

QUARTERLY ACTIVITIES REPORT

For the Quarter ended 30 June 2016



HIGHLIGHTS

AUSTRALIA

Bynoe Lithium-Tantalum Project (Northern Territory)

- Maiden drilling program comprising 21 reverse circulation drill holes for a total 2,170m completed.
- Significant thicknesses (10-60m downhole) of pegmatites intersected at a number of prospects.
- Assays pending.

Lake Percy Lithium-Tantalum Project (Western Australia)

- New lithium-tantalum prospective project located in emerging lithium province - right to acquire 70% via JV agreement.
- Pegmatites with surface dimensions up to 550m wide and 3km long defined by previous explorers but tenement unexplored for lithium or tantalum.
- Known pegmatite-hosted lithium occurrences mapped along strike to the south.

EAST AFRICA

Mohanga Lithium-Tantalum Project (Central Tanzania)

- Further trenching intersects high grade tantalum values at the Tresor prospect. Better intersections include:

MOHTR014 3.5m @ 230ppm Ta₂O₅

MOHTR016 8.3m @ 395ppm Ta₂O₅ including 2m @ 943ppm Ta₂O₅

- Wide spaced soil sampling returns strongly anomalous gold values up to 120ppb.

Jubilee Reef Gold Project (Northern Tanzania)

- Contiguous project area increased approximately 40% to 112km².



Spodumene bearing pegmatite- Bynoe Project

INVESTMENT HIGHLIGHTS

AUSTRALIA

- Multiple lithium-tantalum prospective pegmatites defined at the Bynoe and Lake Percy Projects

TANZANIA

- High grade lithium and tantalum assays from pegmatites at the Mohanga Project.
- Maiden 390,000oz Inferred Mineral Resource estimated for Jubilee Reef Gold Project



Pegmatite outcrop- Mohanga Project

For further information,
please contact:

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AUSTRALIAN PROJECTS

1. Bynoe Lithium-Tantalum Project/Northern Territory (Liontown 100%)

The Bynoe Project is located in the Northern Territory approximately 35km SSW of Darwin (see Figure 1), where it covers a large part of the Bynoe Pegmatite Field which has been mined historically for tin and tantalum. Liontown has secured a number of tenements which cover a total area of 88km² and include 63 of the rare metal pegmatites documented by the NT Geological Survey in the region. The pegmatites are similar to those that host economic lithium mineralisation elsewhere in Australia; however, there has been no previous exploration recorded for this commodity prior to Liontown's acquisition of the tenements.

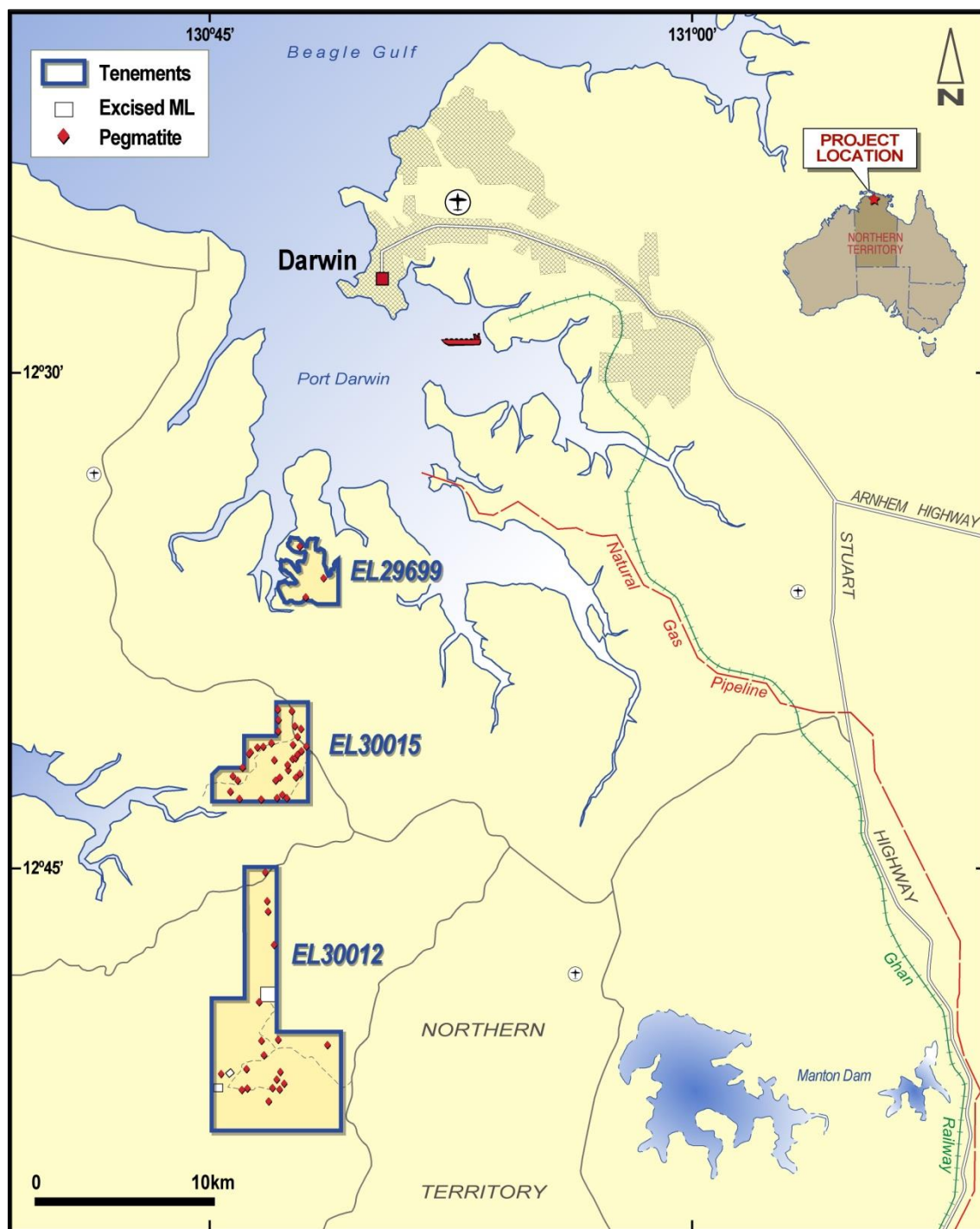


Figure 1: Bynoe Project – Location and Tenure Plan

Liontown completed its maiden drilling program at the Bynoe Project immediately subsequent to the end of the Quarter.

Ten targets (**Figure 2**) were tested with 21 reverse circulation holes drilled for a total of 2,170m drilling. Significant thicknesses of pegmatite (10-60m downhole) were intersected at a number of prospects. Assays are pending for all holes.

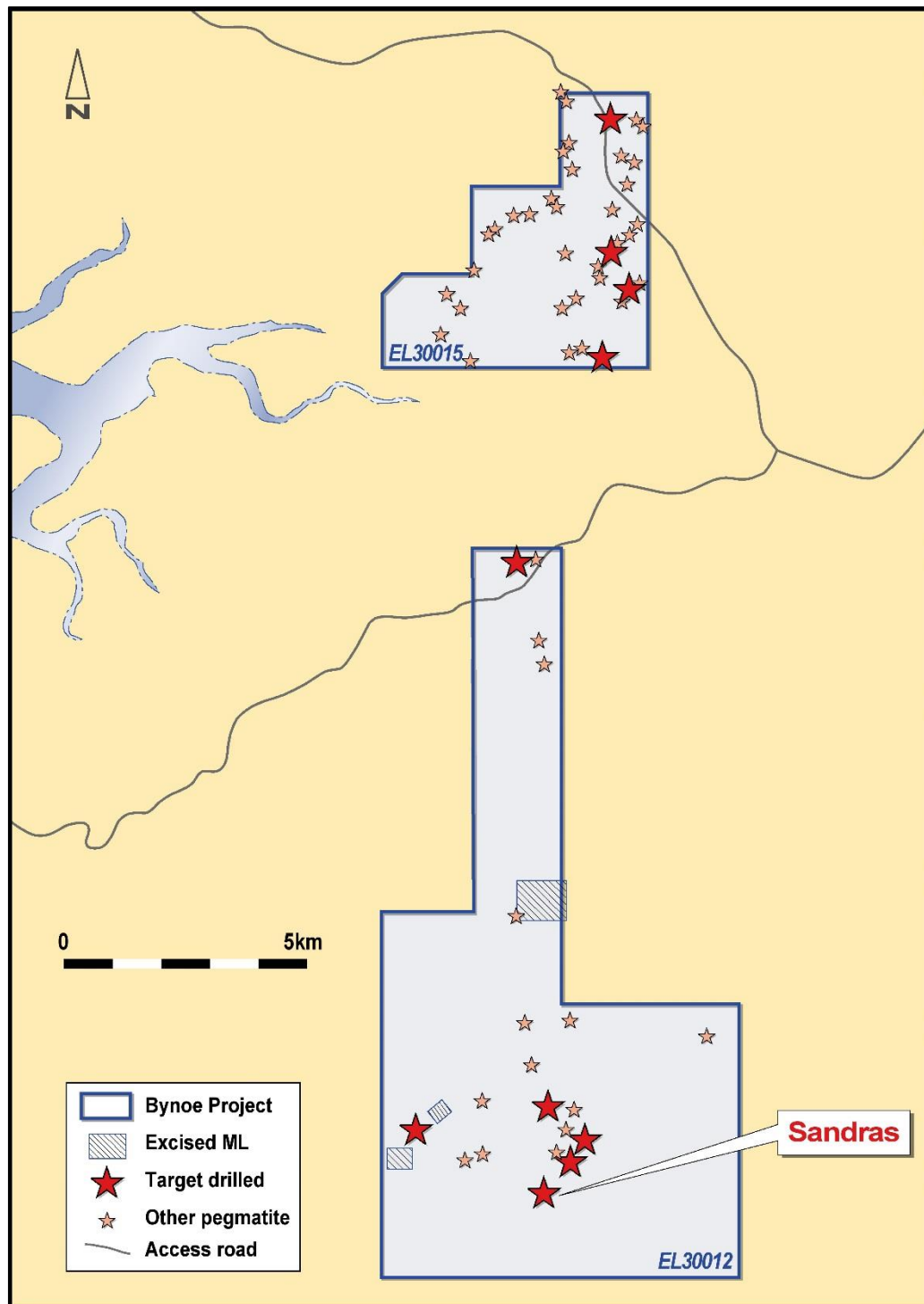


Figure 2: Bynoe Project – Drill Targets (2016Q2)

Further work will be planned once all assays have been received and processed.

2. Lake Percy Lithium Project/Western Australia (Liontown right to 70%)

The Lake Percy Project is located in Western Australia approximately 430km east of Perth (see Figure 3) within the southern part of the Archaean Yilgarn Craton which hosts a number of world class and emerging hard rock lithium deposits. Previous exploration has defined very large pegmatites and the property is located north and along strike of a number of historic lithium occurrences. Liontown has entered into a joint venture agreement with White Cliff Minerals (ASX: WCN) whereby it may earn up to 70% equity through direct exploration expenditure.



Figure 3: Lake Percy – Location and Regional Geology

During the quarter, Liontown expanded its Australian lithium portfolio after securing the right to earn 70% equity in the Lake Percy Project through a joint venture arrangement with White Cliff Minerals Limited (ASX: WCN.)

Importantly, the property is strategically located in the Lake Johnson-Forrestania district of WA, a rapidly emerging lithium province.

The Lake Percy Project is considered prospective for economic lithium mineralisation due to:

- the presence of very large pegmatite bodies with surface dimensions up to 550m wide and 3km long (**Figure 4**); and
- its location at the northern end of Lake Johnson Greenstone Belt (**Figure 3**), which hosts several lithium-bearing pegmatites including ~20km to the south and a second area near the Maggie Hayes nickel deposits (see Poseidon Nickel ASX release dated 23rd May 2016).

Recently announced lithium exploration results by other companies operating in region such as Kidman Resources (ASX: KDR) and Marindi Metals (ASX: MZN) has further highlighted its lithium potential.

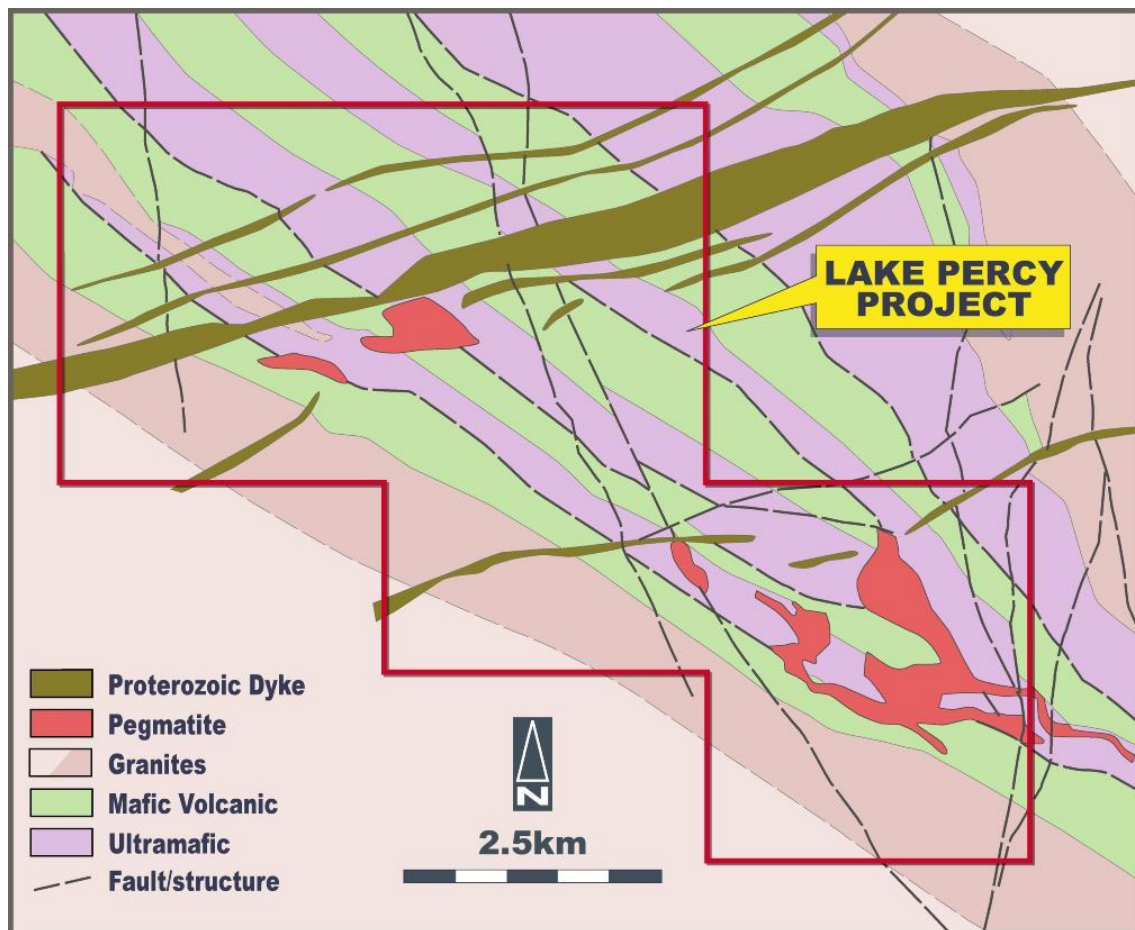


Figure 4: Lake Percy – Interpreted Geology

The Project area has been extensively explored for nickel, including multiple phases of RC and diamond core drilling; however, there have been very few assays for lithium and the pegmatites have largely been ignored. Strong surficial weathering means that spodumene is unlikely to be preserved at surface and further drilling will be required to test for primary lithium mineralisation.

Early reconnaissance rock chip sampling has confirmed the strongly weathered nature of the area; however; pathfinder geochemistry (i.e. Cs, Rb, Sn and Ta) indicate that the pegmatites are possibly fractionated and the right type to host rare metal mineralisation.

A detailed work program will be initiated once a comprehensive review of historic data is completed.

Acquisition Terms

Liontown has agreed to terms with White Cliff Minerals whereby it may acquire up to 70% of the Lake Percy Project, on the following terms:

- by spending A\$1,000,000 on exploration within 3 years to earn 51% equity;

- at its election, Liontown can increase its equity to 70% by spending an additional A\$750,000 before the 4th anniversary of the JV Agreement execution; and
- committing to spending \$50,000 on exploration before having the right to withdraw from the joint venture.

3. **Mount Windsor Project/Northern Queensland, Australia (Liontown 100%)**

The Mount Windsor Project is located in the Charters Towers goldfield (**Figure 7**) of North Queensland which has yielded over 15 million ounces of gold from world-class mines such as Charters Towers (+7Moz), Kidston (+4Moz), Pajingo (+3Moz), Ravenswood (+2Moz) and Mt Leyshon (2.7Moz).

No work was undertaken during the Quarter.

TANZANIAN PROJECTS

4. **Mohanga Lithium-Tantalum Project/Central Tanzania (Liontown 100%)**

The Mohanga Project is located in central Tanzania approximately 40km NNE of the capital Dodoma and 400km WNW of Dar es Salaam (see **Figure 5**) within the south eastern part of the Tanzanian Craton. The regional geological setting is similar to the world class Greenbushes lithium deposit located in southwest Western Australia. Liontown has secured a contiguous 177km² area where sampling of historic workings has recorded high grade lithium and tantalum values hosted by pegmatites.



Figure 5: Map of Tanzania showing location of Liontown projects

During the quarter, Liontown undertook trenching and geochemical sampling programs at the Mohanga Project to follow up previously reported anomalous results.

Work completed included 16 trenches for a total of 1,250m and the collection of 111 soil samples. Assays have been received for all samples.

The trenching was designed to test for strike extensions to previously reported, pegmatite-hosted, lithium and tantalum intersections. A number of significant tantalum intersections were reported from the Tresor prospect (**Figure 6**) including:

- MOHTR014 3.5m @ 230ppm Ta₂O₅
- MOHTR016 8.3m @ 395ppm Ta₂O₅ including 2m @ 943ppm Ta₂O₅

(A full listing of trench statistics and significant results is provided in Appendix 1.)

The anomalous tantalum mineralisation at Tresor has been defined over 320m strike with the trend open in all directions. Further detailed mapping and sampling is required prior to planning additional trenching.

No anomalous lithium values were recorded during the latest phase of trenching; however, given the extent and number of potential rare-metal pegmatites mapped (**Figure 6**) further work is considered warranted.

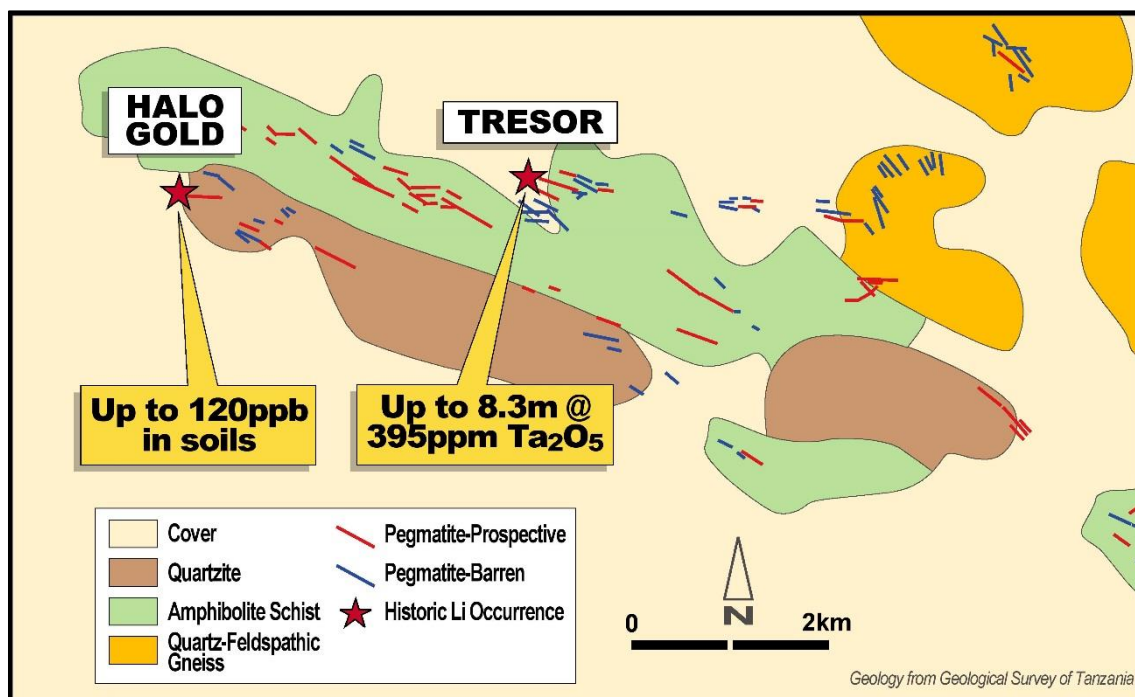


Figure 6: Mohanga Project - Geological map showing pegmatite distribution and most advanced prospect areas

The underlying geology at Mohanga comprises Archaean greenstones which have not previously been explored for gold despite this geological setting being a major source of the metal in other parts of the world including northern Tanzania, Western Australia and Canada. A number of wide spaced (>500m) soil traverses were completed across the Mohanga Project to test for gold.

Strongly anomalous gold (up to 120ppb) with associated pathfinder elements was recorded at the western end of the outcropping greenstone stratigraphy and infill sampling is planned for the coming quarter to determine the extent and orientation of the mineralised trend.

5. Jubilee Reef Project/Northern Tanzania (Liontown 100%)

The Jubilee Reef Project is located approximately 850km northwest of Dar es Salaam (see Figure 5) within the Lake Victoria Goldfield of northern Tanzania. This Archaean greenstone-granite terrain hosts several multimillion ounce gold deposits including Acacia Mining's Bulyanhulu deposit and AngloGold Ashanti's Geita deposit. Liontown has defined an Inferred Mineral Resource estimate of approximately 8.5Mt @ 1.4g/t gold (~390,000 ounces) for the Jubilee Reef Gold Project.

Seven trenches for a total 914m were excavated across areas of previously defined gold-in-soil anomalism (Figure 7) that had not been previously assessed. Assays are pending.

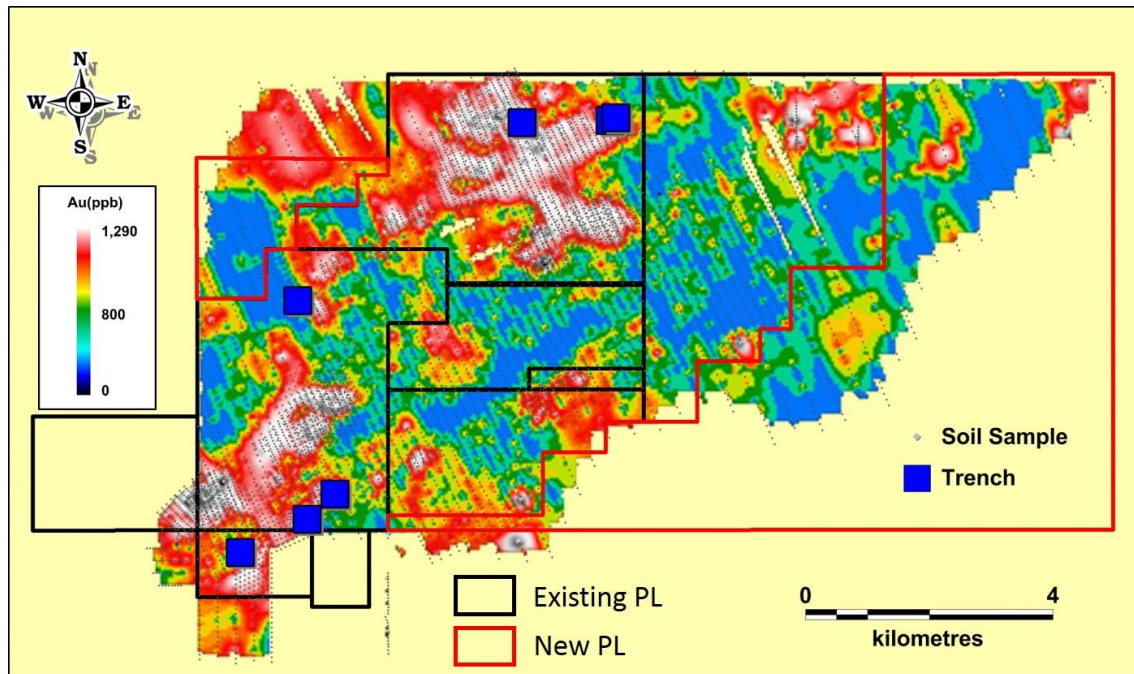


Figure 7: Jubilee Reef Project - Image showing gold-in-soil anomalism and tenure

In addition, two PL applications have been lodged contiguous to the existing tenements increasing the total Project area by ~40% from 65.6km² to 112.2km² (Figure 7). There are no competing applications and the tenements should be granted to Liontown Resources once they are processed by the Tanzanian Ministry of Mines. The new applications include a number of soil anomalies that will be assessed once the areas are approved for grant.

6. Tenement schedules and expenditures

In accordance with ASX Listing Rule 5.3, please refer to Appendix 2 for listing of tenements. In addition, during the Quarter the Company has spent \$462,009 on exploration and evaluation activities (YTD: \$1,562,028) and \$80,068 on administration costs (YTD: \$315,766).

7. Corporate

At the end of the Quarter, LioneTown's cash balance was approximately \$809,142.



DAVID RICHARDS
Managing Director

21 July 2016

The Information in this report that relates to Exploration Results for the Bynoe, Mohanga and Jubilee Reef Projects is based on and fairly represents information and supporting documentation prepared by Mr David Richards, who is a Competent Person and a member of the Australasian Institute of Geoscientists (AIG). Mr Richards is a full-time employee of the company.

Mr Richards has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activities being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Richards consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The Information in this report that relates to the Exploration Results for the Lake Percy Project is extracted from the ASX announcement entitled "LioneTown expands Australian lithium portfolio with joint venture on Lake Percy Project in Western Australia" released on the 14th June 2016 which is 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.

APPENDIX 1: Mohanga Project – Trench Statistics

Hole_ID	East	North	RL	Dip	Azimuth	Length (m)	Significant Results (>0.2% Li2O and/or >100ppmTa2O5)				
							From	To	Interval	Li2O%	Ta2O5 ppm
MOHTR001*	8252	11688	1207	10	230	35	14.3	18.4	4.1	4.93	1,862
MOHTR002*	8270	11682	1205.5	12	230	28	13	18.4	5.4		214
							20.2	22.5	2.3	1.79	712
MOHTR003*	8271	11649	1205.5	17	230	50	Not sampled				
MOHTR004*	9008	14752	1268	-10	230	77	12.4	16.5	4.1	0.24	
MOHTR005*	5878	11937	1246.5	-15	165	98	No significant assays				
MOHTR006*	9012	14805	1286	-2	230	64					
MOHTR007*	4025	13550	1234.5	0	240	60	6	10	4		146
							29.5	52	22.5		191
							including 6m @ 407ppm Ta2O5 from 36.5m				
MOHTR008	9055	14719	1270	-3	200	40	No significant assays				
MOHTR009	8953	14767	1274	-20	200	55					
MOHTR010	10761	9365	1222	0	215	110					
MOHTR011	8206	11746	1212	-10	20	35					
MOHTR012	8201	11763	1211	-12	20	17					
MOHTR013	7517	12429	1280	-5	45	101					
MOHTR014	4093	13158	1247	0	30	156	61	62.5	1.5		226
							63.7	64.4	0.7		181
							67.5	70.5	3		137
							74.5	78	3.5		230
MOHTR015	4024	13538	1226	5	0	34	3	4	1		197
MOHTR016	3990	13521	1226	0	20	42	8	16.3	8.3		395
							including 2m @ 943ppm Ta2O5 from 9m and				
							2m @ 520ppm Ta2O5 from 13m				
MOHTR017	3965	13488	1223	0	315	35	No significant assays				
MOHTR018	4151	13507	1210	-15	30	50					
MOHTR019	4060	13386	1222	10	30	101					
MOHTR020	4312	12359	1412	20	10	79					
MOHTR021	1367	13945	1312	5	10	140					
MOHTR022	1060	13407	1252	-15	10	145					
MOHTR023	8277	11433	1312	-30	45	110					

* Previously reported

Trench intersections interpreted to equivalent to true thicknesses

APPENDIX 2

The following information is provided in accordance with ASX Listing Rule 5.3 for the quarter ended 30 June 2016:

1. Listing of tenements held (directly or beneficially):

Location	Project	Tenement No.	Registered Holder	Nature of interests
Tanzania	Jubilee Reef	PL4495/2007	Liontown Resources (T) Limited	100%
		PL6168/2009	Liontown Resources (T) Limited	100%
		PL8125/2012	Liontown Resources (Tanzania) Limited	100%
		PL8304/2012	Liontown Resources (Tanzania) Limited	100%
		PL9711/2014	Currie Rose Resources (T) Limited	100% - pending transfer
		PL9973/2014	Liontown Resources (Tanzania) Limited	100%
		PL10222/2014	Currie Rose Resources (T) Limited	100% - pending transfer
		PL10599/2015	Liontown Resources (Tanzania) Limited	100%
		PL10905/2016	Liontown Resources (Tanzania) Limited	0% -Application recommended
		PL11037/2016	Liontown Resources (Tanzania) Limited	0% -Application recommended
	Mohanga	PL9067/2013	Central Mining Company	0% - Subject to Option Agreement with Liontown Resources (Tanzania) Limited.
		PL10724/2015	Liontown Resources (Tanzania) Limited	100%
		PL10802/2016	Liontown Resources (Tanzania) Limited	0% -Application recommended
		PL10803/2016	Liontown Resources (Tanzania) Limited	0% -Application recommended
		PL10985/2016	Liontown Resources (Tanzania) Limited	0% -Application
		App No 01458	Liontown Resources (Tanzania) Limited	0% -Application recommended
		App No 02446	Liontown Resources (Tanzania) Limited	0% -Application recommended
Australia	Mt Windsor	EPM16920	Liontown Resources Limited	100%
		EPM16227	Liontown Resources Limited	100%
	Bynoe	EL30012	Orema Pty Ltd	0% - Subject to option agreement with Liontown Resources Limited
		EL30015	Orema Pty Ltd	
		MLN16	LRL (Aust) Pty Ltd (a wholly owned subsidiary of Liontown Resources Limited)	100%
		EMP28651		
		EL29699		
	Lake Percy	EL63/1221-I	White Cliff Minerals Ltd	0% - Subject to JV agreement with Liontown Resources Limited

2. Listing of tenements acquired (directly or beneficially) during the quarter:

Location	Project	Tenement No.	Registered Holder	Nature of interests
Australia	Bynoe	MLN16	LRL (Aust) Pty Ltd (a wholly owned subsidiary of Lione Resources Limited)	100%
		EMP28651		
		EL29699		
	Lake Percy	EL63/1221-I	White Cliffs Minerals Ltd	0% - Subject to JV agreement with Lione Resources Limited

3. Tenements relinquished, reduced or lapsed (directly or beneficially) during the quarter:

No tenements lapsed or were relinquished or reduced during the Quarter.

4. Listing of tenements applied for (directly or beneficially) during the quarter:

No tenements were applied or reduced during the Quarter.