ASX ANNOUNCEMENT

$2.5M Raised in Oversubscribed Placement to Underpin Imminent Drilling at Three Highly Prospective Australian Lithium Projects

Drilling to commence in February 2017 at Kathleen Valley and Lake Percy

Highlights

- **Placement raises $2.5 million from institutional and professional investors**
- **Liontown now funded to accelerate its drilling activities at the highly prospective Kathleen Valley, Lake Percy and Bynoe Lithium Projects:**
  - ***Maiden drill testing of main lithium trends at Kathleen Valley (WA) is scheduled for early to mid-February 2017;***
  - ***Maiden drilling program at Lake Percy (WA) to test beneath strongest lithium anomalism is scheduled for late February 2017;***
  - ***New targets are scheduled for drill testing at Bynoe (NT) in the second Quarter of 2017 (after the northern Australian wet season).***
- **Strong news-flow expected over coming weeks as drilling programs get underway**

Liontown Resources Limited (ASX: LTR) ("Liontown" or the "Company") is pleased to announce that it has received firm commitments to raise $2.52 million (before costs) to accelerate upcoming drilling programs across its three highly prospective Australian lithium projects.

The Placement, comprising 126 million new fully-paid ordinary shares at an issue price of A$0.02 per share, was strongly supported by professional and institutional investors and closed heavily oversubscribed.

Bell Potter Securities Limited acted as Lead Manager to the Placement which was made pursuant to the 15% placement capacity under ASX Listing Rule 7.1.

The proceeds will be used to advance exploration at the Company's three lithium projects with drilling scheduled to commence at the Kathleen Valley Lithium-Tantalum Project in **early to mid-February 2017**; at the Lake Percy Lithium Project in **late February 2017**; and at the Bynoe Lithium Project in **Q2 2017**.

Previous work at **Kathleen Valley** has defined multiple spodumene-bearing pegmatites with numerous high grade lithium (>2% Li_2O) values recorded from rock chip sampling (Figure 1). Drilling, which will initially comprise 20-30 holes for ~2,500m, will target the northern part of the

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pegmatite field, including outcropping zones of mineralisation, where statutory and heritage clearances have been received.

At the **Lake Percy** Lithium Project, an anomalous lithium-in-soil trend which contains values of up to 354ppm Li_2O, has been outlined over a strike length of 2km coincident with pegmatites which locally exceed 100m true thickness (Figure 2). A 2,000 - 2,500m Reverse Circulation drilling program has been designed to test beneath the strongest lithium soil geochemical anomalism. All statutory permissions required to drill at Lake Percy have been received.

Drilling at the **Bynoe Project** will commence after the northern Australian wet season and will target the immediate extension of the Grants and Sandras trends (Figure 3). However, results from in-fill soil sampling and an airborne geophysical survey will also be used to define other mineralised trends with the size potential to host economic lithium deposits.

Liontown's Managing Director, David Richards, said the overwhelming response to the placement reflected the high prospectivity of the Company's three lithium projects and the outstanding potential to discover significant lithium mineralisation in the upcoming drilling.

"Liontown is in the fortuitous position of having not one, but three outstanding lithium projects located in established mining districts, close to significant infrastructure and with outstanding potential to discovery large-scale lithium deposits," he said.

"Drilling last year established the potential of our Bynoe Project, which is located in an emerging lithium province just outside of Darwin in the Northern Territory. Our Lake Percy Project is located in the heart of the exciting new Forrestania Lithium Province, near the world-class Earl Grey discovery of Kidman Resources.

"And our Kathleen Valley Project remains one of our most highly rated discovery opportunities, containing numerous spodumene-pegmatites with exceptionally high-grade lithium values recorded at surface," he added.

"This is an exciting time for Liontown as we look to uncover Australia's next major lithium deposit."

DAVID RICHARDS
Managing Director

24th January 2017

The Information in this announcement that relates to the Exploration Results for the Kathleen Valley Project is extracted from the ASX announcements entitled "Liontown enters into agreement for the acquisition of highly prospective WA lithium-tantalum project from Ramelius Resources" and "Lithium-tantalum potential at Kathleen Valley significantly expanded" released on the 4th August 2016 and 6th September 2016 respectively both of which are available on www.ltresources.com.au.

The information in this announcement which relates to Exploration Results for the Lake Percy Project is extracted from the ASX announcements entitled "Liontown confirms lithium potential at Lake Percy" and "Liontown identifies 2km-long lithium trend just 60km from Kidman's world-class discovery in WA" released on the 27th October 2016 and 9th January 2017 respectively both of which are available on www.ltresources.com.au.

The Information in this announcement that relates to Exploration Results for the Bynoe Project is extracted from the ASX announcements entitled "Initial Assays from Second Phase of Drilling at Bynoe Lithium Project Confirm Extensions to Sandras Prospect", "New Drill Targets Outlined at Bynoe Lithium Project Following Successful Soil Sampling Program" and "Joint Airborne

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Geophysical Survey Commences across Bynoe/Finniss Pegmatite-Lithium Field, NT" released on the 2nd November 2016, 6th December 2016 and 10th January 2017 respectively all of which are available on www.ltresources.com.au .

The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

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.

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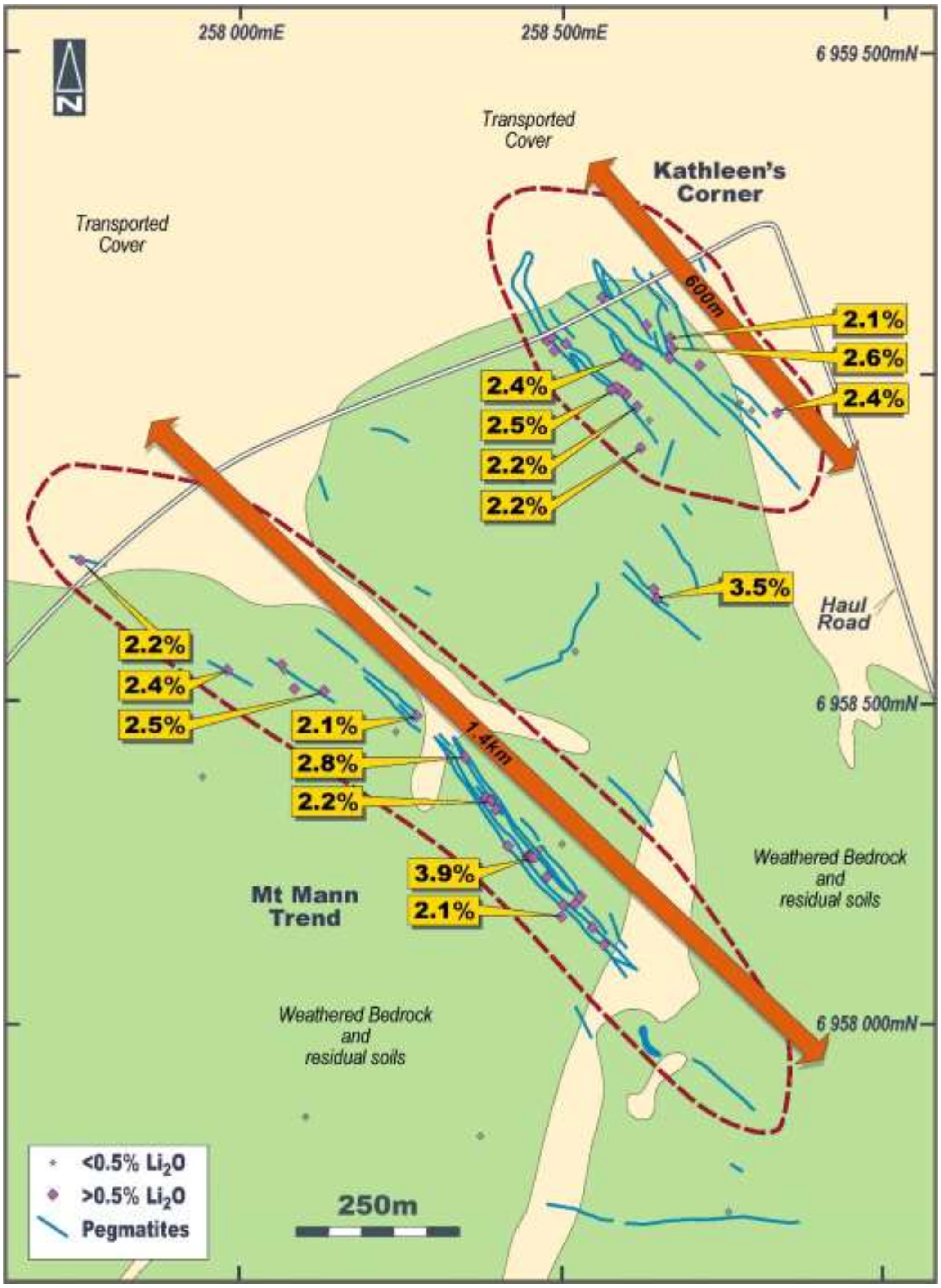

Figure 1: Kathleen Valley Project – Northern area showing prospect areas, rock chip sampling and better lithium results

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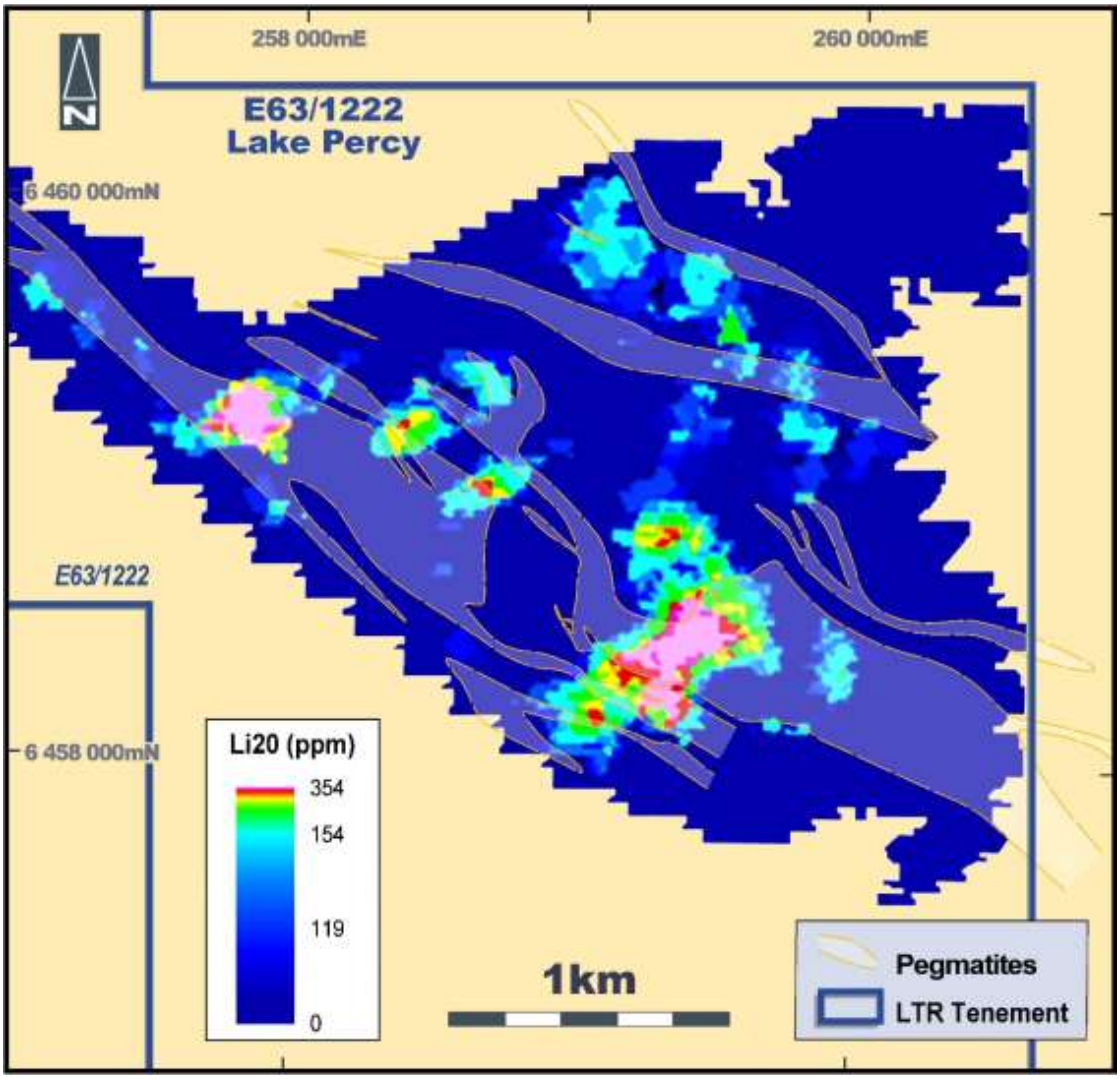

Figure 2: Lake Percy Project – Soil image showing strong lithium anomalism coinicident with mapped pegmatites

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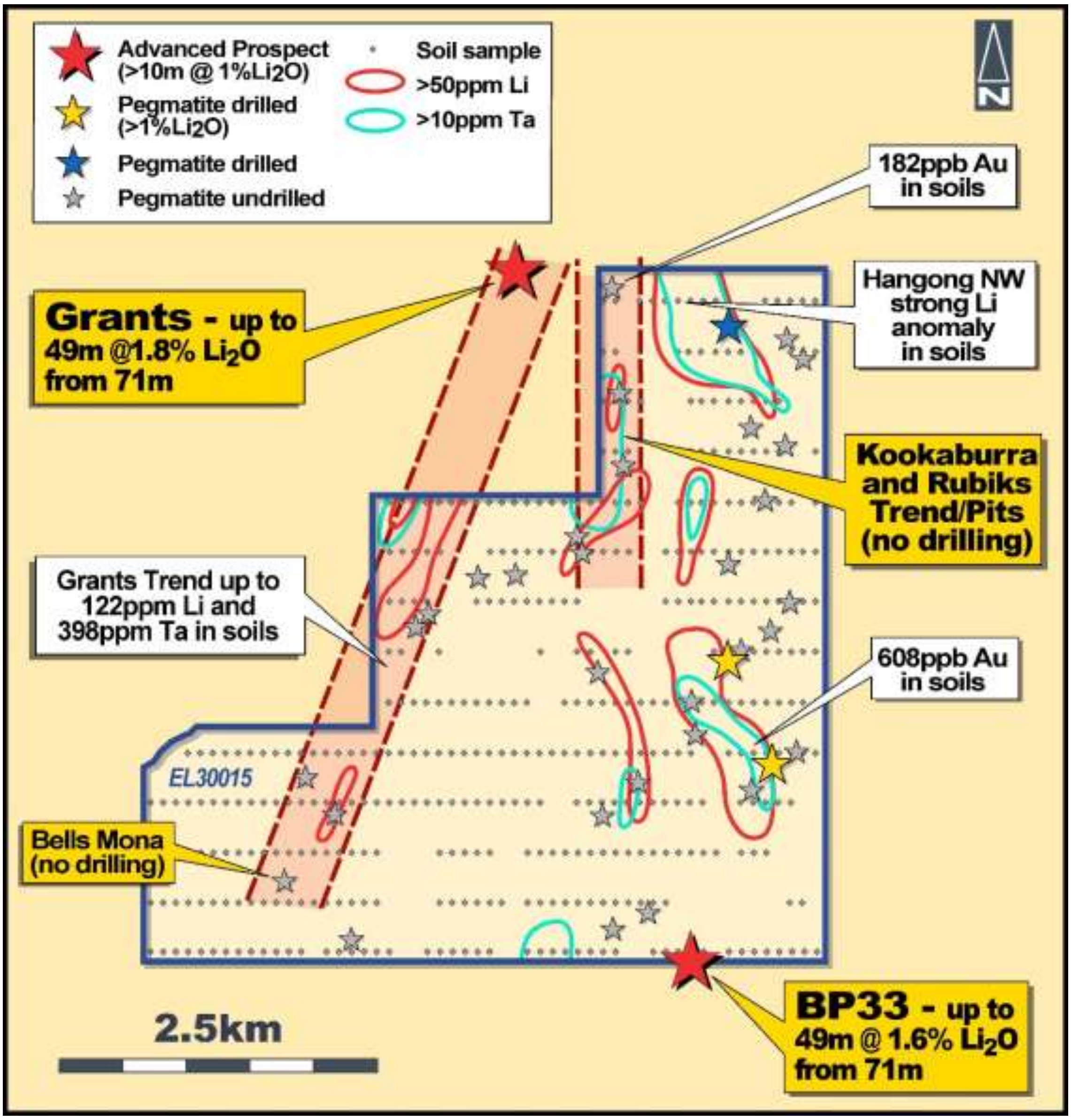

Figure 3 : Bynoe Project – EL30015/Soil sampling.

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