

# Appendix 5B

## Mining 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

Name of entity

Liontown Resources Limited

ABN

39 118 153 825

Quarter ended ("current quarter")

30 June 2016

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A	Year to date (12 months) \$A
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(462,009)	(1,562,028)
(b) development	-	-
(c) production	-	-
(d) administration	(80,068)	(315,766)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	3,712	7,411
1.5 Interest and other costs of finance paid	(10,143)	(10,143)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	(20)	42,932
<b>Net Operating Cash Flows</b>	<b>(548,528)</b>	<b>(1,837,594)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(7,190)	(8,718)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>(7,190)</b>	<b>(8,718)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(555,718)</b>	<b>(1,846,312)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	<b>(555,718)</b>	<b>(1,846,312)</b>
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	7,601	2,077,884
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	350,000
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (application monies held on trust)	-	(690,554)
	<b>Net financing cash flows</b>	<b>7,601</b>	<b>1,737,330</b>
	<b>Net increase (decrease) in cash held</b>	<b>(548,117)</b>	<b>(108,982)</b>
1.20	Cash at beginning of quarter/year to date	1,361,101	907,882
1.21	Exchange rate adjustments to item 1.20	(3,842)	10,242
1.22	<b>Cash at end of quarter</b>	<b>809,142</b>	<b>809,142</b>

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

	Current quarter \$A
1.23 Aggregate amount of payments to the parties included in item 1.2 and item 1.5	96,823
1.24 Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

Item 1.23 consists of the salary and superannuation paid to the Managing Director (\$53,700), PAYG and superannuation for non-executive directors (\$6,480), service charges paid to Challice Gold Mines Ltd (a director related entity) for the provision of corporate services, office rent and technical personnel (\$27,500) and interest paid on commercial terms, in relation to the loan facility of \$350,000 provided by Mr Tim Goyder (refer to Item 1.5).

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

The Company issued 23,333,333 fully paid ordinary shares at a deemed issue price of 1.5 cents in settlement of the outstanding loan facility of \$350,000 to Mr Goyder. The issue was approved by the Liontown Shareholders at the Company's General Meeting held on 24 May 2016.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

+ See chapter 19 for defined terms.

### Financing facilities available

*Add notes as necessary for an understanding of the position.*

	Amount available \$A	Amount used \$A
3.1 Loan facilities	\$0	\$0
3.2 Credit standby arrangements	Nil	Nil

### Estimated cash outflows for next quarter

	\$A
4.1 Exploration and evaluation	550,000
4.2 Development	-
4.3 Production	-
4.4 Administration	80,000
<b>Total</b>	<b>630,000</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A	Previous quarter \$A
5.1 Cash on hand and at bank	809,142	1,361,101
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (application monies held on trust)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)	<b>809,142</b>	<b>1,361,101</b>

---

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

**Changes in interests in mining tenements**

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	N/A		
6.2	Interests in mining tenements acquired or increased	<b>Bynoe</b> MLN16 EMP28651 EL29699  <b>Lake Percy</b> EL63/1221-I	100% 100% 100%  0%	0% 0% 0%  100% 100% 100%  0%

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	<b>Preference securities</b> <i>(description)</i>			
7.2	Changes during quarter			
	(a) Increases through issues	Nil	Nil	N/A
	(b) Decreases through returns of capital, buy-backs, redemptions	Nil	Nil	N/A
7.3	<b>+Ordinary securities</b>	696,450,401	696,450,101	N/A
7.4	Changes during quarter			
	(a) Increases through issues	25,999,999	25,999,999	\$0.015
	(b) Decreases through returns of capital, buy-backs	Nil	Nil	N/A
7.5	<b>+Convertible debt securities</b> <i>(description)</i>			

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

7.6	Changes during quarter				
	(a) Increases through issues	Nil	Nil	N/A	N/A
	(b) Decreases through securities matured, converted	Nil	Nil	N/A	N/A
7.7	Options (description and conversion factor)				
	<b>Listed options</b>	Nil	Nil	N/A	N/A
	<b>Unlisted options</b>			<i>Exercise price</i>	<i>Expiry date</i>
		2,000,000	Nil	\$0.01727	30 November 2016
		2,000,000	Nil	\$0.02302	30 November 2016
		1,850,000	Nil	\$0.05000	30 June 2017
		8,800,000	Nil	\$0.03500	31 March 2021
7.8	Issued during quarter	6,000,000	Nil	\$0.03500	31 March 2021
7.9	<b>Listed Options</b>			<i>Exercise price</i>	
	Exercised during quarter	Nil	Nil	N/A	N/A
	<b>Unlisted Options</b>				
	Exercised during quarter	Nil	Nil	N/A	N/A
7.10	<b>Listed Options</b>			<i>Exercise price</i>	<i>Expiry date</i>
	Expired during quarter	Nil	Nil	N/A	N/A
	<b>Unlisted Options</b>				
	Expired during quarter	Nil	Nil	N/A	N/A
7.11	<b>Debentures (totals only)</b>	Nil	Nil		
7.12	<b>Unsecured notes (totals only)</b>	Nil	Nil		

+ See chapter 19 for defined terms.

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Date: 21 July 2016

Print name:

(Company secretary)  
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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 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.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

== == == == ==