

11 February 2021

## Liontown Appoints Highly Credentialed BHP Executive Tony Ottaviano as Chief Executive Officer & Managing Director

**Well-regarded international mining executive to drive Liontown's next chapter of growth as a next-generation Australian lithium company**

Liontown Resources Limited (ASX: LTR, "Liontown" or "Company") is pleased to announce the appointment of international mining executive **Tony Ottaviano** as Chief Executive Officer and Managing Director, effective from on or about 1 May 2021.

Mr Ottaviano will oversee the Company's next critical growth phase as it embarks on the financing and development of a major new next-generation Australian lithium mine at its Tier-1 Kathleen Valley lithium-tantalum project in Western Australia. The material terms of Mr Ottaviano's employment agreement are summarised in the schedule to this announcement.

Liontown's long-serving Managing Director David Richards will transition to the role of Technical Director, with responsibility for driving the Company's early-stage exploration projects outside of Kathleen Valley, including its exciting Moora gold-PGE-nickel-copper project in WA's Julimar Region, and identifying new greenfield opportunities.

Mr Ottaviano is a highly-credentialed global mining executive with wide-ranging strategic, operational, commercial and corporate experience. He has held senior executive roles with two of the world's largest mining companies, BHP and Rio Tinto, as well as the diversified industrial conglomerate Wesfarmers.

Prior to accepting the role of Chief Executive Officer and Managing Director with Liontown, Mr Ottaviano was Program Director Improvement and BHP Operating System (BOS) with BHP Limited – a system that forms the foundation of BHP's 10-year safety and productivity strategy and is being deployed across all of BHP's major assets.

Prior to this, he was Vice President Strategy, Development and Planning for BHP Iron Ore, where he led a global 1,000-plus team based in Perth and the Pilbara, including all M&A, exploration, resource planning, supply chain and technology.

Earlier in his career, he was Senior Manager Business Projects at top-10 ASX-listed conglomerate Wesfarmers Limited and Manager Business Development for North Limited / Rio Tinto Limited. He commenced his career as a Mechanical Engineer working in the Iron Ore Division of BHP Billiton and later as a Senior Mechanical Engineer at Rio Tinto's Argyle Diamonds Division.

Commenting on his appointment, Mr Ottaviano said:

*"I was attracted to Liontown because of the exciting opportunity to build a world-class battery metals business that can play a meaningful role in the impending global energy transformation. As a Tier-1 lithium asset with world-class scale and economics, Kathleen Valley is uniquely placed to meet growing demand for battery raw materials, both as a low-cost spodumene producer and as a potential participant in the high-value downstream segment of the lithium raw materials supply chain."*

Liontown's Chairman, Mr Tim Goyder, said:

*"With Tony at the helm, I have every confidence that Liontown will be in very safe hands as we make the all-important transition from explorer-developer to mid-tier mining company. We are absolutely delighted that he has agreed to take up this opportunity."*

ASX: LTR

*“Tony’s experience in leading and motivating large teams and delivering exceptional results with some of the world’s leading mining companies will be invaluable as we complete the Definitive Feasibility Study at Kathleen Valley, negotiate off-take agreements and move rapidly towards financing and construction of a state-of-the-art, next-generation Australian lithium project. All of this is set to occur at a time of exciting growth and renewed momentum in the global lithium sector, driven by the burgeoning EV and renewable energy industries.”*

*“We are also pleased to announce that David Richards will transition to the newly-created role of Technical Director with responsibility for driving Liontown’s exciting exploration projects outside of Kathleen Valley, including the Moora project. David has made a huge contribution to Liontown’s growth and success over the past 10 years, and I can think of no one better qualified to advance these projects to the next stage and identify other new growth opportunities.”*

*“As Liontown transitions into a development company, we will give consideration as to the best pathway to maximise the value of these growth assets, including a possible demerger and IPO of our exploration assets outside of Kathleen Valley.”*

This announcement has been authorised for release by the Board.

TIM GOYDER  
Chairman

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### Forward Looking Statement

*This announcement contains forward-looking statements which involve a number of risks and uncertainties. These forward-looking statements are expressed in good faith and believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this announcement. No obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.*

## SCHEDULE

### Material terms of Employment Agreement

|                          |   |
|--------------------------|---|
| <b>Term</b>              | <p>Mr Ottaviano's appointment as Chief Executive Officer (<b>CEO</b>) is effective from 1 May 2021 (or such other date as may be agreed). Mr Ottaviano's appointment as Director is intended to be confirmed in the days following his appointment as CEO.</p> <p>The term of his employment will continue until terminated in accordance with the Agreement.</p>   |
| <b>Remuneration</b>      | <ul style="list-style-type: none"> <li>• Fixed annual remuneration: Base fee of \$575,000 per annum (inclusive of superannuation) (<b>FAR</b>).</li> <li>• Incentive package: Participation in the Company's employee securities incentive plan (as described on the following page). Refer to Schedule 4 of the Company's notice of annual general meeting announced on the ASX market announcements platform on 26 October 2020 for a summary of the material terms of the Company's employee securities incentive plan.</li> </ul> <p>Mr Ottaviano's remuneration is to be reviewed by 1 July 2022 and annually thereafter.</p>  |
| <b>Bonus entitlement</b> | <p>Upon the occurrence of a change of control transaction, Mr Ottaviano is entitled to a bonus payment of 12 months' FAR.</p>   |
| <b>Termination</b>       | <ul style="list-style-type: none"> <li>• <i>Termination by notice</i>: Either party may terminate the Agreement by 6 months' notice in writing. A payment in lieu of notice may be made at the Company's discretion.</li> <li>• <i>Summary termination without notice</i>: Customary summary termination events apply in favour of the Company the event of misconduct or breach by Mr Ottaviano.</li> <li>• <i>Severance payment</i>: Mr Ottaviano will be entitled to a severance payment of 6 months' FAR in the event of a material change in the position and the employment being terminated within one month of that change.</li> <li>• <i>Corporations Act limitation</i>: The Company will not be required to pay to Mr Ottaviano any benefits in connection with his termination which would exceed an amount permitted by the relevant provisions of Part 2D.2 of the <i>Corporations Act 2001</i> (Cth).</li> </ul> |

## Incentive package

| Class  | Number                             | Issue date          | Vesting conditions   | Exercise price | Expiry date                 |
|--|------------------------------------|---------------------|--|----------------|-----------------------------|
| <b>Sign-on options</b>                                   |                                    |                     |  |                |                             |
| Class A  | 2,500,000                          | 10 February 2021    | Commencement of employment   | \$0.50         | 9 February 2023             |
| Class B  | 2,500,000                          | 10 February 2021    | Continued employment for 12 months   | \$0.54         | 9 February 2023             |
| Class C  | 2,500,000                          | 10 February 2021    | Continued employment for 24 months   | \$0.58         | 9 February 2024             |
| <b>Total</b>   | <b>7,500,000</b>                   | -                   | -  | -              | -                           |
| <b>Sign-on performance rights</b>                        |                                    |                     |  |                |                             |
| Class A  | 1,250,000                          | Commencement as CEO | Continued employment until the vesting date of 1 July 2022 <sup>1</sup>  | N/A            | 1 January 2023 <sup>1</sup> |
| Class B  | 1,250,000                          | Commencement as CEO | Continued employment until the vesting date of 1 July 2023 <sup>1</sup>  | N/A            | 1 January 2024 <sup>1</sup> |
| <b>Total</b>   | <b>2,500,000</b>                   | -                   | -  | -              | -                           |
| <b>Key management personnel (KMP) performance rights</b> |                                    |                     |  |                |                             |
| Class A  | 25% of the FAR                     | Commencement as CEO | Satisfaction of short-term incentive criteria applicable to KMP, as determined by the Board, by the vesting date of 30 June 2022 | N/A            | 30 December 2022            |
| Class B  | 75% of the FAR                     | Commencement as CEO | Satisfaction of long-term incentive criteria applicable to KMP, as determined by the Board, by the vesting date of 30 June 2024  | N/A            | 30 December 2024            |
| <b>Total</b>   | <b>100% of the FAR<sup>2</sup></b> | -                   | -  | -              | -                           |

<sup>1</sup> Based on commencement date of 1 May 2021

<sup>2</sup> The number of key management personnel performance rights will be equal to 100% of the FAR divided by an agreed volume weighted average price of the Company's shares.

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