

QUARTERLY ACTIVITIES REPORT

For the Quarter ended 31 March 2017



Strong quarter for Liontown with high-grade lithium and tantalum results recorded from projects in Australia and Tanzania

HIGHLIGHTS

Kathleen Valley Lithium-Tantalum Project (Western Australia)

- Maiden drill program intersects wide zones of high grade lithium and tantalum mineralization, largely related to spodumene, with better intersections including:

KVRC0015 58m @ 1.2% Li₂O and 156ppm Ta₂O₅ from 135m incl.
9m @ 1.8% Li₂O and 220 ppm Ta₂O₅ from 141m; and
13m @ 2.0% Li₂O and 138 ppm Ta₂O₅ from 167m.

24m @ 1.3% Li₂O and 139ppm Ta₂O₅ from 206m incl.
3m @ 1.6% Li₂O and 105 ppm Ta₂O₅ from 208m; and
2m @ 2.6% Li₂O and 271 ppm Ta₂O₅ from 217m; and
4m @ 1.6% Li₂O and 145 ppm Ta₂O₅ from 226m.

KVRC0002 13m @ 1.6% Li₂O and 114ppm Ta₂O₅ from 0m incl.
9m @ 1.9% Li₂O and 107 ppm Ta₂O₅ from 2m.

13m @ 1.6% Li₂O and 111ppm Ta₂O₅ from 83m incl.
6m @ 2.0% Li₂O and 113 ppm Ta₂O₅ from 88m.

KVRC0003 14m @ 1.7% Li₂O and 163ppm Ta₂O₅ from 91m incl.
8m @ 2.0% Li₂O and 130 ppm Ta₂O₅ from 97m.

- Discussions underway with Traditional Owners to secure access to drill the main outcropping zones to the south-east.

Bynoe Lithium Project (Northern Territory)

- Large new pegmatite defined at Hang Gong West coincident with strong lithium and tantalum soil anomalism.
- Further RC drilling scheduled for second quarter of 2017, following the northern Australian wet season.

Mohanga Lithium - Tantalum Project (Tanzania/East Africa)

- New high-grade, spodumene-related lithium occurrence discovered.
- Multiple plus 1.5% Li₂O values returned from rock chip sampling at the Tresor prospect with better results including:

| | |
|--------------------|------------------------|
| ○ Sample ID 146948 | 3.3% Li ₂ O |
| ○ Sample ID 146951 | 2.6% Li ₂ O |
| ○ Sample ID 146953 | 2.3% Li ₂ O |

- Mineralisation hosted within a +500m long, up to 90m wide zone containing multiple pegmatites which is open along strike beneath shallow cover.
- Follow-up soil sampling and trenching to be completed during coming quarter.



Spodumene in drill chips, Bynoe Project

INVESTMENT HIGHLIGHTS

AUSTRALIA

- New lithium province discovered at Bynoe in the Northern Territory
- High grade lithium mineralisation defined at Kathleen Valley in WA

TANZANIA

- New high-grade lithium discovery at Mohanga
- Maiden 390,000oz Inferred Mineral Resource estimated for Jubilee Reef Gold Project with excellent exploration upside



Fresh spodumene-bearing outcrop, Kathleen Valley Project

For further information, please contact:

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AUSTRALIAN PROJECTS

1. Kathleen Valley Lithium-Tantalum Project, WA (Liontown 100%)

The Kathleen Valley Project is located in Western Australia approximately 680km north-east of Perth within the Eastern Goldfields of the Archaean Yilgarn Craton. Historical exploration has defined a large swarm of spodumene-bearing pegmatites which have not been drill tested. Liontown owns 100% of the pegmatite-hosted rare metal rights for a contiguous project area totalling 77km².

During the Quarter, Liontown completed a maiden drilling program at Kathleen Valley comprising 19 Reverse Circulation (RC) holes for 2,053m (*see Appendix 1 for full listing of drill statistics*).

The drilling was designed to test the immediate northern extensions of the main mineralised trends (*Figure 1*), where the Company had obtained heritage approvals to drill.

Significant zones of strong lithium-tantalum mineralisation were intersected in a number of holes with better intersections including:

- **58m @ 1.2% Li₂O and 156ppm Ta₂O₅ from 135m (KVRC0015), including:**
 - 9m @ 1.8% Li₂O and 220ppm Ta₂O₅ from 141m; and
 - 13m @ 2.0% Li₂O and 138ppm Ta₂O₅ from 167m
- **24m @ 1.3% Li₂O and 139ppm Ta₂O₅ from 206m (KVRC0015), including:**
 - 3m @ 1.6% Li₂O and 105ppm Ta₂O₅ from 208m; and
 - 2m @ 2.6% Li₂O and 271ppm Ta₂O₅ from 217m; and
 - 4m @ 1.6% Li₂O and 145ppm Ta₂O₅ from 226m
- **13m @ 1.6% Li₂O and 114ppm Ta₂O₅ from 0m (KVRC0002), including:**
 - 9m @ 1.9% Li₂O and 107ppm Ta₂O₅ from 2m;
- **13m @ 1.6% Li₂O and 111ppm Ta₂O₅ from 83m (KVRC0002), including:**
 - 6m @ 2.0% Li₂O and 113ppm Ta₂O₅ from 88m;
- **14m @ 1.7% Li₂O and 163ppm Ta₂O₅ from 91m (KVRC0003), including:**
 - 8m @ 2.0% Li₂O and 130ppm Ta₂O₅ from 97m;

The results confirm the potential of the pegmatite swarms at Kathleen Valley to host significant widths of high grade lithium and tantalum mineralisation, with the assays returning individual lithium and tantalum values of up to 3% Li₂O (KVRC0015 218-219m) and 711ppm Ta₂O₅ (KVRC0015 114-115m).

Importantly, the high grade lithium values appear to be largely related to spodumene mineralisation with only minor lepidolite observed.

Due to the limited access, hole KVRC0015 was drilled oblique to the strike and dip of the main trend (*Figures 1 and 2*) and the true width of the strongly mineralised pegmatite is estimated to be between 30 to 35 metres. The results indicate that the pegmatite is increasing in width towards the south-east and at depth.

The Company has now requested access from the Traditional Owners to test the main outcropping zones where the pegmatites are interpreted to be the thickest and where high grade lithium and tantalum results have been recorded by historical rock chip sampling.

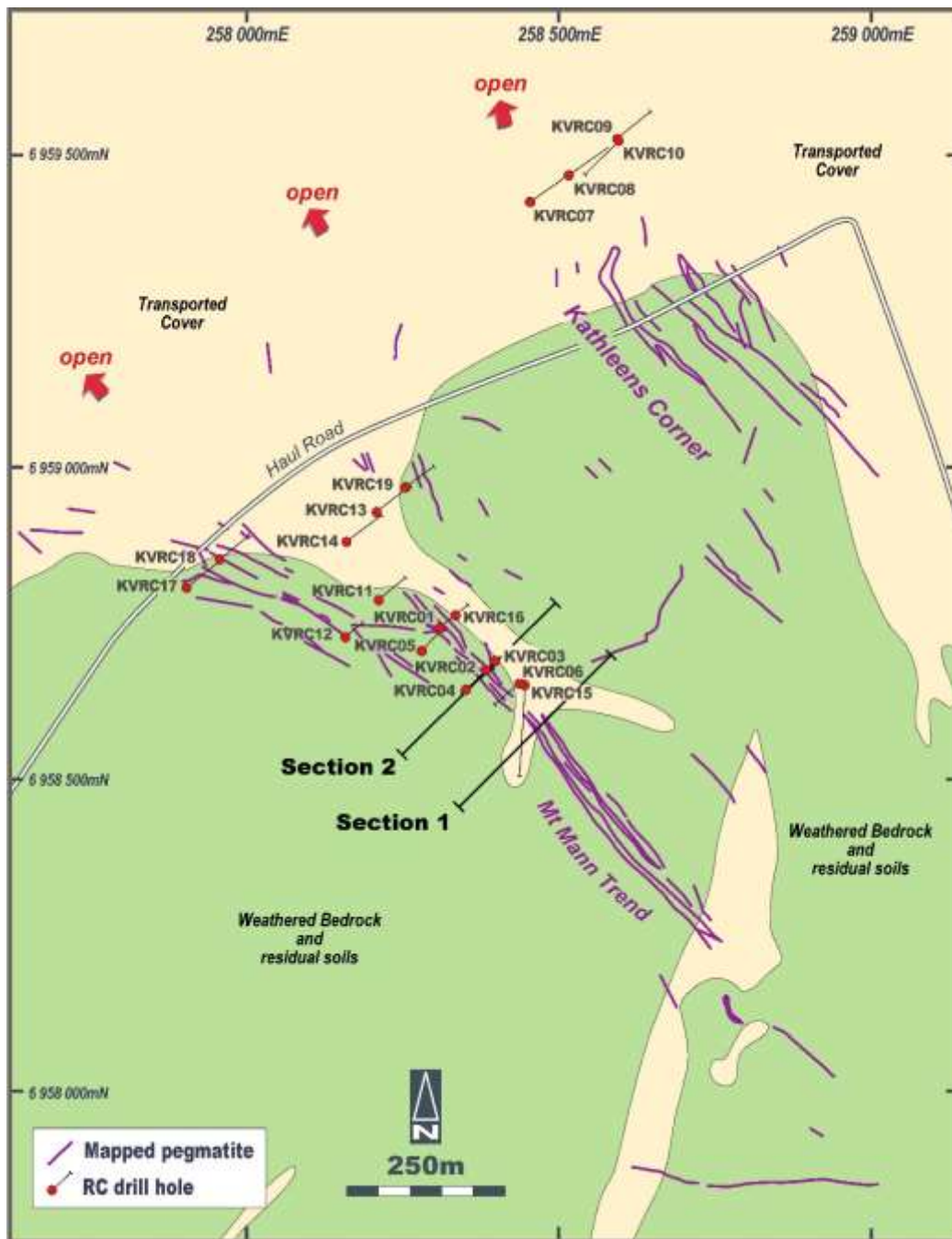


Figure 1: Kathleen Valley Project – Drill Hole Plan and Geology

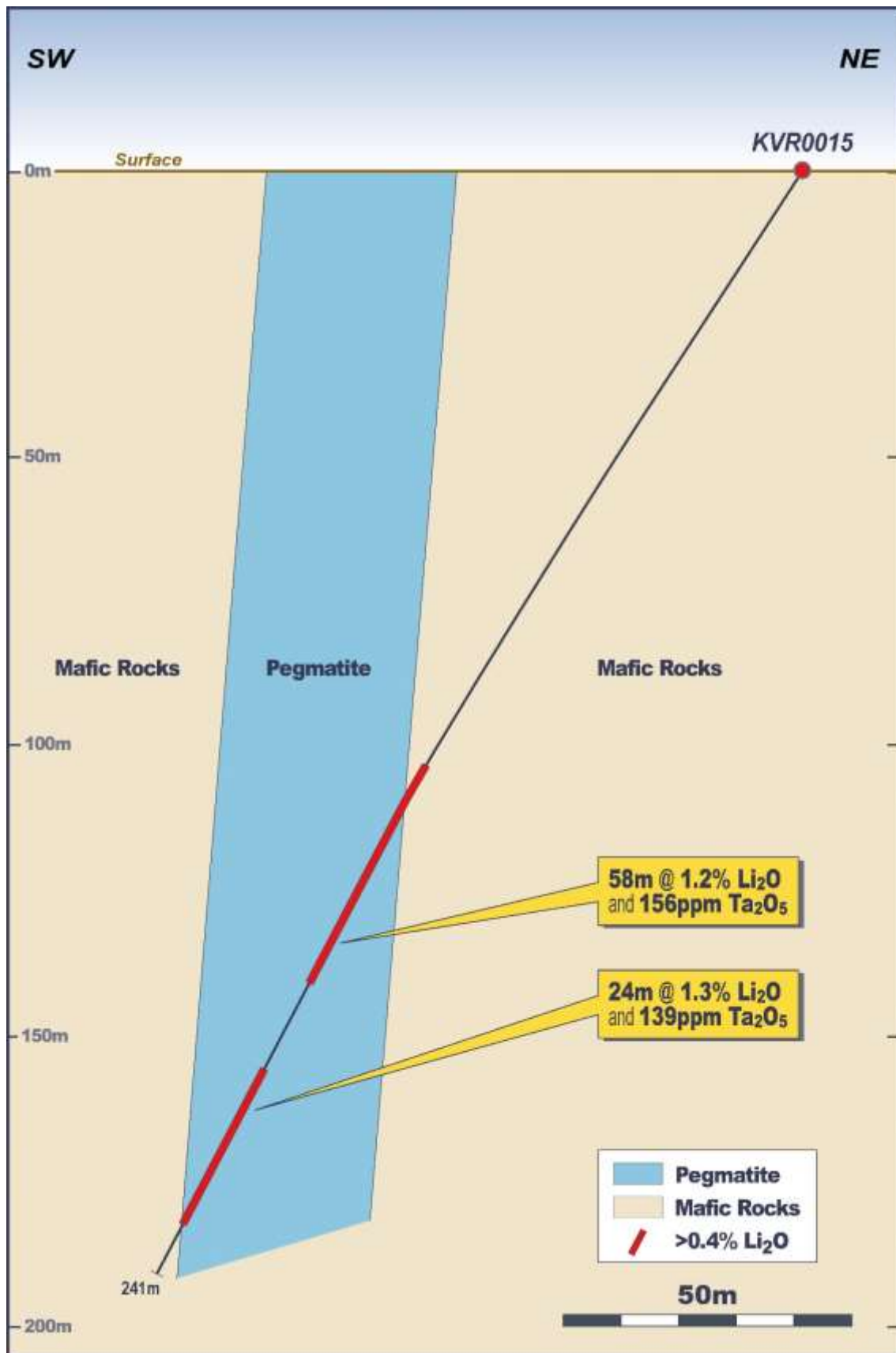


Figure 2: Kathleen Valley Project – Section 1/KVRC0015 (looking NW)

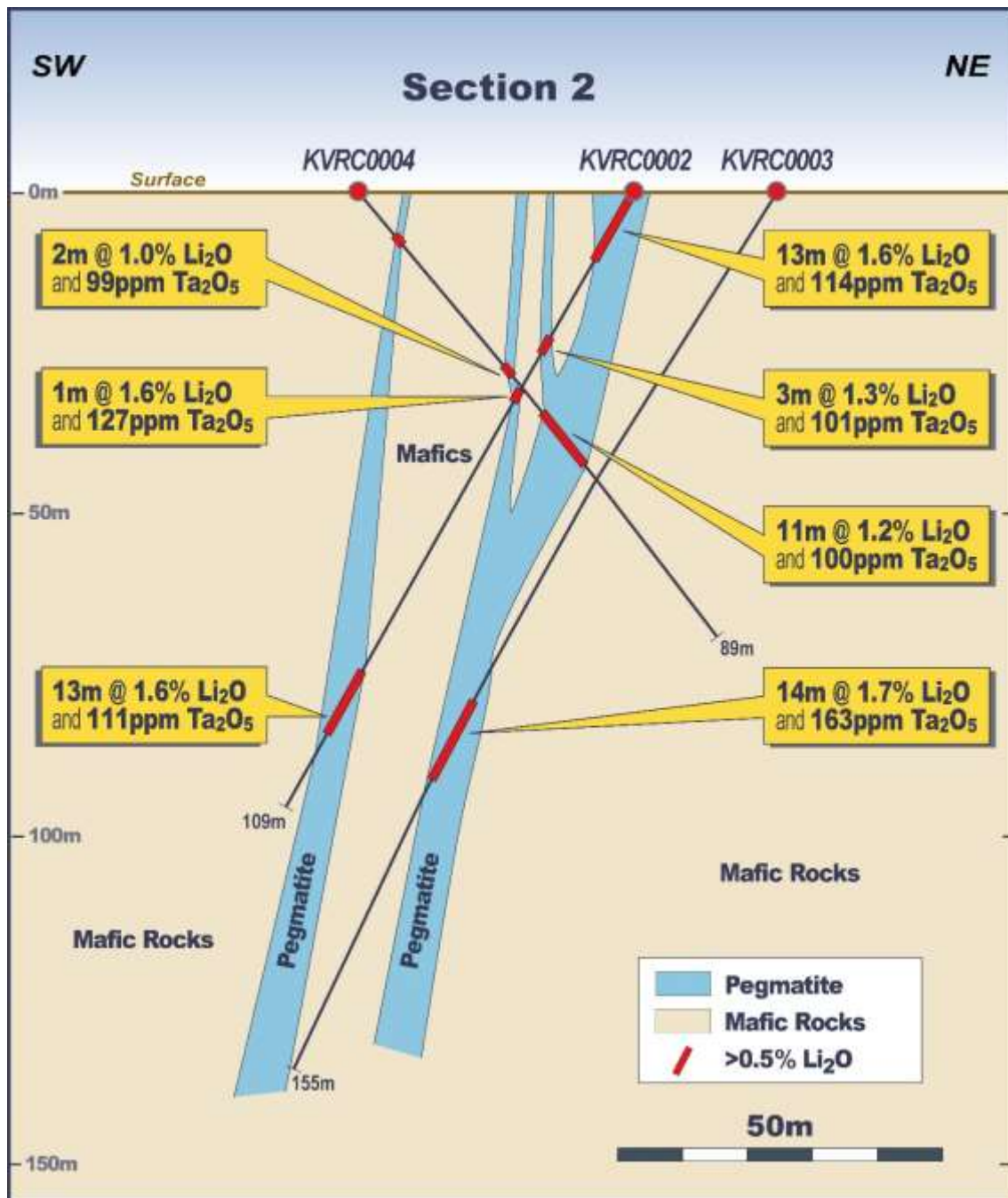


Figure 3: Kathleen Valley Project – Section 2 (looking NW)

2. Bynoe Lithium Project, Northern Territory (Liontown 100%)

The Bynoe Project is located in the Northern Territory approximately 35km SSW of Darwin (see Figure 4), 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 more than 60 rare metal pegmatites documented in the region by the NT Geological Survey. The pegmatites are similar to those that host economic lithium mineralisation elsewhere in Australia. Exploration drilling by Liontown has confirmed the potential for spodumene-related lithium mineralisation.

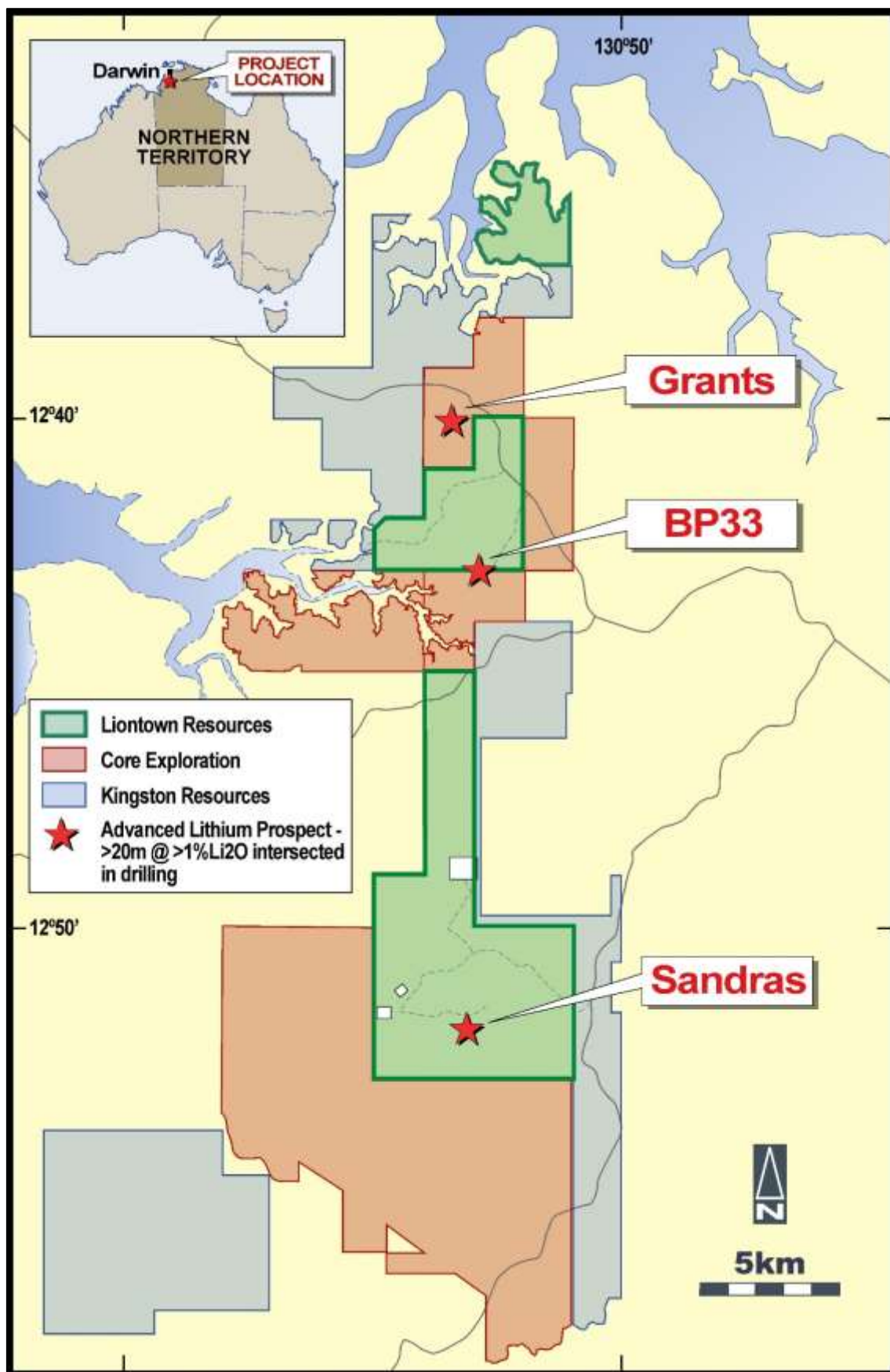


Figure 4: Bynoe Project – Location and Tenure Plan

Exploration drilling during 2016 in the Bynoe region by Liontown and other parties confirmed that the pegmatite field hosts significant spodumene-related lithium mineralisation.

Plus 1% Li₂O mineralisation was intersected at a number of prospects within Lione's tenure with better results coming from the Sandras prospect (**Figure 4**) including:

- **LBRC014** **42m @ 1.0% Li₂O from 93m including
4m @ 2.6% Li₂O from 94m and
3m @ 1.5% Li₂O from 132m**
- **LBRC015** **24m @ 1.1% Li₂O from 70m including
1m @ 2.4% Li₂O from 70m and
4m @ 1.5% Li₂O from 83m**
- **LBRC022** **27m @ 1.1% Li₂O from 94m, including:
3m @ 1.6% Li₂O from 108m; and
2m @ 1.8% Li₂O from 119m**
- **LBRC027** **28m @ 1.0% Li₂O from 77m, including:
2m @ 1.6% Li₂O from 79m;
3m @ 1.5% Li₂O from 87m; and
3m @ 1.5% Li₂O from 98m**

A full summary of 2016 drill statistics is provided in Appendix 2.

More than 50 pegmatites remain to be tested at Bynoe and, in order to prioritise future drilling, a soil sampling program and a low-level airborne magnetic and radiometric survey have been completed across the Project area.

The results of the soil sampling were initially reported last Quarter and a detailed review has confirmed that a number of lithium and tantalum anomalies are coincident with large pegmatites previously delineated by exploration completed in the 1980s. This includes the previously unknown Hang Gong West pegmatite, which is coincident with an 800m long by 400m wide anomaly with soil values >100ppm Li (**Figures 5 and 6**).

Shallow (<30m), vertical drilling at Hang Gong West by Greenbushes in 1987 intersected a moderately east-dipping pegmatite over more than 250m strike with a surface width often exceeding 50m. Two other parallel pegmatites with widths of approximately 20m were also intersected adjacent to the main body. The Greenbushes drilling was not assayed for lithium and there has been no further work prior to Lione acquiring the ground.

The Hang Gong West prospect is located immediately adjacent to the sealed Cox Peninsula Road and immediately north-west of the Hang Gong pit, which was mined by Greenbushes for tin and tantalum in the 1990s.

In addition to the Hang Gong West target, a number of other pegmatites coincident with anomalous lithium-in-soil anomalies (**Figure 5**) have been identified for follow-up drilling, including the:

- **Carlton Pegmatite** - one of the largest pits mined in the Bynoe area with a strike length of 200m and widths varying from 10-20m;
- **Rubiks Pegmatite** - previous mining and shallow drilling have defined a pegmatite with a minimum strike length of 100m and widths up to 30m.
- **Bells Mona** - originally mined in 1907, this pegmatite has been exposed in pits and other workings over a strike length of 300m with widths up to 20m.

A low level airborne geophysical survey jointly funded with Core Exploration and Kingston Resources (**Figure 4**) was completed during the Quarter. Image processing has been completed and an interpretation is underway to identify targets for possible drill testing.

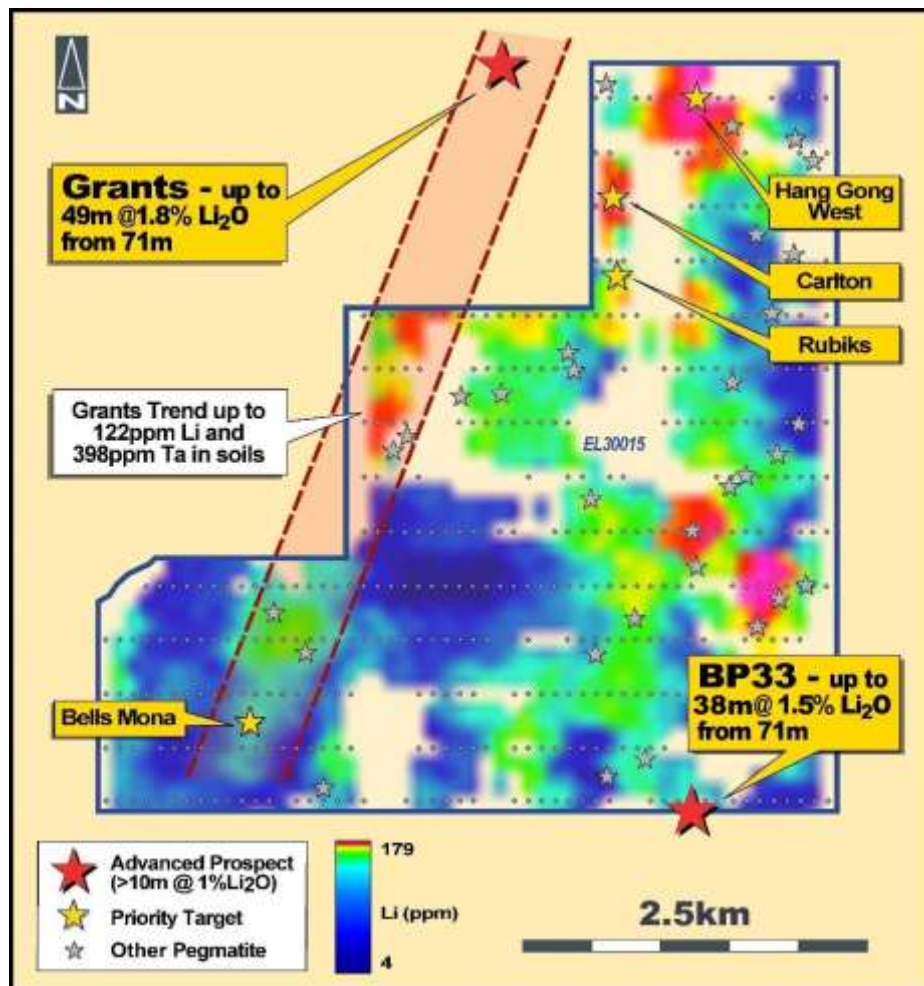


Figure 5: Bynoe Project – EL30015/Lithium in soil image (Note: Reference to results from BP33 and Grants in the above figure relate to results from the adjoining tenements owned by Core Exploration Ltd (ASX: CXO))

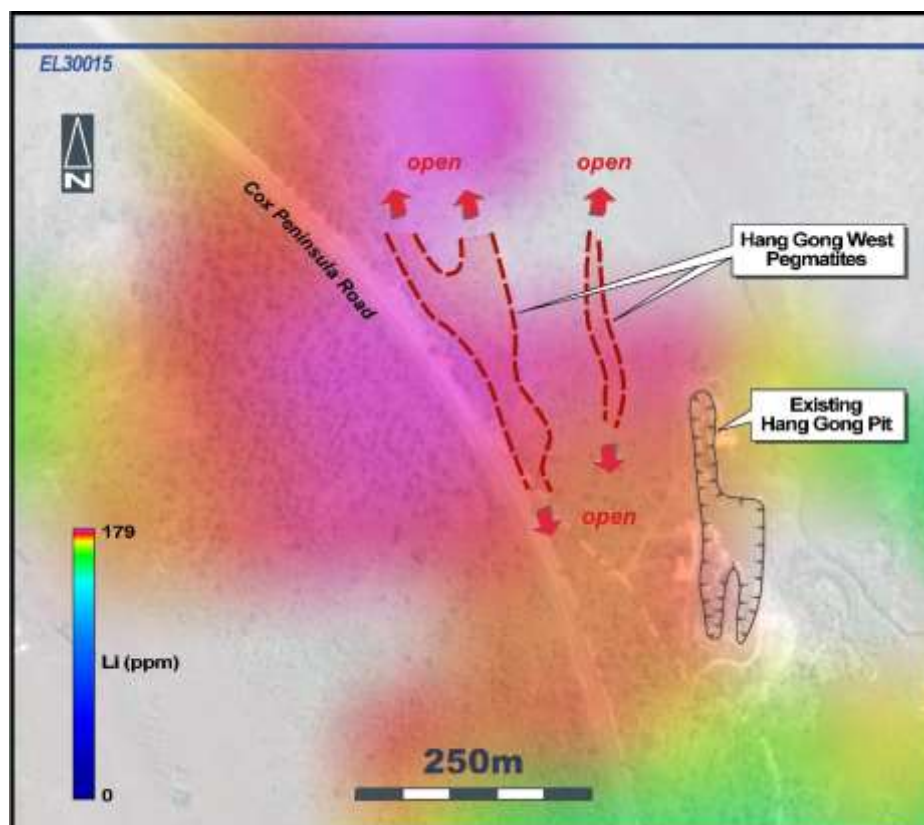


Figure 6: Bynoe Project – Hang Gong West area showing pegmatite outlines on enlarged Li-in-soil image

Follow-up Reverse Circulation (RC) drill testing is scheduled for the second quarter of 2017, following the northern Australian wet season. In-fill (200x50m) soil sampling and geological mapping will be completed across anomalous areas beforehand to optimise the siting of drill holes.

3. Lake Percy Lithium Project, WA (Liontown right to 70%)

The Lake Percy Project is located in Western Australia approximately 430km east of Perth (see Figure 7) 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 historical 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 7: Lake Percy – Location and Regional Geology

A maiden RC drilling program comprising 8 holes for 1,623m was completed at Lake Percy during the Quarter to test beneath surface lithium-in-soil anomalism.

All assays have been received with no significant results recorded (refer Appendix 4 for drill hole details).

A review of the Project will be undertaken to determine whether further work is warranted.

TANZANIAN PROJECTS

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

The Jubilee Reef Project is located approximately 850km northwest of Dar es Salaam 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.

Previous exploration at Jubilee Reef has tested a number of targets and an Inferred Mineral Resource of approximately 8.5Mt @ 1.4g/t gold (~390,000 ounces) has been estimated based on drilling results from the Simba and Panapendesa prospects.

The Jubilee Reef Project remains an important and valuable asset. The Board is assessing alternatives to advance the Jubilee Reef Project while maintaining momentum and focus on its lithium projects.

5. 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 (Figure 8) 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 251km² area where historic mapping has recorded a number of pegmatite-hosted lithium occurrences.

A review of previously collected rock chip data has identified a previously unrecognised spodumene-related lithium occurrence at Mohanga.

The anomalous results come from the Tresor prospect (Figure 8), where additional rock chip sampling has recorded high grade lithium and tantalum assays (see Appendix 3) from a pegmatite zone which is interpreted to be up to 90m wide and at least 500m long, with the trend open along strike beneath transported cover (see Figures 9 and 10).

Multiple plus 1.5% Li₂O values have now been returned from the Tresor prospect with better results including:

- | | |
|--------------------|------------------------|
| ○ Sample ID 146948 | 3.3% Li ₂ O |
| ○ Sample ID 146951 | 2.6% Li ₂ O |
| ○ Sample ID 146953 | 2.3% Li ₂ O |

The high-grade (>1% Li₂O) lithium zone is up to 30m thick and at least 150m long; however, its full extent is unknown due to limited outcrop.

The spodumene mineralisation was not initially identified in the field due to weathering, poor exposure and relatively fine grain size; however, it has now been confirmed by XRD, microscopic and pathfinder geochemical analyses. No lepidolite or other lithium minerals have been observed in the prospective pegmatite trend.

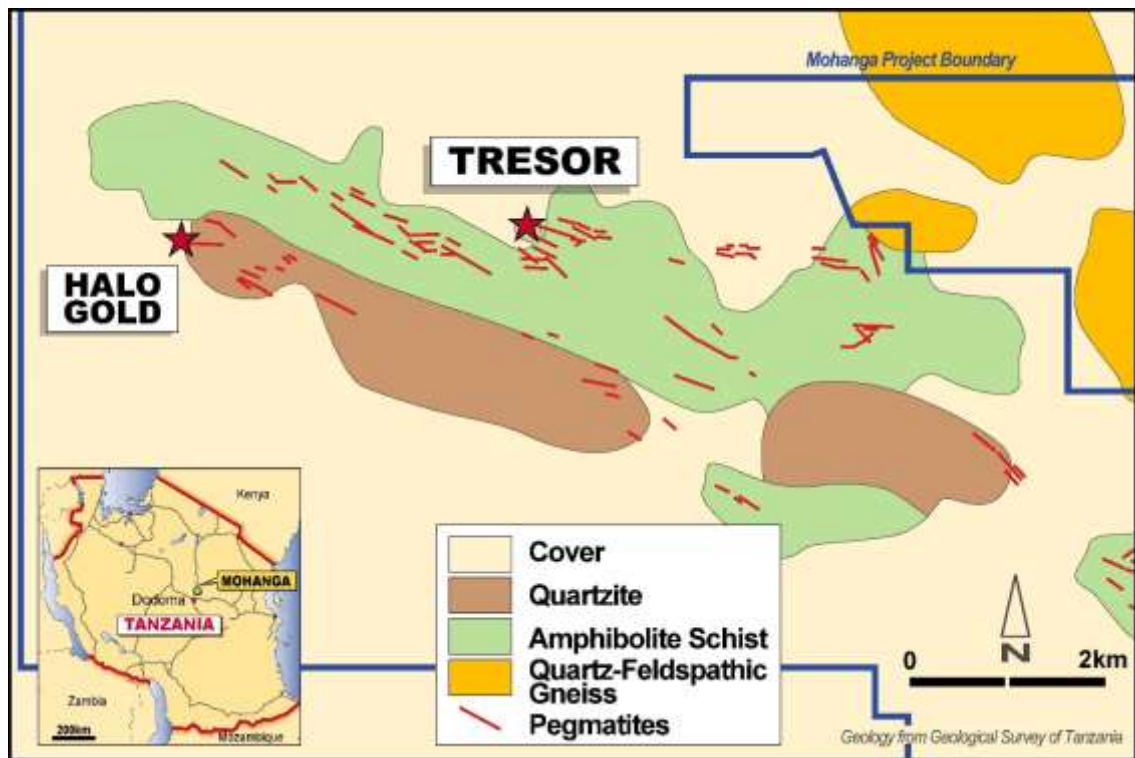


Figure 8: Mohanga Project – Geology and Location Plan

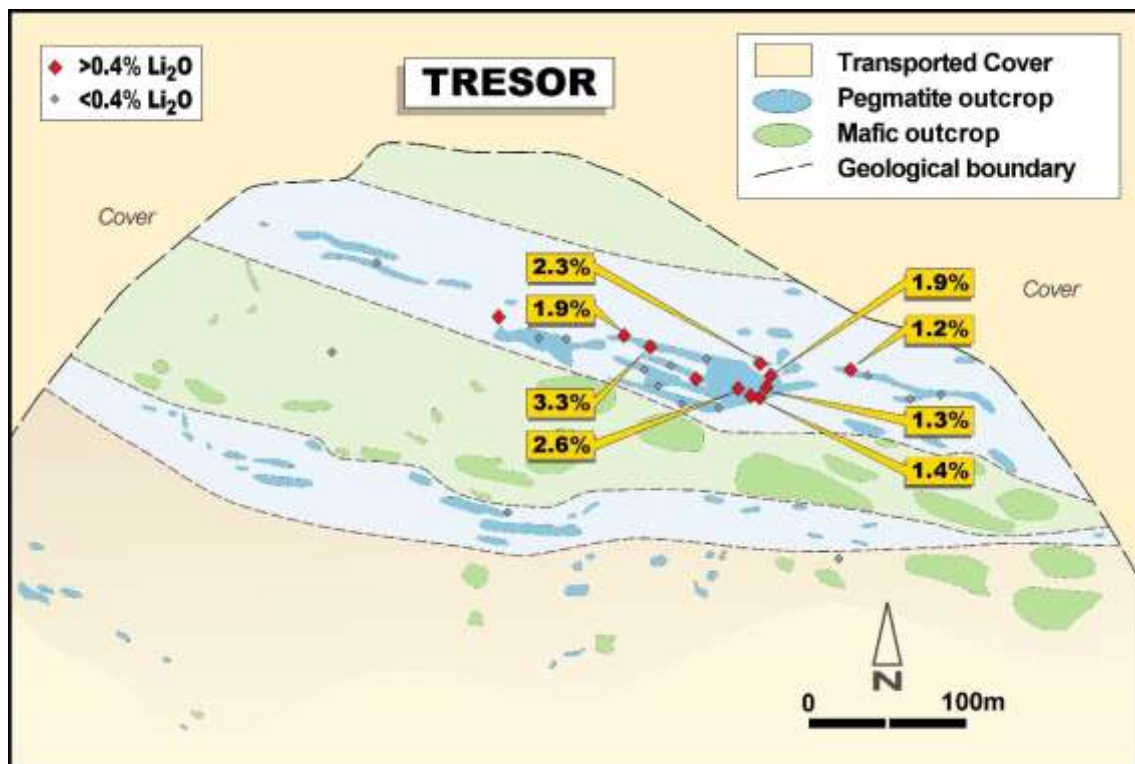


Figure 9: Mohanga Project – Tresor prospect showing local geology and better lithium in rock chip results

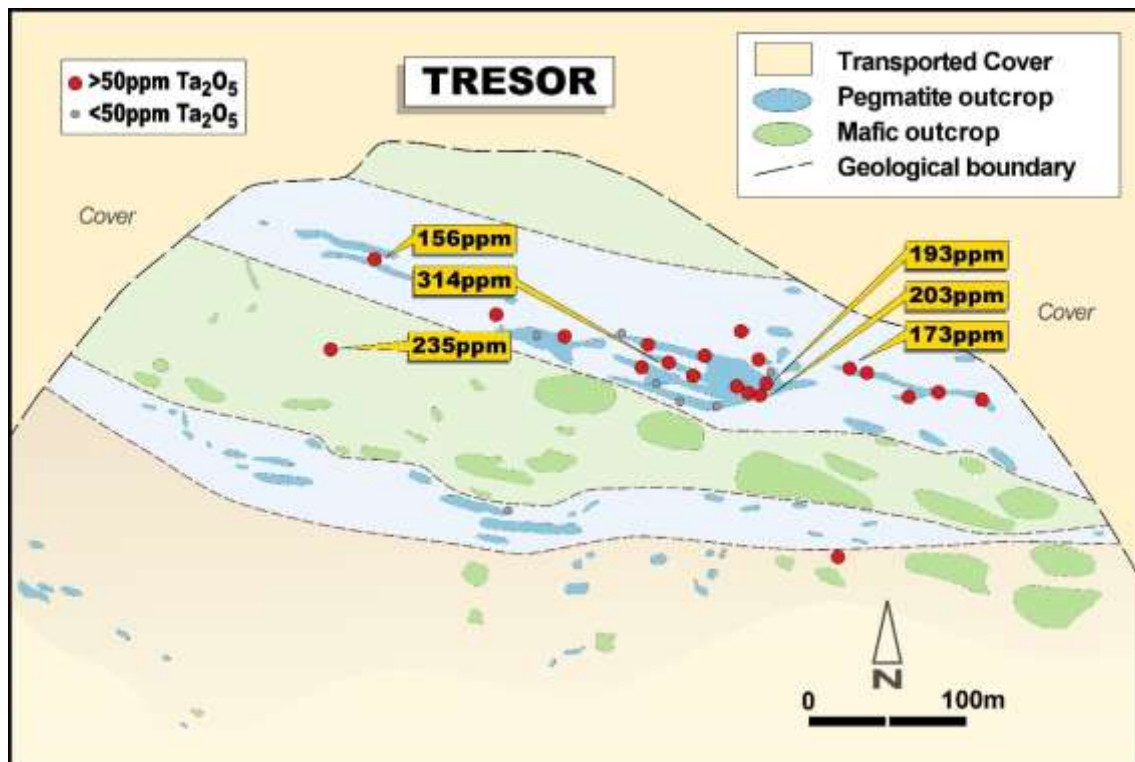


Figure 10: Mohanga Project – Tresor prospect showing local geology and better tantalum in rock chip results.

Numerous pegmatites have been mapped in the Mohanga Project area and exploration activities scheduled for the coming quarter include additional trenching and soil sampling. A maiden drilling program will be designed based on the results of this work.

In addition to targeting spodumene-related lithium mineralisation, work will also be undertaken to fully assess the potential of the Mohanga Project to host Archaean greenstone-hosted gold mineralisation similar to that seen in the Lake Victoria Goldfield in northern Tanzania.

Previous soil sampling has recorded up to 120ppb gold at the Halo prospect (*Figure 8*), the source of which has not yet been defined.

6. Tenement schedules and expenditures

In accordance with ASX Listing Rule 5.3, please refer to Appendix 5 for listing of tenements. In addition, during the Quarter the Company has spent \$521,956 on exploration and evaluation activities (YTD: \$1,674,983) and \$18,079 on administration costs (YTD: \$268,187).

7. Corporate

During the Quarter the Company completed a placement to institutional and professional investors to raise \$2.5 million by issuing 126 million new shares at 2 cents per share.

At the end of the Quarter, LioneTown's cash balance was approximately \$2,411,000.

DAVID RICHARDS
Managing Director

20 April 2017

The Information in this report that relates to the Exploration Results for the Kathleen Valley Project is extracted from the ASX announcement entitled "Liontown intersects strong lithium and tantalum mineralisation in maiden drill program at Kathleen Valley, WA" released on the 20th March 2017 which is available on www.ltresources.com.au.

The Information in this report 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", "Joint Airborne Geophysical Survey Commences across Bynoe/Finniss Pegmatite-Lithium Field, NT" and "Large new pegmatite target identified at Bynoe" released on the 2nd November 2016, 6th December 2016, 10th January 2017 and 13th February 2017 respectively all of which are available on www.ltresources.com.au.

The Information in this report that relates to Exploration Results for the Lake Percy Project 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.

The information in this report which relates to Mineral Resources for the Jubilee Reef Project is extracted from the ASX announcement entitled "Liontown Announces Maiden 390,000oz Mineral Resource for the Jubilee Reef Gold Project in Tanzania, East Africa" released on 30 November 2015 and which is available on www.ltresources.com.au.

The information in this report which relates to Exploration Results for the Jubilee Reef Project is extracted from the ASX announcement entitled "Quarterly activities report for the Quarter ending 30th September 2016" released on the 12th October 2016 which is available on www.ltresources.com.au.

The information in this report which relates to Exploration Results for the Mohanga Project is extracted from the ASX announcement entitled "New High-Grade Lithium Discovery in Tanzania" released on the 5th April 2017 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 – Kathleen Valley – Drill Hole Statistics

| Hole_ID | East | North | RL | Dip | Azimuth | Depth (m) | Significant Li2O (>0.5%) and Ta2O5 (>50ppm) results | | | | |
|---------|--------|---------|-----|-------|---------|-----------|---|-------|-------------|----------|-------------|
| | | | | | | | From(m) | To(m) | Interval(m) | Li2O (%) | Ta2O5 (ppm) |
| KVR0001 | 258306 | 6958744 | 500 | -60 | 45 | 65 | 3 | 6 | 3 | 1 | 122 |
| | | | | | | | 10 | 11 | 1 | 1.1 | 85 |
| | | | | | | | 16 | 17 | 1 | 1.1 | 94 |
| KVR0002 | 258379 | 6958675 | 500 | -60 | 225 | 109 | 0 | 13 | 13 | 1.6 | 114 |
| | | | | | | | incl. 9m @ 1.9% Li2O and 107ppm Ta2O5 from 2m | | | | |
| | | | | | | | 26 | 29 | 3 | 1.3 | 101 |
| | | | | | | | 35 | 36 | 1 | 1.6 | 127 |
| | | | | | | | 83 | 96 | 13 | 1.6 | 111 |
| | | | | | | | incl. 6m @ 2% Li2O and 113ppm Ta2O5 from 88m | | | | |
| KVR0003 | 258395 | 6958690 | 500 | -59 | 225 | 155 | 91 | 105 | 14 | 1.7 | 163 |
| | | | | | | | incl. 8m @ 2% Li2O and 130ppm Ta2O5 from 92m | | | | |
| KVR0004 | 258348 | 6958645 | 500 | -50 | 45 | 89 | 36 | 38 | 2 | 1 | 99 |
| | | | | | | | 45 | 56 | 11 | 1.2 | 100 |
| | | | | | | | incl. 3m @ 1.8% Li2O and 106ppm Ta2O5 from 45m | | | | |
| KVR0005 | 258276 | 6958707 | 500 | -53 | 40 | 89 | 32 | 34 | 2 | 1.3 | 112 |
| | | | | | | | 39 | 40 | 1 | 1.5 | 132 |
| KVR0006 | 258433 | 6958654 | 500 | -49.5 | 227.5 | 80 | 37 | 43 | 6 | 1.1 | 153 |
| | | | | | | | 29 | 35 | 6 | 1.4 | 170 |
| KVR0007 | 258452 | 6959426 | 500 | -47 | 45 | 132 | incl. 3m @ 1.9% Li2O and 166ppm Ta2O5 from 30m | | | | |
| | | | | | | | 39 | 40 | 1 | 1.1 | 198 |
| | | | | | | | 124 | 125 | 1 | 2.4 | 302 |
| KVR0008 | 258512 | 6959469 | 500 | -50 | 55 | 130 | 81 | 82 | 1 | 1.2 | 310 |
| | | | | | | | 95 | 96 | 1 | 1 | 124 |
| KVR0009 | 258590 | 6959528 | 500 | -50 | 45 | 113 | 57 | 59 | 2 | 0.7 | 248 |
| | | | | | | | 70 | 71 | 1 | 0.6 | 266 |
| KVR0010 | 258593 | 6959527 | 500 | -50 | 225 | 130 | 83 | 85 | 2 | 1.1 | 211 |
| | | | | | | | 91 | 92 | 1 | 1.4 | 239 |
| | | | | | | | 100 | 106 | 6 | 1.2 | 284 |
| KVR0011 | 258208 | 6958788 | 500 | -50 | 45 | 89 | 24 | 25 | 1 | 1 | 112 |
| KVR0012 | 258154 | 6958729 | 500 | -55 | 45 | 65 | No significant assays | | | | |
| KVR0013 | 258205 | 6958930 | 500 | -50 | 45 | 108 | | | | | |
| KVR0014 | 258157 | 6958881 | 500 | -50 | 45 | 113 | 12 | 17 | 5 | 0 | 240 |
| KVR0015 | 258443 | 6958652 | 500 | -50 | 180 | 241 | 135 | 193 | 58 | 1.2 | 156 |
| | | | | | | | incl. 9m @ 1.8% Li2O and 220ppm Ta2O5 from 141m and | | | | |
| | | | | | | | 13m @ 2.0% Li2O and 138ppm Ta2O5 from 67m and | | | | |
| | | | | | | | 206 | 230 | 24 | 1.3 | 139 |
| | | | | | | | incl. 3m @ 1.6% Li2O and 105ppm Ta2O5 from 208m and | | | | |
| | | | | | | | 2m @ 2.6% Li2O and 271ppm Ta2O5 from 217m and | | | | |
| KVR0016 | 258331 | 6958764 | 500 | -50 | 45 | 40 | 4m @ 1.6% Li2O and 145ppm Ta2O5 from 226m and | | | | |
| | | | | | | | No significant assays | | | | |
| KVR0017 | 257899 | 6958809 | 500 | -50 | 45 | 119 | 63 | 65 | 2 | 1.3 | 212 |
| KVR0018 | 257951 | 6958853 | 500 | -50 | 45 | 101 | 1 | 2 | 1 | 1.4 | 93 |
| KVR0019 | 258252 | 6958969 | 500 | -50 | 45 | 89 | No significant assays | | | | |

* True widths estimated as follows:

Holes drilled towards NE (040-055), true widths 70-80% of downhole width

Holes drilled towards SW (040-055), true widths 30-50% of downhole width

KVR0015 true widths ~30% of downhole width

APPENDIX 2: Bynoe Project – Drill Hole Statistics

| Hole ID | Prospect | East | North | RL | Dip | Azimuth | Depth (m) | Significant (>0.5%) Lithium Results | | | | |
|---------|--------------|--------|---------|---------|-----|---------|-----------|--|--|--------------|-----------|-----|
| | | | | | | | | From (m) | To (m) | Interval (m) | Grade (%) | |
| LBRC001 | BP33 | 694533 | 8593573 | 23 | -80 | 125 | 78 | No significant assays | | | | |
| LBRC002 | | 694499 | 8593566 | 23 | -60 | 125 | 78 | 52 | 60 | 8 | 1.2 | |
| | | | | | | | | incl. 3m @ 1.7% from 57m | | | | |
| | | | | | | | | 63 | 68 | 5 | 1.5 | |
| | | | | | | | | incl. 2m @ 2.2% from 64m | | | | |
| LBRC003 | Booths South | 695148 | 8995139 | 57 | -60 | 245 | 96 | No significant assays | | | | |
| LBRC004 | Lees | 694668 | 8595976 | 44 | -70 | 180 | 90 | 66 | 70 | 4 | 1.2 | |
| LBRC005 | | | 694637 | 8595994 | 37 | -90 | 180 | 90 | incl. 1m @ 1.7% from 68m | | | |
| LBRC006 | Booths South | 695073 | 8595223 | 53 | -90 | 230 | 118 | 66 | 68 | 2 | 0.8 | |
| LBRC007 | Hang Gong | 694710 | 8598552 | 29 | -60 | 90 | 132 | 90 | 92 | 2 | 1.1 | |
| LBRC008 | | | 694697 | 8598502 | 31 | -60 | 90 | 114 | No significant assays | | | |
| LBRC009 | | | 694780 | 8598450 | 28 | -60 | 270 | 90 | | | | |
| LBRC010 | | | 694744 | 8598643 | 27 | -78 | 90 | 72 | | | | |
| LBRC011 | Rocky Ridge | 692793 | 8589503 | 35 | -65 | 290 | 108 | 71 | 79 | 8 | 1 | |
| | | | | | | | | incl. 2m @ 1.8% from 76m | | | | |
| LBRC012 | Sandras | 693222 | 8576799 | 55 | -65 | 290 | 102 | No significant assays | | | | |
| LBRC013 | | | 693252 | 8576866 | 52 | -65 | 297 | 96 | 65 | 73 | 8 | 0.8 |
| LBRC014 | | | 693253 | 8576866 | 52 | -80 | 297 | 162 | 93 | 135 | 42 | 1 |
| | | | | | | | | | incl. 4m @ 2.6% from 94m and incl. 3m @ 1.5% from 132m | | | |
| LBRC015 | | | 693307 | 8576976 | 53 | -65 | 300 | 114 | 70 | 94 | 24 | 1.1 |
| | | | | | | | | | incl. 1m @ 2.4% from 70m and 4m @ 1.5% from 83m | | | |
| | | | | | | | | | No significant assays | | | |
| LBRC016 | Martins | 693783 | 8577524 | 49 | -65 | 308 | 96 | No significant assays | | | | |
| LBRC017 | Turners | 694058 | 8577814 | 58 | -65 | 128 | 96 | | | | | |
| LBRC018 | Bilatos | 690764 | 8578236 | 44 | -65 | 135 | 108 | | | | | |
| LBRC019 | | | 690829 | 8578162 | 45 | -65 | 315 | | | | | 102 |
| LBRC020 | Talamia West | 693354 | 8578620 | 69 | -70 | 115 | 132 | 96 | 98 | 2 | 1.9 | |
| | | | | | | | | incl. 1m @ 3.2% from 97m | | | | |
| | | | | | | | | 103 | 105 | 2 | 1.2 | |
| | | | | | | | | 111 | 113 | 2 | 2 | |
| | | | | | | | | incl. 1m @ 3.2% from 112m | | | | |
| LBRC021 | Martins | 693847 | 8577462 | 51 | -65 | 308 | 96 | No significant assays | | | | |
| LBRC022 | Sandras | 693270 | 8576903 | 52 | -80 | 295 | 163 | 94 | 121 | 27 | 1.1 | |
| | | | | | | | | incl. 3m @ 1.6% from 108m and 2m @ 1.8% from 119m | | | | |
| | | | | | | | | 130 | 140 | 10 | 0.7 | |
| | | | | | | | | incl. 1m @ 1.8% from 131m | | | | |
| LBRC023 | | 693269 | 8776903 | 52 | -65 | 295 | 120 | 52 | 81 | 29 | 0.9 | |
| | | | | | | | | incl. 4m @ 1.5% from 69m and 2m @ 2.3% from 78m | | | | |
| | | | | | | | | 96 | 99 | 3 | 1.1 | |
| LBRC024 | | | 693235 | 8676830 | 52 | -65 | 295 | 103 | No significant assays | | | |
| LBRC025 | | | 693256 | 8576830 | 52 | -80 | 295 | 169 | 109 | 110 | 1 | 1.4 |
| | | | | | | | | | 136 | 152 | 16 | 1.1 |
| LBRC026 | | | 693235 | 8576874 | 52 | -60 | 295 | 85 | incl. 6m @ 1.7% from 139m | | | |
| LBRC027 | | | 693286 | 8576939 | 52 | -65 | 295 | 120 | 61 | 66 | 5 | 0.6 |
| | | | | | | | | | 65 | 71 | 6 | 1.1 |
| | | | | | | | | | incl. 2m @ 2.3% from 66m | | | |
| | | | | | | | | | 77 | 105 | 28 | 1 |
| | | | | | | | | | incl. 2m @ 1.6% from 79m and 3m @ 1.5% from 87m and 3m @ 1.5% from 98m | | | |
| LBRC028 | | | 693287 | 8576939 | 52 | -80 | 295 | 168 | 116 | 136 | 20 | 0.9 |
| LBRC029 | | Hungry | 693202 | 8576757 | 52 | -73 | 295 | 127 | incl. 2m @ 1.8% from 122m | | | |
| LBRC030 | | | 693338 | 8577047 | 52 | -65 | 295 | 127 | No significant assays | | | |
| LBRC031 | | | 692026 | 8577545 | 48 | -60 | 295 | 109 | | | | |
| LBRC032 | | | 691954 | 8557589 | 48 | -60 | 135 | 103 | | | | |
| LBRC033 | Talwest | 693371 | 8578656 | 64 | -65 | 115 | 121 | 88 | 89 | 1 | 0.9 | |
| | | | | | | | | 93 | 94 | 1 | 0.8 | |
| | | | | | | | | 99 | 103 | 4 | 1.3 | |
| | | | | | | | | incl. 1m @ 2% from 100m | | | | |
| LBRC034 | | 693337 | 8578584 | 64 | -70 | 115 | 163 | 129 | 130 | 1 | 0.9 | |
| | | | | | | | | 139 | 142 | 3 | 0.6 | |
| | | | | | | | | 145 | 150 | 5 | 0.9 | |
| | | | | | | | | incl. 1m @ 2.5% from 147m | | | | |
| LBRC035 | Talwest | 693322 | 8578545 | 73 | -65 | 115 | 121 | No significant assays | | | | |
| LBRC036 | Talwest | 693364 | 8578417 | 64 | -70 | 115 | 85 | | | | | |

APPENDIX 2 (cont.): Bynoe Project – Drill Hole Statistics

| Hole ID | Prospect | East | North | RL | Dip | Azimuth | Depth (m) | Significant (>0.5%) Lithium Results | | | |
|---------|-------------|--------|---------|----|-----|---------|-----------|-------------------------------------|--------|--------------|-----------|
| | | | | | | | | From (m) | To (m) | Interval (m) | Grade (%) |
| LBRC037 | Tal 4 | 693919 | 8578427 | 74 | -55 | 290 | 102 | No significant assays | | | |
| LBRC038 | Tal 3 | 693793 | 8578158 | 74 | -60 | 295 | 121 | | | | |
| LBRC039 | Tal 3 | 693732 | 8578065 | 74 | -75 | 295 | 73 | | | | |
| LBRC040 | Fred East | 692625 | 8578632 | 60 | -65 | 320 | 109 | | | | |
| LBRC041 | Apache | 692843 | 8580223 | 68 | -80 | 270 | 85 | | | | |
| LBRC042 | Apache | 692843 | 8580223 | 68 | -55 | 270 | 55 | | | | |
| LBRC043 | Apache | 692763 | 8580224 | 68 | -60 | 90 | 73 | | | | |
| LBRC044 | Tal 10 N | 693297 | 8579770 | 70 | -55 | 315 | 55 | | | | |
| LBRC045 | Tal 10 S | 692996 | 8579328 | 70 | -80 | 305 | 115 | | | | |
| LBRC046 | Tal 10 S | 692996 | 8579328 | 70 | -60 | 305 | 67 | | | | |
| LBRC047 | Sabine | 694194 | 8579937 | 59 | -73 | 290 | 79 | | | | |
| LBRC048 | Rocky Ridge | 692807 | 8589541 | 35 | -65 | 290 | 121 | | | | |
| LBRC049 | Rocky Ridge | 692779 | 8589465 | 35 | -65 | 290 | 121 | 85 | 87 | 2 | 1.3 |
| | | | | | | | | incl. 1m @ 1.9% from 85m | | | |
| | | | | | | | | 95 | 102 | 7 | 0.7 |
| LBRC050 | | 693527 | 8589644 | 42 | -70 | 300 | 103 | No significant assays | | | |
| LBRC051 | | 692411 | 8589233 | 34 | -70 | 260 | 115 | | | | |
| LBRC052 | BP33 | 694472 | 8593589 | 35 | -67 | 135 | 175 | 120 | 125 | 5 | 1.5 |
| | | | | | | | | incl. 1m @ 2.1% from 121m | | | |
| LBRC053 | | 694570 | 8593630 | 27 | -60 | 315 | 91 | No significant assays | | | |
| LBRC054 | | 694585 | 8593611 | 27 | -60 | 315 | 73 | | | | |
| LBRC055 | Lees | 694769 | 8596010 | 42 | -60 | 225 | 133 | | | | |

APPENDIX 3: Mohanga Project – Tresor prospect/rock chip statistics and results

| Sample_ID | East | North | Li2O% | Ta2O5 (ppm) | Au (ppm) | Sample_ID | East | North | Li2O% | Ta2O5 (ppm) | Au (ppm) |
|-----------|------|-------|-------|-------------|----------|-----------|------|-------|-------|-------------|----------|
| 146943 | 9612 | 53508 | 0.01 | 87 | 0.01 | 146957 | 9754 | 53504 | 0.22 | 59 | 0.06 |
| 146944 | 9636 | 53486 | 0.01 | 23 | 0.02 | 146958 | 9781 | 53489 | 0.24 | 63 | 0.03 |
| 146945 | 9645 | 53502 | 0.86 | 78 | 0.11 | 146959 | 9826 | 53487 | 0.02 | 62 | 0.05 |
| 146946 | 9629 | 53511 | 0.02 | 314 | 0.01 | 146960 | 9800 | 53492 | 0.33 | 87 | 0.06 |
| 146947 | 9621 | 53498 | 0.02 | 48 | 0.02 | 146932 | 9415 | 53519 | 0.01 | 235 | 0.01 |
| 146948 | 9616 | 53522 | 3.31 | 97 | 0.02 | 146934 | 9520 | 53541 | 0.41 | 88 | 0.15 |
| 146949 | 9652 | 53515 | 0.26 | 122 | 0.02 | 146935 | 9545 | 53528 | 0.07 | 39 | 0.09 |
| 146950 | 9659 | 53483 | 0.02 | 20 | 0.09 | 146936 | 9563 | 53527 | 0.03 | 64 | 0.1 |
| 146951 | 9672 | 53496 | 2.58 | 85 | 0.1 | 146937 | 9599 | 53529 | 1.95 | 46 | 0.01 |
| 146952 | 9675 | 53531 | 0.15 | 137 | 0.09 | 146938 | 9680 | 53491 | 0.9 | 77 | 0.32 |
| 146953 | 9686 | 53512 | 2.26 | 104 | 0.15 | 146939 | 9743 | 53507 | 1.16 | 173 | 0.04 |
| 146954 | 9692 | 53504 | 1.85 | 48 | 0.08 | 145712 | 9736 | 53388 | 0.04 | 55 | 0 |
| 146955 | 9690 | 53497 | 1.34 | 193 | 0.13 | 145713 | 9526 | 53417 | 0.06 | 30 | 0 |
| 146956 | 9685 | 53490 | 1.4 | 203 | 0.04 | 145759 | 9443 | 53576 | -0.02 | 156 | 0 |

APPENDIX 4: Lake Percy Project – Drill Hole Statistics

| Hole ID | East | North | RL | Dip | Azimuth | Depth (m) | Comment/Results, Li, Ta, Nb, Sn |
|----------|--------|---------|-----|-----|---------|-----------|---------------------------------|
| LPRC0008 | 259517 | 6458516 | 500 | -55 | 237 | 226 | No Significant Results |
| LPRC0009 | 259643 | 6458600 | 500 | -60 | 237 | 127 | No Significant Results |
| LPRC0010 | 258051 | 6459348 | 500 | -60 | 237 | 207 | No Significant Results |
| LPRC0011 | 257961 | 6459283 | 500 | -55 | 237 | 185 | No Significant Results |
| LPRC0012 | 259766 | 6458680 | 500 | -60 | 237 | 223 | No Significant Results |
| LPRC0013 | 259255 | 6458346 | 500 | -60 | 237 | 257 | No Significant Results |
| LPRC0014 | 259464 | 6458327 | 500 | -60 | 237 | 211 | No Significant Results |
| LPRC0015 | 257900 | 6459240 | 500 | -50 | 237 | 187 | No Significant Results |

APPENDIX 5

The following information is provided in accordance with ASX Listing Rule 5.3 for the quarter ended 31 March 2017:

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% |
| | | PL10894/2016 | Liontown Resources (Tanzania) Limited | 100% |
| | | PL10907/2016 | Liontown Resources (Tanzania) Limited | 100% |
| | Mohanga | PL9067/2013 | Central Mining Company | 0% - Subject to Option Agreement with Liontown Resources (Tanzania) Limited. |
| | | PL10724/2015 | Liontown Resources (Tanzania) Limited | 100% |
| | | PL10803/2016 | Liontown Resources (Tanzania) Limited | 100% |
| | | PL10905/2016 | Liontown Resources (Tanzania) Limited | 100% |
| | | PL10938/2016 | Liontown Resources (Tanzania) Limited | 100% |
| 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 |
| | Kathleen Valley | M36/162 | LRL (Aust) Pty Ltd (wholly owned subsidiary of Liontown Resources Limited). | 100% - gold and nickel rights retained by other parties |
| | | M36/176 | | |
| | | M36/264 | | |
| | | M36/265 | | |
| | | M36/266 | | |
| | | M36/328 | | |
| | | M36/342 | | |
| | | M36/365 | | |

| Location | Project | Tenement No. | Registered Holder | Nature of interests |
|----------|---------|--------------|----------------------------|---------------------|
| | | M36/375 | | |
| | | M36/376 | | |
| | | M36/441 | | |
| | | M36/459 | | |
| | | M36/460 | | |
| | | M36/603 | | |
| | | M36/660 | | |
| | | E36/879 | Liontown Resources Limited | 0% - Application |

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

| Location | Project | Tenement No. | Nature of interests |
|-----------|-----------------|--------------|--|
| Australia | Kathleen Valley | M36/162 | 100% - Transfer completed during Quarter |
| | | M36/176 | |
| | | M36/264 | |
| | | M36/265 | |
| | | M36/266 | |
| | | M36/328 | |
| | | M36/342 | |
| | | M36/365 | |
| | | M36/375 | |
| | | M36/376 | |
| | | M36/441 | |
| | | M36/459 | |
| | | M36/460 | |
| | | M36/603 | |
| | | M36/660 | |

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

No tenements relinquished, reduced or lapsed for during the Quarter

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

| Location | Tenement No. | Nature of interests |
|-----------|--------------|---------------------|
| Australia | EPM26490 | 0% - Application |
| | EPM26491 | |
| | EPM26492 | |
| | EPM26494 | |
| | EPM26495 | |

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Liontown Resources Ltd

ABN

39 118 153 825

Quarter ended ("current quarter")

31 March 2017

| Consolidated statement of cash flows | Current quarter \$A | Year to date (9 months) \$A |
|---|------------------------|-----------------------------------|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | - | - |
| 1.2 Payments for | | |
| (a) exploration & evaluation | (521,956) | (1,674,983) |
| (b) development | - | - |
| (c) production | - | - |
| (d) staff costs | (47,570) | (103,521) |
| (e) administration and corporate costs | (18,079) | (268,187) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | 2,269 | 7,494 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | - | - |
| 1.7 Research and development refunds | - | - |
| 1.8 Other (provide details if material) | 6,092 | 7,077 |
| 1.9 Net cash from / (used in) operating activities | (579,244) | (2,032,120) |

| | | |
|--|---|---------|
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire: | | |
| (a) property, plant and equipment | - | (9,948) |
| (b) tenements (see item 10) | - | - |
| (c) investments | - | - |
| (d) other non-current assets | - | - |

| Consolidated statement of cash flows | | Current quarter \$A | Year to date (9 months) \$A |
|---|---|--------------------------------|--|
| 2.2 | Proceeds from the disposal of: | | |
| | (a) property, plant and equipment | - | - |
| | (b) tenements (see item 10) | - | - |
| | (c) investments | - | - |
| | (d) other non-current assets | - | - |
| 2.3 | Cash flows from loans to other entities | | |
| 2.4 | Dividends received (see note 3) | - | - |
| 2.5 | Other (provide details if material) | - | - |
| 2.6 | Net cash from / (used in) investing activities | - | (9,948) |

| | | | |
|-------------|---|------------------|------------------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of shares | 2,520,000 | 3,918,902 |
| 3.2 | Proceeds from issue of convertible notes | - | - |
| 3.3 | Proceeds from exercise of share options | - | - |
| 3.4 | Transaction costs related to issues of shares, convertible notes or options | (189,178) | (239,849) |
| 3.5 | Proceeds from borrowings | - | - |
| 3.6 | Repayment of borrowings | - | - |
| 3.7 | Transaction costs related to loans and borrowings | - | - |
| 3.8 | Dividends paid | - | - |
| 3.9 | (1) Share Application monies held on trust (see notes to cash flow below) | - | - |
| | (2) Bank Guarantee | - | (25,000) |
| 3.10 | Net cash from / (used in) financing activities | 2,330,822 | 3,654,053 |

| | | | |
|-----------|--|-----------|-------------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 661,514 | 800,948 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (579,244) | (2,032,120) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | - | (9,948) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 2,330,822 | 3,654,053 |

| Consolidated statement of cash flows | | Current quarter \$A | Year to date (9 months) \$A |
|--------------------------------------|---|------------------------|-----------------------------------|
| 4.5 | Effect of movement in exchange rates on cash held | (1,507) | (1,348) |
| 4.6 | Cash and cash equivalents at end of period | 2,411,585 | 2,411,585 |

| 5. | Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter \$A | Previous quarter \$A |
|-----|--|------------------------|-------------------------|
| 5.1 | Bank balances | 2,411,585 | 661,514 |
| 5.2 | Call deposits | - | - |
| 5.3 | Bank overdrafts | - | - |
| 5.4 | Other | - | - |
| 5.5 | Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 2,411,585 | 661,514 |

Notes to cash flow

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

**Current quarter
\$A**

64,071

-

- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Item 6.1 consists of the salary and superannuation paid to the Managing Director (\$54,231), Directors fees, PAYG and superannuation for non-executive directors for the current quarter (\$9,840).

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

**Current quarter
\$A**

11,000

-

- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Item 7.1 represents service charges paid to Chalice Gold Mines Ltd (a director related entity) for the provision of corporate services, office rent and technical personnel.

| 8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i> | Total facility amount at quarter end \$A | Amount drawn at quarter end \$A |
|--|---|--|
| 8.1 Loan facilities | - | - |
| 8.2 Credit standby arrangements | - | - |
| 8.3 Other (please specify) | - | - |
| 8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well. | | |

| |
|--|
| |
|--|

| 9. Estimated cash outflows for next quarter | \$A |
|--|----------------|
| 9.1 Exploration and evaluation | 700,000 |
| 9.2 Development | - |
| 9.3 Production | - |
| 9.4 Staff costs | 65,000 |
| 9.5 Administration and corporate costs | 66,000 |
| 9.6 Other (provide details if material) | - |
| 9.7 Total estimated cash outflows | 831,000 |

[illegible]

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which
comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:

old

Date: 20 April 2017

Company secretary

Print name: Leanne Stevens

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been

prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.