

QUARTERLY ACTIVITIES REPORT

For the Quarter ended 31 December 2016



Liontown set to drill three highly prospective Australian lithium projects in first half of 2017 following successful December quarter

HIGHLIGHTS

Bynoe Lithium Project (Northern Territory) - drilling resuming Q2 17

- Further strong spodumene-related lithium mineralization intersected during second phase of Reverse Circulation drilling with better intersections including:

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

- The results are in addition to previously reported intersections from the maiden drilling program, completed mid-2016, which included intercepts of up to 42m at 1.0% Li₂O from 93m
- Strong new lithium and tantalum anomalies defined by wide-spaced soil sampling.
- These new targets are **scheduled for drill testing in the second Quarter of 2017** (after the northern Australian wet season), in conjunction with targets defined by the recently commenced joint airborne geophysical survey.

Kathleen Valley Lithium-Tantalum Project (WA) - maiden drilling Q1

- Purchase Agreement with Ramelius Resources completed.
- Heritage survey undertaken over proposed drill areas with statutory permissions required to drill Kathleen Valley now received.
- Maiden drill testing of main lithium trends **scheduled for early to mid-February 2017.**

Lake Percy Lithium Project (WA) - maiden drilling Q1

- Strong lithium oxide trend defined over 2km strike coincident with large pegmatite bodies which historical nickel drilling and recent geological mapping indicate locally exceed 100m true thickness.
- The newly identified target is located just 60km from the world-class Earl Grey lithium-pegmatite discovered by Kidman Resources.
- All statutory permissions required to drill at Lake Percy Valley have been received.
- Maiden drilling program to test beneath strongest lithium anomalism **scheduled for late February 2017.**



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
- Large lithium prospective pegmatites identified at Lake Percy in WA

TANZANIA

- 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:

Mr David Richards, Managing Director
Liontown Resources Limited
Telephone +61 8 9322 7431

AUSTRALIAN PROJECTS

1. Bynoe Lithium 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 more than 60 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. Exploration drilling by Liontown has proven the potential for spodumene-related lithium mineralisation.

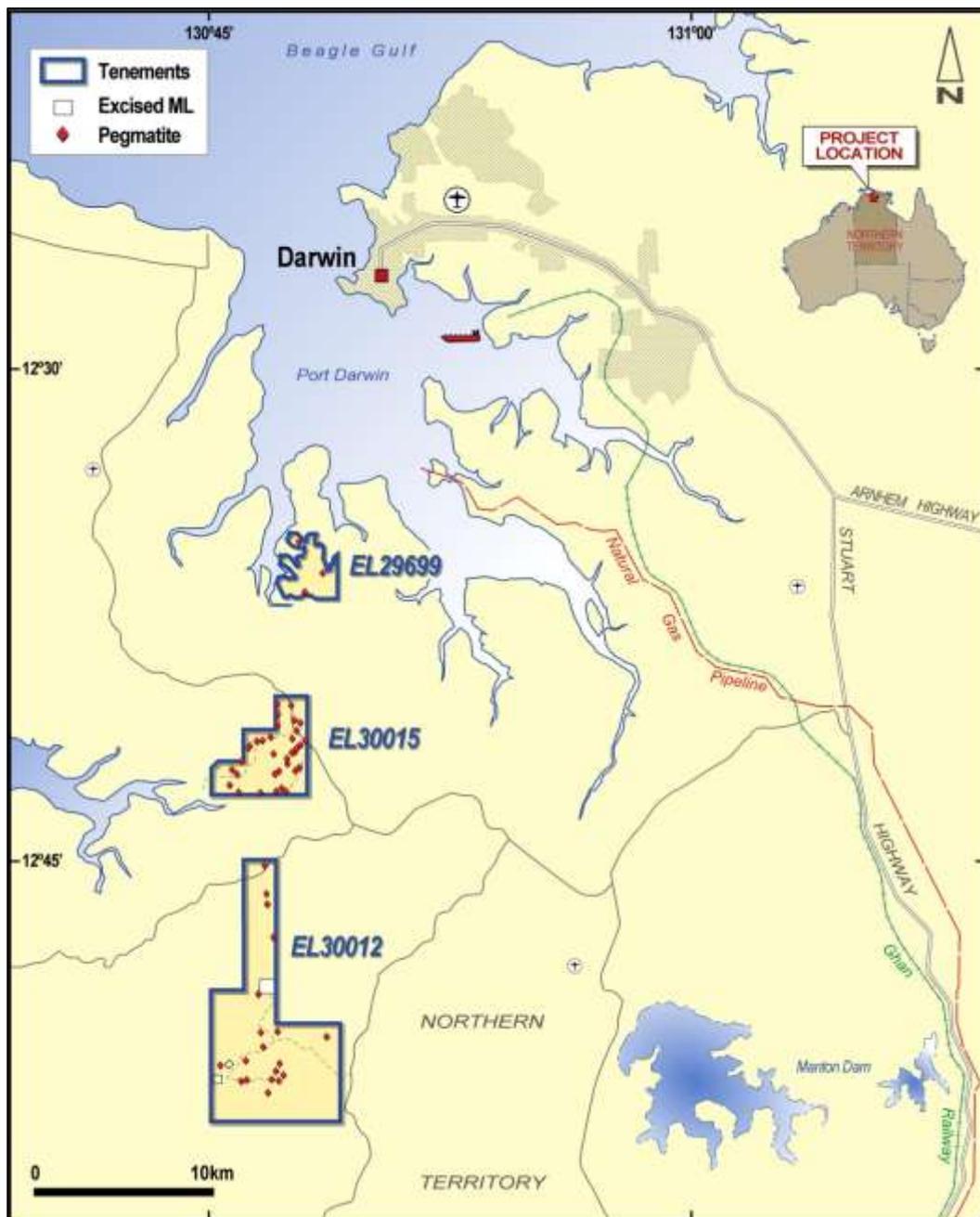


Figure 1: Bynoe Project – Location and Tenure Plan

Exploration momentum has been maintained at the Bynoe Lithium Project with the completion of a second phase of Reverse Circulation (RC) drilling and a wide-spaced soil sampling program during the Quarter, and the commencement of a jointly funded airborne geophysical survey immediately subsequent to the end of the Quarter.

RC Drilling

The second phase of RC drilling program at Bynoe was designed to follow up on significant lithium intersections reported last Quarter and to test a number of undrilled pegmatites. The program comprised 34 holes for a total 3,750m and tested 15 prospects (*Figure 2*).

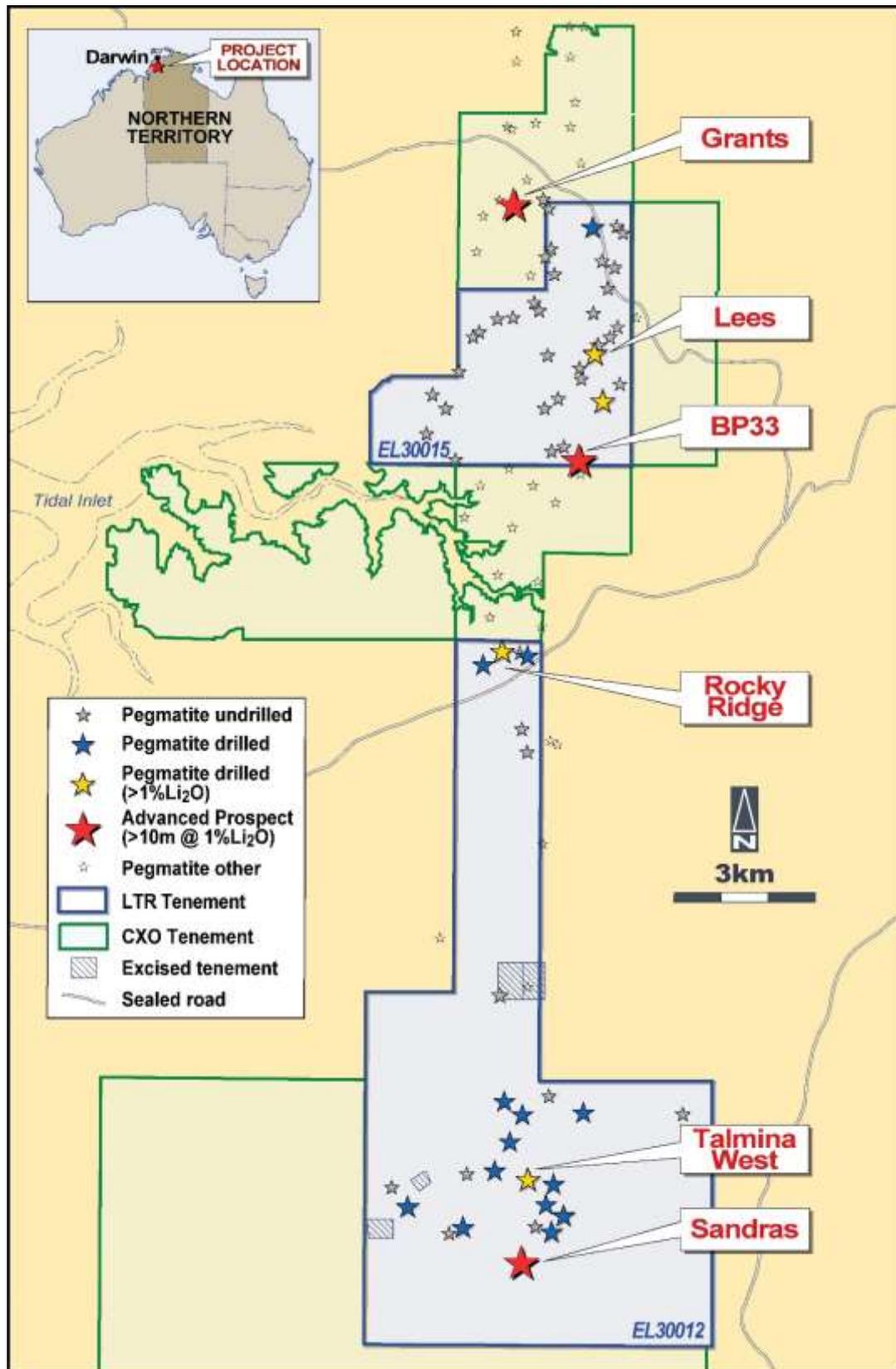


Figure 2: Bynoe Project – Pegmatite locations

Better results from the latest drilling program came from the Sandras prospect (**Figure 2**) and included:

- **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**

These results are in addition to previously reported intersections from the Company’s maiden drilling program, which included intercepts of up to 42m at 1.0% Li₂O from 93m (see ASX Announcement dated 26th July 2016).

Drilling at the Sandras Prospect has defined a 200m long, steeply-plunging shoot (with a true width up to 35m) within a larger pegmatite body which remains open and largely untested along strike (**Figure 3**).

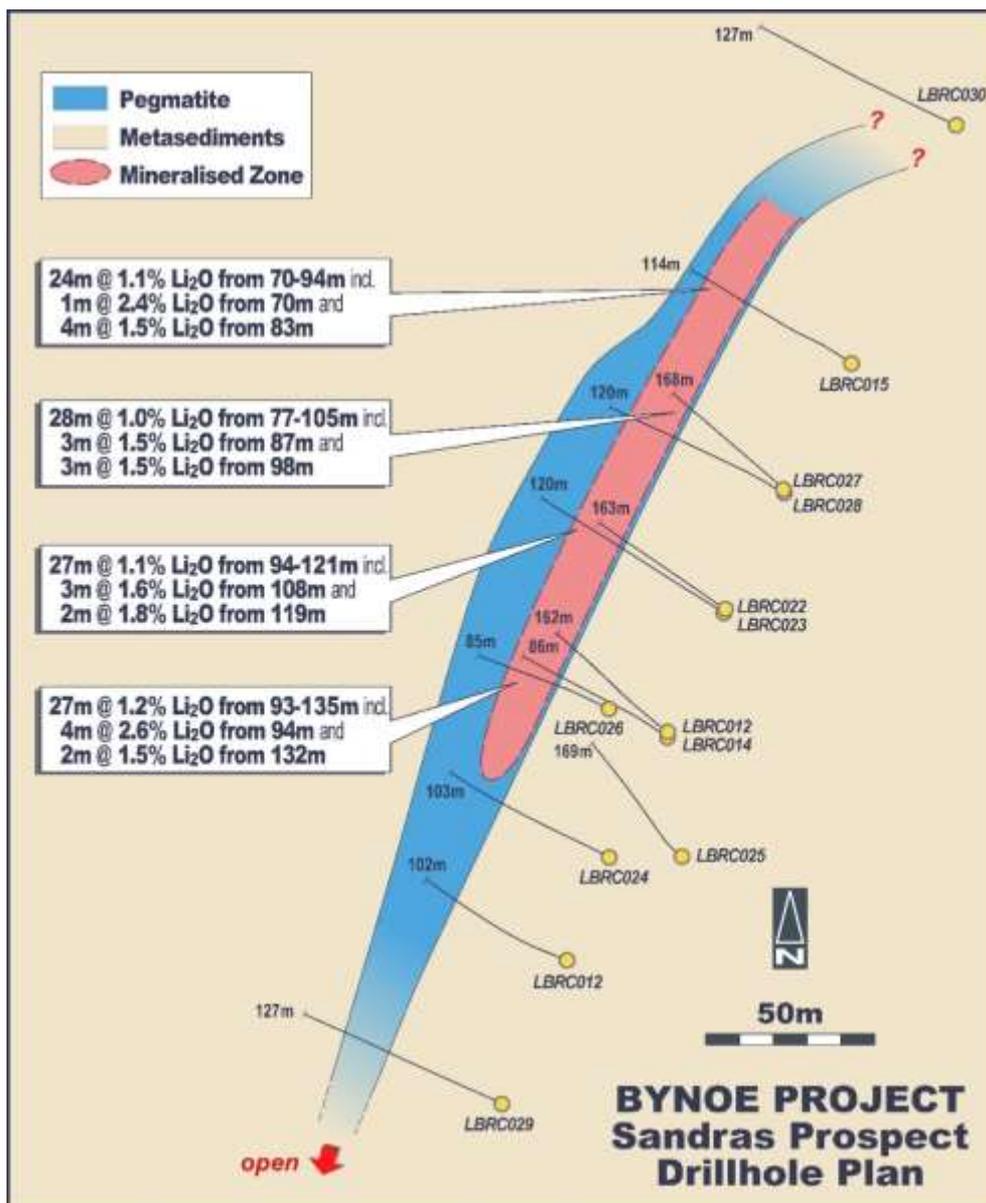


Figure 3: Bynoe Project – Sandras’ drill hole plan.

Significant lithium intersections were also recorded at Talmina West (4m @ 1.3% Li₂O from 99m), Rocky Ridge (2m @ 1.3% Li₂O from 85m) and BP33 (5m @ 1.5% Li₂O from 120m).

A full summary of drill statistics is provided in Appendix 1.

Soil Sampling

A large number of pegmatites (more than 50) remain to be tested at Bynoe and, in order to prioritise future drilling, a soil sampling program was undertaken across Liontown's tenure with ~1,000 samples collected on a 400m by 100m spacing.

The results have defined a number of high-order, coincident lithium and tantalum anomalies including the southern extension of the Grants' Trend (*Figure 4*).

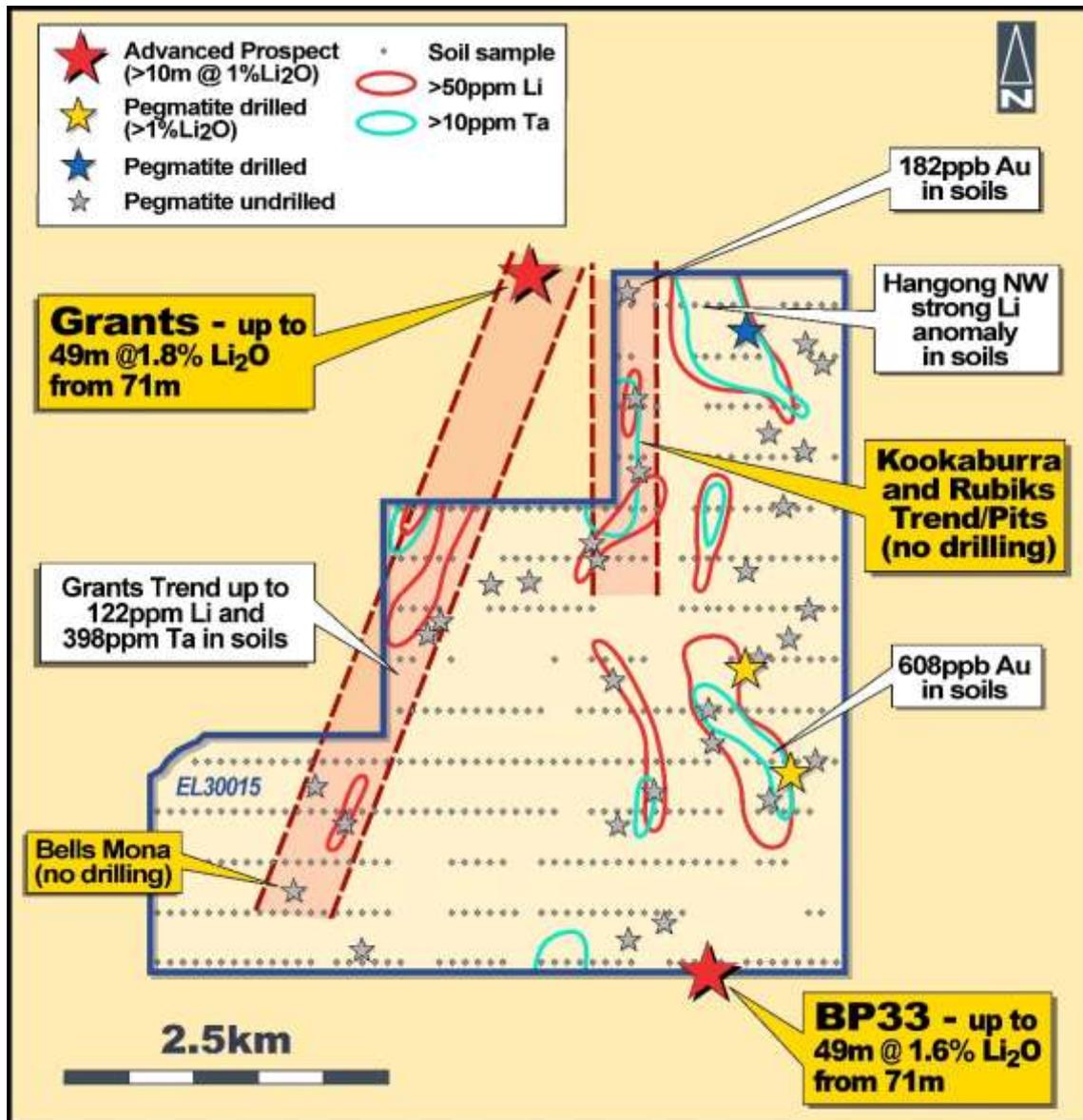


Figure 4: Bynoe Project – EL30015/Soil sampling.

Drilling by Core Exploration (see Core's ASX release dated 3rd October 2016) at the Grants prospect, which is located 800m from Liontown's tenement boundary, has returned intersections of up to 49m @ 1.8% Li₂O from 71m.

The anomalous soil results shown in *Figure 4* are higher than those recorded from orientation samples collected over Liontown's Sandras' prospect. Importantly, the southern extension of the Grants Trend includes the Bells Mona prospect, where a large pegmatite body of unknown dimensions was originally mined in 1907. Soil geochemistry has also highlighted the importance of the Kookaburra and Rubiks Trend and the Hangong NW area (*Figure 4*), where previous mining and trenching operations remain untested for lithium mineralisation.

Strongly anomalous gold (up to 608ppb) was also recorded from a number of other sites (**Figure 4**) which require further investigation.

At Sandras, the soil sampling has extended the anomalous trend approximately 1km to the south.

In-fill soil sampling will be undertaken to better define the anomalous trends and allow optimal siting of follow-up drill testing.

Airborne Geophysics

Liontown has joined forces with neighbouring tenement holders Core Exploration Limited (ASX: CXO) and Kingston Resources Limited (ASX: KSN) to undertake a co-funded airborne magnetic and radiometric survey across the Bynoe/Finniss Pegmatite Field.

The survey, which commenced in early January 2017 and is being flown by Thomson Aviation, will total 2,234 line kilometres and cover an area of approximately 385km², comprising low-level (35-40m sensor height), 50m spaced, east-west lines. It is expected to take approximately 20 days to complete.

A previous aeromagnetic survey flown in 1981 comprised 500m spaced, north-south lines (sub-parallel to the main mineralised trend) with a sensor height of 100m.

Large parts of the region are obscured by shallow, transported cover under which the exploration potential is considered to be high, and results from the survey will be used to target trends for drill testing.

Future Work

Further drilling at Bynoe is scheduled for the second quarter of 2017, following the northern Australian wet season.

The immediate extension of the Grants and Sandras trends will be priority targets; however, results from the planned in-fill soil sampling and airborne geophysical survey will also be used to define other mineralised trends with the size potential to host economic lithium deposits.

2. 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 has acquired the underlying tenements, which comprise a contiguous block of 15 granted Mining Leases from Ramelius Resources Limited (ASX: RMS).

During the Quarter, Liontown finalised the Purchase Agreement with Ramelius Resources and undertook a heritage survey over the main prospect areas.

Previous work at Kathleen Valley has defined multiple spodumene-bearing pegmatites with numerous high grade lithium (>2% Li₂O) values recorded (**Figure 5**).

Importantly the mineralisation is open along strike to the north, where bedrock is obscured by transported cover, significantly increasing the size potential of the pegmatite field.

A maiden RC drill program is scheduled for early to mid-February 2017 and is planned to comprise 20-30 holes for approximately 2,500m. This drilling will target the northern part of the pegmatite field, including outcropping zones of mineralisation, where statutory and heritage clearances have been received for drilling.

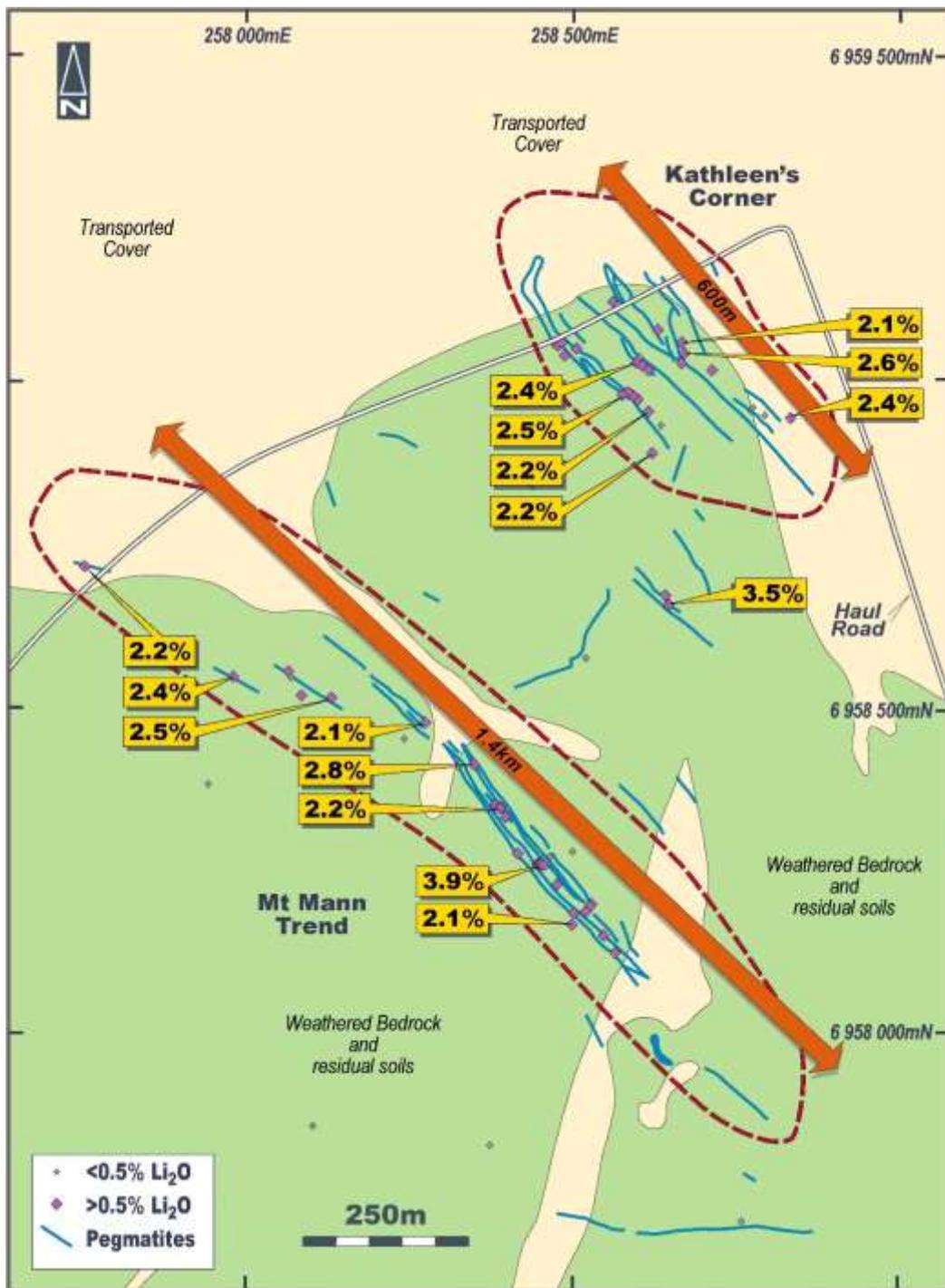


Figure 5: Kathleen Valley Project – Northern area showing prospect areas, rock chip sampling and better lithium results

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 6) 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.

Initial fieldwork has defined strongly anomalous lithium values coincident with very large pegmatites at Lake Percy (Figure 7), which is located near Poseidon Nickel's Lake Johnson/Maggie Hayes treatment plant.



Figure 6: Lake Percy – Location and Regional Geology

The fieldwork, which comprised detailed geological mapping and soil sampling, complemented previous nickel exploration which had only partially defined the poorly exposed and strongly weathered pegmatites.

The anomalous lithium trend, which contains values of up to 354ppm Li_2O , has been outlined over a strike length of 2km and is coincident with pegmatites which locally exceed 100m true thickness (**Figure 7**).

Liontown is strongly encouraged by the initial results given:

- The presence of known lithium mineralisation at Mt Day in the same greenstone belt approximately 20km to the south (**Figure 6**);
- The large size of the pegmatites, which previous nickel drilling indicates locally exceed 100m true width; and
- The Project's location in an emerging lithium province which includes Kidman Resources' world-class Earl Grey discovery approximately 60km to the west.

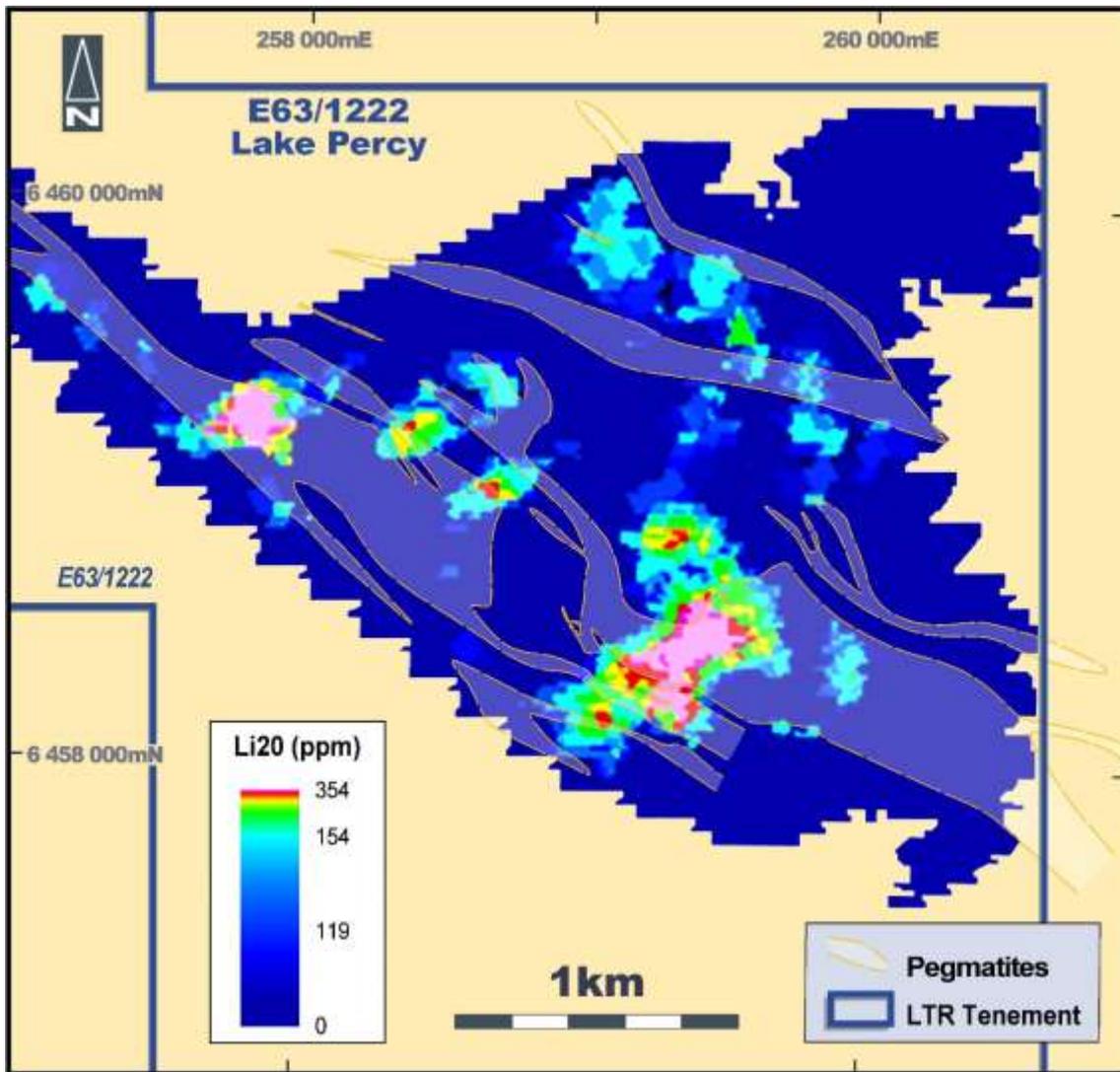


Figure 7: Lake Percy Project – Soil image showing strong lithium anomalism coincident with mapped pegmatites

A maiden 2,000 -2,500m reverse circulation drilling program designed to test beneath the strongest lithium anomalism is scheduled for late February 2017. All statutory permissions required to drill at Lake Percy have been received.

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 (Figure 8).

Work planned for the coming Quarter includes:

- Calculation of specific gravities for mineralized drill core from Simba to confirm previous assumptions made for the Inferred Mineral Resource;

- Preliminary metallurgical testing; and
- Field inspection of the Tembo prospect area where high grade gold values (up to 6g/t) were recorded from trenching (**Figure 9**), results of which were only reported last Quarter.

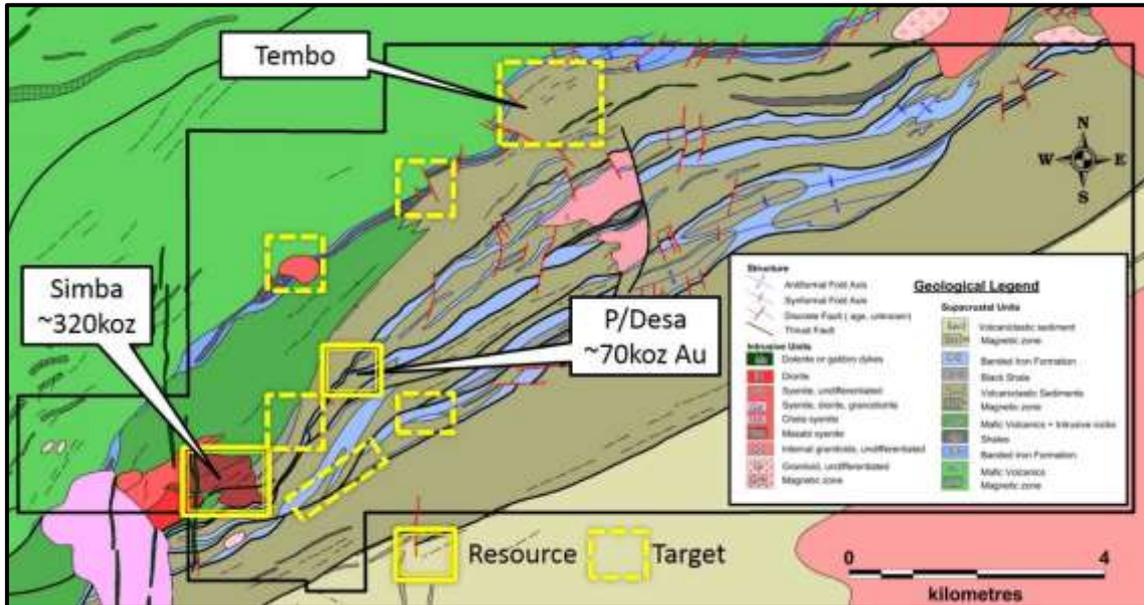


Figure 8: Jubilee Reef Project - Tenure and prospects on magnetic image

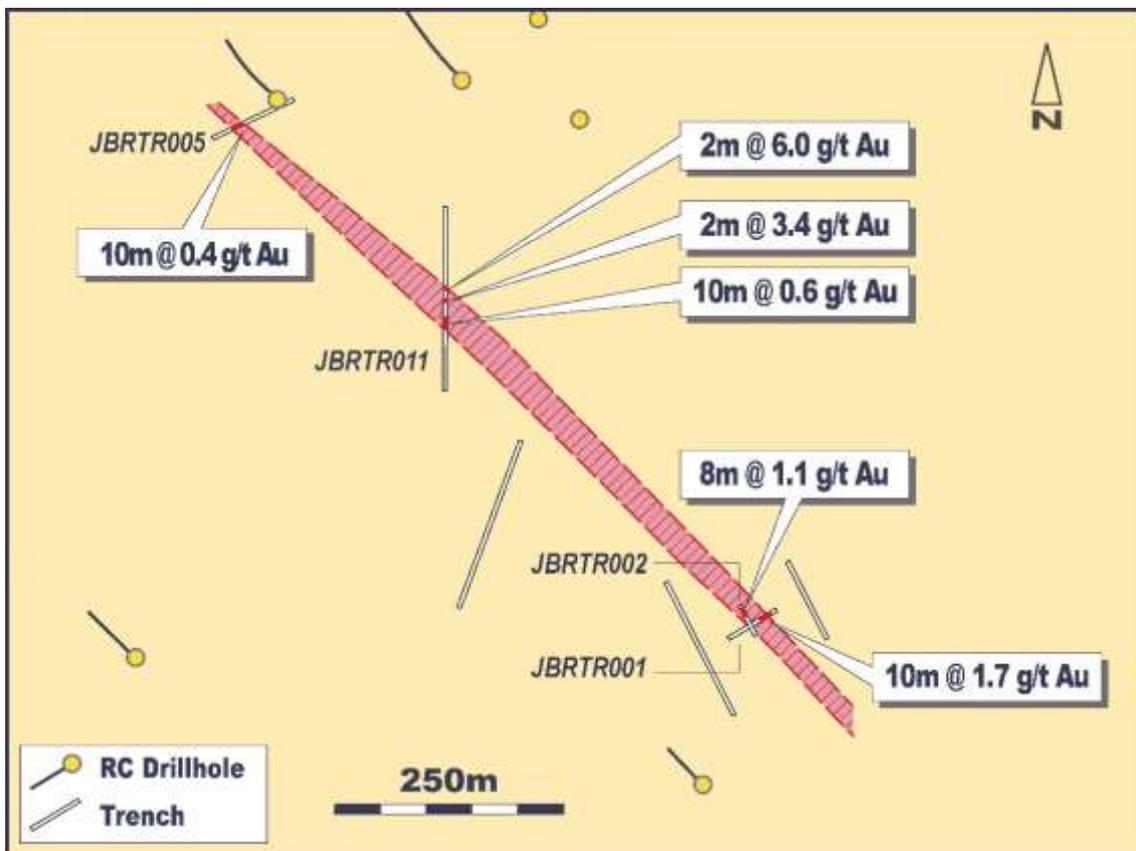


Figure 9: Jubilee Reef Project - Tembo Project showing better trench results

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 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.

No work completed during the Quarter.

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 \$732,150 on exploration and evaluation activities (YTD: \$1,153,027) and \$185,724 on administration costs (YTD: \$250,108).

7. Corporate

At the end of the Quarter, Liontown's cash balance was approximately \$661,000.



DAVID RICHARDS
Managing Director

23 January 2017

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

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

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

The information in this report which relates to Mineral Resources for the Jubilee Reef Project is 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 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: 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
								63	68	5	1.5
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	90	92	2	1.1
LBRC007	Hang Gong	694710	8598552	29	-60	90	132	No significant assays			
LBRC008		694697	8598502	31	-60	90	114				
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
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
LBRC015		693307	8576976	53	-65	300	114	incl. 4m @ 2.6% from 94m and incl. 3m @ 1.5% from 132m			
LBRC016	Martins	693783	8577524	49	-65	308	96	70	94	24	1.1
LBRC017	Turners	694058	8577814	58	-65	128	96	incl. 1m @ 2.4% from 70m and 4m @ 1.5% from 83m			
LBRC018	Bilatos	690764	8578236	44	-65	135	108	No significant assays			
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
LBRC024		693235	8676830	52	-65	295	103	incl. 4m @ 1.5% from 69m and 2m @ 2.3% from 78m			
LBRC025		693256	8576830	52	-80	295	169	96	99	3	1.1
LBRC026		693235	8576874	52	-60	295	85	No significant assays			
LBRC027		693286	8576939	52	-65	295	120	109	110	1	1.4
								136	152	16	1.1
								incl. 6m @ 1.7% from 139m			
								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		693202	8576757	52	-73	295	127	incl. 2m @ 1.8% from 122m			
LBRC030		693338	8577047	52	-65	295	127	No significant assays			
LBRC031	Hungry	692026	8577545	48	-60	295	109				
LBRC032		691954	8557589	48	-60	135	103				
LBRC033	Talwest	693371	8578656	64	-65	115	121				
								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 1 (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				
								incl. 1m @ 1.9% from 85m			
LBRC050	Rocky Ridge	693527	8589644	42	-70	300	103	95	102	7	0.7
LBRC051		692411	8589233	34	-70	260	115	No significant assays			
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 2

The following information is provided in accordance with ASX Listing Rule 5.3 for the quarter ended 31 December 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%
		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	Ramelius Resources Limited (pending transfer to LRL (Aust) Pty Ltd (wholly owned subsidiary of Liontown Resources Limited).	100% - pending transfer
		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
Tanzania	Mohanga	PL10938/2016	100% - application granted
Australia	Kathleen Valley	M36/162	100% - pending transfer
		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:

No tenements applied for during the Quarter

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 December 2016

Consolidated statement of cash flows	Current quarter \$A	Year to date (6 months) \$A
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(732,150)	(1,153,027)
(b) development	-	-
(c) production	-	-
(d) staff costs	(29,826)	(55,951)
(e) administration and corporate costs	(185,724)	(250,108)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2,851	5,225
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)	985	985
1.9 Net cash from / (used in) operating activities	(943,864)	(1,452,876)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(3,763)	(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 (6 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	(3,763)	(9,948)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	1,398,902	1,398,902
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	(44,492)	(50,671)
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)	(342,351)	-
(2) Bank Guarantee	-	(25,000)
3.10 Net cash from / (used in) financing activities	1,012,059	1,323,231

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	596,926	800,948
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(943,864)	(1,452,876)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(3,763)	(9,948)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	1,012,059	1,323,231

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A	Year to date (6 months) \$A
4.5	Effect of movement in exchange rates on cash held	156	159
4.6	Cash and cash equivalents at end of period	661,514	661,514

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	661,514	254,575
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (Share Application monies held on trust)	-	342,351
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	661,514	596,926

Notes to cash flow

Item 3.9 (1) - Represents the transfer of application monies previously held on trust by the Company on completion of the 1-for-5 non-renounceable rights issue in October 2016. Under the non-renounceable rights issue, 139,980,234 fully paid ordinary shares were issued at \$0.01 per share.

6.	Payments to directors of the entity and their associates	Current quarter \$A
6.1	Aggregate amount of payments to these parties included in item 1.2	95,054
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
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 (\$54,256), PAYG and superannuation for non-executive directors for the current quarter (\$5,971), and accrued director's fees for the period from 1 October 2015 to 30 June 2016 were paid out (\$34,827).

7. Payments to related entities of the entity and their associates	Current quarter \$A
7.1 Aggregate amount of payments to these parties included in item 1.2	16,500
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
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	1,030,000
9.2 Development	-
9.3 Production	-
9.4 Staff costs	30,000
9.5 Administration and corporate costs	52,500
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	1,112,500

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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.