Level 2, 1292 Hay Street
West Perth Western Australia 6005
GPO Box 2890
Perth Western Australia 6001
t: + 61 8 9322 7431
f: + 61 8 9322 5800
info@ltresources.com.au
www.ltresources.com.au

14 September 2016

Dear Shareholder

Notice to Eligible Shareholders of Non-Renounceable Entitlement Offer

We write to you as the registered holder of shares in Liontown Resources Limited (ASX: LTR) (**Liontown** or the **Company**). As advised in the Company's ASX announcement dated 6 September 2016, the Company is undertaking a non-renounceable pro-rata entitlement offer to eligible shareholders of ordinary fully paid shares in the Company at an issue price of $0.01 per share and on the basis 1 new share (**New Share**) for every 5 shares (**Entitlement Offer**). Pursuant to the Entitlement Offer, the Company will issue up to 139,890,080 New Shares to raise up to $1,398,900 before costs.

The Entitlement Offer is available to all Liontown shareholders (**Shareholders**) registered on the record date on 16 September 2016 (**Record Date**) whose registered address is in Australia or New Zealand (**Eligible Shareholders**). The Entitlement Offer is not being extended to any Shareholders with addresses outside these jurisdictions.

Purpose of the Entitlement Offer

Subject to the satisfactory completion of the Entitlement Offer, funds will be used to commence follow-up drilling in September at the Bynoe Project, to conduct initial exploration activities on the Kathleen Valley Lithium Project (subject to the completion of the acquisition of this project, and the required permitting and heritage clearance) and for general working capital. Funds may also be used on an exploration program at the Company's Jubilee Reef Gold Project in Tanzania.

Indicative Timetable

The New Shares will be offered in accordance with the following indicative timetable:

Lodgement of Appendix 3B and Prospectus with ASX Notice of Entitlement Offer sent to Optionholders	12 September 2016
Notice of Entitlement Offer sent to Shareholders	14 September 2016
Shares quoted on an "EX" basis	15 September 2016
Record Date for determining Entitlements	16 September 2016
Prospectus and Entitlement and Acceptance Form despatched to Eligible Shareholders	21 September 2016
Last day to extend the offer closing date	30 September 2016
Closing Date of Entitlement Offer (5pm WST)*	6 October 2016
Shares quoted on a deferred settlement basis	7 October 2016
Notification of shortfall	11 October 2016

Anticipated date for issue of the Shares Deferred settlement trading ends	13 October 2016
Anticipated date for commencement of Shares trading on a normal settlement basis	14 October 2016

* The Directors may extend the Closing Date by giving at least three (3) Business Days' notice to ASX prior to the Closing Date. As such the date the Shares issued under the Entitlement Offer are expected to commence trading on ASX may vary.

All dates are indicative only and subject to change without prior written notice. Any extension of the Closing Date will have a consequential effect on the date of issue of the New Shares.

Shortfall
The Company reserves the right, subject to any restrictions imposed by the Corporations Act and the Listing Rules, to issue the shortfall shares at their sole discretion. The Company may then allocate any surplus shortfall to those Eligible Shareholders who have applied for shortfall shares.

Effect on Capital Structure
The table below sets out the impact of the Entitlement Offer on the capital structure of the Company:

Detail	Number of Shares	Number of unquoted options
Balance at date of announcement of the Entitlement Offer	699,450,401	14,650,000
Maximum Number of New Shares offered under the Entitlement Offer*	139,890,080	Nil
Total at completion of the Entitlement Offer	839,340,481	14,650,000

*Assuming no options are exercised prior to the Record Date.

Prospectus
Details of the Entitlement Offer are contained in the Prospectus. The Prospectus can be accessed from the ASX and Liontown websites, www.asx.com.au and www.ltresources.com.au respectively.

A copy of the Prospectus is intended to be sent to Eligible Shareholders on 21 September 2016.

The Directors of Liontown urge you to read the Prospectus carefully and seek advice from your financial adviser if you have any queries. This notice is to inform you of the Entitlement Offer. You are not required to do anything in respect to this letter.

For all enquiries concerning the Prospectus, please contact Leanne Stevens on +61 8 9322 7431. For all general shareholder enquiries, please contact Computershare Investor Services Pty Limited on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia).

Yours sincerely

Tim Goyder
Chairman