ASX ANNOUNCEMENT

High Grade Lithium and Tantalum Intersected in First Trenching Program at Mohanga Project, Tanzania

Grades of up to 4.93% Li_2O and 1,862ppm Ta_2O_5 returned from two prospect areas

Liontown Resources Limited **(ASX: LTR)** is pleased to advise that it has successfully intersected high-grade lithium and tantalum mineralisation in its initial trenching program at the recently acquired **Mohanga Lithium-Tantalum Project** in central Tanzania, East Africa (***Figure 1***).

The results confirm the potential of the project to host significant lithium mineralisation and have given Liontown confidence to progress exploration activities, particularly considering the fact that the initial trenching was undertaken at just four prospect areas.

The Mohanga Project, which Liontown acquired last year, contains a number of historical pegmatite-hosted lithium occurrences, the only reported in Tanzania, and has had no modern exploration for strategic or other metals.

Better results from the trenching program include:

Trench MOHTR001	**14.3 – 18.4m**	**4m @ 4.93% Li_2O and 1,862ppm Ta_2O_5**
Trench MOHTR002	**20.2 – 22.5m**	**2.3m @ 1.79% Li_2O and 712ppm Ta_2O_5**
Trench MOHTR007	**36.5 – 42.5m**	**6m @ 407ppm Ta_2O_5**

(*See **Appendix 1** for full listing of trench statistics and significant results*)

MOHTR001 and MOHTR002 are located at the **Ipata** prospect (***Figure 2***) and the intersections are interpreted to define a continuous zone (***Figure 3***) which is open along strike and at depth. MOHTR007 is the only trench excavated at the **Tresor** prospect ***(Figures 2 and 4***) and the mineralised zone is open.

The lithium mineralisation at Ipata is largely contained within lepidolite, a mineral which is commonly associated with other lithium-bearing minerals like spodumene in pegmatite ore bodies elsewhere in the world.

Given the extent of the mapped pegmatite field and the largely unexplored status of the 177km^2 Mohanga Project area, which is underlain by an Archaean greenstone belt, Liontown is highly encouraged by these early trench results.

The next phase of work will be designed to define lithium and/or tantalum trends that warrant drill testing with a particular emphasis on identifying spodumene mineralisation, a primary hard rock source of lithium globally.

Upcoming work will comprise:

- Detailed geochemical and geological surveys;
- Further trenching; and
- Acquisition, processing and interpretation of recent government airborne magnetic and radiometric data.

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Liontown's Chairman, Mr Tim Goyder, said the Company was pleased with the results of its initial exploration program at Mohanga, which had confirmed the presence of significant lithium and tantalum mineralisation and provided a clear forward pathway for exploration.

"The mineralisation tested so far is largely hosted in lepidolite, which typically occurs in close proximity to spodumene within pegmatite bodies. Our ongoing exploration efforts will therefore be focused on identifying areas where spodumene is the dominant lithium-bearing mineral.

"Given the scale and unexplored nature of the Mohanga Project – and the extremely favourable investment climate globally towards potential new lithium projects – we plan to accelerate exploration activities over the coming weeks to establish the commercial merits of this project as soon as possible.

"The favourable outlook for lithium has been highlighted in a number of new research reports and expert commentary released over the Christmas/New Year period on the enormous growth potential of the lithium-ion battery sector, giving us confidence that this is a potentially valuable project to pursue on behalf of our shareholders."

DAVID RICHARDS
Managing Director

25th January 2016

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The Information in this report that relates to Exploration Results 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.

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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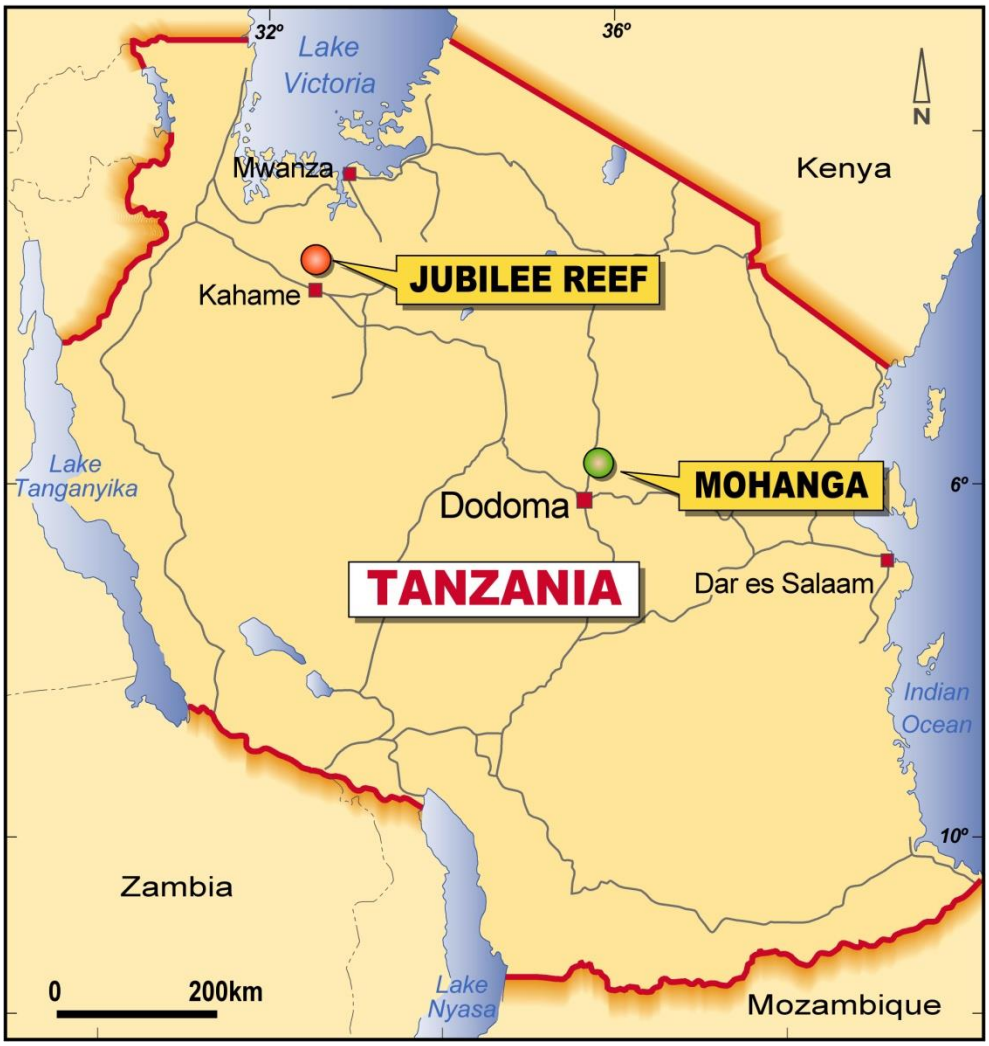

Figure 1: Tanzania – Regional location plan showing Liontown Projects

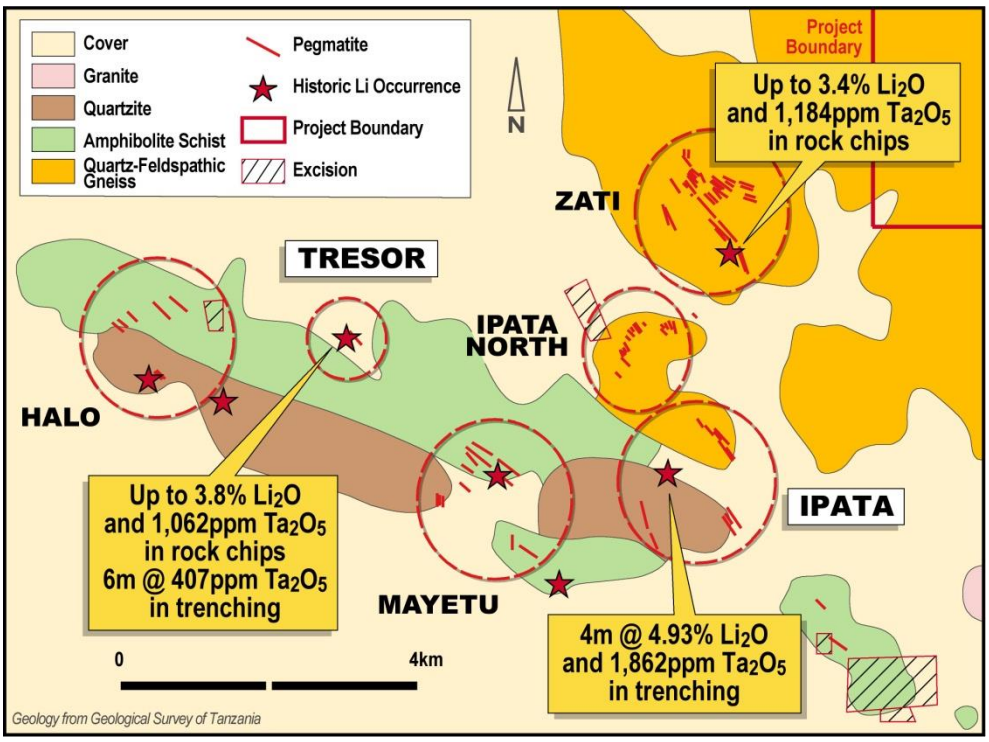

Figure 2: Mohanga Project – Geology and Prospect Locations.

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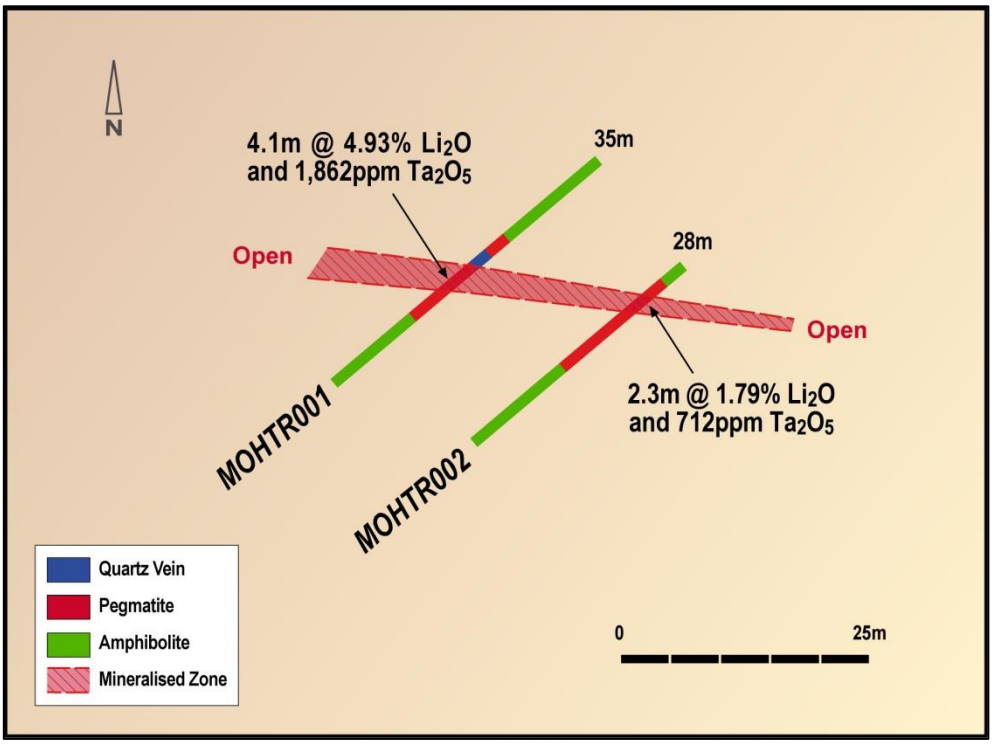

Figure 3: Mohanga Project – Ipata Trenches

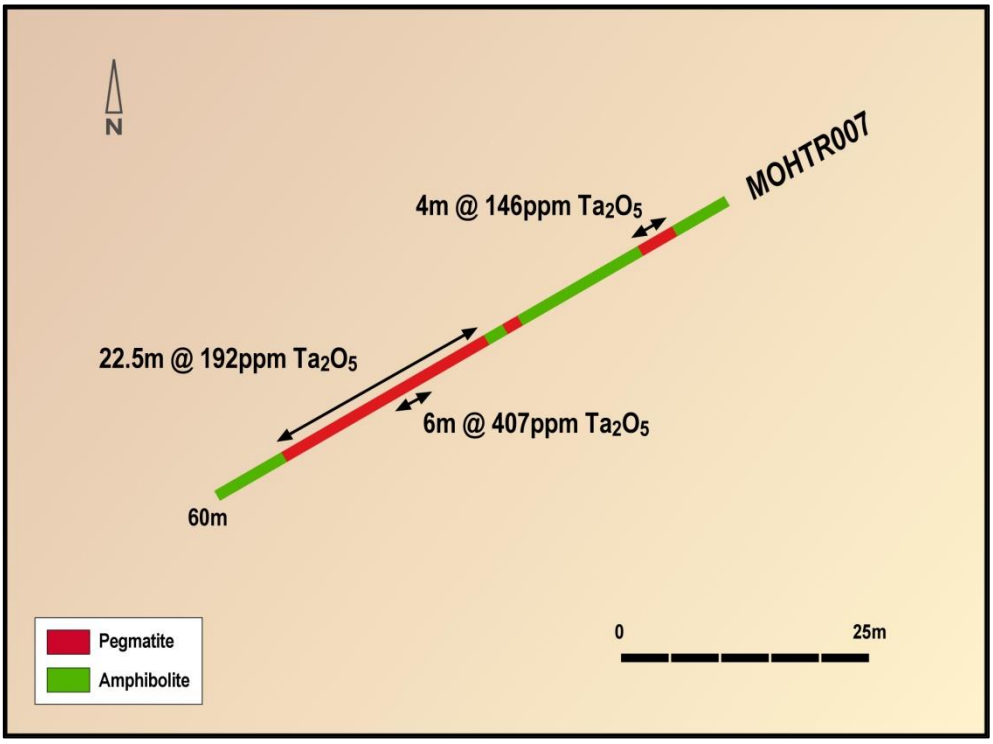

Figure 4: Mohanga Project – Tresor Trenches

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APPENDIX 1: Mohanga Project – Trench Statistics and Significant Results

Hole_ ID	East	North	RL	Dip	Azimuth	Length (m)	Significant Results (>0.2% Li2O and/or >100ppmTa2O5)				
							From	To	Interval	Li2O%	Ta2O5 ppm
MOHTR001	8276	11708	1207	10	230	35	14.3	18.4	4.1	4.93	1,862
MOHTR002	8290	11702	1205.5	12	230	28	13	18.4	5.4		214
							20.2	22.5	2.3	1.79	712
MOHTR003	8311	11674	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				

(True widths not yet determined)

APPENDIX 2 - MOHANGA - JORC TABLE 1
Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	No drilling completed to date. Trenches are oriented at right angles to the interpreted strike of the pegmatite being sampled. Samples are typically collected as continuous 0.5 5m chip samples along the floor of trench. Individual sample intervals are adjusted to reflect geological contacts. Rock samples comprise multiple chips considered to be representative of the horizon or outcrop being sampled. Samples submitted for assay typically weigh 2-3kg.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. *Aspects of the determination of mineralisation that are Material to the Public Report.* *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	Continuous channel sampling of trenching ensures sample representivity. Entire 2-3kg sample is submitted for sample prep.
Drilling techniques	*Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	No drilling completed.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	Not applicable.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	Not applicable.
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	Not applicable.
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	All trenches sampled are logged continuously from start to finish with key geological observations recorded.
	Whether logging is qualitative or quantitative in	Logging is quantitative, based on visual field estimates.

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Criteria	JORC Code explanation	Commentary
	nature. Core (or costean, channel, etc) photography.	
	The total length and percentage of the relevant intersections logged.	See above.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	Not applicable.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	Not applicable.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Sample preparation follows industry best practice standards and is conducted by internationally recognised laboratories; i.e. Oven drying, jaw crushing and pulverising so that 85% passes -75microns.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	Blanks have been submitted every 50 samples to ensure there is no cross contamination from sample prep.
	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	Measures taken include: • Systematic sampling across whole pegmatite zone; • Comparison of actual assays for blanks with theoretical values
	Whether sample sizes are appropriate to the grain size of the material being sampled.	Sample size (2-3kg) accepted as general industry standard.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	Assay and laboratory procedures have been selected following a review of techniques provided by internationally certified laboratories. In addition, the sample prep laboratory in Mwanza is regularly visited to ensure high standards are being maintained. Samples are submitted for multi-element analyses by ALS technique ME-MS61 (48 elements/4 acid digest). Where results exceeded upper detection limits for Li and/or Ta, samples are re-assayed by ALS techniques ME-ICP81X (sodium peroxide fusion) for Li and ME-MS89 for Ta. The final techniques used for are total.
	For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	None used
	Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established	Barren granitic material from a road quarry is submitted every 50 samples. Comparison of results indicates good levels of accuracy and precision. No external laboratory checks have been used.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	None undertaken
	The use of twinned holes.	Not applicable
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	All field data is manually collected, entered into excel spreadsheets, validated and loaded into an Access database Electronic data is stored on the Perth server. Data is exported from Access for processing by a number of different software packages. All electronic data is routinely backed up. No hard copy data is retained. Alkali ratio fields shown for Greenbushes and Pilgangoora are based on historical records retained by Liontown consultants. Raw data is not available.
	Discuss any adjustment to assay data.	None required
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource*	All trench start points and geochemical samples are located using a hand held GPS.

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	estimation.	Trenches are surveyed using hand held compass and clinometer.
	Specification of the grid system used	The grid system used is ARC1960 Zone 36S; however, for reporting purposes, and to maintain confidentiality, local coordinates are used for reporting.
	Quality and adequacy of topographic control.	Nominal RLs based on regional topographic datasets are used initially; however, these will be updated if DGPS coordinates are collected.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	Only reconnaissance trenching and sampling completed –spacing variable and based on outcrop location and degree of exposure.
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	Not applicable.
	Whether sample compositing has been applied.	None undertaken.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	Sampling completed at right angles to interpreted trend of pegmatite units.
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	None observed.
Sample security	*The measures taken to ensure sample security.*	Company geologist supervises all sampling and subsequent storage in field. Same geologist delivers samples to ALS lab in Mwanza and receives an official receipt of delivery. ALS Mwanza organises transport to ALS in Brisbane.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	None completed.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	The Mohanga Project comprises 2 granted prospecting licences (PL9067/2013 and PL10724/2015) and one exclusive PL application (App. No. 01458) which has been recommended for grant. The tenement package forms a contiguous, 177km^2 area located ~400km WNW of Dar es Salaam, Tanzania. PL10724/2015 and App. No. 01458 are wholly owned by Liontown Resources (Tanzania) Limited. PL9067/2013 is subject to a 4 year option agreement with local Tanzanian company Central Mining Company Limited (CMC). Liontown may earn 100% equity in the tenement by: • Paying overdue rents and penalties (~US13,000); • Paying future rents (~US$8,500pa) • Paying US$11,600 to cover taxes and fees related to tenement being transferred back to CMC from previous JV Agreement (see comment below). • Paying US$6,400 to vendors on Agreement execution; • Paying US$15,000pa from first anniversary to keep the option alive; • Paying US$900,000 (plus CGT) anytime within 4 year option period; and • Paying vendor 1%NSR on future production (purchasable anytime for US$500,000) On mining, royalties are also payable to the Tanzanian government (4% NSR). There are no other material issues affecting the tenements

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Criteria	JORC Code explanation	Commentary
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	All tenements are in good standing.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	No modern exploration has been recorded for the area. Government mapping (1962-1963) records multiple lithium bearing pegmatites within the project area but no other data is available.
Geology	*Deposit type, geological setting and style of mineralisation.*	The Mohanga Project is located in the SE part of the Archaean Tanzanian Craton where it comprises a WNW-NW trending sequence of metasediments (quartzite, quartz-feldspar schist and graphitic schist), amphibolite schist and quartz-feldspar gneiss intruded by syn-orogenic granite. A number of large pegmatites and small ultramafic intrusions have also been mapped. The Archaean lithologies form high ridges separated by broad soil covered plains. A number of lithium- bearing pegmatites have been recorded by government reports and rock chip sampling by LTR geologists have returned up to 5.2% Li_2O (NB not all reported occurrences have been sampled). Lepidolite (Li mica) is common and petrologic analysis is required to determine the levels of spodumene which is the main hard rock lithium ore mineral. A number of the Li occurrences have coincident colonial workings
Drill hole Information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* • *easting and northing of the drill hole collar* • *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* • *dip and azimuth of the hole* • *down hole length and interception depth* • *hole length.*	See Tables and/or Appendices in attached report.
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.*	Intercepts are calculated using lower cuts of 0.2% Li_2O and/or 100ppm Ta_2O_5. No top cuts used to date. Internal waste (i.e. <cut off) is limited to single samples between mineralised samples that exceed cut off grades.
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	Short intervals of high grade that have a material impact on overall intersection are highlighted separately (see attached appendices)
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	None reported
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.* *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	The relationship between true widths and the width of mineralised zones intersected in trenching has not yet been determined due to lack of structural data (i.e. dip).
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	See Figures in body of report
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of*	Results for all sampling completed are listed in Appendix attached to body of report.

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	both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	All meaningful and material data reported
Further work	*The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*	• Detailed geochemistry and geology to determine trends of known mineralized zones and to delineate other Li and Ta anomalies. • Further trenching to determine structural orientation of pegmatites • Acquisition, processing and interpretation of magnetic and radiometric data

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