

ASX ANNOUNCEMENT

29 MARCH 2016

Liontown Raises \$1.3M in Placement to Fund Lithium Projects

Funds to be used to progress exploration activities at highly prospective lithium projects in Australia and Tanzania: drilling scheduled to commence in May-June

Liontown Resources Limited (ASX: LTR) is pleased to advise that it has received firm commitments to raise approximately \$1.3 million before issue costs (the "Placement") to progress the exploration and evaluation of its lithium projects in Australia and Africa.

The non-brokered placement, comprising 87,133,335 fully paid ordinary shares at an issue price of 1.5 cents per share, received strong support from a number of sophisticated and professional investors and closed substantially oversubscribed.

The funds raised will be used to advance the Company's exploration and drilling activities at the Bynoe Lithium Project in the Northern Territory, the Mohanga Lithium Project in Tanzania and for general working capital purposes.

The Placement will be made pursuant to the 15% allowance under ASX Listing Rules and is scheduled to be completed on or around 31 March 2016. The number of shares on issue following completion of the Placement will be 670,450,402.

Settlement of Loan Facility

As previously advised, the Company's Chairman, Mr Tim Goyder provided a loan facility of \$350,000 to the Company in December 2015. The Company and Mr Goyder have mutually agreed to settle the outstanding loan of \$350,000 by issuing to Mr Goyder, subject to shareholder approval, 23,333,333 fully paid ordinary shares at an issue price of 1.5 cents. The issue price of 1.5 cents is the same as the issue price to sophisticated investors under the Placement.

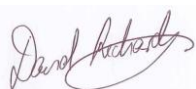
Placement of Shares to Non-executive Director

In addition, subject to shareholder approval, 2,666,666 fully paid ordinary shares will be placed to the Company's non-executive director Mr Craig Williams at 1.5 cents per share to raise an additional \$40,000.

The Company will hold a general meeting of shareholders in May 2016 to consider the issue of shares to Mr Goyder and Mr Williams.

Commenting on the Placement, Mr Goyder said:

"We are pleased the capital raising received strong support from a number of high quality investors that both broadens our shareholder base and enables us to commence drilling at the Bynoe and Mohanga projects. Exploration programs are currently being designed and it is anticipated that drilling will commence in May-June."



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