	Pd ppm	Co ppm
918828	431980	6610778	12	5	95	22.5	1,480	1	3	0	94
918829	432215	6610468	788	9	1670	4.5	2,060	2	5	4	542
918830	432235	6610454	35	5	489	4.5	576	0	0	3	296
918831	432280	6610308	173	2	155	4.5	226	4	12	17	76
918832	432395	6610535	326	5	141	3.0	74	2	8	5	50
918833	432008	6610685	304	38	242	6.5	2,400	0	7	2	194
918834	432008	6610685	19	5	99	2.0	718	1	2	1	62
918835	435110	6614200	36	10	131	6.5	3,280	0	4	0	176
918836	435025	6614193	18	19	82	2.0	990	2	2	0	40
918837	434990	6614200	22	17	142	3.5	592	1	1	0	52
918838	434900	6613917	43	4	90	3.0	1,450	1	1	0	128
918839	434890	6613855	7	7	107	1.5	590	3	3	0	60
918840	434880	6613805	12	6	79	2.0	248	0	0	2	28
918841	434915	6613720	20	24	76	3.0	994	3	3	0	42
918842	434965	6613630	6	6	102	2.5	872	0	0	0	48
918843	439080	6613350	20	5	80	2.0	952	3	3	0	44
918844	439070	6613350	152	4	93	2.5	110	2	2	0	42
918845	439030	6613045	260	7	80	3.0	1,460	3	3	1	44
918846	439040	6612990	77	5	98	1.0	522	2	2	3	48
918847	439190	6612910	167	4	105	2.0	1,420	1	1	2	86
918848	438940	6613592	20	8	59	8.5	1,220	2	2	0	50
918849	438860	6613955	27	3	93	2.0	590	0	1	1	24
918850	438860	6613943	12	4	60	3.0	416	0	0	2	18

Note: Easting and Northing coordinates: UTM/GDA94 zone 50J.

Note: Sample WD036 exceeded >20% Pb on re-analysis (upper analysis limit)



## Appendix C Palladium Resources - drill hole statistics at the Moora and Koojan Project

Hole ID	Easting	Northing	Depth	Azimuth	Dip	Significant intercepts (>0.4% nickel)				
						From	To	Interval	Copper ppm	Nickel ppm
BR1	432180	6611275	39	270	-60	6	8	2	260	2,325
BR2	432030	6610670	15	270	-60				NSR	NSR
BR3	432070	6610670	26	270	-60				NSR	NSR
BR4	432110	6610670	30	270	-60	0	4	4	757	1,150
BR5	432150	6610670	31	270	-60	16	20	4	564	1,710
BR6	432190	6610670	33	270	-60	4	12	8	408	1,620
BR7	432230	6610670	25	270	-60				NSR	NSR
BR8	432270	6610670	29	270	-60				NSR	NSR
BR9	432310	6610670	9	270	-60				NSR	NSR
BR10	432350	6610670	12	270	-60				NSR	NSR
BR11	432070	6610400	3	270	-60				NSR	NSR
BR12	432110	6610400	8	270	-60				NSR	NSR
BR13	432150	6610400	11	270	-60				NSR	NSR
BR14	432190	6610400	33	270	-60				NSR	NSR
BR15	432230	6610400	20	270	-60				NSR	NSR
BR16	432270	6610400	14	270	-60				NSR	NSR
BR17	432310	6610400	13	270	-60				NSR	NSR
BR18	432350	6610400	17	270	-60				NSR	NSR
BR19	432390	6610400	5	270	-60				NSR	NSR
BR20	432190	6611260	54	270	-60	8	20	12	288	2,763
BR21	432198	6611293	45	270	-60				NSR	NSR
BR22	432228	6611293	31	270	-60				NSR	NSR
BR23	432268	6611293	29	270	-60				NSR	NSR

Note: Drilling completed by RAB methods.  
 Significant intercepts reported above 1,000 ppm nickel for practical reporting reasons.  
 NSR – no significant results.  
 Easting and Northing coordinates: UTM/GDA94 zone 50J.  
 Elevation (RL) is not recorded and is immaterial at this stage of exploration.  
 There is insufficient geological data to estimate true widths.

## Appendix D Liantown - drill hole statistics at the Moora and Koojan Project

Hole ID	Northing	Easting	Dip	Azimuth	Depth	Type	Significant intercepts (>0.1 g/t gold or >0.1% copper)				
							From (m)	To (m)	Interval (m)	Gold (g/t)	Copper %
MRAC0001	422900	6601150	-60	359	42	AC	NSR				
MRAC0002	422900	6601100	-60	359	52	AC	NSR				
MRAC0003	422900	6601050	-60	359	54	AC	NSR				
MRAC0004	422900	6601000	-60	359	16	AC	NSR				
MRAC0005	423250	6600850	-60	179	29	AC	20	24	4		0.10
MRAC0006	423250	6600900	-60	179	43	AC	NSR				
MRAC0007	423250	6600950	-60	179	34	AC	NSR				
MRAC0008	423250	6601000	-60	179	22	AC	NSR				
MRAC0009	423250	6601050	-60	179	32	AC	NSR				
MRAC0010	423450	6600750	-60	359	36	AC	24	36	12		0.13
MRAC0011	423450	6600700	-60	359	34	AC	24	34	10		0.23
MRAC0012	423450	6600650	-60	359	42	AC	1	2	1	0.29	
And							1	3	2	0.15	0.15
And							13	15	2	0.48	
And							18	19	1	0.05	0.12
And							21	22	1		0.13
And							20	23	3	1.25	
Incl.							22	23	1	2.43	
And							33	34	1	0.46	1.23
And							33	42	9		2.08
MRAC0013	423450	6600600	-60	359	44	AC	0	4	4		0.13



Hole ID	Northing	Easting	Dip	Azimuth	Depth	Type	Significant intercepts (>0.1 g/t gold or >0.1% copper)					
							From (m)	To (m)	Interval (m)	Gold (g/t)	Copper %	
MRAC0014	423450	6600550	-60	359	48	AC	NSR					
MRAC0015	423450	6600500	-60	359	41	AC	1	3	2	0.19		
MRAC0016	423450	6600450	-60	359	38	AC	28	32	4		0.13	
MRAC0017	423450	6600400	-60	359	61	AC	24	25	1		0.04	
And							26	27	1	0.77		
And							26	48	22		0.14	
MRAC0018	423850	6599550	-60	179	27	AC	7	15	8	0.27		
And							20	22	2	0.49	0.14	
MRAC0019	423850	6599600	-60	179	30	AC	NSR					
MRAC0020	423850	6599650	-60	179	24	AC	1	7	6	0.44		
And							12	19	7	0.15		
MRAC0021	423850	6599700	-60	179	20	AC	NSR					
MRAC0022	423850	6599750	-60	179	38	AC	NSR					
MRAC0023	424050	6600450	-60	359	48	AC	32	36	4	0.53	0.30	
And							40	44	4		0.13	
MRAC0024	424050	6600400	-60	359	61	AC	24	32	8		0.22	
And							52	55	3	0.18		
MRAC0025	424050	6600350	-60	359	67	AC	0	3	3	0.37		
And							8	10	2	0.32		
And							11	12	1	0.17		
And							15	28	13		0.14	
And							52	56	4		0.13	
And							60	64	4		0.27	
MRAC0026	424050	6600300	-60	359	66	AC	NSR					
MRAC0027	424050	6600250	-60	359	62	AC	NSR					
MRAC0028	424250	6600400	-60	179	63	AC	NSR					
MRAC0029	424250	6600450	-60	179	66	AC	2	3	1	0.22		
And							4	6	2	0.23		
MRAC0030	424250	6600500	-60	179	53	AC	0	4	4	0.32		
And							36	41	5	0.44		
And							41	43	2		0.17	
MRAC0031	424250	6600550	-60	179	63	AC	0	2	2	0.24		
And							6	7	1	0.13		
And							8	10	2	0.29		
MRAC0032	424250	6600600	-60	179	59	AC	NSR					
MRAC0033	424250	6600650	-60	179	54	AC	28	36	8		0.14	
MRAC0034	424250	6600700	-60	179	48	AC	NSR					
MRAC0035	424450	6600500	-60	359	52	AC	24	32	8		0.16	
And							41	44	3	0.31		
And							40	44	4		0.20	
MRAC0036	424450	6600450	-60	359	64	AC	NSR					
MRAC0037	424450	6600400	-60	359	80	AC	29	31	2	0.24		
And							36	52	16		0.25	
MRAC0038	424450	6600350	-60	359	71	AC	44	48	4	0.57		
And							36	50	14		0.33	
And							51	52	1	0.46		
And							68	70	2		0.27	
And							69	71	2	0.17		
MRAC0039	424450	6600300	-60	359	93	AC	42	43	1	0.44		
And							72	76	4		0.10	
MRAC0040	424450	6600250	-60	359	98	AC	NSR					
MRAC0041	424450	6600200	-60	359	100	AC	NSR					
MRAC0042	424450	6600150	-60	359	99	AC	NSR					
MRAC0043	424450	6599850	-60	179	72	AC	NSR					
MRAC0044	424450	6599900	-60	179	92	AC	NSR					
MRAC0045	424450	6599950	-60	179	92	AC	NSR					
MRAC0046	424450	6600000	-60	179	61	AC	NSR					
MRAC0047	425659	6599484	-60	359	56	AC	NSR					
MRAC0048	425650	6599450	-60	359	72	AC	NSR					
MRAC0049	425650	6599400	-60	359	71	AC	NSR					
MRAC0050	425650	6599350	-60	359	66	AC	NSR					
MRAC0051	425650	6599300	-60	359	62	AC	NSR					
MRAC0052	425650	6599250	-60	359	70	AC	NSR					
MRAC0053	425650	6599200	-60	359	41	AC	NSR					
MRAC0054	425650	6599150	-60	359	37	AC	NSR					
MRAC0055	425650	6599100	-60	359	44	AC	NSR					
MRAC0056	425660	6599063	-60	359	37	AC	NSR					

Hole ID	Northing	Easting	Dip	Azimuth	Depth	Type	Significant intercepts (>0.1 g/t gold or >0.1% copper)					
							From (m)	To (m)	Interval (m)	Gold (g/t)	Copper %	
MRAC0057	425700	6599000	-60	359	36	AC	NSR					
MRAC0058	425700	6598950	-60	359	26	AC	NSR					
MRAC0059	425700	6598900	-60	359	40	AC	8	12	4		0.16	
MRAC0060	425700	6598850	-60	359	50	AC	28	32	4		0.11	
MRAC0061	425700	6598800	-60	359	34	AC	NSR					
MRAC0062	425720	6598755	-60	359	25	AC	NSR					
MRAC0063	425723	6598700	-60	359	39	AC	NSR					
MRAC0064	425717	6598650	-60	359	45	AC	NSR					
MRAC0065	425713	6598600	-60	359	35	AC	NSR					
MRAC0066	425700	6598550	-60	359	25	AC	NSR					
MRAC0067	425700	6598500	-60	359	38	AC	NSR					
MRAC0068	425700	6598450	-60	359	37	AC	20	28	8		0.13	
MRAC0069	425700	6598400	-60	359	51	AC	NSR					
MRAC0070	425700	6598350	-60	359	38	AC	28	32	4		0.14	
MRAC0071	425700	6598300	-60	359	39	AC	5	8	3	0.35		
And							16	17	1	0.54		
MRAC0072	425700	6598250	-60	359	37	AC	1	18	17	0.43		
And							22	23	1	0.76		
And							24	26	2	0.16		
And							30	37	7	0.22		
And							25	37	12		0.23	
MRAC0073	425700	6598200	-60	359	54	AC	32	40	8		0.12	
MRAC0074	425700	6598150	-60	359	50	AC	NSR					
MRAC0075	422650	6599800	-60	359	26	AC	NSR					
MRAC0076	422650	6599750	-60	359	33	AC	NSR					
MRAC0077	422650	6599700	-60	359	38	AC	NSR					
MRAC0078	422650	6599650	-60	359	17	AC	NSR					
MRAC0079	422650	6599600	-60	359	20	AC	NSR					
MRAC0080	422650	6599550	-60	359	17	AC	NSR					
MRAC0081	422650	6599500	-60	359	11	AC	NSR					
MRAC0082	422650	6599450	-60	359	25	AC	NSR					
MRAC0083	422466	6599751	-60	179	15	AC	NSR					
MRAC0084	422490	6599800	-60	179	40	AC	NSR					
MRAC0085	422529	6599850	-60	179	43	AC	NSR					
MRAC0086	422535	6599900	-60	179	31	AC	NSR					
MRAC0087	422395	6599950	-60	179	12	AC	NSR					
MRAC0088	422411	6600000	-60	179	7	AC	NSR					
MRAC0089	422320	6600030	-60	359	11	AC	NSR					
MRAC0090	422181	6600060	-60	359	75	AC	NSR					
MRAC0091	422050	6600000	-60	179	42	AC	1	2	1		0.12	
And							0	5	5	0.61		
And							6	7	1	0.48		
And							8	9	1	0.21		
And							13	16	3	0.19		
MRAC0092	422050	6600050	-60	179	32	AC	10	12	2		0.19	
And							2	13	11	1.49		
Incl.							4	9	5	2.68		
And							21	22	1	0.17		
And							23	26	3	0.13		
MRAC0093	422050	6600100	-60	179	31	AC	15	18	3	0.14		
And							19	20	1	0.17		
MRAC0094	422050	6599550	-60	179	78	AC	NSR					
MRAC0095	422050	6599600	-60	179	33	AC	NSR					
MRAC0096	422050	6599650	-60	179	30	AC	NSR					
MRAC0097	422050	6599700	-60	179	32	AC	2	3	1	0.18		
MRAC0098	422050	6599750	-60	179	27	AC	NSR					
MRAC0099	422050	6599800	-60	179	17	AC	1	4	3	0.19		
MRAC0100	422141	6599900	-60	359	23	AC	2	8	6	0.40		
MRAC0101	422161	6599850	-60	359	33	AC	NSR					
MRAC0102	422151	6599800	-60	359	22	AC	12	13	1	0.10		
MRAC0103	422250	6599721	-60	359	28	AC	NSR					
MRAC0104	422650	6601050	-60	179	36	AC	NSR					
MRAC0105	422650	6601100	-60	179	18	AC	NSR					
MRAC0106	422650	6601150	-60	179	34	AC	0	20	20		0.18	
MRAC0107	422650	6601200	-60	179	24	AC	NSR					
MRAC0108	426100	6598150	-60	89	29	AC	NSR					
MRAC0109	426050	6598150	-60	89	36	AC	NSR					

Hole ID	Northing	Easting	Dip	Azimuth	Depth	Type	Significant intercepts (>0.1 g/t gold or >0.1% copper)					
							From (m)	To (m)	Interval (m)	Gold (g/t)	Copper %	
MRAC0110	426000	6598150	-60	89	36	AC	NSR					
MRAC0111	425950	6598150	-60	89	47	AC	NSR					
MRAC0112	425900	6598150	-60	89	50	AC	NSR					
MRAC0113	425850	6598150	-60	89	68	AC	2	4	2	0.27		
MRAC0114	425800	6598150	-60	89	64	AC	51	52	1	0.17		
MRAC0115	425750	6598150	-60	89	31	AC	NSR					
MRAC0116	425950	6597750	-60	269	37	AC	NSR					
MRAC0117	426000	6597750	-60	269	50	AC	NSR					
MRAC0118	426050	6597750	-60	269	53	AC	NSR					
MRAC0119	426100	6597750	-60	269	39	AC	NSR					
MRAC0120	426442	6594354	-60	269	44	AC	NSR					
MRAC0121	426490	6594352	-60	269	49	AC	NSR					
MRAC0122	426550	6594353	-60	269	48	AC	NSR					
MRAC0123	426601	6594350	-60	269	60	AC	55	56	1		0.10	
MRAC0124	426651	6594350	-60	269	57	AC	NSR					
MRAC0125	426699	6594351	-60	269	63	AC	NSR					
MRAC0126	427055	6594352	-60	269	12	AC	NSR					
MRAC0127	427098	6594349	-60	269	9	AC	NSR					
MRAC0128	427149	6594352	-60	269	4	AC	NSR					
MRAC0129	427201	6594352	-60	269	3	AC	NSR					
MRAC0130	427248	6594351	-60	269	12	AC	NSR					
MRAC0131	427295	6594352	-60	269	12	AC	NSR					
MRAC0132	427498	6593253	-60	179	48	AC	NSR					
MRAC0133	427497	6593302	-60	179	62	AC	NSR					
MRAC0134	427498	6593349	-60	179	60	AC	NSR					
MRAC0135	427498	6593402	-60	179	52	AC	NSR					
MRAC0136	427643	6592700	-60	179	46	AC	NSR					
MRAC0137	427645	6592751	-60	179	57	AC	NSR					
MRAC0138	427644	6592800	-60	179	48	AC	NSR					
MRAC0139	427645	6592849	-60	179	12	AC	NSR					
MRAC0140	427648	6592897	-60	179	5	AC	NSR					
MRAC0141	427649	6592949	-60	179	18	AC	NSR					
MRAC0142	427650	6592999	-60	179	7	AC	NSR					
MRAC0143	427651	6593045	-60	179	4	AC	NSR					
MRAC0144	427652	6593098	-60	179	12	AC	NSR					
MRAC0145	428845	6592897	-60	179	53	AC	NSR					
MRAC0146	428848	6593204	-60	179	56	AC	NSR					
MRAC0147	428847	6593251	-60	179	58	AC	48	52	4		0.19	
MRAC0148	428846	6593302	-60	179	46	AC	NSR					
MRAC0149	428845	6593352	-60	179	48	AC	NSR					
MRAC0150	428844	6593399	-60	179	57	AC	NSR					
MRAC0151	428843	6593446	-60	179	58	AC	NSR					
MRAC0152	422052	6599678	-60	179	33	AC	NSR					
MRAC0153	422050	6599727	-60	179	32	AC	1	2	1	0.12		
MRAC0154	422050	6599826	-60	179	7	AC	NSR					
MRAC0155	422050	6599901	-60	179	21	AC	15	16	1	0.25		
MRAC0156	422050	6599852	-60	179	15	AC	NSR					
MRAC0157	422050	6599874	-60	179	23	AC	NSR					
MRAC0158	422048	6599927	-60	179	7	AC	NSR					
MRAC0159	422047	6599979	-60	179	18	AC	1	4	3	0.44		
MRAC0160	422048	6600027	-60	179	12	AC	5	6	1	0.24		
MRAC0161	422046	6600076	-60	179	12	AC	6	9	3	0.12		
And							11	12	1	0.12		
MRAC0162	422047	6600081	-60	179	31	AC	12	28	16	0.53		
MRAC0163	423349	6600555	-60	179	34	AC	20	28	8		0.17	
MRAC0164	423350	6600575	-60	179	56	AC	16	20	4		0.16	
And							20	24	4	0.27		
MRAC0165	423350	6600600	-60	179	44	AC	20	24	4		0.11	
MRAC0166	423350	6600625	-60	179	37	AC	NSR					
MRAC0167	423350	6600650	-60	179	37	AC	NSR					
MRAC0168	423350	6600675	-60	179	47	AC	0	8	8	0.24		
MRAC0169	423350	6600700	-60	179	47	AC	0	4	4	0.13		
MRAC0170	423350	6600725	-60	179	48	AC	0	4	4	0.16		
MRAC0171	423350	6600750	-60	179	34	AC	24	32	8		0.26	
MRAC0172	423350	6600775	-60	179	39	AC	28	32	4	0.16		
And							36	39	3	0.10		
MRAC0173	423350	6600800	-60	179	40	AC	NSR					

Hole ID	Northing	Easting	Dip	Azimuth	Depth	Type	Significant intercepts (>0.1 g/t gold or >0.1% copper)				
							From (m)	To (m)	Interval (m)	Gold (g/t)	Copper %
MRAC0174	423550	6600350	-60	179	28	AC	12	16	4	0.11	
MRAC0175	423550	6600375	-60	179	34	AC	NSR				
MRAC0176	423550	6600400	-60	179	41	AC	12	16	4	0.18	
And							16	24	8		0.22
And							28	32	4	0.11	
And							36	40	4		0.14
MRAC0177	423550	6600425	-60	179	29	AC	20	28	8	0.18	
And							12	29	17		0.27
MRAC0178	423550	6600450	-60	179	50	AC	28	32	4	0.10	
And							24	40	16		0.20
MRAC0179	423550	6600475	-60	179	27	AC	8	12	4		0.11
MRAC0180	423550	6600500	-60	179	45	AC	NSR				
MRAC0181	423550	6600525	-60	179	32	AC	NSR				
MRAC0182	423550	6600550	-60	179	25	AC	NSR				
MRAC0183	423550	6600575	-60	179	30	AC	NSR				
MRAC0184	423550	6600600	-60	179	47	AC	NSR				
MRAC0185	423550	6600625	-60	179	54	AC	NSR				
MRAC0186	423550	6600650	-60	179	43	AC	NSR				
MRAC0187	423550	6600675	-60	179	42	AC	NSR				
MRAC0188	423550	6600700	-60	179	31	AC	NSR				
MRAC0189	424050	6600600	-60	359	12	AC	NSR				
MRAC0190	424050	6600550	-60	359	18	AC	NSR				
MRAC0191	424050	6600500	-60	359	25	AC	NSR				
MRAC0192	424250	6600750	-60	179	44	AC	32	36	4	0.15	
MRAC0193	424250	6600800	-60	179	17	AC	NSR				
MRAC0194	424250	6600850	-60	179	43	AC	NSR				
MRAC0195	424450	6600650	-60	359	62	AC	24	28	4	0.18	
And							36	40	4	0.22	
MRAC0196	424450	6600600	-60	359	62	AC	32	40	8	0.20	
MRAC0197	424450	6600550	-60	359	63	AC	NSR				
MRAC0198	423850	6599500	-60	179	27	AC	NSR				
MRAC0199	423850	6599525	-60	179	14	AC	12	14	2	0.11	
MRAC0200	423850	6599575	-60	179	26	AC	NSR				
MRAC0201	423850	6599625	-60	179	20	AC	NSR				
MRAC0202	423850	6599675	-60	179	17	AC	NSR				
MRAC0203	423200	6599550	-60	359	30	AC	NSR				
MRAC0204	423200	6599500	-60	359	43	AC	NSR				
MRAC0205	423200	6599450	-60	359	36	AC	NSR				
MRAC0206	423200	6599400	-60	359	11	AC	NSR				
MRAC0207	423900	6599300	-60	359	43	AC	NSR				
MRAC0208	423900	6599250	-60	359	57	AC	NSR				
MRAC0209	423900	6599200	-60	359	65	AC	52	56	4	0.14	
And							64	65	1	0.11	
MRAC0210	423900	6599150	-60	359	69	AC	NSR				
MRAC0211	424750	6597150	-60	269	74	AC	40	44	4	0.12	
MRAC0212	424800	6597150	-60	269	63	AC	40	56	16	0.15	
MRAC0213	424848	6597149	-60	269	71	AC	NSR				
MRAC0214	424898	6597149	-60	269	69	AC	NSR				
MRAC0215	424949	6597149	-60	269	50	AC	NSR				
MRAC0216	425751	6595953	-60	89	37	AC	NSR				
MRAC0217	425704	6595949	-60	89	31	AC	NSR				
MRAC0218	425653	6595945	-60	89	26	AC	NSR				
MRAC0219	425603	6595953	-60	89	16	AC	NSR				
MRAC0220	425554	6595946	-60	89	12	AC	NSR				
MRAC0221	425501	6595948	-60	89	26	AC	NSR				
MRAC0222	425445	6595947	-60	89	22	AC	NSR				
MRAC0223	425398	6595948	-60	89	27	AC	NSR				
MRAC0224	424849	6595353	-60	269	18	AC	NSR				
MRAC0225	424899	6595351	-60	269	3	AC	NSR				
MRAC0226	424949	6595351	-60	269	4	AC	NSR				
MRAC0227	425000	6595351	-60	269	3	AC	NSR				
MRAC0228	425049	6595354	-60	269	18	AC	NSR				
MRAC0229	425098	6595353	-60	269	37	AC	NSR				
MRAC0230	424897	6595003	-60	269	81	AC	NSR				
MRAC0231	424948	6595002	-60	269	43	AC	NSR				
MRAC0232	425001	6595010	-60	269	51	AC	NSR				
MRAC0233	425050	6595004	-60	269	22	AC	NSR				

Hole ID	Northing	Easting	Dip	Azimuth	Depth	Type	Significant intercepts (>0.1 g/t gold or >0.1% copper)					
							From (m)	To (m)	Interval (m)	Gold (g/t)	Copper %	
MRAC0234	425100	6595003	-60	269	53	AC	NSR					
MRAC0235	424649	6594753	-60	269	48	AC	NSR					
MRAC0236	424699	6594752	-60	269	50	AC	NSR					
MRAC0237	424749	6594753	-60	269	40	AC	NSR					
MRAC0238	424799	6594751	-60	269	42	AC	NSR					
MRAC0239	424850	6594751	-60	269	44	AC	NSR					
MRAC0240	425268	6594752	-60	269	23	AC	NSR					
MRAC0241	425320	6594754	-60	269	9	AC	NSR					
MRAC0242	425368	6594753	-60	269	7	AC	NSR					
MRAC0243	429079	6592904	-60	179	24	AC	NSR					
MRAC0244	429077	6592952	-60	179	32	AC	NSR					
MRAC0245	429077	6593002	-60	179	38	AC	NSR					
MRAC0246	429079	6593052	-60	179	58	AC	NSR					
MRAC0247	429078	6593102	-60	179	54	AC	NSR					
MRAC0248	429081	6593137	-60	179	46	AC	24	28	4			0.15
MRAC0249	429448	6592498	-60	179	58	AC	NSR					
MRAC0250	429448	6592548	-60	179	65	AC	NSR					
MRAC0251	429451	6592599	-60	179	42	AC	NSR					
MRAC0252	429450	6592653	-60	179	50	AC	NSR					
MRAC0253	429453	6592703	-60	179	43	AC	NSR					
And							16	32	16			0.19
MRAC0254	429452	6592752	-60	179	17	AC	NSR					
MRAC0255	429453	6592799	-60	179	37	AC	NSR					
MRAC0256	435506	6613701	-60	89	8	AC	NSR					
MRAC0257	435446	6613718	-60	89	26	AC	NSR					
MRAC0258	435405	6613699	-60	89	23	AC	NSR					
MRAC0259	435356	6613695	-60	89	24	AC	NSR					
MRAC0260	435277	6613702	-60	89	24	AC	NSR					
MRAC0261	435247	6613697	-60	89	29	AC	NSR					
MRAC0262	435197	6613698	-60	89	29	AC	NSR					
MRAC0263	435147	6613697	-60	89	15	AC	NSR					
MRAC0264	435099	6613696	-60	89	30	AC	NSR					
MRRC0001	422190	6599839	-59	39	246	RC	7	8	1	0.27		
And							198	241	43	1.80		
Incl.							198	204	6	0.23		
Incl.							221	222	1			0.11
Incl.							206	235	29	2.58		
Incl.							211	226	15	4.60		
Or							211	229	18	3.93		
Incl.							222	224	2	21.15		
Incl.							237	241	4	0.19		
MRRC0002	422355	6600014	-60	225	224	RC	NSR					
MRRC0003	422620	6599527	-59	353	102	RC	NSR					
MRRC0004	423456	6600628	-59	360	150	RC	0	24	24			0.11
MRRC0005	423446	6600764	-60	180	117	RC	24	32	8			0.21
MRRC0006	423448	6600425	-60	1	120	RC	NSR					
MRRC0007	423451	6600374	-59	0	120	RC	12	13	1	0.11		
And							14	15	1	0.10		
And							28	32	4			0.29
And							36	40	4			0.11
And							48	56	8	0.89		
Incl.							48	50	2	2.82		0.14
MRRC0008	424047	6600425	-60	358	123	RC	20	22	2	0.26		
And							20	24	4			0.22
And							27	28	1			0.12
And							27	31	4	1.20		
And							34	36	2	3.64		
And							38	39	1	0.18		
And							60	64	4			0.11
MRRC0009	424050	6600374	-60	356	123	RC	0	2	2	0.23		
And							10	12	2	0.84		
And							15	16	1	0.50		
And							10	19	9			0.23
And							19	20	1	1.30		
And							32	34	2	0.61		
And							37	40	3	0.25		
And							41	48	7	1.03		

Hole ID	Northing	Easting	Dip	Azimuth	Depth	Type	Significant intercepts (>0.1 g/t gold or >0.1% copper)				
							From (m)	To (m)	Interval (m)	Gold (g/t)	Copper %
And							42	52	10		0.37
And							53	55	2	0.16	
And							82	83	1	0.40	
MRRC0010	424052	6600325	-60	360	117	RC	22	25	3	0.33	
And							26	27	1	0.19	
MRRC0011	424250	6600525	-60	178	117	RC	32	36	4		0.11
MRRC0012	424450	6600325	-60	359	117	RC	NSR				
MRRC0013	424450	6600475	-60	178	150	RC	70	71	1		0.14
And							70	72	2	0.39	
And							77	80	3	0.11	0.15
And							112	113	1		0.13
And							114	117	3	0.39	1.01
MRRC0014	424450	6600475	-60	358	120	RC	42	44	2	0.29	
And							60	62	2	0.81	0.31

Note: NSR – no significant results.

Significant intercepts reported above 0.1 g/t gold and 0.1% copper for practical reporting reasons.

Elevation (RL) is not presented and is immaterial at this stage of exploration.

There is insufficient geological data to estimate true widths.

## Appendix E JORC Code Table 1 –Moora and Koojan Project

### SECTION 1 SAMPLING TECHNIQUES AND DATA

Criteria	JORC Code explanation	Commentary
<b>Sampling techniques</b>	<i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down-hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</i>	<ul style="list-style-type: none"> <li>• Liontown auger samples collected from 0.8 to 1 m depth with 200 to 500 g, -2 mm material collected for assay.</li> <li>• Poseidon NL drilling used open hole techniques with sample collected from around the collar.</li> <li>• Washington Resources samples comprised ferruginous duricrust collected on irregular spacing based on location of available sample media.</li> <li>• Palladium Resources sampling techniques not documented.</li> <li>• Entire sample is submitted for sample prep and assay.</li> </ul>
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	<ul style="list-style-type: none"> <li>• Liontown drill samples were collected by aircore and reverse circulation (RC) drilling techniques. <ul style="list-style-type: none"> <li>○ Regular cleaning of cyclone was completed to remove hung-up clays and avoid cross-sample contamination.</li> <li>○ The samples were typically dry.</li> <li>○ Drill samples were collected by the metre from the drill rig cyclone.</li> <li>○ 4 m composite samples were collected via spear sampling of 1 m samples.</li> <li>○ 1 m splits were retained for future assaying if warranted.</li> <li>○ The entire sample was pulverised.</li> <li>○ Aqua regia analysis following 4 acid digest.</li> <li>○ Samples assayed at Bureau Veritas – Au (AR001), Pt, Pd (AR002), other elements MA101, 102</li> <li>○ Au, As, Co, Pd and Pt by ICP-MS.</li> <li>○ Cr, Cu, Fe, Mg, Ni, S, Ti and Zn by ICP-OES.</li> </ul> </li> </ul>
	<i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</i>	
<b>Drilling techniques</b>	<i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).</i>	<ul style="list-style-type: none"> <li>• Poseidon NL used open hole techniques with sample collected from around the collar. Drill rig was truck-mounted, Ingersoll Rand with 600 cfm compressor.</li> <li>• Palladium Resources drilling techniques not documented other than as RAB drilling.</li> <li>• Liontown aircore and RC drilling comprised: <ul style="list-style-type: none"> <li>○ Aircore drilling using a standard 3.5" aircore drill bit.</li> <li>○ Reverse circulation (RC/5.5") with a face sampling hammer.</li> </ul> </li> </ul>
<b>Drill sample recovery</b>	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	<ul style="list-style-type: none"> <li>• Recoveries not recorded for historical drilling.</li> <li>• Measures taken to maximise sample recovery and ensure representative nature of the samples not documented for</li> </ul>



Criteria	JORC Code explanation	Commentary
	<p><i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></p> <p><i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i></p>	<p>historical drilling.</p> <ul style="list-style-type: none"> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples not noted in historical reports.</li> <li>Liontown aircore and RC drilling comprised: <ul style="list-style-type: none"> <li>Sample recoveries were visually estimated and recorded for each metre.</li> <li>Dry drilling and regular cleaning of sampling material.</li> <li>No relationship between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material was noted.</li> </ul> </li> </ul>
<b>Logging</b>	<p><i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i></p> <p><i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</i></p> <p><i>The total length and percentage of the relevant intersections logged.</i></p>	<ul style="list-style-type: none"> <li>Mineral resource estimates, mining studies and metallurgical studies not considered by previous explorers.</li> <li>Historic logging appears quantitative although sparsely documented.</li> <li>Liontown aircore and RC drilling comprised: <ul style="list-style-type: none"> <li>All drill holes were logged on 1 m intervals and the following observations recorded:</li> <li>Recovery, quality (i.e., degree of contamination), wet/dry, hardness, colour, grainsize, texture, oxidation, mineralogy, lithology, structure type and intensity, vein type and %, sulphide type and % and alteration assemblage.</li> <li>Logging is quantitative, based on visual field estimates.</li> <li>All holes were logged from start to finish.</li> </ul> </li> </ul>
<b>Sub-sampling techniques and sample preparation</b>	<p><i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></p> <p><i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i></p> <p><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></p> <p><i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></p> <p><i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i></p> <p><i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></p>	<ul style="list-style-type: none"> <li>No core drilling has been completed.</li> <li>Historical Poseidon samples were collected from around drill collar with both dry and wet material collected. <ul style="list-style-type: none"> <li>Sample preparation of Liontown samples follows industry best practice standards and is conducted by internationally recognised laboratories. This includes oven drying, jaw crushing and pulverising so that 85% passes -75 µm.</li> </ul> </li> <li>The nature, quality and appropriateness of the sample preparation technique were not documented for historical Poseidon or Palladium Resources drill holes.</li> <li>Routine review of laboratory standards was completed for Liontown samples.</li> <li>Auger sampling completed on regular 400 by 400 m grid to ensure representative sampling of area being assessed.</li> <li>Entire sample submitted for assay for auger sampling.</li> <li>Sample size (200 to 500 g) accepted as general industry standard.</li> <li>Sample size was not documented for historical exploration.</li> <li>Liontown aircore and RC drilling comprised: <ul style="list-style-type: none"> <li>Non-core samples are collected as 1 m samples and then composited by tube/spear sampling. Samples were typically dry.</li> <li>Sample preparation follows standard industry practice and is conducted by internationally recognised laboratories; i.e.</li> <li>Oven drying, jaw crushing and pulverising so that 85% passes -75microns.</li> </ul> </li> </ul>



Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> <li>○ Duplicates, standards and blanks inserted approximately every 25 samples.</li> <li>○ Review of lab standards.</li> <li>○ Measures taken for drill samples include:               <ul style="list-style-type: none"> <li>○ Regular cleaning of cyclones and sampling equipment to prevent contamination.</li> <li>○ Statistical comparison of duplicate, standards and blanks.</li> <li>○ Statistical comparison of anomalous composite assays versus average of follow up 1 m assays.</li> </ul> </li> </ul>
<b>Quality of assay data and laboratory tests</b>	<p><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></p> <p><i>For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i></p> <p><i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i></p>	<ul style="list-style-type: none"> <li>● Assay and laboratory procedures for Liontown samples were selected following a review of techniques provided by internationally certified laboratories.</li> <li>● Liontown samples were submitted for multi-element analyses by Bureau Veritas aqua-regia techniques following mixed-acid digest.</li> <li>● Poseidon drill samples were assayed by AAS following digestion by perchloric acid at 180°C.</li> <li>● Washington Resources laterite samples assayed by ICP+MS.</li> <li>● The assay techniques used are total analysis.</li> <li>● Tools, spectrometers, handheld XRF instruments and the like have not been used.</li> <li>● No QC protocols adopted at this stage due to early nature of exploration.</li> <li>● Laboratory standards are routinely checked for accuracy and precision.</li> <li>● Liontown aircore and RC drilling comprised:           <ul style="list-style-type: none"> <li>○ Assay and laboratory procedures were selected following a review of techniques provided by internationally certified laboratories.</li> <li>○ Samples were submitted for multi-element analyses by Bureau Veritas aqua-regia techniques following mixed-acid digest.</li> <li>○ The assay techniques used are total.</li> <li>○ Tools, spectrometers, handheld XRF instruments and the like have not been used.</li> <li>○ Regular insertion of blanks, standards and duplicates every 25 samples.</li> <li>○ Laboratory standards checked for accuracy and precision.</li> </ul> </li> </ul>
<b>Verification of sampling and assaying</b>	<p><i>The verification of significant intersections by either independent or alternative company personnel.</i></p> <p><i>The use of twinned holes.</i></p> <p><i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></p> <p><i>Discuss any adjustment to assay data.</i></p>	<ul style="list-style-type: none"> <li>● The verification of significant intersections by either independent or alternative company personnel has not been undertaken.</li> <li>● Twinned holes have not been used.</li> <li>● All field data is manually collected, entered into excel spreadsheets, validated and loaded into an Access database.</li> <li>● Historic data extracted from Annual Technical Reports submitted to Mines Department and loaded into Access Database where reliable location data is provided.</li> <li>● Electronic data is stored on a Perth based server. Data is exported from Access for processing by a number of different software packages.</li> <li>● All electronic data is routinely backed up.</li> <li>● No hard copy data is retained.</li> <li>● No assay adjustments have been made.</li> </ul>

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> <li>• Liontown aircore and RC drilling included:               <ul style="list-style-type: none"> <li>○ Intersections peer reviewed in house.</li> <li>○ No twin holes drilled.</li> <li>○ All field data is manually collected, entered into excel spreadsheets, validated and loaded into an Access database.</li> <li>○ Electronic data is stored on the Perth server. Data is exported from Access for processing by a number of different software packages.</li> <li>○ All electronic data is routinely backed up.</li> <li>○ No hard copy data is retained.</li> </ul> </li> </ul>
<b>Location of data points</b>	<i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>	<ul style="list-style-type: none"> <li>• All samples collected since 1999 are located using a handheld GPS.</li> <li>• Poseidon NL drill holes located on local, imperial grids.</li> <li>• The grid system used (since 1999) is GDA94 Zone 50.</li> <li>• Nominal RLs based on regional topographic datasets are used initially; however, these will be updated if DGPS coordinates are collected.</li> </ul>
	<i>Specification of the grid system used.</i>	
	<i>Quality and adequacy of topographic control.</i>	
<b>Data spacing and distribution</b>	<i>Data spacing for reporting of Exploration Results.</i>	<ul style="list-style-type: none"> <li>• Liontown auger samples were collected on 400 by 400 m grid.</li> <li>• Poseidon drill holes spaced according to location of surface anomalism.</li> <li>• Historic surface samples were collected on irregular spacings based on availability of suitable sample media.</li> <li>• Mineral Resource estimates are not being prepared at this stage and the data available is generally not suitable for resource estimation.</li> <li>• No sample compositing has been undertaken.</li> </ul>
	<i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied</i>	
	<i>Whether sample compositing has been applied.</i>	
<b>Orientation of data in relation to geological structure</b>	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which known, considering the deposit type.</i>	<ul style="list-style-type: none"> <li>• Not known at this stage of exploration.</li> <li>• Drilling was typically oriented perpendicular to the interpreted strike of geology interpreted from regional geophysics.</li> <li>• No bias is envisaged.</li> </ul>
	<i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	

Criteria	JORC Code explanation	Commentary
Sample security	<i>The measures taken to ensure sample security.</i>	<ul style="list-style-type: none"> <li>Not recorded for previous exploration.</li> <li>Senior Liontown personnel supervised all sampling and transport to assay laboratory in Perth.</li> </ul>
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	<ul style="list-style-type: none"> <li>None completed at this stage.</li> </ul>

## SECTION 2 REPORTING OF EXPLORATION RESULTS

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<p><i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, Native Title interests, historical sites, wilderness or national park and environmental settings.</i></p> <p><i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i></p>	<ul style="list-style-type: none"> <li>The Moora Project comprises three granted exploration licences (E70/5217, E70/5286 and E70/5287). The tenement package forms a contiguous, 466 km<sup>2</sup> area located 140 km north northeast of Perth, Western Australia.</li> <li>All ELs are held by ERL (Aust) Pty Ltd, a wholly owned subsidiary of Minerals 260 Ltd.</li> <li>Liontown has agreed to pay Armada Exploration Services:                         <ul style="list-style-type: none"> <li>\$1,000,000 cash</li> <li>a 0.5% NSR.</li> </ul>                         if it discovers an economic mineral deposit (and makes a decision to mine) within the above tenements or any subsequent tenements acquired within an Area of Influence around the current tenements.                     </li> <li>Furthermore, Minerals 260 has the right to earn a 51% interest in the adjacent Koojan Project from ASX-listed Lachlan Star Limited (Lachlan Star). To acquire the 51% interest in the Koojan Project, Liontown (now Minerals 260) is required to spend a total of A\$4 M on exploration within 5 years with a minimum expenditure commitment of A\$500,000 before having the right to withdraw. The Koojan Project comprises six granted Exploration Licences covering 202 graticular blocks or approximately 597 km<sup>2</sup> and one Prospecting Licence application covering 1.71 km<sup>2</sup>.</li> <li>The Moora Project is largely underlain by freehold properties used for broad acre cropping and livestock rearing. Liontown negotiated access agreements over five of the larger properties which cover the main geophysical anomalies and is in discussions with other landowners.</li> <li>Liontown has signed a Heritage Agreement with the South West Aboriginal Land and Sea Council Aboriginal Council who act on behalf of the Yued Agreement Group.</li> <li>All tenements are in good standing.</li> </ul>
<b>Exploration done by other parties</b>	<i>Acknowledgment and appraisal of exploration by other parties.</i>	<ul style="list-style-type: none"> <li>Previous exploration for magmatic Ni-Cu-PGE sulphide mineralisation has been carried out over the central part of the Moora Project area by Poseidon NL (1968), Palladium Resources (1999 to 2001) and Washington Resources (2004 to 2009).</li> <li>This work included geophysical surveys, surface geochemistry and shallow drilling. Anomalous Ni+Cu+PGE+Au was defined within the shallow, weathered regolith.</li> <li>There has been no prior drill testing of the primary, unoxidised bedrock.</li> </ul>
<b>Geology</b>	<i>Deposit type, geological setting and style of mineralisation.</i>	<ul style="list-style-type: none"> <li>The Moora Project area is located within the &gt;3Ga age Western Gneiss Terrain of the Archaean Yilgarn Craton of southwest Western Australia.</li> <li>The prospective mafic/ultramafic bodies lie within the highly deformed Jimperding Metamorphic Belt which locally comprises high grade metamorphic rocks of quartz feldspar composition with some amphibolite schist and minor</li> </ul>

Criteria	JORC Code explanation	Commentary
		<p>banded iron formation. The Belt is up to 70 km wide and bounded to the west by the Darling Fault (and Perth Basin) and to the east by younger Archaean rocks. Regionally the geological trend is northwesterly with moderate to steep north-easterly dips.</p> <ul style="list-style-type: none"> <li>• North-northeast and north-northwest trending, Proterozoic dolerite dykes also intrude the geological sequence.</li> <li>• Outcrops are rare and bedrock geology is largely obscured by lateritic duricrust and deep saprolitic weathering. The clearing of farmland and related agricultural practices have further contributed to the masking of the bedrock.</li> <li>• The intrusive mafic/ultramafic units are interpreted to form concordant, layered igneous complexes at least 50 m thick. The true dimensions are difficult to determine due to the limited outcrop.</li> </ul>
<p><b>Drillhole Information</b></p>	<p><i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drillholes:</i></p> <ul style="list-style-type: none"> <li>• <i>easting and northing of the drillhole collar</i></li> <li>• <i>elevation or RL (elevation above sea level in metres) of the drillhole collar</i></li> <li>• <i>dip and azimuth of the hole</i></li> <li>• <i>down hole length and interception depth hole length.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Detailed in the main report and Appendices above. RLs are not reported but are immaterial at this stage of exploration.</li> </ul>
<p><b>Data aggregation methods</b></p>	<p><i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</i></p> <p><i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i></p> <p><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></p>	<ul style="list-style-type: none"> <li>• Reported intercepts have been calculated using lower cut of 0.4% nickel for practical reporting purposes. No top cuts used to date.</li> <li>• Internal waste (i.e., &lt;cut off) is limited to single samples between mineralised samples that exceed cut off grades.</li> <li>• Metal equivalents are not reported.</li> </ul>
<p><b>Relationship between mineralisation widths and intercept lengths</b></p>	<p><i>If the geometry of the mineralisation with respect to the drillhole angle is known, its nature should be reported.</i></p> <p><i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this</i></p>	<ul style="list-style-type: none"> <li>• The relationship between true widths and the width of mineralised zones intersected in historic drilling has not yet been determined due to lack of structural data.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<i>effect (e.g. 'down hole length, true width not known').</i>	
<b>Diagrams</b>	<i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	<ul style="list-style-type: none"> <li>Included in the main report.</li> </ul>
<b>Balanced reporting</b>	<i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	<ul style="list-style-type: none"> <li>Results for all sampling are listed in the Appendices.</li> </ul>
<b>Other substantive exploration data</b>	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	<ul style="list-style-type: none"> <li>All material information is reported.</li> </ul>
<b>Further work</b>	<i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i>	<ul style="list-style-type: none"> <li>Review of results and data for recently completed exploration.</li> <li>Planning of follow-up exploration.</li> <li>Ongoing access negotiations with landowners.</li> </ul>

## Need assistance?



**Phone:**

1300 850 505 (within Australia)  
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SAMPLE ESTATE  
SAMPLEVILLE VIC 3030



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **11:00 AM (AWST) on Monday, 20 September 2021.**

# Proxy Form

## How to Vote on Items of Business

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

### APPOINTMENT OF PROXY

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

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

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

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

### SIGNING INSTRUCTIONS FOR POSTAL FORMS

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

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

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

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

### PARTICIPATING IN THE MEETING

#### Corporate Representative

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

## Lodge your Proxy Form:

XX

### Online:

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

Your secure access information is



**Control Number: 999999**

**SRN/HIN: I999999999**

**PIN: 99999**

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

### By Mail:

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

### By Fax:

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



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

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

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



I 9999999999

I ND

## Proxy Form

Please mark  to indicate your directions

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

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I/We being a member/s of Liontown Resources Limited hereby appoint

the Chairman of the Meeting OR

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Liontown Resources Limited to be held at Quest Kings Park, 54 Kings Park Road, West Perth, WA 6005 on Wednesday, 22 September 2021 at 11:00 AM (AWST) and at any adjournment or postponement of that meeting.

### 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
Resolution 1 Amendment to the Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Approval for a reduction of capital and in-specie distribution of Minerals 260 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

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

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

**Update your communication details** (Optional)

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

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Computershare

