



# ASX ANNOUNCEMENT

ASX : CXO

7<sup>th</sup> November 2017

## Substantial holder notice and disclosure of escrowed shares

---

Core Exploration Limited (ASX:CXO) (Core) has today lodged an initial substantial holder notice in respect of an interest in its own shares arising from the restrictions on transfer imposed on Liantown Resources Limited (**Liantown**). The notice relates to the recently issued 39,232,025 shares issued in consideration for the acquisition of the Bynoe Project and a technical requirement arising under the *Corporations Act 2001* (Cth).

The interest has arisen because of the restrictions on the transfer of the Consideration Shares by Liantown (ASX:LTR). Core is considered to have a relevant interest in the escrowed shares because the agreement under which the shares were issued restricts the ability of LTR to transfer those Consideration Shares for a period of up to 12 months as follows:

- 13,077,342 shares escrowed to 7 March 2018
- 13,077,342 shares escrowed to 7 July 2018
- 13,077,341 shares escrowed to 7 November 2018

Core does not have any ownership interest in the Consideration Shares issued to LTR.

A Form 603 - Notice of initial substantial holder follows.

For any questions, please contact the undersigned.



Jaroslaw (Jarek) Kopias  
**Company Secretary**  
Core Exploration Ltd

For personal use only

**Form 603**Corporations Act 2001  
Section 671B**Notice of initial substantial holder****To** Company Name/Scheme **Core Exploration Limited**ACN/ARSN **146 287 809****1. Details of substantial holder (1)**Name **Core Exploration Limited**ACN/ARSN (if applicable) **Core Exploration Ltd ACN 146 287 809**The holder became a substantial holder on **07/11/2017****2. Details of voting power**

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
<b>Ord</b>	<b>39,232,025</b>	<b>39,232,025</b>	<b>8.18%</b>

**3. Details of relevant interests**

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
<b>Core Exploration Ltd</b>	<b>Relevant interest in shares issued to Liantown Resources Limited arising from the restrictions on the transfer of those shares contained in the Sale Agreement for the acquisition of the Bynoe Project, a copy of which is annexed to this notice and marked Annexure A.</b>	<b>39,232,025 ordinary shares</b>

**4. Details of present registered holders**

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
<b>Core Exploration Limited</b>	<b>Liantown Resources Limited</b>	<b>Liantown Resources Limited</b>	<b>39,232,025 ordinary shares</b>

**5. Consideration**

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
<b>Core Exploration Limited</b>	<b>7 November 2017</b>	<b>N/A</b>	<b>N/A</b>	<b>39,232,025 ordinary shares</b>

## 6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
<b>N/A</b>	<b>N/A</b>


## 7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
<b>Core Exploration Ltd</b>	<b>26 Gray Court, Adelaide, South Australia</b>

## Signature

print name      **Jaroslav Kopias**      capacity      **Company Secretary**

sign here            date      **07/11/2017**

## DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
  - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
  - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person ( eg. if the relevant interest arises because of an option) write

"unknown".

- (9) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

For personal use only

Annexure A – Notice of initial substantial holder Form 603 Corporations Act 2001 671B

**Core Exploration Limited**

**ACN 146 287 809**

This is Annexure A of 33 pages referred to in Form 603 Notice of Initial Substantial Holder, being a copy of the Sale Agreement dated 12 September 2017, signed by me and dated 7<sup>th</sup> November 2017.

  
Jarosław Kopias

For personal use only

# Sale Agreement

## Bynoe tenements

---

LRL (Aust) Pty Ltd (**Lion**)

Liontown Resources Limited (**LTR**)

Lithium Developments Pty Ltd (**LID**)

Core Exploration Ltd (**CXO**)



For personal use only

## Contents

<b>Parties</b> .....	<b>1</b>
<b>Background</b> .....	<b>1</b>
<b>1 Definitions and interpretation</b> .....	<b>1</b>
1.1 Definitions .....	1
1.2 Interpretation .....	5
<b>2 Conditions to Completion</b> .....	<b>6</b>
2.1 Conditions .....	6
2.2 Process to obtain Ministerial approval.....	6
2.3 Notice and reasonable endeavours.....	7
2.4 Waiver.....	7
2.5 Sunset Date .....	7
2.6 Effect of termination .....	7
<b>3 Pre-Completion</b> .....	<b>8</b>
3.1 Licence.....	8
3.2 Agency .....	8
3.3 Appointment as Operator .....	9
3.4 Lion and LTR Obligations.....	10
3.5 Termination .....	11
<b>4 Sale and purchase</b> .....	<b>12</b>
4.1 Agreement to sell .....	12
4.2 Contingent consideration .....	12
4.3 Title and risk.....	13
<b>5 Completion</b> .....	<b>13</b>
5.1 Time and place.....	13
5.2 Lion's obligations.....	13
5.3 LID's obligations .....	13
5.4 CXO's obligations.....	14
5.5 Interdependency .....	15
5.6 Apportionment.....	15
<b>6 Warranties and representations</b> .....	<b>16</b>
6.1 Warranties.....	16
6.2 Mutual warranties.....	17
6.3 CXO and LID warranties .....	18

For personal use only

<b>7</b>	<b>Liabilities and indemnities</b>	<b>18</b>
7.1	Apportionment of Liabilities relating to the Lion Mineral Titles	18
7.2	Apportionment of Liabilities relating to the Orema Titles	19
<b>8</b>	<b>Confidentiality</b>	<b>19</b>
<b>9</b>	<b>Notices and other communications</b>	<b>19</b>
9.1	Services of notices	19
9.2	Effective on receipt	20
<b>10</b>	<b>GST</b>	<b>21</b>
10.1	Interpretation	21
10.2	Reimbursements and similar payments	21
10.3	GST payable	21
10.4	Input tax credits	21
10.5	Variation of GST	21
10.6	Indemnity	22
10.7	No merger	22
<b>11</b>	<b>Foreign Residents Capital Gains Withholding</b>	<b>22</b>
<b>12</b>	<b>Miscellaneous</b>	<b>23</b>
12.1	Registration and caveat of the Agreement	23
12.2	Assignment	23
12.3	Costs and stamp duty	23
12.4	Entire Agreement	23
12.5	Amendment	23
12.6	Counterparts and multiple originals	23
12.7	Waiver	23
12.8	Severance	23
12.9	Governing law	24
12.10	Further action	24
	<b>Signing Page</b>	<b>25</b>
	<b>Annexure 1 - Lion and LTR Material Disclosure</b>	<b>27</b>
	<b>Annexure 2(a) - Lion Approval Application</b>	<b>28</b>
	<b>Annexure 2(b) – LTR Approval Application</b>	<b>29</b>
	<b>Annexure 3 – Registration Request</b>	<b>31</b>



## Sale Agreement

Date: 12 September 2017

### Parties

- 1 **LRL (Aust) Pty Ltd** ACN 610 981 194 care of Liontown Resources Ltd at level 2, 1292 Hay Street, West Perth in the state of Western Australia (**Lion**);
- 2 **Liontown Resources Limited** ACN 118 153 825 of level 2, 1292 Hay Street, West Perth in the state of Western Australia (**LTR**);
- 3 **Lithium Developments Pty Ltd** ACN 612 245 020 of 26 Gray Court, Adelaide in the state of South Australia 5000 (**LID**); and
- 4 **Core Exploration Ltd** ACN 146 287 809 of 26 Gray Court, Adelaide in the state of South Australia 5000 (**CXO**)

### Background

- A Lion owns 100% of the right, title and interest in the Lion Property.
- B LTR owns 100% of the right, title and interest in the LTR Property (subject to the registration of the transfer of the Orema Titles).
- C LTR owns 100% of the beneficial rights and interests in the Orema Titles.
- D LID wishes to purchase and Lion wishes to sell the Lion Property on the terms and conditions of this Agreement.
- E LID wishes to purchase and LTR wishes to sell the LTR Property on the terms and conditions of this Agreement.
- F LID is a wholly owned subsidiary of CXO.
- G Lion is a wholly owned subsidiary of LTR.

### Agreed Terms

#### 1 Definitions and interpretation

##### 1.1 Definitions

In this Agreement (including the Background), the following terms shall have the following meanings, unless the context requires otherwise:

**5-Day VWAP** means the volume average weighted price at which CXO Shares are traded on ASX over the 5 days on which sales in CXO Shares were recorded before the relevant date.

**10-Day VWAP** means the volume average weighted price at which CXO Shares are traded on ASX over the 10 days on which sales in CXO Shares were recorded before the relevant date.

For personal use only

**Agreement** means this sale agreement, including all Annexures.

**ASX** means ASX Limited (ACN 008 624 691).

**Authorisation** means any approval, licence, consent, authority, permit, registration, filing, lodgement, notification, agreement, certificate, commission, lease or exemption.

**Approval Applications** means the approval applications in the form substantially set out in **annexure 2(a) and (b)**, which includes a request that the transfer of the Mineral Titles is not registered until a request for registration is received from LID and Lion/LTR (as applicable).

**Business Day** means a day which is not a Saturday, Sunday or a public holiday in Darwin in the Northern Territory pursuant to the *Public Holidays Act (NT)*.

**Claim** means a claim, demand, legal proceeding or cause of action including any claim, demand, legal proceeding or cause of action based in contract (including for breach of warranty), based in tort (including for misrepresentation or negligence), under common law or under statute, in any way relating to this Agreement or the sale and purchase of the Property and includes a claim, demand, legal proceeding or cause of action arising from a breach of a Warranty or under an indemnity in this Agreement.

**Completion** means completion of the sale and purchase of the Property in accordance with clause 5.

**Completion Date** means the fifth (5<sup>th</sup>) Business Day after the satisfaction (or waiver) of the conditions at clause 2.1, or such other date that the Parties agree on in writing.

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

**CXO Shares** means fully paid ordinary shares in the capital of CXO.

**Deed of Assignment, Assumption and Release** has the meaning given in clause 2.1(c).

**Department** means the Department of Primary Industry and Resources.

**Encumbrance** means a mortgage, charge, lien, pledge, hypothecation or other encumbrance or security interest of any kind (or an agreement or commitment to create any of them) and an interest or Claim of a third party of any kind, other than a Permitted Encumbrance.

**Exploration** means searching for, discovery and delineation of commercial ore deposits of minerals on and from the Title Area and the evaluation of such deposits, including surface mapping, sampling, aerial mapping and reconnaissance, drilling, trenching and related field work, geophysical and geochemical testing, core sampling, assaying, exploration declines, test mining, analysis and evaluation of activities undertaken and results obtained, conducting preliminary feasibility studies, preparing feasibility studies reports, and planning, supervising and administering all activities undertaken.

**Government Agency** means any government, government department or governmental, semi-governmental or judicial body or authority or person (whether

For personal use only

autonomous or not) charged with administration of any applicable law.

**GST** has the meaning given in section 195-1 of the GST Act.

**GST Act** means the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

**Immediately Available Funds** means cash, bank cheque or telegraphic or other electronic means of transfer of cleared funds into a bank account nominated in advance by the payee.

**Insolvency Event** means the happening of any of the following events in the case of a body corporate:

- (a) it is insolvent within the meaning of the Corporations Act or it has failed to comply with a statutory demand as provided in section 459F(1) of the Corporations Act;
- (b) it is placed into voluntary liquidation or under administration;
- (c) it, or any other person, makes an application to a court for its winding up, being an application that is not stayed, withdrawn or dismissed within 21 days;
- (d) an order is made for it to be wound up;
- (e) a controller (as defined in section 9 of the Corporations Act) of the EL is appointed;
- (f) it enters into any form of arrangement (formal or informal) with its creditors or any of them, including a deed of company arrangement; or
- (g) it becomes an insolvent under administration as defined in section 9 of the Corporations Act.

**JORC Code** means the Code for Reporting of Mineral Resources and Ore Reserves as adopted by the Australasian Joint Ore Reserves Committee (JORC), which is sponsored by the Australian mining industry and its professional organisations, for the purposes of compliance with the ASX listing rules.

**Liabilities** mean all liabilities, losses, damages, outgoings, Claims, costs and expenses of whatever description.

**Lion Mineral Titles** means:

- (a) exploration licence number 29699;
- (a) mineral lease (northern) 16; and
- (b) extractive mineral permit number 28651.

**Lion Property** means:

- (a) the Lion Mineral Titles; and
- (b) the Mining Information in respect of the Lion Mineral Titles.

For personal use only

**LTR Property** means:

- (a) the Orema Titles; and
- (b) the Mining Information in respect of the Orema Titles.

**Maddalozzo Sale Agreement** means the sale agreement for the mineral lease (northern) 16 and extractive mineral permit number 28651 between Lion, A and SF Maddalozzo Pty Ltd, and Angelo Maddalozzo dated 8 March 2016.

**Mine Operator** has the meaning given in regulation 610 (of Chapter 10) of the *Work Health and Safety (National Uniform Legislation) Regulations* (NT).

**Mineral Titles** means the Lion Mineral Titles and/or the Orema Titles (as applicable).

**Mining Act** means the *Mineral Titles Act* (NT).

**Mining Authorisation** means authorisation 0875-01 issued to LTR for exploration licence number 29699 and mineral lease (northern) 16, exploration licence number 30012 and exploration licence number 30015, pursuant to section 36 of the Mining Management Act.

**Mining Information** means geological, geophysical, geochemical and other technical and non-technical information relating to the relevant Mineral Titles in the possession or control of Lion or LTR (as applicable), or in which Lion or LTR (as applicable) has any right to or title or interest in, including geological, geochemical and geophysical reports, surveys, mosaics, aerial photographs, samples, drill core, drill logs, drill pulp, assay results, maps, plans and production statistics relating to the relevant Mineral Titles regardless of the form in which that information is recorded.

**Mining Management Act** means the *Mining Management Act* (NT)

**Minister** means the Minister responsible for administering the Mining Act from time to time.

**Operator** has the same meaning as it has in the Mining Management Act.

**Orema Titles** means:

- (a) exploration licence number 30012; and
- (b) exploration licence number 30015.

**Parties** means **LID, CXO, Lion** and **LTR** and **Party** means any one of them.

**Permitted Encumbrance** means:

- (a) an Encumbrance (if any) created pursuant to this Agreement (including a caveat lodged pursuant to clause 12.1); and
- (b) any entitlement, charge or lien arising in favour any Government Agency by operation of the Mining Act.

**Property** means:

(c) the Lion Property; and

(d) the LTR Property.

**Purchase Consideration Shares** means A\$2,000,000 in CXO Shares valued at the 10-Day VWAP at the date of this Agreement.

**Purchase Price** has the meaning given to it in clause 4.1.

**Representative** includes, of a party, includes an officer, employee, consultant, joint venturer or sub-contractor of that party.

**Resource Milestone** means a 5 million tonne Mineral Resource whether Inferred, Indicated or Measured (as defined by the JORC Code).

**Registration Request** means a letter to the Minister requesting that the Minister register the Transfer Forms.

**Sunset Date** means 5.00 pm on the date that is six months from the date of this Agreement (or any later date and time agreed between the Parties before expiry of the Sunset Date).

**Title Area** means the area of the Mineral Titles.

**Transfer Form** means the forms of transfer under the Mining Act required to transfer title in:

(a) the Lion Mineral Titles from Lion to LID; and

(b) the Orema Titles from LTR to LID,

(being the Approved Form 13 – Instrument of Dealing – Transfer of a Mineral Title).

**Warranties** have the meaning given to it in clause 6.

**Warranty Claim** means a Claim by a Party against any other Parties arising from or as a result of a breach of any of the Warranties.

**WHS Act** means the *Work Health and Safety (National Uniform Legislation) Act* (NT).

## 1.2 Interpretation

In this Agreement, unless the contrary intention appears:

(a) headings are for ease of reference only and do not affect the meaning of this Agreement;

(b) the singular includes the plural and vice versa and words importing a gender include other genders;

(c) other grammatical forms of defined words or expressions have corresponding meanings;

(d) a reference to a clause, paragraph, schedule, annexure or attachment is a

For personal use only

reference to a clause or paragraph of or schedule, annexure or attachment to this Agreement and a reference to this Agreement includes its schedules, annexures and attachments;

- (e) a reference to a document or agreement, including this Agreement, includes a reference to that document or agreement as novated, altered or replaced from time to time;
- (f) all references to currency, \$, \$A, \$AUD or dollar are references to Australian currency;
- (g) a reference to a specific time for the performance of an obligation is a reference to that time in Darwin even if the obligation is to be performed elsewhere;
- (h) a reference to a Party includes a reference to the party's executors, administrators, successors, substitutes and assigns;
- (i) the meaning of general words is not limited by specific examples introduced by 'including', 'for example' or similar expressions;
- (j) a word or expression defined in the Corporations Act has the meaning given to it in the Corporations Act;
- (k) if a day for the payment under this Agreement falls on a day which is not a Business Day, payment is due on the next Business Day.

## 2 Conditions to Completion

### 2.1 Conditions

The Parties' obligation to Complete under this Agreement is conditional on each of the following conditions having been satisfied or waived in accordance with clause 2.4:

- (a) Orema Titles: the Minister approving and registering, pursuant to section 123(3) of the Mining Act, the transfer of the Orema Titles from Orema Pty Ltd (ACN 154 212 218) to LTR;
- (b) Ministerial consent: the Minister granting approval pursuant to section 123(4) of the Mining Act to the transfer of each of the Mineral Titles in accordance with this Agreement, as contemplated in the Approval Applications, and either free from conditions or subject to conditions that are acceptable to LID (at LID's absolute discretion); and
- (c) LID executing a Deed of Assignment, Assumption and Release on terms acceptable to LTR (acting reasonably) in the terms contemplated in clause 4.4 of the Maddalozzo Sale Agreement (**Deed of Assignment, Assumption and Release**).

### 2.2 Process to obtain Ministerial approval

- (a) Within 5 Business Days of the date of this Agreement Lion and LTR must each deliver to LID an executed Transfer Form and an executed counterpart of the Approval Applications.

For personal use only

- (b) LID must as soon as reasonably practicable:
- (i) execute the Transfer Form;
  - (ii) lodge, in person, this Agreement and the Transfer Forms with the Territory Revenue Office for stamping;
  - (iii) procure the stamping of this Agreement and the Transfer Forms; and
  - (iv) pay any duty assessed on this Agreement and the Transfer Forms pursuant to the *Stamp Duty Act*.
- (c) LID must, as soon as reasonably practicable, following receipt of the stamped Transfer Forms from the Territory Revenue Office:
- (i) execute and lodge the Approval Applications; and
  - (ii) lodge the stamped Transfer Forms,
- with the Department to obtain the approval of the Minister under section 123(4) of the Mining Act and satisfy the condition set out in clause 2.1.
- (d) Subject to this Agreement, LID will hold the Transfer Forms in escrow for execution, assessment and stamping under the *Stamp Duty Act* and lodgment of the Transfer Forms with the Department.

### 2.3 Notice and reasonable endeavours

- (a) Each Party must promptly notify the other parties, in writing, if it becomes aware that any conditions in clause 2.1 has been satisfied or has become incapable of being satisfied.
- (b) The Parties must use all commercially reasonable endeavors to ensure that the conditions in clause 2.1 are satisfied as expeditiously as possible and in any event on or before the Sunset Date.
- (c) Each Party must keep the other Party informed of the progress towards satisfaction of the conditions.

### 2.4 Waiver

The conditions are for the benefit of LID, Lion and LTR and may only be waived by each of LID, Lion and LTR in writing.

### 2.5 Sunset Date

A Party may, by not less than 2 Business Days' notice to the other, terminate this Agreement if:

- (a) the conditions in clause 2.1 are not satisfied, or waived in accordance with clause 2.4, by the Sunset Date; or
- (b) the conditions in clause 2.1 become incapable of satisfaction or waiver in accordance with clause 2.4 or the Parties agree that any of the conditions in

For personal use only

clause 2.1 cannot be satisfied.

## 2.6 Effect of termination

If this Agreement is terminated pursuant to clause 2.5 then, in addition to any other rights, powers or remedies provided at law or in equity:

- (a) each Party is released from its obligations to further perform its obligations under this Agreement except those expressed to survive termination;
- (b) each Party retains the rights it has against the other in respect of any breach of this Agreement occurring before termination;
- (c) the rights and obligations of each Party under each of the following clauses and schedules will continue independently from the other obligations of the Parties and survive termination of this Agreement:
  - (i) clause 1 (definition);
  - (ii) clause 3 (pre-completion);
  - (iii) clause 9 (notice);
  - (iv) clause 12 (miscellaneous provisions).

## 3 Pre-Completion

### 3.1 Licence

- (a) On and from the date of this Agreement Lion grants a licence to LID to exclusively enter and remain upon the Lion Mineral Titles for the purposes of undertaking the activities specified in this clause and LID accepts that licence.
- (b) On and from the date of this Agreement LTR grants a licence to LID to exclusively enter and remain upon the Orema Titles for the purposes of undertaking the activities specified in this clause and LID accepts that licence.

### 3.2 Agency

- (a) On and from the date of this Agreement:

LTR appoints LID as its agent under the Mining Authorisation in respect of those mineral titles the subject of that authorisation being MLN 16, EL 29699; EL 30012 and EL 30015 (together, **Authorised Titles**) for the period until:

- (i) LID is appointed as operator of all of the Mineral Titles pursuant to the Mining Management Act; or
  - (ii) LID notifies LTR (as applicable) that the agency period is at an end.
- (b) LID accepts the appointment under clause (a) and during the agency period, LID must:

For personal use only



- (i) and must procure that its representatives, comply with the terms and conditions of the Authorised Titles and LTR's approved mining management plan and the Mining Act to the extent they relate to the Authorised Titles;
  - (ii) provide to LTR all information, materials or other assistance that LTR reasonably requires from LID in order to comply with LTR's obligations under the Authorised Titles, the Mining Authorisations and approved mining management plans and the Mining Act to the extent they relate to the Authorised Titles;
  - (iii) and must procure that its representatives, not do or cause to be done, or omit to do, anything which will, or is likely to, put the Authorised Titles or the Mining Authorisation at risk of cancellation, termination or forfeiture; and
  - (iv) indemnify LTR from and against any costs or Liabilities suffered or incurred by LTR arising from the activities of LID or its representatives in respect of the appointment of LID as agent pursuant to clause (a), the Authorised Titles, the Mining Authorisation and including any Liabilities suffered or incurred by LTR in connection with LID, or its representatives, acting outside the scope of the Mining Authorisation except to the extent such Liabilities arise out of any wilful misconduct or gross negligence on the part of LTR (as applicable).
- (c) At LID's request LTR will seek to vary the Mining Authorisation or any approved mining management plan pursuant to the terms of LID's request. LID must provide all relevant information, documents and assistance to LTR in relation to the variation including paying any increase in security payable by LTR in relation to the variation.
  - (d) On and from the date of this Agreement LTR must ensure that all assessed and requested security, pursuant to the Mining Authorisation, has been paid to the Department in accordance with the Mining Management Act.

### 3.3 Appointment as Operator

- (a) At LID's request:
  - (i) Lion will:
    - (ii) appoint LID as Operator of the Lion Mineral Titles; and
    - (iii) appoint LID as Mine Operator of the Lion Mineral Titles; and
- (b) LTR will:
  - (i) appoint LID as Operator of the Orema Titles; and
  - (ii) appoint LID as Mine Operator of the Orema Titles, and LID will accept the appointments.
- (c) LID must:

For personal use only

- (i) establish, implement and maintain:
    - (A) an environmental protection management system in accordance with the Mining Management Act; and
    - (B) a risk management plan in accordance with the WHSA;
  - (ii) ensure that its appointment:
    - (A) as Operator is notified to the Chief Executive Officer under the Mining Management Act; and
    - (B) as Mine Operator is notified to the regulator in accordance with the WHSA.
  - (iii) comply with all laws and obligations including the requirements of the Mining Act, the Mining Management Act, the WHSA and any other relevant legislation or subsidiary legislation;
  - (iv) conduct all activities in accordance with good industry practice, with reasonable care, skill and diligence and in a workman-like and cost-effective manner.
- (d) Lion and LTR each agree that during the term of the appointment it will provide LID with any necessary co-operation and information in the possession of Lion or LTR (as applicable) requested by LID to enable LID to comply with all laws and obligations including the requirements of the Mining Act, the Mining Management Act, the WHSA and any other relevant legislation or subsidiary legislation.
- (e) During the period LID acts as Operator and Mine Operator under the appointment of Lion or LTR then LID must:
- (i) comply with the terms and conditions of the Mineral Titles, the Mining Act and any other relevant legislation or subsidiary legislation;
  - (ii) provide to Lion or LTR (as applicable) all information, materials or other assistance that Lion or LTR (as applicable) reasonably requires from LID in order to comply with the Lion's or LTR's (as applicable) obligations under the Mineral Titles and the Mining Act;
  - (iii) not do or cause to be done, or omit to do, anything which will, or is likely to, put the Mineral Title at risk of cancellation, termination or forfeiture.

### 3.4 Lion and LTR Obligations

On and from the date of this Agreement until the earlier of Completion and termination of this Agreement, each of Lion and LTR separately covenants that it will:

- (a) maintain its Mineral Titles in good standing and must meet all reporting imposed as a condition of the Mineral Titles by any Government Agency in relation to its Mineral Titles and paying the relevant Mineral Titles fees and charges;
- (b) maintain the Mining Authorisation and meet all reporting imposed by any

For personal use only

Government Agency;

- (c) not sell or agree to sell, or grant or agree to grant an interest in, or an Encumbrance over its Mineral Titles without LID's prior written consent (at LID's absolute discretion);
- (d) not voluntarily surrender its Mineral Titles (or part of its Mineral Titles) or knowingly do or omit to do anything that may jeopardise its continued existence;
- (e) not do anything in respect of its Mineral Titles which may jeopardise its validity or good standing in any way;
- (f) apply for and take all steps to obtain the renewal of its Mineral Titles within the relevant time frames under the Mining Act;
- (g) not voluntarily relinquish ground or surrender any other rights held under any of the exploration licences that form part of its Mineral Titles, unless by written agreement with LID (at LID's absolute discretion), and if Lion or LTR (as applicable) is required to relinquish ground or surrender any other rights held under those exploration licences, Lion or LTR (as applicable) must:
  - (i) notify LID (at least two (2) months prior to any date for relinquishment required by the Mining Act) in writing of those areas of the exploration licence that it wishes to be nominated for retention;
  - (ii) use reasonable endeavours (in conjunction with LID) to negotiate and agree upon the area of the exploration licences to be surrendered to comply with the compulsory relinquishment provisions of the Mining Act;
- (h) as soon as reasonably practicable following the date of this Agreement, provide a copy (or make available where provision of a copy is not practical) to LID all Mining Information in relation to its Mineral Titles in the possession of Lion or LTR (as applicable) unless such information has already been provided to LID;
- (i) not apply for or obtain any variation, subdivision, amalgamation, cancellation or conversion of the whole or part of its Mineral Titles without LID's prior written consent (at LID's absolute discretion);
- (j) promptly provide to LID all notices it receives in respect of its Mineral Titles and provide a copy of every report submitted to any Government Agency in relation to its Mineral Titles;
- (k) notify LID of any discovery of a potential commercially viable resource with its Mineral Titles (regardless of whether it contains minerals) under the JORC Code as soon as is reasonably practical following such a discovery; and
- (l) not apply for or obtain any variations to the expenditure conditions attached to its Mineral Titles without LID's prior written consent (at LID's absolute discretion).

### 3.5 Termination

- (a) From the date of this Agreement until Completion, a Party may terminate this Agreement by notice in writing to the other Party, with immediate effect, in any of

For personal use only

the following cases:

- (i) there is a material breach of the other Party's obligations under this Agreement and, in the opinion of the first mentioned Party (acting reasonably), that material breach is not capable of remedy;
  - (ii) there is a material breach of the other Party's obligations under this Agreement and, in the opinion of the first named Party (acting reasonably), that material breach is capable of remedy, but the other Party fails to remedy that material breach within the time specified by the first named Party by notice in writing (being a period of not less than twenty-one (21) days); or
  - (iii) the other Party is the subject of an Insolvency Event.
- (b) If this Agreement is terminated in accordance with clause 3.5(a), this clause (b) remains binding on the Parties and:
- (i) this Agreement will terminate and be of no further force and effect other than:
    - (A) the rights and liabilities of a Party in respect of a prior breach of this Agreement; and
    - (B) the provisions of this clause and clauses 7 (liabilities), 8 (confidentiality), 12 (miscellaneous provisions), which will remain binding on the Parties; and
  - (ii) LID must remove any registrations under the Mining Act or caveats lodged by LID for the purpose of protecting its interest under this Agreement.
- (c) The appointment of LID as Operator and Mine Operator will terminate if this Agreement is terminated and:
- (i) LID will take all action necessary to leave the Mineral Titles in an orderly manner and in compliance with all Laws; and
  - (ii) Lion, LTR and LID will notify the termination to the relevant Government Agencies pursuant to the Mining Management Act and the WHSA.

#### **4 Sale and purchase**

##### **4.1 Agreement to sell**

Lion and LTR agree to sell and LID agrees to purchase the Property, free from Encumbrances on the terms and conditions of this Agreement in consideration for LID paying to LTR:

- (a) the sum of one million and five hundred thousand dollars (\$1,500,000.00) in Immediately Available Funds; and
- (b) the Purchase Consideration Shares,

For personal use only

(together, the **Purchase Price**).

#### 4.2 Contingent consideration

- (a) LID (at LID's absolute discretion and election) agrees either:
- (i) to pay LTR the sum of one million and five hundred thousand dollars (\$1,500,000.00) in Immediately Available Funds; or
  - (ii) to issue LTR, subject to obtaining any shareholder approval pursuant the Corporations Act or the ASX listing rules, CXO Shares to the value of one million and five hundred thousand dollars (\$1,500,000.00) at the time of issue based on the 5-day VWAP at that time,
- within 30 days of LID (or CXO) declaring the Resource Milestone.
- (b) LID and CXO must, in relation to declaring the Resource Milestone, act in accordance with good industry practice, with reasonable care, skill and diligence and in accordance with any ASX listing rules.

#### 4.3 Title and risk

Title to and all risk in the Mineral Titles passes to LID at Completion and will remain with Lion or LTR (as applicable) until Completion.

### 5 Completion

#### 5.1 Time and place

Completion must occur at a location agreed in writing between the Parties at noon on the Completion Date (unless the Parties otherwise agree).

#### 5.2 Lion's obligations

On or before Completion, LTR must, or must procure that Lion does:

- (a) deliver to LID:
  - (i) all original title documents for its respective Mineral Titles (if any);
  - (ii) the Mining Information (which need not be physically delivered if another arrangement acceptable to LID is made);
  - (iii) a copy of the fully executed Registration Request;
  - (iv) a letter releasing the Transfer Forms from escrow;
- (b) do all other things necessary to transfer Property to LID free from Encumbrances; and
- (c) provide a copy of the Deed of Assignment, Assumption and Release executed by LID to Angelo Maddalozzo.

#### 5.3 LID's obligations

For personal use only

On Completion, LID must:

- (a) pay the sum of one million and five hundred thousand dollars (\$1,500,000.00) in Immediately Available Funds to LTR;
- (b) subject to clause 5.4(b), procure CXO issue the Purchase Consideration Shares to LTR;
- (c) do all other things necessary to transfer the Mineral Titles to it and assume all Liabilities attaching to or connected with the Mineral Titles;
- (d) provide a replacement of any security or bond lodged under the Mining Act or Mine Management Act in relation to the Mineral Titles with the effect that any security or bond provided by Lion or LTR in respect of the Mineral Titles is released as soon as reasonably practicable following Completion;
- (e) lodge the fully executed Registration Request with the Department and use its best endeavors to procure that registration of the transfer of the Mineral Titles as soon as reasonably practicable following Completion; and
- (f) provide a copy of the Deed of Assignment, Assumption and Release executed by LID to Lion.

#### 5.4 CXO's obligations

- (a) Subject to clause (b) below, on Completion CXO must:
  - (i) allot and issue the Purchase Consideration Shares to LTR;
  - (ii) have the requisite authority pursuant to the Corporations Act and the ASX listing rules to issue the Purchase Consideration Shares (including if required pursuant to any authority pursuant to any shareholder resolution passed);
  - (iii) enter the name of LTR in the register of members of CXO in respect of the Purchase Consideration Shares and give LTR a holding statement showing LTR as the holder the Purchase Consideration Shares; and
  - (iv) immediately following the allotment and issue of the Purchase Consideration Shares to LTR, apply to the ASX for official quotation of the Purchase Consideration Shares on the ASX.
- (b) If CXO requires shareholder approval under the Corporations Act or the ASX listing rules for the issue of the Purchase Consideration Shares, it must seek such shareholder approval as soon as practically possible. If, at Completion, the necessary resolutions are not approved by the required majority of CXO shareholders, CXO must:
  - (i) issue the maximum number of Purchase Consideration Shares it can without requiring prior shareholder approval; and
  - (ii) pay the value of the balance of the Purchase Consideration Shares in Immediately Available Funds,

For personal use only

to LTR within 10 Business Days of the date of that CXO shareholder meeting in full and final satisfaction of its obligation to issue the Purchase Consideration Shares.

- (c) CXO undertakes to LTR that it will give to the ASX a notice under section 708A(5) of the Corporations Act that complies with section 708A(6) of the Corporations Act within 2 Business Days of the issue of any CXO Shares under this Agreement, unless CXO cannot meet the criteria in 'case 1' of section 708A of the Corporations Act in which case:
- (i) CXO must comply with the criteria in 'case 2' of section 708A of the Corporations Act and issue a disclosure document under chapter 6D.2 of the Corporations Act as soon as reasonably practicable after the date the relevant CXO Shares are issued and in any event within 20 Business Days of that date; and
  - (ii) until CXO has issued the disclosure document under clause 5.4(c)(i), LTR may only transfer the relevant CXO Shares to a person satisfying the requirements of section 708(8), (10) or (11) of the Corporations Act.
- (d) Commencing on the date of issue of the Purchase Consideration Shares (**Issue Date**) LTR must not dispose of, or agree or offer to dispose of, the Purchase Consideration Shares for the period specified in the following escrow arrangement:
- (i) for 4 months from the Issue Date – all the Purchase Consideration Shares remain in escrow;
  - (ii) from 4 months from the Issue Date – one third of the Purchase Consideration Shares are released from escrow;
  - (iii) from 8 months from the Issue Date – a further third of the Purchase Consideration Shares are released from escrow;
  - (iv) from 12 months from the Issue Date – the remaining third of the Purchase Consideration Shares are released from escrow,

and LTR acknowledges and agrees that a holding lock (as that term is defined in the ASX listing rules) will be applied to the Purchase Consideration Shares, which CXO will not remove until the Business Day after the end of the relevant escrow period, subject to clauses 5.4(e) and (f) below.

- (e) Notwithstanding the above during the escrow periods described at clause (d) above LTR may dispose of, or agree or offer to dispose of the whole of the Purchase Consideration Shares (or the balance of the Purchase Consideration Shares subject to the escrow arrangement) with the consent of CXO in writing and upon issuing any such consent CXO will do all things reasonably required to seek to remove the holding lock.
- (f) During the relevant escrow period, LTR may:
- (i) accept the escrowed shares into a takeover bid made under Chapter 6 of the Corporations Act in respect of all the CXO Shares that is or has

For personal use only

become free of any defeating conditions (other than a condition in respect of the events listed in section 652C of the Corporations Act);

- (ii) have the escrowed shares transferred or cancelled as part of the transfer or cancellation of all the CXO Shares as part of a scheme of arrangement under Part 5.1 of the Corporations Act; or
- (iii) otherwise deal with the escrowed shares as may be required by applicable law or order of a court of competent jurisdiction,

and CXO must ask its share registry to remove the holding lock to allow LTR to deal with the escrowed shares as permitted under this clause 5.4(f).

## 5.5 Interdependency

In respect of Completion, the obligations of the Parties under this Agreement are interdependent and all actions required to be performed are taken to have occurred simultaneously on the Completion Date.

## 5.6 Apportionment

LTR and Lion shall apportion the Purchase Price as between the Property, the Mining Information and any other property for tax purposes on or before the Completion Date.

## 6 Warranties and representations

### 6.1 Warranties

- (a) Each of the Warranties of LID and/or CXO:
  - (i) remains in full force for a period of 24 months after Completion; and
  - (ii) is separate and independent and not limited or restricted by any other Warranty or provision of this Agreement.
- (b) Each of the Warranties of Lion and/or LTR:
  - (i) remains in full force for a period of 24 months after Completion; and
  - (ii) is separate and independent and not limited or restricted by any other Warranty or provision of this Agreement; and
  - (iii) is subject to the matters fully, fairly and accurately disclosed in the disclosure material in Annexure 1 and made available to LID and CXO for the purposes of their due diligence investigations prior to the execution of this Agreement.
- (c) LID and CXO jointly and severally acknowledge and agree that Lion and/or LTR have disclosed or are deemed to have disclosed against Lion's and/or LTR's warranties, and LID and CXO will be treated as having actual knowledge of all facts, matters and circumstances that are fully, fairly and accurately disclosed in Annexure 1.

For personal use only



- (d) Lion's and LTR's liability will be limited by the disclosures or deemed disclosures in clause 6.1(c).
- (e) Lion and LTR must disclose to LID in writing, promptly upon them becoming aware of any fact, matter, event or circumstance which:
- (i) does or might constitute a breach of any of the Warranties when given upon the execution of this Agreement; or
  - (ii) will or might constitute a breach of any of the Warranties when deemed given again immediately prior to Completion.
- (f) Subject to the other provisions of this clause 6.1, Lion and LTR each indemnify LID for all Liabilities that LID suffers or incurs by reason of any Warranty Claim.
- (g) Notwithstanding any other clause of this Agreement, Lion's and LTR's maximum aggregate liability for Warranty Claims is limited to an amount equal to the sum of the Purchase Price and the contingent consideration payable pursuant to clause 4.2.
- (h) Lion and LTR jointly and severally represent and warrant in favour of LID (in a manner so as to survive, and not merge in, Completion) that each of the following statements is true and accurate as at the date of this Agreement and as at the date of Completion:
- (i) Lion/LTR holds a one hundred percent (100%) undivided interest in the Mineral Titles (other than the Orema titles) free from any Encumbrance or adverse Claim or interest;
  - (ii) Lion has the necessary right, title and interest to grant the rights at clause 3 to LID in relation to Lion Titles;
  - (iii) LTR has the necessary right, title and interest to grant the rights at clause 3 to LID in relation to Orema Titles including pursuant to the Option Agreement between LTR, Orema Pty Ltd and Cameron Hardie dated 2 February 2016;
  - (iv) there are no legal actions against Lion/LTR which may result in any Claim over the Property and Lion/LTR is not aware of any Claims;
  - (v) Lion/LTR has disclosed to LID any outstanding statutory requirements with all Government Agencies relating to the Property including any environmental and rehabilitation obligations;
  - (vi) all rates, taxes, charges, fees, rentals and penalties assessed or imposed in respect of the Mineral Titles under the Mining Act or any other statute or regulation of the Northern Territory have been satisfied and will be satisfied at Completion;
  - (vii) there are no facts or circumstances that Lion/LTR is aware of which render the Mineral Titles liable for forfeiture, revocation or cancellation either in whole or in part or a variation to the terms of the Mineral Titles or prejudice the renewal of the Mineral Titles;

For personal use only

- (viii) the Mineral Titles have been duly marked off, applied for and granted in accordance with the Mining Act;
- (ix) there are no production or profit sharing royalty agreements, native title agreements, land access or compensation agreements or other agreements affecting the Mineral Titles;
- (x) there are no contracts, arrangements, undertakings or agreements with any third party entered into by Lion/LTR which relate to the Mineral Titles and are binding upon Lion/LTR;
- (xi) Lion/LTR has disclosed to LID all material information relating to the Mineral Titles and to this extent the information that has been disclosed is true and accurate in every material respect,
- (xii) the Mineral Titles are validly subsisting, in good standing and in full force and effect in accordance with the Mining Act and other applicable law;
- (xiii) Lion/LTR has not been notified or serviced with any claim or notice in writing under the *Native Title Act 1993* (Cth) which affects any of the Mineral Titles;
- (xiv) there are no factors affecting any of the Properties that will, or would reasonably be likely to, give rise to any material liability for LID under any environmental laws,

(together, the **Warranties**).

## 6.2 Mutual warranties

Each Party represents and warrants in favour of the other Party (in a manner so as to survive, and not merge in, Completion) that each of the following statements is true and accurate as at the date of this Agreement and as at the date of Completion:

- (a) it is a company duly incorporated and validly existing in accordance with the laws of its place of incorporation;
- (b) it has the power to enter into and perform its obligations under this Agreement and to carry out the transactions contemplated by this Agreement;
- (c) all Authorisations which are necessary or desirable for it to enter into this Agreement and comply with its obligations have been obtained and are in full force and effect;
- (d) it enters into this Agreement on its own behalf and does not enter into this Agreement as trustee for and on behalf of any trust or settlement; and
- (e) it is not insolvent and there are no reasonable grounds to suspect it will become insolvent.

## 6.3 CXO and LID warranties

CXO and LID jointly and severally represent and warrant in favour of Lion and LTR (in

For personal use only

a manner so as to survive, and not merge in, Completion) that each of the following statements is true and accurate as at the date of this Agreement and as at the date of Completion:

- (a) LID is a wholly owned subsidiary of CXO;
- (b) CXO is in compliance with its continuous disclosure obligations under the ASX listing rules; and
- (c) CXO has all legal, shareholder and regulatory approvals, consents, authorisation and capacity to issue the Purchase Consideration Shares to LTR in accordance with this Agreement.

## **7 Liabilities and indemnities**

### **7.1 Apportionment of Liabilities relating to the Lion Mineral Titles**

- (a) All Liabilities relating to the Lion Mineral Titles arising directly or indirectly from acts, omissions, events or circumstances occurring:
  - (i) subject to clause 3, in the period up to the Completion are the responsibility of Lion and Lion indemnifies LID from and against those Liabilities; and
  - (ii) in the period from and including the Completion, are the responsibility of LID and LID indemnifies Lion from and against those Liabilities.
- (b) Lion indemnifies LID and holds it harmless against the Liabilities described in clause 7.1(a)(i), except to the extent contributed by any willful misconduct or gross negligence of LID.
- (c) LID indemnifies Lion and holds it harmless against the Liabilities described in clause 7.1(a)(ii), except to the extent contributed by any willful misconduct or gross negligence of Lion.

### **7.2 Apportionment of Liabilities relating to the Orema Titles**

- (a) All Liabilities relating to the Orema Titles arising directly or indirectly from acts, omissions, events or circumstances occurring:
  - (i) subject to clause 3, in the period up to the Completion are the responsibility of LTR and LTR indemnifies LID from and against those Liabilities; and
  - (ii) in the period from and including the Completion, are the responsibility of LID and LID indemnifies LTR from and against those Liabilities.
- (b) LTR indemnifies LID and holds it harmless against the Liabilities described in clause 7.2(a)(i), except to the extent contributed by any willful misconduct or gross negligence of LID.
- (c) LID indemnifies LTR and holds it harmless against the Liabilities described in clause 7.2(a)(ii), except to the extent contributed by any willful misconduct or gross negligence of LTR.

For personal use only

### 7.3 Registered dealings

- (a) The parties acknowledge that dealing 6567 and dealing 92673 are registered on the Mineral Titles Register (maintained pursuant to the Mineral Titles Act) in relation to mineral lease (northern) 16 (**Registered Dealings**) and the Seller will seek to terminate those Registered Dealings as soon as practicable following execution of this Agreement.
- (b) Nothing in this Agreement is an agreement (or constitutes an agreement) by LID to assume any of the obligations, liabilities, constraints or encumbrances provided for or contained in the Registered Dealings in relation to the registered owner of MLN 16.

## 8 Confidentiality

A Party may only use confidential information of the other Party for the purposes of this Agreement, and must keep the existence and the terms of this Agreement and any confidential information of the other Party confidential except where:

- (a) the information is public knowledge (but not because of a breach of this Agreement) or the Party has independently created the information;
- (b) disclosure is required by law or a regulatory body (including ASX); or
- (c) disclosure is made to a person who must know for the purposes of this Agreement on the basis that the person keeps the information confidential.

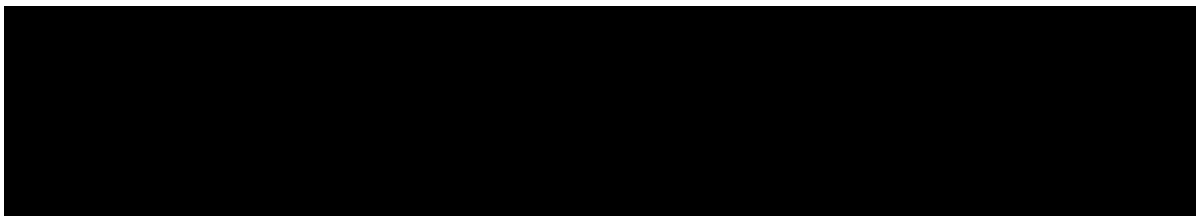
## 9 Notices and other communications

### 9.1 Services of notices

A notice, approval, direction, consent, offer, demand or other communication in connection with this Agreement must be:

- (a) in writing and signed by an authorised officer of the relevant Party; and
- (b) given to the recipient Party:
  - (i) by hand delivery to the address of the recipient Party set out below;
  - (ii) by pre-paid mail sent to the address of the recipient Party set out below; or
  - (iii) by email transmission to the email address of the recipient Party set out below,

and in each case must be marked for the attention of the person specified below in relation to the recipient Party:



For personal use only

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

A Party may from time to time change any of the details specified above by not less than 5 (five) Business Days' notice to the other Party.

## 9.2 Effective on receipt

Unless proved to the contrary, notice given in accordance with clause 9.1 takes effect when taken to be received (or at a later time as specified in it), and is taken to be received:

- (a) if hand delivered, on delivery;
- (b) if sent by pre-paid mail, on the second Business Day after the date of posting (or on the seventh Business Day after the date of posting if posted to or from a place outside Australia);
- (c) if sent by email transmission, when the sender's email system confirms the time of sending of the email (unless the sender receives a delivery failure notification indicating the email has not been delivered to the addressee),

but if the delivery, receipt or transmission is not on a Business Day or is after 5 pm on a Business Day, the notice is taken to be received at 9 am on the next Business Day.

## 10 GST

### 10.1 Interpretation



For personal use only

The Parties agree that:

- (a) except where the context suggests otherwise, terms used in this clause 10 have the meanings given to those terms by the GST Act (as amended from time to time); and
- (b) any consideration that is specified to be inclusive of GST must not be taken into account in calculating the GST payable in relation to a supply for the purpose of this clause 10.

#### 10.2 GST exclusive

- (a) All payments set out in this agreement are expressed exclusive of any applicable GST.

#### 10.3 Supply of a going concern

- (a) The Parties agree that any sale of the Property is the supply of a going concern for the purposes of the GST Act and that the sale is GST free.
- (b) LID warrants that it is registered under the GST Act and will remain so until Completion.
- (c) Lion and LTR each separately covenants that it carries on, and will continue to carry on until Completion, the enterprise constituted by the Property and is registered for GST.
- (d) Notwithstanding the Parties agreement under clause 0, if for any reason and to any extent the sale of the Property under this Agreement is not a GST free supply of a going concern then LID must, on demand, pay to Lion or LTR (as applicable) by way of further consideration for the sale of the Property an amount equal to the amount of the GST payable in respect of the sale.

#### 10.4 Gross-up

- (a) If GST becomes payable by a Party (**Supplier**) in relation to any supply that it makes under, in connection with or resulting from this Agreement to any other Party (**Recipient**), the Parties agree that an additional amount will be payable by the Recipient to the Supplier equal to the GST payable for that supply.
- (b) Any amount payable pursuant to clause 10.2(b) must be paid by the Recipient to the Supplier within 5 Business Days after receipt of a written demand by or on behalf of the Supplier. Such written demand must be in the form of, or accompanied by, a tax invoice.

#### 10.5 No merger

This clause 10 will not merge on Completion.

#### 11 Foreign Residents Capital Gains Withholding

- (a) Words defined or used in Subdivision 14-D of Schedule 1 to the *Taxation Administration Act 1953* (Cth) have the same meaning in this clause 11 unless

For personal use only

the context requires otherwise.

- (b) It is acknowledged and agreed that:
- (i) this clause 11, only applies if LID is required to pay the Commissioner an amount in accordance with section 14-200(3) or section 14-235 of Schedule 1 to the *Taxation Administration Act 1953* (Cth) (**Amount**) because Lion or LTR is a foreign resident and the transaction is not excluded under section 14-215(1) of Schedule 1 to the *Taxation Administration Act 1953* (Cth); and
  - (ii) if Lion or LTR gives LID a clearance certificate issued by the Commissioner under section 14-220 (1) of Schedule 1 to the *Taxation Administration Act 1953* (Cth), it will not be a foreign resident for the purposes of this clause 11. The specified period in the clearance certificate must include the actual date of Completion.
- (c) Subject to clause (b) above:
- (i) the Amount is to be deducted from LTR's entitlement to the Purchase Price; and
  - (ii) Lion or LTR (as applicable) must pay to LID at Completion such part of the Amount as is represented by non-monetary consideration.
- (d) Any clearance certificate or document evidencing variation of the Amount in accordance with section 14-235(2) of Schedule 1 to the *Taxation Administration Act 1953* (Cth) must be given to LID at least 5 Business Days before the Completion Date.
- (e) Lion and LTR must provide LID with such information as LID requires to comply with the LID's obligation to pay the Amount in accordance with section 14-200 of Schedule 1 to the *Taxation Administration Act 1953* (Cth). The information must be provided within 5 Business Days of a written request by LID.
- (f) LID is responsible for any penalties or interest payable to the Commissioner on account of late payment of the Amount.

## 12 Miscellaneous

### 12.1 Registration and caveat of the Agreement

The Parties agree that from the date of this Agreement LID is permitted to do the following to protect its interests under this Agreement:

- (a) register this Agreement pursuant to section 125 of the Mining Act; and
- (b) lodge a caveat against the Mineral Titles.

### 12.2 Assignment

A Party may only assign this Agreement or a right under this Agreement with the prior written consent of the other Party.

For personal use only

**12.3 Costs and stamp duty**

- (a) Each Party must pay their own costs associated with the negotiation, execution and completion of this Agreement.
- (b) LID must pay all stamp duty payable on or in connection with this Agreement or in connection with the transactions contemplated by this Agreement.

**12.4 Entire Agreement**

This Agreement constitutes the entire agreement between the Parties in relation to its subject matter and supersedes all previous agreements or understandings between the Parties in connection with its subject matter.

**12.5 Amendment**

This Agreement may only be amended in writing signed by both Parties.

**12.6 Counterparts and multiple originals**

This Agreement may be executed in any number of counterparts and all of those counterparts, taken together, will be deemed to constitute the same instrument.

**12.7 Waiver**

A Party does not waive a right, power or remedy if it fails to exercise or delays in exercising the right, power or remedy. A single or partial exercise of a right, power or remedy does not prevent another or further exercise of that or another right, power or remedy. A waiver of a right, power or remedy must be in writing and signed by the Party giving the waiver.

**12.8 Severance**

A term or part of a term of this Agreement that is illegal or unenforceable may be severed from this Agreement and the remaining terms of this Agreement continue in force.

**12.9 Governing law**

This Agreement is governed by the law in force in the Northern Territory and the Parties submit to the non-exclusive jurisdiction of the courts of the Northern Territory.

**12.10 Further action**

Each Party must do, at its own expense, everything reasonably necessary (including executing documents) to give full effect to this Agreement and the transactions contemplated by it.



For personal use only



# Signing Page


**EXECUTED** as an agreement

**Executed by Lithium Development Pty Ltd** pursuant to section 127(1) of the *Corporations Act 2001* (Cth)

  
Signature of director

**Stephen Biggins**

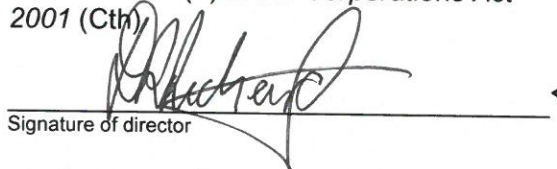
Name of director (print)

  
Signature of ~~director~~/company secretary  
(Please delete as applicable)

**Jaroslaw Kopias**

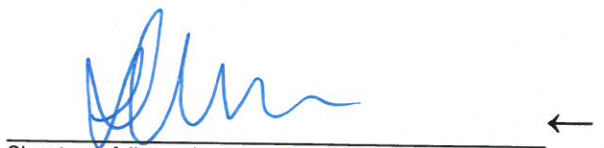
Name of ~~director~~/company secretary (print)

**Executed by LRL (Aust) Pty Ltd** pursuant to section 127(1) of the *Corporations Act 2001* (Cth)

  
Signature of director

**DAVID RICHARDS**

Name of director (print)

  
Signature of ~~director~~/company secretary  
(Please delete as applicable)

**LEANNE STEVENS**

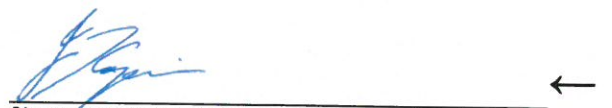
Name of ~~director~~/company secretary (print)

**Executed by Core Exploration Ltd** pursuant to section 127(1) of the *Corporations Act 2001* (Cth)

  
Signature of director

**Stephen Biggins**

Name of director (print)

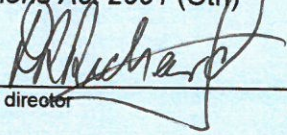
  
Signature of ~~director~~/company secretary  
(Please delete as applicable)

**Jaroslaw Kopias**

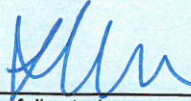
Name of ~~director~~/company secretary (print)

For personal use only

**Executed by Liontown Resources Limited pursuant to section 127(1) of the Corporations Act 2001 (Cth)**

  
\_\_\_\_\_  
Signature of director

DAVID RICHARDS  
\_\_\_\_\_  
Name of director (print)

  
\_\_\_\_\_  
Signature of director/company secretary  
(Please delete as applicable)

LEANNE STEVENS  
\_\_\_\_\_  
Name of director/company secretary (print)

For personal use only

## Annexure 1 - Lion and LTR Material Disclosure

- 1) Pursuant to the Maddalozzo Sale Agreement, a copy of which has been provided to LID and CXO prior to the date of this Agreement, Lion agreed to grant certain conditional access to Angelo Maddalozzo for the purposes of the Mr Maddalozzo continuing his garden business.



For personal use only

## Annexure 2(a) - Lion Approval Application

[INSERT DATE]

Minister for Primary Industry and Resources  
c/- Director Mineral Titles  
Mineral Titles  
Department of Primary Industry and Resources  
5<sup>th</sup> Floor, Centrepoint Building  
48-50 Smith Street  
DARWIN NT 0800

Dear Sir

### APPLICATION UNDER SECTION 123(4) OF THE MINERAL TITLES ACT

LRL (Aust) Pty Ltd ACN 610 981 194 ("**Seller**"), as transferor, and Lithium Developments Pty Ltd ACN 612 245 020 ("**Buyer**"), as transferee, are parties to a Form 13 Instrument of Dealing – Transfer ("**Transfer**"), a copy of which is attached to this letter and marked as Attachment A.

The Buyer has lodged the original of the Transfer with the Department of Primary Industry and Resources pursuant to section 123(1) of the *Mineral Titles Act* ("**MTA**") for Ministerial approval and registration.

Pursuant to section 123(4) of the MTA, the Seller and the Buyer request that the Minister:

1. give the Seller and the Buyer a notice as contemplated by section 123(4) of the MTA that the Transfer has been approved, which notice includes a statement that the Transfer will be registered subject to the Minister having received a request for registration from the Seller and the Buyer ("**Registration Request**"); and
2. not register the Transfers until the Minister receives the Registration Request from the Seller and the Buyer.

The parties intend to provide the Minister with an electronic copy of the Registration Request. If you have any queries, please contact either party on the contact details set out on the Transfer forms.

Signed:



For personal use only

## Annexure 2(b) – LTR Approval Application

[INSERT DATE]

Minister for Primary Industry and Resources  
 c/- Director Mineral Titles  
 Mineral Titles  
 Department of Primary Industry and Resources  
 5<sup>th</sup> Floor, Centrepoint Building  
 48-50 Smith Street  
 DARWIN NT 0800

Dear Sir

### APPLICATION UNDER SECTION 123(4) OF THE MINERAL TITLES ACT

Liontown Resources Limited ACN 118 153 825 ("**Seller**"), as transferor, and Lithium Developments Pty Ltd ACN 612 245 020 ("**Buyer**"), as transferee, are parties to a Form 13 Instrument of Dealing – Transfer ("**Transfer**"), a copy of which is attached to this letter and marked as Attachment A.

The Buyer has lodged the original of the Transfer with the Department of Primary Industry and Resources pursuant to section 123(1) of the *Mineral Titles Act* ("**MTA**") for Ministerial approval and registration.

Pursuant to section 123(4) of the MTA, the Seller and the Buyer request that the Minister:

1. give the Seller and the Buyer a notice as contemplated by section 123(4) of the MTA that the Transfer has been approved, which notice includes a statement that the Transfer will be registered subject to the Minister having received a request for registration from the Seller and the Buyer ("**Registration Request**"); and
2. not register the Transfers until the Minister receives the Registration Request from the Seller and the Buyer.

The parties intend to provide the Minister with an electronic copy of the Registration Request.

If you have any queries, please contact either party on the contact details set out on the Transfer forms.

Signed:



For personal use only

## Annexure 3 – Registration Request

[INSERT DATE]

Minister for Primary Industry and Resources  
c/- Director Mineral Titles  
Mineral Titles  
Department of Primary Industry and Resources  
5<sup>th</sup> Floor, Centrepoint Building  
48-50 Smith Street  
DARWIN NT 0800

Dear Sir

### REQUEST FOR REGISTRATION

We refer to the application to the Minister for Primary Industry and Resources under section 123(4) of the *Mineral Titles Act (MTA)* by LRL (Aust) Pty Ltd ACN 610 981 194 (**Seller**) and Lithium Developments Pty Ltd ACN 612 245 020 (**Buyer**) which was contained in the Seller's letter dated [●] ("**Application**").

The Seller and the Buyer hereby request that the Transfer (as that term is defined in the Application) be registered pursuant to section 123(1) of the MTA.

An electronic copy of this letter will also be sent to the Minister.

If you have any queries, please contact either party on the contact details set out on the Transfer forms.

Signed:



For personal use only