

**LIONTOWN RESOURCES LIMITED  
ACN 118 153 825**

**NOTICE OF ANNUAL GENERAL MEETING**

**The Annual General Meeting of the Company will be held at Cassia Room, Level 1 Function Floor, The Westin Perth, at 480 Hay Street, Perth, Western Australia on Wednesday, 27 November 2019 at 10.30 am (WST).**

*The Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their accountant, solicitor or other professional advisor prior to voting.*

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

**Shareholders are urged to attend or vote by voting online at [www.investorvote.com.au](http://www.investorvote.com.au) or by lodging the proxy form attached to the Notice**

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## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the annual general meeting of Shareholders of Liontown Resources Limited (**Company**) will be held at Cassia Room, Level 1 Function Floor, The Westin Perth, at 480 Hay Street Perth, Western Australia on Wednesday, 27 November 2019 at 10.30 am (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, 25 November 2019 at 4.00pm (WST).

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

## **AGENDA**

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### **1. Annual Report**

To consider the Annual Report of the Company and its controlled entities for the financial year ended 30 June 2019, which includes the Financial Report, the Directors' Report and the Auditor's Report.

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### **2. Resolution 1 – Remuneration Report**

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

*"That the Remuneration Report be adopted by Shareholders on the terms and conditions in the Explanatory Memorandum."*

#### **Short explanation**

The Company is required to put a resolution to adopt the remuneration report of the Company at each annual general meeting. This is an advisory resolution only and does not bind the Directors or the Company.

#### **Voting Prohibition**

In accordance with sections 250BD and 250R of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report, or a Closely Related Party of such a member.

A vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

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

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**3. Resolution 2 – Re-election of Director – Mr Anthony Cipriano**

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

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

**Short explanation**

Mr Cipriano is currently a non-executive Director who is presented for re-election in accordance with the rotation requirements of the Constitution and the Listing Rules.

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**4. Resolution 3 - Approval to issue Options to Directors**

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

*"That, pursuant to and in accordance Listing Rule 10.14, sections 195(4) and 208 of the Corporations Act and for all other purposes, Shareholders approve the issue of Options to Directors (or their nominees) under the Scheme as follows:*

- (a) up to 3,000,000 Options to Mr Tim Goyder;
- (b) up to 5,000,000 Options to Mr David Richards;
- (c) up to 2,000,000 Options to Mr Craig Williams;
- (d) up to 2,000,000 Options to Mr Anthony Cipriano;
- (e) up to 2,000,000 Options to Mr Steven Chadwick, and

*on the terms and conditions in the Explanatory Memorandum."*

**Short explanation**

The Company is seeking Shareholder approval for the issue of Options to each of the Directors as part of their remuneration package.

**Voting Exclusion**

The Company will disregard any votes cast in favour of these Resolutions by or on behalf of any Director who is eligible to participate in any employee incentive scheme of the Company or any of their respective associates.

However, the Company need not disregard a vote if:

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

## Voting Prohibitions

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on these Resolutions if:

- (a) the proxy is either a member of the Key Management Personnel or a Closely Related Party of such member; and
- (b) the appointment does not specify the way the proxy is to vote on the Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Further, in accordance with section 224 of the Corporations Act, a vote on these Resolutions must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party.

However, the above prohibition does not apply if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- (b) it is not cast on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party.

Please note: If the Chair is a person referred to in the section 224 Corporations Act voting prohibition statement above, the Chair will only be able to cast a vote as proxy for a person who is entitled to vote if the Chair is appointed as proxy in writing and the Proxy Form specifies how the proxy is to vote on the relevant Resolution.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

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## 5. Resolution 4 – Amendment to the Constitution

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

*"That for the purposes of section 136(2) of the Corporations Act, the Constitution of the Company be modified by making the amendment contained in the document tabled at the Meeting and signed by the Chair for the purposes of identification, with effect from 1 December 2019".*

### Short explanation

The Company is seeking Shareholder approval to amend its Constitution to accommodate changes to the Listing Rules proposed to commence on 1 December 2019.

## BY ORDER OF THE BOARD



Kym Verheyen  
Company Secretary  
Liontown Resources Limited  
Dated: 8 October 2019

**EXPLANATORY MEMORANDUM**

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**1. Introduction**

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Cassia Room, Level 1 Function Floor, The Westin Perth, at 480 Hay Street, Perth, Western Australia on Wednesday, 27 November 2019 at 10.30 am (WST).

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

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

Section 2	Action to be taken by Shareholders
Section 3	Annual Report
Section 4	Resolution 1 – Remuneration Report
Section 5	Resolution 2 – Re-election of Director – Mr Anthony Cipriano
Section 6	Resolution 3 - Approval to issue Options to Directors
Section 7	Resolution 4 – Amendment to the Constitution
Schedule 1	Definitions
Schedule 2	Valuation of Director Options
Schedule 3	Proposed amendments to the Constitution

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

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**2. Action to be taken by Shareholders**

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

**2.1 Voting in person**

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

**2.2 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.

Proxy Forms can be lodged:

- Online: at [www.investorvote.com.au](http://www.investorvote.com.au)
- By mail: Share Registry – Computershare Investor Services Pty Limited,  
GPO Box 242, Melbourne Victoria 3001, Australia
- By fax: 1800 783 447 (within Australia)  
+61 3 9473 2555 (outside Australia)
- By mobile: Scan the QR Code on your Proxy Form and follow the prompts
- Custodian voting: For Intermediary Online subscribers only (custodians) please visit [www.intermediaryonline.com](http://www.intermediaryonline.com) to submit your voting intentions.

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 enclosed 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 (i.e. as directed);
- (ii) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands;
- (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 (i.e. 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 (i.e. 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.

### **2.3 Voting Prohibition by Proxy Holders (Remuneration of Key Management Personnel)**

In accordance with sections 250BD and 250R of the Corporations Act, votes on Resolutions 1 and 3 must not be cast (in any capacity) by, or on behalf of:

- (a) a member of the Key Management Personnel; or
- (b) a Closely Related Party of such member.

However, subject to the voting prohibition statement applicable to Resolution 3 in respect of section 224 of the Corporations Act, a person described above may cast a vote on Resolutions 1 and 3 if the vote is not cast on behalf of a person who is excluded from voting on the relevant Resolution and:

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

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

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

Subject to the following paragraph, if the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on Resolutions 1 and 3 by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

If the Chair is a person referred to in the section 214 Corporations Act voting prohibition statement applicable to Resolution 3, the Chair will only be able to cast a vote as proxy for you on the relevant Resolution if you are entitled to vote and have specified your voting intention in the Proxy Form.

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## **3. Annual Report**

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2019.

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

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at [www.asx.com.au](http://www.asx.com.au);
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Company's auditor about:

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

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

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#### **4. Resolution 1 – Remuneration Report**

In accordance with subsection 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with subsection 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

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

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

The Company's Remuneration Report did not receive a Strike at the 2018 annual general meeting. If the Remuneration Report receives a Strike at this Meeting, Shareholders should be aware that if a second Strike is received at the 2020 annual general meeting/if the Company receives a Strike at this Meeting, this may result in the re-election of the Board.

The Chair will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

Resolution 1 is an ordinary resolution.

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#### **5. Resolution 2 – Re-election of Director – Mr Anthony Cipriano**

##### **5.1 General**

Clause 14.4(a) of the Company's Constitution provides that at each annual general meeting one-third of the Directors (excluding the Managing Director) or, if their number is not a multiple of three, then the number nearest to but not exceeding one-third, must retire from office. The Directors to retire are those that have been in office the longest since their last election.

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



Mr Anthony Cipriano was most recently elected by Shareholders at the 2016 annual general meeting and has been in office the longest of all Directors since his last election. Accordingly, Mr Cipriano retires at this Meeting and, being eligible, seeks re-election pursuant to Resolution 2.

If elected, the Board considers Mr Cipriano to be an independent director.

Resolution 2 is an ordinary resolution.

The Board (other than Mr Cipriano) recommends that Shareholders vote in favour of Resolution 2.

## 5.2 Mr Anthony Cipriano

Mr Cipriano is a Chartered Accountant with 30 years' experience, and prior to his appointment as a director, was a Partner at Deloitte for over 15 years. Prior to his retirement at Deloitte, Mr Cipriano was the leader of the Western Australian Deloitte Tax Practice and Deloitte National Tax Leader for Energy and Resources. Mr Cipriano has significant experience working across tax, accounting, legal and financial aspects of corporate transactions on both a national and international level. Mr Cipriano's wide ranging financial skills complements the existing Board's skill set.

Mr Cipriano was appointed as a Non-Executive Director of the Company on 1 July 2014, and is Chair of the Audit Committee. Mr Cipriano qualifies as an independent non-executive director in accordance with Recommendation 2.3 of the ASX Corporate Governance Principles and Recommendations 4<sup>th</sup> Edition.

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## 6. Resolution 3 - Approval to issue Options to Directors

### 6.1 General

The Company is proposing, subject to obtaining Shareholder approval, to issue up to a total of 14,000,000 Options (**Director Options**) to Mr Tim Goyder, Mr David Richards, Mr Craig Williams, Mr Anthony Cipriano and Mr Steven Chadwick (**Directors**), or their respective nominees, as follows:

<b>Director</b>	<b>Director Options</b>
Tim Goyder	3,000,000
David Richards	5,000,000
Craig Williams	2,000,000
Anthony Cipriano	2,000,000
Steven Chadwick	2,000,000
<b>TOTAL</b>	<b>14,000,000</b>

The exercise price of the Director Options will be \$0.15 each and the expiry date will be 3 years after the date of issue.

The Company is in an important stage of development with significant opportunities and challenges in both the near and long-term, and the proposed issue seeks to align the efforts of the Directors in seeking to achieve growth of the Share price and in the creation of Shareholder value. In addition, the Board also believes that incentivising with Director Options is a prudent means of conserving the Company's available cash reserves. The Board believes it is important to offer these Director Options to continue to attract and maintain highly experienced and qualified Board members in a competitive market.

The Director Options are to be issued under the terms of the Employee Securities Incentive Scheme (**Scheme**), which are summarised in the Company's 2018 notice of annual general meeting, announced on ASX on 29 October 2018.

Subject to the terms and conditions of the Scheme, the Director Options will vest immediately on issue.

The resolutions which form part of Resolution 3 seek Shareholder approval pursuant to Listing Rule 10.14 and sections 195(4) and 208 of the Corporations Act for the issue of up to a total of 14,000,000 Director Options under the Scheme to the Directors or their respective nominees.

Each of the resolutions which forms part of Resolution 3 is an ordinary resolution.

The Directors decline to make a recommendation to Shareholders in relation to the resolutions which form part of Resolution 3 due to their personal interests in the outcome of the Resolutions.

## 6.2 Listing Rule 10.14

Listing Rule 10.14 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

As Shareholder approval is sought under Listing Rule 10.14, approval under Listing Rules 7.1 or 10.11 is not required.

## 6.3 Specific information required by Listing Rule 10.15

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

- (a) the Director Options will be issued under the Scheme to Messrs Goyder, Richards, Williams, Cipriano and Chadwick (or their respective nominees), each of whom is a Director;
- (b) the maximum number of Director Options to be issued to the Directors (or their respective nominees) is 14,000,000, in the proportions set out in Section 6.1 above;
- (c) the Director Options will have an issue price of nil as they will be issued as part of the remuneration packages for each of the Directors;
- (d) the names of all persons referred to in Listing Rule 10.14 who have received Securities under the Scheme since it was approved by Shareholders at the 2018 annual general meeting held on 27 November 2018, the number of the Securities received and the acquisition price for each Security is set out below:

Directors (or associates)	Options	Acquisition price	Exercise price (each)	Expiry date
Tim Goyder <sup>1</sup>	4,000,000	\$nil	\$0.035	28 November 2023
David Richards <sup>1</sup>	5,000,000	\$nil	\$0.035	28 November 2023
Craig Williams <sup>1</sup>	2,500,000	\$nil	\$0.035	28 November 2023
Anthony Cipriano <sup>1</sup>	2,500,000	\$nil	\$0.035	28 November 2023
Steven Chadwick <sup>2</sup>	3,500,000	\$nil	\$0.035	28 November 2023

Notes:

1. Options were issued pursuant to resolution 7 of the 2018 annual general meeting held on 27 November 2018.
2. Options issued to Mr Steven Chadwick was approved by Shareholders at a general meeting held on 30 April 2019.

- (e) the persons referred to in Listing Rule 10.14 who are entitled to participate in the Scheme are the current Directors, namely Mr Goyder, Mr Richards, Mr Williams, Mr Cipriano and Mr Chadwick;
- (f) no loan will be provided to the Directors in relation to the issue of the Director Options;
- (g) the Director Options will be issued no later than 12 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules); and
- (h) a voting exclusion statement is included in the Notice.

#### **6.4 Chapter 2E of the Corporations Act**

In accordance with Chapter 2E of the Corporations Act, in order to give a financial benefit to a related party, the Company must:

- (a) obtain Shareholder approval in the manner set out in section 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of the Director Options constitutes giving a financial benefit and the Directors are related parties of the Company by virtue of being Directors.

Each of the Directors have an interest in the resolutions which form part of Resolution 3. Accordingly, the Company is seeking approval for the purposes of Chapter 2E of the Corporations Act in respect of the proposed issue of Director Options.

#### **6.5 Information requirements for Chapter 2E of the Corporations Act**

Pursuant to and in accordance with section 219 of the Corporations Act, the following information is provided in relation to the proposed issue of the Director Options:

- (a) **Identity of the related parties to whom the resolutions which form part of Resolution 3 permit financial benefits to be given**

The Director Options will be issued to Messrs Goyder, Richards, Williams, Cipriano and Chadwick or their respective nominees.

- (b) **Nature of the financial benefit**

The resolutions which form part of Resolution 3 seek approval from Shareholders to allow the Company to issue the Director Options in the amounts specified in Section 6.1 above to the Directors or their nominees. The Director Options are to be issued in accordance with the Scheme.

The Shares to be issued upon exercise of the Director Options will be fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and will rank equally in all respects with the Company's existing Shares. The Company will apply for official quotation of the Shares on ASX.

(c) **Valuation of financial benefit**

Using a Black & Scholes valuation model, the Company's valuation of the Director Options is in Schedule 2, with a summary for each Director below:

<b>Director</b>	<b>Value of Director Options</b>
Tim Goyder	\$162,000
David Richards	\$269,000
Craig Williams	\$108,000
Anthony Cipriano	\$108,000
Steven Chadwick	\$108,000
<b>TOTAL</b>	<b>\$755,000</b>

(d) **Remuneration of Directors**

The total annual remuneration arrangements current for each of the Directors as at the date of this Notice are set out below:

<b>Director</b>	<b>Salary and fees (inclusive of superannuation)</b>
Tim Goyder	\$151,500
David Richards	\$300,000
Craig Williams	\$40,635
Anthony Cipriano	\$40,635
Steven Chadwick <sup>1</sup>	\$35,160

**Note:**

1. On 10 January 2019, Mr Chadwick was appointed as a non-executive director. On 19 June 2019, the Company entered into a consultancy agreement with Mr Chadwick for the provision of general metallurgical and technical advisory services.

(e) **Existing relevant interests**

At the date of this Notice, the Directors hold the following relevant interests in Equity Securities of the Company:

<b>Director</b>	<b>Shares</b>	<b>Unquoted Options</b>
Tim Goyder	292,588,646	10,000,000 <sup>1</sup>
David Richards	5,367,800	15,000,000 <sup>2</sup>
Craig Williams	21,429,080	5,500,000 <sup>3</sup>
Anthony Cipriano	10,477,908	5,500,000 <sup>4</sup>

Director	Shares	Unquoted Options
Steven Chadwick	7,600,328	Nil

**Notes:**

1. Total of 10,000,000 Options comprising of:
  - a. 4,000,000 Options exercisable at \$0.035 each on or before 28 November 2023;
  - b. 2,000,000 Options exercisable at \$0.035 each on or before 31 March 2021; and
  - c. 4,000,000 Options exercisable at \$0.02 each on or before 31 October 2022.
2. Total of 15,000,000 Options comprising of:
  - a. 5,000,000 Options exercisable at \$0.035 each on or before 28 November 2023;
  - b. 2,000,000 Options exercisable at \$0.035 each on or before 31 March 2021; and
  - c. 8,000,000 Options exercisable at \$0.02 each on or before 31 October 2022.
3. Total of 5,500,000 Options comprising of:
  - a. 2,500,000 Options exercisable at \$0.035 each on or before 28 November 2023;
  - b. 1,000,000 Options exercisable at \$0.035 each on or before 31 March 2021; and
  - c. 2,000,000 Options exercisable at \$0.02 each on or before 31 October 2022.
4. Total of 5,500,000 Options comprising of:
  - a. 2,500,000 Options exercisable at \$0.035 each on or before 28 November 2023;
  - b. 1,000,000 Options exercisable at \$0.035 each on or before 31 March 2021; and
  - c. 2,000,000 Options exercisable at \$0.02 each on or before 31 October 2022.

Assuming that:

- (i) each of the resolutions which form part of Resolution 3 are approved by Shareholders;
- (ii) all of the 14,000,000 Director Options are issued and exercised into Shares; and
- (iii) no other Equity Securities are issued or exercised (including any existing Options held by the Directors),

the voting power of each of the Directors in the Company would be as follows:

Director	Shares	Voting power
Tim Goyder	295,588,646	17.35%
David Richards	10,367,800	0.61%

<b>Director</b>	<b>Shares</b>	<b>Voting power</b>
Craig Williams	23,429,080	1.38%
Anthony Cipriano	12,477,908	0.73%
Steven Chadwick	9,600,328	0.56%

(f) **Trading history**

The highest and lowest closing market sale prices of the Shares on ASX during the 12 months period ending 7 October 2019 (being the latest practicable date prior to finalising this Notice):

Highest: \$0.165 per Share on 22 July 2019

Lowest: \$0.019 per Share on 29 March 2019

The closing market sale price of the Shares on ASX on 7 October 2019 was \$0.090.

(g) **Dilution**

The issue of the Director Options will have a diluting effect on the percentage interest of existing Shareholders' holdings if all of the 14,000,000 the Director Options are exercised as follows:

	<b>Number of Shares on issue</b>	<b>Enlarged number of Shares on issue</b>	<b>Dilution to existing Shareholders</b>
Undiluted basis <sup>1</sup>	1,689,485,201	1,703,485,201	0.82%
Fully diluted basis <sup>2</sup>	1,761,335,201	1,762,335,201	0.79%

**Notes:**

1. On the basis that no Shares are issued, other than on exercise of the 14,000,000 Director Options.
2. On the basis that all 72,850,000 existing Options and Performance Rights are exercised, all of the 14,000,000 Director Options are exercised, and no other Shares are issued.

(h) **Corporate governance**

The Board acknowledges the grant of the Director Options to the non-executive Directors, Messrs Goyder, Richards, Williams, Cipriano and Chadwick is contrary to Recommendation 8.2 of the 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations. However, the Board considers the grant of Director Options to the non-executive Directors reasonable in the circumstances for the reasons set out in Section 6.1.

(i) **Taxation consequences**

There are no taxation consequences for the Company arising from the issue of the Director Options (including fringe benefits tax).

(j) **Director recommendations**

The Directors decline to make a recommendation to Shareholders in relation to the resolutions which form part of Resolution 3 due to their personal interests in the outcome of the Resolutions.

(k) **Other information**

The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass each of the resolutions which forms part of Resolution 3.

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**7. Resolution 4 – Amendment to the Constitution**

**7.1 General**

The Company is currently governed by its existing Constitution which it has had in place since it was admitted to the official list of ASX in 2006 and subsequently amended pursuant to Shareholder approvals obtained at the meetings held on 25 November 2010 and 28 November 2013.

Under section 136(2) of the Corporations Act, a company can modify its constitution or a provision of its constitution by special resolution. Accordingly, the Company seeks Shareholder approval to amend its Constitution by a special resolution of shareholders as set out in section 7.2 below.

A copy of the amended constitution will be sent to Shareholders on request and will also be available for inspection at the office of the Company during normal business hours prior to the Meeting.

**7.2 Background**

Changes to the Listing Rules are proposed to commence on 1 December 2019 which will require a listed entity's constitution to contain certain provisions regarding Restricted Securities if the entity has any Restricted Securities on issue. Although the Company does not presently have any Restricted Securities on issue and does not have any present intentions to undertake a transaction which would result in the issue of Restricted Securities, the Board considers it prudent to take this opportunity to update the Constitution to ensure it complies with these new requirements.

ASX intends to apply a two-tier escrow regime where ASX can require certain more significant holders of Restricted Securities and their controllers to execute a formal escrow agreement in the form of Appendix 9A of the Listing Rules, as is currently the case. However, for less significant holdings, ASX will instead permit entities to rely on a provision in their constitution imposing appropriate escrow restrictions on the holders of restricted securities and to simply give a notice to the holders of Restricted Securities in the form to be set out in an appendix to the Listing Rules, advising them of those restrictions.

To facilitate the operation of the new two-tier escrow regime, certain changes are required to the customary provisions of constitutions of ASX-listed entities regarding Restricted Securities.

**7.3 Proposed amendment**

The proposed amendments to the Constitution are set out in Schedule 3.

**7.4 Additional information**

The Board unanimously recommends that Shareholders vote in favour of Resolution 4.

Resolution 4 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Chair intends to exercise all available proxies in favour of Resolution 4.

## Schedule 1 - Definitions

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

**\$ or A\$** means Australian Dollars.

**Annual Report** means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 30 June 2019.

**ASX** means the ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

**Auditor's Report** means the auditor's report on the Financial Report.

**Board** means the board of Directors.

**Chair** means the person appointed to chair the Meeting of the Company convened by the Notice.

**Clause** means a clause of the Constitution.

**Closely Related Party** means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

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

**Constitution** means the constitution of the Company as at the date of the Meeting.

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

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

**Director Options** means up to 14,000,000 Options to be issued to the Directors on the terms and conditions set out in the Scheme, which are the subject of Resolution 3.

**Directors' Report** means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

**Equity Security** has the same meaning as in the Listing Rules.

**Explanatory Memorandum** means the explanatory memorandum which forms part of the Notice.

**Financial Report** means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

**Listing Rules** means the listing rules of ASX.

**Meeting** has the meaning given in the introductory paragraph of the Notice.

**Notice** means this notice of annual general meeting.

**Option** means an option to acquire a Share.



**Proxy Form** means the proxy form attached to the Notice.

**Remuneration Report** means the remuneration report of the Company contained in the Directors' Report.

**Resolution** means a resolution referred to in the Notice.

**Restricted Securities** has the meaning given in the Listing Rules.

**Schedule** means a schedule to the Notice.

**Scheme** means the Company's employee securities incentive scheme.

**Section** means a section of the Explanatory Memorandum.

**Securities** means any Equity Securities of the Company (including Shares, Options and/or Performance Rights).

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

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

**Strike** means a 'no' vote of 25% or more on the resolution approving the Remuneration Report.

**Trading Day** has the meaning given in the Listing Rules.

**VWAP** means volume weighted average market price.

**WST** means Western Standard Time being the time in Perth, Western Australia.

## Schedule 2 – Valuation of Director Options

The Director Options to be issued to the Directors pursuant to resolutions which form part of Resolution 3 have been valued according to the Black & Scholes valuation model on the following assumptions:

Director	Tim Goyder	David Richards	Craig Williams	Anthony Cipriano	Steven Chadwick
Assumed Share price at grant date	\$0.098	\$0.098	\$0.098	\$0.098	\$0.098
Exercise price	\$0.15	\$0.15	\$0.15	\$0.15	\$0.15
Market value on ASX of underlying Shares at time of setting exercise price	\$0.095	\$0.095	\$0.095	\$0.095	\$0.095
Exercise price premium to market value	57.9%	57.9%	57.9%	57.9%	57.9%
Expiry date	28 November 2022	28 November 2022	28 November 2022	28 November 2022	28 November 2022
Expected volatility	100%	100%	100%	100%	100%
Risk free interest rate	0.71%	0.71	0.71	0.71	0.71
Annualised dividend yield	Nil	Nil	Nil	Nil	Nil
Value of each Director Options	\$0.054	\$0.054	\$0.054	\$0.054	\$0.054
<b>Aggregate value of Director Options</b>	<b>\$162,000</b>	<b>\$269,000</b>	<b>\$108,000</b>	<b>\$108,000</b>	<b>\$108,000</b>

**Schedule 3 – Proposed amendments to the Constitution**

<b>Clause</b>	<b>Current provision</b>	<b>Amendment</b>
1.1	-	<p>Insert a new definition as follows:</p> <p><i>“<b>Dispose</b>” has the meaning given to that term in the Listing Rules and “<b>Disposal</b>” has the corresponding meaning.’</i></p>
1.6	-	<p>Insert a new clause as follows:</p> <p><b>‘1.6 Restricted Securities</b></p> <p><i>While the Company is on the official list of ASX, the Company must recognise and comply with the Listing Rules with respect to Restricted Securities.</i></p> <p><i>The following provisions apply notwithstanding any other provision of this Constitution and without limiting the obligation to comply with the ASX Listing Rules:</i></p> <p>(a) <i>a holder of Restricted Securities must not Dispose of, or agree or offer to Dispose of, the Restricted Securities during the escrow period applicable to those Restricted Securities except as permitted by the ASX Listing Rules or ASX;</i></p> <p>(b) <i>if the Restricted Securities are in the same class as quoted securities, the holder will be taken to have agreed in writing that the Restricted Securities are to be kept on the Company’s issuer sponsored sub-register and are to have a holding lock applied for the duration of the escrow period applicable to those securities;</i></p> <p>(c) <i>the Company will refuse to acknowledge any Disposal (including, without limitation, to register any transfer), of Restricted Securities during the escrow period except as permitted by the ASX Listing Rules or the ASX;</i></p> <p>(d) <i>a holder of Restricted Securities will not be entitled to participate in any return of capital on those Restricted Securities during the escrow period applicable to those Restricted Securities except as permitted by the ASX Listing Rules or ASX; and</i></p> <p>(e) <i>if a holder of Restricted Securities breaches a Restriction Deed or a provision of this Constitution restricting a Disposal of those Restricted Securities, the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those Restricted Securities for so long as the breach continues.’</i></p>
6.2(d)	Restricted Securities cannot be disposed of during the escrow period which applies in relation to those Securities except as	Deleted

Clause	Current provision	Amendment
	permitted by the Listing Rules or ASX.	
13.1(j)	During a breach of the Listing Rules relating to Restricted Securities, or a breach of a Restriction Agreement relating to the Restricted Securities, the Holder of the Restricted Securities is not entitled to any voting rights in respect of the Restricted Securities.	Deleted
21.3(f)	During a breach of the Listing Rules relating to Restricted Securities, or a breach of a Restriction Agreement relating to the Restricted Securities, the Holder of the Restricted Securities is not entitled to any dividend in respect of the Restricted Securities.	Deleted

## Need assistance?



**Phone:**

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



**Online:**

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



LTR

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



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:30am (WST)**  
**Monday, 25 November 2019**

# 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.

## ATTENDING THE MEETING

**If you are attending in person, please bring this form with you to assist registration.**

### Corporate Representative

If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Appointment of Corporate Representative" prior to admission. 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

XX

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

the Chairman of the Meeting **OR**

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Liantown Resources Limited to be held at Cassia Room, Level 1 Function Floor, The Westin Perth, 480 Hay Street, Perth, Western Australia on Wednesday, 27 November 2019 at 10:30am (WST) and at any adjournment or postponement of that meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Subject to the below, where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1 and 3a - 3e (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1 and 3a - 3e are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman. If the Chairman is a person referred to in the Section 224 Corporations Act voting prohibition statements applicable to Resolutions 3a - 3e, the Chairman will only be able to cast a vote as proxy for you on the relevant Resolution if you are entitled to vote and specified your voting intention below.

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

## Step 2 Items of Business

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

	For	Against	Abstain
1 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director – Mr Anthony Cipriano	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3a Approval to issue Options to Director - Mr Tim Goyder	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3b Approval to issue Options to Director - Mr David Richards	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3c Approval to issue Options to Director - Mr Craig Williams	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3d Approval to issue Options to Director - Mr Anthony Cipriano	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3e Approval to issue Options to Director - Mr Steven Chadwick	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Amendment to the Constitution	<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

