



Novo Lítio Ltd

ACN 009 146 794

Notice of Annual General Meeting and Explanatory Statement

**Level 11, 125 St Georges Terrace, Perth Western Australia
on 28 November 2017
commencing at 10.00am (WST)**

The Notice of Annual General Meeting, Explanatory Statement and Proxy Form should be read in their entirety. If you are in doubt as to how you should vote, you should seek advice from your accountant, solicitor or other professional adviser prior to voting.

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Notice of Annual General Meeting

Notice is given that the Annual General Meeting of Novo Latio Ltd ACN 009 146 794 (**Novo Latio** or **Company**) will be held at Level 11, 125 St Georges Terrace, Perth, Western Australia, on Tuesday, 28 November 2017 commencing at 10.00am (WST).

AGENDA

Financial statements and report

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2017 together with the Directors' report and the independent auditor's report.

Resolution 1 – Adoption of Remuneration Report

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

That for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report contained in the Company's annual financial report for the year ended 30 June 2017 be adopted by the Company.

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Resolution 2 – Re-election of Mr Francis Wedin

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

That Mr Francis Wedin, a Director who retires by rotation in accordance with Listing Rule 14.4 and Regulation 6.3(c) of the Constitution, and being eligible offers himself for re-election, be re-elected as a Director.

Voting Exclusions

For the purposes of the Corporations Act and Listing Rule 14.11, the following voting exclusion statements apply to the Resolutions. The Company will disregard any votes on the following Resolutions cast by or on behalf of the following persons:

Resolution	Excluded parties
Resolution 1	Members of Key Management Personnel whose remuneration is detailed in the Remuneration Report and their Closely Related Parties (which includes spouse, child, dependent, other family members and any controlled company).
Resolution 2	N/A

However, the Company need not disregard a vote on Resolution 1 if it is cast by:

- the person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- the Chairman of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

In relation to Resolution 1, members of Key Management Personnel and their Closely Related Parties (other than the Chairman of the Meeting) may not vote as proxy if the appointment does not specify how the proxy is to vote. The Chairman of the Meeting may vote undirected proxies only if expressly authorised to do so on the Proxy Form.

By order of the Board of Directors

Mr Mathew Whyte
Company Secretary
24 October 2017

Proxy appointment and voting instructions

Voting eligibility – snapshot date

The Directors have determined that the persons eligible to attend and vote at the Annual General Meeting are those persons who are registered Shareholders at 10.00am (WST) on Sunday, 26 November 2017. Transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Proxy Form

The Proxy Form (and any power of attorney or other authority, if any, under which it is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be lodged no later than 10.00am (WST) on Sunday, 26 November 2017. Proxy Forms may be lodged:

By hand: Level 11, 125 St Georges Terrace Perth WA 6000

By mail: Level 11, 125 St Georges Terrace Perth WA 6000

By email: mwhyte@novolitio.com

Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Appointment of a proxy

A Shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy. The proxy may, but need not be, a Shareholder.

Please write the name of the person you wish to appoint as your proxy in the Proxy Form. If you leave this section blank, or your named proxy does not attend the Meeting, the Chairman will be appointed as your proxy.

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company on +61 8 9228 4408 or you may photocopy the Proxy Form. To appoint a second proxy you must state on each Proxy Form (in the appropriate box) the percentage of your voting rights which are the subject of the relevant proxy. If both Proxy Forms do not specify that percentage, each proxy may exercise half your votes. Fractions of votes will be disregarded.

Directing your proxy to vote on Resolutions

You may direct your proxy how to vote by marking For, Against or Abstain for each Resolution. All your shareholding will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on the Resolutions by inserting the percentage or number of Shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the Resolutions, your proxy may vote as he or she chooses (except where a voting exclusion applies). If you mark more than one box on a Resolution your vote on will be invalid on that Resolution.

Voting restrictions that may affect your proxy appointment

Members of the Key Management Personnel (except for the Chairman) and their Closely Related Parties are not able to vote your proxy on Resolutions 1 unless you have directed them how to vote. This exclusion does not apply to the Chairman if his appointment as proxy expressly authorises him to vote on matters of Key Management Personnel remuneration.

If you intend to appoint the Chairman, a Director or any other member of Key Management Personnel or any of their Closely Related Parties as your proxy, you are encouraged to direct them how to vote on all the Resolutions.

How the Chairman will vote undirected proxies

At the date of this Notice, the Chairman intends to vote all undirected proxies FOR each of the Resolutions. In exceptional cases the Chairman's intentions may change subsequently and in this event, the Company will make an announcement to the market.

The Proxy Form expressly authorises the Chairman to exercise undirected proxies on all Resolutions including Resolutions 1 even though this Resolution is connected directly or indirectly with the remuneration of a member of Key Management Personnel.

Corporate Shareholders

Corporate Shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:

- two directors of the company;
- a director and a company secretary of the company; or
- for a proprietary company that has a sole director who is also the sole company secretary – that director.

Corporate Representatives

A corporation may elect to appoint an individual to act as its representative in accordance with section 250D of the Corporations Act, in which case the Company will require a certificate of appointment of the corporate representative executed in accordance with the Corporations Act. The certificate of appointment must be lodged with the Company, before the Meeting or at the registration desk on the day of the Meeting.

Defined terms

Capitalised terms used in the Notice and the Explanatory Statement are defined in the Glossary.

Questions from Shareholders

At the Meeting the Chairman will allow a reasonable opportunity for Shareholders to ask questions or make comments on the management of the Company and the Remuneration Report.

Mr Michael Hoang, Partner at EY, as the auditor responsible for preparing the auditor's report for the year ended 30 June 2016 (or his representative) will attend the Meeting. The Chairman will also allow a reasonable opportunity for Shareholders to ask the auditor questions about:

- the conduct of the audit;
- the preparation and content of the auditor's report;
- the accounting policies adopted by the Company in relation to the preparation of financial statements; and
- the independence of the auditor in relation to the conduct of the audit.

In addition to asking questions at the Meeting, written questions to the Board about the management of the Company or the Remuneration Report, or to the Company's auditor about the content of the independent auditor's report or the conduct of the audit, may be submitted by no later than Tuesday, 21 November 2017.

By hand: Level 11, 125 St Georges Terrace Perth WA 6000

By mail: Level 11, 125 St Georges Terrace Perth WA 6000

By email: mwhyte@novolitio.com

Copies of written questions will be available at the Meeting.

Explanatory Statement

This Explanatory Statement has been prepared to provide information to Shareholders about the business to be conducted at the Meeting.

1. Annual Financial Report

The Directors' report, independent auditor's report and the financial statements of the Company for the year ended 30 June 2017 will be tabled at the Meeting.

There is no requirement for Shareholders to approve these reports. However, the Chairman will allow a reasonable opportunity for Shareholders to ask questions about, or make comments on, the reports and the management of the Company.

2. Resolution 1 – Adoption of Remuneration Report

The Remuneration Report of the Company for the financial year ended 30 June 2017 is set out in the Company's 2017 Annual Financial Report which is available at www.novolitio.com. The Remuneration Report sets out the remuneration arrangements for Directors and Key Management Personnel of the Company. The Chairman will allow a reasonable opportunity for Shareholders to ask questions about, or make comments on, the Remuneration Report.

Shareholders will be asked to vote for the adoption of the Remuneration Report at the Meeting. The vote on this Resolution is advisory only and does not bind the Directors or the Company. The Board will consider the outcome of the vote and comments made by Shareholders at the Meeting when reviewing the Company's remuneration policies.

If 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution (a "spill resolution") to determine whether another meeting be held within 90 days at which all of the Directors (other than the managing director) must go up for re-election.

At the Company's previous annual general meeting the votes against the remuneration report were less than 25% of the votes cast on the resolution. As such, Shareholders will not need to consider a spill resolution at this Meeting.

The Company encourages all Shareholders to cast their votes on Resolution 1 (Adoption of Remuneration Report).

2.1 Voting exclusions

The Company will disregard any votes cast on this Resolution by or on behalf of members of Key Management Personnel whose remuneration details are included in the Remuneration Report and any Closely Related Parties of those persons.

Key Management Personnel of the Company are the Directors and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Company's Key Management Personnel for the financial year ended 30 June 2017. Their Closely Related Parties are defined by the Corporations Act and include certain of their family members, dependants and companies they control.

If you appoint the Chairman as your proxy and have not directed him how to vote, you are expressly authorising the Chairman to cast your undirected proxy on this Resolution in

accordance with his stated intentions. The Chairman intends to vote all undirected proxies in favour of this Resolution.

If you appoint any other member of the Board, a member of senior management who is named in the Remuneration Report, or their Closely Related Parties as your proxy, they will not be able to vote your proxy on this Resolution unless you have directed them how to vote.

3. Resolution 2 – Re-election of Mr Francis Wedin

3.1 Background

Under Listing Rule 14.4 and Regulation 6.3(c) of the Constitution there must be an election of Directors at each annual general meeting. A Director is required to retire from office and is then eligible for re-election. The Director to retire is the one who has held office the longest since the last election to that office, and if two or more Directors have held office for the same period of time, the Director determined by agreement.

Mr Francis Wedin retires by rotation at this Meeting and, being eligible, offers himself for re-election.

Mr Francis Wedin was appointed as a Director on 23 December 2015.

Francis Wedin is an experienced mining industry professional, with a diverse expatriate working background spanning three continents and multiple commodities, producing a proven track record of exploration management, discovery and resource development success in the industry. Mr Wedin has a PhD in mineral exploration parameters focused on the Tethyan Metallogenic Belt, is a Fellow of the Geological Society, London, and a member of the Australasian Institute of Mining and Metallurgy. He is bilingual in English and Turkish, with proficiencies in other languages, and is currently studying an MBA with a focus on renewable energy technologies

3.2 Directors' recommendations

The Directors (other than Mr Wedin) recommend that Shareholders vote in favour of Resolution 2.

Glossary of terms

In this Notice and Explanatory Statement, the following terms have the following meaning unless the context otherwise requires:

Annual General Meeting or Meeting	The annual general meeting of Shareholders or any adjournment thereof, convened by this Notice.
Associate	Has the meaning set out in the Listing Rules.
ASX	ASX Limited ACN 008 624 691.
Board	Board of Directors of the Company.
Chairman	The chairman of the Meeting.
Closely Related Parties	Has the meaning set out in the Corporations Act.
Company or Novo Litis	Novo Litis Ltd ACN 009 146 794.
Constitution	The constitution of the Company.
Corporations Act	<i>Corporations Act 2001</i> (Cth) as amended from time to time.
Director	A director of the Company.
Explanatory Statement	This explanatory statement which accompanies and forms part of the Notice.
Key Management Personnel	Those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise).
Listing Rules	The listing rules of ASX, as amended from time to time.
Notice or Notice of Annual General Meeting	The notice of Annual General Meeting which accompanies the Explanatory Statement.
Proxy Form	The proxy form accompanying the Notice.
Related Body Corporate	Has the meaning given to that term in the Corporations Act.
Remuneration Report	The remuneration report contained in the Directors' report for the year ended 30 June 2017.
Resolution	A resolution set out in the Notice.
Share	A fully paid ordinary share in the Company.
Shareholder	A registered holder of a Share.
WST	Australian Western Standard Time, being the time in Perth, Western Australia.